



# CITY OF SCRANTON

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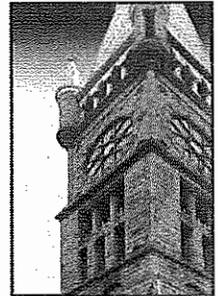
## 2019 OPERATING BUDGET

File of the Council No. 38, 2018

Department of Business Administration

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SCRANTON

October 28, 2018

Ms. Lori Reed  
City Clerk  
City of Scranton  
340 North Washington Avenue  
Scranton, Pa 18503

Re: 2019 Budget

Dear Ms. Reed:

According to Article IX, Section 902, of the Home Rule Charter, the Administration of the City of Scranton hereby submits the 2019 Operating Budget. The Budget document includes estimated income, including various taxes, fees, and other revenues for the fiscal year. Detailed proposed expenditures by department including employee-related expenses and capital expenditures are delineated. Proposed expenditures do not exceed budgeted revenues.

Should you have any questions or require additional information, please do not hesitate to contact me.

Sincerely,

David M. Bulzoni  
Business Administrator  
City of Scranton

# 2019 Budget Summary

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## Financial Overview

The City of Scranton 2019 budget continues a phased progression in recovery from a period of acute crisis. The City will continue to strive to achieve manageable annual adjustments in both revenues and expenditures to avoid the punitive nature of double digit real estate tax increases. The continued compression of real estate tax valuations will be an ongoing concern in budget creation and remains a focal point of the 2019 budget. The 2017 budget was transitory from revenue assignments concluding the parking monetization transactions and the sale of the sewer assets; the 2019 budget reflects the execution of those initiatives and the subsequent influence on the City's budget. Without those adjustments, the impact on the primary revenue drivers would be significant. Those revenue components are real estate and earned income taxes and both would have been strained without the completion of the monetization initiatives.

An integral component of the continued fiscal stability is the assignment of real estate taxes through a segmented calculation which originated in the 2015 budget. The City of Scranton created a dedicated millage to meet total annual debt service requirements and appointed a single point paying agent to manage those payments. This concept was well received by the financial markets and has been an integral part of the restoration of the City's credit worthiness. The reduction in budgeted debt service from \$14,713,139.50 in 2014 to \$12,322,886.84 in 2019 is representative of the City's efforts at greater budget stability. Of this total, \$11,113,634.62 will be funded through the debt service allocation; \$1,208,252.22 will be offset by invested funds resulting from the pension debt initiative, and \$1,000 is a placeholder for a prospective 2019 refunding and capital improvement debt initiative.

Real estate taxes will continue as a significant source of revenue in the 2019 budget. The intent of the 2019 budget is to maintain total millage at 2018 levels regardless of the compression in real estate valuations. The debt service allocation will be based on the City's annual debt service requirement and is adjusted accordingly. This process is based purely on an annual calculation and eliminates discretionary considerations from the evaluation process. Correspondingly, with a prospective \$2,221,507.00 reduction in the Minimum Municipal Obligation in 2019, the operating revenue percentage is adjusted accordingly.

The 2019 budget positions the City to further evaluate revenue maximization and expense containment. Analytic methodology is used for better identification of components of the City's taxes and fees. Those analytics should result in fee and tax clarification in future budget years. Planned initiatives include the migration from business privilege and mercantile taxes to a payroll based tax allowed under Act 47. The City continues to evaluate refuse payment and collection alternatives to achieve greater program efficiencies. Effective storm water management portends to be a principal initiative in 2019 regardless of the impact on the operating budget.

A realistic approach to expenditure budgeting will mirror the same approach to revenues. While several issues portend some significance for the City with the 2019 budget, the approach is to evaluate each budget category for savings realized through either achievable efficiencies or program alternatives to manage costs more effectively.

The budget also continues a measure of sensibility to nonunion salaries, which has been devoid of any real methodology in prior budgets. A planned compensation review should further assist the process. Once salaries have reached a level of equilibrium, raises may rotate every two years for the nonunion employee base.

In effect, the 2019 budget continues to pivot from crises to recovery. The ability to sustain positive momentum will be critical; broad economic development initiatives, such as LERTA expansion and Opportunity Zone funding initiatives could have a measured impact on the City's continued improvement.

The City of Scranton 25% Act 44 reduction provision, which artificially decreased the minimum municipal pension obligation for a six year period, concluded in 2016. The expiration of the provision increased the minimum obligation by \$4,411,510 in the 2017 budget. Revaluation of the Plan in 2018 resulted in a decrease of \$5,208,046, excluding the state aid contribution. The City also directed the reduction in the Plan discount rate to 7.50% from 8.00%; a further reduction to 7.25% is planned.

On July 2, 2014, the City of Scranton took the initial steps in restoring long term fiscal stability and the repair of the City's creditworthiness by the unveiling of the Amoroso Plan. With the continued implementation of the Plan components and the incorporation of those provisions in the Act 47 Exit Plan prepared by the Pennsylvania Economy League, the fiscal framework for the City of Scranton is now intact and will serve as a guide to follow through the conclusion of 2018 and the anticipated exit from Distressed Status no later 2021.

A sustainable City is achieved not only through the cost effective delivery of services, but through the value-added nature of the delivery of those services. Those services have many components, including ensuring safety at home, work, and leisure, protecting the vitality of our arts, cultural, and recreational amenities, preserving our parks, and caring for the health and well-being of our citizens. While there is a cost that we all must assume to achieve that sustainability, we expect to receive maximum value for those dollars expended. Managing those costs, achieving a measurable level of value for tax dollars, and using well founded budgetary principles will assure the future viability and vitality of the City of Scranton.



## 2019 General Fund Budget - Revenues

### Real Estate Tax

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#### Account Description

Real Estate Tax is a primary revenue driver in the City of Scranton annual operating budget and the most subject to adjustment. In the Commonwealth of Pennsylvania, real estate tax adjustments are affected to meet budgetary obligations by most municipalities, school districts and counties. Taxes are levied on the assessed value of all taxable real property. The values are compiled by Lackawanna County. The property tax rate is expressed either as a percentage or may also be indicated as a millage rate or mill levy.

The City of Scranton 2015 budget had initiated discussions about the segregated millage concept on land and improvements. Future discussions regarding the potential advantages of migrating to a single millage based on a total assessed valuation have also been considered. This concept was deferred for further evaluation and may resurrect when a Lackawanna County property reassessment is completed. The City's 2018 land rate is **232.521**. The 2018 land improvement rate is **50.564**. (A mill is also stated as one-thousandth of a dollar.) The City's total millage rate in 2018 is **283.085**.

As noted previously, in departing from the usual assignment of taxes to operations, including debt service, the City created a debt service millage component from both levies. This concept was continued in the 2017 budget with an alteration to the assignment of this dedicated revenue. The use of a dedicated percentage of real estate tax revenue was memorialized in the legislative document authorizing the levy. The assignment will continue with an allocation of thirty-seven percent (37%), which is an adjustment from the thirty-two percent (32%) of real estate tax revenue to meet debt service requirements in 2018. Again, the value of assessed City property decreased by \$2,588,924 in 2018; the value decreased by \$1,068,794 from 2016 to 2017. Overall, debt service has decreased from \$14,758,139.50, or greater than 30%, in the 2014 operating budget. Projected debt service for 2019 subject to the allocation increases to \$11,828,036.84. This figure is compared to the 2018 budget amount of \$10,315,179.53.

Total millage, therefore, remains constant at **283.085 mills**.

With the dedicated revenue component for debt service, the arbitrary use of this specific real estate levy component is eliminated. The process also adds greater transparency and effectiveness to the discussion of transacting future debt because of the specific revenue assignment. This revenue component would be adjusted annually only to meet those specific debt service requirements. The City will continue to work with the designated Single Point Paying Agent, Community Bank N.A., to efficiently pay debt service throughout the budget year. The respective millage rate for land and improvements applied to the City's operational needs is subject to adjustment annually.

## **Budget Highlights**

- The real estate tax levy will remain level in 2019;
- The debt service revenue component increases to thirty-seven percent (37%).

## **Landfill/ Refuse Fees**

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### **Account Description**

The City has established a residential fee to fund essential refuse and mandated recycling collection programs. The annual fee was increased from \$178 per unit per year in 2013 to \$300 in the 2014 budget. The billing period was modified in 2014 to allow for two payments annually and will be continued in 2019 barring any changes to the program. The fee will remain constant, again, barring any program changes.

### **Budget Highlights**

- While the refuse fee will remain at \$300 per unit in 2019, the City continues to seek increased collections based on user identification. The rental registration identification program will be used comparatively for greater billing penetration;
- The City billing and collection methods were restructured to incorporate an electronic payment and collection methodology. Further restructuring is anticipated;
- The Department of Environmental Protection Refuse/Recycling evaluation was completed in 2018 and will provides a degree of optionality in considering the merits of a 'pay-as-you throw" or hybrid program concept. The City evaluated a millage-based concept which, based on initial results, was deemed impractical. Further program reviews are ongoing. The objective of the City evaluation is to identify a program method which favorably impacts program costs and increases recycling effectiveness.

## Local Tax

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### Account Description

Local Taxes are a significant component of the City's revenue base. Included in the local tax levy is the City wage, mercantile and local services taxes. The City's wage tax is 2.4%; the total wage tax collected in the City of Scranton is 3.4%, as commonly stated, which includes the Scranton School District's 1% Wage Tax. The taxpayers submit payments to Berkheimer Associates, the designated collector of earned income taxes for Lackawanna County municipalities. With the exception of the current and delinquent wage taxes, the remaining Local Taxes are collected by the Single Tax Office. The Single Tax Office is the local tax collection agent for the City, School District and Lackawanna County and is singular to a Class 2-A city. Scranton is the only Class 2-A city in the Commonwealth. The City's Mercantile and Business Privilege Tax rate is a flat .1%. The Real Estate Transfer tax, which is collected by Lackawanna County, was reduced to 2.20% in 2018%.

### Budget Highlights

- Real estate transfer tax collections have performed favorably since 2014. A constant collection level is projected in the 2019 budget following the .20% reduction in 2018. Wage Tax collections are projected to increase due to a favorable local economy;
- The improvement in Mercantile and Business Privilege Tax collection percentages are proceeding because of the use of analytics by the Single Tax Office. This cooperative effort between the City and Tax office is identifying nonpayment and resulting in improved collection percentages and a more complete data base. The City will seek to convert from the Business Privilege and Mercantile Tax levies to a broader based payroll tax for 2020, as recommended in the Recovery Coordinator's Exit Plan. Act 47 communities are eligible for the conversion. The tax is presently levied by the City of Pittsburgh.
- With the Governor's signature of House Bill 1773 in 2014, the City has continued the tripling of the local services tax in the 2017 budget. The full amount calculated is based on total payrolls identified through wage tax collections. The City is subject to court approval annually to levy the tax.

## Penalties & Interest - Delinquent Tax

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### Account Description

Penalties and Interest revenue is the result an individual and/or business' taxes which became delinquent. The City assesses a penalty on the delinquent balance.

### Budget Highlights

- The amounts remain consistent with prior year collections.

## Licenses and Permits

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### Account Description

Revenue is derived from the sale and issuance of licenses and permits. The Office of Licenses and Permits issues and administers all permit activity for the City of Scranton. In addition to issuing licenses and permits, this office conducts annual inspections on personal care homes, rooming houses and rental units, child day care centers (excluding in-home day care centers), hotels and food / drinking establishments within the City. This office also administers and issues other licenses for amusements, dogs, dumpsters, eating and drinking establishments, peddlers, entertainment, gas pumps, hauling, parking facilities, scales, scrap yards, transient activity and tree trimming.

The City will continue to receive fees through the third-party planning review process in 2019. A departmental initiative for 2019 is a continuation of an evaluation to improve departmental efficiency.

### Budget Highlights

- Revenue fluctuations in prior budgets may be attributed to various factors impacting the collection of permit fees and licenses, including activity influenced by the state of the local economy;
- The City is seeking to improve departmental efficiency through the use of technology, including improving payment methods;
- The City will also seek to undertake a review of enacting ordinances to better identify the effectiveness of permitting activity;
- the City budget reflects an optimism that contemplated tax abatement legislation will have a positive effect on development;

- Foreclosure registry fees fund the Scranton Home Assistance Program created by the partnership between the City and Neighborworks Northeastern Pennsylvania. The partnership was formalized by legislation adopted on June 23, 2016. A home improvement grant program with a maximum allocation of \$5,000 is managed by Neighborworks from the receipt foreclosure registry payments.

## **Fines, Forfeits, & Violations**

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### **Account Description**

Fines, Forfeits, and Violations are collected from persons or businesses that violate state statutes or City ordinances. Historically, parking meter revenue was a budget component and was derived from a management agreement the City maintained for the operation of the on-street parking program. The program also included mobile parking services. Landmark concession lease legislation adopted by Council on June 30, 2016 consolidated parking operations with the non-profit Community Development Properties, thereby eliminating revenues associated with the on-street program. Civilian Parking Tickets, which resulted from the 2015 agreement between the City of Scranton and the Fraternal Order of Police, and Quality of Life Tickets, will remain an integral component of this revenue category.

### **Budget Highlights**

- Police Fines and The Civilian Parking Tickets are the principal revenue sources;

## **Interest Earnings**

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### **Account Description**

Interest Income is derived from investing available cash in interest bearing accounts and does not include fee offsets through earnings allowances.

### **Budget Highlights**

- The City of Scranton has two primary cash accounts which are subject to some balance seasonality: The General Fund and the Debt Service Account component of the Fund. The debt service account is presently maintained with the Single Point Paying Agent to meet debt payment needs; the general fund is maintained for operations.

- The remaining proceeds associated with the sewer asset sale are invested subject to Act 10 of 2016 provisions.
- The City will seek to generate income from operating budget cash balances in 2019 in conjunction with improvements in earnings rates. To improve earnings, the City will seek proposals for the general fund banking relationship.

## **Intergovernmental Reimbursement**

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### **Account Description**

Intergovernmental Reimbursement represents federal and state revenue received by City. Federal funds are typically derived from sources including the Community Development Block Grant which funds many City programs, including demolition of blighted structures and police enforcement. The State sourced funding contributes to the City's minimum municipal pension obligation. The amount of the state aid budget increases in 2019.

### **Budget Highlights**

- The amount budgeted for the school resource officer line item was reinstated in 2017 for accounting purposes associated with the shared program with the school district.

## **Payment in Lieu of Taxes**

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### **Account Description**

A payment in lieu of taxes ("PILOT") is made to compensate the City of Scranton for some or all of the tax revenue that it loses because of the nature of the ownership or use of a particular piece of real property.

### **Budget Highlights**

- The 2019 budget year will be a continuation of the targeted contribution approach of the University of Scranton. In addition to the Scranton Tomorrow allocation, a component is considered for the Block Grant Challenge Program contemplated for 2019 in partnership with Neighborworks Northeastern Pennsylvania. The program will be formally introduced in 2019.

## Departmental Earnings

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### Account Description

These accounts represent various departmental revenues earned through program operations. Revenue is generated by utility companies through roadway impact repairs, public safety report fees and public safety false alarm charges. False alarm charges were modified in 2014. The City eliminated the budget for meter revenue in 2017. A resolution of the enacting ordinance issue for utility company interaction will eliminate the current escrow provision

### Highlights

- Impact repairs will be redefined through proposed changes in the Street and Sidewalks ordinance.

## User Fees

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### Overview

User Fees are collected by the Parks & Recreation Department for use of City property.

### Budget Highlights

- The budget amount is consistent with current year projections.

## Misc. Revenue/ Cable TV

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### Overview

This account represents funds received from various sources. The Cable TV franchise fee represents the primary portion of recurring revenue. The CATV budget reflects the execution of the revised contract.

## **Budget Highlights**

- The City expects to receive an amount consistent with the 2018 budget resulting from the CATV agreement;

## **Inter-fund Transfers**

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### **Account Description**

This account represents reimbursements from third parties or transfers between City funds. Transfers from other funds include reimbursement from insurance companies relating to worker's compensation claims, excess recovery payments, grant funding reimbursement and other single revenue sources. The transfer of the annual liquid fuels payment is also listed. Under provisions of the law, these funds may be deployed only for eligible expenditures. The liquid fuels funding is based on the total miles of locally owned roads and streets plus the most recent U.S. Federal census figures on record. Funds are used primarily for the construction, reconstruction, and maintenance of City roads and streets. The budget also includes a transfer of funds to meet the debt service requirements of the proposed Pension Obligation Note.

### **Budget Highlights**

- The City's Office of Business Administration has opted to a return to liquid fuels funds transfers to the general fund. The City used the fund as a standalone account in 2015. This change was recommended by the City's auditors;
- The liquid fuels transfer represents approximately 100% of the anticipated state allocation in 2018. Approximately \$640,000 of liquid fuels funds will be deployed to repay the Pennsylvania Infrastructure Bank paving loan and the Street Lighting lease, \$785,000 for eligible general fund expenditures, and \$875,000 for a 2019 roadway resurfacing project.

## Tax Anticipation Notes

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### Account Description

Tax Anticipation Notes are short term obligations issued by the City to sustain cash flow in anticipation of future tax revenues. The amount of issue has been consistent in recent years. The City issued a \$12.75 million Tax Anticipation Note in 2018

### Budget Highlights

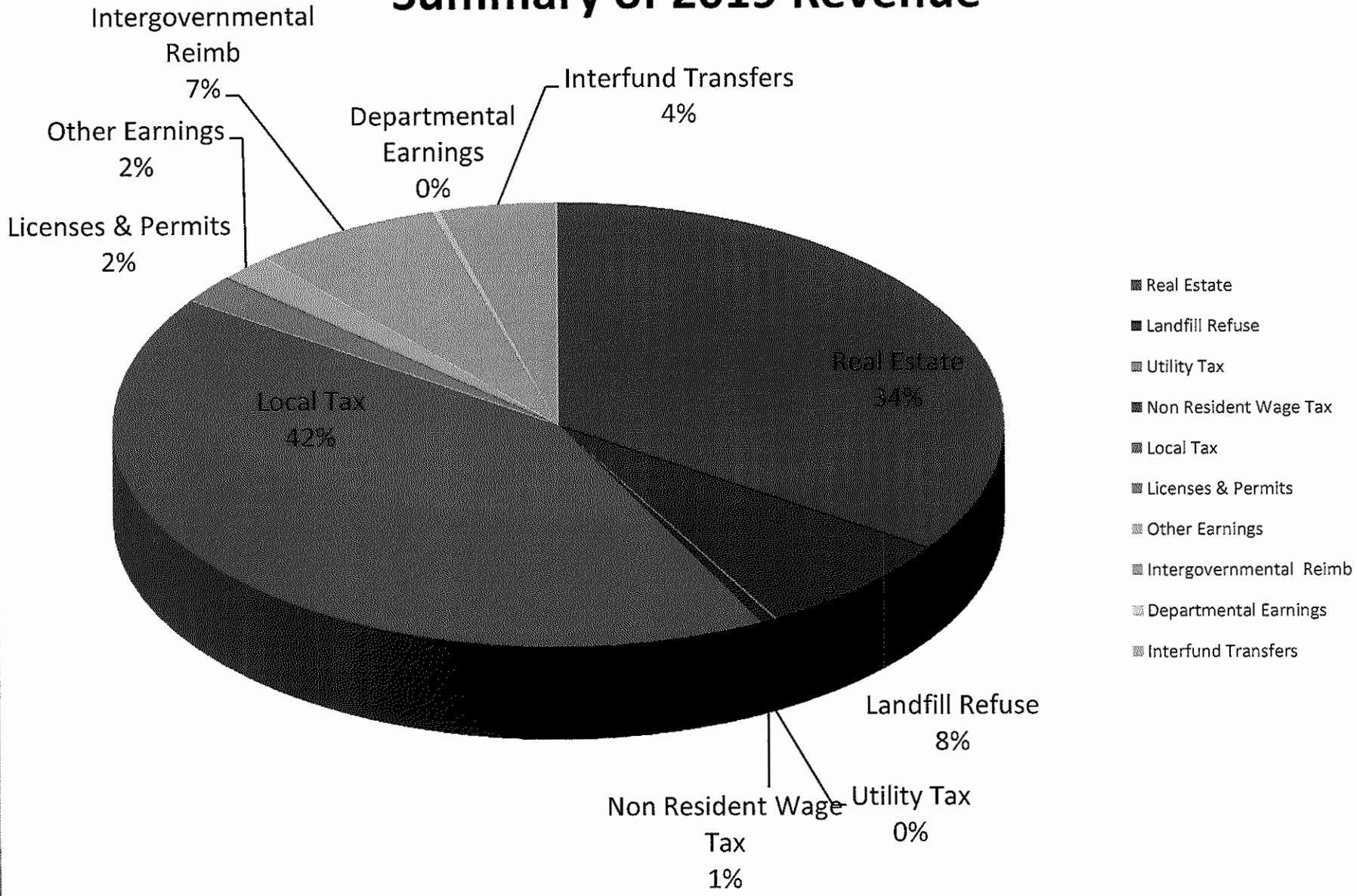
- The necessity of the Tax Anticipation Note is to fund operations until tax revenues are realized and to fund the Workers Compensation account by January 31. The City maintains a self funded Workers Compensation program. Improvements in the City's fund balance may lessen the amount of future annual borrowings, thereby reducing interest costs.

| Revenue Category                  | 2018<br>Budget       | 2018<br>Sept YTD    | 2019<br>Budget       |
|-----------------------------------|----------------------|---------------------|----------------------|
| Real Estate Taxes                 | \$33,827,806         | \$31,498,758        | \$33,520,051         |
| Refuse Revenues                   | \$7,662,500          | \$6,246,125         | \$7,267,500          |
| Real Estate Transfer Tax          | \$3,376,000          | \$2,224,686         | \$3,376,000          |
| Earned Income Tax                 | \$28,107,219         | \$18,572,814        | \$29,212,533         |
| Mercantile/Business Privilege Tax | \$3,185,250          | \$2,403,066         | \$3,585,250          |
| Parking Tax                       | \$0                  | \$0                 | \$0                  |
| Commuter Tax                      | \$0                  | \$0                 | \$0                  |
| LST                               | \$4,810,000          | \$2,496,147         | \$4,653,335          |
| Amusement Tax                     | \$385,000            | \$0                 | \$385,000            |
| Utility Tax                       | \$75,000             | \$75,073            | \$75,000             |
| Penalties & Interest              | \$168,092            | \$218,852           | \$249,600            |
| Licenses & Permits                | \$1,906,004          | \$2,003,034         | \$1,992,004          |
| Fines, Forfeits & Violations      | \$360,850            | \$308,547           | \$347,850            |
| Interest Earnings                 | \$30,000             | \$235,000           | \$150,000            |
| Rents & Concessions               | \$5,000              | \$4,500             | \$5,000              |
| Intergovernmental Reimbursements  | \$3,957,646          | \$4,493,753         | \$6,659,966          |
| In Lieu of Taxes                  | \$250,000            | \$63,956            | \$250,000            |
| Departmental Earnings             | \$469,625            | \$102,262           | \$267,125            |
| User Fees                         | \$49,500             | \$31,779            | \$45,500             |
| MBROs                             | \$50,000             | \$0                 | \$1,000              |
| Miscellaneous Revenues            | \$1,064,800          | \$814,273           | \$1,117,200          |
| Bond Proceeds Other               | \$0                  | \$0                 | \$0                  |
| Interfund Transfers               | \$5,183,505          | \$0                 | \$4,147,793          |
| <b>Total Revenues</b>             | <b>\$94,923,798</b>  | <b>\$71,792,627</b> | <b>\$97,307,707</b>  |
| Tax Anticipation Notes            | \$12,750,000         | \$12,750,000        | \$12,750,000         |
| State Loan Receipts               | \$0                  | \$0                 | \$0                  |
| State Grant Receipts              | \$0                  | \$0                 | \$0                  |
| Bond Issue Proceeds               | \$1,000              | \$0                 | \$1,000              |
| <b>Total Revenues</b>             | <b>\$107,674,798</b> | <b>\$84,542,627</b> | <b>\$110,058,707</b> |

**CITY OF SCRANTON  
2019 OPERATING BUDGET  
REVENUE SUMMARY**

|   | 2018<br>Operating Budget | 2018 Actual<br>Through (9.30.2018) | 2019<br>Operating Budget |
|---|--------------------------|------------------------------------|--------------------------|
| <b>CURRENT REAL ESTATE TAX</b>          | \$ 32,252,806.10         | \$ 30,136,364.40                   | \$ 32,045,050.63         |
| <b>DELINQUENT REAL ESTATE TAX</b>       | 1,575,000.00             | 1,362,393.81                       | 1,475,000.00             |
| <b>LANDFILL/REFUSE FEES</b>             | 7,662,500.00             | 6,246,125.36                       | 7,267,500.00             |
| <b>UTILITY TAX</b>                      | 75,000.00                | 75,073.05                          | 75,000.00                |
| <b>NON RESIDENT WAGE TAX</b>            | 520,000.00               | -                                  | 520,000.00               |
| <b>LOCAL TAXES (ACT 511)</b>            | 39,343,469.39            | 25,696,714.00                      | 40,692,118.03            |
| <b>PENALTIES &amp; INT/DEL. TAX</b>     | 168,092.00               | 218,851.53                         | 249,600.00               |
| <b>LICENSES &amp; PERMITS</b>           | 1,906,004.00             | 2,003,034.22                       | 1,992,004.00             |
| <b>FINES, FORFEITS &amp; VIOLATIONS</b> | 360,850.00               | 308,546.94                         | 347,850.00               |
| <b>INTEREST EARNINGS</b>                | 30,000.00                | 235,000.00                         | 150,000.00               |
| <b>RENTS AND CONCESSIONS</b>            | 5,000.00                 | 4,500.00                           | 5,000.00                 |
| <b>INTERGOVERNMENTAL REIMBURSEMENTS</b> | 3,957,646.00             | 4,493,752.53                       | 6,659,966.00             |
| <b>IN LIEU OF TAXES</b>                 | 250,000.00               | 63,956.36                          | 250,000.00               |
| <b>DEPARTMENTAL EARNINGS</b>            | 469,625.00               | 102,262.00                         | 267,125.00               |
| <b>RECREATIONAL DEPARTMENTS</b>         | 49,500.00                | 31,779.25                          | 45,500.00                |
| <b>MISC REVENUES/CABLE TV</b>           | 1,115,800.00             | 814,273.47                         | 1,119,200.00             |
| <b>INTERFUND TRANSFERS</b>              | 5,183,505.30             | -                                  | 4,147,793.00             |
| <b>TAX ANTICIPATION NOTES</b>           | 12,750,000.00            | -                                  | 12,750,000.00            |
| <b>TOTAL REVENUE</b>                    | <b>\$ 107,674,797.79</b> | <b>\$ 71,792,626.92</b>            | <b>\$ 110,058,706.66</b> |

# Summary of 2019 Revenue



CITY OF SCRANTON  
2019 OPERATING BUDGET  
BUDGETED REVENUES  
GENERAL FUND

| Account Number | Account Description  | 2018<br>Operating Budget | 2018 Actual<br>(Through 10.01.2018) | 2019<br>Operating Budget |
|----------------|--|--------------------------|-------------------------------------|--------------------------|
|                | <b>REAL ESTATE TAXES (calculated at 89%)</b>                                   |                          |                                     |                          |
|                | Assessed Valuation: Land @ \$90,045,610 Improvements @ \$298,002,128 (10-2018) |                          |                                     |                          |
| 01.301.30100   | Real Estate Taxes  | 13,501,829.37            |                                     | 13,410,679.84            |
| 01.301.30105   | Real Estate Taxes  |                          | \$30,136,364                        |                          |
| 01.301.30110   | Real Estate Taxes  |                          |                                     |                          |
| 01.301.30706   | Real Estate Taxes  | 18,750,976.73            |                                     | 18,634,370.79            |
| 01.301.30120   | Real Estate Taxes  | 1,575,000.00             | \$ 1,362,393.81                     | 1,475,000.00             |
|                | <b>TOTAL REAL ESTATE TAXES</b>   | <b>\$ 33,827,806.10</b>  | <b>\$ 31,498,758.21</b>             | <b>\$ 33,520,050.63</b>  |
|                | <b>LANDFILL / REFUSE FEES</b>  |                          |                                     |                          |
| 01.302.30200   | Refuse Revenues  | 5,912,500.00             | 4,952,193.00                        | 5,612,500.00             |
| 01.302.30210   | Refuse Revenues  | 1,750,000.00             | 1,293,932.36                        | 1,655,000.00             |
|                | <b>TOTAL LANDFILL/REFUSE FEES</b>  | <b>\$ 7,662,500.00</b>   | <b>\$ 6,246,125.36</b>              | <b>\$ 7,267,500.00</b>   |
| 01.304.30400   | Utility Tax  | 75,000.00                | 75,073.05                           | 75,000.00                |
| 01.305.30500   | Earned Income Tax  | 520,000.00               |                                     | 520,000.00               |
|                | <b>LOCAL TAXES</b>   |                          |                                     |                          |
| 01.310.31110   | Real Estate Transfer Tax   | 3,375,000.00             | 2,224,686.42                        | 3,375,000.00             |
| 01.310.31115   | Real Estate Transfer Tax   | 1,000.00                 |                                     | 1,000.00                 |
| 01.310.31120   | Earned Income Tax  | 27,387,219.39            | 18,489,052.59                       | 28,587,533.03            |
| 01.310.31125   | Earned Income Tax  | 200,000.00               | 83,761.55                           | 105,000.00               |
| 01.310.31160   | Mercantile/Business Privilege Tax  | 1,605,000.00             | 1,162,225.52                        | 1,605,000.00             |
| 01.310.31190   | Mercantile/Business Privilege Tax  | 100,000.00               | 39,682.22                           | 100,000.00               |
| 01.310.31205   | LST  | 4,810,000.00             | 2,496,147.19                        | 4,653,335.00             |
| 01.310.31260   | Mercantile/Business Privilege Tax  | 200,000.00               | 193,706.53                          | 400,000.00               |
| 01.310.31290   | Mercantile/Business Privilege Tax  | 1,280,250.00             | 1,021,451.98                        | 1,480,250.00             |
| 01.310.31291   | Parking Tax  | -                        |                                     |                          |
| 01.310.31292   | Commuter Tax   | -                        |                                     |                          |
| 01.310.31295   | Amusement Tax  | 385,000.00               | -                                   | 385,000.00               |
|                | <b>TOTAL LOCAL TAXES (ACT 511)</b>   | <b>\$ 39,343,469.39</b>  | <b>\$ 25,696,714.00</b>             | <b>\$ 40,692,118.03</b>  |
|                | <b>PENALTIES &amp; INT / DELINQUENT TAXES</b>                                  |                          |                                     |                          |
| 01.319.31900   | Penalties & Interest   | 43,492.00                | 127,922.63                          | 125,000.00               |
| 01.319.31910   | Penalties & Interest   | 75,000.00                | 49,258.90                           | 75,000.00                |
| 01.319.31930   | Penalties & Interest   | 100.00                   |                                     | 100.00                   |
| 01.319.31940   | Penalties & Interest   | 49,500.00                | 41,670.00                           | 49,500.00                |
| 01.319.31950   | Penalties & Interest   | -                        | -                                   | -                        |
|                | <b>TOTAL PENALTIES &amp; INT/DEL. TAXES</b>                                    | <b>\$ 168,092.00</b>     | <b>\$ 218,851.53</b>                | <b>\$ 249,600.00</b>     |

CITY OF SCRANTON  
2019 OPERATING BUDGET  
BUDGETED REVENUES  
GENERAL FUND

| Account Number | Account Description                            | 2018<br>Operating Budget | 2018 Actual<br>(Through 10.01.2018) | 2019<br>Operating Budget |
|----------------|--|--------------------------|-------------------------------------|--------------------------|
|                | <b>LICENSES AND PERMITS</b>                    |                          |                                     |                          |
| 01.320.32010   | Licenses & Permits ELECTRICAL PERMITS          | 116,470.00               | 107,518.00                          | 116,470.00               |
| 01.320.32030   | Licenses & Permits PLUMBER LICENSES            | 20,610.00                | 22,270.00                           | 20,610.00                |
| 01.320.32040   | Licenses & Permits ELECTRICIAN LICENSES        | 34,400.00                | 36,825.00                           | 34,400.00                |
| 01.320.32050   | Licenses & Permits MECHANICAL PERMITS          | 112,150.00               | 171,715.00                          | 162,150.00               |
| 01.320.32060   | Licenses & Permits MECHANICAL LICENSES         | 32,500.00                | 31,125.00                           | 32,500.00                |
| 01.320.32070   | Licenses & Permits CONTRACTOR LICENSES         | 85,000.00                | 109,775.00                          | 85,000.00                |
| 01.320.32080   | Licenses & Permits SCALE LICENSES              | 3,500.00                 | 4,230.00                            | 3,500.00                 |
| 01.320.32110   | Licenses & Permits BEVERAGE LICENSES           | -                        | -                                   | -                        |
| 01.320.32120   | Licenses & Permits BUILDING PERMITS            | 586,324.00               | 557,423.13                          | 636,324.00               |
| 01.320.32130   | Licenses & Permits JUNKYARD LICENSES           | 8,000.00                 | 8,500.00                            | 8,000.00                 |
| 01.320.32140   | Licenses & Permits PARKING FACILITIES          | 1,250.00                 | 1,300.00                            | 1,250.00                 |
| 01.320.32150   | Licenses & Permits SIGN HANGERS LICENSES       | 6,500.00                 | 6,175.00                            | 6,500.00                 |
| 01.320.32160   | Licenses & Permits DOG & KENNEL LICENSES       | 13,000.00                | 32,343.10                           | 13,000.00                |
| 01.320.32170   | Licenses & Permits LODGING LICENSES            | 25,000.00                | 22,915.00                           | 25,000.00                |
| 01.320.32180   | Licenses & Permits EATING & DRINKING LICENSES  | 92,500.00                | 80,955.00                           | 92,500.00                |
| 01.320.32190   | Licenses & Permits GASOLINE PUMP LICENSES      | 5,000.00                 | 4,450.00                            | 5,000.00                 |
| 01.320.32200   | Licenses & Permits MUSIC MACHINE PERMITS       | 100.00                   | -                                   | 100.00                   |
| 01.320.32210   | Licenses & Permits PINBALL MACHINE PERMITS     | -                        | -                                   | -                        |
| 01.320.32240   | Licenses & Permits PLUMBER PERMITS             | 35,000.00                | 45,975.00                           | 35,000.00                |
| 01.320.32250   | Licenses & Permits SIGN PERMITS                | 40,000.00                | 42,350.00                           | 40,000.00                |
| 01.320.32290   | Licenses & Permits TEMP. PEDDLER PERMIT        | 12,500.00                | 14,000.00                           | 12,500.00                |
| 01.320.32295   | Licenses & Permits TRANSIENT MERCHANT LICENSES | -                        | -                                   | -                        |
| 01.320.32300   | Licenses & Permits POOLS & BILLIARDS LICENSES  | 500.00                   | -                                   | 500.00                   |
| 01.320.32320   | Licenses & Permits DAILY ENTERTAINMENT LICENSE | 21,000.00                | 20,720.00                           | 21,000.00                |
| 01.320.32330   | Licenses & Permits ELECTRONIC MACHINE PERMIT   | -                        | -                                   | -                        |
| 01.320.32332   | Licenses & Permits VIDEO AMUSEMENTS            | 100.00                   | -                                   | 100.00                   |
| 01.320.32335   | Licenses & Permits AMUSEMENT RIDES             | 4,500.00                 | 19,000.00                           | 4,500.00                 |
| 01.320.32336   | Licenses & Permits DUMPSTER PERMITS            | 4,500.00                 | 7,120.00                            | 4,500.00                 |
| 01.320.32337   | Licenses & Permits ARCADE LICENSES             | 3,500.00                 | -                                   | 2,500.00                 |
| 01.320.32340   | Licenses & Permits NON-CLASS LIC. & PERMITS    | -                        | -                                   | -                        |
| 01.320.32345   | Licenses & Permits SECOND-HAND DEALER REVENUE  | 5,000.00                 | 4,500.00                            | 4,500.00                 |
| 01.320.32360   | Licenses & Permits SIGN PERMITS/CONSTRUCTION   | 5,000.00                 | 2,769.50                            | 2,500.00                 |
| 01.320.32380   | Licenses & Permits RENTAL INSPECTIONS          | 100.00                   | 200.00                              | 100.00                   |
| 01.320.32390   | Licenses & Permits CHILD DAY CARE              | 5,000.00                 | 11,200.00                           | 5,000.00                 |
| 01.320.32400   | Licenses & Permits PERSONAL BOARDING CARE      | 3,500.00                 | 11,310.00                           | 3,500.00                 |
| 01.320.32420   | Licenses & Permits SANITATION HAULER FEE       | -                        | -                                   | -                        |
| 01.320.32430   | Licenses & Permits HOUSING RENTAL LICENSES     | 310,000.00               | 220,370.00                          | 250,000.00               |
| 01.320.32450   | Licenses & Permits BUILDING CODE STATE FEE     | 1,000.00                 | 10,134.00                           | 1,000.00                 |
| 01.320.32460   | Licenses & Permits THIRD PARTY PLAN REVIEWS    | 275,000.00               | 363,266.49                          | 325,000.00               |
| 01.320.32460   | Licenses & Permits FORECLOSURE REGISTRY        | 37,500.00                | 32,600.00                           | 37,500.00                |
|                | <b>TOTAL LICENSES &amp; PERMITS</b>            | <b>\$ 1,906,004.00</b>   | <b>\$ 2,003,034.22</b>              | <b>\$ 1,992,004.00</b>   |

CITY OF SCRANTON  
2019 OPERATING BUDGET  
BUDGETED REVENUES  
GENERAL FUND

| Account Number     | Account Description   | 2018<br>Operating Budget | 2018 Actual<br>(Through 10.01.2018) | 2019<br>Operating Budget |
|--------------------|---|--------------------------|-------------------------------------|--------------------------|
|                    | <b>FINES, FOREFITS &amp; VIOLATIONS</b>   |                          |                                     |                          |
| 01.330.33000       | Fines, Forfeits & Violations<br>FINES & FORFEITS/MISCELLANEOUS                        | 100.00                   | -                                   | 100.00                   |
| 01.331.33100       | Fines, Forfeits & Violations<br>POLICE FINES  | 185,000.00               | 141,674.65                          | 185,000.00               |
| 01.331.33119       | Fines, Forfeits & Violations<br>PARKING TICKETS-POLICE ISSUED                         | 15,000.00                | 10,410.00                           | 12,000.00                |
| 01.331.33120       | Fines, Forfeits & Violations<br>CIVILIAN PARKING TICKETS                              | 100,000.00               | 75,077.00                           | 100,000.00               |
| 01.331.33121       | Fines, Forfeits & Violations<br>QUALITY OF LIFE TICKETS-                              | 35,000.00                | 59,870.00                           | 35,000.00                |
| 01.331.33130       | Fines, Forfeits & Violations<br>FINES & PENALTIES - STATE                             | 25,000.00                | 21,515.29                           | 35,000.00                |
| 01.331.33145       | Fines, Forfeits & Violations<br>PARKING METER PERMITS                                 | -                        | -                                   | -                        |
| 01.331.33155       | Fines, Forfeits & Violations<br>TAXI DRIVER PERMITS                                   | 750.00                   | -                                   | 750.00                   |
| 01.331.33165       | Fines, Forfeits & Violations<br>POLICE TOWING/STORAGE FEES                            | -                        | -                                   | -                        |
|                    | <b>TOTAL FINES, FORFEITS &amp; VIOLATIONS</b>   | <b>\$ 360,850.00</b>     | <b>\$ 308,546.94</b>                | <b>\$ 347,850.00</b>     |
|                    | <b>INTEREST EARNINGS</b>  |                          |                                     |                          |
| 01.341.38525       | Interest Earnings<br>INTEREST-CASH-CHECKING   | 30,000.00                | 235,000.00                          | 150,000.00               |
|                    | <b>TOTAL INTEREST EARNINGS</b>  | <b>\$ 30,000.00</b>      | <b>\$ 235,000.00</b>                | <b>\$ 150,000.00</b>     |
| 01.342.34200       | Rents & Concessions<br><b>RENTS AND CONCESSIONS</b>                                   | <b>\$ 5,000.00</b>       | <b>\$ 4,500.00</b>                  | <b>\$ 5,000.00</b>       |
|                    | <b>INTERGOVERNMENTAL REIMBURSEMENT</b>  |                          |                                     |                          |
| 01.350.35002       | Intergovernmental Reimbursements<br>OECD REIMB - DEMOLITION PROGRAM                   | -                        | -                                   | -                        |
| 01.350.35020       | Intergovernmental Reimbursements<br>SUPL STATE AID PENSION                            | 3,450,000.00             | 3,677,244.99                        | 3,600,000.00             |
| 01.350.35060       | Intergovernmental Reimbursements<br>DCA ACT 47 LOAN                                   | 21,780.00                | -                                   | 100.00                   |
| 01.350.35100       | Intergovernmental Reimbursements<br>FEMA EMERG PMTS                                   | -                        | -                                   | 2,773,900.00             |
| 01.350.35115       | Intergovernmental Reimbursements<br>ACT 13 UNCONVENTIONAL GAS WELL FUND USAGE         | -                        | -                                   | -                        |
| 01.350.35130       | Intergovernmental Reimbursements<br>FEMA PAYMENTS- FIRE SAFER GRANT                   | 200,000.00               | 672,625.63                          | -                        |
| 01.350.35140       | Intergovernmental Reimbursements<br>REIMBURSEMENT SCHOOL RESOURCE OFFICERS            | 285,866.00               | 143,880.91                          | 285,866.00               |
|                    | Intergovernmental Reimbursements<br>PRIOR YEAR REIMBURSEMENT SCHOOL RESOURCE OFFICERS | -                        | -                                   | 100.00                   |
|                    | <b>TOTAL INTERGOVERNMENTAL REIMBURSEMENTS</b>   | <b>\$ 3,957,646.00</b>   | <b>\$ 4,493,752.53</b>              | <b>\$ 6,659,966.00</b>   |
| 01.359.35900-35940 | In Lieu of Taxes<br><b>IN LIEU OF TAXES</b>   | <b>\$ 250,000.00</b>     | <b>\$ 63,956.36</b>                 | <b>\$ 250,000.00</b>     |

CITY OF SCRANTON  
2019 OPERATING BUDGET  
BUDGETED REVENUES  
GENERAL FUND

| Account Number | Account Description                                       | 2018<br>Operating Budget | 2018 Actual<br>(Through 10.01.2018) | 2019<br>Operating Budget |
|----------------|---|--------------------------|-------------------------------------|--------------------------|
|                | <b>DEPARTMENTAL EARNINGS</b>                              |                          |                                     |                          |
| 01.360.36010   | Departmental Earnings PARKING METERS                      | -                        |                                     | -                        |
| 01.360.36020   | Departmental Earnings BOARD OF ZONING/PLANNING COMMISSION | 27,125.00                | 19,325.00                           | 27,125.00                |
| 01.360.36030   | Departmental Earnings PAVE CUTS - PAWC                    | 175,000.00               | 55,226.00                           | 110,000.00               |
| 01.360.36035   | Departmental Earnings PAVE CUTS - UGI ENERGY              | 195,000.00               |                                     | 90,000.00                |
| 01.360.36040   | Departmental Earnings PAVE CUTS - OTHER                   | 22,500.00                | 4,611.00                            | 15,000.00                |
| 01.360.36050   | Departmental Earnings REPORT COPIES-FIRE/POL              | -                        |                                     |                          |
| 01.360.36060   | Departmental Earnings FIRE/POL BURGLAR ALARMS             | 50,000.00                | 23,100.00                           | 25,000.00                |
|                | <b>TOTAL DEPARTMENTAL EARNINGS</b>                        | <b>\$ 469,625.00</b>     | <b>\$ 102,262.00</b>                | <b>\$ 267,125.00</b>     |
| 01.367.36740   | User Fees <b>USER FEES</b>                                | <b>49,500.00</b>         | <b>31,779.25</b>                    | <b>45,500.00</b>         |
|                | <b>MISC REVENUES/CABLE TV</b>                             |                          |                                     |                          |
| 01.380.38000   | Miscellaneous Revenues OTHER-NOT CLASSIFIED               | 175,000.00               | 231,321.58                          | 200,000.00               |
| 01.380.38004   | Miscellaneous Revenues PA LCB LICENSE FEES                | 37,600.00                | 70,550.00                           | 65,000.00                |
| 01.380.38010   | Miscellaneous Revenues CATV REVENUE                       | 850,000.00               | 512,401.89                          | 850,000.00               |
| 01.380.38020   | Miscellaneous Revenues DONATED REVENUE                    | 100.00                   |                                     | 100.00                   |
| 01.380.38030   | Miscellaneous Revenues OTHER FINANCING SOURCE             | 100.00                   |                                     | 100.00                   |
| 01.380.38060   | MBROS MARKET-BASED REVENUE OPPORTUNITIES                  | 50,000.00                |                                     | 1,000.00                 |
| 01.380.38070   | Miscellaneous Revenues REPAYMENT FROM ICE BOX DEVELOPMENT | 1,000.00                 |                                     | 1,000.00                 |
| 01.380.38860   | Bond Issue Proceeds PROCEEDS 2019 BOND ISSUANCE           | -                        |                                     | 1,000.00                 |
| 01.380.38865   | Bond Issue Proceeds PROCEEDS 2015 BOND ISSUANCE           | -                        | -                                   | -                        |
| 01.380.38870   | Miscellaneous Revenues SALE OF ASSETS                     | 1,000.00                 | -                                   | 1,000.00                 |
| 01.380.38875   | Bond Issue Proceeds PROCEEDS 2017 BOND ISSUANCE           | -                        |                                     | -                        |
| 01.380.38880   | Bond Issue Proceeds PROCEEDS OF 2018 BOND ISSUANCE        | 1,000.00                 |                                     | -                        |
|                | <b>TOTAL MISC REVENUES/CABLE TV</b>                       | <b>\$ 1,115,800.00</b>   | <b>\$ 814,273.47</b>                | <b>\$ 1,119,200.00</b>   |
|                | <b>INTERFUND TRANSFERS</b>                                |                          |                                     |                          |
| 01.392.39331   | Interfund Transfers TRANSFERS IN FROM OTHER FUNDS         | 2,880,000.00             | -                                   | 1,808,252.00             |
| 01.392.39332   | Interfund Transfers TRANSFERS IN FROM LIQUID FUELS        | 2,303,605.30             | -                                   | 2,339,541.00             |
|                | <b>TOTAL INTERFUND TRANSFERS</b>                          | <b>\$ 5,183,605.30</b>   | <b>\$ -</b>                         | <b>\$ 4,147,793.00</b>   |
|                | <b>TAX ANTICIPATION NOTES</b>                             |                          |                                     |                          |
| 01.394.39320   | Tax Anticipation Notes TAN SERIES A                       | 12,750,000.00            |                                     | 12,750,000.00            |
| 01.394.39330   | Tax Anticipation Notes TAN SERIES B                       | -                        | -                                   | -                        |
|                | <b>TOTAL TAX ANTICIPATION NOTES</b>                       | <b>\$ 12,750,000.00</b>  | <b>\$ -</b>                         | <b>\$ 12,750,000.00</b>  |
|                | <b>TOTAL REVENUE</b>                                      | <b>\$ 107,674,797.79</b> | <b>\$ 71,792,626.92</b>             | <b>\$ 110,058,706.66</b> |



## 2019 General Fund Budget - Expenditures

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### Summary Highlights

The 2019 budget continues the process of fiscal restoration in conjunction with the Revised Recovery Plan and Exit Strategy. The value-added component is apparent through continued capital allocations. In addition to fulfilling the contractual responsibilities the City maintains with the respective unions, through salary, staffing, and manning requirements, the City is seeking to effectively deliver all services, and not just those assumed by our union employees, in an effective manner whereby residents and businesses will receive value for their tax dollars.

The City of Scranton employee base must be viewed as an asset when evaluating the delivery of services. Limited and targeted additions to staff are included in the budget only when a determination is made that those positions either add measurable value and efficiency to the departmental operation, or are offset by either program savings or revenue production.

To more effectively maintain and deliver services, limited additions to staff will occur in the Solicitor's Office and the Department of Parks and Recreation. The Solicitor's Office will seek to employ a full-time project coordinator. The Parks Department will employ a director's assistant. Both will be non-union positions. Casual employees will also be designated for additional parks and recreation responsibilities. The traffic/sign maintenance position in the Department of Public Works will transition from part time to full time and will be a union position.

The City continues to improve the delivery of services through an aggressive capital improvement and acquisition program. Major parks initiatives are either planned or underway. Measurable roadway improvements will continue in the 2019 budget. Capital acquisitions will continue but will be limited and will affect service-oriented departments.

Technological improvements will influence the City's future success by assuring a more effective delivery of services, with limited staffing availability, at reasonable costs. The redefinition of the delivery of City services will continue through the use of technological innovations.

That the City has benefited immensely from the execution of the sewer and parking transactions has been the subject of much discussion. The 2019 operating budget solidifies the foundation of the ongoing and endless effort to achieve an optimal level of service delivery at a consistent cost.

## **Mayor's Office**

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### **Department Description**

The Mayor might be considered the Board Chairman and Chief Executive Officer of the City. The Mayor's Office is administered by an Executive Secretary and an Administrative Secretary, which was a full-time addition to the budget in 2018.

The Mayor's Office coordinates the activities and initiatives of City government to ensure that services are provided in an efficient and effective manner and citizens have a voice in the responsible delivery of those services.

### **2019 Budget Highlights**

- The dues to the membership subscription in the Pennsylvania League of Cities will continue in 2019.

## **City Clerk/ City Council**

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### **Department Description**

The Scranton City Council constitutes the legislative branch of the City government. As such, it enacts all ordinances, resolutions, levies taxes, appropriates monies for government operations, and holds weekly public meetings.

The City Council is comprised of five elected members. Activities include attendance at committee meetings and individual involvement with City Departments, the Mayor, City residents, and civic organizations.

