FILE OF THE COUNCIL NO. _____

2015

AN ORDINANCE

**APPROPRIATING FUNDS FOR THE EXPENSES OF THE CITY GOVERNMENT FOR THE PERIOD COMMENCING ON THE FIRST DAY OF JANUARY, 2016 TO AND INCLUDING DECEMBER 31, 2016 BY THE ADOPTION OF THE GENERAL CITY OPERATING BUDGET FOR THE YEAR 2016.**

**WHEREAS**, it is in the best interests of the City of Scranton, and required by the Home Rule Charter, that the City pass a General City Operating Budget for the year 2016.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SCRANTON** that the 2016 General City Operating Budget is hereby approved and authorized in the form as attached hereto and made a part hereof.

**SECTION 1.** All ordinances or parts of ordinances inconsistent herewith are hereby repealed.

**SECTION 2.** If any section, clause, provision or portion of this Ordinance shall be held invalid or unconstitutional by any Court of competent jurisdiction, such decision shall not affect any other section, clause, provision or portion of this Ordinance, so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Ordinance or any portion thereof from time to time as it shall deem advisable in the best interests of the promotion of the purposes and intent of this Ordinance, and the effective administration thereof.

**SECTION 3.** This Ordinance shall take effect January 1, 2016.

**SECTION 4.** This Ordinance is enacted by the Council of the City of Scranton under the Authority of the Act of the Legislature, April 13, 1972, Act No. 62 known as the "Home Rule Charter and Optional Plans Law" and any other applicable law arising under the laws of the State of Pennsylvania.

**DEPARTMENT OF LAW**

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

RECEIVED
NOV - 5 2015
OFFICE OF CITY COUNCIL CLERK

November 5, 2015

To the Honorable Council
Of the City of Scranton
Municipal Building
Scranton, PA 18503

Dear Honorable Council Members:

ATTACHED IS AN ORDINANCE APPROPRIATING FUNDS FOR THE EXPENSES OF THE CITY GOVERNMENT FOR THE PERIOD COMMENCING ON THE FIRST DAY OF JANUARY, 2016 TO AND INCLUDING DECEMBER 31, 2016 BY THE ADOPTION OF THE GENERAL CITY OPERATING BUDGET FOR THE YEAR 2016.

Very truly yours,

Jason A. Shrive (S)

Jason A. Shrive, Esquire
City Solicitor

JAS/sl

Department of Business Administration

City Hall
340 North Washington Avenue
Scranton, Pennsylvania 18503
Tel: (570) 348-4118
Fax: (570) 348-4225

SCRANTON

November 4, 2015

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

Re: 2016 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 2016 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 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

# 2016 Budget Highlights

## Financial Overview

The City of Scranton 2016 budget is the second phase in creating fiscal stability and a more manageable annual allocation of revenues and expenses. The City will continue to strive to manage the process with reasonable adjustments in both revenues and expenditures to avoid the punitive nature of double digit real estate tax increases. The compression of real estate tax increases will be ongoing and is a focal point of the 2016 budget and will continue to be so in successive years.

A marked departure in the assignment of real estate taxes occurred through a segmented calculation in the 2015 budget. The City of Scranton created dedicated millage to meet the 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 is an integral part of the restoration of the City's credit worthiness.

Real estate taxes will continue as a significant source of revenue in the 2016 budget. The intent of the 2016 budget is to maintain debt service millage at 2015 levels, and closely manage the increase in millage associated with operations. Debt service millage will be based on the City's annual debt service requirement and will be adjusted accordingly. This process is based purely on an annual calculation and eliminates discretionary considerations from the process. That value may be decreased if the City's debt service requirement is reduced in future years.

The 2016 budget continues to position the City to achieve maximization of current revenues. In addition to a less than anticipated real estate tax increase, the City seeks to maximize other revenue opportunities through an analysis of the components of the Licenses and Permits Department, and an expanded cooperative effort with the Single Tax Office to more effectively collect Act 511 taxes through the use of analytics. The refuse fee will remain the same in 2016 and will be subject to further review by year end.

A more realistic approach to expenditure budgeting will mirror the same approach to revenues. While several issues portend some significance for the City with the 2016 budget, relative to expenditures, the approach is to evaluate each budget category for savings realized through either achievable efficiencies or program alternatives to manage costs more effectively.

In effect, the 2016 budget becomes a bridge to more stability in the City's fiscal outlook. Monetization efforts with both parking and sewer assets are designed to improve the City's debt profile, create an effective delivery of services, and stabilize the retirement plans. It is the intent of the administration to succeed in creating a more pragmatic and predictive budget process in future years. The City will benefit with a significant effort for closure of these major

efforts in 2016. The City of Scranton has included in the budget document $27.60 million relative to the Supreme Court arbitration awards. The City of Scranton will continue to opt for the Act 44 reduction of 25% in the minimum municipal pension obligation, which reduces the obligation by $4,295,941. Nonetheless, the Minimum Municipal Obligation, including the Act 44 reduction, will increase by $2,099,052. Therefore, the solution to the Plan funding issue must occur in 2016. The expiration of the reduction provision will occur with the 2017 budget, which likely will document an increase of the minimum obligation by at least the amount noted above. Since the payment of the minimum obligation does not reduce the unfunded liability, the City continues to seek remedies to the structural deficiencies which have resulted in an approximately $150 million unfunded pension liability.

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 implementation of the various Plan provisions and the incorporation of those components in the Revised Recovery Plan prepared by the Pennsylvania Economy League, as adopted in 2015, the fiscal framework for the City of Scranton is now intact and will serve as a guide to follow through 2016 and succeeding years to achieve budget stability and financial integrity.

A sustainable City is achieved through the cost effective delivery of 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. There is a cost that we all must assume to achieve that sustainability. Managing those costs and using well founded budgetary principles will assure the future viability and vitality of the City of Scranton.

## 2016 General Fund Budget - Revenues

### Real Estate Tax

---

**Account Description**

Real Estate Tax is the primary revenue driver in the City of Scranton annual budget and most subject to adjustment on an annual basis. In the Commonwealth of Pennsylvania, real estate tax adjustments are effected to meet budgetary obligations by most municipalities, school districts and counties. Taxes are levied on the assessed value of all 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 initiated discussions about the segregated millage concept on land and improvements and the potential to migrate to a single millage based on a total assessed valuation. This concept was deferred for further evaluation and may resurrect if Lackawanna County revisits the completion of a property reassessment. The City's 2015 land rate is **219.973**. The 2015 land improvement rate is **47.835**. (A mill is also stated as one-thousandth of a dollar.) The City's total millage rate in 2015 is **267.808**. 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 will continue in the 2016 budget. Hence, the amount of the improvement millage dedicated to debt service will remain the same at **22.929** mills and **27.635** mills will be assigned to operations. The same concept is employed for the land component; **105.440** mills will be dedicated for debt service, unchanged in 2016, and **127.081** mills will be assigned to operations. Therefore, the City's land rate will be **232.521**; improvement millage will total **50.564**. The total proposed millage for 2016 will be **283.085** mills. With the dedicated component of millage for debt service, arbitrary consideration of the use of this specific levy is eliminated. The process also adds greater transparency to the discussion of transacting future debt because of the specific millage assignment. This millage 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 is subject to adjustment annually to meet the City's operational needs.

Therefore, the millage adjustment for 2016 equates to an overall **5.70%** increase. The total dollar value of budgeted real estate taxes will increase by 7.13%; an 89% current year collection rate was used to calculate the values. To calculate the property tax, the City multiplies the assessed value of the property by the mill rate and then divides by 1,000.

The delinquent real estate tax budget decreased from $2,275,000 in 2015 to $675,000 in 2016. The 70% decrease is based on the $1.50 million tax claim sale transacted by the City in October 2015.

Delinquent taxes for the years 2014 and prior will be assigned to repay the note supporting the sale until repaid.

**Budget Highlights**

- The increase is in the real estate tax, in percentage terms, equates to **5.70%, which approximates the 6.00% adjustment predicted in the 2014 Financial Consultant's Report;**
- A decrease of 70% in delinquent real estate tax collections is budgeted due to the 2015 tax claim sale, which was, essentially, and advance to the City of future revenues. .

**Landfill/ Refuse Fees**

---

**Account Description**

The City has established a residential refuse 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 2014. The billing period was modified in 2014 to allow for two payments annually and will be continued in 2016. The fee will remain the same.

**Budget Highlights**

- While the refuse fee will remain at $300 per unit in 2016, increased collections are projected on a current year basis due to procedural improvements in identifying billing units;
- The delinquent refuse fee total remains the same in the 2016 budget although the City anticipates improvement in the collection process by instituting liens for nonpayment.

## Local Tax

### Account Description

Another important driver and the City's second greatest source of revenue is its Local Taxes. Included in the local tax levy is the City wage, mercantile and local services taxes. The City's wage tax is 2.4% and not 3.4% as is commonly stated. The confusion is caused by the fact that the City's Wage Tax of 2.4% is collected along with the Scranton School District's 1% Wage Tax. The taxpayers make payments to Berkheimer Associates, the designated collector of earned income taxes. 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. The City's Mercantile and Business Privilege Tax rate is a flat .1%. The Real Estate Transfer tax, which is collected by Lackawanna County, is 2.90%.

### Budget Highlights

- The real estate transfer tax and current wage taxes will remain relatively constant in 2016. The Wage Tax collections are projected to increased by a nominal 3.00% due to payroll limitations resulting from the present state of the local economy;

- Mercantile and Business Privilege Tax collection percentages are budgeted to increase by approximately 25% in 2016 due to the use of analytics by the Single Tax Office. The cooperative effort between the City and Tax office is expected to identify nonpayment and result in improved collection percentages;

- With the Governor's signature of House Bill 1773 in 2014, the City has continued the tripling of the local services tax in the 2016 budget. The City is eligible for the increased collection effort while in Act 47 oversight as a distressed municipality. 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

### 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 and comparable with the prior year.

## Licenses and Permits

### 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 2016. The City also expects to completely review enacting ordinances for fee eligibility.

### Budget Highlights

- Revenue fluctuations in prior budgets may be attributed to various factors impacting the collection of permit fees and licenses, including the health of the local economy.
- The rental registration fee will be modified in 2016 resulting from a legal challenge. The City is proceeding to seek proposals for third party assistance with the inspection and identification components of the activity;
- The Department will undertake a review of enacting ordinances to better identify those parties eligible for permitting activity;
- The building permit budget was reduced by 52% as a more indicative forecast of current year activity.

## Fines, Forfeits, & Violations

### Account Description

Fines, Forfeits, and Violations are collected from persons or businesses that violate state statutes or City ordinances. Presently, parking meter revenue is derived from a management agreement the City maintains with the Republic Parking System. Mobile parking services are provided by Pango LLC as an enhancement to traditional meter collections. The City expects modifications to the program resulting from the parking monetization effort presently underway. Budget items new for 2015 and 2016 are 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,

### Budget Highlights

- The City expects Civilian Parking Ticket revenue to well exceed $200,000 in 2016;
- Budgeted activity other than Civilian Parking Tickets and Quality of Life enforcement is based on historic collection levels.

## Interest Earnings

### Account Description

Interest Income is derived from investing available cash in interest bearing accounts.

### Budget Highlights

- The City of Scranton has two primary cash accounts which are subject to some balance seasonality: The General Fund and Debt Service Fund. The debt service fund is presently maintained with the Single Point Paying Agent to meet debt payment needs; the general fund is maintained for operations.
- The City expects to revisit the Banking Services Request for Proposal in 2016 in an effort to seek to generate revenues not presently realized from the cash balances maintained in the General Fund. Although interest rates remain compressed, revenue generation remains a viable option for the City because of seasonal cash flow.

## Intergovernmental Reimbursement

### 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 remains constant in 2016. The City of Scranton expects receipt of federal SAFER Grant funding for the addition of 14 firefighters. The grant was approved by the federal government. The SAFER grant will fund salaries and benefits of those fireman hired by the City for the duration of the grant.

### Budget Highlights

- The City will receive SAFER grant funding for the hire of 14 fireman;
- The amount budgeted for the school resource officer line item was eliminated year over year because the funding has been removed from the amount of standard salary in the expenditure budget;
- The prior year reimbursement indicates payments due the City of Scranton by the Scranton School District for their share of the cost of funding the program.

## Payment in Lieu of Taxes

### 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 City of Scranton has realized markedly improved contribution activity in 2015 through a cooperative approach with the nonprofit community. The City will continue to apply a more practical approach to this process of engagement and may seek the use of alternative funding methods to support the program.

## Departmental Earnings

### Account Description

These accounts represent various department revenues earned through program operations. Revenue is generated by utility companies through roadway impact repairs, public safety report copy fees and public safety false alarm charges. False alarm charges were modified in 2014. Parking meter revenue was deployed, in part, to meet the debt service requirements of the defaulted and reissued Scranton Parking Authority bank debt. The City has reduced the budget for meter revenue due to the parking monetization effort. The on-street parking program, with its meter revenue component, will be consolidated with off-street, or parking garage, revenues upon the completion of the monetization effort.

### Budget Highlights

- Parking meter revenue represents partial year activity due to the expectation in 2016 of the completion of the monetization effort;
- Impact repair revenue is indicative of the change in fees resulting from the adoption of the amended Street and Sidewalks ordinance.

## User Fees

### Overview

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

### Budget Highlights

While the fee schedule for show mobile use was revised in 2014, the budgetary impact has been nominal. Categorical amounts are consistent with the 2015 budget. The City continues to evaluate all user fees in an effort to broaden the departmental revenue base.

## Misc. Revenue/ Cable TV

### Overview

This account represents funds received from various sources. The Cable TV franchise fee represents the primary portion of the recurring revenue. The CATV budget anticipated the conclusion of contract negotiations by the close of 2014. The renegotiated contract was not submitted for final approval until September 2015. The remaining balance can be attributed to other, mostly, single source revenues recognized by the City. If approved, additional borrowings will take place in 2016 to fund costs associated with Award Settlement for the fire and police unions. The amount proposed to the unions approximates $27.60 million, inclusive of partially funding a debt service reserve and costs of issuance. The amount also includes $1.50 million to improve the City's fire facilities. The amount of the issue may be incorporated into the stranded debt component of the parking monetization effort, or may be issued as individual general obligation debt. The City received in October 2015 proposals to complete a physical assessment of the fire facilities.

### Budget Highlights

- The City expects to receive an amount consistent with the 2015 budget resulting from the CATV agreement. The increased funding was not realized in 2015 because of the delay in reaching a final agreement;
- The City has budgeted $27.60 million consistent with the Award Settlement funding;
- $1.50 million is budgeted to fund improvements to the fire facilities City wide, including the former Army reserve facility.
- An amount budgeted is a component of what the City has indicated is due and payable from the ownership of the Ice Box Development. The dispute is presently in litigation.

## Inter-fund Transfers

### Account Description

This account represents reimbursements from third parties. Transfers from other funds include reimbursement from insurance companies relating to worker's compensation claims, excess from recovery payments, and grant funding reimbursement. The transfer of the annual liquid fuels payment to the general fund 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.

### 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 75% of the anticipated state allocation in 2016.

## Tax Anticipation Notes

### 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 $13.00 million Tax Anticipation Note in 2015

### Budget Highlights

- The City presently has little latitude in reducing the amount of the borrowing. The annual funding of the Workers Compensation account is required by January 31. The City maintains a self funded Workers Compensation program. Improvements in the City's fund balance may lessen the amount of the annual borrowing, thereby reducing interest costs.

CITY OF SCRANTON
2016 OPERATING BUDGET
REVENUE SUMMARY

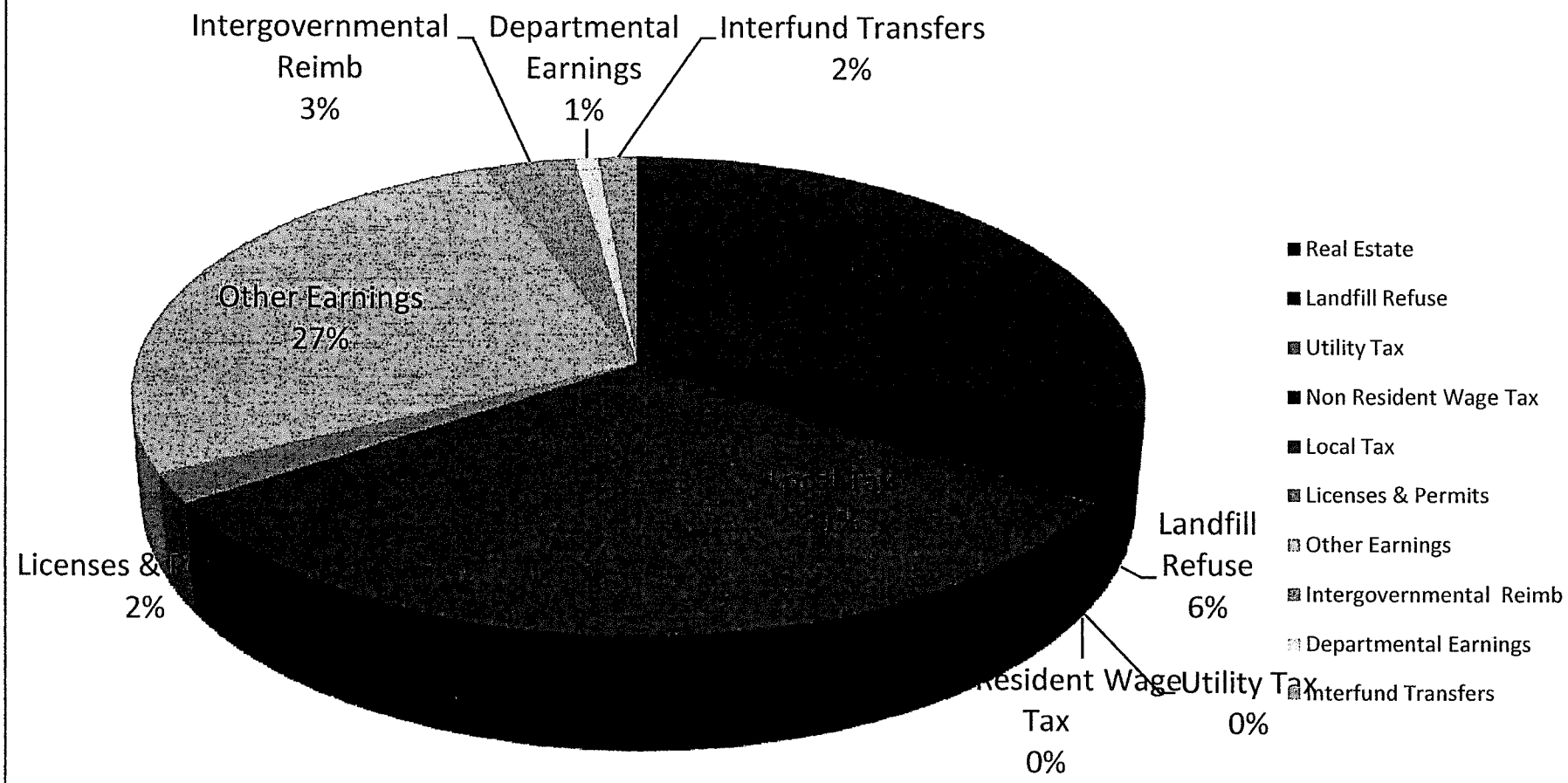
| | 2015 Operating Budget | 2015 Actual Through (9.30.2015) | 2016 Operating Budget |
|---|---|---|---|
| CURRENT REAL ESTATE TAX | $ 30,671,751.62 | $ 27,962,640.16 | $ 32,859,835.52 |
| DELINQUENT REAL ESTATE TAX | 2,275,000.00 | 1,687,204.95 | 675,000.00 |
| LANDFILL/REFUSE FEES | 6,875,000.00 | 6,134,793.12 | 7,287,500.00 |
| UTILITY TAX | 61,000.00 | 68,234.98 | 66,000.00 |
| NON RESIDENT WAGE TAX | 450,000.00 | 437.58 | 425,000.00 |
| LOCAL TAXES (ACT 511) | 34,432,500.00 | 25,647,245.26 | 36,847,500.00 |
| PENALTIES & INT/DEL. TAX | 120,100.00 | 99,270.92 | 130,100.00 |
| LICENSES & PERMITS | 3,503,250.00 | 1,546,072.11 | 2,401,750.00 |
| FINES, FORFEITS & VIOLATIONS | 861,000.00 | 524,191.14 | 843,500.00 |
| INTEREST EARNINGS | 500.00 | 0.08 | 12,500.00 |
| RENTS AND CONCESSIONS | 5,000.00 | 5,000.00 | 5,000.00 |
| INTERGOVERNMENTAL REIMBURSEMENTS | 3,768,835.17 | 3,142,533.83 | 3,961,960.86 |
| IN LIEU OF TAXES | 200,000.00 | 335,232.69 | 275,000.00 |
| DEPARTMENTAL EARNINGS | 1,725,000.00 | 912,117.62 | 999,750.00 |
| RECREATIONAL DEPARTMENTS | 50,000.00 | 39,560.50 | 65,000.00 |
| MISC REVENUES/CABLE TV | 7,974,688.23 | 811,929.67 | 30,865,500.00 |
| INTERFUND TRANSFERS | 1,425,000.00 | 494,205.66 | 1,740,000.00 |
| TAX ANTICIPATION NOTES | 13,383,183.00 | 13,383,183.00 | 12,750,000.00 |
| **TOTAL REVENUE** | **$ 107,781,808.02** | **$ 82,793,853.27** | **$ 132,210,896.38** |
| | $ 107,781,808.02 | $ 82,793,853.27 | $ 132,210,896.38 |

General Fund Revenues & Expenditures

| Revenue Category | 2015 Budget | 2015 Sept YTD | 2016 Budget |
|---|---|---|---|
| Real Estate Taxes | $32,946,752 | $29,649,845 | $33,534,836 |
| Refuse Revenues | $6,875,000 | $6,134,793 | $7,287,500 |
| Real Estate Transfer Tax | $2,605,000 | $2,285,001 | $2,690,000 |
| Earned Income Tax | $24,800,000 | $18,855,822 | $25,555,000 |
| Mercantile/Business Privlege Tax | $2,740,000 | $2,129,611 | $3,560,000 |
| Parking Tax | $250,000 | $74,974 | $147,500 |
| Commuter Tax | $0 | $0 | $0 |
| LST | $4,287,500 | $2,271,076 | $5,020,000 |
| Amusement Tax | $200,000 | $31,199 | $300,000 |
| Utility Tax | $61,000 | $68,235 | $66,000 |
| Penalties & Interest | $120,100 | $99,271 | $130,100 |
| Licenses & Permits | $3,503,250 | $1,546,072 | $2,401,750 |
| Fines, Forfeits & Violations | $861,000 | $524,191 | $843,500 |
| Interest Earnings | $500 | $0 | $12,500 |
| Rents & Concessions | $5,000 | $5,000 | $5,000 |
| Intergovernmental Reimbursements | $3,768,835 | $3,142,534 | $3,961,961 |
| In Lieu of Taxes | $200,000 | $335,233 | $275,000 |
| Departmental Earnings | $1,725,000 | $912,118 | $999,750 |
| User Fees | $50,000 | $39,561 | $65,000 |
| MBROs | $100,000 | $0 | $5,000 |
| Miscellaneous Revenues | $3,074,688 | $811,930 | $1,760,500 |
| Bond Proceeds Other | $0 | $0 | $0 |
| Interfund Transfers | $1,425,000 | $494,206 | $1,740,000 |
| **Total Revenues** | **$89,598,625** | **$69,410,670** | **$90,360,896** |
| Tax Anticipation Notes | $13,383,183 | $13,383,183 | $12,750,000 |
| State Loan Receipts | $0 | $0 | $0 |
| State Grant Receipts | $0 | $0 | $0 |
| Bond Issue Proceeds | $4,800,000 | $0 | $29,100,000 |
| **Total Revenues** | **$107,781,808** | **$82,793,853** | **$132,210,896** |

$ 107,781,808.02 $ 82,793,853.27 $ 132,210,896.38

# Summary of 2016 Revenue



CITY OF SCRANTON
2016 OPERATING BUDGET
BUDGETED REVENUES
GENERAL FUND

| Account Number | | Account Description | 2015 Operating Budget | 2015 Actual (Through 09.30.2015) | 2016 Operating Budget |
|---|---|---|---|---|---|
| | **REAL ESTATE TAXES (calculated at 89%)** | **Assessed Valuation: Land @ $92,245,054, Improvements @ $305,993,421 (08-2015)** | | | |
| | Real Estate Taxes | CURRENT REAL ESTATE TAX -IMPROVEMENTS/OPERATIONS MILLAGE RATE- 27.635 MILLS | 6,714,064.59 | $ 14,947,267.69 | 7,525,954.08 |
| 01.301.30100 | Real Estate Taxes | CURRENT REAL ESTATE TAX -IMPROVEMENTS/DEBT SERVICE MILLAGE RATE- 22.929 MILLS | 6,181,112.46 | $ 13,015,372.47 | 6,244,349.60 |
| 01.301.30706 | Real Estate Taxes | CURRENT REAL ESTATE TAX - LAND/OPERATIONS MILLAGE RATE - 127.081 MILLS | 9,255,701.45 | | 10,433,108.39 |
| | Real Estate Taxes | CURRENT REAL ESTATE TAX - LAND/DEBT SERVICE MILLAGE RATE - 105.440 MILLS | 8,520,873.12 | | 8,656,423.45 |
| 01.301.30120 | Real Estate Taxes | DELINQUENT REAL ESTATE TAX | 2,275,000.00 | $ 1,687,204.95 | 675,000.00 |
| | | **TOTAL REAL ESTATE TAXES** | **$ 32,946,751.62** | **$ 29,649,845.11** | **$ 33,534,835.52** |
| | | **LANDFILL / REFUSE FEES** | | | |
| 01.302.30200 | Refuse Revenues | LANDFILL TIPPING FEE - $300 RATE IN 2015 | 5,500,000.00 | 5,181,385.11 | 5,912,500.00 |
| 01.302.30210 | Refuse Revenues | DELINQ REFUSE DISP FEE | 1,375,000.00 | 953,408.01 | 1,375,000.00 |
| | | **TOTAL LANDFILL/REFUSE FEES** | **$ 6,875,000.00** | **$ 6,134,793.12** | **$ 7,287,500.00** |
| 01.304.30400 | Utility Tax | **UTILITY TAX** | **61,000.00** | **68,234.98** | **66,000.00** |
| 01.305.30500 | Earned Income Tax | **NON RESIDENT WAGE TAX** | **450,000.00** | **437.58** | **425,000.00** |
| | | **LOCAL TAXES (ACT 511)** | | | |
| 01.310.31110 | Real Estate Transfer Tax | REAL ESTATE TRANSFER TAX (2.90) | 2,600,000.00 | 2,285,000.64 | 2,685,000.00 |
| 01.310.31115 | Real Estate Transfer Tax | DELINQUENT REAL ESTATE TRANSFER TAX | 5,000.00 | - | 5,000.00 |
| 01.310.31120 | Earned Income Tax | CURRENT WAGE TAX (2.4) | 24,250,000.00 | 18,760,045.78 | 24,975,000.00 |
| 01.310.31125 | Earned Income Tax | DELINQUENT WAGE TAX | 100,000.00 | 95,339.06 | 155,000.00 |
| 01.310.31160 | Mercantile/Business Privlege Tax | MERCANTILE TAX 1.0 MILLS | 1,200,000.00 | 998,079.61 | 1,555,000.00 |
| 01.310.31190 | Mercantile/Business Privlege Tax | MERCANTILE-DELINQUENT | 40,000.00 | 4,790.62 | 75,000.00 |
| 01.310.31205 | LST | LOCAL SERVICES TAX | 4,287,500.00 | 2,271,076.14 | 5,020,000.00 |
| 01.310.31260 | Mercantile/Business Privlege Tax | DELINQUENT BUS. PRIV. TAX | 100,000.00 | 59,815.52 | 125,000.00 |
| 01.310.31290 | Mercantile/Business Privlege Tax | BUS. PRIV. TAX 1.0 MILLS | 1,400,000.00 | 1,066,925.10 | 1,805,000.00 |
| 01.310.31291 | Parking Tax | PARKING TAX | 250,000.00 | 74,974.14 | 147,500.00 |
| 01.310.31292 | Commuter Tax | COMMUTER TAX-PENDING COURT APPROVAL | - | - | - |
| 01.310.31295 | Amusement Tax | AMUSEMENT TAX | 200,000.00 | 31,198.65 | 300,000.00 |
| | | **TOTAL LOCAL TAXES (ACT 511)** | **$ 34,432,500.00** | **$ 25,647,245.26** | **$ 36,847,500.00** |
| | | **PENALTIES & INT / DELINQUENT TAXES** | | | |
| 01.319.31900 | Penalties & Interest | PEN/INT/DLQ REAL ESTATE | 45,000.00 | 43,204.42 | 50,000.00 |
| 01.319.31910 | Penalties & Interest | PEN/DLQ BUS. PRIV. TAX | 15,000.00 | 13,312.50 | 20,000.00 |
| 01.319.31930 | Penalties & Interest | ADVERTISING/RL.EST.REGIS | 100.00 | - | 100.00 |
| 01.319.31940 | Penalties & Interest | TAX, REFUSE, DEMOILITION LIEN AND CONDEMNATION SEARCH FEES | 60,000.00 | 42,754.00 | 60,000.00 |
| 01.319.31950 | Penalties & Interest | FILING FEES- DELINQUENT ACCOUNT | | - | - |
| | | **TOTAL PENALTIES & INT/DEL. TAXES** | **$ 120,100.00** | **$ 99,270.92** | **$ 130,100.00** |

CITY OF SCRANTON
2016 OPERATING BUDGET
BUDGETED REVENUES
GENERAL FUND

| Account Number | | Account Description | 2015 Operating Budget | 2015 Actual (Through 09.30.2015) | 2016 Operating Budget |
|---|---|---|---|---|---|
| | | **LICENSES AND PERMITS** | | | |
| 01.320.32010 | Licenses & Permits | ELECTRICAL PERMITS | 225,000.00 | 99,218.00 | 205,000.00 |
| 01.320.32030 | Licenses & Permits | PLUMBER LICENSES | 25,000.00 | 24,050.00 | 30,000.00 |
| 01.320.32040 | Licenses & Permits | ELECTRICIAN LICENSES | 40,000.00 | 44,625.00 | 50,000.00 |
| 01.320.32050 | Licenses & Permits | MECHANICAL PERMITS | 200,000.00 | 125,918.00 | 155,000.00 |
| 01.320.32060 | Licenses & Permits | MECHANICAL LICENSES | 30,000.00 | 36,675.00 | 40,000.00 |
| 01.320.32070 | Licenses & Permits | CONTRACTOR LICENSES | 50,000.00 | 48,125.00 | 60,000.00 |
| 01.320.32080 | Licenses & Permits | SCALE LICENSES | 5,000.00 | 3,780.00 | 6,000.00 |
| 01.320.32110 | Licenses & Permits | BEVERAGE LICENSES | 75,000.00 | - | 75,000.00 |
| 01.320.32120 | Licenses & Permits | BUILDING PERMITS | 1,575,000.00 | 311,090.00 | 750,000.00 |
| 01.320.32130 | Licenses & Permits | JUNKYARD LICENSES | 8,000.00 | 5,000.00 | 8,000.00 |
| 01.320.32140 | Licenses & Permits | PARKING FACILITIES | 1,250.00 | 777.40 | 1,250.00 |
| 01.320.32150 | Licenses & Permits | SIGN HANGERS LICENSES | 5,000.00 | 5,100.00 | 5,500.00 |
| 01.320.32160 | Licenses & Permits | DOG & KENNEL LICENSES | 30,000.00 | 15,126.00 | 20,000.00 |
| 01.320.32170 | Licenses & Permits | LODGING LICENSES | 25,000.00 | 22,851.00 | 27,500.00 |
| 01.320.32180 | Licenses & Permits | EATING & DRINKING LICENSES | 80,000.00 | 71,190.00 | 87,500.00 |
| 01.320.32190 | Licenses & Permits | GASOLINE PUMP LICENSES | 5,000.00 | 3,695.00 | 5,000.00 |
| 01.320.32200 | Licenses & Permits | MUSIC MACHINE PERMITS | 1,000.00 | 100.00 | 500.00 |
| 01.320.32210 | Licenses & Permits | PINBALL MACHINE PERMITS | 500.00 | - | - |
| 01.320.32240 | Licenses & Permits | PLUMBER PERMITS | 150,000.00 | 41,766.00 | 105,000.00 |
| 01.320.32250 | Licenses & Permits | SIGN PERMITS | 40,000.00 | 28,107.00 | 40,000.00 |
| 01.320.32290 | Licenses & Permits | TEMP. PEDDLER PERMIT | 15,000.00 | 5,925.00 | 10,000.00 |
| 01.320.32295 | Licenses & Permits | TRANSIENT MERCHANT LICENSES | - | - | - |
| 01.320.32300 | Licenses & Permits | POOLS & BILLIARDS LICENSES | 1,500.00 | 1,050.00 | 1,500.00 |
| 01.320.32320 | Licenses & Permits | DAILY ENTERTAINMENT LICENSE | 20,000.00 | 23,338.00 | 25,000.00 |
| 01.320.32330 | Licenses & Permits | ELECTRONIC MACHINE PERMIT | 500.00 | - | - |
| 01.320.32332 | Licenses & Permits | VIDEO AMUSEMENTS | 500.00 | 950.00 | 1,000.00 |
| 01.320.32335 | Licenses & Permits | AMUSEMENT RIDES | 3,000.00 | 4,450.00 | 4,500.00 |
| 01.320.32336 | Licenses & Permits | DUMPSTER PERMITS | 3,000.00 | 2,810.00 | 3,000.00 |
| 01.320.32337 | Licenses & Permits | ARCADE LICENSES | 4,000.00 | 3,000.00 | 4,000.00 |
| 01.320.32340 | Licenses & Permits | NON-CLASS LIC. & PERMITS | 500.00 | - | - |
| 01.320.32345 | Licenses & Permits | SECOND-HAND DEALER REVENUE | 5,000.00 | 4,800.00 | 5,000.00 |
| 01.320.32360 | Licenses & Permits | SIGN PERMITS/CONSTRUCTION | 10,000.00 | 2,096.00 | 5,000.00 |
| 01.320.32380 | Licenses & Permits | RENTAL INSPECTIONS | - | - | - |
| 01.320.32390 | Licenses & Permits | CHILD DAY CARE | 4,000.00 | 3,200.00 | 4,000.00 |
| 01.320.32400 | Licenses & Permits | PERSONAL BOARDING CARE | 5,000.00 | 4,545.00 | 5,000.00 |
| 01.320.32420 | Licenses & Permits | SANITATION HAULER FEE | 500.00 | - | - |
| 01.320.32430 | Licenses & Permits | HOUSING RENTAL LICENSES | 600,000.00 | 395,650.00 | 365,000.00 |
| 01.320.32450 | Licenses & Permits | BUILDING CODE STATE FEE | 10,000.00 | 7,928.00 | 10,000.00 |
| 01.320.32460 | Licenses & Permits | THIRD PARTY PLAN REVIEWS | 250,000.00 | 199,136.71 | 250,000.00 |
| 01.320.32460 | Licenses & Permits | FORECLOSURE REGISTRY | - | - | 37,500.00 |
| | | **TOTAL LICENSES & PERMITS** | **$ 3,503,250.00** | **$ 1,546,072.11** | **$ 2,401,750.00** |

CITY OF SCRANTON
2016 OPERATING BUDGET
BUDGETED REVENUES
GENERAL FUND

| Account Number | | Account Description | 2015 Operating Budget | 2015 Actual (Through 09.30.2015) | 2016 Operating Budget |
|---|---|---|---|---|---|
| | | **FINES, FOREFITS & VIOLATIONS** | | | |
| 01.330.33000 | Fines, Forfeits & Violations | FINES & FORFEITS/MISCELLANEOUS | 500.00 | - | 500.00 |
| 01.331.33100 | Fines, Forfeits & Violations | POLICE FINES | 275,000.00 | 129,313.75 | 175,000.00 |
| 01.331.33118 | Fines, Forfeits & Violations | PARKING TICKETS- | 475,000.00 | 163,706.40 | 250,000.00 |
| 01.331.33119 | Fines, Forfeits & Violations | PARKING TICKETS-POLICE ISSUED | 35,000.00 | 27,835.00 | 37,500.00 |
| 01.331.33120 | Fines, Forfeits & Violations | CIVILIAN PARKING TICKETS | | 105,528.98 | 217,500.00 |
| 01.331.33121 | Fines, Forfeits & Violations | QUALITY OF LIFE TICKETS- | | 28,620.00 | 42,500.00 |
| 01.331.33130 | Fines, Forfeits & Violations | FINES & PENALTIES - STATE | 25,000.00 | 16,367.01 | 25,000.00 |
| 01.331.33145 | Fines, Forfeits & Violations | PARKING METER PERMITS | 50,000.00 | 52,620.00 | 95,000.00 |
| 01.331.33155 | Fines, Forfeits & Violations | TAXI DRIVER PERMITS | 500.00 | 200.00 | 500.00 |
| 01.331.33165 | Fines, Forfeits & Violations | POLICE TOWING/STORAGE FEES | - | | - |
| | | **TOTAL FINES, FORFEITS & VIOLATIONS** | **$ 861,000.00** | **$ 524,191.14** | **$ 843,500.00** |
| | | **INTEREST EARNINGS** | | | |
| 01.341.38525 | Interest Earnings | INTEREST-CASH-CHECKING | 500.00 | 0.08 | 12,500.00 |
| | | **TOTAL INTEREST EARNINGS** | **$ 500.00** | **$ 0.08** | **$ 12,500.00** |
| 01.342.34200 | Rents & Concessions | **RENTS AND CONCESSIONS** | **$ 5,000.00** | **$ 5,000.00** | **$ 5,000.00** |
| | | **INTERGOVERNMENTAL REIMBURSEMENT** | | | |
| 01.350.35002 | Intergovernmental Reimbursements | OECD REIMB -- DEMOLITION PROGRAM | - | - | - |
| 01.350.35020 | Intergovernmental Reimbursements | SUPL STATE AID PENSION | 3,000,000.00 | 3,003,359.45 | 3,150,000.00 |
| 01.350.35060 | Intergovernmental Reimbursements | DCA ACT 47 LOAN | | | - |
| 01.350.35100 | Intergovernmental Reimbursements | FEMA EMERG PMTS | | - | - |
| 01.350.35115 | Intergovernmental Reimbursements | ACT 13 UNCONVENTIONAL GAS WELL FUND USAGE | - | - | - |
| 01.350.35130 | Intergovernmental Reimbursements | FEMA PAYMENTS- FIRE SAFER GRANT | 400,000.00 | - | 582,546.86 |
| 01.350.35140 | Intergovernmental Reimbursements | REIMBURSEMENT SCHOOL RESOURCE OFFICERS | 368,835.17 | 139,174.38 | - |
| | Intergovernmental Reimbursements | PRIOR YEAR REIMBURSEMENT SCHOOL RESOURCE OFFICERS | | | 229,414.00 |
| | | **TOTAL INTERGOVERNMENTAL REIMBURSEMENTS** | **$ 3,768,835.17** | **$ 3,142,533.83** | **$ 3,961,960.86** |
| 01.359.35900-35940 | In Lieu of Taxes | **IN LIEU OF TAXES** | **$ 200,000.00** | **$ 335,232.69** | **$ 275,000.00** |

CITY OF SCRANTON
2016 OPERATING BUDGET
BUDGETED REVENUES
GENERAL FUND

| Account Number | | Account Description | 2015 Operating Budget | 2015 Actual (Through 09.30.2015) | 2016 Operating Budget |
|---|---|---|---|---|---|
| | | **DEPARTMENTAL EARNINGS** | | | |
| 01.360.36010 | Departmental Earnings | PARKING METERS | 1,250,000.00 | 673,916.22 | 575,500.00 |
| 01.360.36020 | Departmental Earnings | BOARD OF ZONING/PLANNING COMMISSION | 15,000.00 | 11,170.00 | 15,250.00 |
| 01.360.36030 | Departmental Earnings | PAVE CUTS - PAWC | 200,000.00 | 23,795.40 | 116,250.00 |
| 01.360.36035 | Departmental Earnings | PAVE CUTS - UGI ENERGY | 125,000.00 | 115,272.00 | 151,500.00 |
| 01.360.36040 | Departmental Earnings | PAVE CUTS - OTHER | 25,000.00 | 7,764.00 | 12,750.00 |
| 01.360.36050 | Departmental Earnings | REPORT COPIES-FIRE/POL | 10,000.00 | - | - |
| 01.360.36060 | Departmental Earnings | FIRE/POL BURGLAR ALARMS | 100,000.00 | 80,200.00 | 128,500.00 |
| | | **TOTAL DEPARTMENTAL EARNINGS** | **$ 1,725,000.00** | **$ 912,117.62** | **$ 999,750.00** |
| 01.367.36740 | User Fees | **USER FEES** | **50,000.00** | **39,560.50** | **65,000.00** |
| | | **MISC REVENUES/CABLE TV** | | | |
| 01.380.38000 | Miscellaneous Revenues | OTHER-NOT CLASSIFIED | 250,000.00 | 135,535.34 | 250,000.00 |
| 01.380.38010 | Miscellaneous Revenues | CATV REVENUE | 1,175,000.00 | 676,394.33 | 1,155,000.00 |
| 01.380.38020 | Miscellaneous Revenues | DONATED REVENUE | 15,000.00 | - | 5,000.00 |
| 01.380.38030 | Miscellaneous Revenues | OTHER FINANCING SOURCE | 34,688.23 | - | 500.00 |
| 01.380.38060 | MBROS | MARKET-BASED REVENUE OPPORTUNITIES | 100,000.00 | - | 5,000.00 |
| 01.380.38070 | Miscellaneous Revenues | REPAYMENT FROM ICE BOX DEVELOPMENT | 100,000.00 | - | 350,000.00 |
| 01.380.38860 | Bond Issue Proceeds | PROCEEDS 2014 BOND ISSUANCE | | - | - |
| 01.380.38865 | Bond Issue Proceeds | PROCEEDS 2015 BOND ISSUANCE | 4,800,000.00 | | - |
| 01.380.38870 | Miscellaneous Revenues | SALE OF ASSETS - TAX CLAIMS | 1,500,000.00 | | - |
| 01.380.38875 | Bond Issue Proceeds | PROCEEDS 2016 BOND ISSUANCE | | | 29,100,000.00 |
| | | **TOTAL MISC REVENUES/CABLE TV** | **$ 7,974,688.23** | **$ 811,929.67** | **$ 30,865,500.00** |
| | | **INTERFUND TRANSFERS** | | | |
| 01.392.39331 | Interfund Transfers | TRANSFERS IN FROM OTHER FUNDS | 400,000.00 | - | 245,000.00 |
| 01.392.39332 | Interfund Transfers | TRANSFERS IN FROM LIQUID FUELS | 1,025,000.00 | 494,205.66 | 1,495,000.00 |
| | | **TOTAL INTERFUND TRANSFERS** | **$ 1,425,000.00** | **$ 494,205.66** | **$ 1,740,000.00** |
| | | **TAX ANTICIPATION NOTES** | | | |
| 01.394.39320 | Tax Anticipation Notes | TAN SERIES A | 13,383,183.00 | 13,383,183.00 | 12,750,000.00 |
| 01.394.39330 | Tax Anticipation Notes | TAN SERIES B | | | |
| | | **TOTAL TAX ANTICIPATION NOTES** | **$ 13,383,183.00** | **$ 13,383,183.00** | **$ 12,750,000.00** |
| | | **TOTAL REVENUE** | **$ 107,781,808.02** | **$ 82,793,853.27** | **$ 132,210,896.38** |

## 2016 General Fund Budget - Expenditures

### Summary Highlights

The 2016 budget is a continuation of the process of restoring fiscal integrity to the City of Scranton through the effective allocation of limited resources. 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 add value to the delivery all services, not just those delivered by our union employees, in a cost effective, value added, manner. Hence, the City will only authorize salary increases for non-union employees on a very limited basis in the 2016 budget. The final year of the Department of Community and Economic Development grant supporting salaries in the Office of Business Administration concludes in 2016.

The limited additions to staff in the budget are included only when a determination was made that those positions either add measurable value to the departmental operation, or are offset by either program savings or revenue production. The City will opt to delay implementation of rotating salary increases for non-union employees due to the additional pay period in 2016. The total number of pay periods in 2016 increases to twenty-seven, from the standard twenty-six pay periods. This additional pay period occurs every eleven years. The additional pay period adds an approximate $500,000 to total payroll dollars, net of grant funding, in 2016.

To more effectively maintain and deliver services, additions to staff will occur in the Solicitor's Office, Fire Department, Human Resources Department and the Department of Public Works. An interdepartmental personnel transfer will be made from the Office of Community and Economic Development to the Department of Licenses and Permits. When possible, the additions will be made from staff reductions in other departments.

The City also seeks to improve the delivery of services through a more aggressive capital improvement and acquisition program. Fleet improvements are needed for each department and grant funding will be sought when available, as well as through cost effective leasing opportunities. Eligible capital improvements will be funded through the annual Liquid Fuels allocation in compliance with Commonwealth rules and regulations, and from allocations in the general fund budget. The City will continue to evaluate third party contracts as an alternative to staff additions, where those contracts add value and efficiency to departmental operations.

The City is undertaking significant initiatives in monetization efforts with sewer and parking assets which may have a profound impact on the 2016 budget and certainly in subsequent years. The City also seeks resolution to the funding issue related to the Award Settlement through continued negotiations with the respective bargaining units and the financial markets relative to the issuance and purchase of the supporting debt.

## Mayor's Office

### 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 is supported by a part-time Administrative Secretary, which was an addition to the budget in 2015. The Mayor's Office coordinates the activities and initiatives of the 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.

### 2016 Budget Highlights

- The final addition to the Mayor's salary occurs as a result of legislation enacted in 2013. The salary increases by $5,000.00 in 2016.
- The dues to the membership subscription in the Pennsylvania League of Cities were deferred by the League until 2016. The League fulfills an important function for all member cities throughout the Commonwealth through many shared initiatives.