### **2019 Budget Highlights**

- Funding is continued under Services and Maintenance budget for the Granicus system, which has proven very advantageous to disseminate information.
- Professional services include costs associated with audit completion, stenographic services, and legislative document storage costs.

## **City Controller**

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### **Department Description**

The City Controller maintains an encumbrance system of budget operations. The Controller's Office works closely with the Office of Business Administration and department heads to compile such information regarding city properties and obligations, and monitors and reviews city income and expenditures as are deemed necessary to carry out these duties. The Controller furnishes the Mayor and Council with monthly reporting on these matters. The reports are typically submitted within two (2) weeks after the close of the month. The Controller also submits such other reports as necessary and proactively assists all City departments with information to fulfill bidding and purchase requirements properly.

The City Controller reviews all vouchers for the expenditure of city monies for verification that such expenditures are within the respective budget allotment. The City Controller authorizes and signs vouchers before presentation to the City Treasurer for payment. In so doing, all pre-audit claims and demands against the city prior to the payment function are supported. Approval for payment vouchers are made only if the Office is satisfied that payments are processed in accordance with law.

### **2019 Budget Highlights**

- An outlay of \$40,000 was budgeted in the Professional Services category to completed audits for the Single Tax Office.

## **Business Administration**

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### **Department Description**

The Department of Business Administration is directly responsible for planning, direction and monitoring of departmental activities, both within the Department of Business Administration and throughout the City. The operating divisions of the Department delivering general governmental services include: Administration, Human Resources, Information Technology, and Treasury. The overall function of the Office of Business Administration supports initiatives involving policy formulation, human resource management, accounting support, purchasing, technology support, and fiscal management and major City initiatives. The Department evaluates administrative and

operational functions and reviews business processes, thereby ensuring optimal use of available resources.

The **Bureau of Administration** develops the City's annual budget; implements the Mayor's financial and management policy agenda for departments; and monitors budget performance throughout the year. It also assesses the City's economic environment, forecasts revenues, monitors revenue collections, and evaluates new revenue and expenditure proposals, providing the basis for operational and strategic planning. This bureau is also responsible for the procurement of goods and services for the various City Departments and has proactively initiated major projects within the City.

The **Bureau of Human Resources** provides personnel, payroll, and support functions including benefit administration, recruiting, and hiring services. This office provides support and resolution pertaining to employee issues, staff development, safety initiatives, contract negotiations, and disciplinary matters to ensure compliance with City rules, policies, and procedures. The Department has direct responsibilities with oversight of the City's insurances and workers compensation programs.

The **Bureau of Information Technology** is the central information technology and telecommunications source for all departments within the City of Scranton. With the many technological changes impacting the City operation, the Information Technology department has become the central hub controlling all City operations. The department's value is immeasurable. This department provides project management, business analysis, data network, telephone, application development, software and hardware support and electronically delivered communication services for internal users, as well as the evaluation of new initiatives in this rapidly changing technological environment.

The **Bureau of Treasury** collects, reconciles, records, and deposits City revenues; disburses money as required by City rules; manages the City's cash and investments; and acts as the fiscal custodian of all funds received by the City of Scranton. The Department also has direct oversight responsibilities for the billing and collection of refuse payments.

## **2019 Budget Highlights**

### **Bureau of Administration**

- The **Bureau of Administration** budget will continue with the current staffing complement.
- The Professional Services budget will increase because of its collective nature for many related costs associated both current and proposed capital projects. Generally, these costs support

related engineering and design services or professional contracts not specifically embedded into the various departmental budgets.

- Increases in health insurance for clerical and nonunion employees are forecast at manageable levels. While the City is self-insured, individual claims may impact the annual costs associated with program delivery. The City continues to implement wellness programs in conjunction with the creation of the Workers Compensation Safety Committee.
- The non-uniform pension contribution will decrease by 36% due to adjustments in the City's actuarial requirements from the acceleration of the Minimum Municipal Obligation. The next plan valuation will be dated January 1, 2019.
- Operating transfers to the Workers Compensation Trust Fund will decrease by 11.8%. This funding requirement occurs annually and is actuarially determined. The City maintains a self funded Workers Compensation program. Favorable recent activity impacted by more effective program management is expected to continue to reduce this cost in coming years.
- Bank fees and charges are more reflective of actual bank account activity and do not incorporate transaction related fees. The City will seek Requests for Proposals for banking services in 2019 to further reduce these costs.

### **Bureau of Human Resources**

The **Bureau of Human Resources** salary budget was increased in 2016 to include an addition to staff to manage the City's Workers Compensation program. While the City's historic program management had not been viewed favorably by the Commonwealth of Pennsylvania, great strides have been made in cost savings through case settlements undertaken by this position. The Workers Compensation program is self-funded and the prior three-year certification filings have occurred on a timely basis following tardy prior submissions. This addition to staff has had a critical role in addressing those concerns expressed by the Department of Labor and Industry regarding the effectiveness of the management of the City program. Improvements will continue with safety management and claims administration. The City will engage the Department of Labor and Industry in 2019 to review the criteria associated with the reserve funding requirements for the program.

- The Professional Services budget includes costs associated with the random drug testing program, safety and wellness programs, legal and arbitration fees associated with Compensation and Heart and Lung cases;
- The stationary/office supplies budget includes costs of equipment acquisitions associated with the departmental safety and environment review as authorized by the City of Scranton Safety Committee;
- Insurance costs are forecast to remain stable due to favorable claims data.

## **Bureau of Information Technology**

The **Bureau of Information Technology** continues to drive the progression of the City through the upgrade of hardware and software in each department. The Department also coordinates efforts to evaluate the delivery of services to the City, such as telephone services. The City completed the upgrade of the financial accounting system software in the second quarter of 2015. The system was last upgraded in 2004. The City of Scranton now has a much greater reliance on technology for the operation of all departments, especially the police department. Technological initiatives are planned in 2019 in the Department of Licenses and Permits and Department of Public Works. Technological support has been greatly enhanced through the 2015 addition of the Information Technology Manager.

- The Department continues to dedicate efforts to the implementation of the Police Records Management System. The Department is actively supporting this installation of the wireless Law Enforcement Records Management System in conjunction with the upgrade of the County of Lackawanna 911 system. The City was the first municipality in Lackawanna County to install the system;
- The Professional Services and Services and Maintenance fee budgets include costs associated with annual maintenance contracts, CCTV system, and video wall support. The budget increase will support the use of contractors for infrastructure upgrades and costs associated with process systems evaluation in the Licenses and Permits Department;
- Increased costs in dues and subscriptions are reflective of an expansion to the full Office 365 suite;
- The Materials and Supplies and Capital Expenditures budgets incorporate the continued need for computer replacement to replace outdated units. The budget also includes funds required to replace servers in City facilities and for the purchase of the latest version of Microsoft Office for desktop computers. The City continues to replace outdated servers and network switches;
- The telephone system budget is increased to support costs associated with police department body camera usage and improvements in bandwidth in city facilities;
- The training budget will be increased to provide additional staff training to bypass the need to add a network administrator to the budget;
- The capital budget includes costs associated with the replacement of twenty MTD's in police vehicles, new computers in City Hall, additional servers, including those situated in the new Public Safety Building, and a dedicated vehicle for the Department.

## **Bureau of Treasury**

The **Bureau of Treasury** budget remains consistent with 2018. The Professional Services budget incorporates funding for the refuse billing contract.

- The Office of Business Administration has assisted with the review of refuse billing and collection options. The City received a Commonwealth supported initiative evaluating the structure of the refuse collection program to determine alternate methods of service delivery, specifically a pay-as-you throw concept. Additional reviews are ongoing in an effort to impact costs and efficiencies related to the delivery of the service;
- The cost associated with the Tax Collection Committee expense is a pro-rated assignment based on an allocation of costs to the other participating Lackawanna County municipalities.

## **Office of Economic and Community Development**

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### **Department Description**

The Office of Economic and Community Development (“OECD”) manages the U.S. Department of Housing and Urban Development (“HUD”) entitlement grants for the City of Scranton, as well as other funding for housing and neighborhood development initiatives. The Department leverages public and private funds to provide affordable housing, promote safe and livable neighborhoods, and stimulate economic development in Scranton.

### **2019 Budget Highlights**

The Department initiatives support many economic development programs and capital improvements undertaken by the City. Departmental salaries are considered non-additions to the General Fund budget and receive federal funding support. Salary increases were included in the budget for Departmental employees.

## **Department of Licenses, Inspections & Permits**

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### **Department Description**

The Department of Licenses, Inspections & Permits (“LIPS”) has multiple responsibilities in support of varied City functions. The primary responsibility of the Department is the planning and regulation of land use and development in Scranton. The Department reviews building plans and site plans, processes zoning applications, and conducts inspections. This Department is also responsible for the administration and enforcement of the City’s Construction Code and Zoning and Subdivision ordinances. The purpose of the Construction Code is to provide standards to safeguard life, health, property, and public welfare by regulating and controlling the design, construction, quality of materials, use, occupancy, location and maintenance of all buildings and structures within the City of Scranton. The Department oversees the maintenance and improvements of all City buildings.

### **2019 Budget Highlights**

- The continued departmental initiative for 2019 and subsequent years will be the incorporation of automation through the expanded use of options in the City’s financial accounting system software. Providing a more user-friendly method of permit issuance and payment will be a critical evaluation component. The Information Technology Department will assist with system wide improvements including the acceptance of credit cards and electronic payments;
- The Department will continue to review and reconstruct Rental Registration activities with the revised program legislation. The Department has made strides through both internal and third-party support to identify rental units;
- The City Planner was assigned to the Department in 2018;
- The Building Demolition line item has been expanded for greater activity in 2019.

## **Department of Licenses, Inspections & Permits - Buildings**

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### **Department Description**

The Department of Licenses, Inspections & Permits - Buildings (“Buildings”) provides comprehensive facility management and planning for all City Departments. This department is responsible for the operation and maintenance of City buildings, including City Hall, Police and Fire facilities, including the Public Safety Building, and the Department of Public Works.

### **2019 Budget Highlights**

- The overall budget remains consistent with 2018. Electrical costs are expected to decrease from energy improvements to City buildings.

## **Department of Law**

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### **Department Description**

The Law Department serves as legal advisor to the Mayor and department heads of the City; represents the City in negligence actions; prosecutes all suits initiated on the behalf of the City; defends all cases brought against the City; and provides legal services to all City departments as well as the Single Tax Office, including preparing contracts and drafting ordinances.

### **2019 Budget Highlights**

- Due to the volume of activity in the Office of the Solicitor, including the volume of varied legal issues confronted by the City annually, the department will remove the full-time assistant City solicitor to be replaced with two part time solicitors. The salary budget in 2018 for a full-time solicitor did not attract candidates. A Project manager will be added to staff to assist in drafting Requests for Proposals and to assist with project monitoring and development. The Professional Services budget will be increased by 24% to assist in case management.

## **Public Safety – Scranton Police Department**

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### **Department Description**

The Scranton Police Department is responsible for the overall management, resource allocation and strategic direction of this component of public safety. This service delivery includes the development, evaluation and implementation of policies, procedures, programs, community initiatives, employee training and recruitment. The Department implements and manages police services for the City. The Department also establishes staffing levels necessary to provide adequate levels of policing. The Department plans, staffs, and implements police responses to major planned and unplanned events, natural disasters, major emergencies, and coordinates with other City departments and law enforcement agencies for such events. The Department is increasingly more technologically oriented which reflects the trend in effective public safety management. Costs associated with the many technological initiatives involving each department are reflected throughout the City budget and are specifically coordinated through the Department of Information Technology.

### **2019 Budget Highlights**

- The Departmental budget is expected to remain consistent with the 2018 budget;
- Health care costs are expected to remain within an acceptable cost range;
- The Professional Services and Services and Maintenance budgets are consistent with the increase in the use of designated software and associated maintenance fees;
- Net overtime salary levels are expected to remain consistent with the 2018 budget although the budget does not reflect reimbursements as was the case in the 2018 budget;
- The Capital Expenditure budget will increase by \$50,000 for the acquisition of 147 police ballistic vests, a transport vehicle, resurfacing the police headquarters parking lot, the construction of a pole barn in the parking area for storage, and second year costs of the body worn contract;
- With the inclusion of the Animal Control budget in the overall departmental responsibilities, the City will continue to maintain a more realistic contribution level to the Griffin Pond Animal Shelter which is generally the sole recipient organization of the City's animal control program. Prior to authorizing any contribution, City officials will meet with the Center Board of Directors to understand how the relationship will be impacted by the recent personnel changes and structural changes to the facility. The delivery of animals to the Shelter had reached what may

be deemed crisis proportions in 2014. With a dispersion of responsibilities for the maintenance of the program, funding in this budget will also include allocations to the Veterinary Emergency Referral Center, the Abington Veterinary Center, and St. Dogs and Cats.

## **Public Safety – Scranton Fire Department**

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### **Department Description**

The Scranton Fire Department serves the needs of the Scranton community and its citizens through fire and emergency services. It also conducts a variety of prevention efforts and public education programs to promote fire safety throughout the community. Eight fire stations are manned and operated by the Department.

### **2019 Budget Highlights**

- The City expects future staffing levels to remain relatively constant without SAFER grant support;
- Health insurance costs are projected based on 2018 year to date expenditures;
- The Fire House improvement project will have been substantially completed by the conclusion of 2018. An amount of \$1,500,000 was included in the 2018 budget to fund facilities improvements. The concrete pads replacement project may continue into 2019;
- Capital acquisitions will include a new Engine 8 and the refurbishment of Truck 4.

## **Department of Public Works**

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### **Department Description**

In 2019, the Department of Public Works will be comprised of five bureaus; Administration, Engineering, Highways, Refuse, and Garage. The Bureau of Parks & Recreation was designated as a separate department in the 2018 operating budget which is consistent with City of Scranton historical standards. The Department's responsibilities include year-round roadway maintenance and repair,

weekly household trash collection services, design and construction management of streets, bridges, and public buildings, traffic engineering, street lighting and traffic signal maintenance coordination, and office operations.

The **Bureau of Administration** provides overall policy direction, management, and communication for the Department. The bureau coordinates financial initiatives related to the Department, as well as purchasing, and payroll services.

The **Bureau of Engineering** manages all activities involving technical support associated with private development and use of the City's street rights-of-way.

The **Bureau of Highways** is responsible for roadway maintenance, sweeping, and snow removal on public streets and alleys.

The **Bureau of Refuse** provides weekly trash collection services, including large item acceptance. The bureau is also responsible for the City's residential recycling program.

The **Bureau of Garage and Equipment Maintenance** services and procures vehicles and other equipment for the City of Scranton, including the oversight of the parts inventories, tools and other supplies, as well as the City's fuel purchase program.

## 2019 Budget Highlights

### Department of Public Works – Administration

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- Health insurance costs are projected based on 2018 year to date expenditures;
- The Professional Services budget is decreased since the cost of consulting services to complete an energy efficiency evaluation on the Public Works facility will be incorporated into the ESCO lease;
- The flood protection system maintenance line item will provide reflect funding received for flood control projects and a grant match for the upgrade of the Keyser Valley Pumping Station.

## **Department of Public Works – Engineering**

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- The budget is consistent with 2018.

## **Department of Public Works – Highways**

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- The budget is consistent with 2018 as PP&L continues to implement the rate code changes for the City's change to LED lighting;
- The Capital Expenditures is consistent in using a measured approach to equipment replacement;
- The roadway resurfacing budget remains at \$875,000 consistent with the increase in the City's 2019 Liquid Fuels allocation;
- The capital expenditures budget is increased to meet costs associated with the acquisition of a paver.

## **Department of Public Works – Refuse**

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- The Capital Expenditures budget includes an amount to purchase a refuse packer;
- Recycling includes an amount anticipated to fund an electronic component drop-off program although the program will require much greater evaluation and state Department of Environmental approval.

## **Department of Public Works – Garage**

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- The Capital Expenditures budget was funded to acquire new garage maintenance equipment, including a lift.

## **Department of Parks and Recreation**

The **Bureau of Parks & Recreation** provides a broad range of recreational programs and services to the residents of the City of Scranton, as well as maintenance and oversight of the City's parks system. The City's parks system encompasses 28 parks including 7 pools, 2 waterslides, and a dog park. The recent addition is the elevated park adjacent to the 500 Lackawanna Avenue residences. The park system offers many recreational activities to the residents of the City of Scranton. Additionally, the bureau provides logistical support to the many organization sponsored activities held within the geography of the City of Scranton. The rationale for the departmental segregation is based on the general deterioration of the parks system and the significance of projects in process, including improvements to Novembrino Park and Crowley Park, and prospective projects including the Linden Street Park, the joint soccer field project with the school district, the pedestrian bridge project undertaken by the Lackawanna Valley Heritage Authority, and the Trailhead Project at Parker Street. These projects are presently overseen with assistance by the Office of Business Administration.

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- Capital expenditures are generally a carry-over from 2018, include a component for funding improvements to the Novembrino Recreation Complex. The state Department of Natural Resources and Conservation approved a grant application submitted by the City for \$288,000. An amount of \$220,000.00 has been designated by the Office and Economic and Community Development and the funding component of \$23,000 assigned by the Sewer Authority. The Capital Expenditures budget incorporates an additional \$300,000 to fund the project;
  - The Capital expenditures budget also includes any remaining costs for Crowley Park, \$100,000 for the pedestrian bridge project undertaken by the Lackawanna Heritage Valley Authority on North 7<sup>th</sup> Avenue, \$100,000 for the joint soccer field project with the Scranton School District and the Electric City Shock, and \$25,000 for the green space development on Linden Street. The City expects the green space costs to be fully grant funded.
  - The increase in salary is based on the appointment of an assistant department Director.
  - The City will continue to seek Weston Fund allocations for the continued maintenance of Weston Field and Weston Park. A plan to prepare a five-year budget for improvements to the parks is recommended. The plan design will be funded by the Foundation.

## **Single Tax Office**

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### **Office Description**

The Scranton Single Tax Office was created to administer the tax laws of the City of Scranton and the Scranton School District and to provide one single location for residents to conveniently pay various taxes. The Collector of Taxes, an elected official, supervises an office staff which strives to assess and collect all taxes in a fair and equitable manner. The City and School District assume an equal responsibility for the incurred wages and benefits associated with this office. In 2012, Berkheimer Associates began collecting the Wage Tax through an appointment from the Tax Collection Committee as designated under Commonwealth of Pennsylvania Act 32. The Tax office collects:

- Current Real Estate Taxes for Lackawanna County, the Scranton School District, and The City of Scranton;
- Local taxes including current and delinquent Scranton School District and City of Scranton Business Privilege and Mercantile Taxes, Amusement taxes, and the Local Services Tax;

### **2018 Budget Highlights**

- The City continues to working cooperatively with the Tax Office to execute an analytics program designed to better identify tax payers responsible for the Business Privilege and Mercantile Taxes;

## **Non-Departmental Expenditures**

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### **Budget Description**

The budget category of Non-Departmental Expenditures includes three distinct components:

- (1) Funding and Contributions for Boards/Commissions/and Non-Profits with City based functions.

- (2) Total principal and interest payments on direct debt obligations of the City, and listed separately, lease payments due during the fiscal year;

- (3) Total Miscellaneous, which includes prior year unencumbered and unpaid bills, court awards, and contingency expenditures.

### **Boards Commissions and Non-Profits**

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- The Scranton Plan contribution reinstates a financial commitment to the Plan previously suspended by the City. The 2019 budget includes a \$150,000 contribution to assist with promotional activities for the prospective LERTA adjustments and the Opportunity Zone program; and a carryover \$50,000 to fund a matching component to install sidewalks at the Mt. Pleasant development site. The disbursement will occur only based on an actual project match and is a continuation from 2018;
- The Scranton Tomorrow budget is reflective of the City's annual contribution to the organization as Downtown Economic Revitalization Coordinator and as a prelude to the construction of a Business Improvement District. The budget includes an annual operating contribution, a targeted allocation from the Economic Development account, and a component of the University of Scranton allocation;
- The St. Cats and Dogs budget was maintained to accept any overflow of animal volume which exceeds the capacity of Griffin Pond. The volume of cats has transitioned to a degree from Griffin Pond to St. Cats and Dogs due to those capacity issues. The City continues to evaluate options to the exclusive use of the Griffin Pond Animal Center, which was beset by operational issues in 2018;
- The Shade Tree Commission budget will increase to implement a tree planting program in the City's downtown section and to maintain consistency with the continued success the program achieved in 2018. The budget also includes funding to continue the stump removal program;
- The City has paid for trail maintenance according to a contract with the Lackawanna Heritage Valley Authority. The funding responsibility is based on an arithmetic formula per each mile of

train with the City geography. The budget identifies maintenance responsibilities for 2019 and a match component for the Parker Street Trailhead.

## **Total Principal and Interest Payments, Debt Obligations/Lease Payments**

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The City of Scranton will continue to dedicate a percentage of the real estate tax levy for debt service. The allocation does not include lease payments. The concept was modified from the 2016 budget which included dedicated debt service millage. Because of the complexity of calculating four millage components, the concept was collapsed to the traditional two millage components with a designated percentage for debt service. The 2018 Operating Budget concludes a complete re-profiling of the City's debt structure. In addition to the new debt issues related to the comprehensive parking transaction and the award settlement, the City completely refunded or defeased all remaining higher yielding debt. The only remaining pre-2014 debt series remaining is that of the 2002 Emmaus General Authority variable rate issue, which may be refunded to fixed rate debt if the City receives an investment grade debt rating in 2019.

A description of City debt transactions since 2014 follows:

### **New Debt Issuance Since 2014**

#### **Refinancing of 2009 and 2011 Defaulted Parking Loans**

Issuer: The Parking Authority of the City of Scranton, Pennsylvania

\$3,828,480 Refunding Revenue Note, Series of 2014

Purpose: To refund, on an interim taxable basis, parking related loans that defaulted in 2012.

Average Rate of the Issue: 6.75% (has since been paid off as planned)

Settlement: December 2014

#### **Pennsylvania Infrastructure Bank Loan**

Issuer: The City of Scranton

\$2,420,000 General Obligation Note, Series of 2015

Purpose: (1) Funds for roadway improvements

Combined Average Rate of the Issue: 1.625%

Settlement: 2015

#### **Financing of Judgment**

Issuer: The Redevelopment Authority of the City of Scranton

\$29,810,000 Guaranteed Lease Revenue Bonds, Series A of 2016

\$7,920,000 Guaranteed Lease Revenue Bonds, Series AA of 2016 (Taxable)

Purpose: (1) Payments to City employees related to the 2012 Supreme Court Award, approximately \$1.6 million of which was deposited into the City's Pension Funds (negotiated per the Judgement) and (2) Approximately \$5.6 million to refund the outstanding Guaranteed Lease Revenue Bonds, Series of 2008 for interest rate savings

Combined Average Rate of the Issue: 4.56% (Series A: 3.98%) (Series AA: 5.95%)

Settlement: June 28, 2016

### **Financing of the Stranded Debt Related to the Parking System**

Issuer: City of Scranton

\$32,850,000 General Obligation Notes, Series of 2016

Purpose: (1) Finance "stranded" debt related to the Parking System after receipt of the Concession payment, (2) provide approximately \$1.8 million funds for certain fire stations located in the City

Average Rate of the Issue: 3.73%

Settlement: August 30, 2016

### **Refinancing of the City's General Obligation Bonds, Series B of 2003**

Issuer: City of Scranton

\$24,620,000 General Obligation Bonds, Series of 2017

Purpose: Refund the Series B of 2003 Bonds for approximately \$1.2 million in interest rate savings

Average Rate of the Issue: 3.63%

Settlement August 31, 2017

## **Bonds Paid Off Since 2014**

### **Parking Related Debt**

With the receipt of the Concession proceeds and the issuance of the Series of 2016 Notes, the City and Authority paid off the 2014 Bank loan, and the Guaranteed Parking Revenue Bonds Series 2004, 2006 and 2007 which totaled approximately \$51 million of principal.

### **Use of Sewer Proceeds & Other City Funds**

The City has utilized a portion of the proceeds it received as a result of the sewer sale, committed debt service funds, and a contribution from bond insurer AMBAC to pay off several series of debt.

Approximately \$18.9 million to payoff the City's General Obligation Bonds Series A, B & C of 12 and Series A of 2013 which had rates ranging from 7.25% to 8.50%

Approximately \$8.9 million to payoff the Scranton Redevelopment Authority Guaranteed Lease Revenue Bonds, Series of 2006 which had rates of 6.10%

Approximately \$20 million to payoff the City's General Obligation Bonds, Series C & D of 2003 which had rates ranging from 4.90% to 5.60%.

To summarize, in 2014 the City had debt obligations (principal and interest) totaling approximately \$237 million (2039 final maturity) and an approximate annual debt service payment of \$14 million per year. It was also faced with defaulted parking loans, a parking system which was a drain on the General Fund with major capital needs which would further strain the General Fund, a large court judgement, and rapidly increasing MMO costs.

After the most recent refunding transaction, the City was left with an approximate annual debt service payment of \$10.6 million and a relatively short debt portfolio which pays off in 2032- 15 years from now. Over the life of the remaining bonds, the City will pay approximately \$148 million of debt service and its highest interest rate is 5.25%.

To highlight the only anticipated debt transaction impacting the general fund in 2018:

- The Tax Anticipation Note will be issue at approximately the same amount as 2018. The transaction will be completed on a negotiated basis as a private sale with M&T Bank, which is allowed under the Local Government Unit Debt Act. The private placement will yield 3.65%, which is favorable in the current interest rate environment.
- Additional lease payments are budgeted for the energy savings project.

### **Total Miscellaneous, including Contingencies and Unencumbered Expenses**

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- The Contingency budget is funded for non-budgeted emergencies, or when an individual budget is vastly exceeded due to emergencies;
- Unencumbered expenses are payments carried over from the prior fiscal year which have not been subject to encumbrance;
- The court award budget is expected to fund the remaining Award Settlement payments not resolved by the conclusion of 2018 and any litigation settlements resolved by the Law Department;
- The Veterans Organization budget includes a \$50,000 contribution for Phase II of the Veterans Memorial project;
- The OPEB Trust Fund allocation is based on a recommendation from the City's auditor. The fund would be established for Other Postemployment Benefits, which may include Medicare reimbursements. The Government Finance Officers Associations recommends as a best practice that governments prefund their obligations for postemployment benefits other than pensions once it is determined that the employer has incurred a substantial long-term liability, which is the case with the City of Scranton. If funds properly, the City may make long term investments

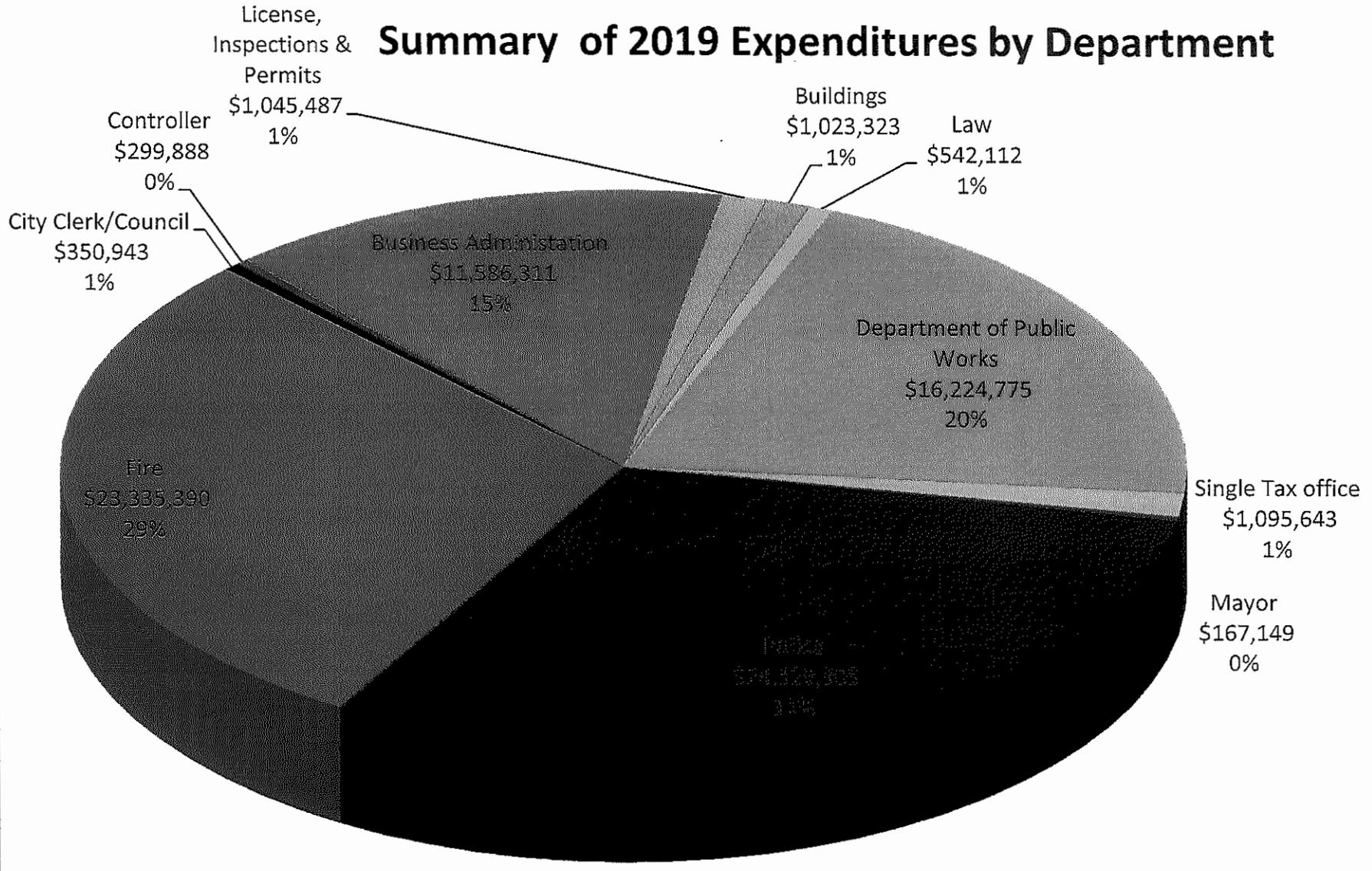
to cover these obligations through a separate trust fund they should, over time, result in a lower total cost for providing postemployment benefits. Other examples of postemployment benefits might include health care or insurance premiums.

The City would seek further evaluation and comment from the pension board actuary and administrator in creating the fund. The City anticipates potential funding allocations if the Workers Compensation Reserve fund is granted reductions by the Department of Labor and Industry;

- The Targeted Expenses Budget will support contractual payment requirements for third party agreements which are performance based. As an example, the analytics and identification program implemented for the Single Tax office for the Business Privilege and Mercantile Tax Program requires a 20% compensation level for all dollars collected resulting from the program. Those dollars are received by the City and 20% of those payments are remitted to the third party. This line item will provide more clarity in identifying those payments;
- The grant match line item is new for 2019 and is based on a list of grants both approved and pending as submitted by the City's grant writer.

| CITY OF SCRANTON   |                          |                         |                          |
|--|--------------------------|-------------------------|--------------------------|
| 2019 OPERATING BUDGET  |                          |                         |                          |
| EXPENDITURE SUMMARY BY DEPARTMENT                                |                          |                         |                          |
|  | 2018                     | 2018                    | 2019                     |
|  | Operating Budget         | Through 9/30/2018       | Operating Budget         |
| MAYOR  | \$ 168,061.70            | \$ 127,385.49           | \$ 167,148.63            |
| DEPT OF PUBLIC SAFETY BUREAU OF POLICE                           | \$ 24,954,331.94         | 17,103,824.06           | 24,329,905.50            |
| DEPT OF PUBLIC SAFETY BUREAU OF FIRE                             | 25,409,079.87            | 14,785,281.88           | 23,335,390.01            |
| CITY CLERK/COUNCIL   | 344,112.50               | 245,936.61              | 350,943.14               |
| CONTROLLER   | 295,316.34               | 187,014.02              | 299,888.39               |
| DEPT OF BUSINESS ADMINISTRATION BUREAU OF ADMINISTRATION         | 8,709,329.90             | 6,573,687.95            | 8,595,353.49             |
| DEPT OF BUSINESS ADMINISTRATION BUREAU OF HUMAN RESOURCES        | 1,766,839.01             | 1,176,425.95            | 1,583,395.46             |
| DEPT OF BUSINESS ADMINISTRATION BUREAU OF INFO TECHNOLOGY        | 832,250.00               | 722,587.44              | 1,252,250.00             |
| DEPT OF BUSINESS ADMINISTRATION BUREAU OF TREASURY               | 137,951.10               | 94,481.51               | 155,311.98               |
| DEPT OF LICENSES INSPECTIONS & PERMITS BUREAU OF LIPS            | 920,468.38               | 587,460.36              | 1,045,486.55             |
| DEPT OF LICENSES INSPECTIONS & PERMITS BUREAU OF BUILDINGS       | 1,237,189.47             | 878,075.14              | 1,023,322.76             |
| LAW DEPARTMENT   | 423,562.47               | 265,715.77              | 542,112.47               |
| DEPT OF PUBLIC WORKS BUREAU OF ADMINISTRATION                    | 3,497,079.26             | 2,171,283.42            | 4,781,905.40             |
| DEPT OF PUBLIC WORKS BUREAU OF ENGINEERING                       | 197,767.70               | 124,017.44              | 197,164.08               |
| DEPT OF PUBLIC WORKS BUREAU OF HIGHWAYS                          | 3,745,055.21             | 1,969,166.46            | 4,151,491.74             |
| DEPT OF PUBLIC WORKS BUREAU OF REFUSE                            | 3,896,580.46             | 2,980,254.23            | 4,136,663.42             |
| DEPT OF PUBLIC WORKS BUREAU OF GARAGES                           | 1,282,152.24             | 963,565.50              | 1,329,276.02             |
| DEPARTMENT OF PUBLIC WORKS- BUREAU OF PARKS & RECREATION         | 1,563,580.15             | 590,721.77              | 1,628,274.39             |
| SINGLE TAX OFFICE  | 789,959.49               | 562,230.21              | 1,095,643.49             |
| NON-DEPARTMENTAL   | 27,504,130.60            | 4,498,478.57            | 30,057,779.75            |
| <b>TOTAL OPERATING EXPENDITURES</b>                              | <b>\$ 107,674,797.79</b> | <b>\$ 56,607,593.78</b> | <b>\$ 110,058,706.66</b> |
| ECONOMIC & COMMUNITY DEVELOPMENT<br>(NON-ADDITION TO THE BUDGET) | \$ 649,985.32            | \$ 524,987.88           | \$ 647,544.47            |

# Summary of 2019 Expenditures by Department



Mayor
  Police
  Fire
  City Clerk/Council
  Controller
  Business Administration
  License, Inspections & Permits
  Buildings
  Law
  Department of Public Works
  Single Tax office

**CITY OF SCRANTON  
2019 OPERATING BUDGET  
EXPENDITURE SUMMARY BY ACCOUNT**

|      |                                      | 2018<br>Operating Budget | 2018<br>THROUGH 9/30/2018 | 2019<br>Budget          |
|------|--------------------------------------|--------------------------|---------------------------|-------------------------|
| 4010 | STANDARD SALARY                      | \$ 27,473,211.04         | \$ 19,696,949.55          | \$ 28,529,695.51        |
| 4040 | OTHER SALARY                         | 1,107,517.00             | \$ 922,160.22             | 1,079,100.00            |
| 4070 | LONGEVITY SALARY                     | 1,832,646.15             | \$ 1,206,363.60           | 1,861,007.77            |
| 4080 | OVERTIME SALARY                      | 1,058,701.30             | \$ 1,345,853.86           | 1,402,750.00            |
| 4090 | COURT APPEARANCE SALARY              | 135,000.00               | \$ 105,180.57             | 135,000.00              |
| 4101 | UNIFORM ALLOWANCE                    | 268,248.21               | \$ 226,635.19             | 268,120.00              |
| 4112 | HEALTH INSURANCE - POLICE UNION      | 5,901,830.83             | \$ 5,395,376.06           | 5,744,220.06            |
| 4113 | HEALTH INSURANCE - FIRE UNION        | 5,329,301.05             | \$ 3,687,847.55           | 4,279,591.00            |
| 4116 | HEALTH INSURANCE - CLERICAL UNION    | 1,565,040.07             | \$ 1,202,402.61           | 1,555,980.00            |
| 4117 | HEALTH INSURANCE - NON-UNION         | 1,151,642.25             | \$ 1,376,292.93           | 1,620,366.00            |
| 4118 | HEALTH INSURANCE - DPW UNION         | 2,529,641.97             | \$ 1,361,937.91           | 1,773,915.00            |
| 4119 | HEALTH INSURANCE - SINGLE TAX OFFICE | 410,670.98               | \$ 282,303.11             | 702,956.00              |
| 4120 | LIFE/DISABILITY INSURANCE            | 346,905.00               | \$ 284,825.24             | 346,905.00              |
| 4130 | I.A.M. PENSION                       | 300,344.00               | \$ 340,564.72             | 455,000.00              |
| 4140 | CITY 10% EARLY RETIREMENT            | 253,176.90               | \$ 208,167.72             | 255,962.95              |
| 4150 | CITY PENSION                         | 13,603,516.00            | \$ 3,685,089.46           | 10,808,680.00           |
| 4170 | POLICE EDUCATION ALLOWANCE           | 60,000.00                | \$ -                      | 60,000.00               |
| 4180 | SOCIAL SECURITY                      | 898,090.00               | \$ 739,612.45             | 921,230.00              |
| 4190 | UNEMPLOYMENT INSURANCE               | 25,000.00                | \$ 474.16                 | 25,000.00               |
|      | <b>TOTAL EMPLOYEE COMPENSATION</b>   | <b>\$ 64,250,482.75</b>  | <b>\$ 42,068,036.91</b>   | <b>\$ 61,825,479.28</b> |
| 4201 | PROFESSIONAL SERVICES                | 1,080,000.00             | \$ 936,714.52             | 1,391,500.00            |
| 4210 | SERVICES & MAINTENANCE FEE           | 186,290.00               | \$ 118,571.43             | 205,290.00              |
| 4220 | CONTRACTED SERVICES                  | 750.00                   | \$ 1,831.82               | 2,500.00                |

**CITY OF SCRANTON  
2019 OPERATING BUDGET  
EXPENDITURE SUMMARY BY ACCOUNT**

|      |                                  | 2018<br>Operating Budget | 2018<br>THROUGH 9/30/2018 | 2019<br>Budget |
|------|----------------------------------|--------------------------|---------------------------|----------------|
| 4230 | PRINTING & BINDING               | 8,250.00                 | \$ 3,511.94               | 8,750.00       |
| 4240 | POSTAGE & FREIGHT                | 30,100.00                | \$ 29,189.00              | 34,100.00      |
| 4250 | ADVERTISING                      | 48,750.00                | \$ 33,976.40              | 54,000.00      |
| 4260 | RENTAL VEHICLES & EQUIPMENT      | 300,000.00               | \$ 20,010.80              | 300,000.00     |
| 4270 | DUES & SUBSCRIPTIONS             | 32,651.70                | \$ 28,511.10              | 31,263.63      |
| 4280 | MISC SERVICES-NOT CLASSIFIED     | 7,000.00                 | \$ 3,458.71               | 7,000.00       |
| 4290 | STATIONERY/OFFICE SUPPLIES       | 43,950.00                | \$ 11,725.49              | 20,250.00      |
| 4301 | GAS. OIL & LUBRICANTS            | 295,000.00               | \$ 323,309.36             | 340,000.00     |
| 4310 | EQUIPMENT/VEHICLE REPAIR & MAINT | 325,000.00               | \$ 267,753.58             | 325,000.00     |
| 4320 | BUILDING REPAIR-SUPPLY & MAINT   | 175,000.00               | \$ 154,815.31             | 180,000.00     |
| 4330 | MEDICAL, CHEMICAL & LAB SUPPLIES | 20,000.00                | \$ 4,667.80               | 20,000.00      |
| 4340 | CONSTRUCTION-PAVING MATERIAL     | 100,000.00               | \$ 84,310.21              | 150,000.00     |
| 4350 | PAINT & SIGN MATERIAL            | 50,000.00                | \$ 8,362.34               | 25,000.00      |
| 4360 | SMALL TOOLS/SHOP SUPPLIES        | 7,000.00                 | \$ 4,904.57               | 7,000.00       |
| 4370 | PARKS & RECREATION SUPPLIES      | 63,000.00                | \$ 15,769.60              | 48,600.00      |
| 4380 | GUNS & AMMUNITION                | 22,500.00                | \$ 9,605.43               | 30,000.00      |
| 4390 | MATERIAL/SUPPLIES (MISC)         | 191,600.00               | \$ 146,632.28             | 208,600.00     |
| 4401 | TIRES                            | 109,500.00               | \$ 62,483.23              | 109,500.00     |
| 4410 | SALT                             | 273,500.00               | \$ 403,734.07             | 425,000.00     |
| 4420 | TRAVEL & LODGING                 | 18,000.00                | \$ 5,498.66               | 21,750.00      |
| 4430 | AIR PACKS/REHAB SUPPLIES         | 6,000.00                 | \$ 81.25                  | 6,000.00       |
| 4440 | TELEPHONE                        | 150,000.00               | \$ 127,856.45             | 200,000.00     |

**CITY OF SCRANTON  
2019 OPERATING BUDGET  
EXPENDITURE SUMMARY BY ACCOUNT**

|      |                                       | 2018<br>Operating Budget | 2018<br>THROUGH 9/30/2018 | 2019<br>Budget |
|------|---------------------------------------|--------------------------|---------------------------|----------------|
| 4450 | ELECTRICAL                            | 275,000.00               | \$ 197,311.06             | 135,000.00     |
| 4445 | SEWER CHARGES                         | 5,000.00                 | \$ -                      | -              |
| 4447 | PG ENERGY GAS                         | 135,000.00               | \$ 86,267.01              | 135,000.00     |
| 4448 | PAWC-WATER                            | 475,000.00               | \$ 374,897.84             | 475,000.00     |
| 4460 | STREET LIGHTING                       | 375,000.00               | \$ 143,790.14             | 200,000.00     |
| 4465 | BUILDING SUPPLIES                     | 1,000.00                 | \$ -                      | 1,000.00       |
| 4466 | STREET LIGHTING SERVICE / MAINTENANCE | 77,500.00                | \$ 38,170.95              | 60,000.00      |
| 4467 | TRAFFIC SIGNAL ELECTRICITY            | -                        | \$ -                      | 90,000.00      |
| 4470 | TRAINING & CERTIFICATION              | 143,000.00               | \$ 108,810.99             | 192,500.00     |
| 4480 | SELF INSURANCE                        | 110,000.00               | -                         | 110,000.00     |
| 4490 | LANDFILL                              | 1,271,434.74             | \$ 1,022,808.65           | 1,300,000.00   |
| 4530 | PERFORMING ARTS                       | 20,000.00                | \$ 15,675.00              | 20,000.00      |
| 4540 | SPRING/SUMMER PROGRAM                 | 3,000.00                 | \$ 2,886.01               | 3,000.00       |
| 4550 | CAPITAL EXPENDITURES                  | 3,106,250.00             | \$ 2,074,124.37           | 3,333,000.00   |
| 4551 | ROAD RESURFACING                      | 875,000.00               | \$ -                      | 875,000.00     |
| 4555 | RECYCLING                             | -                        | \$ -                      | 175,000.00     |
| 4560 | EQUIPMENT MAINTENANCE & LEASES        | 50,000.00                | \$ 45,000.00              | 94,000.00      |
| 4570 | MAINTENANCE OF COMMUNICATION EQUIP    | 28,750.00                | \$ 17,970.11              | 28,750.00      |
| 4575 | MAINTENANCE-EQUIPMENT                 | 1,000.00                 | \$ -                      | 1,000.00       |
| 4576 | MAINTENANCE OF SUPER FUND SIGHT       | 13,000.00                | \$ 6,935.80               | 13,000.00      |
| 4580 | GENERAL EQUIPMENT                     | 75,000.00                | \$ 58,163.61              | 65,000.00      |
| 4590 | BUILDING DEMOLITION                   | 65,000.00                | \$ 10,252.00              | 150,000.00     |
| 4630 | LIABILITY & CASUALTY INSURANCE        | 1,371,000.00             | \$ 915,579.60             | 1,175,000.00   |

**CITY OF SCRANTON  
2019 OPERATING BUDGET  
EXPENDITURE SUMMARY BY ACCOUNT**

|                   |  | 2018<br>Operating Budget | 2018<br>THROUGH 9/30/2018 | 2019<br>Budget    |
|-------------------|--|--------------------------|---------------------------|-------------------|
| 4901              | PREVENTATIVE MAINTENANCE   | 7,500.00                 | \$ 3,421.12               | 7,500.00          |
| 6000              | TAX & MISC REFUNDS   | 1,000.00                 | \$ 3,073.30               | 5,000.00          |
| 6001              | TAX COLLECTION COMMITTEE EXPENSE   | 500.00                   | \$ -                      | 500.00            |
| 6003              | SPCA ANIMAL CONTROL  | 86,976.00                | \$ 78,260.47              | 86,976.00         |
| 6004              | SINGLE TAX OFFICE AUDIT  | -                        | \$ -                      | -                 |
| 6006              | PERSONNEL COST ADJUSTMENT  | -                        | \$ 2,456.63               | 7,500.00          |
| 6007              | FLOOD PROTECTION SYSTEM MAINTENANCE  | 50,000.00                | \$ 25,215.63              | 1,973,900.00      |
| 6009              | WORKERS' COMPENSATION  | 3,743,432.00             | \$ 2,000,000.00           | 3,300,718.00      |
| 6024              | BANK FEES & CHARGES  | 11,000.00                | \$ 206.16                 | 11,000.00         |
|                   | NON-DEPARTMENTAL EXPENDITURES:   |                          |                           |                   |
| 10020-10140       | BOARDS & COMMISSIONS   | 359,500.00               | 312,500.03                | 690,000.00        |
| 15010-15360       | INTEREST & DEBT SERVICE (w/o TANs)   | 11,722,981.50            | 3,421,605.21              | 13,019,000.93     |
| 15230-15240       | TANs (SERIES A & B)  | 13,244,850.00            | -                         | 13,215,375.00     |
| 13090,16090-17060 | UNPAID BILLS/COURT AWARDS/MISCELLANEOUS  | 2,176,799.10             | 764,373.33                | 3,133,403.82      |
|                   | TOTAL NON-DEPARTMENTAL EXPENDITURES  | 27,504,130.60            | 4,498,478.57              | 30,057,779.75     |
|                   | TOTAL OPERATING EXPENDITURES   | \$ 107,674,797.79        | \$ 56,605,077.28          | \$ 110,058,706.66 |
| 4010              | ECONOMIC & COMMUNITY DEVELOPMENT<br>STANDARD SALARY (NON-ADDITION TO THE BUDGET) | 649,985.32               | 524,987.88                | 647,544.47        |

CITY OF SCRANTON  
 2019 OPERATING BUDGET  
 BUDGETED EXPENDITURES  
 GENERAL FUND

| Account Number                   | Account Description              | 2018<br>Operating Budget | 2018<br>(Through 9/30/2018) | 2019<br>Operating Budget |
|----------------------------------|----------------------------------|--------------------------|-----------------------------|--------------------------|
| <b>Office of the Mayor - #10</b> |                                  |                          |                             |                          |
| 4010 01.010.00000.4010           | STANDARD SALARY                  | \$ 144,085.00            | 104,081.30                  | 144,085.00               |
| 4040 01.010.00000.4040           | OTHER SALARY (MISC)              | 0                        | -                           | -                        |
| 4080 01.010.00000.4080           | OVERTIME SALARY                  | 0                        | -                           | -                        |
|                                  | TOTAL EMPLOYEE COMPENSATION      | \$ 144,085.00            | \$ 104,081.30               | \$ 144,085.00            |
| 4270 01.010.00000.4270           | DUES AND SUBSCRIPTIONS           | 22,826.70                | 22,826.70                   | 21,913.63                |
| 4290 01.010.00000.4290           | STATIONARY/OFFICE SUPPLIES       | 150.00                   | 42.49                       | 150.00                   |
| 4390 01.010.00000.4390           | MATERIALS/SUPPLIES (MISC)        | -                        | -                           | -                        |
| 4420 01.010.00000.4420           | TRAVEL AND LODGING               | 1,000.00                 | 435.00                      | 1,000.00                 |
| 4550 01.010.00000.4550           | CAPITAL EXPENDITURES             | -                        | -                           | -                        |
|                                  | TOTAL OPERATING EXPENDITURES     | \$ 23,976.70             | \$ 23,304.19                | \$ 23,063.63             |
|                                  | <b>DEPARTMENT of MAYOR TOTAL</b> | <b>\$ 168,061.70</b>     | <b>\$ 127,385.49</b>        | <b>\$ 167,148.63</b>     |