## City Clerk/ City Council

### 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.

### 2016 Budget Highlights

- Funding was included under Services and Maintenance to evaluate automated methodology applied to the creation of the meeting agenda, which will also more efficiently incorporate legislation on the City's website.

## City Controller

### Department Description

The City Controller maintains an encumbrance system of budget operations; receives from the Office of Business Administration and department heads such information regarding city properties and obligations, and city income and expenditures as are deemed necessary to carry out these duties. The Controller furnishes the Mayor and Council with reporting on these matters monthly. 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 payments are supported and approval for payment vouchers are made only if satisfied that payments are processed in accordance with law.

### 2016 Budget Highlights

The proposed budget for this department remains consistent with the 2015 budget.

## Business Administration

### 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 government 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. 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.

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.

The **Bureau of Information Technology** is the central information technology and telecommunications source for all departments within the City of Scranton. 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 the 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.

## 2016 Budget Highlights

### Bureau of Administration

- The **Bureau of Administration** budget continues the current staffing complement supported by a Commonwealth of Pennsylvania Department of Community and Economic Development grant. Salaries supporting the positions of Business Administrator, Finance Manager, and Staff Accountant are partially offset by a three year grant. The grant funding is received on a decreasing scale annually, with an approximate 33% funding component remaining for the 2016 budget year. The Department has also developed a program for the use of interns from the various colleges and universities in the area to support office functions.
- Operating transfers to the Workers Compensation Trust Fund will increase by 2.57%. This funding requirement occurs annually and is actuarially determined. The City maintains a self funded Workers Compensation program.

### Bureau of Human Resources

The **Bureau of Human Resources** salary budget was increased to include an addition to staff to manage the City's Workers Compensation program. The City's historic program management has not been viewed favorably by the Commonwealth of Pennsylvania. The addition to staff addresses those concerns. Improvements will be made with safety management and claims administration. Savings achieved by eliminating third party support will fund the position.

- The City of Scranton expects to save approximately $100,000 in third party fees by assuming the responsibilities internally. The savings will pay for the cost of the staff member.
- The Training and Certification budget was increased because of the expansion of the drug testing program.

### Bureau of Information Technology

The **Bureau of Information Technology** continues to administer the upgrade of hardware and software throughout the City departments and coordinate 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. With the greater reliance on technology for the operation of City departments, especially the police department, the City will add another Information Technology Manager to assist, primarily, with Police department initiatives but also to allow for better coverage across the City departments.

- The Department will oversee the installation of the wireless Law Enforcement Records Management System to correspond with the upgrade of the County of Lackawanna 911 system. The City will be the first municipality in Lackawanna County to install the system. The system

cost is $831,518 and will be acquired by executing a five year lease priced at 2.296%. The annual lease payments of $176,031.61 are incorporated in the 2016 budget;

- The Services and Maintenance fee budget was increased by 141%, or $42,500, due to annual maintenance contracts associated with the City's recent software upgrades and video wall support;
- The Materials and Supplies budget will increase by 145%, or $29,000, due to the continued need for computer replacement;
- The Capital Expenditures budget will increase by 185%, or $92,500, due to the need to replace servers in City facilities. Approximately 10 servers will require replacement at approximately $5,000 each. Network switches will also require replacement.
- The network of downtown surveillance cameras will be made operational through the acquisition of new devices. The cost of the cameras is $153,000 and will be offset by a $140,000 grant.

### Bureau of Treasury

The **Bureau of Treasury** budget remains consistent with 2015. The Professional Services budget incorporates funding for the refuse billing contract.

- A budget amount of $11,500 will be used for the renewal of the refuse billing contract;
- The cost associated with the Tax Collection Committee expense is a pro-rated assignment based on an allocation of cost to the other participating Lackawanna County municipalities.

## Office of Economic and Community Development

### 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.

### 2016 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. Staffing levels change with the reassignment of the Blight and Demolition Specialist to the Department of Licenses and Permits.

## Department of Licenses, Inspections & Permits

### 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. Inspections also include compliance with the City's Rental Registration ordinance. 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.

### 2016 Budget Highlights

- The departmental salary budget includes the addition to staff of a Deputy Director. The position is needed because the responsibilities of the Director frequently are outside of the office, leaving less time for department oversight. The Deputy Direct will be reassigned from the Office of Community and Economic Development. The staff addition is critical in importance because of a 2016 initiative to review ordinances.
- The Department will review and reconstruct the Rental Registration activities and seek to contract with a third party the inspection functions. The need to further add efficiencies to the program will be critical to the execution of the City budget.
- The City will continue to maintain a more realistic contribution level to the Griffin Pond Animal Shelter which is the recipient organization of the City's animal control program. The delivery of animals to the Shelter had reached what may be deemed crisis proportions. The numbers of animals delivered to the Shelter has averaged in excess of 1,000 over the prior five years. The contribution level will continue to use an arithmetic calculation which includes a contribution per animal delivered to the Shelter.
- The Professional Services budget was increased to $40,000 to fund costs associated with initiatives which result from the approval of the SAPA Plan, including updating the zoning and subdivision ordinances.

## Department of Licenses, Inspections & Permits - Buildings

### 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, and the Department of Public Works.

### 2016 Budget Highlights

- While the overall budget remains consistent with 2015, the City will seek to evaluate a comprehensive energy management program to reduce utility costs and complete building improvements long overdue. The program will incorporate improvements to all City buildings, including those housing public safety, public works, and municipal operations.
- The Capital Expenditures budget was reinstated in the amount of $40,000 to provide funding for facility improvements.
- The City will continue to manage utility costs as effectively as possible, especially given the age and inefficiency of the municipal building and firehouses. An analysis of the condition of the City's fire facilities will be conducted in the first quarter of 2016.

## Department of Law

### Department Description

The Law Department serves as legal advisor to the Mayor and department heads of the City; represents the City in negligence actions filed against the City; 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.

### 2016 Budget Highlights

- Due to the volume of activity in the Office of the Solicitor, including the varied of legal issues confronted by the City annually, the department will add a staff member to more effectively process the volume of paperwork managed by the office staff. Another confidential secretary will assist the City with the processing of all activities associated with the many legal matters managed by the office.

## Public Safety – Scranton Police Department

### 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 police service. The Department plans, staffs, and implements police response to major planned and unplanned events, natural disasters, major emergencies, and coordinates with other City 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 the department are reflected throughout the City budget.

### 2016 Budget Highlights

- The addition of civilian parking enforcement, resulting from the renegotiation of the department contract, has resulted in a revenue source which adequately offsets the costs of implementing the program, including salaries;
- Additions to the officer base have resulted in savings due to the lower pay rates and corresponding longevity payments. While an adequate staff complement is critical to maintaining peak public safety levels, the savings of in excess of $92,000 have been integral in budget performance;
- The renegotiated contract resulted in changes in manning levels and shift differentials and has achieved savings of approximately $150,000. The savings are reflected in a modest compression in budgeted departmental expenditures.
- SIT/Clerical numbers will remain at 18 with the reassignment of two SIT Clerks to the civilian Parking Enforcement positions;
- An additional $7,000 was added to the Services and Maintenance fee budget for the monthly software package & data plans for the parking enforcement program.
- The Guns/Ammunition budget has increase due to underfunding in 2015;
- An additional $402,000 was added to the Capital Expenditures budget to support the implementation of the body camera program, which is partially grant supported;

## Public Safety – Scranton Fire Department

### 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.

### 2016 Budget Highlights

- While the City expects future staffing to remain relatively constant, the overall complement was reduced from 133 employees, including the Chief and Administrative Assistant, to 122 employees. The Department was not awarded a SAFER grant in 2015 but has completed the filing process for the next grant funding round in 2016. The department was notified of the grant approval. The 2016 budget incorporates a complement of 14 firefighters which will bring Departmental staffing back to more favorable levels;
- A reduced salary budget is due to the change in the pay structure resulting from the bargaining agreement executed in 2015 as well as the anticipated SAFER grant in the amount of $582,546.86. This grant amount reduces the payroll budget by the number of firefighters, fourteen, which will be added to the 2016 staffing levels, bringing the complement to 136;
- The budget also provides a more realistic approach to funding overtime costs associated with shift manning requirements resulting from the executed collective bargaining agreement. The overtime budget is expected to decrease by approximately 28%;
- The Professional Services budget was increased to meet the costs associated with the Fire Facilities analysis. This evaluation will be conducted in the first quarter of 2016. An amount of $1,500,000 was included in the 2016 budget to fund facilities improvements. This amount is identified in the Non-Departmental budgeted expenditures. The City is also evaluating the acquisition and use of the former Army Reserve facility on Colfax Avenue to combine various disparate public safety functions, as well as designate the facility for much needed storage space. The capital expenditure amount noted above would include improvements to this facility upon transfer to the City;
- The Services and Maintenance fee was under budgeted in 2015 and should be more reflective of costs associated with departmental technological and other improvements. The General Equipment budget includes funding for the required air pack upgrades and training;

- The training and certification budget will increase in 2016 due to the addition of fourteen firefighters. Salaries and benefits for those firefighters will be offset by the SAFER grant;
- The Capital Expenditures budget includes approximately $1,500,000 for facilities improvements which will be offset by a 2016 debt issue. The budget also includes $105,000 as the City's match for the LSA grant application submitted for the acquisition of equipment. The budget also includes approximately $25,000 for a HAZMAT trailer, which will be partially offset by grant funding;
- Favorable salary impacts resulting from the collective bargaining agreement include a reduction of approximately $50,000 due to reduced acting pay as well as in excess of approximately $130,000 annually resulting from position elimination.

## Department of Public Works

### Department Description

The Department of Public Works is comprised of six bureaus; Administration, Engineering, Highways, Refuse, Garage, and Parks & Recreation. 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.

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 27 parks including 7 pools, 2 waterslides, and a dog park. 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.

2016 Budget Highlights

## Department of Public Works – Administration

- While the City expects the staffing complement to remain relatively constant, a departmental reassignment will occur from Flood Control to Management. The Flood Control Maintenance position will be reassigned to Administration as Foreman, which is consistent with the responsibilities presently undertaken by the individual. The position salary will be consistent with 2015 regardless of the reassignment.
- The major roadway resurfacing program planned for 2015 through Pennsylvania Infrastructure Bank funding will be continued into 2016. The City expects that the project will be rebid in January of 2016 for spring initiation. The City also plans to continue the capital equipment replacement initiatives through the deployment of grant funding and leasing programs, as well as the continued use of budgeted general and capital projects funds.

## Department of Public Works – Engineering

- The salary decrease is consistent with the reassignment of the Flood Control Maintenance position to administration;
- The Professional Services budget was increased based on a contemplated review of changes to the refuse program;
- The City expects to work with the Army Corps of Engineers and the Federal Emergency Management Agency to complete the construction of the levee system in the Parker Street vicinity. An approximate $3.20 million project is planned. The City will seek to deploy flood control funds previously escrowed to complete the project within the funding match requirements of the program. The program initiative was highlighted in the 2016 Capital Budget;
- A position of Recycling Coordinator will be created in Administration which is a reassignment of the Parks and Recreation specialist. Those responsibilities will be assumed departmentally by current staff. The position was created due to deficiencies in the City's state-mandated recycling program. A recycling consultant was retained in 2015 as the first stage of program improvement. The City expects that the salary associated with the position will be offset by better tracking and monitoring of commercial recycling tonnage.

## Department of Public Works – Highways

- Reductions in street lighting costs are forecast based on savings realized with the renegotiation and extension of the City's electricity contract. The contract was renegotiated by the City's utilities services broker. Savings are also anticipated through the retrofit of street lighting to more energy efficient systems.
- The capital expenditures budget includes the purchase of a new Ford F550 or equivalent dump truck through the CoStars Program.

## Department of Public Works – Refuse

- In 2015, the Bureau of Refuse took delivery of four new garbage packers to replace those in an aging fleet. This replacement program will continue with the addition of a twenty five yard refuse packer in 2016. The amount of the purchase is estimated at $200,000.

## Department of Public Works – Garage

- The Bureau of Garages and Maintenance budget remains consistent with 2015. A reduction in the gas, oil, and lubricants budget is resulting from the continued upgrade to newer fleet vehicles.

## Department of Public Works -Parks & Recreation

- Total payrolls increased due to a reassignment of positions based on current responsibilities.
- The City is revisiting the assemblage of funding sources for the reestablishment of the Novembrino Recreation Complex and will seek grant funding through a Department of Natural Resources and Conservation program. An amount of $50,000.00 is budgeted as a complement to the grant funding source as well as the $220,000.00 requested through the Office and Community and Economic Development.
- The City will continue to seek Weston Fund allocations for the continued maintenance of Weston Field and Weston Park.

## Single Tax Office

### 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;
- Act 511 taxes including current and delinquent Scranton School District and City of Scranton Business Privilege and Mercantile Taxes, City of Scranton Parking and Amusement taxes, and the Local Services Tax.
- The Overtime budget was increased to eliminate the use of compensatory time.

### 2016 Budget Highlights

- The City is working cooperatively with the Tax Office to implement an analytics program designed to better identify tax payers responsible for the Business Privilege and Mercantile Taxes. The program may also be utilized for other Act 511 taxes if appropriate. The City is also evaluating a similar program to provide assistance with the Local Services Tax. This service will be paid from the Professional Services budget in the Office of Business Administration.

## Non-Departmental Expenditures

### 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 unpaid bills, court awards, and contingency expenditures.

## Boards Commissions and Non-Profits

- Most budget categories are consistent with 2015 allocations;
- The St. Cats and Dogs budget was increased to accept any overflow of animal volume which exceeds the capacity of Griffin Pond.
- The Shade Tree Commission budget will increase by $16,500 for greater tree maintenance and stump removal;
- The Human Relations Commission budget is based on the reinstatement of the commission.

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

The City of Scranton will continue to levy a debt service millage component for debt principal and interest payments, as well as funded guaranteed debt obligations. The millage allocation does not include lease payments. The itemization of debt obligations includes two general obligation debt items which is are funded with $1,000 solely to create budget for those prospective debts. The two series may consist of debt service associated with the Award Settlement and the "stranded" debt component of the Parking Authority debt. The City expects that following the completion of the Parking Authority monetization initiative, the remaining balance in the Authority guaranty line item will be transferred into the 2016 General Obligation debt budgets.

- The Tax Anticipation Note will be issue at approximately the same amount as 2015. A $250,000 reduction is anticipated in the Note amount;
- The amounts budgeted are consistent with the respective amortization schedules for the debt, except: the 2016 Series C of 2012 payment is consistent with the amortization schedule. The amount budgeted in 2015 used funds in the same series sinking fund to reduce the budgeted amount. Those funds have been depleted;
- The Guaranteed Energy Savings budget is based on the completion of the street lighting initiative and the initial amortization of those lease payments;
- Additional lease payments are budgeted for (1) the acquisition and installation of the law enforcement management system which is resulting from the Lackawanna County emergency system upgrade, (2) the lease of a new John Deere Loader which will be assigned to the Department of Public Works, (3) the lease of Turnout Gear used by the Fire Department, which required an upgrade, (4) the lease of a new engine by the Fire Department. Lease transactions have consistently been completed with rates approximating 3.00%.

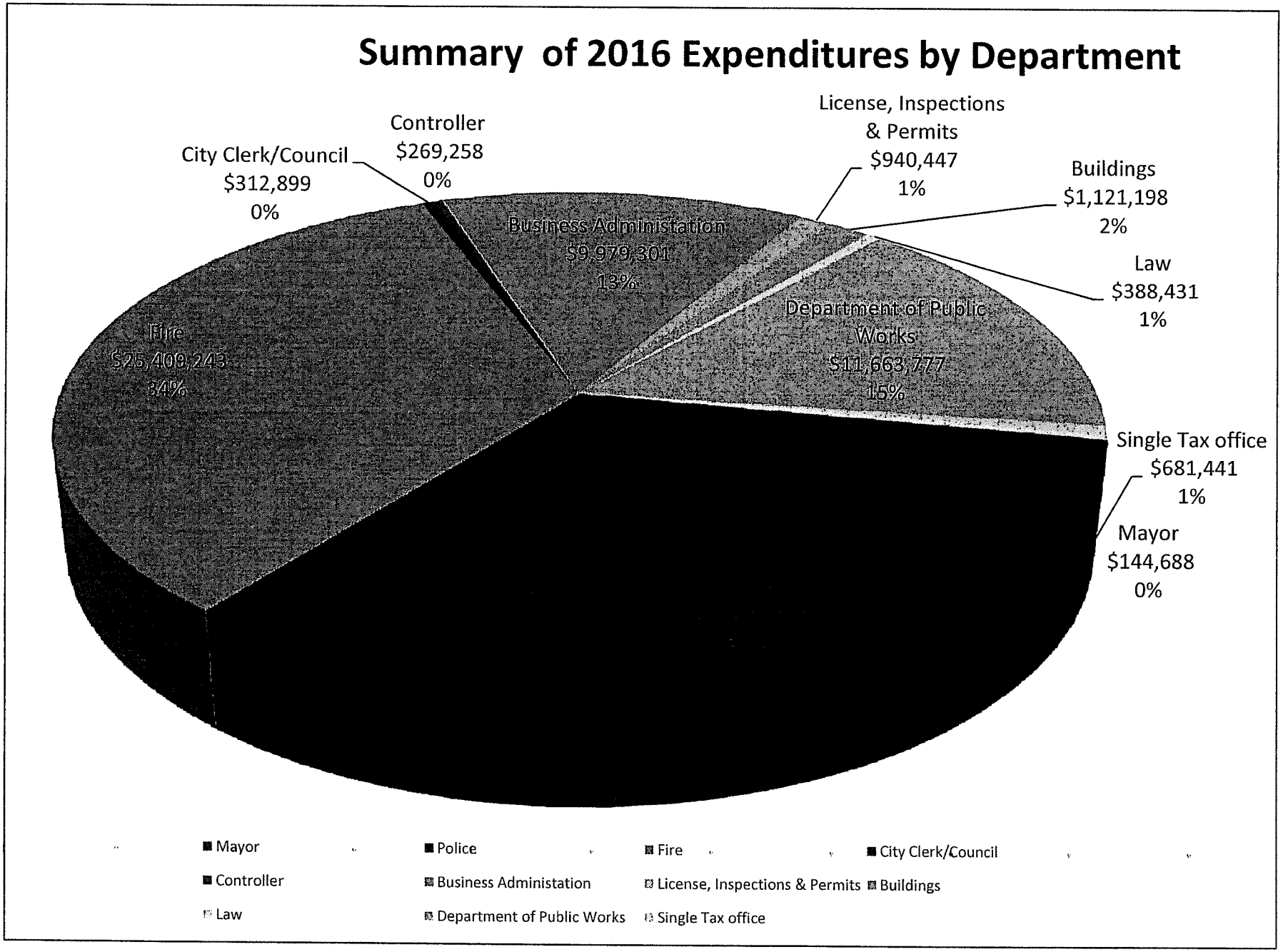
**Total Miscellaneous, including Contingencies and Unencumbered Expenses**

- 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 for payments from the prior fiscal year which have not been subject to encumbrance;
- The court award budget is expected to fund the Award Settlement payment.

CITY OF SCRANTON
2016 OPERATING BUDGET

## EXPENDITURE SUMMARY BY DEPARTMENT

| | 2015 Operating Budget | 2015 (Through 09/30/2015) | 2016 Operating Budget |
|---|---|---|---|
| MAYOR | $ 151,685.00 | $ 85,171.65 | $ 144,688.27 |
| DEPT OF PUBLIC SAFETY BUREAU OF POLICE | 22,829,912.43 | 13,514,358.40 | 24,583,239.50 |
| DEPT OF PUBLIC SAFETY BUREAU OF FIRE | 22,207,890.33 | 11,937,683.81 | 25,409,243.03 |
| CITY CLERK/COUNCIL | 305,369.12 | 221,822.09 | 312,898.55 |
| CONTROLLER | 247,357.48 | 166,253.34 | 269,257.64 |
| DEPT OF BUSINESS ADMINISTRATION BUREAU OF ADMINISTRATION | 7,706,758.69 | 5,727,755.71 | 7,935,586.10 |
| DEPT OF BUSINESS ADMINISTRATION BUREAU OF HUMAN RESOURCES | 1,307,568.49 | 1,153,502.92 | 1,333,479.93 |
| DEPT OF BUSINESS ADMINISTRATION BUREAU OF INFO TECHNOLOGY | 417,100.00 | 348,172.28 | 576,507.69 |
| DEPT OF BUSINESS ADMINISTRATION BUREAU OF TREASURY | 159,256.78 | 91,027.39 | 133,727.53 |
| DEPT OF LICENSES INSPECTIONS & PERMITS BUREAU OF LIPS | 819,987.25 | 592,003.21 | 940,447.45 |
| DEPT OF LICENSES INSPECTIONS & PERMITS BUREAU OF BUILDINGS | 1,409,369.58 | 672,915.11 | 1,121,197.96 |
| LAW DEPARTMENT | 360,398.31 | 225,476.64 | 388,430.81 |
| DEPT OF PUBLIC WORKS BUREAU OF ADMINISTRATION | 2,668,495.21 | 2,079,953.79 | 2,695,691.12 |
| DEPT OF PUBLIC WORKS BUREAU OF ENGINEERING | 250,001.06 | 172,712.23 | 200,094.75 |
| DEPT OF PUBLIC WORKS BUREAU OF HIGHWAYS | 2,699,007.86 | 1,487,037.57 | 2,484,514.99 |
| DEPT OF PUBLIC WORKS BUREAU OF REFUSE | 3,799,760.86 | 2,654,347.03 | 4,255,771.26 |
| DEPT OF PUBLIC WORKS BUREAU OF GARAGES | 1,515,046.46 | 943,538.21 | 1,306,391.50 |
| DEPARTMENT OF PUBLIC WORKS- BUREAU OF PARKS & RECREATION | 581,014.98 | 446,353.06 | 721,313.01 |
| SINGLE TAX OFFICE | 645,059.55 | 602,766.85 | 681,440.51 |
| NON-DEPARTMENTAL | 37,700,768.45 | 7,297,386.23 | 56,716,974.78 |
| **TOTAL OPERATING EXPENDITURES** | **$ 107,781,807.89** | **$ 50,420,237.52** | **$ 132,210,896.38** |
| ECONOMIC & COMMUNITY DEVELOPMENT (NON-ADDITION TO THE BUDGET) | $ 672,328.99 | $ - | $ 655,928.88 |
| | $ 107,781,807.89 | $ 50,420,237.52 | $ 132,210,896.38 |


Summary of 2016 Expenditures by Department
Controller
$269,258
0%
City Clerk/Council
$312,899
0%
License, Inspections
& Permits
$940,447
1%
Buildings
$1,121,198
2%
Law
$388,431
1%
Business Administation
$9,979,301
13%
Department of Public
Works
$11,663,777
15%
Fire
$25,409,243
34%
Single Tax office
$681,441
1%
Mayor
$144,688
0%
Mayor
Police
Fire
City Clerk/Council
Controller
Business Administation
License, Inspections & Permits
Buildings
Law
Department of Public Works
Single Tax office

CITY OF SCRANTON
2016 OPERATING BUDGET
BUDGETED EXPENDITURES
GENERAL FUND

| | Account Number | Account Description | 2015 Operating Budget | 2015 (Through 09/30/2015) | 2016 Operating Budget |
|---|---|---|---|---|---|
| | **Office of the Mayor - #10** | | | | |
| 4010 | 01.010.00000.4010 | STANDARD SALARY | $ 112,085.00 | $ 85,167.15 | $ 121,588.27 |
| 4040 | 01.010.00000.4040 | OTHER SALARY (MISC) | - | | - |
| 4080 | 01.010.00000.4080 | OVERTIME SALARY | - | - | - |
| | | TOTAL EMPLOYEE COMPENSATION | 112,085.00 | 85,167.15 | 121,588.27 |
| 4270 | 01.010.00000.4270 | DUES AND SUBSCRIPTIONS | 39,000.00 | - | 22,500.00 |
| 4290 | 01.010.00000.4290 | STATIONARY/OFFICE SUPPLIES | 100.00 | 4.50 | 100.00 |
| 4390 | 01.010.00000.4390 | MATERIALS/SUPPLIES (MISC) | - | - | - |
| 4420 | 01.010.00000.4420 | TRAVEL AND LODGING | 500.00 | - | 500.00 |
| 4550 | 01.010.00000.4550 | CAPITAL EXPENDITURES | - | - | - |
| | | TOTAL OPERATING EXPENDITURES | 39,600.00 | 4.50 | 23,100.00 |
| | | **DEPARTMENT of MAYOR TOTAL** | **$ 151,685.00** | **$ 85,171.65** | **$ 144,688.27** |

**Office of the Mayor - #10**

| POSITION/TITLE | 2015 Total | 2015 # | 2016 Total | 2016 # |
|---|---|---|---|---|
| MAYOR | $ 65,000.00 | 1 | $ 72,692.31 | 1 |
| CONFIDENTIAL SECRETARY | 36,085.00 | 1 | $ 37,472.88 | 1 |
| PART-TIME SECRETARY | 11,000.00 | 1 | $ 11,423.08 | 1 |
| **Department of the Mayor Total** | **$ 112,085.00** | **3** | **$ 121,588.27** | 3 |

CITY OF SCRANTON
2016 OPERATING BUDGET
BUDGETED EXPENDITURES
GENERAL FUND

| | Account Number | Account Description | 2015 Operating Budget | 2015 (Through 09/30/2015) | 2016 Operating Budget |
|---|---|---|---|---|---|
| | **Dept. of Public Safety - #11** | | | | |
| | **Bureau of Police - #71** | | | | |
| 4010 | 01.011.00071.4010 | STANDARD SALARY | $ 10,046,411.85 | $ 7,672,050.93 | $ 10,447,246.48 |
| 4040 | 01.011.00071.4040 | OTHER SALARY (MISC) | 180,906.00 | 260,063.15 | 180,906.00 |
| 4070 | 01.011.00071.4070 | LONGEVITY SALARY | 770,593.00 | 615,905.44 | 796,791.02 |
| 4080 | 01.011.00071.4080 | OVERTIME SALARY | 700,000.00 | 572,228.14 | 500,000.00 |
| 4090 | 01.011.00071.4090 | COURT APPEARANCE SALARY | 130,000.00 | 110,436.52 | 130,000.00 |
| 4101 | 01.011.00071.4101 | UNIFORM ALLOWANCE | 110,850.00 | 109,500.00 | 115,850.00 |
| 4112 | 01.011.00071.4112 | HEALTH INSURANCE - POLICE UNION | 4,582,198.58 | 3,387,674.03 | 4,957,326.00 |
| 4120 | 01.011.00071.4120 | LIFE/DISABILITY INSURANCE | 300,000.00 | 167,641.15 | 208,801.00 |
| 4140 | 01.011.00071.4140 | CITY 10% EARLY RETIREMENT | 153,045.00 | 111,165.27 | 153,045.00 |
| 4150 | 01.011.00071.4150 | CITY PENSION | 5,170,561.00 | 531.07 | 6,274,672.00 |
| 4170 | 01.011.00071.4170 | POLICE EDUCATION ALLOWANCE | 50,000.00 | 11,193.75 | 60,000.00 |
| 4180 | 01.011.00071.4180 | SOCIAL SECURITY | 397,347.00 | 262,948.27 | 449,002.00 |
| | | TOTAL EMPLOYEE COMPENSATION | 22,591,912.43 | 13,281,337.72 | 24,273,639.50 |
| 4201 | 01.011.00071.4201 | PROFESSIONAL SERVICES | 6,000.00 | 3,993.36 | 6,000.00 |
| 4210 | 01.011.00071.4210 | SERVICES AND MAINTENANCE FEE | 55,000.00 | 55,130.42 | 63,000.00 |
| 4270 | 01.011.00071.4270 | DUES AND SUBSCRIPTIONS | 3,000.00 | 3,020.00 | 3,100.00 |
| 4280 | 01.011.00071.4280 | MISC SERVICES-NON CLASSIFIED | 500.00 | 2,500.31 | 2,500.00 |
| 4290 | 01.011.00071.4290 | STATIONARY/OFFICE SUPPLIES | 1,000.00 | 798.00 | 2,500.00 |
| 4380 | 01.011.00071.4380 | GUNS/AMMUNITION | 10,000.00 | 8,789.04 | 22,500.00 |
| 4390 | 01.011.00071.4390 | MATERIALS/SUPPLIES (MISC) | 15,000.00 | 12,945.14 | 20,000.00 |
| 4420 | 01.011.00071.4420 | TRAVEL AND LODGING | 2,500.00 | 4,017.60 | 3,500.00 |
| 4470 | 01.011.00071.4470 | TRAINING AND CERTIFICATION | 45,000.00 | 42,144.69 | 45,000.00 |
| 4550 | 01.011.00071.4550 | CAPITAL EXPENDITURES | 95,000.00 | 95,000.00 | 135,000.00 |
| 4570 | 01.011.00071.4570 | MAINTENANCE COMMUNICATION EQUIPMENT | 5,000.00 | 4,682.12 | 6,500.00 |
| | | TOTAL OPERATING EXPENDITURES | 238,000.00 | 233,020.68 | 309,600.00 |
| | | **BUREAU of POLICE TOTAL** | **$ 22,829,912.43** | **$ 13,514,358.40** | **$ 24,583,239.50** |

**Department of Public Safety - #11**
**Bureau of Police - #71**

| POSITION/TITLE | 2015 Total | 2015 # | 2016 Total | 2016 # |
|---|---|---|---|---|
| SUPERINTENDENT OF POLICE | $ 93,594.19 | 1 | $ 98,894.86 | 1 |
| CAPTAIN OF DETECTIVES | 86,533.04 | 1 | 91,433.80 | 1 |
| CAPTAIN - PATROL | 83,204.78 | 1 | 87,917.05 | 1 |
| LIEUTENANT OF DETECTIVES | 80,004.58 | 1 | 84,535.52 | 1 |
| LIEUTENANT - ADMINISTRATIVE | 76,927.54 | 1 | 81,284.30 | 1 |
| LIEUTENANTS | 230,782.62 | 3 | 243,852.90 | 3 |
| SUPERVISOR - NARCOTICS DIVISION | 73,968.81 | 1 | 78,157.94 | 1 |
| FIRE MARSHALL | 73,968.81 | 1 | 78,157.94 | 1 |
| DETECTIVE SERGEANT | 295,875.24 | 4 | 312,631.76 | 4 |
| DETECTIVES | 924,608.62 | 13 | 976,973.40 | 13 |
| SERGEANTS-TRAINING | 142,247.48 | 2 | 150,303.58 | 2 |
| SERGEANTS | 927,453.69 | 13 | 976,973.40 | 13 |
| JUVENILE PATROLMEN | 341,941.45 | 5 | 364,197.55 | 5 |
| CORPORALS | 460,306.21 | 7 | 486,375.47 | 7 |
| REGULAR PATROLMEN | 5,842,352.84 | 93 | 6,093,061.08 | 93 |
| SCHOOL RESOURCE OFFICERS 1/2 FUNDED BY SSD (6 OFFICERS) | (189,686.79) | | (200,429.64) | |
| Neighborhood Police Officers Paid by OECD (4 in 2015) | (240,270.00) | (4) | (240,515.53) | (4) |
| COPS HIRING PROGRAM- FUNDED BY SPECIAL CITIES | (15,000.00) | - | 0.00 | - |
| SUBTOTAL POLICE OFFICERS | 9,288,813.11 | 143 | 9,763,805.38 | 143 |
| SIT CLERKS | 527,405.65 | 15 | 547,689.60 | 15 |
| ADMINISTRATIVE ASSISTANT III- PAYROLL CLERK | 38,057.16 | 1 | 39,520.90 | 1 |
| GRANT MANAGER/SIT CLERK | 48,243.03 | 1 | 50,098.53 | 1 |
| SIT CLERK/CRIMINAL INFORMATION SPECIALIST | 44,423.48 | 1 | 46,132.07 | 1 |
| Subtotal - Administrative Support | 658,129.32 | 18 | 683,441.10 | 18 |
| **Bureau of Police Total** | **$ 9,946,942.43** | **161** | **$ 10,447,246.48** | **161** |

CITY OF SCRANTON
2016 OPERATING BUDGET
BUDGETED EXPENDITURES
GENERAL FUND

| | Account Number | Account Description | 2015 Operating Budget | 2015 (Through 09/30/2015) | 2016 Operating Budget |
|---|---|---|---|---|---|
| | Dept. of Public Safety - #11 | | | | |
| | Bureau of Fire - #78 | | | | |
| 4010 | 01.011.00078.4010 | STANDARD SALARY | $ 9,319,024.96 | $ 6,670,513.99 | $ 9,662,046.13 |
| 4040 | 01.011.00078.4040 | OTHER SALARY (MISC) | $ 227,014.00 | 541,905.09 | $ 376,233.00 |
| 4070 | 01.011.00078.4070 | LONGEVITY SALARY | $ 774,320.37 | 601,563.90 | $ 779,020.90 |
| 4080 | 01.011.00078.4080 | OVERTIME SALARY | 350,000.00 | 311,151.37 | 250,000.00 |
| 4101 | 01.011.00078.4101 | UNIFORM ALLOWANCE | 100,000.00 | 5,110.00 | 98,550.00 |
| 4113 | 01.011.00078.4113 | HEALTH INSURANCE - FIRE UNION | 4,800,000.00 | 3,472,796.09 | 4,883,334.00 |
| 4120 | 01.011.00078.4120 | LIFE/DISABILITY INSURANCE | 300,000.00 | 153,858.94 | 192,322.00 |
| 4140 | 01.011.00078.4140 | CITY 10% EARLY RETIREMENT | 130,978.00 | 99,311.68 | 119,335.00 |
| 4150 | 01.011.00078.4150 | CITY PENSION | 6,023,553.00 | 715.36 | 7,111,152.00 |
| | | TOTAL EMPLOYEE COMPENSATION | 22,024,890.33 | 11,856,926.42 | 23,471,993.03 |
| 4201 | 01.011.00078.4201 | PROFESSIONAL SERVICES | 3,000.00 | 1,679.00 | 25,000.00 |
| 4210 | 01.011.00078.4210 | SERVICES AND MAINTENANCE FEE | 3,000.00 | 8,969.00 | 45,000.00 |
| 4270 | 01.011.00078.4270 | DUES AND SUBSCRIPTIONS | 500.00 | 452.00 | 2,500.00 |
| 4316 | 01.011.00078.4316 | CLEAN AIR MAINTENANCE | - | | - |
| 4320 | 01.011.00078.4320 | BLDG/REPAIR-SUPPLY MAINT | 2,500.00 | 2,441.71 | 2,750.00 |
| 4390 | 01.011.00078.4390 | MATERIALS/SUPPLIES (MISC) | 5,000.00 | 6,959.03 | 7,000.00 |
| 4420 | 01.011.00078.4420 | TRAVEL AND LODGING | 1,000.00 | - | 1,000.00 |
| 4430 | 01.011.00078.4430 | AIR PACKS/REHAB SUPPLIES | 5,000.00 | 4,965.87 | 6,000.00 |
| 4470 | 01.011.00078.4470 | TRAINING AND CERTIFICATION | 20,000.00 | 24,723.08 | 150,000.00 |
| 4550 | 01.011.00078.4550 | CAPITAL EXPENDITURES | 125,000.00 | 17,031.90 | 1,630,000.00 |
| 4570 | 01.011.00078.4570 | MAINTENANCE COMMUNICATION EQUIP | 3,000.00 | 1,065.14 | 3,000.00 |
| 4575 | 01.011.00078.4575 | MAINTENANCE-EQUIPMENT | - | | |
| 4580 | 01.011.00078.4580 | GENERAL EQUIPMENT | 15,000.00 | 12,470.66 | 65,000.00 |
| | | TOTAL OPERATING EXPENDITURES | 183,000.00 | 80,757.39 | 1,937,250.00 |
| | | **BUREAU of FIRE TOTAL** | **$ 22,207,890.33** | **$ 11,937,683.81** | **$ 25,409,243.03** |
| | | **DEPARTMENT of PUBLIC SAFETY TOTAL** | **$ 45,037,802.76** | **$ 25,452,042.21** | **$ 49,992,482.53** |

**Department of Public Safety - #11**
**Bureau of Fire - #78**

| POSITION/TITLE | 2015 Total | 2015 # | 2016 Total | 2016 # |
|---|---|---|---|---|
| CHIEF | $ 67,228.11 | 1 | $ 69,813.81 | 1 |
| DEPUTY CHIEF | 87,361.68 | 1 | 91,125.94 | 1 |
| ASST. CHIEF | 341,568.86 | 4 | 350,484.40 | 4 |
| ADMIN. CAPTAIN | 75,843.35 | 1 | 81,010.63 | 1 |
| CAPTAIN | 1,467,244.12 | 19 | 1,296,170.00 | 16 |
| LIEUTENANT | 1,258,396.08 | 18 | 1,324,212.20 | 17 |
| CHAUFFEUR | 2,768,389.08 | 39 | 2,846,157.40 | 38 |
| FIRE INSPECTOR | 161,463.94 | 2 | 168,502.12 | 2 |
| FIRE PREVENTION OFFICER | 81,728.66 | 1 | 84,251.06 | 1 |
| PRIVATE | 2,662,594.22 | 39 | 2,643,999.94 | 40 |
| SAFER GRANT- CHAUFFEUR | - | | - | - |
| SAFER GRANT- PRIVATE | - | | 582,546.86 | 14 |
| MASTER MECHANIC | 79,735.28 | 1 | 84,251.06 | 1 |
| ADMINISTRATIVE ASSISTANT III- PAYROLL CLERK | 38,056.98 | 1 | 39,520.71 | 1 |
| **Bureau of Fire Total** | **$ 9,089,610.36** | **127** | **$ 9,662,046.13** | **137** |

CITY OF SCRANTON
2016 OPERATING BUDGET
BUDGETED EXPENDITURES
GENERAL FUND

| | Account Number | Account Description | 2015 Operating Budget | 2015 (Through 09/30/2015) | 2016 Operating Budget |
|---|---|---|---|---|---|
| | **Office of the City Clerk/City Council - #20** | | | | |
| 4010 | 01.020.00000.4010 | STANDARD SALARY | $ 221,944.12 | $ 170,579.17 | $ 230,473.42 |
| 4040 | 01.020.00000.4040 | OTHER SALARY (MISC) | - | - | |
| 4070 | 01.020.00000.4070 | LONGEVITY SALARY | 3,425.00 | - | 3,425.13 |
| 4080 | 01.020.00000.4080 | OVERTIME SALARY | 500.00 | - | 500.00 |
| | | TOTAL EMPLOYEE COMPENSATION | 225,869.12 | 170,579.17 | 234,398.55 |
| 4201 | 01.020.00000.4201 | PROFESSIONAL SERVICES | 50,000.00 | 27,999.21 | 41,000.00 |
| 4210 | 01.020.00000.4210 | SERVICES AND MAINTENANCE FEE | 500.00 | - | 8,000.00 |
| 4220 | 01.020.00000.4220 | CONTRACTED SERVICES | - | - | - |
| 4230 | 01.020.00000.4230 | PRINTING AND BINDING | 8,000.00 | 5,735.82 | 7,500.00 |
| 4250 | 01.020.00000.4250 | ADVERTISING | 20,000.00 | 17,320.40 | 21,500.00 |
| 4260 | 01.020.00000.4260 | RENTAL VEHICLES & EQUIPMENT | - | - | - |
| 4270 | 01.020.00000.4270 | DUES AND SUBSCRIPTIONS | - | - | - |
| 4290 | 01.020.00000.4290 | STATIONARY/OFFICE SUPPL | 1,000.00 | 187.49 | 500.00 |
| 4420 | 01.020.00000.4420 | TRAVEL AND LODGING | - | - | - |
| 4550 | 01.020.00000.4550 | CAPITAL EXPENDITURES | - | - | - |
| | | TOTAL OPERATING EXPENDITURES | 79,500.00 | 51,242.92 | 78,500.00 |
| | | **DEPARTMENT of CITY CLERK / CITY COUNCIL TOTAL** | **$ 305,369.12** | **$ 221,822.09** | **$ 312,898.55** |

**Office of City Clerk/City Council - #20**

| POSITION/TITLE | 2015 Total | 2015 # | 2016 Total | 2016 # |
|---|---|---|---|---|
| CITY COUNCIL | $ 62,500.00 | 5 | $ 64,903.85 | 5 |
| CITY CLERK | 41,220.00 | 1 | 42,805.38 | 1 |
| EXECUTIVE ASSISTANT | 38,056.99 | 1 | 39,520.72 | 1 |
| CONFIDENTIAL SECRETARY | 35,160.38 | 1 | 36,512.70 | 1 |
| LEGISLATIVE LEGAL ADVISOR (a) | 45,000.00 | 1 | 46,730.77 | 1 |
| **Department of City Clerk / City Council Total** | **$ 221,937.37** | **9** | **$ 230,473.42** | **9** |

(a) No health care benefits

CITY OF SCRANTON
2016 OPERATING BUDGET
BUDGETED EXPENDITURES
GENERAL FUND

| | Account Number | Account Description | 2015 Operating Budget | 2015 (Through 09/30/2015) | 2016 Operating Budget |
|---|---|---|---|---|---|
| | **City Controller - #30** | | | | |
| | ***Roseann Novembrino, City Controller*** | | | | |
| 4010 | 01.030.00000.4010 | STANDARD SALARY | $ 226,623.63 | $ 165,734.24 | $ 235,339.93 |
| 4040 | 01.030.00000.4040 | OTHER SALARY (MISC) | - | | 10,000.00 |
| 4070 | 01.030.00000.4070 | LONGEVITY SALARY | 3,418.00 | - | 3,417.71 |
| 4080 | 01.030.00000.4080 | OVERTIME SALARY | - | | 0.00 |
| | | TOTAL EMPLOYEE COMPENSATION | 230,041.63 | 165,734.24 | 248,757.64 |
| | | | - | | |
| 4201 | 01.030.00000.4201 | PROFESSIONAL SERVICES | 16,815.85 | - | 20,000.00 |
| 4210 | 01.030.00000.4210 | SERVICES AND MAINTENANCE FEE | - | - | 0.00 |
| 4230 | 01.030.00000.4230 | PRINTING AND BINDING | - | - | 0.00 |
| 4240 | 01.030.00000.4240 | POSTAGE AND FREIGHT | 100.00 | 66.00 | 100.00 |
| 4270 | 01.030.00000.4270 | DUES AND SUBSCRIPTIONS | 200.00 | 166.39 | 200.00 |
| 4290 | 01.030.00000.4290 | STATIONARY/OFFICE SUPPLIES | 200.00 | 286.71 | 200.00 |
| 4420 | 01.030.00000.4420 | TRAVEL AND LODGING | - | | 0.00 |
| 4550 | 01.030.00000.4550 | CAPITAL EXPENDITURES | - | - | 0.00 |
| | | TOTAL OPERATING EXPENDITURES | 17,315.85 | 519.10 | 20,500.00 |
| | | | | | |
| | | **DEPARTMENT of CITY CONTROLLER TOTAL** | **$ 247,357.48** | **$ 166,253.34** | $ 269,257.64 |

**City Controller - #30**

***Roseann Novembrino, City Controller***

| POSITION/TITLE | 2015 Total | 2015 # | 2016 Total | 2016 # |
|---|---|---|---|---|
| CITY CONTROLLER | $ 40,000.00 | 1 | $ 41,538.46 | 1 |
| SOLICITOR TO CONTROLLER | 25,092.00 | 1 | 26,057.08 | 1 |
| CONFIDENTIAL SECRETARY/ASSISTANT | 28,171.00 | 1 | 29,254.50 | 1 |
| DEPUTY CONTROLLER/ADMIN. | 32,737.00 | 1 | 33,996.12 | 1 |
| ADMINISTRATIVE ASSISTANT IV -INTERNAL AUDITOR | 39,059.58 | 1 | 40,561.87 | 1 |
| PROGRAM MONITOR | 28,827.05 | 1 | 29,935.78 | 1 |
| PERFORMANCE AUDITOR | 32,737.00 | 1 | 33,996.12 | 1 |
| **Department City Controller Total** | **$ 226,623.63** | **7** | **$ 235,339.93** | **7** |