**CITY OF SCRANTON  
2019 OPERATING BUDGET  
BUDGETED EXPENDITURES  
GENERAL FUND**

| Account Number                      | Account Description | 2018<br>Operating Budget            | 2018<br>(Through 9/30/2018) | 2019<br>Operating Budget |                         |
|-------------------------------------|---------------------|-------------------------------------|-----------------------------|--------------------------|-------------------------|
| <b>Dept. of Public Safety - #11</b> |                     |                                     |                             |                          |                         |
| <b>Bureau of Police - #71</b>       |                     |                                     |                             |                          |                         |
| 4010                                | 01.011.00071.4010   | STANDARD SALARY                     | \$ 10,525,848.30            | 7,671,667.16             | 10,956,666.44           |
| 4040                                | 01.011.00071.4040   | OTHER SALARY (MISC)                 | 401,017.00                  | 301,642.40               | 400,000.00              |
| 4070                                | 01.011.00071.4070   | LONGEVITY SALARY                    | 806,113.31                  | 636,455.75               | 872,919.00              |
| 4080                                | 01.011.00071.4080   | OVERTIME SALARY                     | 400,000.00                  | 576,064.77               | 650,000.00              |
| 4090                                | 01.011.00071.4090   | COURT APPEARANCE SALARY             | 135,000.00                  | 105,180.57               | 135,000.00              |
| 4101                                | 01.011.00071.4101   | UNIFORM ALLOWANCE                   | 115,850.00                  | 109,190.00               | 115,850.00              |
| 4112                                | 01.011.00071.4112   | HEALTH INSURANCE - POLICE UNION     | 5,901,830.83                | 5,395,376.06             | 5,744,220.06            |
| 4120                                | 01.011.00071.4120   | LIFE/DISABILITY INSURANCE           | 150,634.00                  | 123,712.25               | 150,634.00              |
| 4140                                | 01.011.00071.4140   | CITY 10% EARLY RETIREMENT           | 131,581.50                  | 109,051.60               | 133,030.00              |
| 4150                                | 01.011.00071.4150   | CITY PENSION                        | 5,343,583.00                | 1,367,841.45             | 4,073,480.00            |
| 4170                                | 01.011.00071.4170   | POLICE EDUCATION ALLOWANCE          | 60,000.00                   | -                        | 60,000.00               |
| 4180                                | 01.011.00071.4180   | SOCIAL SECURITY                     | 332,998.00                  | 291,757.25               | 346,230.00              |
|                                     |                     | <b>TOTAL EMPLOYEE COMPENSATION</b>  | <b>\$ 24,304,455.94</b>     | <b>\$ 16,667,939.26</b>  | <b>\$ 23,638,029.50</b> |
| 4201                                | 01.011.00071.4201   | PROFESSIONAL SERVICES               | \$ 25,000.00                | 16,021.50                | 40,000.00               |
| 4210                                | 01.011.00071.4210   | SERVICES AND MAINTENANCE FEE        | 75,000.00                   | 57,603.85                | 69,000.00               |
| 4270                                | 01.011.00071.4270   | DUES AND SUBSCRIPTIONS              | 3,150.00                    | 3,142.15                 | 3,150.00                |
| 4280                                | 01.011.00071.4280   | MISC SERVICES-NON CLASSIFIED        | 2,000.00                    | 1,751.68                 | 2,000.00                |
| 4290                                | 01.011.00071.4290   | STATIONARY/OFFICE SUPPLIES          | 2,750.00                    | 2,343.84                 | 2,750.00                |
| 4380                                | 01.011.00071.4380   | GUNS/AMMUNITION                     | 22,500.00                   | 9,605.43                 | 30,000.00               |
| 4390                                | 01.011.00071.4390   | MATERIALS/SUPPLIES (MISC)           | 21,000.00                   | 13,529.65                | 21,000.00               |
| 4420                                | 01.011.00071.4420   | TRAVEL AND LODGING                  | 4,000.00                    | 3,862.08                 | 4,500.00                |
| 4470                                | 01.011.00071.4470   | TRAINING AND CERTIFICATION          | 50,000.00                   | 38,200.74                | 50,000.00               |
| 4550                                | 01.011.00071.4550   | CAPITAL EXPENDITURES                | 350,000.00                  | 187,315.30               | 375,000.00              |
| 4570                                | 01.011.00071.4570   | MAINTENANCE COMMUNICATION EQUIPMENT | 7,500.00                    | 4,248.11                 | 7,500.00                |
| 6003                                | 01.011.00071.6003   | SPCA-ANIMAL CONTROL                 | 86,976.00                   | 78,260.47                | 86,976.00               |
|                                     |                     | <b>TOTAL OPERATING EXPENDITURES</b> | <b>649,876.00</b>           | <b>415,884.80</b>        | <b>691,676.00</b>       |
|                                     |                     | <b>BUREAU of POLICE TOTAL</b>       | <b>\$ 24,954,331.94</b>     | <b>\$ 17,103,824.06</b>  | <b>\$ 24,329,905.50</b> |

CITY OF SCRANTON  
2019 OPERATING BUDGET  
BUDGETED EXPENDITURES  
GENERAL FUND

| Account Number                      | Account Description | 2018<br>Operating Budget                 | 2018<br>(Through 9/30/2018) | 2019<br>Operating Budget |                         |
|-------------------------------------|---------------------|--|-----------------------------|--------------------------|-------------------------|
| <b>Dept. of Public Safety - #11</b> |                     |  |                             |                          |                         |
| <b>Bureau of Fire - #78</b>         |                     |  |                             |                          |                         |
| 4010                                | 01.011.00078.4010   | STANDARD SALARY                          | \$ 9,660,286.61             | 6,892,988.20             | 10,002,752.16           |
| 4040                                | 01.011.00078.4040   | OTHER SALARY (MISC)                      | 450,000.00                  | 446,968.83               | 500,000.00              |
| 4070                                | 01.011.00078.4070   | LONGEVITY SALARY                         | 775,213.81                  | 569,907.85               | \$ 758,574.90           |
| 4080                                | 01.011.00078.4080   | OVERTIME SALARY                          | 275,000.00                  | 431,057.44               | 350,000.00              |
| 4101                                | 01.011.00078.4101   | UNIFORM ALLOWANCE                        | 98,550.00                   | 69,140.76                | 98,550.00               |
| 4113                                | 01.011.00078.4113   | HEALTH INSURANCE - FIRE UNION            | 5,329,301.05                | 3,687,847.55             | 4,279,591.00            |
| 4120                                | 01.011.00078.4120   | LIFE/DISABILITY INSURANCE                | 141,521.00                  | 116,210.02               | 141,521.00              |
| 4140                                | 01.011.00078.4140   | CITY 10% EARLY RETIREMENT                | 121,595.40                  | 99,116.12                | 122,932.95              |
| 4150                                | 01.011.00078.4150   | CITY PENSION                             | 7,087,112.00                | 1,246,047.35             | 5,985,968.00            |
|                                     |                     | TOTAL EMPLOYEE COMPENSATION              | \$ 23,938,579.87            | \$ 13,559,284.12         | \$ 22,239,890.01        |
| 4201                                | 01.011.00078.4201   | PROFESSIONAL SERVICES                    | \$ 23,000.00                | 28,053.86                | 30,000.00               |
| 4210                                | 01.011.00078.4210   | SERVICES AND MAINTENANCE FEE             | 15,000.00                   | 6,950.06                 | 15,000.00               |
| 4270                                | 01.011.00078.4270   | DUES AND SUBSCRIPTIONS                   | 1,000.00                    | 150.00                   | 1,000.00                |
| 4316                                | 01.011.00078.4316   | CLEAN AIR MAINTENANCE                    | -                           | -                        | -                       |
| 4320                                | 01.011.00078.4320   | BLDG/REPAIR-SUPPLY MAINT                 | 10,000.00                   | 12,109.67                | 15,000.00               |
| 4390                                | 01.011.00078.4390   | MATERIALS/SUPPLIES (MISC)                | 7,250.00                    | 5,501.49                 | 7,250.00                |
| 4420                                | 01.011.00078.4420   | TRAVEL AND LODGING                       | 3,000.00                    | 770.90                   | 3,000.00                |
| 4430                                | 01.011.00078.4430   | AIR PACKS/REHAB SUPPLIES                 | 6,000.00                    | 81.25                    | 6,000.00                |
| 4470                                | 01.011.00078.4470   | TRAINING AND CERTIFICATION               | 75,000.00                   | 66,689.73                | 95,000.00               |
| 4550                                | 01.011.00078.4550   | CAPITAL EXPENDITURES                     | 1,250,000.00                | 1,046,150.19             | 853,000.00              |
| 4570                                | 01.011.00078.4570   | MAINTENANCE COMMUNICATION EQUIP          | 4,250.00                    | 1,377.00                 | 4,250.00                |
| 4575                                | 01.011.00078.4575   | MAINTENANCE-EQUIPMENT                    | 1,000.00                    | -                        | 1,000.00                |
| 4580                                | 01.011.00078.4580   | GENERAL EQUIPMENT                        | 75,000.00                   | 58,163.61                | 65,000.00               |
|                                     |                     | TOTAL OPERATING EXPENDITURES             | \$ 1,470,500.00             | \$ 1,225,997.76          | \$ 1,095,500.00         |
|                                     |                     | <b>BUREAU of FIRE TOTAL</b>              | <b>\$ 25,409,079.87</b>     | <b>\$ 14,785,281.88</b>  | <b>\$ 23,335,390.01</b> |
|                                     |                     | <b>DEPARTMENT of PUBLIC SAFETY TOTAL</b> | <b>\$ 50,363,411.81</b>     | <b>\$ 31,889,105.94</b>  | <b>\$ 47,665,295.50</b> |

**CITY OF SCRANTON  
2019 OPERATING BUDGET  
BUDGETED EXPENDITURES  
GENERAL FUND**

| Account Number                                     | Account Description | 2018<br>Operating Budget                             | 2018<br>(Through 9/30/2018) | 2019<br>Operating Budget |                      |
|--|---------------------|--|-----------------------------|--------------------------|----------------------|
| <b>Office of the City Clerk/City Council - #20</b> |                     |  |                             |                          |                      |
| 4010   | 01.020.00000.4010   | STANDARD SALARY                                      | \$ 230,937.37               | 163,978.54               | 233,315.79           |
| 4040   | 01.020.00000.4040   | OTHER SALARY (MISC)                                  | -                           | 1,500.00                 | 1,000.00             |
| 4070   | 01.020.00000.4070   | LONGEVITY SALARY                                     | 3,425.13                    | -                        | 3,877.35             |
| 4080   | 01.020.00000.4080   | OVERTIME SALARY                                      | 500.00                      | 351.51                   | 500.00               |
|  |                     | <b>TOTAL EMPLOYEE COMPENSATION</b>                   | <b>\$ 234,862.50</b>        | <b>\$ 165,830.05</b>     | <b>\$ 238,693.14</b> |
| 4201   | 01.020.00000.4201   | PROFESSIONAL SERVICES                                | \$ 56,000.00                | 51,064.01                | 59,000.00            |
| 4210   | 01.020.00000.4210   | SERVICES AND MAINTENANCE FEE                         | 15,000.00                   | 10,795.00                | 15,000.00            |
| 4220   | 01.020.00000.4220   | CONTRACTED SERVICES                                  | -                           | -                        | -                    |
| 4230   | 01.020.00000.4230   | PRINTING AND BINDING                                 | 6,250.00                    | 2,210.96                 | 6,250.00             |
| 4250   | 01.020.00000.4250   | ADVERTISING  | 31,500.00                   | 15,686.60                | 31,500.00            |
| 4260   | 01.020.00000.4260   | RENTAL VEHICLES & EQUIPMENT                          | -                           | -                        | -                    |
| 4270   | 01.020.00000.4270   | DUES AND SUBSCRIPTIONS                               | -                           | -                        | -                    |
| 4290   | 01.020.00000.4290   | STATIONARY/OFFICE SUPPL                              | 500.00                      | 349.99                   | 500.00               |
| 4420   | 01.020.00000.4420   | TRAVEL AND LODGING                                   | -                           | -                        | -                    |
| 4550   | 01.020.00000.4550   | CAPITAL EXPENDITURES                                 | -                           | -                        | -                    |
|  |                     | <b>TOTAL OPERATING EXPENDITURES</b>                  | <b>\$ 109,250.00</b>        | <b>\$ 80,106.56</b>      | <b>\$ 112,250.00</b> |
|  |                     | <b>DEPARTMENT of CITY CLERK / CITY COUNCIL TOTAL</b> | <b>\$ 344,112.50</b>        | <b>\$ 245,936.61</b>     | <b>\$ 350,943.14</b> |

CITY OF SCRANTON  
 2019 OPERATING BUDGET  
 BUDGETED EXPENDITURES  
 GENERAL FUND

| Account Number                      |                   | Account Description                        | 2018<br>Operating Budget | 2018<br>(Through 9/30/2018) | 2019<br>Operating Budget |
|-------------------------------------|-------------------|--|--------------------------|-----------------------------|--------------------------|
| City Controller - #30               |                   |  |                          |                             |                          |
| Roseann Novembrino, City Controller |                   |  |                          |                             |                          |
| 4010                                | 01.030.00000.4010 | STANDARD SALARY                            | \$ 248,373.63            | 178,178.46                  | 250,608.90               |
| 4040                                | 01.030.00000.4040 | OTHER SALARY (MISC)                        | 1,000.00                 | 750.00                      | 2,500.00                 |
| 4070                                | 01.030.00000.4070 | LONGEVITY SALARY                           | 3,417.71                 | -                           | 3,979.49                 |
| 4080                                | 01.030.00000.4080 | OVERTIME SALARY                            | 0.00                     | -                           | -                        |
|                                     |                   | TOTAL EMPLOYEE COMPENSATION                | \$ 252,791.34            | \$ 178,928.46               | \$ 257,088.39            |
| 4201                                | 01.030.00000.4201 | PROFESSIONAL SERVICES                      | \$ 40,000.00             | 6,500.00                    | 40,000.00                |
| 4210                                | 01.030.00000.4210 | SERVICES AND MAINTENANCE FEE               | -                        | -                           | -                        |
| 4230                                | 01.030.00000.4230 | PRINTING AND BINDING                       | 1,000.00                 | 449.95                      | 1,000.00                 |
| 4240                                | 01.030.00000.4240 | POSTAGE AND FREIGHT                        | 100.00                   | 82.00                       | 100.00                   |
| 4270                                | 01.030.00000.4270 | DUES AND SUBSCRIPTIONS                     | 225.00                   | 600.25                      | 700.00                   |
| 4290                                | 01.030.00000.4290 | STATIONARY/OFFICE SUPPLIES                 | 200.00                   | 453.36                      | 500.00                   |
| 4420                                | 01.030.00000.4420 | TRAVEL AND LODGING                         | 1,000.00                 | -                           | 500.00                   |
| 4550                                | 01.030.00000.4550 | CAPITAL EXPENDITURES                       | -                        | -                           | -                        |
|                                     |                   | TOTAL OPERATING EXPENDITURES               | \$ 42,525.00             | \$ 8,065.56                 | \$ 42,800.00             |
|                                     |                   | <b>DEPARTMENT of CITY CONTROLLER TOTAL</b> | <b>\$ 295,316.34</b>     | <b>\$ 187,014.02</b>        | <b>\$ 299,888.39</b>     |

**CITY OF SCRANTON  
2019 OPERATING BUDGET  
BUDGETED EXPENDITURES  
GENERAL FUND**

| Account Number                                     | Account Description                                       | 2018<br>Operating Budget | 2018<br>(Through 9/30/2018) | 2019<br>Operating Budget |
|--|---|--------------------------|-----------------------------|--------------------------|
| <b>Department of Business Administration - #40</b> |   |                          |                             |                          |
| <b>Bureau of Administration - #40</b>              |   |                          |                             |                          |
| 4010   | 01.040.00040.4010 STANDARD SALARY                         | \$ 336,973.58            | 239,596.31                  | 360,830.14               |
| 4040   | 01.040.00040.4040 OTHER SALARY (MISC)                     | 2,500.00                 | 2,250.00                    | -                        |
| 4070   | 01.040.00040.4070 LONGEVITY SALARY                        | 3,329.00                 | -                           | 3,877.35                 |
| 4080   | 01.040.00040.4080 OVERTIME SALARY                         | -                        | -                           | -                        |
| 4116   | 01.040.00040.4116 HEALTH INSURANCE - CLERICAL UNION       | 1,565,040.07             | 1,202,402.81                | 1,555,980.00             |
| 4117   | 01.040.00040.4117 HEALTH INSURANCE - NON UNION            | 1,151,642.25             | 1,376,292.93                | 1,620,366.00             |
| 4120   | 01.040.00040.4120 LIFE/DISABILITY INSURANCE               | 54,750.00                | 44,902.97                   | 54,750.00                |
| 4150   | 01.040.00040.4150 CITY PENSION                            | 1,172,821.00             | 1,071,200.66                | 749,232.00               |
| 4180   | 01.040.00040.4180 SOCIAL SECURITY                         | 213,992.00               | 156,407.40                  | 225,000.00               |
| 4190   | 01.040.00040.4190 UNEMPLOYMENT INSURANCE                  | 25,000.00                | 474.16                      | 25,000.00                |
|  | <b>TOTAL EMPLOYEE COMPENSATION</b>                        | <b>\$ 4,526,047.90</b>   | <b>\$ 4,093,527.04</b>      | <b>\$ 4,595,035.49</b>   |
| 4201   | 01.040.00040.4201 PROFESSIONAL SERVICES                   | \$ 250,000.00            | 418,905.54                  | 500,000.00               |
| 4210   | 01.040.00040.4210 SERVICES AND MAINTENANCE FEE            | 1,750.00                 | 388.00                      | 1,750.00                 |
| 4230   | 01.040.00040.4230 PRINTING AND BINDING                    | 1,000.00                 | 851.03                      | 1,500.00                 |
| 4240   | 01.040.00040.4240 POSTAGE AND FREIGHT                     | 30,000.00                | 29,107.00                   | 34,000.00                |
| 4250   | 01.040.00040.4250 ADVERTISING                             | 17,250.00                | 18,289.80                   | 22,500.00                |
| 4270   | 01.040.00040.4270 DUES AND SUBSCRIPTIONS                  | 1,000.00                 | 890.00                      | 1,000.00                 |
| 4290   | 01.040.00040.4290 STATIONARY/OFFICE SUPPLIES              | 12,750.00                | 8,001.43                    | 12,750.00                |
| 4390   | 01.040.00040.4390 MATERIALS/SUPPLIES (MISC)               | 600.00                   | 206.45                      | 600.00                   |
| 4420   | 01.040.00040.4420 TRAVEL AND LODGING                      | 2,500.00                 | -                           | 2,500.00                 |
| 4470   | 01.040.00040.4470 TRAINING AND CERTIFICATION              | 2,000.00                 | 799.00                      | 2,000.00                 |
| 4480   | 01.040.00040.4480 SELF INSURANCE                          | 110,000.00               | 2,516.50                    | 110,000.00               |
| 4550   | 01.040.00000.4550 CAPITAL EXPENDITURES                    | -                        | -                           | -                        |
| 6009   | 01.040.00040.6009 OPERATING TRANSFERS-WORKERS' COMP TRUST | 3,743,432.00             | 2,000,000.00                | 3,300,718.00             |
| 6024   | 01.040.00040.6024 BANK FEES AND CHARGES                   | 11,000.00                | 206.16                      | 11,000.00                |
|  | <b>TOTAL OPERATING EXPENDITURES</b>                       | <b>\$ 4,183,282.00</b>   | <b>\$ 2,480,160.91</b>      | <b>\$ 4,000,318.00</b>   |
|  | <b>BUREAU of ADMINISTRATION TOTAL</b>                     | <b>\$ 8,709,329.90</b>   | <b>\$ 6,573,687.95</b>      | <b>\$ 8,595,353.49</b>   |

CITY OF SCRANTON  
2019 OPERATING BUDGET  
BUDGETED EXPENDITURES  
GENERAL FUND

| Account Number                                     | Account Description                            | 2018<br>Operating Budget | 2018<br>(Through 9/30/2018) | 2019<br>Operating Budget |
|--|--|--------------------------|-----------------------------|--------------------------|
| <b>Department of Business Administration - #40</b> |  |                          |                             |                          |
| <b>Bureau of Human Resources - #41</b>             |  |                          |                             |                          |
| 4010   | 01.040.00041.4010 STANDARD SALARY              | \$ 206,877.76            | 144,541.76                  | 208,918.11               |
| 4040   | 01.040.00041.4040 OTHER SALARY (MISC)          | 2,250.00                 | 1,500.00                    | 9,600.00                 |
| 4070   | 01.040.00041.4070 LONGEVITY SALARY             | 7,211.25                 | -                           | 3,877.35                 |
| 4080   | 01.040.00041.4080 OVERTIME SALARY              | -                        | -                           | -                        |
|  | TOTAL EMPLOYEE COMPENSATION                    | \$ 216,339.01            | \$ 146,041.76               | \$ 222,395.46            |
| 4201   | 01.040.00041.4201 PROFESSIONAL SERVICES        | \$ 150,000.00            | 109,829.46                  | 170,000.00               |
| 4290   | 01.040.00041.4290 STATIONARY/OFFICE SUPPLIES   | 25,000.00                | 70.00                       | 1,000.00                 |
| 4390   | 01.040.00041.4390 MATERIALS/SUPPLIES (MISC)    | 500.00                   | 188.80                      | 500.00                   |
| 4420   | 01.040.00041.4420 TRAVEL AND LODGING           | 1,000.00                 | 430.68                      | 2,000.00                 |
| 4470   | 01.040.00041.4470 TRAINING AND CERTIFICATION   | 3,000.00                 | 1,829.02                    | 5,000.00                 |
| 4630   | 01.040.00041.4630 LIABILITY/CASUALTY INSURANCE | 1,371,000.00             | 915,579.60                  | 1,175,000.00             |
| 6006   | 01.040.00041.6006 PERSONNEL COST ADJUSTMENT    | -                        | 2,456.63                    | 7,500.00                 |
|  | TOTAL OPERATING EXPENDITURES                   | \$ 1,550,500.00          | \$ 1,030,384.19             | \$ 1,361,000.00          |
|  | <b>BUREAU of HUMAN RESOURCES TOTAL</b>         | <b>\$ 1,766,839.01</b>   | <b>\$ 1,176,425.95</b>      | <b>\$ 1,583,395.46</b>   |

CITY OF SCRANTON  
 2019 OPERATING BUDGET  
 BUDGETED EXPENDITURES  
 GENERAL FUND

| Account Number                                     |                   | Account Description                           | 2018<br>Operating Budget | 2018<br>(Through 9/30/2018) | 2019<br>Operating Budget |
|--|-------------------|---|--------------------------|-----------------------------|--------------------------|
| <b>Department of Business Administration - #40</b> |                   |   |                          |                             |                          |
| <b>Bureau of Information Technology - #42</b>      |                   |   |                          |                             |                          |
| 4010   | 01.040.00042.4010 | STANDARD SALARY                               | \$ 134,750.00            | 96,143.36                   | 140,750.00               |
| 4040   | 01.040.00042.4040 | OTHER SALARY (MISC)                           | -                        | -                           | -                        |
| 4070   | 01.040.00042.4070 | LONGEVITY SALARY                              | -                        | -                           | -                        |
| 4080   | 01.040.00042.4080 | OVERTIME SALARY                               | -                        | -                           | -                        |
|  |                   | <b>TOTAL EMPLOYEE COMPENSATION</b>            | <b>\$ 134,750.00</b>     | <b>\$ 96,143.36</b>         | <b>\$ 140,750.00</b>     |
|  |                   |   | -                        |                             |                          |
| 4201   | 01.040.00042.4201 | PROFESSIONAL SERVICES                         | \$ 95,250.00             | 92,064.85                   | 150,000.00               |
| 4210   | 01.040.00042.4210 | SERVICES AND MAINTENANCE FEE                  | 75,000.00                | 41,291.60                   | 100,000.00               |
| 4270   | 01.040.00042.4270 | DUES AND SUBSCRIPTIONS                        | 500.00                   | -                           | 500.00                   |
| 4290   | 01.040.00042.4290 | STATIONARY/OFFICE SUPPLIES                    | 1,000.00                 | -                           | 1,000.00                 |
| 4390   | 01.040.00042.4390 | MATERIALS/SUPPLIES (MISC)                     | 65,000.00                | 61,265.15                   | 75,000.00                |
| 4420   | 01.040.00042.4420 | TRAVEL AND LODGING                            | 750.00                   | -                           | 1,000.00                 |
| 4440   | 01.040.00042.4440 | TELEPHONE                                     | 150,000.00               | 127,856.45                  | 200,000.00               |
| 4470   | 01.040.00042.4470 | TRAINING AND CERTIFICATION                    | 10,000.00                | 699.00                      | 35,000.00                |
| 4550   | 01.040.00042.4550 | CAPITAL EXPENDITURES                          | 250,000.00               | 258,267.03                  | 455,000.00               |
| 4560   | 01.040.00042.4560 | EQUIPMENT MAINTENANCE/LEASES                  | 50,000.00                | 45,000.00                   | 94,000.00                |
|  |                   | <b>TOTAL OPERATING EXPENDITURES</b>           | <b>\$ 697,500.00</b>     | <b>\$ 626,444.08</b>        | <b>\$ 1,111,500.00</b>   |
|  |                   | <b>BUREAU of INFORMATION TECHNOLOGY TOTAL</b> | <b>\$ 832,250.00</b>     | <b>\$ 722,587.44</b>        | <b>\$ 1,252,250.00</b>   |

CITY OF SCRANTON  
2019 OPERATING BUDGET  
BUDGETED EXPENDITURES  
GENERAL FUND

| Account Number                                     | Account Description | 2018<br>Operating Budget                           | 2018<br>(Through 9/30/2018) | 2019<br>Operating Budget |                         |
|--|---------------------|--|-----------------------------|--------------------------|-------------------------|
| <b>Department of Business Administration - #40</b> |                     |  |                             |                          |                         |
| <b>Bureau of Treasury - #43</b>                    |                     |  |                             |                          |                         |
| 4010   | 01.040.00043.4010   | STANDARD SALARY                                    | \$ 114,376.08               | 80,042.48                | 118,157.12              |
| 4040   | 01.040.00043.4040   | OTHER SALARY (MISC)                                | 0.00                        | 1,500.00                 | -                       |
| 4070   | 01.040.00043.4070   | LONGEVITY SALARY                                   | 2,825.02                    | -                        | 3,654.86                |
| 4080   | 01.040.00043.4080   | OVERTIME SALARY                                    | -                           | -                        | -                       |
|  |                     | <b>TOTAL EMPLOYEE COMPENSATION</b>                 | <b>\$ 117,201.10</b>        | <b>\$ 81,542.48</b>      | <b>\$ 121,811.98</b>    |
| 4201   | 01.040.00043.4201   | PROFESSIONAL SERVICES                              | \$ 11,250.00                | -                        | 13,000.00               |
| 4250   | 01.040.00043.4250   | ADVERTISING  | -                           | -                        | -                       |
| 4290   | 01.040.00043.4290   | STATIONARY/OFFICE SUPPLIES                         | -                           | -                        | -                       |
| 4390   | 01.040.00043.4390   | MATERIALS/SUPPLIES (MISC)                          | 8,000.00                    | 9,865.73                 | 15,000.00               |
| 4420   | 01.040.00043.4420   | TRAVEL AND LODGING                                 | -                           | -                        | -                       |
| 4550   | 01.040.00043.4550   | CAPITAL EXPENDITURES                               | -                           | -                        | -                       |
| 6000   | 01.040.00043.6000   | TAX AND MISC REFUNDS                               | 1,000.00                    | 3,073.30                 | 5,000.00                |
| 6001   | 01.040.00043.6001   | TAX COLLECTION COMMITTEE EXPENSE                   | 500.00                      | -                        | 500.00                  |
|  |                     | <b>TOTAL OPERATING EXPENDITURES</b>                | <b>\$ 20,750.00</b>         | <b>\$ 12,939.03</b>      | <b>\$ 33,500.00</b>     |
|  |                     | <b>BUREAU of TREASURY TOTAL</b>                    | <b>\$ 137,951.10</b>        | <b>\$ 94,481.51</b>      | <b>\$ 155,311.98</b>    |
|  |                     | <b>DEPARTMENT of BUSINESS ADMINISTRATION TOTAL</b> | <b>\$ 11,446,370.01</b>     | <b>\$ 8,567,182.85</b>   | <b>\$ 11,586,310.93</b> |

CITY OF SCRANTON  
 2019 OPERATING BUDGET  
 BUDGETED EXPENDITURES  
 GENERAL FUND

| Account Number  | Account Description | 2018<br>Operating Budget | 2018<br>(Through 9/30/2018) | 2019<br>Operating Budget |
|---|---------------------|--------------------------|-----------------------------|--------------------------|
| Office of Economic & Community Development (OECD) - #50 |                     |                          |                             |                          |
| 50.00000.4010   | STANDARD SALARY     | \$ 649,985.32            | 524,987.88                  | 647,544.47               |
| OECD DEPARTMENT TOTAL (NON-ADDITION TO BUDGET)          |                     | \$ 649,985.32            | \$ 524,987.88               | \$ 647,544.47            |

**CITY OF SCRANTON  
2019 OPERATING BUDGET  
BUDGETED EXPENDITURES  
GENERAL FUND**

| Account Number   | Account Description | 2018<br>Operating Budget                                   | 2018<br>(Through 9/30/2018) | 2019<br>Operating Budget |                        |
|--|---------------------|--|-----------------------------|--------------------------|------------------------|
| <b>Dept. of Licenses, Inspections &amp; Permits - #51</b>  |                     |  |                             |                          |                        |
| <b>Bureau of Licenses, Inspections &amp; Permits - #51</b> |                     |  |                             |                          |                        |
| 4010   | 01.051.00051.4010   | STANDARD SALARY  | \$ 745,863.37               | 503,481.77               | 786,660.00             |
| 4040   | 01.051.00051.4040   | OTHER SALARY (MISC)  | 9,600.00                    | 11,250.00                | -                      |
| 4070   | 01.051.00051.4070   | LONGEVITY SALARY   | 17,805.01                   | -                        | 19,826.55              |
| 4080   | 01.051.00051.4080   | OVERTIME SALARY  | 3,000.00                    | 709.67                   | 3,000.00               |
| 4101   | 01.051.00051.4101   | UNIFORM ALLOWANCE (AUTO)                                   | 12,500.00                   | 9,092.71                 | 12,500.00              |
|  |                     | <b>TOTAL EMPLOYEE COMPENSATION</b>                         | <b>\$ 788,968.38</b>        | <b>\$ 524,534.15</b>     | <b>\$ 821,986.55</b>   |
| 4201   | 01.051.00051.4201   | PROFESSIONAL SERVICES                                      | \$ 40,000.00                | 46,610.00                | 50,000.00              |
| 4270   | 01.051.00051.4270   | DUES AND SUBSCRIPTIONS                                     | -                           | -                        | -                      |
| 4290   | 01.051.00051.4290   | STATIONARY/OFFICE SUPPLIES                                 | 500.00                      | 129.30                   | 500.00                 |
| 4390   | 01.051.00051.4390   | MATERIALS/SUPPLIES (MISC)                                  | 500.00                      | -                        | 500.00                 |
| 4420   | 01.051.00051.4420   | TRAVEL AND LODGING   | 1,000.00                    | -                        | 1,000.00               |
| 4470   | 01.051.00051.4470   | TRAINING AND CERTIFICATION                                 | 1,000.00                    | 209.00                   | 1,000.00               |
| 4550   | 01.051.00051.4550   | CAPITAL EXPENDITURES                                       | 23,000.00                   | 5,725.91                 | 20,000.00              |
| 4570   | 01.051.00051.4570   | MAINTENANCE COMMUNICATION EQUIPMENT                        | 500.00                      | -                        | 500.00                 |
| 4590   | 01.051.00051.4590   | BUILDING DEMOLITION  | 65,000.00                   | 10,252.00                | 150,000.00             |
|  |                     | <b>TOTAL OPERATING EXPENDITURES</b>                        | <b>131,500.00</b>           | <b>62,926.21</b>         | <b>223,500.00</b>      |
|  |                     | <b>BUREAU of LICENSES, INSPECTIONS &amp; PERMITS TOTAL</b> | <b>\$ 920,468.38</b>        | <b>\$ 587,460.36</b>     | <b>\$ 1,045,486.55</b> |

CITY OF SCRANTON  
2019 OPERATING BUDGET  
BUDGETED EXPENDITURES  
GENERAL FUND

| Account Number  | Account Description | 2018<br>Operating Budget                                       | 2018<br>(Through 9/30/2018) | 2019<br>Operating Budget |                        |
|---|---------------------|--|-----------------------------|--------------------------|------------------------|
| <b>Dept. of Licenses, Inspections &amp; Permits - #51</b> |                     |  |                             |                          |                        |
| <b>Bureau of Buildings - #82</b>                          |                     |  |                             |                          |                        |
| 4010  | 01.051.00082.4010   | STANDARD SALARY  | \$ 110,667.12               | 77,617.30                | 112,752.79             |
| 4040  | 01.051.00082.4040   | OTHER SALARY (MISC)  | 2,100.00                    | 2,250.00                 | -                      |
| 4070  | 01.051.00082.4070   | LONGEVITY SALARY   | 6,412.35                    | -                        | 7,309.97               |
| 4080  | 01.051.00082.4080   | OVERTIME SALARY  | 750.00                      | 615.05                   | 1,000.00               |
| 4101  | 01.051.00082.4101   | UNIFORM ALLOWANCE  | 1,260.00                    | 1,260.00                 | 1,260.00               |
|   |                     | <b>TOTAL EMPLOYEE COMPENSATION</b>                             | <b>\$ 121,189.47</b>        | <b>\$ 81,742.35</b>      | <b>\$ 122,322.76</b>   |
| 4201  | 01.051.00082.4201   | PROFESSIONAL SERVICES  | \$ 75,000.00                | 1,300.00                 | 5,000.00               |
| 4210  | 01.051.00082.4210   | SVCES AND MAINT FEE  |                             | -                        | -                      |
| 4320  | 01.051.00082.4320   | BLDG/REPAIR-SUPPL MAINT  | 150,000.00                  | 136,556.88               | 150,000.00             |
| 4360  | 01.051.00082.4360   | SMALL TOOLS/SHOP SUPPL   |                             | -                        | -                      |
| 4420  | 01.051.00082.4420   | TRAVEL AND LODGING   |                             | -                        | -                      |
| 4445  | 01.051.00082.4445   | SEWER CHARGES  | 5,000.00                    | -                        | -                      |
| 4447  | 01.051.00082.4447   | UGI - GAS  | 135,000.00                  | 86,267.01                | 135,000.00             |
| 4448  | 01.051.00082.4448   | PAWC -- WATER  | 475,000.00                  | 374,897.84               | 475,000.00             |
| 4450  | 01.051.00082.4450   | ELECTRICAL   | 275,000.00                  | 197,311.06               | 135,000.00             |
| 4465  | 01.051.00082.4465   | BUILDING SUPPLIES  | 1,000.00                    | -                        | 1,000.00               |
|   |                     | <b>TOTAL OPERATING EXPENDITURES</b>                            | <b>\$ 1,116,000.00</b>      | <b>\$ 796,332.79</b>     | <b>\$ 901,000.00</b>   |
|   |                     | <b>BUREAU of BUILDINGS TOTAL</b>                               | <b>\$ 1,237,189.47</b>      | <b>\$ 878,075.14</b>     | <b>\$ 1,023,322.76</b> |
|   |                     | <b>DEPARTMENT of LICENSES, INSPECTIONS &amp; PERMITS TOTAL</b> | <b>\$ 2,157,657.85</b>      | <b>\$ 1,465,535.50</b>   | <b>\$ 2,068,809.31</b> |

**CITY OF SCRANTON  
2019 OPERATING BUDGET  
BUDGETED EXPENDITURES  
GENERAL FUND**

| Account Number              | Account Description                 | 2018<br>Operating Budget | 2018<br>(Through 9/30/2018) | 2019<br>Operating Budget |
|-----------------------------|-------------------------------------|--------------------------|-----------------------------|--------------------------|
| <b>Law Department - #60</b> |                                     |                          |                             |                          |
| 4010 01.060.00000.4010      | STANDARD SALARY                     | \$ 215,612.47            | 145,773.97                  | 274,112.47               |
| 4040 01.060.00000.4040      | OTHER SALARY (MISC)                 | 750.00                   | -                           | -                        |
| 4070 01.060.00000.4070      | LONGEVITY SALARY                    | -                        | -                           | -                        |
| 4080 01.060.00000.4080      | OVERTIME SALARY                     | -                        | -                           | -                        |
|                             | <b>TOTAL EMPLOYEE COMPENSATION</b>  | <b>\$ 216,362.47</b>     | <b>\$ 145,773.97</b>        | <b>\$ 274,112.47</b>     |
| 4201 01.060.00000.4201      | PROFESSIONAL SERVICES               | \$ 195,000.00            | 118,440.30                  | 255,000.00               |
| 4210 01.060.00000.4210      | SERVICES AND MAINTENANCE FEE        | 2,000.00                 | -                           | 2,000.00                 |
| 4270 01.060.00000.4270      | DUES AND SUBSCRIPTIONS              | 3,950.00                 | 902.00                      | 3,000.00                 |
| 4290 01.060.00000.4290      | STATIONARY/OFFICE SUPPLIES          | 500.00                   | 265.00                      | 500.00                   |
| 4390 01.060.00000.4390      | MATERIALS/SUPPLIES (MISC)           | 500.00                   | -                           | 500.00                   |
| 4420 01.060.00000.4420      | TRAVEL AND LODGING                  | 1,000.00                 | -                           | 3,500.00                 |
| 4470 01.060.00000.4470      | TRAINING AND CERTIFICATION          | 1,000.00                 | 334.50                      | 3,500.00                 |
| 4550 01.060.00000.4550      | CAPITAL EXPENDITURES                | 3,250.00                 | -                           | -                        |
|                             | <b>TOTAL OPERATING EXPENDITURES</b> | <b>\$ 207,200.00</b>     | <b>\$ 119,941.80</b>        | <b>\$ 268,000.00</b>     |
|                             | <b>DEPARTMENT of LAW TOTAL</b>      | <b>\$ 423,562.47</b>     | <b>\$ 265,715.77</b>        | <b>\$ 542,112.47</b>     |

CITY OF SCRANTON  
2019 OPERATING BUDGET  
BUDGETED EXPENDITURES  
GENERAL FUND

| Account Number                          | Account Description | 2018<br>Operating Budget              | 2018<br>(Through 9/30/2018) | 2019<br>Operating Budget |                        |
|---|---------------------|---------------------------------------|-----------------------------|--------------------------|------------------------|
| <b>Department of Public Works - #80</b> |                     |                                       |                             |                          |                        |
| <b>Bureau of Administration - #80</b>   |                     |                                       |                             |                          |                        |
| 4010                                    | 01.080.00080.4010   | STANDARD SALARY                       | \$ 164,741.61               | 123,855.74               | 169,193.54             |
| 4040                                    | 01.080.00080.4040   | OTHER SALARY (MISC)                   | 1,500.00                    | 1,500.00                 | -                      |
| 4070                                    | 01.080.00080.4070   | LONGEVITY SALARY                      | 7,711.68                    | -                        | 7,856.86               |
| 4080                                    | 01.080.00080.4080   | OVERTIME SALARY                       | -                           | -                        | -                      |
| 4118                                    | 01.080.00080.4118   | HEALTH INSURANCE - DPW UNION          | 2,529,641.97                | 1,361,937.91             | 1,773,915.00           |
| 4120                                    | 01.080.00080.4120   | LIFE/DISABILITY INSURANCE             | -                           | -                        | -                      |
| 4130                                    | 01.080.00080.4130   | I.A.M. PENSION                        | 300,344.00                  | 340,564.72               | 455,000.00             |
| 4180                                    | 01.080.00080.4180   | SOCIAL SECURITY                       | 351,100.00                  | 291,447.80               | 350,000.00             |
|   |                     | <b>TOTAL EMPLOYEE COMPENSATION</b>    | <b>3,355,039.26</b>         | <b>2,119,306.17</b>      | <b>2,755,965.40</b>    |
| 4201                                    | 01.080.00080.4201   | PROFESSIONAL SERVICES                 | \$ 50,000.00                | -                        | 10,000.00              |
| 4270                                    | 01.080.00080.4270   | DUES AND SUBSCRIPTIONS                | -                           | -                        | -                      |
| 4210                                    | 01.080.00080.4210   | SERVICES & MAINTENANCE FEE            | 2,040.00                    | 1,081.32                 | 2,040.00               |
| 4290                                    | 01.080.00080.4290   | STATIONARY/OFFICE SUPPL               | -                           | -                        | -                      |
| 4420                                    | 01.080.00080.4420   | TRAVEL AND LODGING                    | 500.00                      | -                        | 500.00                 |
| 4550                                    | 01.080.00080.4550   | CAPITAL EXPENDITURES                  | 10,000.00                   | 6,399.50                 | 10,000.00              |
| 4570                                    | 01.080.00080.4570   | MAINT COMMUNICATION EQUIP             | 16,500.00                   | 12,345.00                | 16,500.00              |
| 4576                                    | 01.080.00080.4576   | MAINTENANCE SUPER FUND SIGHT          | 13,000.00                   | 6,935.80                 | 13,000.00              |
| 6007                                    | 01.080.00080.6007   | FLOOD PROTECTION SYSTEM MAINTENANCE   | 50,000.00                   | 25,215.63                | 1,973,900.00           |
|   |                     | <b>TOTAL OPERATING EXPENDITURES</b>   | <b>\$ 142,040.00</b>        | <b>\$ 51,977.25</b>      | <b>\$ 2,025,940.00</b> |
|   |                     | <b>BUREAU of ADMINISTRATION TOTAL</b> | <b>\$ 3,497,079.26</b>      | <b>\$ 2,171,283.42</b>   | <b>\$ 4,781,905.40</b> |

CITY OF SCRANTON  
 2019 OPERATING BUDGET  
 BUDGETED EXPENDITURES  
 GENERAL FUND

| Account Number                          | Account Description | 2018<br>Operating Budget            | 2018<br>(Through 9/30/2018) | 2019<br>Operating Budget |                      |
|---|---------------------|-------------------------------------|-----------------------------|--------------------------|----------------------|
| <b>Department of Public Works - #80</b> |                     |                                     |                             |                          |                      |
| <b>Bureau of Engineering - #81</b>      |                     |                                     |                             |                          |                      |
| 4010                                    | 01.080.00081.4010   | STANDARD SALARY                     | \$ 112,798.45               | 69,427.20                | 114,348.77           |
| 4040                                    | 01.080.00081.4040   | OTHER SALARY (MISC)                 | 2,100.00                    | 750.00                   | -                    |
| 4070                                    | 01.080.00081.4070   | LONGEVITY SALARY                    | 3,891.04                    | -                        | 3,965.31             |
| 4080                                    | 01.080.00081.4080   | OVERTIME SALARY                     | 4,500.00                    | 3,327.08                 | 4,500.00             |
| 4101                                    | 01.080.00081.4101   | UNIFORM ALLOWANCE                   | 3,128.21                    | 1,831.72                 | 3,000.00             |
|   |                     | <b>TOTAL EMPLOYEE COMPENSATION</b>  | <b>\$ 126,417.70</b>        | <b>\$ 75,336.00</b>      | <b>\$ 125,814.08</b> |
| 4201                                    | 01.080.00081.4201   | PROFESSIONAL SERVICES               | \$ 69,500.00                | 47,925.00                | 69,500.00            |
| 4210                                    | 01.080.00081.4210   | SERVICES & MAINTENANCE FEE          | 500.00                      | 481.60                   | 500.00               |
| 4280                                    | 01.080.00081.4280   | MISC SERVICES-NOT CLASSIFIED        | -                           | -                        | -                    |
| 4290                                    | 01.080.00081.4290   | STATIONARY/OFFICE SUPPLIES          | 100.00                      | -                        | 100.00               |
| 4390                                    | 01.080.00081.4390   | MATERIALS/SUPPLIES (MISC)           | 250.00                      | 244.84                   | 250.00               |
| 4470                                    | 01.080.00081.4470   | TRAINING AND CERTIFICATION          | 1,000.00                    | 50.00                    | 1,000.00             |
| 4550                                    | 01.080.00081.4550   | CAPITAL EXPENDITURES                | -                           | -                        | -                    |
|   |                     | <b>TOTAL OPERATING EXPENDITURES</b> | <b>\$ 71,350.00</b>         | <b>\$ 48,681.44</b>      | <b>\$ 71,350.00</b>  |
|   |                     | <b>BUREAU of ENGINEERING TOTAL</b>  | <b>\$ 197,767.70</b>        | <b>\$ 124,017.44</b>     | <b>\$ 197,164.08</b> |

CITY OF SCRANTON  
2019 OPERATING BUDGET  
BUDGETED EXPENDITURES  
GENERAL FUND

| Account Number                          | Account Description | 2018<br>Operating Budget              | 2018<br>(Through 9/30/2018) | 2019<br>Operating Budget |                        |
|---|---------------------|---------------------------------------|-----------------------------|--------------------------|------------------------|
| <b>Department of Public Works - #80</b> |                     |                                       |                             |                          |                        |
| <b>Bureau of Highways - #83</b>         |                     |                                       |                             |                          |                        |
| 4010                                    | 01.080.00083.4010   | STANDARD SALARY                       | \$ 1,179,627.24             | 810,170.85               | 1,244,176.11           |
| 4040                                    | 01.080.00083.4040   | OTHER SALARY (MISC)                   | 18,200.00                   | 750.00                   | -                      |
| 4070                                    | 01.080.00083.4070   | LONGEVITY SALARY                      | 85,387.97                   | -                        | 85,875.63              |
| 4080                                    | 01.080.00083.4080   | OVERTIME SALARY                       | 160,000.00                  | 136,241.42               | 160,000.00             |
| 4101                                    | 01.080.00083.4101   | UNIFORM ALLOWANCE                     | 11,340.00                   | 10,920.00                | 11,340.00              |
|   |                     | TOTAL EMPLOYEE COMPENSATION           | \$ 1,454,555.21             | \$ 958,082.27            | \$ 1,501,391.74        |
| 4210                                    | 01.080.00083.4210   | SERVICES AND MAINTENANCE FEE          | -                           | -                        | -                      |
| 4260                                    | 01.080.00083.4260   | RENTAL VEHICLES & EQUIPMENT           | \$ 300,000.00               | 20,010.80                | 300,000.00             |
| 4290                                    | 01.080.00083.4290   | STATIONARY/OFFICE SUPPLIES            | -                           | -                        | -                      |
| 4340                                    | 01.080.00083.4340   | CONSTRUCTION-PAVING MATERIAL          | 100,000.00                  | 84,310.21                | 150,000.00             |
| 4350                                    | 01.080.00083.4350   | PAINT/SIGN MATERIAL                   | 50,000.00                   | 8,362.34                 | 25,000.00              |
| 4370                                    | 01.080.00083.4370   | PARKS AND RECREATION SUPPLIES         | 62,000.00                   | 15,769.60                | 37,600.00              |
| 4390                                    | 01.080.00083.4390   | MATERIALS/SUPPLIES (MISC)             | 37,500.00                   | 25,927.39                | 37,500.00              |
| 4410                                    | 01.080.00083.4410   | SALT                                  | 273,500.00                  | 403,734.07               | 425,000.00             |
| 4420                                    | 01.080.00083.4420   | TRAVEL AND LODGING                    | -                           | -                        | -                      |
| 4460                                    | 01.080.00083.4460   | STREET LIGHTING                       | 375,000.00                  | 143,790.14               | 200,000.00             |
| 4466                                    | 01.080.00083.4466   | STREET LIGHTING SERVICE / MAINTENANCE | 77,500.00                   | 38,170.95                | 60,000.00              |
| 4467                                    | 01.080.00083.4467   | TRAFFIC SIGNAL ELECTRICITY            | -                           | -                        | 90,000.00              |
| 4550                                    | 01.080.00083.4550   | CAPITAL EXPENDITURES                  | 140,000.00                  | 271,008.69               | 450,000.00             |
| 4551                                    | 01.080.00083.4551   | ROADWAY RESURFACING PROGRAM           | 875,000.00                  | -                        | 875,000.00             |
|   |                     | TOTAL OPERATING EXPENDITURES          | \$ 2,290,500.00             | \$ 1,011,084.19          | \$ 2,650,100.00        |
|   |                     | <b>BUREAU of HIGHWAYS TOTAL</b>       | <b>\$ 3,745,055.21</b>      | <b>\$ 1,969,166.46</b>   | <b>\$ 4,151,491.74</b> |

CITY OF SCRANTON  
 2019 OPERATING BUDGET  
 BUDGETED EXPENDITURES  
 GENERAL FUND

| Account Number                          |                   | Account Description           | 2018<br>Operating Budget | 2018<br>(Through 9/30/2018) | 2019<br>Operating Budget |
|---|-------------------|-------------------------------|--------------------------|-----------------------------|--------------------------|
| <b>Department of Public Works - #80</b> |                   |                               |                          |                             |                          |
| <b>Bureau of Refuse - #84</b>           |                   |                               |                          |                             |                          |
| 4010                                    | 01.080.00084.4010 | STANDARD SALARY               | \$ 2,175,183.95          | 1,604,779.24                | 2,214,426.81             |
| 4040                                    | 01.080.00084.4040 | OTHER SALARY (MISC)           | 35,000.00                | -                           | 1,000.00                 |
| 4070                                    | 01.080.00084.4070 | LONGEVITY SALARY              | 63,641.77                | -                           | 39,916.62                |
| 4080                                    | 01.080.00084.4080 | OVERTIME SALARY               | 150,000.00               | 138,325.65                  | 160,000.00               |
| 4101                                    | 01.080.00084.4101 | UNIFORM ALLOWANCE             | 19,320.00                | 19,320.00                   | 19,320.00                |
|   |                   | TOTAL EMPLOYEE COMPENSATION   | \$ 2,443,145.72          | \$ 1,762,424.89             | \$ 2,434,663.42          |
| 4260                                    | 01.080.00084.4260 | RENTAL VEHICLES & EQUIP       | -                        | -                           | -                        |
| 4330                                    | 01.080.00084.4330 | MEDICAL, CHEM. LAB SUP        | -                        | -                           | -                        |
| 4390                                    | 01.080.00084.4390 | MATERIALS/SUPPL (MISC)        | 1,000.00                 | 20.69                       | 1,000.00                 |
| 4420                                    | 01.080.00084.4420 | TRAVEL AND LODGING            | 1,000.00                 | -                           | 1,000.00                 |
| 4490                                    | 01.080.00084.4490 | LANDFILL                      | 1,271,434.74             | 1,022,808.65                | 1,300,000.00             |
| 4550                                    | 01.080.00084.4550 | CAPITAL EXPENDITURES          | 180,000.00               | 195,000.00                  | 225,000.00               |
| 4555                                    | 01.080.00084.4555 | RECYCLING                     | -                        | -                           | 175,000.00               |
|   |                   | TOTAL OPERATING EXPENDITURES  | \$ 1,453,434.74          | \$ 1,217,829.34             | \$ 1,702,000.00          |
|   |                   | <b>BUREAU of REFUSE TOTAL</b> | <b>\$ 3,896,580.46</b>   | <b>\$ 2,980,254.23</b>      | <b>\$ 4,136,663.42</b>   |

**CITY OF SCRANTON  
2019 OPERATING BUDGET  
BUDGETED EXPENDITURES  
GENERAL FUND**

| Account Number                          | Account Description | 2018<br>Operating Budget                | 2018<br>(Through 9/30/2018) | 2019<br>Operating Budget |                         |
|---|---------------------|---|-----------------------------|--------------------------|-------------------------|
| <b>Department of Public Works - #80</b> |                     |   |                             |                          |                         |
| <b>Bureau of Garages - #85</b>          |                     |   |                             |                          |                         |
| 4010                                    | 01.080.00085.4010   | STANDARD SALARY                         | \$ 387,664.52               | 224,040.19               | 364,405.11              |
| 4040                                    | 01.080.00085.4040   | OTHER SALARY (MISC)                     | 16,800.00                   | 2,250.00                 | -                       |
| 4070                                    | 01.080.00085.4070   | LONGEVITY SALARY                        | 23,876.42                   | -                        | 25,510.91               |
| 4080                                    | 01.080.00085.4080   | OVERTIME SALARY                         | 31,201.30                   | 20,011.58                | 25,000.00               |
| 4101                                    | 01.080.00085.4101   | UNIFORM ALLOWANCE                       | 3,360.00                    | 3,360.00                 | 3,360.00                |
|   |                     | <b>TOTAL EMPLOYEE COMPENSATION</b>      | <b>\$ 462,902.24</b>        | <b>\$ 249,661.77</b>     | <b>\$ 418,276.02</b>    |
| 4201                                    | 01.080.00085.4201   | PROFESSIONAL SERVICES                   | -                           | -                        | -                       |
| 4210                                    | 01.080.00085.4210   | SERVICES AND MAINTENANCE FEE            | -                           | -                        | -                       |
| 4220                                    | 01.080.00085.4220   | CONTRACTED SERVICES                     | 750.00                      | 1,831.82                 | 2,500.00                |
| 4290                                    | 01.080.00085.4290   | STATIONARY/OFFICE SUPPL                 | -                           | -                        | -                       |
| 4301                                    | 01.080.00085.4301   | GAS, OIL, LUBRICANTS                    | 295,000.00                  | 323,309.36               | 340,000.00              |
| 4310                                    | 01.080.00085.4310   | EQUIP/VEHICLE REP/MAINT                 | 325,000.00                  | 267,753.58               | 325,000.00              |
| 4360                                    | 01.080.00085.4360   | SMALL TOOLS/SHOP SUPPL                  | 6,500.00                    | 4,904.57                 | 6,500.00                |
| 4390                                    | 01.080.00085.4390   | MATERIALS/SUPPL (MISC)                  | 49,500.00                   | 29,862.09                | 49,500.00               |
| 4401                                    | 01.080.00085.4401   | TIRES                                   | 109,500.00                  | 62,483.23                | 109,500.00              |
| 4420                                    | 01.080.00085.4420   | TRAVEL AND LODGING                      | 500.00                      | -                        | 500.00                  |
| 4550                                    | 01.080.00085.4550   | CAPITAL EXPENDITURES                    | 25,000.00                   | 20,317.96                | 70,000.00               |
| 4901                                    | 01.080.00085.4901   | MAINTENANCE (PREVENTATIVE)              | 7,500.00                    | 3,421.12                 | 7,500.00                |
|   |                     | <b>TOTAL OPERATING EXPENDITURES</b>     | <b>\$ 819,250.00</b>        | <b>\$ 713,903.73</b>     | <b>\$ 911,000.00</b>    |
|   |                     | <b>BUREAU of GARAGES TOTAL</b>          | <b>\$ 1,282,152.24</b>      | <b>\$ 963,565.50</b>     | <b>\$ 1,329,276.02</b>  |
|   |                     | <b>DEPARTMENT of PUBLIC WORKS TOTAL</b> | <b>\$ 12,618,634.87</b>     | <b>\$ 8,208,287.05</b>   | <b>\$ 14,596,500.66</b> |

CITY OF SCRANTON  
 2019 OPERATING BUDGET  
 BUDGETED EXPENDITURES  
 GENERAL FUND

| Account Number                            |                   | Account Description                    | 2018<br>Operating Budget | 2018<br>(Through 9/30/2018) | 2019<br>Operating Budget |
|---|-------------------|--|--------------------------|-----------------------------|--------------------------|
| Department of Parks and Recreation - #100 |                   |  |                          |                             |                          |
| Bureau of Parks & Recreation - #100       |                   |  |                          |                             |                          |
| 4010                                      | 01.100.00000.4010 | STANDARD SALARY                        | \$ 407,506.47            | 289,790.52                  | 444,598.76               |
| 4040                                      | 01.100.00000.4040 | OTHER SALARY (MISC)                    | 160,000.00               | 147,298.99                  | 165,000.00               |
| 4070                                      | 01.100.00000.4070 | LONGEVITY SALARY                       | 22,384.68                | -                           | 19,985.63                |
| 4080                                      | 01.100.00000.4080 | OVERTIME SALARY                        | 30,000.00                | 36,017.79                   | 45,000.00                |
| 4101                                      | 01.100.00000.4101 | UNIFORM ALLOWANCE                      | 2,940.00                 | 2,520.00                    | 2,940.00                 |
|   |                   | TOTAL EMPLOYEE COMPENSATION            | \$ 622,830.15            | \$ 475,627.30               | \$ 677,524.39            |
| 4210                                      | 01.100.00000.4210 | SERVICES AND MAINTENANCE FEE           | -                        | -                           | -                        |
| 4270                                      | 01.100.00000.4270 | DUES AND SUBSCRIPTIONS                 | -                        | -                           | -                        |
| 4280                                      | 01.100.00000.4280 | MISC SERVICES-NON CLASSIFIED           | 5,000.00                 | 1,707.03                    | 5,000.00                 |
| 4290                                      | 01.100.00000.4290 | STATIONARY/OFFICE SUPPLIES             | 500.00                   | 70.08                       | 500.00                   |
| 4320                                      | 01.100.00000.4320 | BLDG/REPAIR-SUPPLY MAINT               | 15,000.00                | 6,148.76                    | 15,000.00                |
| 4330                                      | 01.100.00000.4330 | MEDICAL, CHEM, LAB SUP                 | 20,000.00                | 4,667.80                    | 20,000.00                |
| 4360                                      | 01.100.00000.4360 | SMALL TOOLS/SHOP SUPPLIES              | 500.00                   | -                           | 500.00                   |
| 4370                                      | 01.100.00000.4370 | PARKS/RECREATION SUPPLIES              | 1,000.00                 | -                           | 11,000.00                |
| 4420                                      | 01.100.00000.4420 | TRAVEL AND LODGING                     | 750.00                   | -                           | 750.00                   |
| 4530                                      | 01.100.00000.4530 | PERFORMING ARTS                        | 20,000.00                | 15,675.00                   | 20,000.00                |
| 4540                                      | 01.100.00000.4540 | SPRING/SUMMER PROG                     | 3,000.00                 | 2,886.01                    | 3,000.00                 |
| 4550                                      | 01.100.00000.4550 | CAPITAL EXPENDITURES                   | 875,000.00               | 83,939.79                   | 875,000.00               |
|   |                   | TOTAL OPERATING EXPENDITURES           | \$ 940,750.00            | \$ 115,094.47               | \$ 950,750.00            |
|   |                   | DEPARTMENT of PARKS & RECREATION TOTAL | \$ 1,563,580.15          | \$ 590,721.77               | \$ 1,628,274.39          |

CITY OF SCRANTON  
 2019 OPERATING BUDGET  
 BUDGETED EXPENDITURES  
 GENERAL FUND

| Account Number                 |                   | Account Description                       | 2018<br>Operating Budget | 2018<br>(Through 9/30/2018) | 2019<br>Operating Budget |
|--------------------------------|-------------------|---|--------------------------|-----------------------------|--------------------------|
| <b>Single Tax Office - #90</b> |                   |   |                          |                             |                          |
| 4010                           | 01.090.00000.4010 | STANDARD SALARY                           | \$ 371,038.51            | 276,795.20                  | 388,937.49               |
| 4040                           | 01.090.00000.4040 | OTHER SALARY (MISC)                       | 4,500.00                 | -                           | -                        |
| 4080                           | 01.090.00000.4080 | OVERTIME SALARY                           | 3,750.00                 | 3,131.90                    | 3,750.00                 |
| 4119                           | 01.090.00000.4119 | HEALTH INSURANCE - SINGLE TAX OFFICE      | 410,670.98               | 282,303.11                  | 702,956.00               |
|                                |                   | <b>TOTAL EMPLOYEE COMPENSATION</b>        | <b>\$ 789,959.49</b>     | <b>\$ 562,230.21</b>        | <b>\$ 1,095,643.49</b>   |
|                                |                   | <b>TOTAL OPERATING EXPENDITURES</b>       | <b>-</b>                 | <b>-</b>                    | <b>-</b>                 |
|                                |                   | <b>SINGLE TAX OFFICE DEPARTMENT TOTAL</b> | <b>\$ 789,959.49</b>     | <b>\$ 562,230.21</b>        | <b>\$ 1,095,643.49</b>   |

CITY OF SCRANTON  
2019 OPERATING BUDGET  
BUDGETED EXPENDITURES  
GENERAL FUND

| Account Number   |                   | Account Description  | 2018<br>Operating Budget | 2018<br>(Through 9/30/2018) | 2019<br>Operating Budget |
|--|-------------------|--|--------------------------|-----------------------------|--------------------------|
| <b>NON-DEPARTMENTAL EXPENDITURES - #401</b>                |                   |  |                          |                             |                          |
| 4299   | 01.401.10030.4299 | ZONING BOARD   | \$ 18,500.00             | 12,504.10                   | 25,000.00                |
| 4299   | 01.401.10060.4299 | EVERHART MUSEUM  | 29,000.00                | 28,999.98                   | 29,000.00                |
| 4299   | 01.401.10075.4299 | SCRANTON PLAN  | 60,000.00                | 10,000.00                   | 150,000.00               |
| 4299   | 01.401.10080.4299 | SCRANTON TOMORROW  | 75,000.00                | 75,000.00                   | 225,000.00               |
| 4299   | 01.401.10110.4299 | SHADE TREE COMMISSION  | 95,000.00                | 94,865.49                   | 200,000.00               |
| 4299   | 01.401.10120.4299 | ST. CATS AND DOGS  | 10,000.00                | 7,070.00                    | 10,000.00                |
| 4299   | 01.401.10130.4299 | MAYORS 504 TASK FORCE  | 1,000.00                 | -                           | 1,000.00                 |
| 4299   | 01.401.10140.4299 | CIVIL SERVICE COMMISSION   | 25,000.00                | 13,560.46                   | 25,000.00                |
| 4299   | 01.401.10150.4299 | HUMAN RELATIONS COMMISSION                                       | 25,000.00                | -                           | 1,000.00                 |
| 4299   | 01.401.10155.4299 | LHVA TRAIL MAINTENANCE   | 21,000.00                | 70,500.00                   | 24,000.00                |
| <b>TOTAL BOARDS, COMMISSIONS, NON-PROFIT CONTRIBUTIONS</b> |                   |  | <b>\$ 359,500.00</b>     | <b>\$ 312,500.03</b>        | <b>\$ 690,000.00</b>     |
|  |                   |  |                          |                             |                          |
| 4299   | 01.401.15230.4299 | TAN SERIES   | \$ 12,750,000.00         | -                           | \$ 12,750,000.00         |
| 4299   | 01.401.15240.4299 | TAN SERIES INTEREST  | 494,850.00               | -                           | \$ 465,375.00            |
| 4299   | 01.401.15310.4299 | OPER TSF TO DEBT SVC-STREET LIGHTING                             | 450,058.36               | 510,000                     | \$ 525,000.00            |
| 4299   | 01.401.15320.4299 | OPER TSF TO DEBT SVC-GUARANTEED ENERGY SAVINGS                   | 171,539.33               | 108,748                     | \$ 144,997.96            |
| 4299   | 01.401.15324.4299 | OPER TSF TO DEBT SVC-FDM REVOLVING AID LOAN                      | 100,000.00               | 100,000                     | \$ 100,000.00            |
| 4299   | 01.401.15328.4299 | OPER TSF TO DEBT SVC-2016 REDEVELOPMENT AUTHORITY SERIES AA      | 2,061,662.50             | 193,331                     | \$ 883,725.00            |
| 4299   | 01.401.15331.4299 | OPER TSF TO DEBT SVC-2019 GO BONDS BUILDING                      | -                        | -                           | \$ 1,000.00              |
| 4299   | 01.401.15332.4299 | OPER TSF TO DEBT SVC-SERIES OF 2017 GENERAL OBLIGATION REFUNDING | 3,234,419.34             | -                           | \$ 3,231,000.00          |
| 4299   | 01.401.15333.4299 | OPER TSF TO DEBT SVC-2018 TAXABLE SERIES                         | -                        | -                           | \$ 1,208,252.22          |
| 4299   | 01.401.15338.4299 | OPER TSF TO DEBT SVC-2016 REDEVELOPMENT AUTHORITY SERIES A       | 2,420,500.00             | 745,250                     | \$ 3,614,000.00          |
| 4299   | 01.401.15339.4299 | OPER TSF TO DEBT SVC-SERIES OF 2016 GENERAL OBLIGATION NOTES     | 1,877,000.00             | 821,000                     | \$ 1,875,250.00          |
| <b>TOTAL PRINCIPAL AND INTEREST, LOANS</b>                 |                   |  | <b>\$ 23,560,029.53</b>  | <b># \$ 2,478,329.72</b>    | <b>\$ 24,798,600.18</b>  |
|  |                   |  |                          |                             |                          |
| 4299   | 01.401.15329.4299 | OPER TSF TO DEBT SVC-LEASE OF REFUSE PACKERS                     | 218,147.96               | 218,147.96                  | \$ 218,147.96            |
| 4299   | 01.401.15330.4299 | OPER TSF TO DEBT SVC-LEASE OF KME ENGINE #4                      | 49,849.00                | 49,849.00                   | \$ 49,849.00             |
| 4299   | 01.401.15334.4299 | OPER TSF TO DEBT SVC-LEASE OF JOHN DEERE WHEEL LOADER            | 25,851.02                | 25,851.02                   | \$ 25,851.02             |
| 4299   | 01.401.15335.4299 | OPER TSF TO DEBT SVC-LEASE OF LAW ENFORCEMENT MGMT SYSTEM        | 219,557.60               | -                           | \$ 219,557.60            |
| 4299   | 01.401.15336.4299 | OPER TSF TO DEBT SVC-REPUBLIC LEASE OF TURNOUT GEAR              | 80,000.00                | 80,000.00                   | \$ -                     |
| 4299   | 01.401.15337.4299 | OPER TSF TO DEBT SVC-ESCO LEASE BUILDING                         | -                        | -                           | \$ 100,000.00            |
| 4299   | 01.401.15340.4299 | OPER TSF TO DEBT SVC-LEASE FORD TRUCKS 2016                      | 53,925.94                | 53,925.94                   | \$ 53,925.94             |
| 4299   | 01.401.15341.4299 | OPER TSF TO DEBT SVC-PIB LOAN                                    | 244,968.88               | -                           | \$ 244,811.66            |
| 4299   | 01.401.15342.4299 | OPER TSF TO DEBT SVC-LEASE STREET LIGHTING                       | 413,345.00               | 413,345.00                  | \$ 421,476.00            |
| 4299   | 01.401.15343.4299 | 2018 AERIAL PLATFORM TRUCK LEASE                                 | 102,156.57               | 102,156.57                  | \$ 102,156.57            |
| <b>TOTAL LEASE PAYMENTS</b>                                |                   |  | <b>\$ 1,407,801.97</b>   | <b>\$ 943,275.49</b>        | <b>\$ 1,435,775.75</b>   |
|  |                   |  |                          |                             |                          |
| <b>TOTAL INTEREST &amp; DEBT SERVICE</b>                   |                   |  | <b>\$ 24,967,831.50</b>  | <b>\$ 3,421,605.21</b>      | <b>\$ 26,234,375.93</b>  |

**CITY OF SCRANTON  
2019 OPERATING BUDGET  
BUDGETED EXPENDITURES  
GENERAL FUND**

| Account Number                                  |                   | Account Description                              | 2018<br>Operating Budget | 2018<br>(Through 9/30/2018) | 2019<br>Operating Budget |
|---|-------------------|--|--------------------------|-----------------------------|--------------------------|
| 4299  | 01.401.13090.4299 | CONTINGENCY                                      | 705,799.10               | -                           | \$ 596,904.82            |
| 4299  | 01.401.13100.4299 | OECD CONTINGENCY                                 | 45,000.00                | 22,515.68                   | 150,000.00               |
| 4299  | 01.401.16090.4299 | UNENCUMBERED EXPENSES PRIOR YEAR OBLIGATIONS     | 550,000.00               | 334,565.65                  | 375,000.00               |
| 4299  | 01.401.16270.4299 | COURT AWARDS                                     | 350,000.00               | 106,272.00                  | 725,000.00               |
| 4299  | 01.401.17020.4299 | VETERAN'S ORGANIZATION                           | 75,000.00                | 50,000.00                   | 50,000.00                |
| 4299  | 01.401.17040.4299 | OPEB TRUST FUND                                  | 150,000.00               | -                           | 100,000.00               |
| 4299  | 01.401.17060.4299 | TRIPP PARK COMMUNITY CENTER                      | 1,000.00                 | 1,000.00                    | 1,000.00                 |
| 4299  | 01.401.17080.4299 | TARGETED EXPENSES - REVENUE PASS THROUGH ACCOUNT | 300,000.00               | 250,000.00                  | 275,000.00               |
| 4299  | 01.401.17100.4299 | GRANT MATCH                                      | -                        | -                           | 860,499.00               |
| <b>TOTAL UNPAID BILLS / COURT AWARDS / MISC</b> |                   |  | <b>\$ 2,176,799.10</b>   | <b>\$ 764,373.33</b>        | <b>\$ 3,133,403.82</b>   |
| <b>TOTAL NON-DEPARTMENTAL EXPENDITURES</b>      |                   |  | <b>\$ 27,504,130.60</b>  | <b>\$ 4,498,478.57</b>      | <b>\$ 30,057,779.75</b>  |
| <b>TOTAL GENERAL FUND EXPENDITURES</b>          |                   |  | <b>\$ 107,674,797.79</b> | <b>\$ 56,607,593.78</b>     | <b>\$ 110,058,706.66</b> |



|                                      |                      |          |                      |          |
|--------------------------------------|----------------------|----------|----------------------|----------|
| <b>Office of the Mayor - #10</b>     |                      |          |                      |          |
|                                      | <b>2018</b>          |          | <b>2019</b>          |          |
| <b>POSITION/TITLE</b>                | <b>Total</b>         | <b>#</b> | <b>Total</b>         | <b>#</b> |
| MAYOR                                | \$ 75,000.00         | 1        | \$ 75,000.00         | 1        |
| CONFIDENTIAL SECRETARY               | \$ 39,085.00         | 1        | \$ 39,085.00         | 1        |
| PART-TIME SECRETARY                  |                      |          |                      |          |
| ADMINISTRATIVE ASSISTANT             | \$ 30,000.00         | 1        | \$ 30,000.00         | 1        |
| <b>Department of the Mayor Total</b> | <b>\$ 144,085.00</b> | <b>3</b> | <b>\$ 144,085.00</b> | <b>3</b> |
|                                      |                      |          |                      |          |
|                                      |                      |          |                      |          |
|                                      |                      |          |                      |          |
|                                      |                      |          |                      |          |

|   |                         |            |                         |            |
|---|-------------------------|------------|-------------------------|------------|
| <b>Department of Public Safety - #11</b>  |                         |            |                         |            |
| <b>Bureau of Police - #71</b>   |                         |            |                         |            |
|   | <b>2018</b>             |            | <b>2019</b>             |            |
| <b>POSITION/TITLE</b>   | <b>Total</b>            | <b>#</b>   | <b>Total</b>            | <b>#</b>   |
| SUPERINTENDENT OF POLICE  | \$ 98,357.07            | 1          | \$ 100,333.81           | 1          |
| DEPARTMENT CAPTAIN  | \$ 90,935.97            | 1          | \$ 92,763.73            | 1          |
| LIEUTENANT OF DETECTIVES  | \$ 84,075.70            | 1          | \$ 85,765.60            | 1          |
| LIEUTENANT - ADMINISTRATIVE   | \$ 80,841.94            | 1          | \$ 82,466.90            | 1          |
| LIEUTENANTS   | \$ 242,525.82           | 3          | \$ 247,400.62           | 3          |
| SUPERVISOR - NARCOTICS DIVISION   | \$ 77,732.94            | 1          | \$ 79,295.30            | 1          |
| FIRE MARSHALL   | \$ 77,732.94            | 1          | \$ 79,295.30            | 1          |
| DETECTIVE SERGEANT  | \$ 310,931.74           | 4          | \$ 317,181.20           | 4          |
| DETECTIVES  | 1,195,876.37            | 16         | \$ 1,219,924.96         | 16         |
| SERGEANTS-TRAINING  | \$ 149,484.54           | 2          | \$ 152,490.62           | 2          |
| SERGEANTS   | 1,112,838.15            | 15         | \$ 1,143,679.65         | 15         |
| JUVENILE PATROLMEN  | \$ 285,336.19           | 4          | \$ 293,250.84           | 4          |
| CORPORALS   | \$ 567,869.84           | 8          | \$ 575,449.00           | 8          |
| REGULAR PATROLMEN   | \$ 5,700,045.63         | 89         | \$ 6,032,589.10         | 89         |
| SCHOOL RESOURCE OFFICERS 1/2 FUNDED BY SSD (6 OFFICERS)   | *                       |            | -                       |            |
| Neighborhood Police Officers Paid by OECD (4 in 2019)   | \$ (265,785.32)         | (4)        | \$ (274,853.00)         | (4)        |
| <b>SUBTOTAL POLICE OFFICERS</b>   | <b>9,808,799.51</b>     | <b>143</b> | <b>10,227,033.63</b>    | <b>143</b> |
| ANIMAL CONTROL OFFICER (a)  | 58,920.34               | 2          | 59,113.30               | 2          |
| SIT CLERKS  | 527,404.80              | 15         | 537,334.80              | 15         |
| ADMINISTRATIVE ASSISTANT III- PAYROLL CLERK   | 38,057.14               | 1          | 38,773.68               | 1          |
| GRANT MANAGER/SIT CLERK   | 48,243.03               | 1          | 49,151.22               | 1          |
| SIT CLERK/CRIMINAL INFORMATION SPECIALIST   | 44,423.48               | 1          | 45,259.80               | 1          |
| <b>Subtotal - Administrative Support</b>  | <b>658,128.45</b>       | <b>18</b>  | <b>670,519.50</b>       | <b>18</b>  |
| <b>Bureau of Police Total</b>   | <b>\$ 10,525,848.30</b> | <b>163</b> | <b>\$ 10,956,666.44</b> | <b>163</b> |
| * Scranton School District Reimburses the City for salaries & healthcare of 6 officers based on hours spent in the Schools. |                         |            |                         |            |
| (a) Animal Control Officer is 1 full-time & 1 part-time   |                         |            |                         |            |



| Office of City Clerk/City Council - #20              |                      |          |                      |          |
|--|----------------------|----------|----------------------|----------|
| POSITION/TITLE                                       | 2018                 |          | 2019                 |          |
|  | Total                | #        | Total                | #        |
| CITY COUNCIL   | \$ 62,500.00         | 5        | \$ 62,500.00         | 5        |
| CITY CLERK   | \$ 50,220.00         | 1        | \$ 50,220.00         | 1        |
| EXECUTIVE ASSISTANT                                  | \$ 38,056.99         | 1        | \$ 38,773.47         | 1        |
| CONFIDENTIAL SECRETARY                               | \$ 35,160.38         | 1        | \$ 35,822.32         | 1        |
| LEGISLATIVE LEGAL ADVISOR (a)                        | \$ 45,000.00         | 1        | \$ 46,000.00         | 1        |
| <b>Department of City Clerk / City Council Total</b> | <b>\$ 230,937.37</b> | <b>9</b> | <b>\$ 233,315.79</b> | <b>9</b> |
| (a) No health care benefits                          |                      |          |                      |          |

|   |                      |          |                      |          |
|---|----------------------|----------|----------------------|----------|
| <b>City Controller - #30</b>                  |                      |          |                      |          |
| <i>Roseann Novembrino, City Controller</i>    |                      |          |                      |          |
|   | <b>2018</b>          |          | <b>2019</b>          |          |
| <b>POSITION/TITLE</b>                         | <b>Total</b>         | <b>#</b> | <b>Total</b>         | <b>#</b> |
| CITY CONTROLLER                               | \$ 40,000.00         | 1        | \$ 40,000.00         | 1        |
| SOLICITOR TO CONTROLLER                       | \$ 25,092.00         | 1        | \$ 25,092.00         | 1        |
| CONFIDENTIAL SECRETARY/ASSISTANT              | \$ 32,671.00         | 1        | \$ 32,671.00         | 1        |
| DEPUTY CONTROLLER/ADMIN.                      | \$ 39,237.00         | 1        | \$ 39,737.00         | 1        |
| ADMINISTRATIVE ASSISTANT IV -INTERNAL AUDITOR | \$ 39,059.58         | 1        | \$ 39,794.90         | 1        |
| PROGRAM MONITOR                               | \$ 34,077.00         | 1        | \$ 34,077.00         | 1        |
| PERFORMANCE AUDITOR                           | \$ 38,737.00         | 1        | \$ 39,237.00         | 1        |
| <b>Department City Controller Total</b>       | <b>\$ 248,873.58</b> | <b>7</b> | <b>\$ 250,608.90</b> | <b>7</b> |
|   |                      |          |                      |          |
|   |                      |          |                      |          |
|   |                      |          |                      |          |

|  |                   |          |                   |          |
|--|-------------------|----------|-------------------|----------|
| <b>Department of Business Administration - #40</b>   |                   |          |                   |          |
| <b>Bureau of Administration - #40</b>                |                   |          |                   |          |
|  | <b>2018</b>       |          | <b>2019</b>       |          |
| <b>POSITION/TITLE</b>                                | <b>Total</b>      | <b>#</b> | <b>Total</b>      | <b>#</b> |
| BUSINESS ADMINISTRATOR                               | \$ 90,000.00      | 1        | \$ 95,000.00      | 1        |
| FINANCE MANAGER/ASST. BUSINESS ADMINISTRATOR         | \$ 55,900.00      | 1        | \$ 60,900.00      | 1        |
| SENIOR ACCOUNTANT                                    | \$ 38,400.00      | 1        | \$ 38,900.00      | 1        |
| STAFF ACCOUNTANT                                     | \$ 37,500.00      | 1        | \$ 38,500.00      | 1        |
| FINANCIAL ANALYST                                    | \$ 38,057.00      | 1        | \$ 48,961.77      | 1        |
| ADMINISTRATIVE ASSISTANT III- ACCOUNTS PAYABLE CLERK | \$ 38,057.00      | 1        | \$ 38,773.47      | 1        |
| ADMINISTRATIVE ASSISTANT IV -PURCHASING CLERK        | \$ 39,059.58      | 1        | \$ 39,794.90      | 1        |
| <b>Bureau of Administration Total</b>                | <b>336,973.58</b> | <b>7</b> | <b>360,830.14</b> | <b>7</b> |
|  |                   |          |                   |          |
|  |                   |          |                   |          |

|  |                   |          |                   |          |
|--|-------------------|----------|-------------------|----------|
| <b>Department of Business Administration - #40</b> |                   |          |                   |          |
| <b>Bureau of Human Resources - #41</b>             |                   |          |                   |          |
|  | <b>2018</b>       |          | <b>2019</b>       |          |
| <b>POSITION/TITLE</b>                              | <b>Total</b>      | <b>#</b> | <b>Total</b>      | <b>#</b> |
| HUMAN RESOURCES DIRECTOR                           | \$ 53,500.00      | 1        | \$ 56,000.00      | 1        |
| ADMINISTRATIVE ASSISTANT I-BENEFITS COORDINATOR    | \$ 35,160.38      | 1        | \$ 35,822.32      | 1        |
| ADMIN ASSISTANT III- PAYROLL CLERK                 | \$ 38,057.00      | 1        | \$ 38,773.47      | 1        |
| ADMINISTRATIVE ASSISTANT I-CLERICAL FLOATER        | \$ 35,160.38      | 1        | \$ 35,822.32      | 1        |
| WORKER'S COMPENSATION PROGRAM MANAGER              | \$ 45,000.00      | 1        | \$ 42,500.00      | 1        |
| <b>Bureau of Human Resources Total</b>             | <b>206,877.76</b> | <b>5</b> | <b>208,918.11</b> | <b>5</b> |

|  |                   |             |                   |             |
|--|-------------------|-------------|-------------------|-------------|
| <b>Department of Business Administration - #40</b> |                   |             |                   |             |
| <b>Bureau of Information Technology - #42</b>      |                   |             |                   |             |
|  |                   |             |                   |             |
|  |                   | <b>2018</b> |                   | <b>2019</b> |
| <b>POSITION/TITLE</b>                              | <b>Total</b>      | <b>#</b>    | <b>Total</b>      | <b>#</b>    |
| DIRECTOR OF INFORMATION TECHNOLOGY                 | \$ 51,600.00      | 1           | \$ 54,100.00      | 1           |
| INFORMATION TECHNOLOGY MANAGER                     | \$ 41,150.00      | 1           | \$ 42,900.00      | 1           |
| NETWORK SYSTEMS ASSISTANT                          | \$ 42,000.00      | 1           | \$ 43,750.00      | 1           |
| <b>Bureau of Information Technology Total</b>      | <b>134,750.00</b> | <b>3</b>    | <b>140,750.00</b> | <b>3</b>    |
|  |                   |             |                   |             |

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|--|----------------------|-------------|--|----------------------|-----------|
| <b>Department of Business Administration - #40</b> |                      |             |  |                      |           |
| <b>Bureau of Treasury - #43</b>                    |                      |             |  |                      |           |
|  |                      | <b>2018</b> |  | <b>2019</b>          |           |
| <b>POSITION/TITLE</b>                              | <b>Total</b>         | <b>#</b>    |  | <b>Total</b>         | <b>#</b>  |
| CITY TREASURER                                     | \$ 42,560.00         | 1           |  | \$ 45,060.00         | 1         |
| ADMINISTRATIVE ASSISTANT II- CASHIER               | \$ 35,873.39         | 1           |  | \$ 36,548.56         | 1         |
| ADMINISTRATIVE ASSISTANT II - ASSISTANT CASHIER    | \$ 35,873.39         | 1           |  | \$ 36,548.56         | 1         |
| <b>Bureau of Treasury Total</b>                    | <b>\$ 114,306.78</b> | <b>3</b>    |  | <b>\$ 118,157.12</b> | <b>3</b>  |
| <b>Department of Business Administration Total</b> | <b>\$ 792,908.12</b> | <b>18</b>   |  | <b>\$ 828,655.37</b> | <b>18</b> |

|  |                               |           |                               |           |
|--|-------------------------------|-----------|-------------------------------|-----------|
| <b>Office of Economic and Community Development - #50</b>  |                               |           |                               |           |
| <b>Bureau of Administration</b>  |                               |           |                               |           |
|  | <b>2018</b>                   |           | <b>2019</b>                   |           |
| <b>POSITION/TITLE</b>  | <b>Total</b>                  | <b>#</b>  | <b>Total</b>                  | <b>#</b>  |
| EXECUTIVE DIRECTOR   | \$ 52,152.00                  | 1         | \$ 52,152.00                  | 1         |
| DEPUTY DIRECTOR  | \$ 43,000.00                  | 1         | \$ 44,500.00                  | 1         |
| DIRECTOR OF FINANCE & COMPLIANCE   | \$ 43,000.00                  | 1         | \$ 43,000.00                  | 1         |
| DIRECTOR OF HOUSING/ADA COMPLIANCE   | \$ 34,491.00                  | 1         | \$ 36,991.00                  | 1         |
| SOLICITOR  | \$ 52,500.00                  | 1         | \$ 52,500.00                  | 1         |
| ADMINISTRATIVE ASSISTANT III-FINANCIAL ANALYST   | \$ 39,057.00                  | 1         | \$ 38,773.47                  | 1         |
| HOUSING SPECIALIST   | \$ 36,000.00                  | 1         | \$ 36,000.00                  | 1         |
| ADMINISTRATIVE ASSISTANT   | \$ 28,000.00                  | 1         | \$ -                          | 1         |
| PUBLIC SERVICE/ESG SPECIALIST *  | \$ 28,000.00                  | 1         | \$ 29,500.00                  | 1         |
| EQUAL OPPORTUNITY SPECIALIST *   | \$ 28,000.00                  | 1         | \$ 43,000.00                  | -         |
| <b>Bureau of Administration Total</b>  | <b>\$ 384,200.00</b>          | <b>10</b> | <b>\$ 376,416.47</b>          | <b>9</b>  |
| <b>non-addition to budget</b>  | <b>non-addition to budget</b> |           | <b>non-addition to budget</b> |           |
| *Construction/ADA Specialist & Economic Development/Relocation Specialist position became Housing Specialist |                               |           |                               |           |
| *Economic Development/Relocation Specialist position became Administrative Assistant                         |                               |           |                               |           |
| <b>Office of Economic and Community Development - #50</b>  |                               |           |                               |           |
| <b>Bureau of Neighborhood Police - #515</b>  |                               |           |                               |           |
|  | <b>2018</b>                   |           | <b>2019</b>                   |           |
| <b>POSITION/TITLE</b>  | <b>Total</b>                  | <b>#</b>  | <b>Total</b>                  | <b>#</b>  |
| NEIGHBORHOOD POLICE OFFICERS   | \$ 265,785.32                 | 4         | \$ 271,128.00                 | 4         |
| <b>Bureau of Neighborhood Police Total</b>   | <b>\$ 265,785.32</b>          | <b>4</b>  | <b>\$ 271,128.00</b>          | <b>4</b>  |
| <b>OECD Department Total</b>   | <b>\$ 649,985.32</b>          | <b>14</b> | <b>\$ 647,544.47</b>          | <b>13</b> |
| <b>non-addition to budget</b>  | <b>non-addition to budget</b> |           | <b>non-addition to budget</b> |           |



|  |                      |           |                      |           |
|--|----------------------|-----------|----------------------|-----------|
| Dept. of Licenses, Inspections & Permits - #51                 |                      |           |                      |           |
| Bureau of Buildings - #82                                      |                      |           |                      |           |
|  | 2018                 |           | 2019                 |           |
| POSITION/TITLE   | Total                | #         | Total                | #         |
| MAINTENANCE  | \$ 38,920.34         | 1         | \$ 39,653.13         | 1         |
| JANITOR  | \$ 71,746.78         | 2         | \$ 73,099.66         | 2         |
| <b>Bureau of Buildings Total</b>                               | <b>\$ 110,667.12</b> | <b>3</b>  | <b>\$ 112,752.79</b> | <b>3</b>  |
| <b>Department of Licenses, Inspections &amp; Permits Total</b> | <b>\$ 856,530.49</b> | <b>22</b> | <b>\$ 899,412.79</b> | <b>23</b> |

| Law Department - #60                       |                      |          |                      |          |
|--|----------------------|----------|----------------------|----------|
| POSITION/TITLE                             | 2018                 |          | 2019                 |          |
|  | Total                | #        | Total                | #        |
| CITY SOLICITOR                             | \$ 64,500.00         | 1        | \$ 69,500.00         | 1        |
| FIRST ASSISTANT CITY SOLICITOR (full time) | \$ 44,500.00         | -        | \$ -                 | -        |
| ASSISTANT CITY SOLICITOR                   | \$ -                 | 1        | \$ 35,000.00         | 1        |
| ASSISTANT CITY SOLICITOR                   | \$ 35,000.00         | 1        | \$ 35,000.00         | 1        |
| PROJECT MANAGER                            | \$ -                 | -        | \$ 35,000.00         | 1        |
| TAX OFFICE SOLICITOR                       | \$ -                 | -        | \$ 25,000.00         | 1        |
| CONFIDENTIAL SECRETARY                     | \$ 32,615.38         | 1        | \$ 34,615.38         | 1        |
| CONFIDENTIAL SECRETARY                     | \$ 38,997.09         | 1        | \$ 39,997.09         | 1        |
| <b>Department of Law Total</b>             | <b>\$ 215,612.47</b> | <b>5</b> | <b>\$ 274,112.47</b> | <b>7</b> |

|   |                      |             |                      |             |  |
|---|----------------------|-------------|----------------------|-------------|--|
| <b>Department of Public Works - #80</b>     |                      |             |                      |             |  |
| <b>Bureau of Administration - #80</b>       |                      |             |                      |             |  |
|   |                      | <b>2018</b> |                      | <b>2019</b> |  |
| <b>POSITION/TITLE</b>                       | <b>Total</b>         | <b>#</b>    | <b>Total</b>         | <b>#</b>    |  |
| DIRECTOR                                    | \$ 51,875.00         | 1           | \$ 54,375.00         | 1           |  |
| RECYCLING COORDINATOR                       | \$ 35,749.95         | 1           | \$ 36,249.95         | 1           |  |
| ADMINISTRATIVE ASSISTANT IV                 | \$ 39,059.67         | 1           | \$ 39,794.90         | 1           |  |
| ADMINISTRATIVE ASSISTANT III- PAYROLL CLERK | \$ 38,056.99         | 1           | \$ 38,773.68         | 1           |  |
| <b>Bureau of Administration Total</b>       | <b>\$ 164,741.61</b> | <b>4</b>    | <b>\$ 169,193.54</b> | <b>4</b>    |  |
|   |                      |             |                      |             |  |
|   |                      |             |                      |             |  |

|   |    |                   |          |                      |          |
|---|----|-------------------|----------|----------------------|----------|
| <b>Department of Public Works - #80</b> |    |                   |          |                      |          |
| <b>Bureau of Engineering - #81</b>      |    |                   |          |                      |          |
|   |    | <b>2018</b>       |          | <b>2019</b>          |          |
| <b>POSITION/TITLE</b>                   |    | <b>Total</b>      | <b>#</b> | <b>Total</b>         | <b>#</b> |
| PAVE CUT INSPECTOR                      | \$ | 38,920.39         | 1        | \$ 39,653.13         | 1        |
| FLOOD CONTROL PROJECT COORDINATOR       | \$ | 28,999.98         | 1        | \$ 28,999.98         | 1        |
| FLOOD CONTROL MAINTENANCE               | \$ | 44,878.08         | 1        | \$ 45,695.66         | 1        |
| <b>Bureau of Engineering Total</b>      | \$ | <b>112,798.45</b> | <b>3</b> | <b>\$ 114,348.77</b> | <b>3</b> |
|   |    |                   |          |                      |          |
|   |    |                   |          |                      |          |
|   |    |                   |          |                      |          |



|                                  |                        |           |                        |           |  |
|----------------------------------|------------------------|-----------|------------------------|-----------|--|
| Department of Public Works - #80 |                        |           |                        |           |  |
| Bureau of Refuse - #84           |                        |           |                        |           |  |
|                                  |                        | 2018      |                        | 2019      |  |
| POSITION/TITLE                   | Total                  | #         | Total                  | #         |  |
| FOREMAN LEAD                     | \$ 46,587.30           | 1         | \$ 47,087.30           | 1         |  |
| FOREMAN ASSISTANT                | \$ 44,000.00           | 1         | \$ 45,000.00           | 1         |  |
| OPERATOR LEADER                  | \$ 600,799.03          | 13        | \$ 612,128.27          | 13        |  |
| COLLECTOR LEADER                 | \$ 45,419.50           | 1         | \$ 45,581.52           | 1         |  |
| COLLECTOR                        | \$ 1,208,748.42        | 27        | \$ 1,230,701.04        | 27        |  |
| DISPATCHER                       | \$ 44,768.46           | 1         | \$ 45,581.52           | 1         |  |
| RECYCLING CHAUFFEUR              | \$ 184,861.24          | 4         | \$ 188,347.16          | 4         |  |
| <b>Bureau of Refuse Total</b>    | <b>\$ 2,175,183.95</b> | <b>48</b> | <b>\$ 2,214,426.81</b> | <b>48</b> |  |

|  |                        |             |                        |             |  |
|--|------------------------|-------------|------------------------|-------------|--|
| <b>Department of Public Works - #80</b>              |                        |             |                        |             |  |
| <b>Bureau of Garages - #85</b>                       |                        |             |                        |             |  |
|  |                        | <b>2018</b> |                        | <b>2019</b> |  |
| <b>POSITION/TITLE</b>                                | <b>Total</b>           | <b>#</b>    | <b>Total</b>           | <b>#</b>    |  |
| AUTO REPAIRMAN-LEADER                                | \$ 93,263.46           | 2           | \$ 95,040.04           | 2           |  |
| EQUIPMENT / VEHICLE MAINTENANCE                      | \$ 46,631.73           | 1           | \$ 47,520.02           | 1           |  |
| TIRE-EQUIPMENT REPAIR/HELPER                         | \$ 45,250.40           | 1           | \$ 46,083.06           | 1           |  |
| PARTS MANAGER/AUTO REPAIR/PA STATE VEHICLE INSPECTOR | \$ 45,925.98           | 1           | \$ 46,785.74           | 1           |  |
| MOTOR VEHICLE REPAIR                                 | \$ 42,197.75           | 1           | \$ 42,992.09           | 1           |  |
| MECHANIC   | \$ 42,197.75           | 1           | \$ 42,992.09           | 1           |  |
| MECHANIC DIESEL                                      | \$ 42,197.75           | 1           | \$ 42,992.09           | 1           |  |
| <b>Bureau of Garages Total</b>                       | <b>\$ 357,664.82</b>   | <b>8</b>    | <b>\$ 364,405.11</b>   | <b>8</b>    |  |
| <b>Department of Public Works Total</b>              | <b>\$ 3,990,016.07</b> | <b>89</b>   | <b>\$ 4,106,550.34</b> | <b>90</b>   |  |
| <b>Department of Parks &amp; Recreation - #100</b>   |                        |             |                        |             |  |
| <b>Bureau of Parks &amp; Recreation - #100</b>       |                        |             |                        |             |  |
|  |                        | <b>2018</b> |                        | <b>2019</b> |  |
| <b>POSITION/TITLE</b>                                | <b>Total</b>           | <b>#</b>    | <b>Total</b>           | <b>#</b>    |  |
| PARKS AND RECREATION DIRECTOR                        | \$ 49,000.00           | 1           | \$ 49,500.00           | 1           |  |
| PARKS AND RECREATION ASSISTANT                       | \$ -                   | -           | \$ 30,000.00           | 1           |  |
| PROJECT ADMINISTRATOR                                | 42,704.27              | 1           | \$ 43,508.10           | 1           |  |
| POOL OPERATORS / GROUNDSKEEPER                       | \$ 89,939.62           | 2           | \$ 91,582.26           | 2           |  |
| PARKS & RECREATION GROUNDSKEEPER                     | \$ 134,305.38          | 3           | \$ 136,744.56          | 3           |  |
| FACILITY MAINTENANCE / GROUNDSKEEPER                 | \$ 91,556.20           | 2           | \$ 93,263.84           | 2           |  |
| <b>Department of Parks &amp; Recreation Total</b>    | <b>\$ 407,505.47</b>   | <b>9</b>    | <b>\$ 444,598.76</b>   | <b>10</b>   |  |
|  |                        |             |                        |             |  |
|  |                        |             |                        |             |  |
|  |                        |             |                        |             |  |
|  |                        |             |                        |             |  |
|  |                        |             |                        |             |  |

| Single Tax Office - #90 (a)  |                      |           |                      |           |
|--|----------------------|-----------|----------------------|-----------|
| POSITION/TITLE   | 2018                 |           | 2019                 |           |
|  | Total                | #         | Total                | #         |
| COLLECTOR OF TAXES   | \$ 26,650.00         | 1         | \$ 26,650.00         | 1         |
| CONTROLLER   | 29,500.00            | 1         | 29,500.00            | 1         |
| LEAD CASHIER   | 20,566.31            | 1         | 20,566.31            | 1         |
| CASHIER  | 19,476.12            | 1         | 19,476.12            | 1         |
| CASHIER  | 19,476.12            | 1         | 19,476.12            | 1         |
| LEAD AUDITOR   | 21,111.40            | 1         | 21,111.40            | 1         |
| LEAD CLERK   | 19,476.12            | 1         | 19,476.12            | 1         |
| LEAD AUDITOR   | 21,111.40            | 1         | 21,111.40            | 1         |
| LEAD AUDITOR   | 21,111.40            | 1         | 21,111.40            | 1         |
| AUDITOR (b) (Cashier)  | 38,952.24            | 1         | 38,952.24            | 1         |
| CLERK  | 18,385.94            | 1         | 18,385.94            | 1         |
| AUDITOR  | 19,476.12            | 1         | 19,476.12            | 1         |
| AUDITOR  | -                    | -         | 20,364.90            | 1         |
| CLERK  | 18,385.94            | 1         | 19,464.80            | 1         |
| CLERK  | 18,385.94            | 1         | 15,439.50            | 1         |
| AUDITOR  | 19,476.12            | 1         | 18,877.78            | 1         |
| CLERK  | 18,385.94            | 1         | 18,385.94            | 1         |
| LEAD AUDITOR   | 21,111.40            | 1         | 21,111.40            | 1         |
| <b>Single Tax Office Department Total</b>                                      | <b>\$ 371,038.51</b> | <b>17</b> | <b>\$ 388,937.49</b> | <b>18</b> |
| (a) Salaries are paid 50% by the City and 50% by the Scranton School District. |                      |           |                      |           |
| (b) Full Time City employee  |                      |           |                      |           |

|  | 2018                    |            | 2019                    |            |
|--|-------------------------|------------|-------------------------|------------|
|  | Total                   | #          | Total                   | #          |
| <b>Total City of Scranton Budgeted Payroll (a)</b> | <b>\$ 27,443,641.99</b> | <b>480</b> | <b>\$ 28,529,695.51</b> | <b>488</b> |
| (a) Does not include OECD Payroll                  |                         |            |                         |            |



# GRA Consulting

September 28, 2018

Mr. David Bulzoni  
Business Administrator  
City of Scranton  
Department of Business Administration  
City Hall  
340 North Washington Avenue  
Scranton, Pennsylvania 18503

Re: The City's Self-Insured Workers' Compensation Program  
Reserve Analysis and Loss Forecast, Self-Insurance Renewal Application

Dear Mr. Bulzoni:

Gary R. Abramson, Casualty Actuarial Services ("GRA Consulting") has been retained by The City of Scranton to evaluate outstanding losses for the City's workers' compensation self-insurance program as of August 31, 2018. This analysis has been conducted to assist the administration of the City with their financial reporting requirements as well as to assist the City in their self-insurance renewal application process with the PA Bureau of Workers' Compensation.

By using the loss experience of The City of Scranton in combination with the City's own development patterns weighted with those patterns as promulgated by the Pennsylvania Bureau of Workers' Compensation, GRA Consulting has estimated the total discounted outstanding liabilities as of August 31, 2018 to be \$17,610,046. As displayed on Exhibit 4, this amount represents the sum of estimated outstanding losses discounted for future investment earnings at an annual rate of 3.00 percent.

This is a decrease of approximately \$4.75Million over the prior report. The predominant impacts are twofold:

1. A quarter point increase in the discount rate to 3.0% resulted in an approximate \$400,000 savings when discounting the outstanding obligations of the City, and
2. The introduction of loss development factors based upon the experience of the current TPA PMA. These new tables and resultant development factors were weighted 50/50 with the City's pre-2012 factors prior to weighting that result with those of the Bureau of WC. The PMA factors were on average a 14.5% decrease on the reported loss side while the PMA paid factors, when compared to the City's pre-2012 factors were on average 45 to 70% lower.

Gary R. Abramson, Casualty Actuarial Services  
500 Tennessee Avenue #1, Carolina Beach, NC 28428  
Tel. (908) 642-3031

Mr. David Bulzoni  
9/28/2018  
Page 2 of 2

The goal is to phase out the older pre-2012 City development tables over the next two program years and rely exclusively on a PMA & Bureau weighted factor only.

Exhibit 5 details the level of anticipated, expected claims and claims expense expenditures for the 2019 calendar year, which total \$2,916,421. This is approximately \$400,000 less than the prior review. During this analysis we have increased the credit taken to arrive at a reasonable mid-point estimate, one that aligns very closely with the actual cash paid out in claims and related claims expenses over the previous three program years.

We had a prior history of overstating the expected payouts due to two issues: the selected paid loss development factors continued to overestimate the ultimate final costs, and, two, the Bureau's position that the starting point of this exhibit should be estimated ultimate losses by program year that reflect zero potential reinsurance recoveries for any year regardless of whether or not the providing carrier is viewed as qualified or not. This has been the Bureau's position since November of 2005. We believe we have taken appropriate steps to better estimate the expected outlay for the upcoming calendar year.

The Bureau's position continues to be that the estimated ultimate losses used in Exhibit 5 to project the upcoming cash payouts in 2019 be gross of any reinsurance recoverable. As an example of the impact of this position on projecting future outlays, we have estimated that this position results in an overstatement of the expected cash payout during 2019 for the Wilding claim alone of approximately \$105,000.

Finally, as outlined in Table A, combining the expected claims to be paid in 2019 with the other expenses of the Fund as provided by the Business Administration staff, the total expenditures to the Fund for 2019 are anticipated to be \$3,300,718.

Should you have any questions or need for further clarification, please do not hesitate to contact me at (908) 642 - 3031. One original of this report and one working copy for the reinsurance company have been provided. In the interest of complying with the PA WC Bureau's request for a timely review of the actuarial report, I have forwarded an original of this report to Lac Longson, Actuary, PA Bureau of Workers' Compensation in Harrisburg.