CITY OF SCRANTON
2016 OPERATING BUDGET
BUDGETED EXPENDITURES
GENERAL FUND

| | Account Number | Account Description | 2015 Operating Budget | 2015 (Through 09/30/2015) | 2016 Operating Budget |
|---|---|---|---|---|---|
| | **Department of Business Administration - #40** | | | | |
| | **Bureau of Administration - #40** | | | | |
| 4010 | 01.040.00040.4010 | STANDARD SALARY | $ 316,899.99 | $ 239,109.84 | $ 340,068.71 |
| 4040 | 01.040.00040.4040 | OTHER SALARY (MISC) | 3,300.00 | - | 3,300.00 |
| 4070 | 01.040.00040.4070 | LONGEVITY SALARY | 3,300.00 | - | 3,329.99 |
| 4080 | 01.040.00040.4080 | OVERTIME SALARY | - | - | - |
| 4116 | 01.040.00040.4116 | HEALTH INSURANCE - CLERICAL UNION | 1,265,000.00 | 1,134,867.55 | 1,385,132.00 |
| 4117 | 01.040.00040.4117 | HEALTH INSURANCE - NON UNION | 700,000.00 | 754,089.93 | 926,485.00 |
| 4120 | 01.040.00040.4120 | LIFE/DISABILITY INSURANCE | 87,500.00 | 50,737.00 | 52,500.00 |
| 4150 | 01.040.00040.4150 | CITY PENSION | 1,163,209.00 | 4,210.76 | 1,014,228.00 |
| 4180 | 01.040.00040.4180 | SOCIAL SECURITY | 194,577.30 | 136,839.00 | 175,789.00 |
| 4190 | 01.040.00040.4190 | UNEMPLOYMENT INSURANCE | 75,000.00 | 25,078.30 | 65,000.00 |
| | | TOTAL EMPLOYEE COMPENSATION | 3,808,786.29 | 2,344,932.38 | 3,965,832.70 |
| 4201 | 01.040.00040.4201 | PROFESSIONAL SERVICES | 150,000.00 | 111,784.73 | 135,000.00 |
| 4210 | 01.040.00040.4210 | SERVICES AND MAINTENANCE FEE | 2,500.00 | 1,372.19 | 1,500.00 |
| 4230 | 01.040.00040.4230 | PRINTING AND BINDING | 1,500.00 | 992.85 | 1,250.00 |
| 4240 | 01.040.00040.4240 | POSTAGE AND FREIGHT | 15,000.00 | 17,164.00 | 17,500.00 |
| 4250 | 01.040.00040.4250 | ADVERTISING | 15,000.00 | 9,871.90 | 15,000.00 |
| 4270 | 01.040.00040.4270 | DUES AND SUBSCRIPTIONS | 1,200.00 | 914.20 | 1,000.00 |
| 4290 | 01.040.00040.4290 | STATIONARY/OFFICE SUPPLIES | 8,000.00 | 6,046.96 | 8,000.00 |
| 4390 | 01.040.00040.4390 | MATERIALS/SUPPLIES (MISC) | 500.00 | 325.22 | 500.00 |
| 4420 | 01.040.00040.4420 | TRAVEL AND LODGING | 500.00 | - | 500.00 |
| 4470 | 01.040.00040.4470 | TRAINING AND CERTIFICATION | - | 219.00 | 500.00 |
| 4550 | 01.040.00000.4550 | CAPITAL EXPENDITURES | - | - | - |
| 4560 | 01.040.00040.4560 | EQUIPMENT MAINTENANCE/LEASES | - | - | - |
| 6002 | 01.040.00040.6002 | REPUBLIC PARKING CITATION ISSUERS | 659,786.40 | 350,231.60 | 667,786.40 |
| 6009 | 01.040.00040.6009 | OPERATING TRANSFERS-WORKERS' COMP TRUST | 3,038,986.00 | 2,883,783.78 | 3,117,217.00 |
| 6024 | 01.040.00040.6024 | BANK FEES AND CHARGES | 5,000.00 | 116.90 | 4,000.00 |
| | | TOTAL OPERATING EXPENDITURES | 3,897,972.40 | 3,382,823.33 | 3,969,753.40 |
| | | **BUREAU of ADMINISTRATION TOTAL** | **$ 7,706,758.69** | **$ 5,727,755.71** | **$ 7,935,586.10** |

**Department of Business Administration - #40**

**Bureau of Administration - #40**

| POSITION/TITLE | 2015 Total | 2015 # | 2016 Total | 2016 # |
|---|---|---|---|---|
| BUSINESS ADMINISTRATOR | $ 79,900.00 | 1 | $ 93,461.54 | 1 |
| FINANCE MANAGER | 49,900.00 | 1 | 51,819.23 | 1 |
| SENIOR ACCOUNTANT | 37,400.00 | 1 | 38,838.46 | 1 |
| STAFF ACCOUNTANT | 35,000.00 | 1 | 36,346.15 | 1 |
| FINANCIAL ANALYST | 37,583.44 | 1 | 39,520.73 | 1 |
| ADMINISTRATIVE ASSISTANT III- ACCOUNTS PAYABLE CLERK | 38,056.97 | 1 | 39,520.73 | 1 |
| ADMINISTRATIVE ASSISTANT IV -PURCHASING CLERK | 39,059.58 | 1 | 40,561.87 | 1 |
| **Bureau of Administration Total** | **316,899.99** | **7** | **340,068.71** | **7** |

CITY OF SCRANTON
2016 OPERATING BUDGET
BUDGETED EXPENDITURES
GENERAL FUND

| | Account Number | Account Description | 2015 Operating Budget | 2015 (Through 09/30/2015) | 2016 Operating Budget |
|---|---|---|---|---|---|
| | **Department of Business Administration - #40** | | | | |
| | **Bureau of Human Resources - #41** | | | | |
| 4010 | 01.040.00041.4010 | STANDARD SALARY | $ 180,878.37 | $ 115,914.64 | $ 200,219.21 |
| 4040 | 01.040.00041.4040 | OTHER SALARY (MISC) | 1,398.00 | - | 1,000.00 |
| 4070 | 01.040.00041.4070 | LONGEVITY SALARY | 3,792.12 | - | 3,805.72 |
| 4080 | 01.040.00041.4080 | OVERTIME SALARY | - | - | - |
| | | TOTAL EMPLOYEE COMPENSATION | 186,068.49 | 115,914.64 | 205,024.93 |
| | | | | | - |
| 4201 | 01.040.00041.4201 | PROFESSIONAL SERVICES | 120,000.00 | 85,564.28 | 106,955.00 |
| 4290 | 01.040.00041.4290 | STATIONARY/OFFICE SUPPLIES | - | - | 500.00 |
| 4390 | 01.040.00041.4390 | MATERIALS/SUPPLIES (MISC) | 500.00 | 211.10 | 500.00 |
| 4420 | 01.040.00041.4420 | TRAVEL AND LODGING | 500.00 | | 500.00 |
| 4470 | 01.040.00041.4470 | TRAINING AND CERTIFICATION | 500.00 | - | 5,000.00 |
| 4630 | 01.040.00041.4630 | LIABILITY/CASUALTY INSURANCE | 1,000,000.00 | 951,812.90 | 1,015,000.00 |
| | | TOTAL OPERATING EXPENDITURES | 1,121,500.00 | 1,037,588.28 | 1,128,455.00 |
| | | **BUREAU of HUMAN RESOURCES TOTAL** | **$ 1,307,568.49** | **$ 1,153,502.92** | **$ 1,333,479.93** |

| | | | | |
|---|---|---|---|---|
| **Department of Business Administration - #40** | | | | |
| **Bureau of Human Resources - #41** | | | | |
| | | | | |
| | **2015** | | **2016** | |
| **POSITION/TITLE** | **Total** | **#** | **Total** | **#** |
| | | | | |
| HUMAN RESOURCES DIRECTOR/ASST BUSINESS ADMINISTRATOR | 43,500.00 | 1 | 45,173.08 | 1 |
| ADMINISTRATIVE ASSISTANT I-BENEFITS COORDINATOR | 35,160.38 | 1 | 36,512.70 | 1 |
| ADMIN ASSISTANT III- PAYROLL CLERK | 38,057.00 | 1 | 39,520.73 | 1 |
| ADMINISTRATIVE ASSISTANT I-CLERICAL FLOATER | 33,000.00 | 1 | 36,512.70 | 1 |
| WORKER'S COMPENSATION PROGRAM MANAGER | - | - | 42,500.00 | 1 |
| BOARDS & COMMISSIONS COORDINATOR | 29,000.00 | 1 | - | - |
| | | | | |
| **Bureau of Human Resources Total** | **116,717.38** | **5** | **200,219.21** | **5** |
| | | | | |

CITY OF SCRANTON
2016 OPERATING BUDGET
BUDGETED EXPENDITURES
GENERAL FUND

| | Account Number | Account Description | 2015 Operating Budget | 2015 (Through 09/30/2015) | 2016 Operating Budget |
|---|---|---|---|---|---|
| | **Department of Business Administration - #40** | | | | |
| | **Bureau of Information Technology - #42** | | | | |
| 4010 | 01.040.00042.4010 | STANDARD SALARY | $ 75,600.00 | $ 55,438.46 | $ 108,507.69 |
| 4040 | 01.040.00042.4040 | OTHER SALARY (MISC) | - | | - |
| 4070 | 01.040.00042.4070 | LONGEVITY SALARY | - | - | - |
| 4080 | 01.040.00042.4080 | OVERTIME SALARY | - | - | - |
| | | TOTAL EMPLOYEE COMPENSATION | 75,600.00 | 55,438.46 | 108,507.69 |
| | | | | | - |
| 4201 | 01.040.00042.4201 | PROFESSIONAL SERVICES | 75,000.00 | 45,200.71 | 55,000.00 |
| 4210 | 01.040.00042.4210 | SERVICES AND MAINTENANCE FEE | 30,000.00 | 10,500.00 | 72,500.00 |
| 4270 | 01.040.00042.4270 | DUES AND SUBSCRIPTIONS | - | - | - |
| 4290 | 01.040.00042.4290 | STATIONARY/OFFICE SUPPLIES | 1,000.00 | 694.96 | 1,000.00 |
| 4390 | 01.040.00042.4390 | MATERIALS/SUPPLIES (MISC) | 20,000.00 | 59,279.50 | 49,000.00 |
| 4420 | 01.040.00042.4420 | TRAVEL AND LODGING | - | - | - |
| 4440 | 01.040.00042.4440 | TELEPHONE | 90,000.00 | 82,078.65 | 97,500.00 |
| 4470 | 01.040.00042.4470 | TRAINING AND CERTIFICATION | 500.00 | - | 500.00 |
| 4550 | 01.040.00042.4550 | CAPITAL EXPENDITURES | 50,000.00 | 49,885.00 | 142,500.00 |
| 4560 | 01.040.00042.4560 | EQUIPMENT MAINTENANCE/LEASES | 75,000.00 | 45,095.00 | 50,000.00 |
| | | TOTAL OPERATING EXPENDITURES | 341,500.00 | 292,733.82 | 468,000.00 |
| | | **BUREAU of INFORMATION TECHNOLOGY TOTAL** | **$ 417,100.00** | **$ 348,172.28** | **$ 576,507.69** |

| | | | | |
|---|---|---|---|---|
| **Department of Business Administration - #40** | | | | |
| **Bureau of Information Technology - #42** | | | | |
| | | | | |
| | **2015** | | **2016** | |
| **POSITION/TITLE** | **Total** | **#** | **Total** | **#** |
| | | | | |
| INFORMATION TECHNOLOGY MANAGER | 41,600.00 | 1 | 43,200.00 | 1 |
| INFORMATION TECHNOLOGY MANAGER | - | - | 30,000.00 | 1 |
| NETWORK SYSTEMS ASSISTANT | 34,000.00 | 1 | 35,307.69 | 1 |
| | | | | |
| **Bureau of Information Technology Total** | **75,600.00** | **2** | **108,507.69** | **3** |

CITY OF SCRANTON
2016 OPERATING BUDGET
BUDGETED EXPENDITURES
GENERAL FUND

| | Account Number | Account Description | 2015 Operating Budget | 2015 (Through 09/30/2015) | 2016 Operating Budget |
|---|---|---|---|---|---|
| | **Department of Business Administration - #40** | | | | |
| | **Bureau of Treasury - #43** | | | | |
| 4010 | 01.040.00043.4010 | STANDARD SALARY | $ 106,306.78 | $ 79,912.58 | $ 110,395.51 |
| 4040 | 01.040.00043.4040 | OTHER SALARY (MISC) | 0.00 | - | 0.00 |
| 4070 | 01.040.00043.4070 | LONGEVITY SALARY | 2,825.00 | - | 2,825.02 |
| 4080 | 01.040.00043.4080 | OVERTIME SALARY | - | 18.11 | - |
| | | TOTAL EMPLOYEE COMPENSATION | 109,131.78 | 79,930.69 | 113,220.53 |
| | | | | | - |
| 4201 | 01.040.00043.4201 | PROFESSIONAL SERVICES | 1,000.00 | 10,344.39 | 11,250.00 |
| 4250 | 01.040.00043.4250 | ADVERTISING | - | - | - |
| 4290 | 01.040.00043.4290 | STATIONARY/OFFICE SUPPLIES | - | - | - |
| 4390 | 01.040.00043.4390 | MATERIALS/SUPPLIES (MISC) | 1,000.00 | 574.31 | 1,000.00 |
| 4420 | 01.040.00043.4420 | TRAVEL AND LODGING | - | - | - |
| 4550 | 01.040.00043.4550 | CAPITAL EXPENDITURES | - | - | - |
| 6000 | 01.040.00043.6000 | TAX AND MISC REFUNDS | 1,100.00 | 178.00 | 1,000.00 |
| 6001 | 01.040.00043.6001 | TAX COLLECTION COMMITTEE EXPENSE | 47,025.00 | - | 7,257.00 |
| | | TOTAL OPERATING EXPENDITURES | 50,125.00 | 11,096.70 | 20,507.00 |
| | | **BUREAU of TREASURY TOTAL** | **$ 159,256.78** | **$ 91,027.39** | **$ 133,727.53** |
| | | **DEPARTMENT of BUSINESS ADMINISTRATION TOTAL** | **$ 9,590,683.96** | **$ 7,320,458.30** | **$ 9,979,301.25** |

| | | | | |
|---|---|---|---|---|
| **Department of Business Administration - #40** | | | | |
| **Bureau of Treasury - #43** | | | | |
| | **2015** | | **2016** | |
| **POSITION/TITLE** | **Total** | **#** | **Total** | **#** |
| CITY TREASURER | $ 34,560.00 | 1 | $ 35,889.23 | 1 |
| ADMINISTRATIVE ASSISTANT II- CASHIER | 35,873.39 | 1 | 37,253.14 | 1 |
| ADMINISTRATIVE ASSISTANT II - ASSISTANT CASHIER | 35,873.39 | 1 | 37,253.14 | 1 |
| **Bureau of Treasury Total** | **$ 106,306.78** | **3** | **$ 110,395.51** | **3** |
| **Department of Business Administration Total** | **$ 615,524.15** | **17** | **$ 759,191.12** | **18** |

CITY OF SCRANTON
2016 OPERATING BUDGET
BUDGETED EXPENDITURES
GENERAL FUND

| Account Number | Account Description | 2015 Operating Budget | 2015 (Through 09/30/2015) | 2016 Operating Budget |
|---|---|---|---|---|
| **Office of Economic & Community Development (OECD) - #50** | | | | |
| 50.00000.4010 | STANDARD SALARY | $ 672,328.99 | | $ 655,928.88 |
| | **OECD DEPARTMENT TOTAL (NON-ADDITION TO BUDGET)** | **$ 672,328.99** | | **$ 655,928.88** |

**Office of Economic and Community Development - #50**
**Bureau of Administration**

| POSITION/TITLE | 2015 Total | 2015 # | 2016 Total | 2016 # |
|---|---|---|---|---|
| EXECUTIVE DIRECTOR | $ 46,152.00 | 1 | $ 47,927.08 | 1 |
| DEPUTY DIRECTOR | 36,000.00 | 1 | 37,384.61 | 1 |
| DIRECTOR OF FINANCE & COMPLIANCE | 39,200.00 | 1 | 40,707.69 | 1 |
| DIRECTOR OF HOUSING/ADA COMPLIANCE | 31,991.00 | 1 | 33,221.42 | 1 |
| SOLICITOR | 52,500.00 | 1 | 54,519.23 | 1 |
| ADMINISTRATIVE ASSISTANT III-FINANCIAL ANALYST | 38,056.99 | 1 | 39,520.72 | 1 |
| CONSTRUCTION/ADA SPECIALIST& ECONOMIC DEVELOPMENT/RELOCATION SPECIALIST | 27,200.00 | 1 | 35,000.00 | 1 |
| ECONOMIC DEVELOPMENT/RELOCATION SPECIALIST | 27,200.00 | 1 | 28,246.15 | 1 |
| CITY PLANNER | 40,824.00 | 1 | 42,394.15 | 1 |
| PUBLIC SERVICE/ESG SPECIALIST | 27,200.00 | 1 | 28,246.15 | 1 |
| EQUAL OPPORTUNITY SPECIALIST | 27,200.00 | 1 | 28,246.15 | 1 |
| BLIGHT & DEMOLITION SPECIALIST | 38,535.00 | 1 | - | - |
| **Bureau of Administration Total** | **$ 432,058.99** | **12** | **$ 415,413.35** | **11** |
| **non-addition to budget** | **non-addition to budget** | | **non-addition to budget** | |

**Office of Economic and Community Development - #50**
**Bureau of Neighborhood Police - #515**

| POSITION/TITLE | 2015 Total | 2015 # | 2016 Total | 2016 # |
|---|---|---|---|---|
| NEIGHBORHOOD POLICE OFFICERS | $ 240,270.00 | 4 | $ 240,515.53 | 4 |
| **Bureau of Neighborhood Police Total** | **$ 240,270.00** | **4** | **$ 240,515.53** | **4** |
| **OECD Department Total** | **$ 672,328.99** | **16** | **$ 655,928.88** | **15** |
| **non-addition to budget** | **non-addition to budget** | | **non-addition to budget** | |

CITY OF SCRANTON
2016 OPERATING BUDGET
BUDGETED EXPENDITURES
GENERAL FUND

| | Account Number | Account Description | 2015 Operating Budget | 2015 (Through 09/30/2015) | 2016 Operating Budget |
|---|---|---|---|---|---|
| | **Dept. of Licenses, Inspections & Permits - #51** | | | | |
| | **Bureau of Licenses, Inspections & Permits - #51** | | | | |
| 4010 | 01.051.00051.4010 | STANDARD SALARY | $ 650,942.01 | $ 484,931.40 | $ 715,850.61 |
| 4040 | 01.051.00051.4040 | OTHER SALARY (MISC) | 1,862.71 | 7,457.07 | 7,500.00 |
| 4070 | 01.051.00051.4070 | LONGEVITY SALARY | 31,245.00 | - | 34,966.84 |
| 4080 | 01.051.00051.4080 | OVERTIME SALARY | 6,500.00 | 919.35 | 6,500.00 |
| 4101 | 01.051.00051.4101 | UNIFORM ALLOWANCE (AUTO) | 15,000.00 | 9,555.30 | 12,500.00 |
| | | TOTAL EMPLOYEE COMPENSATION | 705,549.72 | 502,863.12 | 777,317.45 |
| 4201 | 01.051.00051.4201 | PROFESSIONAL SERVICES | 23,883.53 | 1,200.00 | 25,000.00 |
| 4270 | 01.051.00051.4270 | DUES AND SUBSCRIPTIONS | - | - | - |
| 4290 | 01.051.00051.4290 | STATIONARY/OFFICE SUPPLIES | 1,000.00 | - | 1,000.00 |
| 4390 | 01.051.00051.4390 | MATERIALS/SUPPLIES (MISC) | 500.00 | 54.48 | 500.00 |
| 4420 | 01.051.00051.4420 | TRAVEL AND LODGING | - | - | - |
| 4470 | 01.051.00051.4470 | TRAINING AND CERTIFICATION | 1,000.00 | 331.61 | 1,000.00 |
| 4550 | 01.051.00051.4550 | CAPITAL EXPENDITURES | - | - | 40,000.00 |
| 4570 | 01.051.00051.4570 | MAINTENANCE COMMUNICATION EQUIPMENT | 500.00 | - | 500.00 |
| 6003 | 01.051.00051.6003 | SPCA-ANIMAL CONTROL | 87,554.00 | 87,554.00 | 95,130.00 |
| | | TOTAL OPERATING EXPENDITURES | 114,437.53 | 89,140.09 | 163,130.00 |
| | | **BUREAU of LICENSES, INSPECTIONS & PERMITS TOTAL** | **$ 819,987.25** | **$ 592,003.21** | **$ 940,447.45** |

**Dept. of Licenses, Inspections & Permits - #51**

**Bureau of Licenses, Inspections & Permits - #51**

| POSITION/TITLE | 2015 Total | 2015 # | 2016 Total | 2016 # |
|---|---|---|---|---|
| DIRECTOR | $ 41,760.00 | 1 | $ 43,366.15 | 1 |
| Deputy Director | $ - | - | $ 40,017.11 | 1 |
| ADMINISTRATIVE ASSISTANT I- PERMIT CLERK | 35,160.38 | 1 | 36,512.70 | 1 |
| ELECTRICAL INSPECTOR | 39,839.51 | 1 | 41,371.80 | 1 |
| PLUMBING INSPECTOR | 39,839.51 | 1 | 41,371.80 | 1 |
| MECHANICAL INSPECTOR | 39,839.51 | 1 | 41,371.80 | 1 |
| WEIGHTS & MEASURES | 38,920.34 | 1 | 40,417.27 | 1 |
| ADMINISTRATIVE ASSISTANT I | 35,160.38 | 1 | 36,512.70 | 1 |
| ENFORCER OF LICENSES | 38,920.34 | 1 | 40,417.27 | 1 |
| ZONING OFFICER/CODE ENFORCER | 30,000.00 | 1 | 31,153.84 | 1 |
| HOUSING INSPECTORS | 116,761.02 | 3 | 121,251.82 | 3 |
| HOUSING/HEALTH INSPECTOR | 39,059.67 | 1 | 40,417.27 | 1 |
| RENTAL REGISTRATION ASSISTANT | 77,840.68 | 2 | 80,834.54 | 2 |
| HEALTH INSPECTOR | 38,920.34 | 1 | 40,417.27 | 1 |
| ANIMAL CONTROL OFFICER | 38,920.34 | 1 | 40,417.27 | 1 |
| **Bureau of Licenses, Inspections & Permits Total** | **$ 650,942.01** | **17** | **$ 715,850.61** | **18** |

CITY OF SCRANTON
2016 OPERATING BUDGET
BUDGETED EXPENDITURES
GENERAL FUND

| | Account Number | Account Description | 2015 Operating Budget | 2015 (Through 09/30/2015) | 2016 Operating Budget |
|---|---|---|---|---|---|
| | **Dept. of Licenses, Inspections & Permits - #51** | | | | |
| | **Bureau of Buildings - #82** | | | | |
| 4010 | 01.051.00082.4010 | STANDARD SALARY | $ 110,667.12 | $ 81,009.28 | $ 114,925.61 |
| 4040 | 01.051.00082.4040 | OTHER SALARY (MISC) | 3,200.00 | | 1,600.00 |
| 4070 | 01.051.00082.4070 | LONGEVITY SALARY | 6,786.38 | - | 6,412.35 |
| 4080 | 01.051.00082.4080 | OVERTIME SALARY | 1,000.00 | 406.66 | 1,000.00 |
| 4101 | 01.051.00082.4101 | UNIFORM ALLOWANCE | 1,260.00 | 1,260.00 | 1,260.00 |
| | | TOTAL EMPLOYEE COMPENSATION | 122,913.50 | 82,675.94 | 125,197.96 |
| 4201 | 01.051.00082.4201 | PROFESSIONAL SERVICES | 22,456.08 | 5,170.40 | 40,000.00 |
| 4210 | 01.051.00082.4210 | SVCES AND MAINT FEE | - | - | - |
| 4320 | 01.051.00082.4320 | BLDG/REPAIR-SUPPL MAINT | 248,000.00 | 106,763.00 | 175,000.00 |
| 4360 | 01.051.00082.4360 | SMALL TOOLS/SHOP SUPPL | - | - | - |
| 4420 | 01.051.00082.4420 | TRAVEL AND LODGING | - | - | - |
| 4445 | 01.051.00082.4445 | SEWER CHARGES | 75,000.00 | 11,333.93 | 50,000.00 |
| 4447 | 01.051.00082.4447 | UGI - GAS | 175,000.00 | 116,173.74 | 155,000.00 |
| 4448 | 01.051.00082.4448 | PAWC -- WATER | 390,000.00 | 277,667.50 | 325,000.00 |
| 4450 | 01.051.00082.4450 | ELECTRICAL | 375,000.00 | 73,130.60 | 250,000.00 |
| 4465 | 01.051.00082.4465 | BUILDING SUPPLIES | 1,000.00 | - | 1,000.00 |
| | | TOTAL OPERATING EXPENDITURES | 1,286,456.08 | 590,239.17 | 996,000.00 |
| | | **BUREAU of BUILDINGS TOTAL** | **1,409,369.58** | **672,915.11** | **1,121,197.96** |
| | | **DEPARTMENT of LICENSES, INSPECTIONS & PERMITS TOTAL** | **$ 2,229,356.83** | **$ 1,264,918.32** | **$ 2,061,645.41** |

| | | | | |
|---|---|---|---|---|
| **Dept. of Licenses, Inspections & Permits - #51** | | | | |
| **Bureau of Buildings - #82** | | | | |
| | **2015** | | **2016** | |
| **POSITION/TITLE** | **Total** | **#** | **Total** | **#** |
| MAINTENANCE | $ 38,920.34 | 1 | $ 40,417.27 | 1 |
| JANITOR | 71,746.78 | 2 | 74,508.34 | 2 |
| **Bureau of Buildings Total** | **$ 110,667.12** | **3** | **$ 114,925.61** | **3** |
| **Department of Licenses, Inspections & Permits Total** | **$ 761,609.13** | **20** | **$ 830,776.22** | **21** |