The invoice for our services has been included in a separate cover within this mailing.

Sincerely,



Gary R. Abramson, ACAS, MAAA  
Consulting Actuary

GRA: Scranton\_cover\_September 28\_2018.doc

# GRA Consulting

September 28, 2018

Mr. Lac Longson  
Actuary  
Commonwealth of Pennsylvania  
Department of Labor & Industry  
Self-Insurance and Safety Division  
Bureau of Workers' Compensation  
1171 S. Cameron Street  
Harrisburg, PA 17104-2501

**RE: The City of Scranton  
Pennsylvania Self-Insurance Renewal Application Security Requirements**

Dear Mr. Longson:

Gary R. Abramson, Casualty Actuarial Services ("GRA Consulting") has been retained by The City of Scranton to evaluate outstanding losses for the City's workers' compensation self-insurance program. This analysis has been conducted to assist the administration of the City with their annual renewal application establishing security requirements with the Pennsylvania Bureau of Workers' Compensation, Self-Insurance and Safety Division.

By using the loss experience of The City of Scranton in combination with their own historical development patterns, weighted with Pennsylvania statewide development patterns as promulgated by your Department, GRA Consulting has estimated the total discounted outstanding liabilities as of August 31, 2018 to be \$17,610,046. As displayed on Exhibit 4, this amount represents the sum of estimated outstanding losses discounted for future investment earnings at an annual rate of 3.00 percent.

The attached Table A summarizes the projected expenditures for the City's self-insured workers' compensation program for the calendar year commencing January 1, 2019. It includes estimates of the cost of claims and claim expense payments (gross of any anticipated reinsurance recoveries), claims administrative costs, general self-insurance costs and the Trust Fund operating expenses. The development of the claims liability expenses is explained within the attached synopsis; otherwise the expenses associated with 2019 are as estimated by The City based upon expected outlays. As displayed within this table, the projected annual expenditures for calendar year 2019 for all categories combined is \$3,330,718.

If you should have any questions, please do not hesitate to call me at (908) 642-031.

Sincerely,



Gary R. Abramson, ACAS, MAAA  
Consulting Actuary

Enclosures

GRA: DOC: SCRANTON\_SMR\_Y\_8.31.18.DOC  
cc: David Bulzoni, Business Administrator

Gary R. Abramson, Casualty Actuarial Services  
500 Tennessee Avenue #1, Carolina Beach, NC 28428  
Tel. (908) 642-3031

***Projected Annual Expenditure Amounts  
Calendar Year 2019***

| <b><u>Category</u></b>   | <b><u>Amount</u></b> |
|--|----------------------|
| 1. Claims Liability - midpoint of reasonableness range<br>(Losses & ALAE payments, from Exhibit 5)                 | \$2,916,421          |
| 2. Claims Administrative Expense<br>(PMA Claims Services annual services fee)                                      | \$71,000             |
| 3. General Self-Insurance Expenses<br>(Excess Reinsurance, Risk Mgmt Services, Loss Control & Special Assessments) | \$286,797            |
| 4. Trust Operating Expenses<br>(Trust Fund fees including investment, accounting and actuarial services)           | <u>\$56,500</u>      |
| Total Projected Annual Expenditures (January 1, 2019 through December 31, 2019)                                    | <u>\$3,330,718</u>   |

**THE CITY OF SCRANTON**  
**Workers' Compensation**

**SYNOPSIS OF PROCEDURES**

The general thrust of this analysis has involved the estimation of expected ultimate losses by program year. This is accomplished in the following fashion.

For all historical injury periods, loss development factors as promulgated by the PA Bureau of Workers' Compensation, Self-Insurance and Safety Division, are combined with the historical development patterns of The City and then applied to the most recent evaluation of losses. This link ratio approach results in the estimation of ultimate losses by program year.

This methodology parallels that employed by the Bureau with the following exceptions:

- (1) Individual large losses, if necessary, are capped at their respective per occurrence retentions, subject to the reinsurance in-force being that as provided by a licensed carrier with a financial rating of at least B+.
- (2) Reported and paid loss development procedures are utilized prior to selecting ultimate loss estimates which are based upon a 60/40 weighted average of the two procedures, and
- (3) The estimated outstanding losses as of the date of evaluation are discounted to a present value basis utilizing the underlying payment pattern of the specific losses at a yield rate representative of the U.S. 30 year Treasury Bond in effect at the time of evaluation, as specified in the PA Bureau of Workers' Compensation, Self-Insurance and Safety Division Regulations, § 125.9 (f).

A detailed explanation of the exhibits and analysis follows.

**EXHIBIT 1**

Sheet 1 of this exhibit provides a summary of the loss experience under analysis. The experience is that as provided by the PMA Companies, evaluated as of August 31, 2018. PMA assumed all claims administrative responsibilities from PA Claims Services as of March 1, 2013. The data displayed is the collective experience of all previous TPA's as provided to and assimilated by PMA. A comparison of the losses for accident years up through and including 2017/18, will show that during the previous twelve months, the program paid out \$2,378,687 in claims and related expenses, while the reported losses increased by approximately \$1,632,000 over the same time frame. This implies a decrease in the outstanding losses for the City's self-insured program of approximately \$745,000 for policy years up through and including 2017/18. This data has not been audited for accuracy but has been reviewed for reasonableness and consistency.

Sheet 2 of this exhibit provides basic exposure information in the form of number of employees and payroll for the current, prospective and twenty-one historical program periods. Trends in the average annual wage per employee are displayed for each year and for the collective annual history overall.

## EXHIBIT 2

Exhibit 2 presents the development of the estimated ultimate losses for the respective accident periods.

Three versions of Exhibit 2 are presented – ultimate losses projected on a fully unlimited basis; ultimate loss projections limited to each policy periods specific per occurrence retention; and ultimate losses limited by the specific per occurrence retention for those reinsurers who have been approved by the Bureau as responsive reinsurers for the time periods under review.

The estimated losses of Exhibit 2, Sheets 2 & 3 have been presented on a limited basis. Excess insurance purchased by the City effectively limits the impact of any large loss to a specific per occurrence retention underlying the program. Column (F) identifies the critical large loss amount by accident period. Any reported claim at or exceeding this limit would effectively be subject to a special capping procedure, thereby limiting its impact on the overall obligations of the City. As of this valuation, 62 individual claims meet this criterion. This is a decrease of three (3) critical value claim from the prior August 2017 analysis.

From Sheet 3 of this exhibit, when the large claims are removed from this capping procedure due to the unlikely recovery of any reinsurance recoverables due from Frontier Insurance for program years 1995 and 1996 and the General Reinsurance Pappy Plan of late 1990-93, the number of critical claims declines to 32 overall. When comparing sheets 2 & 3 of this exhibit, the impact of the unresponsive reinsurance can be estimated at approximately \$6.3 Million. It is Sheet 3 of this exhibit that forms the basis of the final analysis for this review.

The selected expected ultimate losses of this exhibit are based upon a 60/40 weighted average between the two loss development methodologies employed – reported & paid. Due to the influence of the City's previous and highly successful buyout program of older, open claims, it is anticipated that the estimate based solely upon paid losses would overstate the true underlying ultimate losses by program period. Therefore, while it is likely that the true ultimate losses by year will lie somewhere between the estimates developed by the two methodologies, it is expected that they will probably be more closely aligned with those of the reported methodology. This weighting methodology will need to be closely monitored on an ongoing basis to properly reflect the reserving and payment practices of the current TPA.

Development of the selected loss development factors utilized in the projection of ultimate losses for this exhibit is explained in greater detail in the commentary underlying Appendix A.

## EXHIBIT 3

Exhibit 3 develops estimated ultimate losses for the current and prospective program years by extending loss-per-exposure estimates from prior accident periods. Various averages are displayed on this exhibit and the selected average attempts to balance responsiveness to current trends with the stability inherent in reviewing several years of experience. The selected average loss rate, per \$100 of payroll, is then multiplied by the estimated payroll base for the individual years, to yield estimated expected ultimate losses for the current, relatively immature March 1, 2018 - February 28, 2019 program year as well as the forecasted results for the March 1, 2019 – February 29, 2020 accident period. The selected loss rate for accident year 2018/19 was reduced by \$1.50 to \$12.00 overall, reflective of improving ultimate loss projections relative to increases in payroll.

Loss trends utilized in this exhibit are selections based upon insurance industry averages. The City's actual wage trend over the previous twenty years led to a half point increase in the wage trend underlying this exhibit. To the extent that the City's actual underlying trend are different, a slight bias in the estimate may result. However, the excess insurance purchased by the City should limit the impact of this risk, at least from a severity viewpoint.

#### EXHIBIT 4

Exhibit 4 develops the estimated outstanding losses as of August 31, 2018 on both a nominal basis and a discounted basis. The estimated outstanding losses as of August 31, 2018 are calculated by subtracting the paid losses as of that date from the estimate of the limited ultimate losses derived in Exhibit 2, Sheet 3 and Exhibit 3 for program year 2018/19. The discounted outstanding losses of this exhibit were produced through the application of discount factors derived based upon the prevailing 30 year U.S. Treasury Bond rate in effect as of August 31, 2018 and the underlying payment pattern for the specific losses. In addition, there are ten large claims in the 1986/87-1988/89 program years plus another fourteen in the 1999/2000 through 2004/2005 program years as identified in Appendix B with paid to date amounts in excess of their underlying retention. Since Exhibit 2 has already limited these claims to a maximum of the underlying retention, any excess payments have to be backed-out in order to eliminate a double credit for reinsurance recoverable.

The discounted outstanding loss as calculated within Exhibit 4 is approximately \$4.7Million less than the prior analysis (an approximate 20% improvement). \$400,000 of this improvement is due to a quarter point increase in the selected interest rate used to discount the outstanding obligations. The remaining \$4.3M improvement is due to the loss development factors used to projected ultimate losses. The City's own pre 2012 factors are now weighted equally with the current TPA PMA exclusive factors for the previous four program years. The new weighted City factors are then averaged with those as promulgated by the PA Bureau of WC.

#### EXHIBIT 5

Exhibit 5 develops a projection of the calendar year 2019 expected claims payments, including allocated claims expenses, for each program year under review. This exhibit simply extrapolates from the unlimited ultimate losses as previously derived for the anticipated annual expenditures commencing January 1, 2019. The projection is based upon the underlying paid loss development patterns that underlie the development of the ultimate losses by program year (attached as Appendix A, Sheets 1-5). By converting the cumulative paid factors into a percentage of losses paid at a given maturity and then comparing that percentage twelve months later, a percentage of losses expected to be paid in the upcoming twelve months can be calculated. The subsequent multiplication across program years yields an anticipated annual expenditure for calendar year 2019 of \$3,645,526. This figure is inclusive of allocated claims expenses since they are contained within the underlying loss data as presented by PMA Companies for this analysis and is further presented gross of any anticipated reinsurance recoveries.

A review of prior years' payouts has shown that this method had generally overstated the projected claims payments for the upcoming twelve months by upwards of \$500,000 to \$1,000,000. The reasoning is two-fold: historical paid development factors are overly conservative based upon the impact of historical buyout programs and the ultimate losses used to project the upcoming payments do not reflect potential reinsurance recoveries.

During this review, we have somewhat smoothed the impact of the historical paid loss development overstatement, yet the results of the ultimate loss projections of Exhibit 2 still show the estimates based upon the paid loss projections only are 15% to 20% higher than those of the reported methodology. Also, the unlimited expected losses in this exhibit do not reflect any potential recoveries from responsible reinsurers. It is estimated that \$4.2M of reported losses on large claims is currently excess of the various underlying self-insured retentions and that \$3.2M of paid losses are currently excess of underlying self-insured retentions and are expected to be covered by those same responsible reinsurers.

Our mid-point of a reasonable range of estimates (\$2,916,421) results in a 20% decrease in expected costs. This selected mid-point is slightly in excess of the actual annual average payout of the past three program years of approximately \$2,889,000 and is approximately \$500,000 larger than the actual average annual payout for the latest two program years. Based upon the average monthly payments over the past thirty-six months (\$240,000), the \$2.916M midpoint appears to be reasonable and adequate.

#### APPENDIX A

Appendix A presents the analysis of historical loss development patterns utilizing a variety of curve fitting techniques and display's various goodness of fit tests. Pennsylvania WC Bureau development patterns for paid and reported losses and reported claim counts have been used to supplement the City's own experience. The City's own loss development patterns are displayed in the triangulations of Sheets 1-2 & 6-7, for paid and reported losses respectively. Newly added this year is the City's own development experience for the past four evaluations as administered by their current TPA PMA. These are displayed as Sheets 1A-2A and 6A-7A.

PMA has been the current TPA for five and one half years and continues to aggressively settle claims and establish reasonable reserves. As such, PMA's loss development patterns could be argued as the most responsive to current conditions. However, due the somewhat limited experience of PMA (four diagonals, three point to point observations), we are currently not willing to completely exclude the large experience of the older, mixed TPA triangles through August 31, 2011. Therefore, with this review we have weighted the City's older experience and that of PMA equally (50/50) prior to weighing that result 50/50 with the factors as promulgated by the Bureau for Public entities.

Various averages of the development factors are shown, as are those of the PA Bureau of WC. The selected development factors attempt to weigh the responsiveness of the City's own experience with the stability inherent in those of the collective insurance industry in the Commonwealth of Pennsylvania for Industry Grouping 16, Public Administration entities.

The methodology described above results in final selections of paid and reported loss development factors that have declined significantly over the prior valuation. They will need to be closely monitored going forward but the expectation is that they will reach a plateau and level out over the coming one or two evaluations.

#### APPENDIX B

Appendix B, Sheet 1 presents the derivation of the critical reported loss amounts necessary to identify current large losses that would require special treatment under various per claim retention programs.

These critical loss amounts were used during a review of individual large losses of the City as detailed through a PA Claims Statement of Losses valued as of August 31, 2018. As mentioned previously, currently sixty-two losses meet or exceed these critical amounts and are displayed individually by program year within Sheets 2 through 5 of this Appendix.

APPENDIX C

Appendix C presents the derivation of discount factors used in discounting each accident periods' outstanding liabilities. This exhibit utilizes a discount rate of 3.00% per annum in combination with the selected payment pattern underlying the paid losses. The discount rate is representative of the effective yield as of August 31, 2018 for 30 year US Treasury Bonds.

The City of Scranton  
Summary of Historical Loss Experience  
As of August 31, 2018

| Accident<br>Year  | Maturity<br>(months) | Number of Claims |           |           | Paid Losses<br>(Net of Subro) | Reported<br>Losses |
|-------------------|----------------------|------------------|-----------|-----------|-------------------------------|--------------------|
|                   |                      | Closed           | Open      | Total     |                               |                    |
| 03/01/79-02/28/80 | 474                  | 5                | 1         | 6         | \$1,289,463                   | \$1,302,549        |
| 03/01/80-02/28/81 | 462                  | 6                | 1         | 7         | \$1,796,032                   | \$1,856,328        |
| 03/01/81-02/28/82 | 450                  | 6                | 1         | 7         | \$2,190,958                   | \$2,271,537        |
| 03/01/82-02/28/83 | 438                  | 8                | 1         | 9         | \$742,891                     | \$818,375          |
| 03/01/83-02/28/84 | 426                  | 2                | 1         | 3         | \$1,648,772                   | \$1,755,155        |
| 03/01/84-02/28/85 | 414                  | 5                | 0         | 5         | \$134,535                     | \$134,535          |
| 03/01/85-02/28/86 | 402                  | 4                | 0         | 4         | \$1,307,618                   | \$1,307,618        |
| 03/01/86-02/28/87 | 390                  | 1                | 2         | 3         | \$1,430,110                   | \$1,539,292        |
| 03/01/87-02/28/88 | 378                  | 8                | 1         | 9         | \$2,435,028                   | \$2,468,444        |
| 03/01/88-02/28/89 | 366                  | 4                | 5         | 9         | \$3,169,758                   | \$3,802,964        |
| 03/01/89-02/28/90 | 354                  | 11               | 0         | 11        | \$2,001,581                   | \$2,001,581        |
| 03/01/90-02/28/91 | 342                  | 18               | 2         | 20        | \$2,801,020                   | \$3,155,306        |
| 03/01/91-02/28/92 | 330                  | 114              | 4         | 118       | \$5,607,310                   | \$5,873,789        |
| 03/01/92-02/28/93 | 318                  | 203              | 0         | 203       | \$5,270,593                   | \$5,270,597        |
| 03/01/93-02/28/94 | 306                  | 178              | 3         | 181       | \$7,692,800                   | \$7,921,544        |
| 03/01/94-02/28/95 | 294                  | 194              | 0         | 194       | \$1,815,475                   | \$1,815,480        |
| 03/01/95-02/28/96 | 282                  | 274              | 3         | 277       | \$6,893,909                   | \$6,948,088        |
| 03/01/96-02/28/97 | 270                  | 221              | 2         | 223       | \$2,593,909                   | \$2,762,008        |
| 03/01/97-02/28/98 | 258                  | 235              | 1         | 236       | \$2,272,356                   | \$2,295,059        |
| 03/01/98-02/28/99 | 246                  | 221              | 0         | 221       | \$2,236,204                   | \$2,236,210        |
| 03/01/99-02/28/00 | 234                  | 233              | 0         | 233       | \$2,026,959                   | \$2,026,957        |
| 03/01/00-02/28/01 | 222                  | 194              | 0         | 194       | \$1,751,046                   | \$1,751,054        |
| 03/01/01-02/28/02 | 210                  | 191              | 0         | 191       | \$2,505,028                   | \$2,505,031        |
| 03/01/02-02/28/03 | 198                  | 206              | 3         | 209       | \$5,648,116                   | \$5,710,713        |
| 03/01/03-02/28/04 | 186                  | 150              | 2         | 152       | \$1,577,411                   | \$1,971,874        |
| 03/01/04-02/28/05 | 174                  | 149              | 1         | 150       | \$3,088,823                   | \$3,107,366        |
| 03/01/05-02/28/06 | 162                  | 156              | 0         | 156       | \$1,576,622                   | \$1,576,847        |
| 03/01/06-02/28/07 | 150                  | 169              | 1         | 170       | \$1,813,348                   | \$1,963,092        |
| 03/01/07-02/28/08 | 138                  | 174              | 1         | 175       | \$1,519,104                   | \$1,541,242        |
| 03/01/08-02/28/09 | 126                  | 141              | 2         | 143       | \$1,527,949                   | \$1,544,242        |
| 03/01/09-02/28/10 | 114                  | 158              | 0         | 158       | \$1,543,323                   | \$1,543,319        |
| 03/01/10-02/28/11 | 102                  | 157              | 1         | 158       | \$1,785,149                   | \$1,892,199        |
| 03/01/11-02/28/12 | 90                   | 145              | 3         | 148       | \$1,998,033                   | \$2,104,717        |
| 03/01/12-02/28/13 | 78                   | 133              | 2         | 135       | \$1,311,910                   | \$1,364,188        |
| 03/01/13-02/28/14 | 66                   | 125              | 0         | 125       | \$1,207,373                   | \$1,207,370        |
| 03/01/14-02/28/15 | 54                   | 112              | 3         | 115       | \$1,744,124                   | \$1,766,154        |
| 03/01/15-02/28/16 | 42                   | 118              | 5         | 123       | \$2,667,540                   | \$4,723,087        |
| 03/01/16-02/28/17 | 30                   | 90               | 9         | 99        | \$1,671,436                   | \$2,049,794        |
| 03/01/17-02/28/18 | 18                   | 96               | 6         | 102       | \$702,094                     | \$842,814          |
| 03/01/18-02/28/19 | 6                    | <u>40</u>        | <u>24</u> | <u>64</u> | <u>\$140,605</u>              | <u>\$206,332</u>   |
| <b>Totals</b>     |                      | 4655             | 91        | 4746      | \$93,136,315                  | \$98,934,851       |

Source: PMA Companies Loss Summary by Policy, Account # 0441006  
Statement of Losses Valued as of August 31, 2018

Note: Claim counts include claims closed without payment, and notice & medical only claims

The City of Scranton  
Summary of Historical Exposure  
As of August 31, 2018

| <u>Calendar Year</u>   | <u>Number of Employees</u> | <u>Payroll</u> | <u>Average Pay Per EE</u> | <u>Annual Change in Avg Payroll</u> |
|--|----------------------------|----------------|---------------------------|-------------------------------------|
| 1997   | 571                        | \$18,920,100   | \$33,135                  |                                     |
| 1998   | 584                        | \$18,968,992   | \$32,481                  | -2.0%                               |
| 1999   | 485                        | \$19,098,399   | \$39,378                  | 21.2%                               |
| 2000   | 516                        | \$22,307,900   | \$43,232                  | 9.8%                                |
| 2001   | 605                        | \$24,626,474   | \$40,705                  | -5.8%                               |
| 2002   | 580                        | \$21,313,870   | \$36,748                  | -9.7%                               |
| 2003   | 543                        | \$16,463,598   | \$30,320                  | -17.5%                              |
| 2004   | 562                        | \$20,214,639   | \$35,969                  | 18.6%                               |
| 2005   | 520                        | \$17,887,985   | \$34,400                  | -4.4%                               |
| 2006   | 529                        | \$17,807,008   | \$33,662                  | -2.1%                               |
| 2007   | 516                        | \$18,738,747   | \$36,315                  | 7.9%                                |
| 2008   | 525                        | \$19,114,409   | \$36,408                  | 0.3%                                |
| 2009   | 549                        | \$18,670,308   | \$34,008                  | -6.6%                               |
| 2010   | 555                        | \$24,921,069   | \$44,903                  | 32.0%                               |
| 2011   | 480                        | \$24,992,200   | \$52,067                  | 16.0%                               |
| 2012   | 468                        | \$22,633,282   | \$48,362                  | -7.1%                               |
| 2013   | 498                        | \$28,699,650   | \$57,630                  | 19.2%                               |
| 2014   | 480                        | \$30,574,331   | \$63,697                  | 10.5%                               |
| 2015   | 475                        | \$32,395,961   | \$68,202                  | 7.1%                                |
| 2016   | 474                        | \$31,625,548   | \$66,721                  | -2.2%                               |
| 2017   | 477                        | \$33,189,637   | \$69,580                  | 4.3%                                |
| 2018   | 495                        | \$33,820,483   | \$68,324                  | -1.8%                               |
| <b>Average Annual Trend in Average Payroll per Employee:</b> |                            |                |                           | 5.1%                                |
| <b>2019 Budgetary</b>  | 500                        | \$34,835,097   | \$69,670                  | 2.0%                                |

Source: City of Scranton, Department of Business Administration

**Estimation of Unlimited Ultimate Losses**

| (A)<br>Accident<br>Period | (B)<br>Evaluation<br>Date | (C)<br>Maturity<br>(months) | (D)<br>Reported<br>Losses<br>at 8/31/18 | (E)<br>Paid<br>Losses<br>at 8/31/18 | (F)<br>Large Loss<br>Critical<br>Amount | (G)<br>Number<br>of Losses ><br>Column(F) | (H)<br>Reported<br>on Large<br>Losses | (I)<br>Paid<br>on Large<br>Losses |
|---------------------------|---------------------------|-----------------------------|---|-------------------------------------|---|---|---------------------------------------|-----------------------------------|
| 03/01/86-02/28/87         | 8/31/2018                 | 390.0                       | \$1,539,292                             | \$1,430,110                         | N/A                                     | N/A                                       | N/A                                   | N/A                               |
| 03/01/87-02/28/88         | 8/31/2018                 | 378.0                       | \$2,468,444                             | \$2,435,028                         | N/A                                     | N/A                                       | N/A                                   | N/A                               |
| 03/01/88-02/28/89         | 8/31/2018                 | 366.0                       | \$3,802,964                             | \$3,169,758                         | N/A                                     | N/A                                       | N/A                                   | N/A                               |
| 03/01/89-02/28/90         | 8/31/2018                 | 354.0                       | \$2,001,581                             | \$2,001,561                         | N/A                                     | N/A                                       | N/A                                   | N/A                               |
| 03/01/90-02/28/91         | 8/31/2018                 | 342.0                       | \$3,155,306                             | \$2,801,020                         | N/A                                     | N/A                                       | N/A                                   | N/A                               |
| 03/01/91-02/28/92         | 8/31/2018                 | 330.0                       | \$5,873,789                             | \$5,607,310                         | N/A                                     | N/A                                       | N/A                                   | N/A                               |
| 03/01/92-02/28/93         | 8/31/2018                 | 318.0                       | \$5,270,597                             | \$5,270,598                         | N/A                                     | N/A                                       | N/A                                   | N/A                               |
| 03/01/93-02/28/94         | 8/31/2018                 | 306.0                       | \$7,921,544                             | \$7,692,875                         | N/A                                     | N/A                                       | N/A                                   | N/A                               |
| 03/01/94-02/28/95         | 8/31/2018                 | 294.0                       | \$1,815,480                             | \$1,815,450                         | N/A                                     | N/A                                       | N/A                                   | N/A                               |
| 03/01/95-02/28/96         | 8/31/2018                 | 282.0                       | \$6,948,088                             | \$6,893,909                         | N/A                                     | N/A                                       | N/A                                   | N/A                               |
| 03/01/96-02/28/97         | 8/31/2018                 | 270.0                       | \$2,762,008                             | \$2,593,909                         | N/A                                     | N/A                                       | N/A                                   | N/A                               |
| 03/01/97-02/28/98         | 8/31/2018                 | 258.0                       | \$2,295,059                             | \$2,272,356                         | N/A                                     | N/A                                       | N/A                                   | N/A                               |
| 03/01/98-02/28/99         | 8/31/2018                 | 246.0                       | \$2,236,210                             | \$2,236,204                         | N/A                                     | N/A                                       | N/A                                   | N/A                               |
| 03/01/99-02/28/00         | 8/31/2018                 | 234.0                       | \$2,026,957                             | \$2,026,959                         | N/A                                     | N/A                                       | N/A                                   | N/A                               |
| 03/01/00-02/28/01         | 8/31/2018                 | 222.0                       | \$1,751,054                             | \$1,751,046                         | N/A                                     | N/A                                       | N/A                                   | N/A                               |
| 03/01/01-02/28/02         | 8/31/2018                 | 210.0                       | \$2,505,031                             | \$2,505,028                         | N/A                                     | N/A                                       | N/A                                   | N/A                               |
| 03/01/02-02/28/03         | 8/31/2018                 | 198.0                       | \$5,710,713                             | \$5,648,116                         | N/A                                     | N/A                                       | N/A                                   | N/A                               |
| 03/01/03-02/28/04         | 8/31/2018                 | 186.0                       | \$1,971,874                             | \$1,577,411                         | N/A                                     | N/A                                       | N/A                                   | N/A                               |
| 03/01/04-02/28/05         | 8/31/2018                 | 174.0                       | \$3,107,366                             | \$3,088,823                         | N/A                                     | N/A                                       | N/A                                   | N/A                               |
| 03/01/05-02/28/06         | 8/31/2018                 | 162.0                       | \$1,576,847                             | \$1,576,622                         | N/A                                     | N/A                                       | N/A                                   | N/A                               |
| 03/01/06-02/28/07         | 8/31/2018                 | 150.0                       | \$1,963,092                             | \$1,813,348                         | N/A                                     | N/A                                       | N/A                                   | N/A                               |
| 03/01/07-02/28/08         | 8/31/2018                 | 138.0                       | \$1,541,242                             | \$1,519,104                         | N/A                                     | N/A                                       | N/A                                   | N/A                               |
| 03/01/08-02/28/09         | 8/31/2018                 | 126.0                       | \$1,544,242                             | \$1,527,949                         | N/A                                     | N/A                                       | N/A                                   | N/A                               |
| 03/01/09-02/28/10         | 8/31/2018                 | 114.0                       | \$1,543,319                             | \$1,543,323                         | N/A                                     | N/A                                       | N/A                                   | N/A                               |
| 03/01/10-02/28/11         | 8/31/2018                 | 102.0                       | \$1,892,169                             | \$1,785,149                         | N/A                                     | N/A                                       | N/A                                   | N/A                               |
| 03/01/11-02/28/12         | 8/31/2018                 | 90.0                        | \$2,104,717                             | \$1,998,833                         | N/A                                     | N/A                                       | N/A                                   | N/A                               |
| 03/01/12-02/28/13         | 8/31/2018                 | 78.0                        | \$1,364,188                             | \$1,311,910                         | N/A                                     | N/A                                       | N/A                                   | N/A                               |
| 03/01/13-02/28/14         | 8/31/2018                 | 66.0                        | \$1,207,370                             | \$1,207,373                         | N/A                                     | N/A                                       | N/A                                   | N/A                               |
| 03/01/14-02/28/15         | 8/31/2018                 | 54.0                        | \$1,766,154                             | \$1,744,124                         | N/A                                     | N/A                                       | N/A                                   | N/A                               |
| 03/01/15-02/28/16         | 8/31/2018                 | 42.0                        | \$4,723,087                             | \$2,667,540                         | N/A                                     | N/A                                       | N/A                                   | N/A                               |
| 03/01/16-02/28/17         | 8/31/2018                 | 30.0                        | \$2,049,794                             | \$1,671,436                         | N/A                                     | N/A                                       | N/A                                   | N/A                               |
| 03/01/17-02/28/18         | 8/31/2018                 | 18.0                        | \$842,814                               | \$702,084                           | N/A                                     | N/A                                       | N/A                                   | N/A                               |
| 03/01/18-02/28/19         | 8/31/2018                 | 6.0                         | \$206,332                               | \$140,605                           | N/A                                     | N/A                                       | N/A                                   | N/A                               |
| Totals                    |                           |                             | \$89,488,754                            | \$84,026,046                        |   |   |                                       |                                   |

| (J)<br>Accident<br>Period | (K)<br>Evaluation<br>Date | (L)<br>Maturity<br>(months) | (M)<br>Cumulative<br>Rptd Loss<br>Dev Factor | (N)<br>Implied<br>Limited<br>Ultimate<br>Losses | (O)<br>Cumulative<br>Paid Loss<br>Dev Factor | (P)<br>Implied<br>Limited<br>Ultimate<br>Losses | (Q)<br>Selected<br>Estimated<br>Ultimate<br>Losses |
|---------------------------|---------------------------|-----------------------------|--|---|--|---|--|
| 03/01/86-02/28/87         | 8/31/2018                 | 390.0                       | 1.037  | \$1,595,564                                     | 1.122  | \$1,604,556                                     | \$1,599,161  |
| 03/01/87-02/28/88         | 8/31/2018                 | 378.0                       | 1.038  | \$2,562,039                                     | 1.126  | \$2,742,748                                     | \$2,634,323  |
| 03/01/88-02/28/89         | 8/31/2018                 | 366.0                       | 1.039  | \$3,952,699                                     | 1.131  | \$3,585,229                                     | \$3,805,709  |
| 03/01/89-02/28/90         | 8/31/2018                 | 354.0                       | 1.041  | \$2,083,519                                     | 1.136  | \$2,274,019                                     | \$2,155,719  |
| 03/01/90-02/28/91         | 8/31/2018                 | 342.0                       | 1.043  | \$3,289,785                                     | 1.142  | \$3,197,445                                     | \$3,252,849  |
| 03/01/91-02/28/92         | 8/31/2018                 | 330.0                       | 1.044  | \$6,134,796                                     | 1.147  | \$6,433,644                                     | \$6,254,335  |
| 03/01/92-02/28/93         | 8/31/2018                 | 318.0                       | 1.046  | \$5,515,159                                     | 1.154  | \$6,080,559                                     | \$5,741,319  |
| 03/01/93-02/28/94         | 8/31/2018                 | 306.0                       | 1.049  | \$8,306,008                                     | 1.161  | \$8,927,605                                     | \$8,654,047  |
| 03/01/94-02/28/95         | 8/31/2018                 | 294.0                       | 1.051  | \$1,907,808                                     | 1.168  | \$2,120,382                                     | \$1,992,838  |
| 03/01/95-02/28/96         | 8/31/2018                 | 282.0                       | 1.053  | \$7,319,070                                     | 1.176  | \$8,107,649                                     | \$7,634,501  |
| 03/01/96-02/28/97         | 8/31/2018                 | 270.0                       | 1.056  | \$2,917,167                                     | 1.185  | \$3,073,630                                     | \$2,979,782  |
| 03/01/97-02/28/98         | 8/31/2018                 | 258.0                       | 1.059  | \$2,431,019                                     | 1.195  | \$2,714,797                                     | \$2,644,530  |
| 03/01/98-02/28/99         | 8/31/2018                 | 246.0                       | 1.063  | \$2,376,264                                     | 1.205  | \$2,695,720                                     | \$2,604,048  |
| 03/01/99-02/28/00         | 8/31/2018                 | 234.0                       | 1.066  | \$2,161,544                                     | 1.217  | \$2,467,732                                     | \$2,284,010  |
| 03/01/00-02/28/01         | 8/31/2018                 | 222.0                       | 1.071  | \$1,874,696                                     | 1.231  | \$2,155,196                                     | \$1,986,896  |
| 03/01/01-02/28/02         | 8/31/2018                 | 210.0                       | 1.075  | \$2,693,776                                     | 1.246  | \$3,120,731                                     | \$2,864,558  |
| 03/01/02-02/28/03         | 8/31/2018                 | 198.0                       | 1.081  | \$6,171,614                                     | 1.263  | \$7,131,942                                     | \$6,565,745  |
| 03/01/03-02/28/04         | 8/31/2018                 | 186.0                       | 1.087  | \$2,143,880                                     | 1.282  | \$2,022,200                                     | \$2,094,728  |
| 03/01/04-02/28/05         | 8/31/2018                 | 174.0                       | 1.094  | \$3,399,021                                     | 1.304  | \$4,028,075                                     | \$3,656,643  |
| 03/01/05-02/28/06         | 8/31/2018                 | 162.0                       | 1.102  | \$1,737,735                                     | 1.330  | \$2,086,426                                     | \$1,881,211  |
| 03/01/06-02/28/07         | 8/31/2018                 | 150.0                       | 1.112  | \$2,182,233                                     | 1.360  | \$2,465,608                                     | \$2,295,583  |
| 03/01/07-02/28/08         | 8/31/2018                 | 138.0                       | 1.123  | \$1,730,895                                     | 1.395  | \$2,119,600                                     | \$1,886,377  |
| 03/01/08-02/28/09         | 8/31/2018                 | 126.0                       | 1.137  | \$1,758,572                                     | 1.438  | \$2,197,442                                     | \$1,932,320  |
| 03/01/09-02/28/10         | 8/31/2018                 | 114.0                       | 1.154  | \$1,780,720                                     | 1.491  | \$2,300,655                                     | \$1,988,634  |
| 03/01/10-02/28/11         | 8/31/2018                 | 102.0                       | 1.175  | \$2,223,856                                     | 1.557  | \$2,778,661                                     | \$2,445,659  |
| 03/01/11-02/28/12         | 8/31/2018                 | 90.0                        | 1.203  | \$2,531,453                                     | 1.641  | \$3,279,245                                     | \$2,830,570  |
| 03/01/12-02/28/13         | 8/31/2018                 | 78.0                        | 1.240  | \$1,691,112                                     | 1.754  | \$2,301,052                                     | \$1,935,033  |
| 03/01/13-02/28/14         | 8/31/2018                 | 66.0                        | 1.291  | \$1,559,070                                     | 1.911  | \$2,307,152                                     | \$1,858,303  |
| 03/01/14-02/28/15         | 8/31/2018                 | 54.0                        | 1.368  | \$2,416,550                                     | 2.143  | \$3,737,890                                     | \$2,945,086  |
| 03/01/15-02/28/16         | 8/31/2018                 | 42.0                        | 1.494  | \$7,055,939                                     | 2.519  | \$6,720,129                                     | \$6,921,616  |
| 03/01/16-02/28/17         | 8/31/2018                 | 30.0                        | 1.732  | \$3,549,793                                     | 3.223  | \$5,387,580                                     | \$4,284,998  |
| 03/01/17-02/28/18         | 8/31/2018                 | 18.0                        | 2.329  | \$1,863,014                                     | 4.964  | \$3,484,860                                     | \$2,571,782  |
| 03/01/18-02/28/19         | 8/31/2018                 | 6.0                         | 5.797  | \$1,196,126                                     | 14.743                                       | \$2,072,870                                     | \$1,546,825  |
| Totals                    |                           |                             |  | \$101,012,368                                   |  | \$115,660,146                                   | \$106,871,478                                      |

Columns (D) and (E): Exhibit 1, Sheet 1  
 Column(F): Not applicable  
 Columns (G) through (I): Not applicable  
 Column(M): Appendix A, Sheet 9 & 9A

Column(N): Col(D) x Col(M)  
 Column(O): Appendix A, Sheet 4 & 4A  
 Column(P): Col(E) x Col(O)  
 Column(Q): 60% of Col. (N) and 40% of Col. (P)

Estimation of Limited Ultimate Losses  
Limited to Specific per Claim Retentions (Assumes Full Reinsurance Recoveries)

| (A)<br>Accident<br>Period | (B)<br>Evaluation<br>Date | (C)<br>Maturity<br>(months) | (D)<br>Reported<br>Losses<br>at 8/31/18 | (E)<br>Paid<br>Losses<br>at 8/31/18 | (F)<br>Large Loss<br>Critical<br>Amount | (G)<br>Number<br>of Losses ><br>Column(F) | (H)<br>Reported<br>on Large<br>Losses | (I)<br>Paid<br>on Large<br>Losses |
|---------------------------|---------------------------|-----------------------------|---|-------------------------------------|---|---|---------------------------------------|-----------------------------------|
| 03/01/86-02/28/87         | 8/31/2018                 | 390.0                       | \$1,539,292                             | \$1,430,110                         | \$242,779                               | 3   | \$1,539,291                           | \$1,430,110                       |
| 03/01/87-02/28/88         | 8/31/2018                 | 378.0                       | \$2,468,444                             | \$2,435,028                         | \$339,232                               | 4   | \$2,118,651                           | \$2,085,235                       |
| 03/01/88-02/28/89         | 8/31/2018                 | 366.0                       | \$3,802,954                             | \$3,169,758                         | \$290,489                               | 5   | \$2,722,285                           | \$2,089,082                       |
| 03/01/89-02/28/90         | 8/31/2018                 | 354.0                       | \$2,001,581                             | \$2,001,581                         | \$483,212                               | 0   | \$0                                   | \$0                               |
| 03/01/90-02/28/91         | 8/31/2018                 | 342.0                       | \$3,155,306                             | \$2,801,020                         | \$482,280                               | 2   | \$1,479,151                           | \$1,124,866                       |
| 03/01/91-02/28/92         | 8/31/2018                 | 330.0                       | \$5,873,789                             | \$5,607,310                         | \$336,946                               | 8   | \$4,216,448                           | \$3,949,979                       |
| 03/01/92-02/28/93         | 8/31/2018                 | 318.0                       | \$5,270,597                             | \$5,270,593                         | \$384,341                               | 4   | \$2,496,780                           | \$2,496,780                       |
| 03/01/93-02/28/94         | 8/31/2018                 | 306.0                       | \$7,921,544                             | \$7,692,800                         | \$383,237                               | 9   | \$5,279,008                           | \$4,996,423                       |
| 03/01/94-02/28/95         | 8/31/2018                 | 294.0                       | \$1,815,480                             | \$1,815,475                         | \$334,371                               | 0   | \$0                                   | \$0                               |
| 03/01/95-02/28/96         | 8/31/2018                 | 282.0                       | \$6,948,088                             | \$6,693,909                         | \$478,308                               | 5   | \$2,984,355                           | \$2,934,480                       |
| 03/01/96-02/28/97         | 8/31/2018                 | 270.0                       | \$2,762,008                             | \$2,593,909                         | \$474,500                               | 2   | \$1,238,456                           | \$1,079,603                       |
| 03/01/97-02/28/98         | 8/31/2018                 | 258.0                       | \$2,295,059                             | \$2,272,356                         | \$378,164                               | 1   | \$395,272                             | \$395,272                         |
| 03/01/98-02/28/99         | 8/31/2018                 | 246.0                       | \$2,236,210                             | \$2,236,204                         | \$376,740                               | 0   | \$0                                   | \$0                               |
| 03/01/99-02/28/00         | 8/31/2018                 | 234.0                       | \$2,026,957                             | \$2,026,959                         | \$234,578                               | 3   | \$942,198                             | \$942,198                         |
| 03/01/00-02/28/01         | 8/31/2018                 | 222.0                       | \$1,751,054                             | \$1,751,046                         | \$233,672                               | 3   | \$1,008,418                           | \$1,008,418                       |
| 03/01/01-02/28/02         | 8/31/2018                 | 210.0                       | \$2,505,031                             | \$2,505,028                         | \$232,863                               | 4   | \$1,292,419                           | \$1,292,419                       |
| 03/01/02-02/28/03         | 8/31/2018                 | 198.0                       | \$5,710,713                             | \$5,648,116                         | \$277,838                               | 4   | \$1,895,041                           | \$1,877,604                       |
| 03/01/03-02/28/04         | 8/31/2018                 | 186.0                       | \$1,971,874                             | \$1,577,411                         | \$322,359                               | 1   | \$691,103                             | \$305,826                         |
| 03/01/04-02/28/05         | 8/31/2018                 | 174.0                       | \$3,107,366                             | \$3,088,823                         | \$366,084                               | 2   | \$915,257                             | \$915,257                         |
| 03/01/05-02/28/06         | 8/31/2018                 | 162.0                       | \$1,576,847                             | \$1,576,622                         | \$454,308                               | 0   | \$0                                   | \$0                               |
| 03/01/06-02/28/07         | 8/31/2018                 | 150.0                       | \$1,993,092                             | \$1,813,348                         | \$675,728                               | 1   | \$712,869                             | \$563,124                         |
| 03/01/07-02/28/08         | 8/31/2018                 | 138.0                       | \$1,541,242                             | \$1,519,104                         | \$689,044                               | 0   | \$0                                   | \$0                               |
| 03/01/08-02/28/09         | 8/31/2018                 | 126.0                       | \$1,544,242                             | \$1,527,949                         | \$681,167                               | 0   | \$0                                   | \$0                               |
| 03/01/09-02/28/10         | 8/31/2018                 | 114.0                       | \$1,543,319                             | \$1,543,323                         | \$651,753                               | 0   | \$0                                   | \$0                               |
| 03/01/10-02/28/11         | 8/31/2018                 | 102.0                       | \$1,892,199                             | \$1,795,149                         | \$683,019                               | 0   | \$0                                   | \$0                               |
| 03/01/11-02/28/12         | 8/31/2018                 | 90.0                        | \$2,104,717                             | \$1,998,033                         | \$667,954                               | 0   | \$0                                   | \$0                               |
| 03/01/12-02/28/13         | 8/31/2018                 | 78.0                        | \$1,364,188                             | \$1,311,910                         | \$648,898                               | 0   | \$0                                   | \$0                               |
| 03/01/13-02/28/14         | 8/31/2018                 | 66.0                        | \$1,207,370                             | \$1,207,373                         | \$624,084                               | 0   | \$0                                   | \$0                               |
| 03/01/14-02/28/15         | 8/31/2018                 | 54.0                        | \$1,766,154                             | \$1,744,124                         | \$590,559                               | 0   | \$0                                   | \$0                               |
| 03/01/15-02/28/16         | 8/31/2018                 | 42.0                        | \$4,723,087                             | \$2,667,540                         | \$542,954                               | 1   | \$1,951,614                           | \$254,869                         |
| 03/01/16-02/28/17         | 8/31/2018                 | 30.0                        | \$2,049,794                             | \$1,671,436                         | \$470,635                               | 0   | \$0                                   | \$0                               |
| 03/01/17-02/28/18         | 8/31/2018                 | 18.0                        | \$842,814                               | \$702,084                           | \$350,899                               | 0   | \$0                                   | \$0                               |
| 03/01/18-02/28/19         | 8/31/2018                 | 6.0                         | \$206,332                               | \$140,605                           | \$142,282                               | 0   | \$0                                   | \$0                               |
| <b>Totals</b>             |                           |                             | <b>\$89,488,754</b>                     | <b>\$84,026,046</b>                 |   | <b>62</b>                                 | <b>\$33,879,517</b>                   | <b>\$29,741,546</b>               |

| (J)<br>Accident<br>Period | (K)<br>Evaluation<br>Date | (L)<br>Maturity<br>(months) | (M)<br>Cumulative<br>Rptd Loss<br>Dev Factor | (N)<br>Implied<br>Limited<br>Ultimate<br>Losses | (O)<br>Cumulative<br>Paid Loss<br>Dev Factor | (P)<br>Implied<br>Limited<br>Ultimate<br>Losses | (Q)<br>Selected<br>Estimated<br>Ultimate<br>Losses |
|---------------------------|---------------------------|-----------------------------|--|---|--|---|--|
| 03/01/86-02/28/87         | 8/31/2018                 | 390.0                       | 1.037  | \$855,001                                       | 1.122  | \$855,000                                       | \$855,000  |
| 03/01/87-02/28/88         | 8/31/2018                 | 378.0                       | 1.038  | \$1,763,056                                     | 1.126  | \$1,793,998                                     | \$1,775,433  |
| 03/01/88-02/28/89         | 8/31/2018                 | 366.0                       | 1.039  | \$2,823,229                                     | 1.131  | \$2,922,322                                     | \$2,862,260  |
| 03/01/89-02/28/90         | 8/31/2018                 | 354.0                       | 1.041  | \$2,083,519                                     | 1.136  | \$2,274,019                                     | \$2,159,719  |
| 03/01/90-02/28/91         | 8/31/2018                 | 342.0                       | 1.043  | \$2,747,592                                     | 1.142  | \$2,913,378                                     | \$2,813,906  |
| 03/01/91-02/28/92         | 8/31/2018                 | 330.0                       | 1.044  | \$4,530,886                                     | 1.147  | \$4,701,567                                     | \$4,599,218  |
| 03/01/92-02/28/93         | 8/31/2018                 | 318.0                       | 1.046  | \$4,502,525                                     | 1.154  | \$4,800,082                                     | \$4,621,548  |
| 03/01/93-02/28/94         | 8/31/2018                 | 306.0                       | 1.049  | \$6,370,789                                     | 1.161  | \$6,729,184                                     | \$6,514,147  |
| 03/01/94-02/28/95         | 8/31/2018                 | 294.0                       | 1.051  | \$1,907,808                                     | 1.168  | \$2,120,382                                     | \$1,992,638  |
| 03/01/95-02/28/96         | 8/31/2018                 | 282.0                       | 1.053  | \$6,675,370                                     | 1.176  | \$7,156,525                                     | \$6,867,832  |
| 03/01/96-02/28/97         | 8/31/2018                 | 270.0                       | 1.056  | \$2,609,139                                     | 1.185  | \$2,794,364                                     | \$2,683,229  |
| 03/01/97-02/28/98         | 8/31/2018                 | 258.0                       | 1.059  | \$2,412,331                                     | 1.195  | \$2,642,563                                     | \$2,504,424  |
| 03/01/98-02/28/99         | 8/31/2018                 | 246.0                       | 1.063  | \$2,376,264                                     | 1.205  | \$2,695,720                                     | \$2,504,046  |
| 03/01/99-02/28/00         | 8/31/2018                 | 234.0                       | 1.066  | \$1,988,785                                     | 1.217  | \$2,070,640                                     | \$1,972,330  |
| 03/01/00-02/28/01         | 8/31/2018                 | 222.0                       | 1.071  | \$1,545,074                                     | 1.231  | \$1,664,030                                     | \$1,592,656  |
| 03/01/01-02/28/02         | 8/31/2018                 | 210.0                       | 1.075  | \$2,383,978                                     | 1.246  | \$2,590,652                                     | \$2,466,648  |
| 03/01/02-02/28/03         | 8/31/2018                 | 198.0                       | 1.081  | \$5,322,655                                     | 1.263  | \$5,961,069                                     | \$5,578,021  |
| 03/01/03-02/28/04         | 8/31/2018                 | 186.0                       | 1.087  | \$1,766,972                                     | 1.282  | \$2,085,138                                     | \$1,862,239  |
| 03/01/04-02/28/05         | 8/31/2018                 | 174.0                       | 1.094  | \$3,197,859                                     | 1.304  | \$3,634,506                                     | \$3,372,518  |
| 03/01/05-02/28/06         | 8/31/2018                 | 162.0                       | 1.102  | \$1,737,735                                     | 1.330  | \$2,096,426                                     | \$1,881,211  |
| 03/01/06-02/28/07         | 8/31/2018                 | 150.0                       | 1.112  | \$2,139,786                                     | 1.368  | \$2,449,929                                     | \$2,263,643  |
| 03/01/07-02/28/08         | 8/31/2018                 | 138.0                       | 1.123  | \$1,730,895                                     | 1.395  | \$2,119,600                                     | \$1,886,377  |
| 03/01/08-02/28/09         | 8/31/2018                 | 126.0                       | 1.137  | \$1,755,572                                     | 1.438  | \$2,197,442                                     | \$1,932,320  |
| 03/01/09-02/28/10         | 8/31/2018                 | 114.0                       | 1.154  | \$1,780,720                                     | 1.491  | \$2,300,655                                     | \$1,988,694  |
| 03/01/10-02/28/11         | 8/31/2018                 | 102.0                       | 1.175  | \$2,223,858                                     | 1.557  | \$2,778,661                                     | \$2,445,658  |
| 03/01/11-02/28/12         | 8/31/2018                 | 90.0                        | 1.203  | \$2,531,453                                     | 1.641  | \$3,279,245                                     | \$2,830,570  |
| 03/01/12-02/28/13         | 8/31/2018                 | 78.0                        | 1.240  | \$1,691,112                                     | 1.754  | \$2,301,052                                     | \$1,935,088  |
| 03/01/13-02/28/14         | 8/31/2018                 | 66.0                        | 1.291  | \$1,559,070                                     | 1.911  | \$2,307,152                                     | \$1,958,303  |
| 03/01/14-02/28/15         | 8/31/2018                 | 54.0                        | 1.368  | \$2,416,550                                     | 2.143  | \$3,737,890                                     | \$2,945,666  |
| 03/01/15-02/28/16         | 8/31/2018                 | 42.0                        | 1.494  | \$4,940,373                                     | 2.519  | \$6,878,056                                     | \$5,715,446  |
| 03/01/16-02/28/17         | 8/31/2018                 | 30.0                        | 1.732  | \$3,549,793                                     | 3.223  | \$5,387,580                                     | \$4,284,908  |
| 03/01/17-02/28/18         | 8/31/2018                 | 18.0                        | 2.329  | \$1,963,014                                     | 4.864  | \$3,484,860                                     | \$2,571,752  |
| 03/01/18-02/28/19         | 8/31/2018                 | 6.0                         | 5.787  | \$1,198,128                                     | 14.743                                       | \$2,072,870                                     | \$1,546,825  |
| <b>Totals</b>             |                           |                             |  | <b>\$88,996,790</b>                             |  | <b>\$105,716,565</b>                            | <b>\$85,684,699</b>                                |

Columns (D) and (E): Exhibit 1, Sheet 1

Column(F): Appendix B, Sheet 1 & 2

Columns (G) through (I): PMA Large Loss Report by Policy Period

Column(M): Appendix A, Sheet 9 & 9A

Column(N): (Col(D)-Col(F))xCol(M) + Col(G) x Specific Retention

Column(O): Appendix A, Sheet 4 & 4A

Column(P): (Col(E)-Col(I))xCol(O) + Col(G) x Specific Retention

Column(Q): 60% of Col. (N) and 40% of Col. (P)

Estimation of Limited Ultimate Losses  
Limited to Specific per Claim Retentions

| (Assumes Allowable Reinsurance recoveries - all but Frontier 1994-1996 and General Ref/Pappy Plan 1990-1993) |                 |                   |                            |                        |                            |                              |                          |                      |
|--|-----------------|-------------------|----------------------------|------------------------|----------------------------|------------------------------|--------------------------|----------------------|
| (A)  | (B)             | (C)               | (D)                        | (E)                    | (F)                        | (G)                          | (H)                      | (I)                  |
| Accident Period  | Evaluation Date | Maturity (months) | Reported Losses at 8/31/18 | Paid Losses at 8/31/18 | Large Loss Critical Amount | Number of Losses > Column(F) | Reported on Large Losses | Paid on Large Losses |
| 03/01/86-02/28/87  | 8/31/2018       | 390.0             | \$1,539,292                | \$1,430,110            | \$242,779                  | 3                            | \$1,539,291              | \$1,430,110          |
| 03/01/87-02/28/88  | 8/31/2018       | 376.0             | \$2,468,444                | \$2,435,028            | \$339,232                  | 4                            | \$2,118,651              | \$2,085,235          |
| 03/01/88-02/28/89  | 8/31/2018       | 366.0             | \$3,802,964                | \$3,169,758            | \$290,489                  | 5                            | \$2,722,285              | \$2,089,082          |
| 03/01/89-02/28/90  | 8/31/2018       | 354.0             | \$2,001,581                | \$2,001,581            | \$483,212                  | 0                            | \$0                      | \$0                  |
| 03/01/90-02/28/91  | 8/31/2018       | 342.0             | \$3,155,308                | \$2,801,020            | \$482,280                  | 0                            | \$0                      | \$0                  |
| 03/01/91-02/28/92  | 8/31/2018       | 330.0             | \$5,673,789                | \$5,607,310            | \$336,946                  | 0                            | \$0                      | \$0                  |
| 03/01/92-02/28/93  | 8/31/2018       | 318.0             | \$5,270,597                | \$5,270,593            | \$384,341                  | 0                            | \$0                      | \$0                  |
| 03/01/93-02/28/94  | 8/31/2018       | 306.0             | \$7,921,544                | \$7,692,800            | \$383,237                  | 0                            | \$0                      | \$0                  |
| 03/01/94-02/28/95  | 8/31/2018       | 294.0             | \$1,815,480                | \$1,815,475            | \$334,371                  | 0                            | \$0                      | \$0                  |
| 03/01/95-02/28/96  | 8/31/2018       | 282.0             | \$6,848,088                | \$6,893,909            | \$476,308                  | 0                            | \$0                      | \$0                  |
| 03/01/96-02/28/97  | 8/31/2018       | 270.0             | \$2,762,008                | \$2,693,909            | \$474,500                  | 0                            | \$0                      | \$0                  |
| 03/01/97-02/28/98  | 8/31/2018       | 258.0             | \$2,265,059                | \$2,272,356            | \$378,164                  | 1                            | \$395,272                | \$395,272            |
| 03/01/98-02/28/99  | 8/31/2018       | 246.0             | \$2,236,210                | \$2,236,204            | \$376,740                  | 0                            | \$0                      | \$0                  |
| 03/01/99-02/28/00  | 8/31/2018       | 234.0             | \$2,026,957                | \$2,026,959            | \$234,578                  | 3                            | \$942,198                | \$942,198            |
| 03/01/00-02/28/01  | 8/31/2018       | 222.0             | \$1,751,054                | \$1,751,046            | \$233,672                  | 3                            | \$1,008,418              | \$1,008,418          |
| 03/01/01-02/28/02  | 8/31/2018       | 210.0             | \$2,505,031                | \$2,505,028            | \$232,663                  | 4                            | \$1,292,419              | \$1,292,419          |
| 03/01/02-02/28/03  | 8/31/2018       | 198.0             | \$5,710,713                | \$5,648,116            | \$277,838                  | 4                            | \$1,895,041              | \$1,877,604          |
| 03/01/03-02/28/04  | 8/31/2018       | 186.0             | \$1,971,874                | \$1,577,411            | \$322,359                  | 1                            | \$691,103                | \$305,826            |
| 03/01/04-02/28/05  | 8/31/2018       | 174.0             | \$3,107,366                | \$3,088,823            | \$366,094                  | 2                            | \$915,257                | \$915,257            |
| 03/01/05-02/28/06  | 8/31/2018       | 162.0             | \$1,576,847                | \$1,576,822            | \$454,306                  | 0                            | \$0                      | \$0                  |
| 03/01/06-02/28/07  | 8/31/2018       | 150.0             | \$1,063,092                | \$1,813,346            | \$675,726                  | 1                            | \$712,869                | \$563,124            |
| 03/01/07-02/28/08  | 8/31/2018       | 138.0             | \$1,541,242                | \$1,519,104            | \$669,044                  | 0                            | \$0                      | \$0                  |
| 03/01/08-02/28/09  | 8/31/2018       | 126.0             | \$1,544,242                | \$1,527,949            | \$661,167                  | 0                            | \$0                      | \$0                  |
| 03/01/09-02/28/10  | 8/31/2018       | 114.0             | \$1,543,319                | \$1,543,323            | \$851,753                  | 0                            | \$0                      | \$0                  |
| 03/01/10-02/28/11  | 8/31/2018       | 102.0             | \$1,892,199                | \$1,785,149            | \$683,019                  | 0                            | \$0                      | \$0                  |
| 03/01/11-02/28/12  | 8/31/2018       | 90.0              | \$2,104,717                | \$1,990,033            | \$667,954                  | 0                            | \$0                      | \$0                  |
| 03/01/12-02/28/13  | 8/31/2018       | 78.0              | \$1,364,180                | \$1,311,910            | \$648,896                  | 0                            | \$0                      | \$0                  |
| 03/01/13-02/28/14  | 8/31/2018       | 66.0              | \$1,207,370                | \$1,207,373            | \$624,084                  | 0                            | \$0                      | \$0                  |
| 03/01/14-02/28/15  | 8/31/2018       | 54.0              | \$1,766,154                | \$1,744,124            | \$590,559                  | 0                            | \$0                      | \$0                  |
| 03/01/15-02/28/16  | 8/31/2018       | 42.0              | \$4,723,087                | \$2,667,540            | \$542,954                  | 1                            | \$1,951,614              | \$254,869            |
| 03/01/16-02/28/17  | 8/31/2018       | 30.0              | \$2,049,794                | \$1,671,436            | \$470,635                  | 0                            | \$0                      | \$0                  |
| 03/01/17-02/28/18  | 8/31/2018       | 18.0              | \$842,814                  | \$702,094              | \$350,899                  | 0                            | \$0                      | \$0                  |
| 03/01/18-02/28/19  | 8/31/2018       | 6.0               | \$206,332                  | \$140,605              | \$142,282                  | 0                            | \$0                      | \$0                  |
| <b>Totals</b>  |                 |                   | <b>\$89,488,754</b>        | <b>\$84,026,046</b>    |                            | <b>32</b>                    | <b>\$16,185,319</b>      | <b>\$13,159,415</b>  |

| (J)               | (K)             | (L)               | (M)                             | (N)                             | (O)                             | (P)                             | (Q)                                |
|-------------------|-----------------|-------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|------------------------------------|
| Accident Period   | Evaluation Date | Maturity (months) | Cumulative Rptd Loss Dev Factor | Implied Limited Ultimate Losses | Cumulative Paid Loss Dev Factor | Implied Limited Ultimate Losses | Selected Estimated Ultimate Losses |
| 03/01/86-02/28/87 | 8/31/2018       | 390.0             | 1.037                           | \$855,001                       | 1.122                           | \$855,000                       | \$855,000                          |
| 03/01/87-02/28/88 | 8/31/2018       | 376.0             | 1.038                           | \$1,763,056                     | 1.126                           | \$1,793,998                     | \$1,775,433                        |
| 03/01/88-02/28/89 | 8/31/2018       | 366.0             | 1.039                           | \$2,823,229                     | 1.131                           | \$2,922,322                     | \$2,862,866                        |
| 03/01/89-02/28/90 | 8/31/2018       | 354.0             | 1.041                           | \$2,083,519                     | 1.136                           | \$2,274,019                     | \$2,159,719                        |
| 03/01/90-02/28/91 | 8/31/2018       | 342.0             | 1.043                           | \$3,289,785                     | 1.142                           | \$3,197,445                     | \$3,252,849                        |
| 03/01/91-02/28/92 | 8/31/2018       | 330.0             | 1.044                           | \$6,194,796                     | 1.147                           | \$6,433,844                     | \$6,254,335                        |
| 03/01/92-02/28/93 | 8/31/2018       | 318.0             | 1.046                           | \$5,515,159                     | 1.154                           | \$6,080,556                     | \$5,741,319                        |
| 03/01/93-02/28/94 | 8/31/2018       | 306.0             | 1.049                           | \$8,306,008                     | 1.161                           | \$8,927,605                     | \$8,554,647                        |
| 03/01/94-02/28/95 | 8/31/2018       | 294.0             | 1.051                           | \$1,907,808                     | 1.168                           | \$2,120,382                     | \$1,992,836                        |
| 03/01/95-02/28/96 | 8/31/2018       | 282.0             | 1.053                           | \$7,319,070                     | 1.176                           | \$8,107,849                     | \$7,634,501                        |
| 03/01/96-02/28/97 | 8/31/2018       | 270.0             | 1.056                           | \$2,917,167                     | 1.185                           | \$3,073,630                     | \$2,979,752                        |
| 03/01/97-02/28/98 | 8/31/2018       | 258.0             | 1.059                           | \$2,412,331                     | 1.195                           | \$2,642,563                     | \$2,504,424                        |
| 03/01/98-02/28/99 | 8/31/2018       | 246.0             | 1.063                           | \$2,376,264                     | 1.205                           | \$2,695,720                     | \$2,504,046                        |
| 03/01/99-02/28/00 | 8/31/2018       | 234.0             | 1.066                           | \$1,906,785                     | 1.217                           | \$2,070,648                     | \$1,872,330                        |
| 03/01/00-02/28/01 | 8/31/2018       | 222.0             | 1.071                           | \$1,545,074                     | 1.231                           | \$1,664,030                     | \$1,592,656                        |
| 03/01/01-02/28/02 | 8/31/2018       | 210.0             | 1.075                           | \$2,383,978                     | 1.246                           | \$2,590,652                     | \$2,466,648                        |
| 03/01/02-02/28/03 | 8/31/2018       | 198.0             | 1.081                           | \$5,322,655                     | 1.263                           | \$5,961,069                     | \$5,578,021                        |
| 03/01/03-02/28/04 | 8/31/2018       | 186.0             | 1.087                           | \$1,766,972                     | 1.282                           | \$2,005,138                     | \$1,862,239                        |
| 03/01/04-02/28/05 | 8/31/2018       | 174.0             | 1.094                           | \$3,197,659                     | 1.304                           | \$3,634,506                     | \$3,372,518                        |
| 03/01/05-02/28/06 | 8/31/2018       | 162.0             | 1.102                           | \$1,737,735                     | 1.330                           | \$2,096,426                     | \$1,881,211                        |
| 03/01/06-02/28/07 | 8/31/2018       | 150.0             | 1.112                           | \$2,139,786                     | 1.360                           | \$2,449,929                     | \$2,263,843                        |
| 03/01/07-02/28/08 | 8/31/2018       | 138.0             | 1.123                           | \$1,730,895                     | 1.395                           | \$2,119,600                     | \$1,886,177                        |
| 03/01/08-02/28/09 | 8/31/2018       | 126.0             | 1.137                           | \$1,755,572                     | 1.438                           | \$2,197,442                     | \$1,932,320                        |
| 03/01/09-02/28/10 | 8/31/2018       | 114.0             | 1.154                           | \$1,780,720                     | 1.491                           | \$2,300,655                     | \$1,988,604                        |
| 03/01/10-02/28/11 | 8/31/2018       | 102.0             | 1.175                           | \$2,223,658                     | 1.557                           | \$2,770,661                     | \$2,445,858                        |
| 03/01/11-02/28/12 | 8/31/2018       | 90.0              | 1.203                           | \$2,531,453                     | 1.641                           | \$3,279,245                     | \$2,830,570                        |
| 03/01/12-02/28/13 | 8/31/2018       | 78.0              | 1.240                           | \$1,691,112                     | 1.754                           | \$2,301,052                     | \$1,935,088                        |
| 03/01/13-02/28/14 | 8/31/2018       | 66.0              | 1.291                           | \$1,559,070                     | 1.911                           | \$2,307,152                     | \$1,858,303                        |
| 03/01/14-02/28/15 | 8/31/2018       | 54.0              | 1.368                           | \$2,416,550                     | 2.143                           | \$3,737,890                     | \$2,945,066                        |
| 03/01/15-02/28/16 | 8/31/2018       | 42.0              | 1.494                           | \$4,940,373                     | 2.519                           | \$6,878,056                     | \$4,715,426                        |
| 03/01/16-02/28/17 | 8/31/2018       | 30.0              | 1.732                           | \$3,549,793                     | 3.223                           | \$5,387,580                     | \$4,284,908                        |
| 03/01/17-02/28/18 | 8/31/2018       | 18.0              | 2.329                           | \$1,963,014                     | 4.964                           | \$3,484,860                     | \$2,571,162                        |
| 03/01/18-02/28/19 | 8/31/2018       | 6.0               | 5.797                           | \$1,196,128                     | 14.743                          | \$2,072,870                     | \$1,548,825                        |
| <b>Totals</b>     |                 |                   |                                 | <b>\$95,042,373</b>             |                                 | <b>\$112,441,997</b>            | <b>\$102,002,222</b>               |

Column (D) and (E): Exhibit 1, Sheet 1

Column (F): Appendix B, Sheet 1

Column (G) through (I): PMA Large Loss Report by Policy Period

Column (M): Appendix A, Sheet 9 & 9A

Column (N) = (Col(D) - Col(H)) x Col(M) + Col(G) x Specific Retention

Column (O) = Appendix A, Sheet 4 & 4A

Column (P) = (Col(E) - Col(I)) x Col(O) + Col(G) x Specific Retention

Column (Q) = 60% of Col. (N) and 40% Col. (P)

Estimation of Limited Ultimate Losses

| (A)                | (B)                           | (C)                     | (D)                                      | (E)          | (F)                        | (G)                  | (H)                                  |
|--------------------|-------------------------------|-------------------------|--|--------------|----------------------------|----------------------|--------------------------------------|
| Accident<br>Period | Limited<br>Ultimate<br>Losses | Loss<br>Trend<br>Factor | Trended<br>Limited<br>Ultimate<br>Losses | Payroll      | Payroll<br>Trend<br>Factor | Adjusted<br>Payroll  | Loss Rate<br>per \$100<br>of Payroll |
| 03/01/08-02/28/09  | \$1,932,320                   | 1.791                   | \$3,460,491                              | \$19,040,392 | 1.553                      | \$29,569,147         | \$11.70                              |
| 03/01/09-02/28/10  | \$1,988,694                   | 1.689                   | \$3,359,857                              | \$19,712,101 | 1.486                      | \$29,294,058         | \$11.47                              |
| 03/01/10-02/28/11  | \$2,445,658                   | 1.594                   | \$3,898,007                              | \$24,932,924 | 1.422                      | \$35,457,126         | \$10.99                              |
| 03/01/11-02/28/12  | \$2,830,570                   | 1.504                   | \$4,256,130                              | \$24,599,047 | 1.361                      | \$33,475,904         | \$12.71                              |
| 03/01/12-02/28/13  | \$1,935,088                   | 1.419                   | \$2,744,959                              | \$23,644,343 | 1.302                      | \$30,791,086         | \$8.91                               |
| 03/01/13-02/28/14  | \$1,858,303                   | 1.338                   | \$2,486,829                              | \$29,012,097 | 1.246                      | \$36,154,351         | \$6.88                               |
| 03/01/14-02/28/15  | \$2,945,086                   | 1.262                   | \$3,718,103                              | \$30,877,936 | 1.193                      | \$36,822,513         | \$10.10                              |
| 03/01/15-02/28/16  | \$5,715,446                   | 1.191                   | \$6,807,188                              | \$32,267,559 | 1.141                      | \$36,822,645         | \$18.49                              |
| 03/01/16-02/28/17  | \$4,284,908                   | 1.124                   | \$4,814,523                              | \$31,886,230 | 1.092                      | \$34,820,560         | \$13.83                              |
| 03/01/17-02/28/18  | \$2,571,752                   | 1.060                   | \$2,726,058                              | \$33,294,778 | 1.045                      | \$34,793,043         | \$7.84                               |
| <b>Total</b>       | <b>\$28,507,825</b>           |                         | <b>\$38,272,145</b>                      |              |                            | <b>\$338,000,433</b> | <b>\$11.32</b>                       |
| Excl Hi & Lo       |                               |                         | \$28,978,129                             |              |                            | \$265,023,437        | \$10.93                              |
| Avg Last 5 Yrs     |                               |                         | \$20,552,699                             |              |                            | \$179,413,112        | \$11.46                              |
| Avg Last 3 Yrs     |                               |                         | \$14,347,768                             |              |                            | \$106,436,248        | \$13.48                              |

| (I)                | (J)                      | (K)          | (L)                                       |
|--------------------|--------------------------|--------------|---|
| Accident<br>Period | Selected<br>Loss<br>Rate | Payroll      | Forecast<br>Limited<br>Ultimate<br>Losses |
| 03/01/18-02/28/19  | \$12.00                  | \$33,463,880 | \$4,015,666                               |
| 03/01/19-02/28/20  | \$12.17                  | \$35,038,302 | \$4,264,949                               |

Column(F): Based upon a selected annual wage trend of 4.5%

Column(G): Column (E) x Column (F)

Column(H): Column (D) / Column (G)

Column(J): Selected average of Column (H), trended for 2019-20

Column(K): Exhibit 1, Sheet 2

Column(L): Column (J) x Column (K)

Column(B): Exhibit 2, Sheet 3

Column(C): Based upon a selected annual loss trend of 6.0%

Column(D): Column (B) x Column (C)

Column(E): Exhibit 1, Sheet 2

The City of Scranton  
Worker's Compensation

Exhibit 4

Projection of Discounted Outstanding Losses

| (A)<br>Accident<br>Year | (B)<br>Limited<br>Ultimate<br>Losses | (C)<br>Paid<br>Losses | (D)<br>Outstanding<br>Losses | (E)<br>Discount<br>Factor | (F)<br>Discounted<br>Outstanding<br>Losses |
|-------------------------|--------------------------------------|-----------------------|------------------------------|---------------------------|--|
| As of August 31, 2018;  |                                      |                       |                              |                           |  |
| Pre - 1986              | \$9,446,097                          | \$9,110,269           | \$335,828                    | 1.000                     | \$335,828                                  |
| 1986/87                 | \$855,000                            | \$850,000             | \$5,001                      | 1.000                     | \$5,001                                    |
| 1987/88                 | \$1,775,433                          | \$1,749,793           | \$25,640                     | 0.985                     | \$25,266                                   |
| 1988/89                 | \$2,862,866                          | \$2,687,344           | \$175,522                    | 0.971                     | \$170,410                                  |
| 1989/90                 | \$2,159,719                          | \$2,001,581           | \$158,138                    | 0.964                     | \$152,376                                  |
| 1990/91                 | \$3,252,849                          | \$2,801,020           | \$451,829                    | 0.956                     | \$432,062                                  |
| 1991/92                 | \$6,254,335                          | \$5,607,310           | \$647,025                    | 0.943                     | \$609,988                                  |
| 1992/93                 | \$5,741,319                          | \$5,270,593           | \$470,726                    | 0.929                     | \$437,428                                  |
| 1993/94                 | \$8,554,647                          | \$7,692,800           | \$861,847                    | 0.915                     | \$788,834                                  |
| 1994/95                 | \$1,992,838                          | \$1,815,475           | \$177,363                    | 0.901                     | \$159,858                                  |
| 1995/96                 | \$7,634,501                          | \$6,893,909           | \$740,592                    | 0.887                     | \$657,124                                  |
| 1996/97                 | \$2,979,752                          | \$2,593,909           | \$385,843                    | 0.873                     | \$336,951                                  |
| 1997/98                 | \$2,504,424                          | \$2,272,356           | \$232,068                    | 0.859                     | \$199,432                                  |
| 1998/99                 | \$2,504,046                          | \$2,236,204           | \$267,842                    | 0.845                     | \$226,447                                  |
| 1999/00                 | \$1,972,330                          | \$1,832,579           | \$139,751                    | 0.832                     | \$116,228                                  |
| 2000/01                 | \$1,592,656                          | \$1,481,672           | \$110,984                    | 0.818                     | \$90,775                                   |
| 2001/02                 | \$2,466,648                          | \$2,303,711           | \$162,937                    | 0.804                     | \$131,052                                  |
| 2002/03                 | \$5,578,021                          | \$4,970,512           | \$607,509                    | 0.791                     | \$480,366                                  |
| 2003/04                 | \$1,862,239                          | \$1,571,585           | \$290,654                    | 0.780                     | \$226,728                                  |
| 2004/05                 | \$3,372,518                          | \$2,973,566           | \$398,952                    | 0.769                     | \$306,957                                  |
| 2005/06                 | \$1,881,211                          | \$1,576,622           | \$304,589                    | 0.762                     | \$232,090                                  |
| 2006/07                 | \$2,263,843                          | \$1,813,348           | \$450,495                    | 0.755                     | \$339,918                                  |
| 2007/08                 | \$1,886,377                          | \$1,519,104           | \$367,273                    | 0.750                     | \$275,413                                  |
| 2008/09                 | \$1,932,320                          | \$1,527,949           | \$404,371                    | 0.745                     | \$301,349                                  |
| 2009/10                 | \$1,988,694                          | \$1,543,323           | \$445,371                    | 0.744                     | \$331,257                                  |
| 2010/11                 | \$2,445,658                          | \$1,785,149           | \$660,509                    | 0.742                     | \$490,315                                  |
| 2011/12                 | \$2,830,570                          | \$1,998,033           | \$832,537                    | 0.743                     | \$618,558                                  |
| 2012/13                 | \$1,935,088                          | \$1,311,910           | \$623,178                    | 0.745                     | \$464,547                                  |
| 2013/14                 | \$1,858,303                          | \$1,207,373           | \$650,930                    | 0.749                     | \$487,833                                  |
| 2014/15                 | \$2,945,086                          | \$1,744,124           | \$1,200,962                  | 0.755                     | \$906,707                                  |
| 2015/16                 | \$5,715,446                          | \$2,667,540           | \$3,047,906                  | 0.762                     | \$2,322,934                                |
| 2016/17                 | \$4,284,908                          | \$1,671,436           | \$2,613,472                  | 0.771                     | \$2,014,445                                |
| 2017/18                 | \$2,571,752                          | \$702,094             | \$1,869,658                  | 0.781                     | \$1,459,525                                |
| 2018/19                 | <u>\$2,007,833</u>                   | <u>\$140,605</u>      | <u>\$1,867,228</u>           | 0.791                     | <u>\$1,476,045</u>                         |
| Totals                  | \$111,909,327                        | \$89,924,798          | \$21,984,529                 |                           | \$17,610,046                               |

Column (B): Exhibit 2, Sheet 3, or Exhibit 1, Sheet 1 for Pre-1986

Accident Year 2018/19 from Loss Forecast, Exhibit 3, as of 6 months

Column (C): Exhibit 1, Sheet 1, less claim payments in excess of SIR

(applicable to program years 1986 - 1988, 1999 - 2004)

Column (D): Column (B) - Column (C)

Column (E): Appendix C

Column (F): Column (D) x Column (E)

Projection of Annual Expenditure Amounts  
Calendar Year 2019

| (A)           | (B)                       | (C)                                       | (D)                                   | (E)                               | (F)   | (G)  |
|---------------|---------------------------|---|---------------------------------------|-----------------------------------|---|--|
| Accident Year | Unlimited Ultimate Losses | Accident Year Age (in months) at 12/31/18 | Ultimate Paid Loss Development Factor | Percentage Paid As of at 12/31/18 | Percentage of Losses Paid in Upcoming 12 Months | Anticipated Losses & ALAE Paid in Upcoming 12 Months |
| Pre - 1986    | \$9,446,097               | 442                                       | 1.025                                 | 97.6%                             | 1.0%  | \$94,461   |
| 1986/87       | \$1,599,161               | 394                                       | 1.051                                 | 95.1%                             | 1.0%  | \$15,992   |
| 1987/88       | \$2,634,323               | 382                                       | 1.063                                 | 94.0%                             | 1.1%  | \$28,278   |
| 1988/89       | \$3,805,709               | 370                                       | 1.075                                 | 93.0%                             | 1.0%  | \$39,940   |
| 1989/90       | \$2,159,719               | 358                                       | 1.087                                 | 92.0%                             | 1.0%  | \$22,166   |
| 1990/91       | \$3,252,849               | 346                                       | 1.099                                 | 91.0%                             | 1.0%  | \$32,656   |
| 1991/92       | \$6,254,335               | 334                                       | 1.111                                 | 90.0%                             | 1.0%  | \$61,432   |
| 1992/93       | \$5,741,319               | 322                                       | 1.123                                 | 89.0%                             | 1.0%  | \$55,188   |
| 1993/94       | \$8,554,647               | 310                                       | 1.135                                 | 88.1%                             | 0.9%  | \$80,493   |
| 1994/95       | \$1,992,838               | 298                                       | 1.148                                 | 87.1%                             | 1.0%  | \$19,872   |
| 1995/96       | \$7,634,501               | 286                                       | 1.161                                 | 86.1%                             | 1.0%  | \$74,423   |
| 1996/97       | \$2,979,752               | 274                                       | 1.174                                 | 85.2%                             | 1.0%  | \$28,404   |
| 1997/98       | \$2,544,530               | 262                                       | 1.187                                 | 84.2%                             | 0.9%  | \$23,724   |
| 1998/99       | \$2,504,046               | 250                                       | 1.200                                 | 83.3%                             | 0.9%  | \$22,841   |
| 1999/00       | \$2,284,019               | 238                                       | 1.213                                 | 82.4%                             | 0.9%  | \$20,388   |
| 2000/01       | \$1,986,896               | 226                                       | 1.226                                 | 81.6%                             | 0.9%  | \$17,179   |
| 2001/02       | \$2,864,558               | 214                                       | 1.241                                 | 80.6%                             | 0.9%  | \$27,129   |
| 2002/03       | \$6,555,745               | 202                                       | 1.257                                 | 79.6%                             | 1.0%  | \$68,273   |
| 2003/04       | \$2,094,728               | 190                                       | 1.275                                 | 78.4%                             | 1.2%  | \$24,091   |
| 2004/05       | \$3,650,643               | 178                                       | 1.296                                 | 77.1%                             | 1.3%  | \$46,580   |
| 2005/06       | \$1,881,211               | 166                                       | 1.321                                 | 75.7%                             | 1.4%  | \$26,765   |
| 2006/07       | \$2,295,583               | 154                                       | 1.349                                 | 74.1%                             | 1.6%  | \$36,622   |
| 2007/08       | \$1,886,377               | 142                                       | 1.383                                 | 72.3%                             | 1.8%  | \$33,950   |
| 2008/09       | \$1,932,320               | 130                                       | 1.423                                 | 70.3%                             | 2.0%  | \$39,500   |
| 2009/10       | \$1,988,694               | 118                                       | 1.472                                 | 67.9%                             | 2.3%  | \$46,520   |
| 2010/11       | \$2,445,658               | 106                                       | 1.533                                 | 65.2%                             | 2.7%  | \$66,016   |
| 2011/12       | \$2,830,570               | 94  | 1.610                                 | 62.1%                             | 3.1%  | \$88,990   |
| 2012/13       | \$1,935,088               | 82  | 1.712                                 | 58.4%                             | 3.7%  | \$71,597   |
| 2013/14       | \$1,858,303               | 70  | 1.852                                 | 54.0%                             | 4.4%  | \$81,859   |
| 2014/15       | \$2,945,086               | 58  | 2.054                                 | 48.7%                             | 5.3%  | \$156,441  |
| 2015/16       | \$6,921,615               | 46  | 2.371                                 | 42.2%                             | 6.5%  | \$449,507  |
| 2016/17       | \$4,284,908               | 34  | 2.930                                 | 34.1%                             | 8.1%  | \$344,938  |
| 2017/18       | \$4,015,666               | 22  | 4.158                                 | 24.0%                             | 10.1%   | \$404,982  |
| 2018/19       | \$4,015,666               | 10  | 8.709                                 | 11.5%                             | 12.6%   | \$504,603  |
| 2019/00       | <u>\$4,264,949</u>        | 0   | N/A                                   | 0.0%                              | 11.5%   | <u>\$489,728</u>                                     |
| Totals        | \$126,042,107             |   |                                       |                                   |   | \$3,645,526  |

Column (B): Exhibit 2, Sheet 1 or Exhibit 3 for Accident Years 2018 and 2019

Column (D): Appendix A, Sheet 5, runoff of 1998/99 and prior

Column (E): 1/Column (D)

Column (F): Annual Differences in Column (E)

Pre-1986 based upon factors from Appendix A, Sheet 3, 4 year prior

Column (G): Column (B) x Column (F)

|             |          |
|-------------|----------|
| \$2,187,316 | @ 60%    |
| \$2,916,421 | Midpoint |



Analysis Based Upon Paid Loss and Expenses  
As of December 31, 2011

|  | Point-to-Point Paid Loss Development Factors |       |       |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         |         | Tail    |         |         |         |       |       |
|--|--|-------|-------|-------|-------|-------|-------|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------|-------|
|  | 12:24  | 24:28 | 36:48 | 48:60 | 60:72 | 72:84 | 84:96 | 96:108 | 108:120 | 120:132 | 132:144 | 144:156 | 156:168 | 168:180 | 180:192 | 192:204 | 204:216 | 216:228 | 228:240 | 240:252 | 252:264 | 264:276 | 276:288 | 288:300 | Tail  |       |
| Str. Average   | 2.232  | 1.450 | 1.270 | 1.285 | 1.151 | 1.123 | 1.088 | 1.074  | 1.059   | 1.033   | 1.069   | 1.045   | 1.034   | 1.052   | 1.029   | 1.030   | 1.035   | 1.021   | 1.021   | 1.025   | 1.022   | 1.022   | 1.024   | 1.024   | 1.024 |       |
| Wgt'd Avg.   | 2.184  | 1.459 | 1.250 | 1.267 | 1.144 | 1.145 | 1.086 | 1.085  | 1.062   | 1.038   | 1.057   | 1.042   | 1.035   | 1.045   | 1.027   | 1.029   | 1.032   | 1.017   | 1.019   | 1.022   | 1.021   | 1.021   | 1.023   | 1.023   | 1.024 |       |
| Avg (x-high & low)   | 2.202  | 1.442 | 1.249 | 1.257 | 1.134 | 1.116 | 1.086 | 1.072  | 1.055   | 1.038   | 1.062   | 1.039   | 1.034   | 1.041   | 1.030   | 1.032   | 1.031   | 1.021   | 1.022   | 1.022   | 1.022   | 1.022   | 1.023   | 1.024   | 1.024 |       |
| Selected   | 2.215  | 1.460 | 1.200 | 1.265 | 1.145 | 1.135 | 1.086 | 1.078  | 1.059   | 1.038   | 1.082   | 1.042   | 1.034   | 1.048   | 1.026   | 1.030   | 1.033   | 1.020   | 1.020   | 1.022   | 1.022   | 1.022   | 1.023   | 1.024   | 1.024 | 1.100 |
| Cumulative/No tail   | 12.418                                       | 5.806 | 3.667 | 3.222 | 2.547 | 2.225 | 1.960 | 1.805  | 1.674   | 1.681   | 1.523   | 1.434   | 1.376   | 1.331   | 1.273   | 1.238   | 1.202   | 1.183   | 1.141   | 1.118   | 1.094   | 1.071   | 1.048   | 1.024   | 1.024 |       |
| Cumulative/w/tail  | 13.260                                       | 6.027 | 4.158 | 3.484 | 2.736 | 2.391 | 2.107 | 1.940  | 1.800   | 1.699   | 1.537   | 1.542   | 1.480   | 1.431   | 1.368   | 1.331   | 1.292   | 1.251   | 1.226   | 1.202   | 1.178   | 1.151   | 1.126   | 1.101   | 1.075 | 1.075 |
| PMA Fitted   | 3.511  | 1.518 | 1.424 | 1.286 | 1.188 | 1.138 | 1.108 | 1.087  | 1.072   | 1.080   | 1.052   | 1.045   | 1.040   | 1.035   | 1.031   | 1.028   | 1.026   | 1.023   | 1.021   | 1.020   | 1.020   | 1.020   | 1.020   | 1.020   | 1.020 |       |
| 50/50 Internal LDFs  | 6.430  | 3.922 | 2.790 | 2.395 | 1.962 | 1.795 | 1.607 | 1.513  | 1.436   | 1.360   | 1.345   | 1.293   | 1.260   | 1.233   | 1.200   | 1.179   | 1.159   | 1.137   | 1.124   | 1.111   |         |         |         |         |       |       |
| 2008 Bureau Factors  | 6.778  | 3.415 | 2.701 | 2.320 | 2.070 | 1.906 | 1.769 | 1.685  | 1.607   | 1.540   | 1.476   | 1.418   | 1.384   | 1.316   | 1.270   | 1.228   | 1.190   | 1.157   |         |         |         |         |         |         |       |       |
| Cumulative for Industry Grouping 16: Public Administration |  |       |       |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |       |       |
| 50/50 Weighting (Bureau/Scranton Internal)                 | 7.804  | 3.699 | 2.746 | 2.343 | 2.018 | 1.828 | 1.688 | 1.596  | 1.521   | 1.480   | 1.410   | 1.358   | 1.312   | 1.274   | 1.235   | 1.204   | 1.174   |         |         |         |         |         |         |         |       |       |

Analysis Based Upon Paid Loss and Expenses  
As of August 31, 2018

| ACCIDENT YEAR    | 6 Months | 18 Months | 30 Months | 42 Months | 54 Months | 66 Months | 78 Months | 90 Months | 102 Months | 114 Months | 126 Months | 138 Months | 150 Months | 162 Months | 174 Months | 186 Months | 198 Months | 210 Months | 222 Months | 234 Months |  |
|------------------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--|
| 3/1/97 - 2/28/98 |          |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 3/1/98 - 2/28/99 |          |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 3/1/99 - 2/28/00 |          |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 3/1/00 - 2/28/01 |          |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 3/1/01 - 2/28/02 |          |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 3/1/02 - 2/28/03 |          |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 3/1/03 - 2/28/04 |          |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 3/1/04 - 2/28/05 |          |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 3/1/05 - 2/28/06 |          |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 3/1/06 - 2/28/07 |          |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 3/1/07 - 2/28/08 |          |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 3/1/08 - 2/28/09 |          |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 3/1/09 - 2/28/10 |          |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 3/1/10 - 2/28/11 |          |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 3/1/11 - 2/28/12 |          |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 3/1/12 - 2/28/13 |          |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 3/1/13 - 2/28/14 |          |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 3/1/14 - 2/28/15 |          |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 3/1/15 - 2/28/16 |          |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 3/1/16 - 2/28/17 |          |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 3/1/17 - 2/28/18 |          |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 3/1/18 - 2/28/19 |          |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |  |

Point to Point Paid Loss Development Factors

| ACCIDENT YEAR    | 6:18 | 18:30 | 30:42 | 42:54 | 54:66 | 66:78 | 78:90 | 90:102 | 102:114 | 114:126 | 126:138 | 138:150 | 150:162 | 162:174 | 174:186 | 186:198 | 198:210 | 210:222 | 222:234 |       |
|------------------|------|-------|-------|-------|-------|-------|-------|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------|
| 3/1/97 - 2/28/98 |      |       |       |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         | 1.001 |
| 3/1/98 - 2/28/99 |      |       |       |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         | 1.009 |
| 3/1/99 - 2/28/00 |      |       |       |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         | 1.000 |
| 3/1/00 - 2/28/01 |      |       |       |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         | 1.000 |
| 3/1/01 - 2/28/02 |      |       |       |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         | 1.000 |
| 3/1/02 - 2/28/03 |      |       |       |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         | 1.000 |
| 3/1/03 - 2/28/04 |      |       |       |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         | 1.000 |
| 3/1/04 - 2/28/05 |      |       |       |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         | 1.000 |
| 3/1/05 - 2/28/06 |      |       |       |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         | 1.000 |
| 3/1/06 - 2/28/07 |      |       |       |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         | 1.000 |
| 3/1/07 - 2/28/08 |      |       |       |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         | 1.003 |
| 3/1/08 - 2/28/09 |      |       |       |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         | 1.003 |
| 3/1/09 - 2/28/10 |      |       |       |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         | 1.004 |
| 3/1/10 - 2/28/11 |      |       |       |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         | 1.004 |
| 3/1/11 - 2/28/12 |      |       |       |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         | 1.004 |
| 3/1/12 - 2/28/13 |      |       |       |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         | 1.004 |
| 3/1/13 - 2/28/14 |      |       |       |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         | 1.004 |
| 3/1/14 - 2/28/15 |      |       |       |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         | 1.004 |
| 3/1/15 - 2/28/16 |      |       |       |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         | 1.004 |
| 3/1/16 - 2/28/17 |      |       |       |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         | 1.004 |
| 3/1/17 - 2/28/18 |      |       |       |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         | 1.004 |

Analysis Based Upon Paid Loss and Expenses  
As of August 31, 2018

|                    | Point to Point Paid Loss Development Factors |              |              |              |              |              |              |               |                |                |                |                |                |                |                |                |                |                |                | Tot   |
|--------------------|--|--------------|--------------|--------------|--------------|--------------|--------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-------|
|                    | <u>6:18</u>                                  | <u>18:30</u> | <u>30:42</u> | <u>42:54</u> | <u>54:66</u> | <u>66:78</u> | <u>78:90</u> | <u>90:102</u> | <u>102:114</u> | <u>114:126</u> | <u>126:138</u> | <u>138:150</u> | <u>150:162</u> | <u>162:174</u> | <u>174:186</u> | <u>186:198</u> | <u>198:210</u> | <u>210:222</u> | <u>222:234</u> |       |
| Str. Average       | 5.770  | 1.346        | 1.127        | 1.139        | 1.028        | 1.018        | 1.020        | 1.013         | 1.038          | 1.013          | 1.010          | 1.008          | 1.006          | 1.008          | 1.006          | 1.001          | 1.000          | 1.010          | 1.003          |       |
| Wgt'd Avg.         | 5.877  | 1.305        | 1.139        | 1.121        | 1.027        | 1.018        | 1.019        | 1.014         | 1.034          | 1.014          | 1.011          | 1.006          | 1.004          | 1.005          | 1.004          | 1.001          | 1.000          | 1.010          | 1.003          |       |
| Avg (x-high & low) | 5.259  | 1.261        | 1.119        | 1.114        | 1.020        | 1.018        | 1.021        | 1.013         | 1.012          | 1.004          | 1.003          | 1.000          | 1.000          | 1.003          | 1.002          | 1.000          | 1.000          | 1.000          | 1.001          |       |
| Selected           | 5.750  | 1.300        | 1.125        | 1.120        | 1.027        | 1.018        | 1.020        | 1.015         | 1.035          | 1.013          | 1.010          | 1.006          | 1.004          | 1.005          | 1.004          | 1.001          | 1.000          | 1.010          | 1.005          |       |
| Cumulative/No fall | 11.179                                       | 1.944        | 1.495        | 1.329        | 1.187        | 1.156        | 1.135        | 1.113         | 1.097          | 1.059          | 1.046          | 1.036          | 1.029          | 1.025          | 1.020          | 1.016          | 1.015          | 1.015          | 1.005          |       |
| Cumulative w/fall  | 11.179                                       | 1.944        | 1.495        | 1.329        | 1.187        | 1.156        | 1.135        | 1.113         | 1.097          | 1.059          | 1.046          | 1.036          | 1.029          | 1.025          | 1.020          | 1.016          | 1.015          | 1.015          | 1.005          | 1.000 |



The City of Scranton  
 Weighted Average of PA Bureau of WC Paid Loss Development Factors  
 & City of Scranton WC Weighted Paid Loss Development Factors

Appendix A  
 Sheet 4

ANALYSIS OF DEVELOPMENT PATTERNS  
 USING "THE METHOD OF LEAST SQUARES"

| ACTUAL VALUES     |                                 | Curve : $Y = A(B^X)$<br>(Power Model) |           |               |       | Curve : $Y = 1 / [1 - \text{EXP}(-AX^B)]$<br>(Weibull) |                      |               |        | Curve : $Y = A * (1/X)^B + 1$<br>(Inverse Power Curve) |         |               |        | *** SELECTED *** |        |
|-------------------|---------------------------------|---------------------------------------|-----------|---------------|-------|--|----------------------|---------------|--------|--|---------|---------------|--------|------------------|--------|
| X                 | Y                               | TRANSFORMED VALUES                    |           | FITTED VALUES |       | TRANSFORMED VALUES                                     |                      | FITTED VALUES |        | TRANSFORMED VALUES                                     |         | FITTED VALUES |        | FITTED VALUES    |        |
| Maturity (Months) | Cumulative Paid Loss Dev Factor | X'                                    | LN(LN(Y)) | X             | Y     | X'   | Double Log [Y/(Y-1)] | X             | Y      | X'   | LN(Y-1) | X             | Y      | X                | Y      |
| 12                | 7.604                           | 12.00                                 | 0.71      | 6.0           | 6.243 | 2.48   | -1.96                | 6.0           | 12.639 | -2.48  | 1.89    | 6.0           | 14.743 | 6.0              | 14.743 |
| 24                | 3.669                           | 24.00                                 | 0.26      | 18.0          | 4.507 | 3.18   | -1.14                | 18.0          | 4.973  | -3.18  | 0.98    | 18.0          | 4.964  | 18.0             | 4.964  |
| 36                | 2.746                           | 36.00                                 | 0.01      | 30.0          | 3.448 | 3.58   | -0.79                | 30.0          | 3.325  | -3.58  | 0.56    | 30.0          | 3.223  | 30.0             | 3.223  |
| 48                | 2.343                           | 48.00                                 | -0.16     | 42.0          | 2.767 | 3.87   | -0.59                | 42.0          | 2.597  | -3.87  | 0.29    | 42.0          | 2.519  | 42.0             | 2.519  |
| 60                | 2.016                           | 60.00                                 | -0.36     | 54.0          | 2.309 | 4.09   | -0.38                | 54.0          | 2.186  | -4.09  | 0.02    | 54.0          | 2.143  | 54.0             | 2.143  |
| 72                | 1.836                           | 72.00                                 | -0.60     | 66.0          | 1.989 | 4.28   | -0.24                | 66.0          | 1.922  | -4.28  | -0.18   | 66.0          | 1.911  | 66.0             | 1.911  |
| 84                | 1.698                           | 84.00                                 | -0.64     | 78.0          | 1.780 | 4.43   | -0.12                | 78.0          | 1.740  | -4.43  | -0.36   | 78.0          | 1.754  | 78.0             | 1.754  |
| 96                | 1.599                           | 96.00                                 | -0.76     | 90.0          | 1.592 | 4.56   | -0.02                | 90.0          | 1.606  | -4.56  | -0.51   | 90.0          | 1.641  | 90.0             | 1.641  |
|                   |                                 | 102.0                                 | 1.466     | 102.0         | 1.466 |  |                      | 102.0         | 1.505  |  |         | 102.0         | 1.557  | 102.0            | 1.557  |
|                   |                                 | 114.0                                 | 1.369     | 114.0         | 1.369 |  |                      | 114.0         | 1.425  |  |         | 114.0         | 1.491  | 114.0            | 1.491  |
|                   |                                 | 126.0                                 | 1.295     | 126.0         | 1.295 |  |                      | 126.0         | 1.362  |  |         | 126.0         | 1.438  | 126.0            | 1.438  |
|                   |                                 | 138.0                                 | 1.237     | 138.0         | 1.237 |  |                      | 138.0         | 1.311  |  |         | 138.0         | 1.395  | 138.0            | 1.395  |
|                   |                                 | 150.0                                 | 1.191     | 150.0         | 1.191 |  |                      | 150.0         | 1.268  |  |         | 150.0         | 1.360  | 150.0            | 1.360  |
|                   |                                 | 162.0                                 | 1.154     | 162.0         | 1.154 |  |                      | 162.0         | 1.233  |  |         | 162.0         | 1.330  | 162.0            | 1.330  |
|                   |                                 | 174.0                                 | 1.125     | 174.0         | 1.125 |  |                      | 174.0         | 1.203  |  |         | 174.0         | 1.304  | 174.0            | 1.304  |
|                   |                                 | 186.0                                 | 1.102     | 186.0         | 1.102 |  |                      | 186.0         | 1.178  |  |         | 186.0         | 1.282  | 186.0            | 1.282  |
|                   |                                 | 198.0                                 | 1.083     | 198.0         | 1.083 |  |                      | 198.0         | 1.156  |  |         | 198.0         | 1.263  | 198.0            | 1.263  |
|                   |                                 | 210.0                                 | 1.068     | 210.0         | 1.068 |  |                      | 210.0         | 1.138  |  |         | 210.0         | 1.246  | 210.0            | 1.246  |
|                   |                                 | 222.0                                 | 1.055     | 222.0         | 1.055 |  |                      | 222.0         | 1.122  |  |         | 222.0         | 1.231  | 222.0            | 1.231  |
|                   |                                 | 234.0                                 | 1.045     | 234.0         | 1.045 |  |                      | 234.0         | 1.108  |  |         | 234.0         | 1.217  | 234.0            | 1.217  |
| SUM               |                                 | 432.00                                | -1.43     |               |       | 30.48  | -5.24                |               |        | -30.48   | 2.59    |               |        |                  |        |
| AVERAGE           |                                 | 54.00                                 | -0.18     |               |       | 3.81   | -0.65                |               |        | -3.81  | 0.34    |               |        |                  |        |
|                   |                                 | <u>PARAMETER ESTIMATES</u>            |           |               |       | <u>PARAMETER ESTIMATES</u>                             |                      |               |        | <u>PARAMETER ESTIMATES</u>                             |         |               |        |                  |        |
|                   |                                 | N =                                   | 8,000     | N =           | 8,000 | N =  | 8,000                |               |        | N =  | 8,000   |               |        |                  |        |
|                   |                                 | A =                                   | 7.538     | A =           | 0.016 | A =  | 104.410              |               |        | A =  | 104.410 |               |        |                  |        |
|                   |                                 | B =                                   | 0.984     | B =           | 0.912 | B =  | 1.132                |               |        | B =  | 1.132   |               |        |                  |        |
|                   |                                 | R^2 =                                 | 0.953     | R^2 =         | 0.991 | R^2 =  | 0.998                |               |        | R^2 =  | 0.998   |               |        |                  |        |

The City of Scranton  
 Weighted Average of PA Bureau of WC Paid Loss Development Factors  
 & City of Scranton WC Weighted Paid Loss Development Factors