CITY OF SCRANTON
2016 OPERATING BUDGET
BUDGETED EXPENDITURES
GENERAL FUND

| | Account Number | Account Description | 2015 Operating Budget | 2015 (Through 09/30/2015) | 2016 Operating Budget |
|---|---|---|---|---|---|
| | **Law Department - #60** | | | | |
| 4010 | 01.060.00000.4010 | STANDARD SALARY | $ 122,645.35 | $ 92,119.60 | $ 157,477.85 |
| 4040 | 01.060.00000.4040 | OTHER SALARY (MISC) | 752.96 | - | 752.96 |
| 4070 | 01.060.00000.4070 | LONGEVITY SALARY | - | - | - |
| 4080 | 01.060.00000.4080 | OVERTIME SALARY | - | - | - |
| | | TOTAL EMPLOYEE COMPENSATION | 123,398.31 | 92,119.60 | 158,230.81 |
| 4201 | 01.060.00000.4201 | PROFESSIONAL SERVICES | 225,000.00 | 128,361.62 | 219,000.00 |
| 4210 | 01.060.00000.4210 | SERVICES AND MAINTENANCE FEE | - | - | - |
| 4270 | 01.060.00000.4270 | DUES AND SUBSCRIPTIONS | 5,000.00 | 4,009.42 | 4,950.00 |
| 4290 | 01.060.00000.4290 | STATIONARY/OFFICE SUPPLIES | 500.00 | 278.00 | 500.00 |
| 4390 | 01.060.00000.4390 | MATERIALS/SUPPLIES (MISC) | 500.00 | 60.00 | 500.00 |
| 4420 | 01.060.00000.4420 | TRAVEL AND LODGING | 500.00 | - | 500.00 |
| 4470 | 01.060.00000.4470 | TRAINING AND CERTIFICATION | 500.00 | 648.00 | 500.00 |
| 4550 | 01.060.00000.4550 | CAPITAL EXPENDITURES | 5,000.00 | - | 4,250.00 |
| | | TOTAL OPERATING EXPENDITURES | 237,000.00 | 133,357.04 | 230,200.00 |
| | | **DEPARTMENT of LAW TOTAL** | **$ 360,398.31** | **$ 225,476.64** | **$ 388,430.81** |

| Law Department - #60 | | | | |
|---|---|---|---|---|
| | 2015 | | 2016 | |
| POSITION/TITLE | Total | # | Total | # |
| CITY SOLICITOR | $ 52,500.00 | 1 | $ 54,519.23 | 1 |
| FIRST ASSISTANT CITY SOLICITOR | 35,000.00 | 1 | 36,346.15 | 1 |
| CONFIDENTIAL SECRETARY | - | - | 30,115.38 | 1 |
| CONFIDENTIAL SECRETARY | 35,145.35 | 1 | 36,497.09 | 1 |
| **Department of Law Total** | **$ 122,645.35** | **3** | **$ 157,477.85** | **4** |

CITY OF SCRANTON
2016 OPERATING BUDGET
BUDGETED EXPENDITURES
GENERAL FUND

| | Account Number | Account Description | 2015 Operating Budget | 2015 (Through 09/30/2015) | 2016 Operating Budget |
|---|---|---|---|---|---|
| | **Department of Public Works - #80** | | | | |
| | **Bureau of Administration - #80** | | | | |
| 4010 | 01.080.00080.4010 | STANDARD SALARY | $ 120,991.66 | $ 92,917.66 | $ 161,991.29 |
| 4040 | 01.080.00080.4040 | OTHER SALARY (MISC) | 2,600.00 | - | 2,000.00 |
| 4070 | 01.080.00080.4070 | LONGEVITY SALARY | 7,712.00 | - | 8,008.28 |
| 4080 | 01.080.00080.4080 | OVERTIME SALARY | - | 19.72 | - |
| 4118 | 01.080.00080.4118 | HEALTH INSURANCE - DPW UNION | 1,800,000.00 | 1,489,006.57 | 1,800,000.00 |
| 4120 | 01.080.00080.4120 | LIFE/DISABILITY INSURANCE | - | - | - |
| 4130 | 01.080.00080.4130 | I.A.M. PENSION | 300,344.00 | 206,893.36 | 300,344.00 |
| 4180 | 01.080.00080.4180 | SOCIAL SECURITY | 351,100.00 | 249,620.93 | 351,100.00 |
| | | TOTAL EMPLOYEE COMPENSATION | 2,582,747.66 | 2,038,458.24 | 2,623,443.57 |
| 4201 | 01.080.00080.4201 | PROFESSIONAL SERVICES | 200.00 | - | 200.00 |
| 4270 | 01.080.00080.4270 | DUES AND SUBSCRIPTIONS | - | - | - |
| 4210 | 01.080.00080.4210 | SERVICES & MAINTENANCE FEE | 547.55 | 114.90 | 547.55 |
| 4290 | 01.080.00080.4290 | STATIONARY/OFFICE SUPPL | - | - | - |
| 4420 | 01.080.00080.4420 | TRAVEL AND LODGING | - | - | - |
| 4550 | 01.080.00080.4550 | CAPITAL EXPENDITURES | - | - | - |
| 4570 | 01.080.00080.4570 | MAINT COMMUNICATION EQUIP | 15,000.00 | 11,512.50 | 14,500.00 |
| 4576 | 01.080.00080.4576 | MAINTENANCE SUPER FUND SIGHT | 20,000.00 | 8,586.78 | 17,500.00 |
| 6007 | 01.080.00080.6007 | FLOOD PROTECTION SYSTEM MAINTENANCE | 50,000.00 | 21,281.37 | 39,500.00 |
| | | TOTAL OPERATING EXPENDITURES | 85,747.55 | 41,495.55 | 72,247.55 |
| | | **BUREAU of ADMINISTRATION TOTAL** | **$ 2,668,495.21** | **$ 2,079,953.79** | **$ 2,695,691.12** |

| | | | | |
|---|---|---|---|---|
| **Department of Public Works - #80** | | | | |
| **Bureau of Administration - #80** | | | | |
| | **2015** | | **2016** | |
| **POSITION/TITLE** | **Total** | **#** | **Total** | **#** |
| DIRECTOR | $ 43,875.00 | 1 | $ 45,562.50 | 1 |
| RECYCLING COORDINATOR | $ - | - | $ 36,346.10 | 1 |
| ADMINISTRATIVE ASSISTANT IV | 39,059.67 | 1 | 40,561.97 | 1 |
| ADMINISTRATIVE ASSISTANT III- PAYROLL CLERK | 38,056.99 | 1 | 39,520.72 | 1 |
| **Bureau of Administration Total** | **$ 120,991.66** | **3** | **$ 161,991.29** | **4** |

CITY OF SCRANTON
2016 OPERATING BUDGET
BUDGETED EXPENDITURES
GENERAL FUND

| | Account Number | Account Description | 2015 Operating Budget | 2015 (Through 09/30/2015) | 2016 Operating Budget |
|---|---|---|---|---|---|
| | **Department of Public Works - #80** | | | | |
| | **Bureau of Engineering - #81** | | | | |
| 4010 | 01.080.00081.4010 | STANDARD SALARY | $ 177,706.71 | $ 119,290.95 | $ 115,149.67 |
| 4040 | 01.080.00081.4040 | OTHER SALARY (MISC) | 375.14 | - | 375.14 |
| 4070 | 01.080.00081.4070 | LONGEVITY SALARY | 3,891.00 | - | 4,041.73 |
| 4080 | 01.080.00081.4080 | OVERTIME SALARY | 5,500.00 | 4,206.85 | 5,500.00 |
| 4101 | 01.080.00081.4101 | UNIFORM ALLOWANCE | 2,128.21 | 2,191.60 | 3,128.21 |
| | | TOTAL EMPLOYEE COMPENSATION | 189,601.06 | 125,689.40 | 128,194.75 |
| 4201 | 01.080.00081.4201 | PROFESSIONAL SERVICES | 60,000.00 | 46,900.00 | 71,500.00 |
| 4210 | 01.080.00081.4210 | SERVICES & MAINTENANCE FEE | 200.00 | 100.00 | 200.00 |
| 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) | 100.00 | 22.83 | 100.00 |
| 4470 | 01.080.00081.4470 | TRAINING AND CERTIFICATION | - | - | - |
| 4550 | 01.080.00081.4550 | CAPITAL EXPENDITURES | - | - | - |
| | | TOTAL OPERATING EXPENDITURES | 60,400.00 | 47,022.83 | 71,900.00 |
| | | **BUREAU of ENGINEERING TOTAL** | **$ 250,001.06** | **$ 172,712.23** | **$ 200,094.75** |

| | | | | |
|---|---|---|---|---|
| **Department of Public Works - #80** | | | | |
| **Bureau of Engineering - #81** | | | | |
| | **2015** | | **2016** | |
| **POSITION/TITLE** | **Total** | **#** | **Total** | **#** |
| PAVE CUT INSPECTOR | $ 38,920.39 | 1 | $ 40,417.33 | 1 |
| FLOOD CONTROL PROJECT COORDINATOR | 29,750.00 | 1 | 30,115.38 | 1 |
| FLOOD CONTROL MAINTENANCE | 109,036.32 | 2 | 44,616.96 | 1 |
| **Bureau of Engineering Total** | **$ 177,706.71** | **4** | **$ 115,149.67** | **3** |

CITY OF SCRANTON
2016 OPERATING BUDGET
BUDGETED EXPENDITURES
GENERAL FUND

| | Account Number | Account Description | 2015 Operating Budget | 2015 (Through 09/30/2015) | 2016 Operating Budget |
|---|---|---|---|---|---|
| | **Department of Public Works - #80** | | | | |
| | **Bureau of Highways - #83** | | | | |
| 4010 | 01.080.00083.4010 | STANDARD SALARY | $ 1,192,001.28 | $ 814,195.46 | $ 1,176,311.21 |
| 4040 | 01.080.00083.4040 | OTHER SALARY (MISC) | - | 1,250.00 | - |
| 4070 | 01.080.00083.4070 | LONGEVITY SALARY | 97,983.59 | - | 86,863.78 |
| 4080 | 01.080.00083.4080 | OVERTIME SALARY | 150,000.00 | 111,485.19 | 150,000.00 |
| 4101 | 01.080.00083.4101 | UNIFORM ALLOWANCE | 11,340.00 | 10,920.00 | 11,340.00 |
| | | TOTAL EMPLOYEE COMPENSATION | 1,451,324.87 | 937,850.65 | 1,424,514.99 |
| 4210 | 01.080.00083.4210 | SERVICES AND MAINTENANCE FEE | | | - |
| 4260 | 01.080.00083.4260 | RENTAL VEHICLES & EQUIPMENT | 90,000.00 | 58,471.25 | 62,500.00 |
| 4290 | 01.080.00083.4290 | STATIONARY/OFFICE SUPPLIES | - | - | |
| 4340 | 01.080.00083.4340 | CONSTRUCTION-PAVING MATERIAL | 125,000.00 | 1,823.79 | 115,000.00 |
| 4350 | 01.080.00083.4350 | PAINT/SIGN MATERIAL | 30,000.00 | 1,764.17 | 15,000.00 |
| 4390 | 01.080.00083.4390 | MATERIALS/SUPPLIES (MISC) | 50,000.00 | 13,638.74 | 25,000.00 |
| 4410 | 01.080.00083.4410 | SALT | 250,000.00 | 266,062.84 | 275,000.00 |
| 4420 | 01.080.00083.4420 | TRAVEL AND LODGING | - | - | - |
| 4460 | 01.080.00083.4460 | STREET LIGHTING | 477,682.99 | 165,584.48 | 350,000.00 |
| 4466 | 01.080.00083.4466 | STREET LIGHTING SERVICE / MAINTENANCE | 150,000.00 | (8,402.25) | 92,500.00 |
| 4550 | 01.080.00083.4550 | CAPITAL EXPENDITURES | 75,000.00 | 50,243.90 | 125,000.00 |
| | | TOTAL OPERATING EXPENDITURES | 1,247,682.99 | 549,186.92 | 1,060,000.00 |
| | | **BUREAU of HIGHWAYS TOTAL** | **$ 2,699,007.86** | **$ 1,487,037.57** | **$ 2,484,514.99** |

**Department of Public Works - #80**

**Bureau of Highways - #83**

| POSITION/TITLE | 2015 Total | 2015 # | 2016 Total | 2016 # |
|---|---|---|---|---|
| HEAVY EQUIPMENT OPERATOR/CRAFTSMEN | 86,689.82 | 2 | 92,011.24 | 2 |
| HEAVY EQUIPMENT OPERATOR/LEADER | 173,379.64 | 4 | 184,022.48 | 4 |
| CHAUFFEUR | 298,011.16 | 6 | 316,077.54 | 7 |
| REPAIRMAN | 377,192.16 | 9 | 312,629.34 | 7 |
| DISPATCHER | 42,007.68 | 1 | 44,616.96 | 1 |
| MAINTENANCE/CRAFTSMAN LEADER | 43,761.33 | 1 | 46,438.06 | 1 |
| TREE TRIMMER | 43,344.91 | 1 | 46,005.62 | 1 |
| SWEEPER OPERATOR/CHAUFFEUR | 42,959.07 | 1 | 45,604.94 | 1 |
| STONE-BRICK LAYER MASON | 42,759.39 | 1 | 45,397.58 | 1 |
| TRAFFIC/SIGN MAINTENANCE | 41,896.12 | 1 | 43,507.45 | 1 |
| **Bureau of Highways Total** | **$ 1,192,001.28** | **27** | **$ 1,176,311.21** | **26** |

**2016 added 2 repairmen to parks**

CITY OF SCRANTON
2016 OPERATING BUDGET
BUDGETED EXPENDITURES
GENERAL FUND

| | Account Number | Account Description | 2015 Operating Budget | 2015 (Through 09/30/2015) | 2016 Operating Budget |
|---|---|---|---|---|---|
| | Department of Public Works - #80 | | | | |
| | Bureau of Refuse - #84 | | | | |
| 4010 | 01.080.00084.4010 | STANDARD SALARY | $ 1,952,558.23 | $ 1,354,547.17 | $ 2,115,449.76 |
| 4040 | 01.080.00084.4040 | OTHER SALARY (MISC) | - | - | 143,385.31 |
| 4070 | 01.080.00084.4070 | LONGEVITY SALARY | 76,032.19 | - | 64,668.68 |
| 4080 | 01.080.00084.4080 | OVERTIME SALARY | 150,000.00 | 104,479.96 | 150,000.00 |
| 4101 | 01.080.00084.4101 | UNIFORM ALLOWANCE | 19,320.00 | 18,060.00 | 19,320.00 |
| | | TOTAL EMPLOYEE COMPENSATION | 2,197,910.42 | 1,477,087.13 | 2,492,823.75 |
| 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 | 260.64 | 1,000.00 |
| 4420 | 01.080.00084.4420 | TRAVEL AND LODGING | - | - | - |
| 4490 | 01.080.00084.4490 | LANDFILL | 1,600,850.44 | 1,176,999.26 | 1,561,947.51 |
| 4550 | 01.080.00084.4550 | CAPITAL EXPENDITURES | - | - | 200,000.00 |
| | | TOTAL OPERATING EXPENDITURES | 1,601,850.44 | 1,177,259.90 | 1,762,947.51 |
| | | **BUREAU of REFUSE TOTAL** | **$ 3,799,760.86** | **$ 2,654,347.03** | **$ 4,255,771.26** |

| | | | | |
|---|---|---|---|---|
| **Department of Public Works - #80** | | | | |
| **Bureau of Refuse - #84** | | | | |
| | | | | |
| | **2015** | | **2016** | |
| **POSITION/TITLE** | **Total** | **#** | **Total** | **#** |
| | | | | |
| FOREMAN | - | - | 42,087.38 | 1 |
| OPERATOR LEADER | 563,483.83 | 13 | 598,073.06 | 13 |
| COLLECTOR LEADER | 42,549.10 | 1 | 45,179.21 | 1 |
| COLLECTOR | 1,131,247.60 | 27 | 1,201,584.50 | 27 |
| DISPATCHER | 41,898.06 | 1 | 44,503.13 | 1 |
| RECYCLING CHAUFFEUR | 173,379.64 | 4 | 184,022.48 | 4 |
| | | | | |
| **Bureau of Refuse Total** | **$ 1,952,558.23** | **46** | **$ 2,115,449.76** | **47** |

CITY OF SCRANTON
2016 OPERATING BUDGET
BUDGETED EXPENDITURES
GENERAL FUND

| | Account Number | Account Description | 2015 Operating Budget | 2015 (Through 09/30/2015) | 2016 Operating Budget |
|---|---|---|---|---|---|
| | **Department of Public Works - #80** | | | | |
| | **Bureau of Garages - #85** | | | | |
| 4010 | 01.080.00085.4010 | STANDARD SALARY | $ 343,313.00 | $ 263,032.69 | $ 361,485.17 |
| 4040 | 01.080.00085.4040 | OTHER SALARY (MISC) | - | - | - |
| 4070 | 01.080.00085.4070 | LONGEVITY SALARY | 23,856.27 | - | 24,546.33 |
| 4080 | 01.080.00085.4080 | OVERTIME SALARY | 35,000.00 | 22,030.23 | 32,500.00 |
| 4101 | 01.080.00085.4101 | UNIFORM ALLOWANCE | 3,360.00 | 3,360.00 | 3,360.00 |
| | | TOTAL EMPLOYEE COMPENSATION | 405,529.27 | 288,422.92 | 421,891.50 |
| 4201 | 01.080.00085.4201 | PROFESSIONAL SERVICES | - | - | - |
| 4210 | 01.080.00085.4210 | SERVICES AND MAINTENANCE FEE | - | - | - |
| 4220 | 01.080.00085.4220 | CONTRACTED SERVICES | 1,500.00 | 39.40 | 1,000.00 |
| 4290 | 01.080.00085.4290 | STATIONARY/OFFICE SUPPL | | - | |
| 4301 | 01.080.00085.4301 | GAS, OIL, LUBRICANTS | 625,000.00 | 301,104.02 | 423,500.00 |
| 4310 | 01.080.00085.4310 | EQUIP/VEHICLE REP/MAINT | 321,017.19 | 240,860.29 | 300,000.00 |
| 4360 | 01.080.00085.4360 | SMALL TOOLS/SHOP SUPPL | 7,000.00 | 3,253.26 | 5,000.00 |
| 4390 | 01.080.00085.4390 | MATERIALS/SUPPL (MISC) | 35,000.00 | 45,714.60 | 55,000.00 |
| 4401 | 01.080.00085.4401 | TIRES | 120,000.00 | 64,143.72 | 100,000.00 |
| 4420 | 01.080.00085.4420 | TRAVEL AND LODGING | - | - | |
| 4550 | 01.080.00085.4550 | CAPITAL EXPENDITURES | - | - | |
| 4901 | 01.080.00085.4901 | MAINTENANCE (PREVENTATIVE) | - | - | - |
| | | TOTAL OPERATING EXPENDITURES | 1,109,517.19 | 655,115.29 | 884,500.00 |
| | | **BUREAU of GARAGES TOTAL** | **$ 1,515,046.46** | **$ 943,538.21** | **$ 1,306,391.50** |

**Department of Public Works - #80**

**Bureau of Garages - #85**

| POSITION/TITLE | 2015 Total | 2015 # | 2016 Total | 2016 # |
|---|---|---|---|---|
| AUTO REPAIRMAN-LEADER | $ 87,522.66 | 2 | $ 92,876.12 | 2 |
| EQUIPMENT / VEHICLE MAINTENANCE | 43,761.33 | 2 | 46,438.06 | 1 |
| TIRE-EQUIPMENT REPAIR/HELPER | 42,380.00 | 1 | 45,003.60 | 1 |
| PARTS MANAGER/AUTO REPAIR/PA STATE VEHICLE INSPECTOR | 43,055.58 | 1 | 45,705.17 | 1 |
| MOTOR VEHICLE REPAIR | 42,197.75 | 1 | 43,820.74 | 1 |
| MECHANIC | 42,197.75 | 1 | 43,820.74 | 1 |
| MECHANIC DIESEL | 42,197.75 | 1 | 43,820.74 | 1 |
| **Bureau of Garages Total** | **$ 343,312.82** | **9** | **$ 361,485.17** | **8** |