Appendix A  
 Sheet 4A

ANALYSIS OF DEVELOPMENT PATTERNS  
 USING "THE METHOD OF LEAST SQUARES"

| ACTUAL VALUES     |                                 | Curve: $Y = A^{(B^X)}$<br>(Power Model) |           |               |       | Curve: $Y = 1 / [1 - \text{EXP}(-AX^B)]$<br>(Weibull) |                      |               |       | Curve: $Y = A * (1/X)^B + 1$<br>(Inverse Power Curve) |         |               |       | *** SELECTED *** |       |
|-------------------|---------------------------------|---|-----------|---------------|-------|---|----------------------|---------------|-------|---|---------|---------------|-------|------------------|-------|
| X                 | Y                               | TRANSFORMED VALUES                      |           | FITTED VALUES |       | TRANSFORMED VALUES                                    |                      | FITTED VALUES |       | TRANSFORMED VALUES                                    |         | FITTED VALUES |       | FITTED VALUES    |       |
| Maturity (Months) | Cumulative Paid Loss Dev Factor | X                                       | LN[LN(Y)] | X             | Y     | LN(X)   | Double Log [Y/(Y-1)] | X             | Y     | LN(1/X)   | LN(Y-1) | X             | Y     | X                | Y     |
| 12                | 7.604                           | 12.00                                   | 0.71      | 246.0         | 1.037 | 2.48  | -1.96                | 246.0         | 1.096 | -2.48   | 1.89    | 246.0         | 1.205 | 246.0            | 1.205 |
| 24                | 3.669                           | 24.00                                   | 0.26      | 253.0         | 1.030 | 3.18  | -1.14                | 258.0         | 1.085 | -3.18   | 0.98    | 258.0         | 1.195 | 258.0            | 1.195 |
| 36                | 2.746                           | 36.00                                   | 0.01      | 270.0         | 1.025 | 3.58  | -0.79                | 270.0         | 1.076 | -3.58   | 0.56    | 270.0         | 1.185 | 270.0            | 1.185 |
| 48                | 2.343                           | 48.00                                   | -0.16     | 282.0         | 1.020 | 3.87  | -0.59                | 282.0         | 1.067 | -3.87   | 0.29    | 282.0         | 1.176 | 282.0            | 1.176 |
| 60                | 2.016                           | 60.00                                   | -0.36     | 294.0         | 1.017 | 4.09  | -0.38                | 294.0         | 1.060 | -4.09   | 0.02    | 294.0         | 1.168 | 294.0            | 1.168 |
| 72                | 1.836                           | 72.00                                   | -0.50     | 306.0         | 1.014 | 4.28  | -0.24                | 306.0         | 1.054 | -4.28   | -0.18   | 306.0         | 1.161 | 306.0            | 1.161 |
| 84                | 1.695                           | 84.00                                   | -0.64     | 318.0         | 1.011 | 4.43  | -0.12                | 318.0         | 1.048 | -4.43   | -0.36   | 318.0         | 1.154 | 318.0            | 1.154 |
| 96                | 1.599                           | 96.00                                   | -0.76     | 330.0         | 1.009 | 4.56  | -0.02                | 330.0         | 1.043 | -4.56   | -0.51   | 330.0         | 1.147 | 330.0            | 1.147 |
|                   |                                 | 342.0                                   |           | 342.0         | 1.008 |   |                      | 342.0         | 1.039 |   |         | 342.0         | 1.142 | 342.0            | 1.142 |
|                   |                                 | 354.0                                   |           | 354.0         | 1.006 |   |                      | 354.0         | 1.035 |   |         | 354.0         | 1.136 | 354.0            | 1.136 |
|                   |                                 | 366.0                                   |           | 366.0         | 1.005 |   |                      | 366.0         | 1.031 |   |         | 366.0         | 1.131 | 366.0            | 1.131 |
|                   |                                 | 378.0                                   |           | 378.0         | 1.004 |   |                      | 378.0         | 1.028 |   |         | 378.0         | 1.126 | 378.0            | 1.126 |
|                   |                                 | 390.0                                   |           | 390.0         | 1.003 |   |                      | 390.0         | 1.025 |   |         | 390.0         | 1.122 | 390.0            | 1.122 |
|                   |                                 | 402.0                                   |           | 402.0         | 1.003 |   |                      | 402.0         | 1.022 |   |         | 402.0         | 1.118 | 402.0            | 1.118 |
|                   |                                 | 414.0                                   |           | 414.0         | 1.002 |   |                      | 414.0         | 1.020 |   |         | 414.0         | 1.114 | 414.0            | 1.114 |
|                   |                                 | 426.0                                   |           | 426.0         | 1.002 |   |                      | 426.0         | 1.018 |   |         | 426.0         | 1.110 | 426.0            | 1.110 |
|                   |                                 | 438.0                                   |           | 438.0         | 1.002 |   |                      | 438.0         | 1.016 |   |         | 438.0         | 1.107 | 438.0            | 1.107 |
|                   |                                 | 450.0                                   |           | 450.0         | 1.001 |   |                      | 450.0         | 1.015 |   |         | 450.0         | 1.104 | 450.0            | 1.104 |
|                   |                                 | 462.0                                   |           | 462.0         | 1.001 |   |                      | 462.0         | 1.013 |   |         | 462.0         | 1.101 | 462.0            | 1.101 |
|                   |                                 | 474.0                                   |           | 474.0         | 1.001 |   |                      | 474.0         | 1.012 |   |         | 474.0         | 1.098 | 474.0            | 1.098 |
| SUM               |                                 | 432.00                                  | -1.43     |               |       | 30.48   | -5.24                |               |       | -30.48  | 2.69    |               |       |                  |       |
| AVERAGE           |                                 | 54.00                                   | -0.18     |               |       | 3.81  | -0.65                |               |       | -3.81   | 0.34    |               |       |                  |       |
|                   |                                 | <u>PARAMETER ESTIMATES</u>              |           |               |       | <u>PARAMETER ESTIMATES</u>                            |                      |               |       | <u>PARAMETER ESTIMATES</u>                            |         |               |       |                  |       |
|                   |                                 | N =                                     |           | 8.000         |       | N =   |                      | 8.000         |       | N =   |         | 8.000         |       |                  |       |
|                   |                                 | A =                                     |           | 7.538         |       | A =   |                      | 0.016         |       | A =   |         | 104.410       |       |                  |       |
|                   |                                 | B =                                     |           | 0.984         |       | B =   |                      | 0.912         |       | B =   |         | 1.132         |       |                  |       |
|                   |                                 | R^2 =                                   |           | 0.953         |       | R^2 =   |                      | 0.991         |       | R^2 =   |         | 0.998         |       |                  |       |

The City of Scranton  
 City of Scranton WC Paid Loss Development Factors  
 PMA experience only

ANALYSIS OF DEVELOPMENT PATTERNS  
 USING "THE METHOD OF LEAST SQUARES"

| ACTUAL VALUES     |                                 | Curve: $Y = A(B^X)$<br>(Power Model) |           |               |        | Curve: $Y = 1 / [1 - \text{EXP}(-AX^B)]$<br>(Weibull) |                      |               |       | Curve: $Y = A * (1/X)^B + 1$<br>(Inverse Power Curve) |         |               |       | *** SELECTED *** |       |
|-------------------|---------------------------------|--------------------------------------|-----------|---------------|--------|---|----------------------|---------------|-------|---|---------|---------------|-------|------------------|-------|
| X                 | Y                               | TRANSFORMED VALUES                   |           | FITTED VALUES |        | TRANSFORMED VALUES                                    |                      | FITTED VALUES |       | TRANSFORMED VALUES                                    |         | FITTED VALUES |       | FITTED VALUES    |       |
| Maturity (Months) | Cumulative Paid Loss Dev Factor | X                                    | LN[LN(Y)] | X             | Y      | LN(X)   | Double Log [Y/(Y-1)] | X             | Y     | LN(1/X)   | LN(Y-1) | X             | Y     | X                | Y     |
| 6                 | 11.179                          | 6.00                                 | 0.88      | 12.0          | 2.429  | 1.79  | -2.37                | 12.0          | 3.728 | -1.79   | 2.32    | 12.0          | 3.511 | 12.0             | 3.511 |
| 18                | 1.944                           | 18.00                                | -0.41     | 24.0          | 1.877  | 2.89  | -0.33                | 24.0          | 2.086 | -2.89   | -0.06   | 24.0          | 1.818 | 24.0             | 1.818 |
| 30                | 1.495                           | 30.00                                | -0.91     | 36.0          | 1.563  | 3.40  | 0.10                 | 36.0          | 1.578 | -3.40   | -0.70   | 36.0          | 1.424 | 36.0             | 1.424 |
| 42                | 1.329                           | 42.00                                | -1.26     | 48.0          | 1.373  | 3.74  | 0.33                 | 48.0          | 1.343 | -3.74   | -1.11   | 48.0          | 1.266 | 48.0             | 1.266 |
| 54                | 1.187                           | 54.00                                | -1.76     | 60.0          | 1.252  | 3.99  | 0.61                 | 60.0          | 1.216 | -3.99   | -1.68   | 60.0          | 1.186 | 60.0             | 1.186 |
| 66                | 1.156                           | 66.00                                | -1.93     | 72.0          | 1.173  | 4.19  | 0.70                 | 72.0          | 1.140 | -4.19   | -1.86   | 72.0          | 1.138 | 72.0             | 1.138 |
| 78                | 1.135                           | 78.00                                | -2.06     | 84.0          | 1.120  | 4.36  | 0.75                 | 84.0          | 1.092 | -4.36   | -2.00   | 84.0          | 1.108 | 84.0             | 1.108 |
| 90                | 1.113                           | 90.00                                | -2.23     | 96.0          | 1.084  | 4.50  | 0.83                 | 96.0          | 1.061 | -4.50   | -2.18   | 96.0          | 1.087 | 96.0             | 1.087 |
| 102               | 1.097                           | 102.00                               | -2.38     | 108.0         | 1.059  | 4.62  | 0.89                 | 108.0         | 1.041 | -4.62   | -2.34   | 108.0         | 1.072 | 108.0            | 1.072 |
| 114               | 1.059                           | 114.00                               | -2.85     | 120.0         | 1.041  | 4.74  | 1.06                 | 120.0         | 1.028 | -4.74   | -2.82   | 120.0         | 1.060 | 120.0            | 1.060 |
|                   |                                 |                                      |           | 132.0         | 1.029  |   |                      | 132.0         | 1.019 |   |         | 132.0         | 1.052 | 132.0            | 1.052 |
|                   |                                 |                                      |           | 144.0         | 1.021  |   |                      | 144.0         | 1.013 |   |         | 144.0         | 1.045 | 144.0            | 1.045 |
|                   |                                 |                                      |           | 156.0         | 1.015  |   |                      | 156.0         | 1.008 |   |         | 156.0         | 1.040 | 156.0            | 1.040 |
|                   |                                 |                                      |           | 168.0         | 1.010  |   |                      | 168.0         | 1.006 |   |         | 168.0         | 1.035 | 168.0            | 1.035 |
|                   |                                 |                                      |           | 180.0         | 1.007  |   |                      | 180.0         | 1.004 |   |         | 180.0         | 1.031 | 180.0            | 1.031 |
|                   |                                 |                                      |           | 192.0         | 1.005  |   |                      | 192.0         | 1.003 |   |         | 192.0         | 1.028 | 192.0            | 1.028 |
|                   |                                 |                                      |           | 204.0         | 1.004  |   |                      | 204.0         | 1.002 |   |         | 204.0         | 1.026 | 204.0            | 1.026 |
|                   |                                 |                                      |           | 216.0         | 1.003  |   |                      | 216.0         | 1.001 |   |         | 216.0         | 1.023 | 216.0            | 1.023 |
|                   |                                 |                                      |           | 228.0         | 1.002  |   |                      | 228.0         | 1.001 |   |         | 228.0         | 1.021 | 228.0            | 1.021 |
|                   |                                 |                                      |           | 240.0         | 1.001  |   |                      | 240.0         | 1.001 |   |         | 240.0         | 1.020 | 240.0            | 1.020 |
| SUM               |                                 | 600.00                               | -14.93    |               |        | 38.22   | 2.58                 |               |       | -38.22  | -12.43  |               |       |                  |       |
| AVERAGE           |                                 | 60.00                                | -1.49     |               |        | 3.82  | 0.26                 |               |       | -3.82   | -1.24   |               |       |                  |       |
|                   |                                 | <u>PARAMETER ESTIMATES</u>           |           |               |        | <u>PARAMETER ESTIMATES</u>                            |                      |               |       | <u>PARAMETER ESTIMATES</u>                            |         |               |       |                  |       |
|                   |                                 | N =                                  | 10.000    | N =           | 10.000 | N =   | 10.000               |               |       |   |         |               |       |                  |       |
|                   |                                 | A =                                  | 3.493     | A =           | 0.022  | A =   | 140.124              |               |       |   |         |               |       |                  |       |
|                   |                                 | B =                                  | 0.972     | B =           | 1.064  | B =   | 1.618                |               |       |   |         |               |       |                  |       |
|                   |                                 | R^2 =                                | 0.884     | R^2 =         | 0.931  | R^2 =   | 0.984                |               |       |   |         |               |       |                  |       |

The City of Scranton  
 Weighted Average of PA Bureau of WC Paid Loss Development Factors  
 & City of Scranton WC Weighted Paid Loss Development Factors

Appendix A  
 Sheet 5

ANALYSIS OF DEVELOPMENT PATTERNS  
 USING "THE METHOD OF LEAST SQUARES"

| ACTUAL VALUES        |                                       | Curve : $Y = A^*(B^X)$<br>(Power Model) |           |               |       | Curve : $Y = 1 / [1 - \text{EXP}(-AX^B)]$<br>(Weibull) |                         |               |       | Curve : $Y = A * (1/X)^B + 1$<br>(Inverse Power Curve) |         |               |       | *** SELECTED *** |       |
|----------------------|---------------------------------------|---|-----------|---------------|-------|--|-------------------------|---------------|-------|--|---------|---------------|-------|------------------|-------|
|                      |                                       | TRANSFORMED VALUES                      |           | FITTED VALUES |       | TRANSFORMED VALUES                                     |                         | FITTED VALUES |       | TRANSFORMED VALUES                                     |         | FITTED VALUES |       | FITTED VALUES    |       |
| X                    | Y                                     | X                                       | LN[LN(Y)] | X             | Y     | LN(X)  | Double Log<br>[Y/(Y-1)] | X             | Y     | LN(1/X)  | LN(Y-1) | X             | Y     | X                | Y     |
| Maturity<br>(Months) | Cumulative<br>Paid Loss<br>Dev Factor | X                                       | Y         | X             | Y     | X  | Y                       | X             | Y     | X  | Y       | X             | Y     | X                | Y     |
| 12                   | 7.604                                 | 12.00                                   | 0.71      | 10            | 5.561 | 2.48   | -1.96                   | 10            | 8.124 | -2.48  | 1.89    | 10            | 8.709 | 10               | 8.709 |
| 24                   | 3.669                                 | 24.00                                   | 0.26      | 22            | 4.098 | 3.18   | -1.14                   | 22            | 4.231 | -3.18  | 0.98    | 22            | 4.158 | 22               | 4.158 |
| 36                   | 2.746                                 | 36.00                                   | 0.01      | 34            | 3.189 | 3.88   | -0.79                   | 34            | 3.027 | -3.56  | 0.56    | 34            | 2.930 | 34               | 2.930 |
| 48                   | 2.343                                 | 48.00                                   | -0.16     | 46            | 2.694 | 3.87   | -0.59                   | 46            | 2.436 | -3.87  | 0.29    | 46            | 2.371 | 46               | 2.371 |
| 60                   | 2.016                                 | 60.00                                   | -0.36     | 58            | 2.190 | 4.09   | -0.38                   | 58            | 2.086 | -4.09  | 0.02    | 58            | 2.054 | 58               | 2.054 |
| 72                   | 1.836                                 | 72.00                                   | -0.50     | 70            | 1.905 | 4.28   | -0.24                   | 70            | 1.854 | -4.28  | -0.18   | 70            | 1.852 | 70               | 1.852 |
| 84                   | 1.698                                 | 84.00                                   | -0.64     | 82            | 1.699 | 4.43   | -0.12                   | 82            | 1.691 | -4.43  | -0.36   | 82            | 1.712 | 82               | 1.712 |
| 96                   | 1.589                                 | 96.00                                   | -0.78     | 94            | 1.546 | 4.56   | -0.02                   | 94            | 1.569 | -4.56  | -0.51   | 94            | 1.610 | 94               | 1.610 |
|                      |                                       |   |           | 106           | 1.431 |  |                         | 106           | 1.476 |  |         | 106           | 1.533 | 106              | 1.533 |
|                      |                                       |   |           | 118           | 1.342 |  |                         | 118           | 1.403 |  |         | 118           | 1.472 | 118              | 1.472 |
|                      |                                       |   |           | 130           | 1.274 |  |                         | 130           | 1.344 |  |         | 130           | 1.423 | 130              | 1.423 |
|                      |                                       |   |           | 142           | 1.220 |  |                         | 142           | 1.296 |  |         | 142           | 1.383 | 142              | 1.383 |
|                      |                                       |   |           | 154           | 1.178 |  |                         | 154           | 1.256 |  |         | 154           | 1.349 | 154              | 1.349 |
|                      |                                       |   |           | 166           | 1.144 |  |                         | 166           | 1.223 |  |         | 166           | 1.321 | 166              | 1.321 |
|                      |                                       |   |           | 178           | 1.117 |  |                         | 178           | 1.194 |  |         | 178           | 1.296 | 178              | 1.296 |
|                      |                                       |   |           | 190           | 1.095 |  |                         | 190           | 1.170 |  |         | 190           | 1.275 | 190              | 1.275 |
|                      |                                       |   |           | 202           | 1.078 |  |                         | 202           | 1.150 |  |         | 202           | 1.257 | 202              | 1.257 |
|                      |                                       |   |           | 214           | 1.063 |  |                         | 214           | 1.132 |  |         | 214           | 1.241 | 214              | 1.241 |
|                      |                                       |   |           | 226           | 1.052 |  |                         | 226           | 1.117 |  |         | 226           | 1.226 | 226              | 1.226 |
|                      |                                       |   |           | 238           | 1.042 |  |                         | 238           | 1.104 |  |         | 238           | 1.213 | 238              | 1.213 |
| SUM                  |                                       | 432.00                                  | -1.43     |               |       | 30.48  | -5.24                   |               |       | -30.48   | 2.69    |               |       |                  |       |
| AVERAGE              |                                       | 54.00                                   | -0.18     |               |       | 3.81   | -0.65                   |               |       | -3.81  | 0.34    |               |       |                  |       |
|                      |                                       | PARAMETER ESTIMATES                     |           |               |       | PARAMETER ESTIMATES                                    |                         |               |       | PARAMETER ESTIMATES                                    |         |               |       |                  |       |
|                      |                                       | N =                                     | 8.000     | N =           | 8.000 | N =  | 8.000                   |               |       | N =  | 8.000   |               |       |                  |       |
|                      |                                       | A =                                     | 7.538     | A =           | 0.016 | A =  | 104.410                 |               |       | A =  | 104.410 |               |       |                  |       |
|                      |                                       | B =                                     | 0.984     | B =           | 0.912 | B =  | 1.132                   |               |       | B =  | 1.132   |               |       |                  |       |
|                      |                                       | R^2 =                                   | 0.953     | R^2 =         | 0.991 | R^2 =  | 0.998                   |               |       | R^2 =  | 0.998   |               |       |                  |       |

City of Scranton  
Workers Compensation  
Analysis Based Upon Incurred Loss and Expenses  
As of December 31, 2017

| ACCIDENT YEAR     | 12 Months | 24 Months | 36 Months | 48 Months | 60 Months | 72 Months | 84 Months | 96 Months | 108 Months | 120 Months | 132 Months | 144 Months | 156 Months | 168 Months | 180 Months | 204 Months | 216 Months | 228 Months | 240 Months | 252 Months | 264 Months | 276 Months | 288 Months | 300 Months |  |
|-------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--|
| 1/1/87 - 12/31/87 |           |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 1/1/88 - 12/31/88 |           |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 1/1/89 - 12/31/89 |           |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 1/1/90 - 12/31/90 |           |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 1/1/91 - 12/31/91 |           |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 1/1/92 - 12/31/92 |           |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 1/1/93 - 12/31/93 |           |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 1/1/94 - 12/31/94 |           |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 1/1/95 - 12/31/95 |           |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 1/1/96 - 12/31/96 |           |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 1/1/97 - 12/31/97 |           |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 1/1/98 - 12/31/98 |           |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 1/1/99 - 12/31/99 |           |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 1/1/00 - 12/31/00 |           |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 1/1/01 - 12/31/01 |           |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 1/1/02 - 12/31/02 |           |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 1/1/03 - 12/31/03 |           |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 1/1/04 - 12/31/04 |           |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 1/1/05 - 12/31/05 |           |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 1/1/06 - 12/31/06 |           |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 1/1/07 - 12/31/07 |           |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 1/1/08 - 12/31/08 |           |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 1/1/09 - 12/31/09 |           |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 1/1/10 - 12/31/10 |           |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |  |
| 1/1/11 - 12/31/11 |           |           |           |           |           |           |           |           |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |  |

| ACCIDENT YEAR     | 12/31/87 | 12/31/88 | 12/31/89 | 12/31/90 | 12/31/91 | 12/31/92 | 12/31/93 | 12/31/94 | 12/31/95 | 12/31/96 | 12/31/97 | 12/31/98 | 12/31/99 | 12/31/00 | 12/31/01 | 12/31/02 | 12/31/03 | 12/31/04 | 12/31/05 | 12/31/06 | 12/31/07 | 12/31/08 | 12/31/09 | 12/31/10 | 12/31/11 |  |
|-------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|--|
| 1/1/87 - 12/31/87 |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |  |
| 1/1/88 - 12/31/88 |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |  |
| 1/1/89 - 12/31/89 |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |  |
| 1/1/90 - 12/31/90 |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |  |
| 1/1/91 - 12/31/91 |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |  |
| 1/1/92 - 12/31/92 |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |  |
| 1/1/93 - 12/31/93 |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |  |
| 1/1/94 - 12/31/94 |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |  |
| 1/1/95 - 12/31/95 |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |  |
| 1/1/96 - 12/31/96 |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |  |
| 1/1/97 - 12/31/97 |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |  |
| 1/1/98 - 12/31/98 |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |  |
| 1/1/99 - 12/31/99 |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |  |
| 1/1/00 - 12/31/00 |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |  |
| 1/1/01 - 12/31/01 |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |  |
| 1/1/02 - 12/31/02 |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |  |
| 1/1/03 - 12/31/03 |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |  |
| 1/1/04 - 12/31/04 |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |  |
| 1/1/05 - 12/31/05 |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |  |
| 1/1/06 - 12/31/06 |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |  |
| 1/1/07 - 12/31/07 |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |  |
| 1/1/08 - 12/31/08 |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |  |
| 1/1/09 - 12/31/09 |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |  |
| 1/1/10 - 12/31/10 |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |  |
| 1/1/11 - 12/31/11 |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |  |

Analysis Based Upon Incurred Loss and Expenses  
As of December 31, 2011

|   | 12:24 | 24:38 | 36:48 | 48:60 | 60:72 | 72:84 | 84:96 | 96:108 | 108:120 | 120:132 | 132:144 | 144:156 | 156:168 | 168:180 | 180:192 | 192:204 | 204:216 | 216:228 | 228:240 | 240:252 | 252:264 | 264:276 | 276:288 | 288:300 | Tail  |       |  |
|---|-------|-------|-------|-------|-------|-------|-------|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------|-------|--|
| Str. Average  | 2.155 | 1.322 | 1.308 | 1.082 | 0.985 | 1.015 | 1.047 | 1.007  | 1.013   | 0.990   | 1.037   | 1.012   | 1.002   | 1.008   | 1.000   | 1.002   | 1.003   | 1.005   | 1.012   | 1.018   | 0.995   | 1.002   | 1.002   | 1.004   | 1.009 |       |  |
| Worst Avg.  | 1.387 | 1.248 | 1.188 | 1.069 | 0.954 | 1.007 | 1.033 | 1.001  | 1.015   | 0.988   | 1.033   | 1.017   | 1.005   | 1.002   | 1.001   | 1.003   | 1.005   | 0.998   | 1.008   | 1.018   | 0.995   | 1.002   | 1.004   | 1.009   |       |       |  |
| Avg (x-high & low)  | 2.025 | 1.287 | 1.183 | 1.082 | 0.990 | 1.018 | 1.028 | 1.013  | 1.008   | 1.003   | 1.031   | 1.008   | 1.001   | 1.000   | 1.002   | 1.007   | 1.004   | 1.005   | 1.003   | 1.003   | 0.993   | 0.995   | 1.002   |         |       |       |  |
| <b>Selected</b>   | 2.025 | 1.300 | 1.185 | 1.082 | 0.985 | 1.012 | 1.035 | 1.007  | 1.013   | 1.000   | 1.034   | 1.012   | 1.003   | 1.003   | 1.002   | 1.005   | 1.004   | 1.005   | 1.010   | 1.015   | 0.995   | 1.002   | 1.003   | 1.009   | 1.010 |       |  |
| Cumulative/No tail  | 3.930 | 1.941 | 1.493 | 1.280 | 1.184 | 1.182 | 1.189 | 1.129  | 1.121   | 1.108   | 1.108   | 1.070   | 1.057   | 1.054   | 1.051   | 1.049   | 1.044   | 1.040   | 1.034   | 1.024   | 1.034   | 1.019   | 1.024   | 1.022   | 1.019 | 1.010 |  |
| Cumulative/w/tail   | 3.970 | 1.990 | 1.538 | 1.272 | 1.178 | 1.194 | 1.190 | 1.140  | 1.132   | 1.117   | 1.117   | 1.081   | 1.068   | 1.065   | 1.062   | 1.059   | 1.054   | 1.050   | 1.045   | 1.034   | 1.034   | 1.019   | 1.024   | 1.022   | 1.019 | 1.010 |  |
| PMA Rates   | 2.484 | 1.590 | 1.267 | 1.171 | 1.121 | 1.081 | 1.072 | 1.058  | 1.049   | 1.041   | 1.036   | 1.031   | 1.028   | 1.025   | 1.022   | 1.020   | 1.018   | 1.017   | 1.015   | 1.014   |         |         |         |         |       |       |  |
| 50/50 Internal LDFs   | 3.217 | 1.730 | 1.357 | 1.222 | 1.149 | 1.143 | 1.128 | 1.099  | 1.090   | 1.079   | 1.077   | 1.058   | 1.048   | 1.045   | 1.042   | 1.040   | 1.036   | 1.033   | 1.030   | 1.024   |         |         |         |         |       |       |  |
| 2005 Bureau Factors<br>Cumulative for Industry Grouping 18: Public Administration | 3.271 | 2.112 | 1.788 | 1.580 | 1.484 | 1.380 | 1.334 | 1.293  | 1.258   | 1.225   | 1.192   | 1.181   | 1.134   | 1.110   | 1.087   | 1.068   |         |         |         |         |         |         |         |         |       |       |  |
| 50/50 Weighting<br>(Bureau/Scranton Internal)                                     | 3.244 | 1.921 | 1.588 | 1.401 | 1.308 | 1.257 | 1.230 | 1.199  | 1.174   | 1.152   | 1.134   | 1.109   | 1.081   | 1.077   | 1.084   | 1.053   |         |         |         |         |         |         |         |         |       |       |  |

Analysis Based Upon Incurred Loss and Expenses  
As of August 31, 2018

| ACCIDENT YEAR    | 6 Months  | 18 Months   | 30 Months   | 42 Months   | 54 Months   | 66 Months   | 78 Months   | 90 Months   | 102 Months  | 114 Months  | 126 Months  | 138 Months  | 150 Months  | 162 Months  | 174 Months  | 186 Months  | 198 Months  | 210 Months  | 222 Months  | 234 Months  |
|------------------|-----------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 3/1/97 - 2/28/98 |           |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             | \$2,270,879 | \$2,270,747 |
| 3/1/98 - 2/28/99 |           |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             | \$2,374,008 | \$2,441,945 |
| 3/1/99 - 2/28/00 |           |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             | \$2,026,957 |             | \$2,026,957 | \$2,026,957 |
| 3/1/00 - 2/28/01 |           |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             | \$1,751,054 |             | \$1,751,054 | \$1,751,054 |
| 3/1/01 - 2/28/02 |           |             |             |             |             |             |             |             |             |             |             |             |             |             |             | \$2,505,031 |             | \$2,505,031 | \$2,505,031 |             |
| 3/1/02 - 2/28/03 |           |             |             |             |             |             |             |             |             |             |             |             |             |             | \$6,125,320 |             | \$5,695,317 | \$5,704,170 | \$5,710,713 |             |
| 3/1/03 - 2/28/04 |           |             |             |             |             |             |             |             |             |             |             |             | \$1,947,031 | \$1,962,561 | \$1,962,561 | \$1,971,874 |             |             |             |             |
| 3/1/04 - 2/28/05 |           |             |             |             |             |             |             |             |             |             |             | \$3,145,764 | \$3,094,492 | \$3,094,492 | \$3,107,366 |             |             |             |             |             |
| 3/1/05 - 2/28/06 |           |             |             |             |             |             |             |             |             |             | \$1,737,103 | \$1,576,649 | \$1,576,847 | \$1,576,847 |             |             |             |             |             |             |
| 3/1/06 - 2/28/07 |           |             |             |             |             |             |             |             |             | \$1,869,131 | \$1,908,508 | \$1,920,928 | \$1,963,092 |             |             |             |             |             |             |             |
| 3/1/07 - 2/28/08 |           |             |             |             |             |             |             |             | \$1,523,700 | \$1,527,844 | \$1,541,236 | \$1,541,242 |             |             |             |             |             |             |             |             |
| 3/1/08 - 2/28/09 |           |             |             |             |             |             |             | \$1,509,845 | \$1,511,127 | \$1,529,705 | \$1,544,242 |             |             |             |             |             |             |             |             |             |
| 3/1/09 - 2/28/10 |           |             |             |             |             |             | \$1,389,889 | \$1,412,329 | \$1,438,179 | \$1,543,319 |             |             |             |             |             |             |             |             |             |             |
| 3/1/10 - 2/28/11 |           |             |             |             |             | \$1,790,208 | \$1,769,998 | \$1,747,967 | \$1,892,199 |             |             |             |             |             |             |             |             |             |             |             |
| 3/1/11 - 2/28/12 |           |             |             |             | \$2,023,666 | \$2,096,891 | \$2,104,717 | \$2,104,717 |             |             |             |             |             |             |             |             |             |             |             |             |
| 3/1/12 - 2/28/13 |           |             |             | \$950,175   | \$1,332,040 | \$1,360,036 | \$1,384,166 |             |             |             |             |             |             |             |             |             |             |             |             |             |
| 3/1/13 - 2/28/14 |           |             | \$1,143,629 | \$1,256,112 | \$1,186,236 | \$1,207,370 |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
| 3/1/14 - 2/28/15 |           | \$1,220,060 | \$1,627,129 | \$1,641,469 | \$1,766,154 |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
| 3/1/15 - 2/28/16 | \$923,416 | \$3,941,242 | \$4,462,254 | \$4,723,087 |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
| 3/1/16 - 2/28/17 | \$437,821 | \$1,508,037 | \$2,049,794 |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
| 3/1/17 - 2/28/18 | \$264,427 | \$842,614   |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
| 3/1/18 - 2/28/19 | \$208,332 |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |

| ACCIDENT YEAR    | 6:18   | 18:30 | 30:42 | 42:54 | 54:66 | 66:78 | 78:90 | 90:102 | 102:114 | 114:126 | 126:138 | 138:150 | 150:162 | 162:174 | 174:186 | 186:198 | 198:210 | 210:222 | 222:234 |       |
|------------------|--------|-------|-------|-------|-------|-------|-------|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------|
| 3/1/97 - 2/28/98 |        |       |       |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         | 1.000 |
| 3/1/98 - 2/28/99 |        |       |       |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         | 1.029 |
| 3/1/99 - 2/28/00 |        |       |       |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         | 0.918 |
| 3/1/00 - 2/28/01 |        |       |       |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         | 1.000 |
| 3/1/01 - 2/28/02 |        |       |       |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         | 1.000 |
| 3/1/02 - 2/28/03 |        |       |       |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         | 1.000 |
| 3/1/03 - 2/28/04 |        |       |       |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         | 1.001 |
| 3/1/04 - 2/28/05 |        |       |       |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         | 1.005 |
| 3/1/05 - 2/28/06 |        |       |       |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         | 1.004 |
| 3/1/06 - 2/28/07 |        |       |       |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         | 1.004 |
| 3/1/07 - 2/28/08 |        |       |       |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         | 1.000 |
| 3/1/08 - 2/28/09 |        |       |       |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         | 1.000 |
| 3/1/09 - 2/28/10 |        |       |       |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         | 1.001 |
| 3/1/10 - 2/28/11 |        |       |       |       |       | 0.989 |       | 1.001  | 1.012   | 1.010   |         |         |         |         |         |         |         |         |         | 1.001 |
| 3/1/11 - 2/28/12 |        |       |       |       | 1.036 | 1.004 | 1.000 |        |         |         |         |         |         |         |         |         |         |         |         | 1.004 |
| 3/1/12 - 2/28/13 |        |       |       | 1.402 | 1.021 | 1.003 |       |        |         |         |         |         |         |         |         |         |         |         |         | 1.003 |
| 3/1/13 - 2/28/14 |        |       | 1.098 | 0.944 | 1.018 |       |       |        |         |         |         |         |         |         |         |         |         |         |         | 1.018 |
| 3/1/14 - 2/28/15 |        | 1.334 | 1.009 | 1.076 |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         | 1.076 |
| 3/1/15 - 2/28/16 | 12.186 | 1.192 | 1.058 |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         | 1.058 |
| 3/1/16 - 2/28/17 | 3.444  | 1.359 |       |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         | 1.359 |
| 3/1/17 - 2/28/18 | 3.187  |       |       |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         | 3.187 |
| 3/1/18 - 2/28/19 |        |       |       |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         |       |

Analysis Based Upon Incurred Loss and Expenses  
As of August 31, 2018

|                    | Point to Point Incurred Loss Development Factors |       |       |       |       |       |       |        |         |         |         |         |         |         |         |         |         |         |         |
|--------------------|--|-------|-------|-------|-------|-------|-------|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|                    | 6:18   | 18:30 | 30:42 | 42:54 | 54:66 | 66:78 | 78:90 | 90:102 | 102:114 | 114:126 | 126:138 | 138:150 | 150:162 | 162:174 | 174:186 | 186:198 | 198:210 | 210:222 | 222:234 |
| Str. Average       | 6.273  | 1.275 | 1.055 | 1.141 | 1.025 | 0.998 | 1.001 | 1.034  | 1.029   | 1.013   | 0.971   | 1.002   | 1.003   | 0.978   | 1.002   | 1.000   | 1.000   | 1.010   | 0.972   |
| Wgid Avg.          | 6.135  | 1.220 | 1.054 | 1.113 | 1.027 | 0.998 | 1.000 | 1.037  | 1.029   | 1.014   | 0.971   | 0.999   | 1.002   | 0.963   | 1.002   | 1.001   | 1.000   | 1.011   | 0.969   |
| Avg (x-high & low) | 3.444  | 1.334 | 1.058 | 1.076 | 1.021 | 1.003 | 1.000 | 1.018  | 1.012   | 1.010   | 1.000   | 1.000   | 1.000   | 1.000   | 1.002   | 1.000   | 1.000   | 1.000   | 1.000   |
| Selected           | 3.600  | 1.275 | 1.055 | 1.100 | 1.025 | 1.003 | 1.001 | 1.030  | 1.030   | 1.012   | 1.001   | 1.001   | 1.002   | 1.001   | 1.002   | 1.001   | 1.000   | 1.010   | 1.000   |
| Cumulative/No tail | 5.825  | 1.664 | 1.305 | 1.237 | 1.125 | 1.097 | 1.094 | 1.093  | 1.081   | 1.030   | 1.018   | 1.017   | 1.016   | 1.014   | 1.013   | 1.011   | 1.010   | 1.010   | 1.000   |
| Cumulative/w/tail  | 5.825  | 1.664 | 1.305 | 1.237 | 1.125 | 1.097 | 1.094 | 1.093  | 1.061   | 1.030   | 1.018   | 1.017   | 1.016   | 1.014   | 1.013   | 1.011   | 1.010   | 1.010   | 1.000   |

ANALYSIS OF DEVELOPMENT PATTERNS  
 USING "THE METHOD OF LEAST SQUARES"

| ACTUAL VALUES        |                                       | Curve : $Y = A(B^X)$<br>(Power Model) |           | FITTED VALUES |           | Curve : $Y = 1 / [1 - \text{EXP}(-AX^B)]$<br>(Weibull) |                         | FITTED VALUES |           | Curve : $Y = A * (1/X)^B + 1$<br>(Inverse Power Curve) |           | FITTED VALUES |           | *** SELECTED *** |           |
|----------------------|---------------------------------------|---------------------------------------|-----------|---------------|-----------|--|-------------------------|---------------|-----------|--|-----------|---------------|-----------|------------------|-----------|
| X                    | Y                                     | X                                     | LN[LN(Y)] | X             | Y         | LN(X)  | Double Log<br>[Y/(Y-1)] | X             | Y         | LN(1/X)  | LN(Y-1)   | X             | Y         | X                | Y         |
| Maturity<br>(Months) | Cumulative<br>Rptd Loss<br>Dev Factor | $\bar{X}$                             | $\bar{Y}$ | $\bar{X}$     | $\bar{Y}$ | $\bar{X}$  | $\bar{Y}$               | $\bar{X}$     | $\bar{Y}$ | $\bar{X}$  | $\bar{Y}$ | $\bar{X}$     | $\bar{Y}$ | $\bar{X}$        | $\bar{Y}$ |
| 12                   | 3.930                                 | 12.00                                 | 0.31      | 120.0         | 1.009     | 2.48   | -1.23                   | 120           | 1.010     | -2.48  | 1.08      | 120           | 1.052     | 120              | 1.010     |
| 24                   | 1.941                                 | 24.00                                 | -0.41     | 132.0         | 1.005     | 3.18   | -0.32                   | 132           | 1.006     | -3.18  | -0.06     | 132           | 1.044     | 132              | 1.006     |
| 36                   | 1.493                                 | 36.00                                 | -0.91     | 144.0         | 1.003     | 3.58   | 0.10                    | 144           | 1.003     | -3.58  | -0.71     | 144           | 1.038     | 144              | 1.003     |
| 48                   | 1.260                                 | 48.00                                 | -1.47     | 156.0         | 1.002     | 3.87   | 0.46                    | 156           | 1.002     | -3.87  | -1.35     | 156           | 1.033     | 156              | 1.002     |
| 60                   | 1.164                                 | 60.00                                 | -1.88     | 168.0         | 1.001     | 4.09   | 0.67                    | 168           | 1.001     | -4.09  | -1.81     | 168           | 1.029     | 168              | 1.001     |
|                      |                                       |                                       |           | 180.0         | 1.001     |  |                         | 180           | 1.001     |  |           | 180           | 1.025     | 180              | 1.001     |
|                      |                                       |                                       |           | 192.0         | 1.000     |  |                         | 192           | 1.000     |  |           | 192           | 1.023     | 192              | 1.000     |
|                      |                                       |                                       |           | 204.0         | 1.000     |  |                         | 204           | 1.000     |  |           | 204           | 1.020     | 204              | 1.000     |
|                      |                                       |                                       |           | 216.0         | 1.000     |  |                         | 216           | 1.000     |  |           | 216           | 1.018     | 216              | 1.000     |
|                      |                                       |                                       |           | 228.0         | 1.000     |  |                         | 228           | 1.000     |  |           | 228           | 1.017     | 228              | 1.000     |
|                      |                                       |                                       |           | 240.0         | 1.000     |  |                         | 240           | 1.000     |  |           | 240           | 1.015     | 240              | 1.000     |
|                      |                                       |                                       |           | 252.0         | 1.000     |  |                         | 252           | 1.000     |  |           | 252           | 1.014     | 252              | 1.000     |
|                      |                                       |                                       |           | 264.0         | 1.000     |  |                         | 264           | 1.000     |  |           | 264           | 1.013     | 264              | 1.000     |
|                      |                                       |                                       |           | 276.0         | 1.000     |  |                         | 276           | 1.000     |  |           | 276           | 1.012     | 276              | 1.000     |
|                      |                                       |                                       |           | 288.0         | 1.000     |  |                         | 288           | 1.000     |  |           | 288           | 1.011     | 288              | 1.000     |
|                      |                                       |                                       |           | 300.0         | 1.000     |  |                         | 300           | 1.000     |  |           | 300           | 1.010     | 300              | 1.000     |
|                      |                                       |                                       |           | 312.0         | 1.000     |  |                         | 312           | 1.000     |  |           | 312           | 1.010     | 312              | 1.000     |
|                      |                                       |                                       |           | 324.0         | 1.000     |  |                         | 324           | 1.000     |  |           | 324           | 1.009     | 324              | 1.000     |
|                      |                                       |                                       |           | 336.0         | 1.000     |  |                         | 336           | 1.000     |  |           | 336           | 1.008     | 336              | 1.000     |
|                      |                                       |                                       |           | 348.0         | 1.000     |  |                         | 348           | 1.000     |  |           | 348           | 1.008     | 348              | 1.000     |
| SUM                  |                                       | 180.00                                | -4.36     |               |           | 17.21  | -0.32                   |               |           | -17.21   | -2.85     |               |           |                  |           |
| AVERAGE              |                                       | 36.00                                 | -0.87     |               |           | 3.44   | -0.06                   |               |           | -3.44  | -0.57     |               |           |                  |           |
|                      |                                       | <u>PARAMETER ESTIMATES</u>            |           |               |           | <u>PARAMETER ESTIMATES</u>                             |                         |               |           | <u>PARAMETER ESTIMATES</u>                             |           |               |           |                  |           |
|                      |                                       | N =                                   | 5.000     |               |           | N =  | 5.000                   |               |           | N =  | 5.000     |               |           |                  |           |
|                      |                                       | A =                                   | 8.527     |               |           | A =  | 0.016                   |               |           | A =  | 255.180   |               |           |                  |           |
|                      |                                       | B =                                   | 0.956     |               |           | B =  | 1.180                   |               |           | B =  | 1.775     |               |           |                  |           |
|                      |                                       | R^2 =                                 | 0.991     |               |           | R^2 =  | 0.998                   |               |           | R^2 =  | 0.995     |               |           |                  |           |

The City of Scranton  
 Weighted Average of PA Bureau of WC Incurred Loss Development Factors  
 & City of Scranton WC Weighted Incurred Loss Development Factors

Appendix A  
 Sheet 9

ANALYSIS OF DEVELOPMENT PATTERNS  
 USING "THE METHOD OF LEAST SQUARES"

| ACTUAL VALUES     |                                 | Curve: $Y = A^*(B^X)$<br>(Power Model) |           |               |       | Curve: $Y = 1 / [1 - \text{EXP}(-AX^B)]$<br>(Weibull) |                      |               |       | Curve: $Y = A * (1/X)^B + 1$<br>(Inverse Power Curve) |         |               |       | *** SELECTED *** |       |   |
|-------------------|---------------------------------|--|-----------|---------------|-------|---|----------------------|---------------|-------|---|---------|---------------|-------|------------------|-------|---|
| X                 | Y                               | TRANSFORMED VALUES                     |           | FITTED VALUES |       | TRANSFORMED VALUES                                    |                      | FITTED VALUES |       | TRANSFORMED VALUES                                    |         | FITTED VALUES |       | FITTED VALUES    |       |   |
| Maturity (Months) | Cumulative Rptd Loss Dev Factor | X'                                     | LN[LN(Y)] | X             | Y     | X'  | Double Log [Y/(Y-1)] | X             | Y     | X'  | LN(1/X) | LN(Y-1)       | X     | Y                | X     | Y |
| 12                | 3.244                           | 12.00                                  | 0.16      | 6.0           | 2.680 | 2.48  | -1.00                | 6.0           | 4.549 | -2.48   | 0.81    | 6.0           | 5.797 | 6.0              | 5.797 |   |
| 24                | 1.921                           | 24.00                                  | -0.43     | 18.0          | 2.151 | 3.18  | -0.31                | 18.0          | 2.349 | -3.18   | -0.08   | 18.0          | 2.329 | 18.0             | 2.329 |   |
| 36                | 1.588                           | 36.00                                  | -0.77     | 30.0          | 1.814 | 3.58  | -0.01                | 30.0          | 1.794 | -3.58   | -0.53   | 30.0          | 1.732 | 30.0             | 1.732 |   |
| 48                | 1.401                           | 48.00                                  | -1.09     | 42.0          | 1.589 | 3.87  | 0.22                 | 42.0          | 1.538 | -3.87   | -0.91   | 42.0          | 1.494 | 42.0             | 1.494 |   |
| 60                | 1.306                           | 60.00                                  | -1.32     | 54.0          | 1.433 | 4.09  | 0.37                 | 54.0          | 1.390 | -4.09   | -1.18   | 54.0          | 1.368 | 54.0             | 1.368 |   |
| 72                | 1.267                           | 72.00                                  | -1.44     | 66.0          | 1.323 | 4.28  | 0.44                 | 66.0          | 1.296 | -4.28   | -1.32   | 66.0          | 1.291 | 66.0             | 1.291 |   |
| 84                | 1.230                           | 84.00                                  | -1.58     | 78.0          | 1.243 | 4.43  | 0.52                 | 78.0          | 1.230 | -4.43   | -1.47   | 78.0          | 1.240 | 78.0             | 1.240 |   |
| 96                | 1.196                           | 96.00                                  | -1.72     | 90.0          | 1.184 | 4.56  | 0.59                 | 90.0          | 1.183 | -4.56   | -1.63   | 90.0          | 1.203 | 90.0             | 1.203 |   |
|                   |                                 |  |           | 102.0         | 1.140 |   |                      | 102.0         | 1.147 |   |         | 102.0         | 1.175 | 102.0            | 1.175 |   |
|                   |                                 |  |           | 114.0         | 1.107 |   |                      | 114.0         | 1.120 |   |         | 114.0         | 1.154 | 114.0            | 1.154 |   |
|                   |                                 |  |           | 126.0         | 1.083 |   |                      | 126.0         | 1.099 |   |         | 126.0         | 1.137 | 126.0            | 1.137 |   |
|                   |                                 |  |           | 138.0         | 1.064 |   |                      | 138.0         | 1.082 |   |         | 138.0         | 1.123 | 138.0            | 1.123 |   |
|                   |                                 |  |           | 150.0         | 1.049 |   |                      | 150.0         | 1.069 |   |         | 150.0         | 1.112 | 150.0            | 1.112 |   |
|                   |                                 |  |           | 162.0         | 1.038 |   |                      | 162.0         | 1.058 |   |         | 162.0         | 1.102 | 162.0            | 1.102 |   |
|                   |                                 |  |           | 174.0         | 1.029 |   |                      | 174.0         | 1.049 |   |         | 174.0         | 1.094 | 174.0            | 1.094 |   |
|                   |                                 |  |           | 186.0         | 1.023 |   |                      | 186.0         | 1.041 |   |         | 186.0         | 1.087 | 186.0            | 1.087 |   |
|                   |                                 |  |           | 198.0         | 1.018 |   |                      | 198.0         | 1.035 |   |         | 198.0         | 1.081 | 198.0            | 1.081 |   |
|                   |                                 |  |           | 210.0         | 1.014 |   |                      | 210.0         | 1.030 |   |         | 210.0         | 1.075 | 210.0            | 1.075 |   |
|                   |                                 |  |           | 222.0         | 1.011 |   |                      | 222.0         | 1.026 |   |         | 222.0         | 1.071 | 222.0            | 1.071 |   |
|                   |                                 |  |           | 234.0         | 1.008 |   |                      | 234.0         | 1.022 |   |         | 234.0         | 1.066 | 234.0            | 1.066 |   |
| SUM               |                                 | 432.00                                 | -8.18     |               |       | 30.48   | 0.84                 |               |       | -30.48  | -6.32   |               |       |                  |       |   |
| AVERAGE           |                                 | 54.00                                  | -1.02     |               |       | 3.81  | 0.10                 |               |       | -3.81   | -0.79   |               |       |                  |       |   |
|                   |                                 | PARAMETER ESTIMATES                    |           |               |       | PARAMETER ESTIMATES                                   |                      |               |       | PARAMETER ESTIMATES                                   |         |               |       |                  |       |   |
|                   |                                 | N =                                    | 8.000     |               |       | N =   | 8.000                |               |       | N =   | 8.000   |               |       |                  |       |   |
|                   |                                 | A =                                    | 3.059     |               |       | A =   | 0.063                |               |       | A =   | 38.912  |               |       |                  |       |   |
|                   |                                 | B =                                    | 0.979     |               |       | B =   | 0.754                |               |       | B =   | 1.168   |               |       |                  |       |   |
|                   |                                 | R <sup>2</sup> =                       | 0.925     |               |       | R <sup>2</sup> =                                      | 0.982                |               |       | R <sup>2</sup> =                                      | 0.997   |               |       |                  |       |   |

The City of Scranton  
 Weighted Average of PA Bureau of WC Incurred Loss Development Factors  
 City of Scranton WC Incurred Loss Development Factors

Appendix A  
 Sheet 9A

ANALYSIS OF DEVELOPMENT PATTERNS  
 USING "THE METHOD OF LEAST SQUARES"

| ACTUAL VALUES     |                                 | Curve : $Y = A^*(B^X)$<br>(Power Model) |           |               |       | Curve : $Y = 1 / [1 - \text{EXP}(-AX^B)]$<br>(Weibull) |                      |               |        | Curve : $Y = A * (1/X)^B + 1$<br>(inverse Power Curve) |         |               |       | *** SELECTED *** |       |
|-------------------|---------------------------------|---|-----------|---------------|-------|--|----------------------|---------------|--------|--|---------|---------------|-------|------------------|-------|
| X                 | Y                               | TRANSFORMED VALUES                      |           | FITTED VALUES |       | TRANSFORMED VALUES                                     |                      | FITTED VALUES |        | TRANSFORMED VALUES                                     |         | FITTED VALUES |       | FITTED VALUES    |       |
| Maturity (Months) | Cumulative Rptd Loss Dev Factor | X                                       | LN[LN(Y)] | X             | Y     | LN(X)  | Double Log [Y/(Y-1)] | X             | Y      | LN(1/X)  | LN(Y-1) | X             | Y     | X                | Y     |
| 12                | 3.244                           | 12.00                                   | 0.16      | 246.0         | 1.006 | 2.48   | -1.00                | 246.0         | 1.019  | -2.48  | 0.81    | 246.0         | 1.063 | 246.0            | 1.063 |
| 24                | 1.921                           | 24.00                                   | -0.43     | 258.0         | 1.005 | 3.18   | -0.31                | 258.0         | 1.016  | -3.18  | -0.08   | 258.0         | 1.059 | 258.0            | 1.059 |
| 36                | 1.588                           | 36.00                                   | -0.77     | 270.0         | 1.004 | 3.58   | -0.01                | 270.0         | 1.014  | -3.58  | -0.53   | 270.0         | 1.056 | 270.0            | 1.056 |
| 48                | 1.401                           | 48.00                                   | -1.09     | 282.0         | 1.003 | 3.87   | 0.22                 | 282.0         | 1.012  | -3.87  | -0.91   | 282.0         | 1.063 | 282.0            | 1.053 |
| 60                | 1.306                           | 60.00                                   | -1.32     | 294.0         | 1.002 | 4.09   | 0.37                 | 294.0         | 1.011  | -4.09  | -1.18   | 294.0         | 1.051 | 294.0            | 1.051 |
| 72                | 1.267                           | 72.00                                   | -1.44     | 306.0         | 1.002 | 4.28   | 0.44                 | 306.0         | 1.009  | -4.28  | -1.32   | 306.0         | 1.049 | 306.0            | 1.049 |
| 84                | 1.230                           | 84.00                                   | -1.58     | 318.0         | 1.001 | 4.43   | 0.52                 | 318.0         | 1.008  | -4.43  | -1.47   | 318.0         | 1.046 | 318.0            | 1.046 |
| 96                | 1.196                           | 96.00                                   | -1.72     | 330.0         | 1.001 | 4.56   | 0.59                 | 330.0         | 1.007  | -4.56  | -1.63   | 330.0         | 1.044 | 330.0            | 1.044 |
|                   |                                 |   |           | 342.0         | 1.001 |  |                      | 342.0         | 1.006  |  |         | 342.0         | 1.043 | 342.0            | 1.043 |
|                   |                                 |   |           | 354.0         | 1.001 |  |                      | 354.0         | 1.005  |  |         | 354.0         | 1.041 | 354.0            | 1.041 |
|                   |                                 |   |           | 366.0         | 1.001 |  |                      | 366.0         | 1.005  |  |         | 366.0         | 1.039 | 366.0            | 1.039 |
|                   |                                 |   |           | 378.0         | 1.000 |  |                      | 378.0         | 1.004  |  |         | 378.0         | 1.038 | 378.0            | 1.038 |
|                   |                                 |   |           | 390.0         | 1.000 |  |                      | 390.0         | 1.004  |  |         | 390.0         | 1.037 | 390.0            | 1.037 |
|                   |                                 |   |           | 402.0         | 1.000 |  |                      | 402.0         | 1.003  |  |         | 402.0         | 1.035 | 402.0            | 1.035 |
|                   |                                 |   |           | 414.0         | 1.000 |  |                      | 414.0         | 1.003  |  |         | 414.0         | 1.034 | 414.0            | 1.034 |
|                   |                                 |   |           | 426.0         | 1.000 |  |                      | 426.0         | 1.002  |  |         | 426.0         | 1.033 | 426.0            | 1.033 |
|                   |                                 |   |           | 438.0         | 1.000 |  |                      | 438.0         | 1.002  |  |         | 438.0         | 1.032 | 438.0            | 1.032 |
|                   |                                 |   |           | 450.0         | 1.000 |  |                      | 450.0         | 1.002  |  |         | 450.0         | 1.031 | 450.0            | 1.031 |
|                   |                                 |   |           | 462.0         | 1.000 |  |                      | 462.0         | 1.002  |  |         | 462.0         | 1.030 | 462.0            | 1.030 |
|                   |                                 |   |           | 474.0         | 1.000 |  |                      | 474.0         | 1.001  |  |         | 474.0         | 1.029 | 474.0            | 1.029 |
| SUM               |                                 | 432.00                                  | -8.18     |               |       | 30.48  | 0.84                 |               |        | -30.48   | -6.32   |               |       |                  |       |
| AVERAGE           |                                 | 54.00                                   | -1.02     |               |       | 3.81   | 0.10                 |               |        | -3.81  | -0.79   |               |       |                  |       |
|                   |                                 | PARAMETER ESTIMATES                     |           |               |       | PARAMETER ESTIMATES                                    |                      |               |        | PARAMETER ESTIMATES                                    |         |               |       |                  |       |
|                   |                                 | N =                                     | 8.000     |               | N =   | 8.000  |                      | N =           | 8.000  |  |         |               |       |                  |       |
|                   |                                 | A =                                     | 3.059     |               | A =   | 0.063  |                      | A =           | 38.912 |  |         |               |       |                  |       |
|                   |                                 | B =                                     | 0.979     |               | B =   | 0.754  |                      | B =           | 1.168  |  |         |               |       |                  |       |
|                   |                                 | R^2 =                                   | 0.925     |               | R^2 = | 0.982  |                      | R^2 =         | 0.997  |  |         |               |       |                  |       |

RPTD\_FIT2.xls

28-Sep-18

The City of Scranton  
 City of Scranton WC Incurred Loss Development Factors  
 PMA experience only

ANALYSIS OF DEVELOPMENT PATTERNS  
 USING "THE METHOD OF LEAST SQUARES"

| ACTUAL VALUES        |                                       | Curve: $Y = A(B^X)$<br>(Power Model) |           |                     |        | Curve: $Y = 1 / [1 - \text{EXP}(-AX^B)]$<br>(Weibull) |                         |               |       | Curve: $Y = A * (1/X)^B + 1$<br>(Inverse Power Curve) |         |               |       | *** SELECTED *** |       |
|----------------------|---------------------------------------|--------------------------------------|-----------|---------------------|--------|---|-------------------------|---------------|-------|---|---------|---------------|-------|------------------|-------|
| X                    | Y                                     | TRANSFORMED VALUES                   |           | FITTED VALUES       |        | TRANSFORMED VALUES                                    |                         | FITTED VALUES |       | TRANSFORMED VALUES                                    |         | FITTED VALUES |       | FITTED VALUES    |       |
| Maturity<br>(Months) | Cumulative<br>Rptd Loss<br>Dev Factor | X                                    | LN[LN(Y)] | X                   | Y      | LN(X)   | Double Log<br>[Y/(Y-1)] | X             | Y     | LN(1/X)   | LN(Y-1) | X             | Y     | X                | Y     |
| 6                    | 5.825                                 | 6.00                                 | 0.57      | 12.0                | 1.942  | 1.79  | -1.67                   | 12.0          | 2.583 | -1.79   | 1.57    | 12.0          | 2.464 | 12.0             | 2.464 |
| 18                   | 1.664                                 | 18.00                                | -0.67     | 24.0                | 1.586  | 2.69  | -0.09                   | 24.0          | 1.669 | -2.69   | -0.41   | 24.0          | 1.500 | 24.0             | 1.500 |
| 30                   | 1.305                                 | 30.00                                | -1.32     | 36.0                | 1.378  | 3.40  | 0.37                    | 36.0          | 1.366 | -3.40   | -1.19   | 36.0          | 1.267 | 36.0             | 1.267 |
| 42                   | 1.237                                 | 42.00                                | -1.55     | 48.0                | 1.250  | 3.74  | 0.50                    | 48.0          | 1.222 | -3.74   | -1.44   | 48.0          | 1.171 | 48.0             | 1.171 |
| 54                   | 1.125                                 | 54.00                                | -2.14     | 60.0                | 1.167  | 3.99  | 0.79                    | 60.0          | 1.142 | -3.99   | -2.08   | 60.0          | 1.121 | 60.0             | 1.121 |
| 66                   | 1.097                                 | 66.00                                | -2.38     | 72.0                | 1.114  | 4.19  | 0.88                    | 72.0          | 1.094 | -4.19   | -2.33   | 72.0          | 1.091 | 72.0             | 1.091 |
| 78                   | 1.094                                 | 78.00                                | -2.41     | 84.0                | 1.078  | 4.38  | 0.90                    | 84.0          | 1.063 | -4.38   | -2.36   | 84.0          | 1.072 | 84.0             | 1.072 |
| 90                   | 1.093                                 | 90.00                                | -2.42     | 96.0                | 1.053  | 4.50  | 0.90                    | 96.0          | 1.043 | -4.50   | -2.37   | 96.0          | 1.058 | 96.0             | 1.058 |
| 102                  | 1.061                                 | 102.00                               | -2.82     | 108.0               | 1.037  | 4.62  | 1.05                    | 108.0         | 1.030 | -4.62   | -2.79   | 108.0         | 1.049 | 108.0            | 1.049 |
| 114                  | 1.030                                 | 114.00                               | -3.51     | 120.0               | 1.025  | 4.74  | 1.26                    | 120.0         | 1.021 | -4.74   | -3.50   | 120.0         | 1.041 | 120.0            | 1.041 |
|                      |                                       |                                      |           | 132.0               | 1.018  |   |                         | 132.0         | 1.015 |   |         | 132.0         | 1.036 | 132.0            | 1.036 |
|                      |                                       |                                      |           | 144.0               | 1.012  |   |                         | 144.0         | 1.010 |   |         | 144.0         | 1.031 | 144.0            | 1.031 |
|                      |                                       |                                      |           | 156.0               | 1.008  |   |                         | 156.0         | 1.007 |   |         | 156.0         | 1.028 | 156.0            | 1.028 |
|                      |                                       |                                      |           | 168.0               | 1.006  |   |                         | 168.0         | 1.005 |   |         | 168.0         | 1.025 | 168.0            | 1.025 |
|                      |                                       |                                      |           | 180.0               | 1.004  |   |                         | 180.0         | 1.004 |   |         | 180.0         | 1.022 | 180.0            | 1.022 |
|                      |                                       |                                      |           | 192.0               | 1.003  |   |                         | 192.0         | 1.003 |   |         | 192.0         | 1.020 | 192.0            | 1.020 |
|                      |                                       |                                      |           | 204.0               | 1.002  |   |                         | 204.0         | 1.002 |   |         | 204.0         | 1.018 | 204.0            | 1.018 |
|                      |                                       |                                      |           | 216.0               | 1.001  |   |                         | 216.0         | 1.001 |   |         | 216.0         | 1.017 | 216.0            | 1.017 |
|                      |                                       |                                      |           | 228.0               | 1.001  |   |                         | 228.0         | 1.001 |   |         | 228.0         | 1.015 | 228.0            | 1.015 |
|                      |                                       |                                      |           | 240.0               | 1.001  |   |                         | 240.0         | 1.001 |   |         | 240.0         | 1.014 | 240.0            | 1.014 |
| SUM                  |                                       | 600.00                               | -18.65    |                     |        | 38.22   | 4.90                    |               |       | -38.22  | -16.89  |               |       |                  |       |
| AVERAGE              |                                       | 60.00                                | -1.87     |                     |        | 3.82  | 0.49                    |               |       | -3.82   | -1.69   |               |       |                  |       |
| PARAMETER ESTIMATES  |                                       | PARAMETER ESTIMATES                  |           | PARAMETER ESTIMATES |        |   |                         |               |       |   |         |               |       |                  |       |
| N =                  | 10.000                                | N =                                  | 10.000    | N =                 | 10.000 |   |                         |               |       |   |         |               |       |                  |       |
| A =                  | 2.599                                 | A =                                  | 0.052     | A =                 | 68.700 |   |                         |               |       |   |         |               |       |                  |       |
| B =                  | 0.970                                 | B =                                  | 0.901     | B =                 | 1.549  |   |                         |               |       |   |         |               |       |                  |       |
| R^2 =                | 0.889                                 | R^2 =                                | 0.945     | R^2 =               | 0.977  |   |                         |               |       |   |         |               |       |                  |       |

ANALYSIS OF DEVELOPMENT PATTERNS  
 USING "THE METHOD OF LEAST SQUARES"

| ACTUAL VALUES     |                       | Curve : $Y = A(B^X)$<br>(Power Model) |           |               |       | Curve : $Y = 1 / [1 - \text{EXP}(-AX^B)]$<br>(Weibull) |                      |               |          | Curve : $Y = A * (1/X)^B + 1$<br>(Inverse Power Curve) |         |               |       | *** SELECTED *** |       |
|-------------------|-----------------------|---------------------------------------|-----------|---------------|-------|--|----------------------|---------------|----------|--|---------|---------------|-------|------------------|-------|
| X Y               |                       | TRANSFORMED VALUES                    |           | FITTED VALUES |       | TRANSFORMED VALUES                                     |                      | FITTED VALUES |          | TRANSFORMED VALUES                                     |         | FITTED VALUES |       | FITTED VALUES    |       |
| Maturity (Months) | Rptd Claim Dev Factor | X                                     | LN[LN(Y)] | X             | Y     | LN(X)  | Double Log [Y/(Y-1)] | X             | Y        | LN(1/X)  | LN(Y-1) | X             | Y     | X                | Y     |
| 18                | 1.067                 | 18.00                                 | -2.73     | 8.0           | 1.146 | 2.89   | 1.02                 | 8.0           | 1.270    | -2.89  | -2.70   | 8.0           | 2.393 | 8.0              | 1.270 |
| 30                | 1.012                 | 30.00                                 | -4.46     | 20.0          | 1.044 | 3.40   | 1.50                 | 20.0          | 1.048    | -3.40  | -4.46   | 20.0          | 1.052 | 20.0             | 1.048 |
| 42                | 1.006                 | 42.00                                 | -5.20     | 32.0          | 1.013 | 3.74   | 1.65                 | 32.0          | 1.013    | -3.74  | -5.19   | 32.0          | 1.010 | 32.0             | 1.013 |
| 54                | 1.002                 | 54.00                                 | -6.48     | 44.0          | 1.004 | 3.99   | 1.87                 | 44.0          | 1.004    | -3.99  | -6.48   | 44.0          | 1.003 | 44.0             | 1.004 |
| 66                | 1.001                 | 66.00                                 | -7.53     | 56.0          | 1.001 | 4.19   | 2.02                 | 56.0          | 1.001    | -4.19  | -7.53   | 56.0          | 1.001 | 56.0             | 1.001 |
|                   |                       |                                       |           | 68.0          | 1.000 |  |                      | 68.0          | 1.000    |  |         | 68.0          | 1.001 | 68.0             | 1.000 |
|                   |                       |                                       |           | 80.0          | 1.000 |  |                      | 80.0          | 1.000    |  |         | 80.0          | 1.000 | 80.0             | 1.000 |
|                   |                       |                                       |           | 92.0          | 1.000 |  |                      | 92.0          | 1.000    |  |         | 92.0          | 1.000 | 92.0             | 1.000 |
|                   |                       |                                       |           | 104.0         | 1.000 |  |                      | 104.0         | 1.000    |  |         | 104.0         | 1.000 | 104.0            | 1.000 |
|                   |                       |                                       |           | 116.0         | 1.000 |  |                      | 116.0         | 1.000    |  |         | 116.0         | 1.000 | 116.0            | 1.000 |
|                   |                       |                                       |           | 128.0         | 1.000 |  |                      | 128.0         | 1.000    |  |         | 128.0         | 1.000 | 128.0            | 1.000 |
|                   |                       |                                       |           | 140.0         | 1.000 |  |                      | 140.0         | 1.000    |  |         | 140.0         | 1.000 | 140.0            | 1.000 |
|                   |                       |                                       |           | 152.0         | 1.000 |  |                      | 152.0         | 1.000    |  |         | 152.0         | 1.000 | 152.0            | 1.000 |
|                   |                       |                                       |           | 164.0         | 1.000 |  |                      | 164.0         | 1.000    |  |         | 164.0         | 1.000 | 164.0            | 1.000 |
|                   |                       |                                       |           | 176.0         | 1.000 |  |                      | 176.0         | 1.000    |  |         | 176.0         | 1.000 | 176.0            | 1.000 |
|                   |                       |                                       |           | 188.0         | 1.000 |  |                      | 188.0         | 1.000    |  |         | 188.0         | 1.000 | 188.0            | 1.000 |
|                   |                       |                                       |           | 200.0         | 1.000 |  |                      | 200.0         | 1.000    |  |         | 200.0         | 1.000 | 200.0            | 1.000 |
|                   |                       |                                       |           | 212.0         | 1.000 |  |                      | 212.0         | 1.000    |  |         | 212.0         | 1.000 | 212.0            | 1.000 |
|                   |                       |                                       |           | 224.0         | 1.000 |  |                      | 224.0         | 1.000    |  |         | 224.0         | 1.000 | 224.0            | 1.000 |
|                   |                       |                                       |           | 236.0         | 1.000 |  |                      | 236.0         | 1.000    |  |         | 236.0         | 1.000 | 236.0            | 1.000 |
| SUM               |                       | 210.00                                | -26.40    |               |       | 18.21  | 8.05                 |               |          | -18.21   | -26.36  |               |       |                  |       |
| AVERAGE           |                       | 42.00                                 | -5.28     |               |       | 3.64   | 1.61                 |               |          | -3.64  | -5.27   |               |       |                  |       |
|                   |                       | <u>PARAMETER ESTIMATES</u>            |           |               |       | <u>PARAMETER ESTIMATES</u>                             |                      |               |          | <u>PARAMETER ESTIMATES</u>                             |         |               |       |                  |       |
|                   |                       | N =                                   | 5.000     |               | N =   | 5.000  |                      | N =           | 5.000    |  |         |               |       |                  |       |
|                   |                       | A =                                   | 1.344     |               | A =   | 0.325  |                      | A =           | 2416.726 |  |         |               |       |                  |       |
|                   |                       | B =                                   | 0.908     |               | B =   | 0.751  |                      | B =           | 3.587    |  |         |               |       |                  |       |
|                   |                       | R^2 =                                 | 0.987     |               | R^2 = | 0.989  |                      | R^2 =         | 0.980    |  |         |               |       |                  |       |

The City of Scranton  
 Weighted Average of PA Bureau of WC Incurred Loss Development Factors  
 & City of Scranton WC Weighted Incurred Loss Development Factors

ANALYSIS OF DEVELOPMENT PATTERNS  
 USING "THE METHOD OF LEAST SQUARES"

| ACTUAL VALUES     |                                 | Curve : $Y = A*(B^X)$<br>(Power Model) |           |               |       | Curve : $Y = 1 / [1 - \text{EXP}(-AX^B)]$<br>(Weibull) |                      |               |       | Curve : $Y = A * (1/X)^B + 1$<br>(Inverse Power Curve) |         |               |       | *** SELECTED *** |       |
|-------------------|---------------------------------|--|-----------|---------------|-------|--|----------------------|---------------|-------|--|---------|---------------|-------|------------------|-------|
| X                 | Y                               | TRANSFORMED VALUES                     |           | FITTED VALUES |       | TRANSFORMED VALUES                                     |                      | FITTED VALUES |       | TRANSFORMED VALUES                                     |         | FITTED VALUES |       | FITTED VALUES    |       |
| Maturity (Months) | Cumulative Rptd Loss Dev Factor | X                                      | LN[LN(Y)] | X             | Y     | LN(X)  | Double Log [Y/(Y-1)] | X             | Y     | LN(1/X)  | LN(Y-1) | X             | Y     | X                | Y     |
| 12                | 3.244                           | 12.00                                  | 0.16      | 8.0           | 2.573 | 2.48   | -1.00                | 8.0           | 3.849 | -2.48  | 0.81    | 8.0           | 4.428 | 8.0              | 4.428 |
| 24                | 1.921                           | 24.00                                  | -0.43     | 20.0          | 2.085 | 3.18   | -0.31                | 20.0          | 2.216 | -3.18  | -0.08   | 20.0          | 2.175 | 20.0             | 2.175 |
| 36                | 1.588                           | 36.00                                  | -0.77     | 32.0          | 1.770 | 3.58   | -0.01                | 32.0          | 1.739 | -3.58  | -0.53   | 32.0          | 1.679 | 32.0             | 1.679 |
| 48                | 1.401                           | 48.00                                  | -1.09     | 44.0          | 1.559 | 3.87   | 0.22                 | 44.0          | 1.508 | -3.87  | -0.91   | 44.0          | 1.468 | 44.0             | 1.468 |
| 60                | 1.306                           | 60.00                                  | -1.32     | 56.0          | 1.412 | 4.09   | 0.37                 | 56.0          | 1.372 | -4.09  | -1.18   | 56.0          | 1.353 | 56.0             | 1.353 |
| 72                | 1.267                           | 72.00                                  | -1.44     | 68.0          | 1.307 | 4.28   | 0.44                 | 68.0          | 1.283 | -4.28  | -1.32   | 68.0          | 1.281 | 68.0             | 1.281 |
| 84                | 1.230                           | 84.00                                  | -1.58     | 80.0          | 1.232 | 4.43   | 0.52                 | 80.0          | 1.221 | -4.43  | -1.47   | 80.0          | 1.233 | 80.0             | 1.233 |
| 96                | 1.196                           | 96.00                                  | -1.72     | 92.0          | 1.175 | 4.56   | 0.59                 | 92.0          | 1.178 | -4.56  | -1.63   | 92.0          | 1.198 | 92.0             | 1.198 |
|                   |                                 |  |           | 104.0         | 1.134 |  |                      | 104.0         | 1.142 |  |         | 104.0         | 1.171 | 104.0            | 1.171 |
|                   |                                 |  |           | 116.0         | 1.103 |  |                      | 116.0         | 1.116 |  |         | 116.0         | 1.151 | 116.0            | 1.151 |
|                   |                                 |  |           | 128.0         | 1.079 |  |                      | 128.0         | 1.096 |  |         | 128.0         | 1.134 | 128.0            | 1.134 |
|                   |                                 |  |           | 140.0         | 1.061 |  |                      | 140.0         | 1.080 |  |         | 140.0         | 1.121 | 140.0            | 1.121 |
|                   |                                 |  |           | 152.0         | 1.047 |  |                      | 152.0         | 1.067 |  |         | 152.0         | 1.110 | 152.0            | 1.110 |
|                   |                                 |  |           | 164.0         | 1.036 |  |                      | 164.0         | 1.058 |  |         | 164.0         | 1.101 | 164.0            | 1.101 |
|                   |                                 |  |           | 176.0         | 1.028 |  |                      | 176.0         | 1.047 |  |         | 176.0         | 1.093 | 176.0            | 1.093 |
|                   |                                 |  |           | 188.0         | 1.022 |  |                      | 188.0         | 1.040 |  |         | 188.0         | 1.086 | 188.0            | 1.086 |
|                   |                                 |  |           | 200.0         | 1.017 |  |                      | 200.0         | 1.034 |  |         | 200.0         | 1.080 | 200.0            | 1.080 |
|                   |                                 |  |           | 212.0         | 1.013 |  |                      | 212.0         | 1.029 |  |         | 212.0         | 1.075 | 212.0            | 1.075 |
|                   |                                 |  |           | 224.0         | 1.010 |  |                      | 224.0         | 1.025 |  |         | 224.0         | 1.070 | 224.0            | 1.070 |
|                   |                                 |  |           | 236.0         | 1.008 |  |                      | 236.0         | 1.021 |  |         | 236.0         | 1.066 | 236.0            | 1.066 |
| SUM               |                                 | 432.00                                 | -8.18     |               |       | 30.48  | 0.84                 |               |       | -30.48   | -6.32   |               |       |                  |       |
| AVERAGE           |                                 | 54.00                                  | -1.02     |               |       | 3.81   | 0.10                 |               |       | -3.81  | -0.79   |               |       |                  |       |
|                   |                                 | <u>PARAMETER ESTIMATES</u>             |           |               |       | <u>PARAMETER ESTIMATES</u>                             |                      |               |       | <u>PARAMETER ESTIMATES</u>                             |         |               |       |                  |       |
|                   |                                 | N =                                    |           | 8.000         |       | N =  |                      | 8.000         |       | N =  |         | 8.000         |       |                  |       |
|                   |                                 | A =                                    |           | 3.059         |       | A =  |                      | 0.063         |       | A =  |         | 38.912        |       |                  |       |
|                   |                                 | B =                                    |           | 0.979         |       | B =  |                      | 0.754         |       | B =  |         | 1.168         |       |                  |       |
|                   |                                 | R^2 =                                  |           | 0.925         |       | R^2 =  |                      | 0.982         |       | R^2 =  |         | 0.997         |       |                  |       |

Derivation of Large Loss Critical Values

| (A)                | (B)                                   | (C)                        | (D)                                | (E)                                       | (F)  | (G)  |
|--------------------|---------------------------------------|----------------------------|------------------------------------|---|--|--|
| Accident<br>Period | Implied<br>Trend<br>Factor<br>to 2019 | Large<br>Loss<br>Defintion | Maturity<br>at 8/31/18<br>(months) | Reported<br>Loss<br>Development<br>Factor | Reported<br>Claim<br>Development<br>Factor | Large Loss<br>Critical<br>Reported<br>Amount<br>at 8/31/18 |
| 01/01/86-12/31/86  | N/A                                   | \$250,000                  | 392                                | 1.030                                     | 1.000                                      | \$242,779  |
| 01/01/87-12/31/87  | N/A                                   | \$350,000                  | 380                                | 1.032                                     | 1.000                                      | \$339,232  |
| 01/01/88-12/31/88  | N/A                                   | \$300,000                  | 368                                | 1.033                                     | 1.000                                      | \$290,489  |
| 01/01/89-12/31/89  | N/A                                   | \$500,000                  | 356                                | 1.035                                     | 1.000                                      | \$483,212  |
| 01/01/90-12/31/90  | N/A                                   | \$500,000                  | 344                                | 1.037                                     | 1.000                                      | \$482,280  |
| 01/01/91-12/31/91  | N/A                                   | \$350,000                  | 332                                | 1.039                                     | 1.000                                      | \$336,946  |
| 01/01/92-12/31/92  | N/A                                   | \$400,000                  | 320                                | 1.041                                     | 1.000                                      | \$384,341  |
| 01/01/93-12/31/93  | N/A                                   | \$400,000                  | 308                                | 1.044                                     | 1.000                                      | \$383,237  |
| 01/01/94-12/31/94  | N/A                                   | \$350,000                  | 296                                | 1.047                                     | 1.000                                      | \$334,371  |
| 01/01/95-12/31/95  | N/A                                   | \$500,000                  | 284                                | 1.050                                     | 1.000                                      | \$476,308  |
| 01/01/96-12/31/96  | N/A                                   | \$500,000                  | 272                                | 1.054                                     | 1.000                                      | \$474,500  |
| 01/01/97-12/31/97  | N/A                                   | \$400,000                  | 260                                | 1.058                                     | 1.000                                      | \$378,164  |
| 01/01/98-12/31/98  | N/A                                   | \$400,000                  | 248                                | 1.062                                     | 1.000                                      | \$376,740  |
| 01/01/99-12/31/99  | N/A                                   | \$250,000                  | 236                                | 1.066                                     | 1.000                                      | \$234,578  |
| 01/01/00-12/31/00  | N/A                                   | \$250,000                  | 224                                | 1.070                                     | 1.000                                      | \$233,672  |
| 01/01/01-12/31/01  | N/A                                   | \$250,000                  | 212                                | 1.075                                     | 1.000                                      | \$232,663  |
| 01/01/02-12/31/02  | N/A*                                  | \$300,000                  | 200                                | 1.080                                     | 1.000                                      | \$277,838  |
| 01/01/03-12/31/03  | N/A*                                  | \$350,000                  | 188                                | 1.086                                     | 1.000                                      | \$322,359  |
| 01/01/04-12/31/04  | N/A*                                  | \$400,000                  | 176                                | 1.093                                     | 1.000                                      | \$366,094  |
| 01/01/05-12/31/05  | N/A*                                  | \$500,000                  | 164                                | 1.101                                     | 1.000                                      | \$454,306  |
| 01/01/06-12/31/06  | N/A                                   | \$750,000                  | 152                                | 1.110                                     | 1.000                                      | \$675,726  |
| 01/01/07-12/31/07  | N/A                                   | \$750,000                  | 140                                | 1.121                                     | 1.000                                      | \$669,044  |
| 01/01/08-12/31/08  | N/A                                   | \$750,000                  | 128                                | 1.134                                     | 1.000                                      | \$661,167  |
| 01/01/09-12/31/09  | N/A                                   | \$750,000                  | 116                                | 1.151                                     | 1.000                                      | \$651,753  |
| 01/01/10-12/31/10  | N/A                                   | \$800,000                  | 104                                | 1.171                                     | 1.000                                      | \$683,019  |
| 01/01/11-12/31/11  | N/A                                   | \$800,000                  | 92                                 | 1.198                                     | 1.000                                      | \$667,954  |
| 01/01/12-12/31/12  | N/A                                   | \$800,000                  | 80                                 | 1.233                                     | 1.000                                      | \$648,896  |
| 01/01/13-12/31/13  | N/A                                   | \$800,000                  | 68                                 | 1.281                                     | 1.000                                      | \$624,084  |
| 01/01/14-12/31/14  | N/A                                   | \$800,000                  | 56                                 | 1.353                                     | 1.001                                      | \$590,559  |
| 01/01/15-12/31/15  | N/A                                   | \$800,000                  | 44                                 | 1.468                                     | 1.004                                      | \$542,954  |
| 01/01/16-12/31/16  | N/A                                   | \$800,000                  | 32                                 | 1.679                                     | 1.013                                      | \$470,635  |
| 01/01/17-12/31/17  | N/A                                   | \$800,000                  | 20                                 | 2.175                                     | 1.048                                      | \$350,899  |
| 01/01/18-12/31/18  | N/A                                   | \$800,000                  | 8                                  | 4.428                                     | 1.270                                      | \$142,282  |

Note(\*): retention increased from \$250,000 to \$300,000 effective 10/17/01, then to \$350,000 10/17/02, and then to \$400,000 effective 10/17/03. At 10/17/04, the SIR increased to \$500,000 and then \$1,500,000 from 10/17/05 to 12/1/05 and then decreased to \$750,000 through the 1/1/09 renewal.

Column (E): Appendix A, Sheet 11; runoff 1997 and prior

Column (F): Appendix A, Sheet 10

Column (G): Column (C)/ Column (E)/ Column (F)

Summary of Critical Value Disability Losses  
As of August 31, 2018

| (A)                      | (B)           | (C)          | (D)            | (E)          | (F)              | (G)                  | (H)              | (I)                                 |
|--------------------------|---------------|--------------|----------------|--------------|------------------|----------------------|------------------|-------------------------------------|
| Date of Loss             | Named Insured | Medical Paid | Indemnity Paid | Expense Paid | Total Paid       | Outstanding Reserves | Total Incurred   | Large Loss Critical Reported Amount |
| <i>03/01/86-02/28/87</i> |               |              |                |              |                  |                      |                  |                                     |
| 03/01/86                 | SABLE         | \$2,394      | \$424,799      | \$7,032      | \$434,225        | \$91,455             | \$525,680        | \$242,779                           |
| 07/01/86                 | MCGEE         | \$6,213      | \$454,912      | \$21,943     | \$483,068        | \$17,726             | \$500,794        | \$242,779                           |
| 01/09/87                 | HOBAN         | \$48,817     | \$413,963      | \$50,038     | <u>\$512,818</u> | <u>\$0</u>           | <u>\$512,818</u> | \$339,232                           |
|                          | 3 Claims      |              |                |              | \$1,430,110      | \$109,181            | \$1,539,291      |                                     |
| <i>03/01/87-02/28/88</i> |               |              |                |              |                  |                      |                  |                                     |
| 08/04/87                 | KERRIGAN      | \$175,796    | \$433,507      | \$20,462     | \$629,765        | \$33,416             | \$663,181        | \$339,232                           |
| 08/09/87                 | ROSS III      | \$8,996      | \$368,392      | \$2,022      | \$379,410        | \$0                  | \$379,410        | \$339,232                           |
| 08/15/87                 | NOVAK         | \$15,304     | \$371,897      | \$15,027     | \$402,228        | \$0                  | \$402,228        | \$339,232                           |
| 09/01/87                 | GENOVESE      | \$166,035    | \$484,785      | \$23,011     | <u>\$673,831</u> | <u>\$0</u>           | <u>\$673,831</u> | \$339,232                           |
|                          | 4 Claims      |              |                |              | \$2,085,235      | \$33,416             | \$2,118,651      |                                     |
| <i>03/01/88-02/28/89</i> |               |              |                |              |                  |                      |                  |                                     |
| 05/06/88                 | MCGOWAN       | \$17,515     | \$537,095      | \$15,655     | \$570,265        | \$138,231            | \$708,496        | \$290,489                           |
| 07/14/88                 | TASSEY        | \$3,990      | \$281,218      | \$3,038      | \$288,247        | \$114,038            | \$402,285        | \$290,489                           |
| 07/17/88                 | RESCIGNO      | \$0          | \$215,050      | \$3,372      | \$218,421        | \$340,098            | \$558,519        | \$290,489                           |
| 08/13/88                 | MCHALE        | \$31,714     | \$300,486      | \$23,443     | \$355,642        | \$0                  | \$355,642        | \$290,489                           |
| 01/14/89                 | HOFFMAN       | \$32,152     | \$606,318      | \$18,037     | <u>\$656,507</u> | <u>\$40,836</u>      | <u>\$697,343</u> | \$483,212                           |
|                          | 5 Claims      |              |                |              | \$2,089,082      | \$633,203            | \$2,722,285      |                                     |
| <i>03/01/90-02/28/91</i> |               |              |                |              |                  |                      |                  |                                     |
| 06/26/90                 | JONES         | \$0          | \$544,908      | \$12,896     | \$557,804        | \$320,959            | \$878,763        | \$482,280                           |
| 12/30/90                 | BENTLER       | \$75,543     | \$444,566      | \$38,214     | <u>\$567,063</u> | <u>\$33,326</u>      | <u>\$600,389</u> | "Pappy Plan"                        |
|                          | 2 Claims      |              |                |              | \$1,124,866      | \$354,285            | \$1,479,151      |                                     |

Summary of Critical Value Disability Losses  
As of August 31, 2018

| (A)                      | (B)           | (C)          | (D)            | (E)          | (F)              | (G)                  | (H)              | (I)                                 |
|--------------------------|---------------|--------------|----------------|--------------|------------------|----------------------|------------------|-------------------------------------|
| Date of Loss             | Named Insured | Medical Paid | Indemnity Paid | Expense Paid | Total Paid       | Outstanding Reserves | Total Incurred   | Large Loss Critical Reported Amount |
| <b>03/01/91-02/28/92</b> |               |              |                |              |                  |                      |                  |                                     |
| 05/06/91                 | PRICE         | \$23,868     | \$365,198      | \$2,156      | \$391,222        | \$52,386             | \$443,608        | \$336,946                           |
| 07/19/91                 | WHALEN        | \$138,044    | \$295,115      | \$18,444     | \$451,602        | \$0                  | \$451,602        | \$336,946                           |
| 07/24/91                 | MALINOWSKI    | \$59,010     | \$507,120      | \$46,470     | \$612,601        | \$113,465            | \$726,066        | \$336,946                           |
| 08/01/91                 | PETRINI       | \$1,720      | \$442,102      | \$5,897      | \$449,719        | \$22,317             | \$472,036        | \$336,946                           |
| 08/21/91                 | HARVEY        | \$119,714    | \$322,891      | \$58,992     | \$501,597        | \$0                  | \$501,597        | \$336,946                           |
| 09/08/91                 | HUBSHMAN      | \$13,294     | \$398,781      | \$61,227     | \$473,302        | \$0                  | \$473,302        | \$336,946                           |
| 11/05/91                 | SEYMOUR       | \$96,312     | \$546,905      | \$21,588     | \$664,805        | \$78,301             | \$743,106        | \$336,946                           |
| 02/07/92                 | BIDWELL       | \$0          | \$395,914      | \$9,218      | <u>\$405,133</u> | <u>\$0</u>           | <u>\$405,133</u> | \$384,341                           |
|                          | 8 Claims      |              |                |              | \$3,949,979      | \$266,469            | \$4,216,448      |                                     |
| <b>03/01/92-02/28/93</b> |               |              |                |              |                  |                      |                  |                                     |
| 08/02/92                 | DAVIS, B.     | \$123,164    | \$381,864      | \$38,082     | \$543,111        | \$0                  | \$543,111        | \$384,341                           |
| 08/26/92                 | GRISKO        | \$72,744     | \$535,788      | \$33,261     | \$641,792        | \$0                  | \$641,792        | \$384,341                           |
| 10/14/92                 | MONAHAN       | \$34,940     | \$644,818      | \$80,507     | \$760,265        | \$0                  | \$760,265        | \$384,341                           |
| 11/29/92                 | DAVIS, Wm.    | \$90,017     | \$403,035      | \$58,560     | <u>\$551,613</u> | <u>\$0</u>           | <u>\$551,613</u> | \$384,341                           |
|                          | 4 Claims      |              |                |              | \$2,496,780      | \$0                  | \$2,496,780      |                                     |
| <b>03/01/93-02/28/94</b> |               |              |                |              |                  |                      |                  |                                     |
| 03/04/93                 | POWELL        | \$135,145    | \$656,063      | \$92,737     | \$883,945        | \$164,626            | \$1,048,571      | \$383,237                           |
| 04/15/93                 | CONLON        | \$77,228     | \$584,473      | \$19,034     | \$680,735        | \$29,221             | \$709,956        | \$383,237                           |
| 05/02/93                 | WASYLYNIAK    | \$59,871     | \$470,649      | \$27,589     | \$558,109        | \$0                  | \$558,109        | \$383,237                           |
| 05/14/93                 | JEFFERS       | \$31,885     | \$319,155      | \$36,513     | \$387,553        | \$0                  | \$387,553        | \$383,237                           |
| 06/22/93                 | PALUTIS       | \$76,477     | \$390,796      | \$48,169     | \$515,442        | \$0                  | \$515,442        | \$383,237                           |
| 07/08/93                 | ARMFIELD      | \$11,005     | \$588,113      | \$16,879     | \$615,997        | \$61,749             | \$677,746        | \$383,237                           |
| 07/24/93                 | CAWLEY        | \$34,655     | \$345,596      | \$42,994     | \$423,245        | \$0                  | \$423,245        | \$383,237                           |
| 08/11/93                 | DAFFARO       | \$49,843     | \$531,593      | \$3,881      | \$585,317        | \$26,988             | \$612,305        | \$383,237                           |
| 01/19/94                 | BURRIER       | \$59,239     | \$255,436      | \$31,406     | <u>\$346,081</u> | <u>\$0</u>           | <u>\$346,081</u> | \$334,371                           |
|                          | 9 Claims      |              |                |              | \$4,996,423      | \$282,584            | \$5,279,008      |                                     |

Summary of Critical Value Disability Losses  
As of August 31, 2018

| (A)                      | (B)           | (C)          | (D)            | (E)          | (F)              | (G)                  | (H)              | (I)                                 |
|--------------------------|---------------|--------------|----------------|--------------|------------------|----------------------|------------------|-------------------------------------|
| Date of Loss             | Named Insured | Medical Paid | Indemnity Paid | Expense Paid | Total Paid       | Outstanding Reserves | Total Incurred   | Large Loss Critical Reported Amount |
| <i>03/01/95-02/28/96</i> |               |              |                |              |                  |                      |                  |                                     |
| 07/20/95                 | MCGINNIS      | \$91,758     | \$494,797      | \$40,216     | \$626,771        | \$0                  | \$626,771        | \$476,308                           |
| 08/23/95                 | DERMODY       | \$8,741      | \$625,434      | \$70,983     | \$705,159        | \$0                  | \$705,159        | \$476,308                           |
| 09/18/95                 | ANDREJACK     | \$45,914     | \$363,700      | \$52,659     | \$462,273        | \$19,829             | \$482,102        | \$476,308                           |
| 12/07/95                 | HINKLEY       | \$61,862     | \$362,619      | \$55,955     | \$480,436        | \$0                  | \$480,436        | \$476,308                           |
| 01/05/96                 | DUDZINSKI     | \$58,794     | \$543,209      | \$53,952     | <u>\$659,841</u> | <u>\$30,046</u>      | <u>\$689,887</u> | \$474,500                           |
|                          | 5 Claims      |              |                |              | \$2,934,480      | \$49,875             | \$2,984,355      |                                     |
| <i>03/01/96-02/28/97</i> |               |              |                |              |                  |                      |                  |                                     |
| 07/24/96                 | DOYLE         | \$586        | \$666,365      | \$13,380     | \$680,330        | \$0                  | \$680,330        | \$474,500                           |
| 09/04/96                 | MUSSO         | \$195,469    | \$154,800      | \$49,004     | <u>\$399,272</u> | <u>\$158,853</u>     | <u>\$558,125</u> |                                     |
|                          | 2 Claims      |              |                |              | \$1,079,603      | \$158,853            | \$1,238,456      |                                     |
| <i>03/01/97-02/28/98</i> |               |              |                |              |                  |                      |                  |                                     |
| 06/09/97                 | MATTICKS      | \$62,307     | \$275,891      | \$57,074     | <u>\$395,272</u> | <u>\$0</u>           | <u>\$395,272</u> | \$378,164                           |
|                          | 1 Claim       |              |                |              | \$395,272        | \$0                  | \$395,272        |                                     |
| <i>03/01/99-02/28/00</i> |               |              |                |              |                  |                      |                  |                                     |
| 04/06/99                 | OTTONE        | \$24,493     | \$227,517      | \$33,777     | \$285,787        | \$0                  | \$285,787        | \$234,578                           |
| 05/10/99                 | KLEE          | \$15,904     | \$209,899      | \$22,015     | \$247,818        | \$0                  | \$247,818        | \$234,578                           |
| 01/26/00                 | MARTIN        | \$272,273    | \$89,236       | \$47,084     | <u>\$408,593</u> | <u>\$0</u>           | <u>\$408,593</u> | \$233,672                           |
|                          | 3 Claims      |              |                |              | \$942,198        | \$0                  | \$942,198        |                                     |
| <i>03/01/00-02/28/01</i> |               |              |                |              |                  |                      |                  |                                     |
| 06/09/00                 | MEDALLIS      | \$103,100    | \$148,552      | \$30,040     | \$281,692        | \$0                  | \$281,692        | \$233,672                           |
| 07/13/00                 | WAZNAK        | \$224,469    | \$220,048      | \$43,165     | \$487,682        | \$0                  | \$487,682        | \$233,672                           |
| 02/17/01                 | BATYKO        | \$44,640     | \$156,846      | \$37,558     | <u>\$239,044</u> | <u>\$0</u>           | <u>\$239,044</u> | \$232,663                           |
|                          | 3 Claims      |              |                |              | \$1,008,418      | \$0                  | \$1,008,418      |                                     |

Summary of Critical Value Disability Losses  
As of August 31, 2018

| (A)                      | (B)           | (C)                   | (D)            | (E)          | (F)              | (G)                  | (H)                | (I)                                 |
|--------------------------|---------------|-----------------------|----------------|--------------|------------------|----------------------|--------------------|-------------------------------------|
| Date of Loss             | Named Insured | Medical Paid          | Indemnity Paid | Expense Paid | Total Paid       | Outstanding Reserves | Total Incurred     | Large Loss Critical Reported Amount |
| <b>03/01/01-02/28/02</b> |               |                       |                |              |                  |                      |                    |                                     |
| 08/10/01                 | LANNING       | \$56,527              | \$219,620      | \$25,557     | \$301,704        | \$0                  | \$301,704          | \$232,663                           |
| 08/23/01                 | GALELLA       | \$44,321              | \$184,415      | \$27,920     | \$256,656        | \$0                  | \$256,656          | \$232,663                           |
| 02/11/02                 | MACKIN        | \$46,164              | \$221,969      | \$22,969     | \$291,102        | \$0                  | \$291,102          | \$277,838                           |
| 02/20/02                 | OZOVEK        | \$143,954             | \$268,672      | \$30,331     | <u>\$442,957</u> | \$0                  | <u>\$442,957</u>   | \$277,838                           |
|                          | 4 Claims      | (2 post 10/17/01 SIR) |                |              | \$1,292,419      | \$0                  | \$1,292,419        |                                     |
| <b>03/01/02-02/28/03</b> |               |                       |                |              |                  |                      |                    |                                     |
| 04/15/02                 | FARGIONE      | \$126,603             | \$304,542      | \$27,010     | \$463,519        | \$0                  | \$463,519          | \$277,838                           |
| 06/12/02                 | GISOLFI       | \$144,865             | \$294,596      | \$45,856     | \$485,317        | \$0                  | \$485,317          | \$277,838                           |
| 07/21/02                 | ROSAR, J.     | \$79,913              | \$308,354      | \$44,915     | \$433,182        | \$0                  | \$433,182          | \$277,838                           |
| 07/25/02                 | BOEZI         | \$195,457             | \$223,981      | \$76,148     | <u>\$495,587</u> | <u>\$18,337</u>      | <u>\$513,924</u>   | \$277,838                           |
|                          | 4 Claims      | (all pre 10/17/02)    |                |              | \$1,877,604      | \$18,337             | \$1,895,941        |                                     |
| <b>03/01/03-02/28/04</b> |               |                       |                |              |                  |                      |                    |                                     |
| 11/25/03                 | MALONE        | \$4,886               | \$292,615      | \$8,325      | <u>\$305,826</u> | \$385,277            | <u>\$691,103</u>   | \$368,410                           |
|                          | 1 Claim       | (1 post 10/18/03 SIR) |                |              | \$305,826        | \$385,277            | \$691,103          |                                     |
| <b>03/01/04-02/28/05</b> |               |                       |                |              |                  |                      |                    |                                     |
| 06/24/04                 | EIBACH        | \$155,654             | \$284,209      | \$58,192     | \$498,055        | \$0                  | \$498,055          | \$366,094                           |
| 09/19/04                 | McINTYRE      | \$149,519             | \$236,458      | \$20,023     | <u>\$417,202</u> | \$0                  | <u>\$417,202</u>   | \$366,094                           |
|                          | 2 Claims      | (pre 10/17/04)        |                |              | \$915,257        | \$0                  | \$915,257          |                                     |
| <b>03/01/06-02/28/07</b> |               |                       |                |              |                  |                      |                    |                                     |
| 09/12/06                 | SVETOVICH     | \$168,600             | \$296,993      | \$97,531     | <u>\$563,124</u> | \$149,745            | <u>\$712,869</u>   | \$675,726                           |
|                          | 1 Claim       |                       |                |              | \$563,124        | \$149,745            | \$712,869          |                                     |
| <b>03/01/15-02/28/16</b> |               |                       |                |              |                  |                      |                    |                                     |
| 07/11/15                 | WILDING       | \$93,143              | \$157,187      | \$4,540      | <u>\$254,869</u> | \$1,696,745          | <u>\$1,951,614</u> | \$542,954                           |
|                          | 1 Claim       |                       |                |              | \$254,869        |                      | \$1,951,614        |                                     |

LgLosses.xls

28-Sep-18

The City of Scranton  
Workers' Compensation

APPENDIX C

Derivation of Discount Factors as of 8/31/18

| (A)                | (B)                                | (C)                                | (D)                            | (E)                            | (F)                        | (G)                     | (H)                |
|--------------------|------------------------------------|------------------------------------|--------------------------------|--------------------------------|----------------------------|-------------------------|--------------------|
| Accident<br>Period | Maturity<br>in Years<br>at 8/31/18 | Cumulative                         |                                | Midpoint<br>Upcoming<br>Period | % Losses                   |                         | Discount<br>Factor |
|                    |                                    | Paid Loss<br>Development<br>Factor | % Losses<br>Paid<br>at 8/31/18 |                                | Paid<br>Upcoming<br>Period | Column(F)<br>Discounted |                    |
| 2018/2019          | 0.50                               | 14.743                             | 6.8%                           | 1.0                            | 13.4%                      | 0.130                   | 0.791              |
| 2017/2018          | 1.50                               | 4.964                              | 20.1%                          | 2.0                            | 10.9%                      | 0.103                   | 0.781              |
| 2016/2017          | 2.50                               | 3.223                              | 31.0%                          | 3.0                            | 8.7%                       | 0.079                   | 0.771              |
| 2015/2016          | 3.50                               | 2.519                              | 39.7%                          | 4.0                            | 7.0%                       | 0.062                   | 0.762              |
| 2014/2015          | 4.50                               | 2.143                              | 46.7%                          | 5.0                            | 5.7%                       | 0.049                   | 0.755              |
| 2013/2014          | 5.50                               | 1.911                              | 52.3%                          | 6.0                            | 4.7%                       | 0.039                   | 0.749              |
| 2012/2013          | 6.50                               | 1.754                              | 57.0%                          | 7.0                            | 3.9%                       | 0.032                   | 0.745              |
| 2011/2012          | 7.50                               | 1.641                              | 60.9%                          | 8.0                            | 3.3%                       | 0.026                   | 0.743              |
| 2010/2011          | 8.50                               | 1.557                              | 64.2%                          | 9.5                            | 5.3%                       | 0.040                   | 0.742              |
|                    | 10.50                              | 1.438                              | 69.5%                          | 11.5                           | 4.0%                       | 0.028                   | 0.745              |
|                    | 12.50                              | 1.360                              | 73.5%                          | 13.5                           | 3.2%                       | 0.021                   | 0.755              |
|                    | 14.50                              | 1.304                              | 76.7%                          | 15.5                           | 2.5%                       | 0.016                   | 0.769              |
|                    | 16.50                              | 1.263                              | 79.2%                          | 17.5                           | 2.1%                       | 0.012                   | 0.791              |
|                    | 18.50                              | 1.231                              | 81.2%                          | 19.5                           | 2.3%                       | 0.013                   | 0.818              |
|                    | 20.50                              |                                    | 83.5%                          | 21.5                           | 2.5%                       | 0.013                   | 0.845              |
|                    | 22.50                              |                                    | 86.0%                          | 23.5                           | 2.7%                       | 0.014                   | 0.873              |
|                    | 24.50                              |                                    | 88.7%                          | 25.5                           | 3.0%                       | 0.014                   | 0.901              |
|                    | 26.50                              |                                    | 91.7%                          | 27.5                           | 3.3%                       | 0.015                   | 0.929              |
|                    | 28.50                              |                                    | 95.1%                          | 29.5                           | 3.6%                       | 0.015                   | 0.956              |
|                    | 30.50                              |                                    | 98.7%                          | 31.5                           | 1.3%                       | 0.005                   | 0.971              |
| ULT                | 32.50                              | 1.000                              | 100.0%                         |                                |                            |                         |                    |

Annual Interest Rate: 3.00%

Column(C): Appendix A, Sheet 4

Column(D): 1 / Column (C)

Column(E): [Column (B), current line + Column (B), next line] / 2

Column(F): Column (D), next line - Column (D), current line

with rimpoff after 19 years based upon an annual increase of 10% over prior period

Column(G): Column(F) x [1 + Interest Rate]<sup>n</sup> / [Column(E)]

Column(H): [1 + Interest Rate]<sup>n</sup> / [Column(B)] / [1 - Column(D)] x [Upward Sum, Column(G)]