CITY OF SCRANTON
2016 OPERATING BUDGET
BUDGETED EXPENDITURES
GENERAL FUND

| | Account Number | Account Description | 2015 Operating Budget | 2015 (Through 09/30/2015) | 2016 Operating Budget |
|---|---|---|---|---|---|
| | **Department of Public Works - #80** | | | | |
| | **Bureau of Parks & Recreation - #100** | | | | |
| 4010 | 01.100.00000.4010 | STANDARD SALARY | $ 286,916.55 | $ 235,167.57 | $ 391,926.01 |
| 4040 | 01.100.00000.4040 | OTHER SALARY (MISC) | 120,424.00 | 110,045.10 | 120,424.10 |
| 4070 | 01.100.00000.4070 | LONGEVITY SALARY | 25,704.43 | - | 19,742.90 |
| 4080 | 01.100.00000.4080 | OVERTIME SALARY | 20,000.00 | 17,289.51 | 17,500.00 |
| 4101 | 01.100.00000.4101 | UNIFORM ALLOWANCE | 2,520.00 | 2,835.00 | 2,520.00 |
| | | TOTAL EMPLOYEE COMPENSATION | 455,564.98 | 365,337.18 | 552,113.01 |
| 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 | 10,000.00 | 5,851.03 | 7,500.00 |
| 4290 | 01.100.00000.4290 | STATIONARY/OFFICE SUPPLIES | 250.00 | 64.95 | 250.00 |
| 4320 | 01.100.00000.4320 | BLDG/REPAIR-SUPPLY MAINT | 25,000.00 | 10,138.20 | 20,000.00 |
| 4330 | 01.100.00000.4330 | MEDICAL, CHEM, LAB SUP | 25,000.00 | 22,022.52 | 25,000.00 |
| 4360 | 01.100.00000.4360 | SMALL TOOLS/SHOP SUPPLIES | 200.00 | - | 200.00 |
| 4370 | 01.100.00000.4370 | PARKS/RECREATION SUPPLIES | 1,000.00 | 397.84 | 750.00 |
| 4420 | 01.100.00000.4420 | TRAVEL AND LODGING | - | - | - |
| 4530 | 01.100.00000.4530 | PERFORMING ARTS | 17,000.00 | 15,375.00 | 17,000.00 |
| 4540 | 01.100.00000.4540 | SPRING/SUMMER PROG | 7,000.00 | 2,497.61 | 3,500.00 |
| 4550 | 01.100.00000.4550 | CAPITAL EXPENDITURES | 40,000.00 | 24,668.73 | 95,000.00 |
| 4570 | 01.100.00000.4570 | MAINTENANCE COMMUNICATION EQUIP | - | - | - |
| | | TOTAL OPERATING EXPENDITURES | 125,450.00 | 81,015.88 | 169,200.00 |
| | | **DEPARTMENT of PARKS & RECREATION TOTAL** | **$ 581,014.98** | **$ 446,353.06** | **$ 721,313.01** |
| | | **DEPARTMENT of PUBLIC WORKS TOTAL** | **$ 11,513,326.43** | **$ 7,783,941.89** | **$ 11,663,776.63** |

| | | | | |
|---|---|---|---|---|
| **Department of Public Works - #80** | | | | |
| **Burearu of Parks & Recreation - #100** | | | | |
| | **2015** | | **2016** | |
| **POSITION/TITLE** | **Total** | **#** | **Total** | **#** |
| PROJECT ADMINISTRATOR | 42,704.27 | 1 | 44,346.70 | 1 |
| PARKS & RECREATION SPECIALIST (a) | 32,300.00 | 1 | 33,542.31 | 1 |
| POOL OPERATORS / GROUNDSKEEPER | 84,198.82 | 2 | 89,424.44 | 2 |
| PARKS & RECREATION GROUNDSKEEPER | 84,805.76 | 2 | 133,509.39 | 3 |
| FACILITY MAINTENANCE / GROUNDSKEEPER | 42,907.70 | 1 | 91,103.18 | 2 |
| PARKS & RECREATION SPECIALIST | | | | |
| **Department of Parks & Recreation Total (a)** | **$ 286,916.55** | **7** | **$ 391,926.02** | **9** |
| **Department of Public Works Total** | **$ 4,073,487.25** | **96** | **$ 4,322,313.12** | **97** |

CITY OF SCRANTON
2016 OPERATING BUDGET
BUDGETED EXPENDITURES
GENERAL FUND

| | Account Number | Account Description | 2015 Operating Budget | 2015 (Through 09/30/2015) | 2016 Operating Budget |
|---|---|---|---|---|---|
| | **Single Tax Office - #90** | | | | |
| 4010 | 01.090.00000.4010 | STANDARD SALARY | $ 351,424.00 | $ 269,679.17 | $ 387,804.96 |
| 4040 | 01.090.00000.4040 | OTHER SALARY (MISC) | 5,000.00 | - | 2,500.00 |
| 4080 | 01.090.00000.4080 | OVERTIME SALARY | 1,000.00 | - | 3,500.00 |
| 4119 | 01.090.00000.4119 | HEALTH INSURANCE - SINGLE TAX OFFICE | 287,635.55 | 333,087.68 | 287,635.55 |
| | | TOTAL EMPLOYEE COMPENSATION | 645,059.55 | 602,766.85 | 681,440.51 |
| 6004 | 01.090.00000.6004 | SINGLE TAX OFFICE AUDIT | - | - | - |
| | | TOTAL OPERATING EXPENDITURES | - | - | - |
| | | **SINGLE TAX OFFICE DEPARTMENT TOTAL** | **$ 645,059.55** | **$ 602,766.85** | **$ 681,440.51** |

**Single Tax Office - #90 (a)**

| POSITION/TITLE | 2015 Total | 2015 # | 2016 Total | 2016 # |
|---|---|---|---|---|
| COLLECTOR OF TAXES | $ 26,650.00 | 1 | $ 28,700.00 | 1 |
| CONTROLLER | 27,500.00 | 1 | 29,615.38 | 1 |
| CASHIER I | 19,415.86 | 1 | 21,519.95 | 1 |
| CASHIER II | 18,386.66 | 1 | 20,379.21 | 1 |
| CASHIER II | 18,386.66 | 1 | 20,379.21 | 1 |
| CLERK TYPIST | 19,930.46 | 1 | 22,090.31 | 1 |
| INFORMATION CLERK | 18,386.66 | 1 | 20,379.21 | 1 |
| AUDITOR I | 19,930.46 | 1 | 22,090.31 | 1 |
| AUDITOR | 19,930.46 | 1 | 22,090.31 | 1 |
| AUDITOR/BUSINESS PRIV/MERC (b) | 36,773.32 | 1 | 40,758.42 | 1 |
| MAILING CLERK | 17,357.46 | 1 | 19,238.48 | 1 |
| FIELD AUDITORS | 18,386.66 | 1 | 20,379.21 | 1 |
| CLERK | 17,357.46 | 1 | 19,238.48 | 1 |
| CLERK I | 17,357.46 | 1 | 19,238.48 | 1 |
| CLERK II | 18,386.66 | 1 | 20,379.21 | 1 |
| ABATEMENT CLERK | 17,357.46 | 1 | 19,238.48 | 1 |
| CRT OPERATOR-PROPERTY | 19,930.46 | 1 | 22,090.31 | 1 |
| **Single Tax Office Department Total** | **$ 351,424.16** | **17** | **$ 387,804.96** | **17** |

(a) Salaries are paid 50% by the City and 50% by the Scranton School District.
(b) Full Time City employee

| | 2015 | | 2016 | |
|---|---|---|---|---|
| | Total | # | Total | # |
| **Total City of Scranton Budgeted Payroll (a)** | $ 25,521,888.83 | 460 | $ 27,154,257.50 | 474 |
| (a) Does not include OECD Payroll | | | | |

CITY OF SCRANTON
2016 OPERATING BUDGET
BUDGETED EXPENDITURES
GENERAL FUND

| | Account Number | Account Description | 2015 Operating Budget | 2015 (Through 09/30/2015) | 2016 Operating Budget |
|---|---|---|---|---|---|
| | NON-DEPARTMENTAL EXPENDITURES - #401 | | | | |
| 4299 | 01.401.10030.4299 | ZONING BOARD | $ 30,000.00 | $ 17,756.76 | $ 18,500.00 |
| 4299 | 01.401.10060.4299 | EVERHART MUSEUM | 29,000.00 | 28,999.98 | 29,000.00 |
| 4299 | | FIRST NIGHT SCRANTON | - | - | 10,000.00 |
| 4299 | 01.401.10080.4299 | SCRANTON TOMORROW | 30,000.00 | 30,000.00 | 32,500.00 |
| 4299 | 01.401.10110.4299 | SHADE TREE COMMISSION | 25,000.00 | 19,922.68 | 40,500.00 |
| 4299 | 01.401.10120.4299 | ST. CATS AND DOGS | 1,500.00 | | 7,500.00 |
| 4299 | | MAYORS 504 TASK FORCE | - | 1,500.00 | 1,500.00 |
| 4299 | 01.401.10140.4299 | CIVIL SERVICE COMMISSION | 50,000.00 | 3,902.52 | 47,500.00 |
| 4299 | 01.401.10150.4299 | HUMAN RELATIONS COMMISSION | | | 25,000.00 |
| | | TOTAL BOARDS, COMMISSIONS, NON-PROFIT CONTRIBUTIONS | $ 165,500.00 | $ 102,081.94 | $ 212,000.00 |
| | | | | | |
| 4299 | 01.401.15230.4299 | TAN SERIES | 13,000,000.00 | 3,761,745.35 | 12,750,000.00 |
| 4299 | 01.401.15240.4299 | TAN SERIES INTEREST | 340,000.00 | - | 210,000.00 |
| 4299 | 01.401.15306.4299 | OPER TSF TO DEBT SVC-2003 SERIES A BONDS | - | - | - |
| 4299 | 01.401.15307.4299 | OPER TSF TO DEBT SVC-2003 SERIES B BONDS | 2,125,955.00 | 610,476.88 | 2,407,469.00 |
| 4299 | 01.401.15308.4299 | OPER TSF TO DEBT SVC-2003 SERIES C BONDS | 1,228,300.00 | 389,150.00 | 1,231,250.00 |
| 4299 | 01.401.15309.4299 | OPER TSF TO DEBT SVC-2003 SERIES D BONDS | 1,079,250.00 | 695,468.75 | 1,075,250.00 |
| 4299 | 01.401.15310.4299 | OPER TSF TO DEBT SVC-STREET LIGHTING | 545,388.00 | 43,593.75 | 453,741.64 |
| 4299 | 01.401.15311.4299 | OPER TSF TO DEBT SVC-SALE LEASEBACK OF DPW- SERIES 2004 | 603,100.00 | 34,051.48 | 636,539.00 |
| 4299 | 01.401.15313.4299 | OPER TSF TO DEBT SVC-2006 BOND | 998,600.00 | - | 786,062.50 |
| 4299 | 01.401.15314.4299 | OPER TSF TO DEBT SVC-SALE LEASEBACK - SERIES 2008 | 370,473.00 | 153,319.57 | 181,087.50 |
| 4299 | 01.401.15316.4299 | OPER TSF TO DET SVC- OTHER FINANCING SOURCE | 3,701.83 | - | 1,000.00 |
| 4299 | 01.401.15317.4299 | OPER TSF DEBT SVC-2011 BOND | | - | - |
| 4299 | 01.401.15318.4299 | OPER TSF DEBT SVC-SRA- PENN STAR BANK | - | - | - |
| 4299 | 01.401.15319.4299 | OPER TSF DEBT SVC-SCRANTON PARKING AUTHORITY | 2,900,000.00 | - | 2,918,184.33 |
| 4299 | 01.401.15320.4299 | OPER TSF TO DEBT SVC-GUARANTEED ENERGY SAVINGS | 145,000.00 | 108,748.47 | 186,183.93 |
| 4299 | 01.401.15321.4299 | OPER TSF TO DEBT SVC- REFINANCING- DEBT PYMNT REDUCTION | | - | 0.00 |
| 4299 | .01.401.15322.4299 | OPER TSF TO DEBT SVC-ISSUANCE COSTS FOR LEASE OF METERS | | | |
| 4299 | 01.401.15323.4299 | OPER TSF TO DEBT SVC-2012 SERIES A UNFUNDED DEBT LOAN | 1,488,350.00 | 355,725.00 | 1,485,575.00 |
| 4299 | 01.401.15324.4299 | OPER TSF TO DEBT SVC-FDM REVOLVING AID LOAN | 100,000.00 | | 100,000.00 |
| 4299 | 01.401.15325.4299 | OPER TSF TO DEBT SVC-2012 SERIES C | 342,000.00 | 1.00 | 1,410,200.00 |
| 4299 | 01.401.15326.4299 | OPER TSF TO DEBT SVC-2013 SERIES A | 705,975.00 | 163,300.00 | 708,412.50 |
| 4299 | 01.401.15327.4299 | OPER TSF TO DEBT SVC-2012 SERIES B | 1,151,000.00 | 53,125.00 | 221,475.00 |
| 4299 | 01.401.15328.4299 | OPER TSF TO DEBT SVC-SERIES OF 2015 GENERAL OBLIGATION NOTE | 574,892.75 | 53,167.25 | 0.00 |
| 4299 | 01.401.15329.4299 | OPER TSF TO DEBT SVC-SERIES OF 2016 GENERAL OBLIGATION NOTE | | | 1,000.00 |
| 4299 | 01.401.15330.4299 | OPER TSF TO DEBT SVC-SERIES OF 2016 GENERAL OBLIGATION NOTE | | | 1,000.00 |
| | | TOTAL PRINCIPAL AND INTEREST, LOANS | $ 27,701,985.58 | $ 6,421,872.50 | $ 26,764,430.40 |
| | | | | | |
| 4299 | 01.401.15329.4299 | OPER TSF TO DEBT SVC-LEASE OF REFUSE PACKERS | 128,082.87 | 255,093.02 | 170,360.33 |
| 4299 | 01.401.15330.4299 | OPER TSF TO DEBT SVC-LEASE OF KME ENGINE | 155,000.00 | | 49,849.00 |
| 4299 | 01.401.15331.4299 | OPER TSF TO DEBT SVC-GUARANTEED ENERGY SAVINGS | 500,000.00 | 49,063.02 | 125,000.00 |
| 4299 | 01.401.15332.4299 | OPER TSF DEBT SVC-SRA- TAX CLAIM SALE | 50,000.00 | | 0.00 |
| 4299 | 01.401.15333.4299 | OPER TSF TO DEBT SVC-LEASE OF LAW ENFORCEMENT MGMT SYSTEM | | | 176,031.61 |

CITY OF SCRANTON
2016 OPERATING BUDGET
BUDGETED EXPENDITURES
GENERAL FUND

| | Account Number | Account Description | 2015 Operating Budget | 2015 (Through 09/30/2015) | 2016 Operating Budget |
|---|---|---|---|---|---|
| 4299 | 01.401.15334.4299 | OPER TSF TO DEBT SVC-LEASE OF JOHN DEERE WHEEL LOADER | | | 25,853.00 |
| 4299 | 01.401.15336.4299 | OPER TSF TO DEBT SVC-REPUBLIC LEASE OF TURNOUT GEAR | | | 160,765.36 |
| 4299 | 01.401.15337.4299 | OPER TSF TO DEBT SVC-LEASE OF KME ENGINE 2016 | | | 51,585.08 |
| | | **TOTAL LEASE PAYMENTS** | **$ 833,082.87** | **$ 304,156.04** | **$ 759,444.38** |
| | | **TOTAL INTEREST & DEBT SERVICE** | **28,535,068.45** | **$ 6,726,028.54** | **$ 27,523,874.78** |
| 4299 | 01.401.13090.4299 | CONTINGENCY | 100,000.00 | 101,493.59 | 585,000.00 |
| 4299 | 01.401.13100.4299 | OECD CONTINGENCY | | | 45,000.00 |
| 4299 | 01.401.16090.4299 | UNENCUMBERED EXPENSES PRIOR YEAR OBLIGATIONS | 4,100,000.00 | 206,418.89 | 750,000.00 |
| 4299 | 01.401.16270.4299 | COURT AWARDS | 4,800,000.00 | 161,363.27 | 27,600,000.00 |
| 4299 | 01.401.17020.4299 | VETERAN'S ORGANIZATION | 100.00 | | 100.00 |
| 4299 | 01.401.17060.4299 | TRIPP PARK COMMUNITY CENTER | 100.00 | | 1,000.00 |
| | | **TOTAL UNPAID BILLS / COURT AWARDS / MISC** | **$ 9,000,200.00** | **$ 469,275.75** | **$ 28,981,100.00** |
| | | **TOTAL NON-DEPARTMENTAL EXPENDITURES** | **$ 37,700,768.45** | **$ 7,297,386.23** | **$ 56,716,974.78** |
| | | **TOTAL GENERAL FUND EXPENDITURES** | **$ 107,781,807.89** | **$ 50,420,237.52** | **$ 132,210,896.38** |

# GRA Consulting

September 29, 2015

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, 2015. 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 30, 2015 to be $20,024,895. 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 an approximate increase of $45,000 over the prior report and is predominantly due to the 0.1 percent decrease in the rate of interest used in discounting the future cash flows of the expected payment of claims. Without the decrease in the rate of discount, the total discounted obligation would have decreased from the prior analysis by approximately $100,000.

Exhibit 5 details the level of anticipated, expected claims and claims expense expenditures for the 2016 calendar year, which total $2,716,473. This is an approximate $60,000 increase over the prior year's expected claims expenditures and is reflective of the continued aging of the program due to one more program year being under review. We have continued to employ a selection process that is the midpoint of a range of possible estimates of the claims and associated claims expense to be paid out in 2016. We had a prior history of overstating the expected payouts due to two issues: the selected paid loss development factors continue to overestimate the ultimate final costs, coupled with the Bureau's position that the starting point of this exhibit are estimated ultimate

Gary R. Abramson, Casualty Actuarial Services
125 Rivendell Rd., Hillsborough, NJ 08844
Tel. (908) 271-4277 Fax (908) 271-4278

losses by program year that reflect zero potential reinsurance recoveries for any year regardless of whether or not the providing carrier is viewed as responsive or not. This has been the Bureau's position since November of 2005. In other words, this amount is now gross of any amounts that may be reimbursed by your excess carriers. Further, as outlined in Table A, the total expenditures to the Fund for 2016 are anticipated to be $3,117,217.

As noted previously, a change in the claims administration management of this program can have many impacts, from increasing reserves to a speed up in the payment of claims, or visa versa. It will take another year or two to determine whether the claims management philosophy of the newest TPA will have a material impact on the projected results of this program. At this time, it appears that the initial impact of PMA Companies was an increase in payments on open claims, coupled with resultant reserve takedowns and closings. We will continue to closely monitor changes in paid and reported loss emergence patterns for future analyses.

Should you have any questions or need for further clarification; please do not hesitate to contact me at (908) 271-4277. 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 29_2015.doc

Gary R. Abramson, Casualty Actuarial Services
125 Rivendell Rd., Hillsborough, NJ 08844
Tel. (908) 271-4277 Fax (908) 271-4278

# GRA Consulting

September 29, 2015

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, 2015 to be $20,024,895. 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, 2016. 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 2016 are as estimated by The City based upon expected outlays. As displayed within this table, the projected annual expenditures for calendar year 2016 for all categories combined is $3,117,217.

If you should have any questions, please do not hesitate to call me at (908) 271-4277.

Sincerely,

Gary R. Abramson

Gary R. Abramson, ACAS, MAAA
Consulting Actuary

Enclosures

GRA: DOC: SCRANTON_SMRY_8.31.15.DOC
cc: David Bulzoni, Business Administrator

Gary R. Abramson, Casualty Actuarial Services
125 Rivendell Rd., Hillsborough, NJ 08844
Tel. (908) 271-4277 Fax (908) 271-4278

## *Projected Annual Expenditure Amounts*
## *Calendar Year 2016*

| Category | Amount |
|---|---|
| 1. Claims Liability - midpoint of reasonableness range<br>(Losses & ALAE payments, from Exhibit 5) | $2,716,473 |
| 2. Claims Administrative Expense<br>(PMA Claims Services annual services fee) | $68,750 |
| 3. General Self-Insurance Expenses<br>(Excess Reinsurance, Risk Mgmt Services, Loss Control & Special Assessments) | $274,444 |
| 4. Trust Operating Expenses<br>(Trust Fund fees including investment, accounting and actuarial services) | $57,550 |
| Total Projected Annual Expenditures (January 1, 2016 through December 31, 2016) | $3,117,217 |

# 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) Paid and reported loss development procedures are utilized prior to selecting ultimate loss estimates which are based upon a 40/60 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, 2015. 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 2015/16, will show that during the previous ten months, the program paid out $2,460,000 in claims and related expenses, while the reported losses increased by approximately $1,615,000 over the same time frame. This implies a decrease in the outstanding losses for the City's self-insured program of approximately $845,000 for policy years up through and including 2015/16. 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 eighteen historical program periods. Trends in the average annual wage per employee are displayed for each year and for the eighteen year 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 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, 63 individual claims meet this criterion. This is a decrease of one (1) critical value claim from the prior October 2014 analysis. Two of the early 1990's program years contribute almost 27% of the total number of the potential large losses.

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 34 overall. This is a decrease of one critical claim over the prior analysis. It is 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, 2015 - February 29, 2016 program year as well as the forecasted results for the March 1, 2016 – February 28, 2017 accident period. The selected loss rate for accident year 2015/16 is $0.50 less than the selected rate from the prior analysis. This 4% decrease in the selected loss rate is due to the consistency in expected loss rates over the past seven years.

Loss and exposure trends utilized in this exhibit are selections based upon insurance industry averages. To the extent that the City's actual underlying trend is 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, 2015 on both a nominal basis and a discounted basis. The estimated outstanding losses as of August 31, 2015 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 2015/16. 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, 2015 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 twelve in the 1999 – 2002, and 2004 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 $45,000 more than the prior analysis and is reflective of the increased payment activity over the past ten months, and a 0.1 percent decrease in the rate of return utilized to discount the outstanding losses. The 0.1 point decrease in the underlying rate of interest utilized in discounting the expected payout pattern is responsible for almost $145,000 of the difference between these two annual evaluations. Without the change in discount rate, the discounted obligation would have been reduced by approximately $100,000 from the prior evaluation, reflective of the payment activity and reserve takedowns overall.

***EXHIBIT 5***

Exhibit 5 develops a projection of the calendar year 2016 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, 2016. 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 2016 of $3,104,540. 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 the past five years has shown that this method has generally overstated the projected claims payments for the upcoming twelve months by upwards of 25%. The reasoning is probably two-fold: historical paid development factors are overly conservative and the ultimate losses used to project the upcoming payments do not reflect potential reinsurance recoveries. Our mid-point of a reasonable range of estimates ($2,716,473) results in a 12.5% decrease in expected costs. Based upon the average monthly payments over the past ten months ($246,000), the $2.72M midpoint appears to be very reasonable.

## *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.

Various averages of the development factors are shown, as are those of the 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. Selections of paid and reported loss development factors have remained steady over prior valuations and will need to be closely monitored going forward.

PMA has been the current TPA for over two years and continues to aggressively settle claims and establish reasonable reserves, resulting in some slowdown in payout patterns especially in the more recent program years. The final selection process attempts to smooth over these variable data anomalies. Due to the termination of the previous TPA and the resultant laborious task by PMA to re-establish accurate claim files, annual aggregate evaluations for 12.31.12 through 12.31.13 have not been available.

## *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 losses of the City as detailed through a PA Claims Statement of Losses valued as of August 31, 2015. As mentioned previously, currently sixty-three 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, 2015 for 30 year US Treasury Bonds.

***The City of Scranton***
***Summary of Historical Loss Experience***
***As of August 31, 2015***

| Accident Year | Maturity (months) | Number of Claims Closed | Open | Total | Paid Losses (Net of Subro) | Reported Losses |
|---|---|---|---|---|---|---|
| 03/01/79-02/28/80 | 438 | 5 | 1 | 6 | $1,265,191 | $1,286,638 |
| 03/01/80-02/28/81 | 426 | 5 | 2 | 7 | $1,756,516 | $1,902,284 |
| 03/01/81-02/28/82 | 414 | 6 | 1 | 7 | $2,153,551 | $2,269,337 |
| 03/01/82-02/28/83 | 402 | 8 | 1 | 9 | $703,114 | $798,533 |
| 03/01/83-02/28/84 | 390 | 2 | 1 | 3 | $1,600,424 | $1,753,155 |
| 03/01/84-02/28/85 | 378 | 5 | 0 | 5 | $134,535 | $134,535 |
| 03/01/85-02/28/86 | 366 | 2 | 2 | 4 | $1,257,468 | $1,392,260 |
| 03/01/86-02/28/87 | 354 | 1 | 2 | 3 | $1,351,272 | $1,536,617 |
| 03/01/87-02/28/88 | 342 | 9 | 2 | 11 | $2,434,486 | $3,619,291 |
| 03/01/88-02/28/89 | 330 | 5 | 5 | 10 | $2,938,475 | $3,805,882 |
| 03/01/89-02/28/90 | 318 | 10 | 1 | 11 | $1,954,437 | $2,023,237 |
| 03/01/90-02/28/91 | 306 | 18 | 2 | 20 | $2,629,933 | $3,243,240 |
| 03/01/91-02/28/92 | 294 | 114 | 4 | 118 | $5,391,019 | $5,868,889 |
| 03/01/92-02/28/93 | 282 | 201 | 2 | 203 | $5,157,223 | $5,334,766 |
| 03/01/93-02/28/94 | 270 | 177 | 4 | 181 | $7,438,729 | $7,800,793 |
| 03/01/94-02/28/95 | 258 | 194 | 0 | 194 | $1,815,475 | $1,815,480 |
| 03/01/95-02/28/96 | 246 | 274 | 3 | 277 | $6,645,137 | $6,995,297 |
| 03/01/96-02/28/97 | 234 | 220 | 3 | 223 | $2,316,460 | $2,916,973 |
| 03/01/97-02/28/98 | 222 | 235 | 1 | 236 | $2,264,932 | $2,270,679 |
| 03/01/98-02/28/99 | 210 | 219 | 2 | 221 | $2,154,794 | $2,374,008 |
| 03/01/99-02/28/00 | 198 | 233 | 0 | 233 | $2,026,959 | $2,026,957 |
| 03/01/00-02/28/01 | 186 | 194 | 0 | 194 | $1,751,046 | $1,751,054 |
| 03/01/01-02/28/02 | 174 | 191 | 0 | 191 | $2,505,028 | $2,505,031 |
| 03/01/02-02/28/03 | 162 | 203 | 6 | 209 | $5,609,932 | $6,125,320 |
| 03/01/03-02/28/04 | 150 | 150 | 2 | 152 | $1,500,713 | $1,947,031 |
| 03/01/04-02/28/05 | 138 | 148 | 2 | 150 | $3,086,502 | $3,145,764 |
| 03/01/05-02/28/06 | 126 | 155 | 1 | 156 | $1,590,551 | $1,737,103 |
| 03/01/06-02/28/07 | 114 | 169 | 1 | 170 | $1,658,048 | $1,869,131 |
| 03/01/07-02/28/08 | 102 | 174 | 1 | 175 | $1,505,741 | $1,523,700 |
| 03/01/08-02/28/09 | 90 | 140 | 3 | 143 | $1,496,074 | $1,509,845 |
| 03/01/09-02/28/10 | 78 | 155 | 3 | 158 | $1,341,265 | $1,389,889 |
| 03/01/10-02/28/11 | 66 | 156 | 2 | 158 | $1,720,961 | $1,790,208 |
| 03/01/11-02/28/12 | 54 | 144 | 4 | 148 | $1,881,121 | $2,023,666 |
| 03/01/12-02/28/13 | 42 | 132 | 4 | 136 | $921,948 | $950,175 |
| 03/01/13-02/28/14 | 30 | 117 | 8 | 125 | $1,095,233 | $1,143,629 |
| 03/01/14-02/28/15 | 18 | 99 | 16 | 115 | $936,249 | $1,220,050 |
| 03/01/15-02/28/16 | 6 | 31 | 31 | 62 | $226,126 | $323,416 |
| **Totals** | | 4301 | 123 | 4424 | $84,216,668 | $92,123,863 |

Source: PMA Companies Loss Summary by Policy, Account # 0441006
Statement of Losses Valued as of: August 31, 2015

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, 2015*

| Calendar Year | Number of Employees | Payroll | Average Pay Per EE | Annual Change in Avg Payroll |
|---|---|---|---|---|
| 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 | $30,886,486 | $65,024 | 2.1% |
| *Average Annual Trend in Average Payroll per Employee:* | | | | 5.3% |
| *2016 Budgetary* | 487 | $29,295,035 | $60,154 | -7.5% |

Source: City of Scranton, Department of Business Administration

## Estimation of Unlimited Ultimate Losses

| (A) Accident Period | (B) Evaluation Date | (C) Maturity (months) | (D) Reported Losses at 8/31/15 | (E) Paid Losses at 8/31/15 | (F) Large Loss Critical Amount | (G) Number of Losses > Column(F) | (H) Reported on Large Losses | (I) Paid on Large Losses |
|---|---|---|---|---|---|---|---|---|
| 03/01/86-02/28/87 | 8/31/2015 | 354.0 | $1,536,617 | $1,351,272 | N/A | N/A | N/A | N/A |
| 03/01/87-02/28/88 | 8/31/2015 | 342.0 | $3,619,291 | $2,434,486 | N/A | N/A | N/A | N/A |
| 03/01/88-02/28/89 | 8/31/2015 | 330.0 | $3,805,882 | $2,938,475 | N/A | N/A | N/A | N/A |
| 03/01/89-02/28/90 | 8/31/2015 | 318.0 | $2,023,237 | $1,954,437 | N/A | N/A | N/A | N/A |
| 03/01/90-02/28/91 | 8/31/2015 | 306.0 | $3,243,240 | $2,629,933 | N/A | N/A | N/A | N/A |
| 03/01/91-02/28/92 | 8/31/2015 | 294.0 | $5,868,889 | $5,391,019 | N/A | N/A | N/A | N/A |
| 03/01/92-02/28/93 | 8/31/2015 | 282.0 | $5,334,766 | $5,157,223 | N/A | N/A | N/A | N/A |
| 03/01/93-02/28/94 | 8/31/2015 | 270.0 | $7,800,793 | $7,438,729 | N/A | N/A | N/A | N/A |
| 03/01/94-02/28/95 | 8/31/2015 | 258.0 | $1,815,480 | $1,815,475 | N/A | N/A | N/A | N/A |
| 03/01/95-02/28/96 | 8/31/2015 | 246.0 | $6,995,297 | $6,645,137 | N/A | N/A | N/A | N/A |
| 03/01/96-02/28/97 | 8/31/2015 | 234.0 | $2,916,973 | $2,316,460 | N/A | N/A | N/A | N/A |
| 03/01/97-02/28/98 | 8/31/2015 | 222.0 | $2,270,679 | $2,264,932 | N/A | N/A | N/A | N/A |
| 03/01/98-02/28/99 | 8/31/2015 | 210.0 | $2,374,008 | $2,154,794 | N/A | N/A | N/A | N/A |
| 03/01/99-02/28/00 | 8/31/2015 | 198.0 | $2,026,957 | $2,026,959 | N/A | N/A | N/A | N/A |
| 03/01/00-02/28/01 | 8/31/2015 | 186.0 | $1,751,054 | $1,751,046 | N/A | N/A | N/A | N/A |
| 03/01/01-02/28/02 | 8/31/2015 | 174.0 | $2,505,031 | $2,505,028 | N/A | N/A | N/A | N/A |
| 03/01/02-02/28/03 | 8/31/2015 | 162.0 | $6,125,320 | $5,609,932 | N/A | N/A | N/A | N/A |
| 03/01/03-02/28/04 | 8/31/2015 | 150.0 | $1,947,031 | $1,500,713 | N/A | N/A | N/A | N/A |
| 03/01/04-02/28/05 | 8/31/2015 | 138.0 | $3,145,764 | $3,086,502 | N/A | N/A | N/A | N/A |
| 03/01/05-02/28/06 | 8/31/2015 | 126.0 | $1,737,103 | $1,590,551 | N/A | N/A | N/A | N/A |
| 03/01/06-02/28/07 | 8/31/2015 | 114.0 | $1,869,131 | $1,658,048 | N/A | N/A | N/A | N/A |
| 03/01/07-02/28/08 | 8/31/2015 | 102.0 | $1,523,700 | $1,505,741 | N/A | N/A | N/A | N/A |
| 03/01/08-02/28/09 | 8/31/2015 | 90.0 | $1,509,845 | $1,496,074 | N/A | N/A | N/A | N/A |
| 03/01/09-02/28/10 | 8/31/2015 | 78.0 | $1,389,889 | $1,341,265 | N/A | N/A | N/A | N/A |
| 03/01/10-02/28/11 | 8/31/2015 | 66.0 | $1,790,208 | $1,720,961 | N/A | N/A | N/A | N/A |
| 03/01/11-02/28/12 | 8/31/2015 | 54.0 | $2,023,666 | $1,881,121 | N/A | N/A | N/A | N/A |
| 03/01/12-02/28/13 | 8/31/2015 | 42.0 | $950,175 | $921,948 | N/A | N/A | N/A | N/A |
| 03/01/13-02/28/14 | 8/31/2015 | 30.0 | $1,143,629 | $1,095,233 | N/A | N/A | N/A | N/A |
| 03/01/14-02/28/15 | 8/31/2015 | 18.0 | $1,220,050 | $936,249 | N/A | N/A | N/A | N/A |
| 03/01/15-02/28/16 | 8/31/2015 | 6.0 | $323,416 | $226,126 | N/A | N/A | N/A | N/A |
| Totals | | | $82,587,121 | $75,345,869 | | | | |

| (J) Accident Period | (K) Evaluation Date | (L) Maturity (months) | (M) Cumulative Rptd Loss Dev Factor | (N) Implied Limited Ultimate Losses | (O) Cumulative Paid Loss Dev Factor | (P) Implied Limited Ultimate Losses | (Q) Selected Estimated Ultimate Losses |
|---|---|---|---|---|---|---|---|
| 03/01/86-02/28/87 | 8/31/2015 | 354.0 | 1.043 | $1,601,948 | 1.185 | $1,601,362 | $1,681,713 |
| 03/01/87-02/28/88 | 8/31/2015 | 342.0 | 1.044 | $3,779,654 | 1.192 | $2,903,102 | $3,429,033 |
| 03/01/88-02/28/89 | 8/31/2015 | 330.0 | 1.046 | $3,981,879 | 1.200 | $3,527,586 | $3,880,162 |
| 03/01/89-02/28/90 | 8/31/2015 | 318.0 | 1.048 | $2,121,040 | 1.209 | $2,363,148 | $2,217,883 |
| 03/01/90-02/28/91 | 8/31/2015 | 306.0 | 1.051 | $3,407,407 | 1.218 | $3,204,531 | $3,326,256 |
| 03/01/91-02/28/92 | 8/31/2015 | 294.0 | 1.053 | $6,180,534 | 1.229 | $6,623,771 | $6,357,829 |
| 03/01/92-02/28/93 | 8/31/2015 | 282.0 | 1.056 | $5,632,539 | 1.240 | $6,393,828 | $5,937,054 |
| 03/01/93-02/28/94 | 8/31/2015 | 270.0 | 1.059 | $8,259,479 | 1.252 | $9,312,949 | $8,680,867 |
| 03/01/94-02/28/95 | 8/31/2015 | 258.0 | 1.062 | $1,928,201 | 1.265 | $2,297,197 | $2,075,799 |
| 03/01/95-02/28/96 | 8/31/2015 | 246.0 | 1.066 | $7,455,108 | 1.280 | $8,506,650 | $7,875,725 |
| 03/01/96-02/28/97 | 8/31/2015 | 234.0 | 1.070 | $3,120,539 | 1.297 | $3,003,403 | $3,073,685 |
| 03/01/97-02/28/98 | 8/31/2015 | 222.0 | 1.074 | $2,439,450 | 1.315 | $2,978,093 | $2,654,967 |
| 03/01/98-02/28/99 | 8/31/2015 | 210.0 | 1.079 | $2,562,596 | 1.335 | $2,877,600 | $2,688,598 |
| 03/01/99-02/28/00 | 8/31/2015 | 198.0 | 1.085 | $2,199,727 | 1.359 | $2,754,005 | $2,421,438 |
| 03/01/00-02/28/01 | 8/31/2015 | 186.0 | 1.092 | $1,911,906 | 1.385 | $2,425,474 | $2,117,333 |
| 03/01/01-02/28/02 | 8/31/2015 | 174.0 | 1.099 | $2,754,268 | 1.416 | $3,545,989 | $3,070,956 |
| 03/01/02-02/28/03 | 8/31/2015 | 162.0 | 1.108 | $6,789,184 | 1.451 | $8,138,772 | $7,329,019 |
| 03/01/03-02/28/04 | 8/31/2015 | 150.0 | 1.119 | $2,178,415 | 1.492 | $2,239,169 | $2,202,717 |
| 03/01/04-02/28/05 | 8/31/2015 | 138.0 | 1.131 | $3,558,847 | 1.541 | $4,756,562 | $4,037,933 |
| 03/01/05-02/28/06 | 8/31/2015 | 126.0 | 1.146 | $1,991,453 | 1.600 | $2,545,116 | $2,212,918 |
| 03/01/06-02/28/07 | 8/31/2015 | 114.0 | 1.165 | $2,177,647 | 1.673 | $2,773,251 | $2,415,889 |
| 03/01/07-02/28/08 | 8/31/2015 | 102.0 | 1.189 | $1,811,018 | 1.763 | $2,655,261 | $2,148,715 |
| 03/01/08-02/28/09 | 8/31/2015 | 90.0 | 1.219 | $1,840,570 | 1.880 | $2,813,184 | $2,229,615 |
| 03/01/09-02/28/10 | 8/31/2015 | 78.0 | 1.260 | $1,751,225 | 2.036 | $2,731,082 | $2,143,168 |
| 03/01/10-02/28/11 | 8/31/2015 | 66.0 | 1.318 | $2,358,648 | 2.253 | $3,877,886 | $2,966,343 |
| 03/01/11-02/28/12 | 8/31/2015 | 54.0 | 1.404 | $2,840,713 | 2.575 | $4,844,093 | $3,642,065 |
| 03/01/12-02/28/13 | 8/31/2015 | 42.0 | 1.545 | $1,468,459 | 3.097 | $2,855,301 | $2,023,196 |
| 03/01/13-02/28/14 | 8/31/2015 | 30.0 | 1.816 | $2,076,836 | 4.076 | $4,464,398 | $3,031,861 |
| 03/01/14-02/28/15 | 8/31/2015 | 18.0 | 2.504 | $3,055,082 | 6.504 | $6,089,118 | $4,268,696 |
| 03/01/15-02/28/16 | 8/31/2015 | 6.0 | 6.603 | $2,135,529 | 20.231 | $4,574,784 | $3,111,231 |
| Totals | | | | $95,369,901 | | $119,676,663 | $105,092,606 |

*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) Accident Period | (B) Evaluation Date | (C) Maturity (months) | (D) Reported Losses at 8/31/15 | (E) Paid Losses at 8/31/15 | (F) Large Loss Critical Amount | (G) Number of Losses > Column(F) | (H) Reported on Large Losses | (I) Paid on Large Losses |
|---|---|---|---|---|---|---|---|---|
| 03/01/86-02/28/87 | 8/31/2015 | 354.0 | $1,536,617 | $1,351,272 | $242,700 | 3 | $1,536,616 | $1,351,272 |
| 03/01/87-02/28/88 | 8/31/2015 | 342.0 | $3,619,291 | $2,434,486 | $338,793 | 4 | $3,269,498 | $2,084,693 |
| 03/01/88-02/28/89 | 8/31/2015 | 330.0 | $3,805,882 | $2,938,475 | $289,553 | 5 | $2,716,376 | $1,900,237 |
| 03/01/89-02/28/90 | 8/31/2015 | 318.0 | $2,023,237 | $1,954,437 | $481,195 | 1 | $502,970 | $434,170 |
| 03/01/90-02/28/91 | 8/31/2015 | 306.0 | $3,243,240 | $2,629,933 | $479,810 | 2 | $1,567,084 | $952,819 |
| 03/01/91-02/28/92 | 8/31/2015 | 294.0 | $5,868,889 | $5,391,019 | $334,583 | 8 | $4,211,948 | $3,734,088 |
| 03/01/92-02/28/93 | 8/31/2015 | 282.0 | $5,334,766 | $5,157,223 | $380,924 | 4 | $2,560,950 | $2,383,411 |
| 03/01/93-02/28/94 | 8/31/2015 | 270.0 | $7,800,793 | $7,438,729 | $379,478 | 9 | $5,129,035 | $4,767,053 |
| 03/01/94-02/28/95 | 8/31/2015 | 258.0 | $1,815,480 | $1,815,475 | $330,476 | 0 | $0 | $0 |
| 03/01/95-02/28/96 | 8/31/2015 | 246.0 | $6,995,297 | $6,645,137 | $469,890 | 4 | $2,573,159 | $2,231,784 |
| 03/01/96-02/28/97 | 8/31/2015 | 234.0 | $2,916,973 | $2,316,460 | $467,692 | 2 | $1,404,579 | $804,586 |
| 03/01/97-02/28/98 | 8/31/2015 | 222.0 | $2,270,679 | $2,264,932 | $372,602 | 1 | $395,272 | $395,272 |
| 03/01/98-02/28/99 | 8/31/2015 | 210.0 | $2,374,008 | $2,154,794 | $370,871 | 1 | $531,090 | $325,869 |
| 03/01/99-02/28/00 | 8/31/2015 | 198.0 | $2,026,957 | $2,026,959 | $230,581 | 3 | $942,198 | $942,198 |
| 03/01/00-02/28/01 | 8/31/2015 | 186.0 | $1,751,054 | $1,751,046 | $229,212 | 3 | $1,008,418 | $1,008,418 |
| 03/01/01-02/28/02 | 8/31/2015 | 174.0 | $2,505,031 | $2,505,028 | $227,657 | 4 | $1,292,419 | $1,292,419 |
| 03/01/02-02/28/03 | 8/31/2015 | 162.0 | $6,125,320 | $5,609,932 | $271,052 | 6 | $2,615,803 | $2,153,559 |
| 03/01/03-02/28/04 | 8/31/2015 | 150.0 | $1,947,031 | $1,500,713 | $313,348 | 1 | $688,103 | $251,222 |
| 03/01/04-02/28/05 | 8/31/2015 | 138.0 | $3,145,764 | $3,086,502 | $354,273 | 2 | $966,529 | $915,257 |
| 03/01/05-02/28/06 | 8/31/2015 | 126.0 | $1,737,103 | $1,590,551 | $437,182 | 0 | $0 | $0 |
| 03/01/06-02/28/07 | 8/31/2015 | 114.0 | $1,869,131 | $1,658,048 | $645,623 | 0 | $0 | $0 |
| 03/01/07-02/28/08 | 8/31/2015 | 102.0 | $1,523,700 | $1,505,741 | $633,306 | 0 | $0 | $0 |
| 03/01/08-02/28/09 | 8/31/2015 | 90.0 | $1,509,845 | $1,496,074 | $618,081 | 0 | $0 | $0 |
| 03/01/09-02/28/10 | 8/31/2015 | 78.0 | $1,389,889 | $1,341,265 | $598,842 | 0 | $0 | $0 |
| 03/01/10-02/28/11 | 8/31/2015 | 66.0 | $1,790,208 | $1,720,961 | $612,107 | 0 | $0 | $0 |
| 03/01/11-02/28/12 | 8/31/2015 | 54.0 | $2,023,666 | $1,881,121 | $576,244 | 0 | $0 | $0 |
| 03/01/12-02/28/13 | 8/31/2015 | 42.0 | $950,175 | $921,948 | $525,719 | 0 | $0 | $0 |
| 03/01/13-02/28/14 | 8/31/2015 | 30.0 | $1,143,629 | $1,095,233 | $450,070 | 0 | $0 | $0 |
| 03/01/14-02/28/15 | 8/31/2015 | 18.0 | $1,220,050 | $936,249 | $328,170 | 0 | $0 | $0 |
| 03/01/15-02/28/16 | 8/31/2015 | 6.0 | $323,416 | $226,126 | $126,743 | 0 | $0 | $0 |
| Totals | | | $82,587,121 | $75,345,869 | | 63 | $33,912,047 | $27,928,327 |

| (J) Accident Period | (K) Evaluation Date | (L) Maturity (months) | (M) Cumulative Rptd Loss Dev Factor | (N) Implied Limited Ultimate Losses | (O) Cumulative Paid Loss Dev Factor | (P) Implied Limited Ultimate Losses | (Q) Selected Estimated Ultimate Losses |
|---|---|---|---|---|---|---|---|
| 03/01/86-02/28/87 | 8/31/2015 | 354.0 | 1.043 | $855,001 | 1.185 | $855,000 | $855,001 |
| 03/01/87-02/28/88 | 8/31/2015 | 342.0 | 1.044 | $1,765,291 | 1.192 | $1,817,125 | $1,786,025 |
| 03/01/88-02/28/89 | 8/31/2015 | 330.0 | 1.046 | $2,839,888 | 1.200 | $2,946,386 | $2,882,437 |
| 03/01/89-02/28/90 | 8/31/2015 | 318.0 | 1.048 | $2,093,757 | 1.209 | $2,338,185 | $2,191,528 |
| 03/01/90-02/28/91 | 8/31/2015 | 306.0 | 1.051 | $2,760,999 | 1.218 | $3,043,536 | $2,874,014 |
| 03/01/91-02/28/92 | 8/31/2015 | 294.0 | 1.053 | $4,544,926 | 1.229 | $4,835,817 | $4,661,283 |
| 03/01/92-02/28/93 | 8/31/2015 | 282.0 | 1.056 | $4,528,643 | 1.240 | $5,038,920 | $4,732,754 |
| 03/01/93-02/28/94 | 8/31/2015 | 270.0 | 1.059 | $6,428,857 | 1.252 | $6,944,817 | $6,635,241 |
| 03/01/94-02/28/95 | 8/31/2015 | 258.0 | 1.062 | $1,928,201 | 1.265 | $2,297,197 | $2,075,799 |
| 03/01/95-02/28/96 | 8/31/2015 | 246.0 | 1.066 | $6,712,812 | 1.280 | $7,649,673 | $7,087,557 |
| 03/01/96-02/28/97 | 8/31/2015 | 234.0 | 1.070 | $2,617,939 | 1.297 | $2,960,218 | $2,754,851 |
| 03/01/97-02/28/98 | 8/31/2015 | 222.0 | 1.074 | $2,414,799 | 1.315 | $2,858,361 | $2,592,224 |
| 03/01/98-02/28/99 | 8/31/2015 | 210.0 | 1.079 | $2,389,317 | 1.335 | $2,842,421 | $2,570,559 |
| 03/01/99-02/28/00 | 8/31/2015 | 198.0 | 1.085 | $1,927,220 | 1.359 | $2,223,852 | $2,045,872 |
| 03/01/00-02/28/01 | 8/31/2015 | 186.0 | 1.092 | $1,560,855 | 1.385 | $1,778,657 | $1,647,975 |
| 03/01/01-02/28/02 | 8/31/2015 | 174.0 | 1.099 | $2,413,260 | 1.416 | $2,796,507 | $2,566,559 |
| 03/01/02-02/28/03 | 8/31/2015 | 162.0 | 1.108 | $5,689,879 | 1.451 | $6,814,433 | $6,139,791 |
| 03/01/03-02/28/04 | 8/31/2015 | 150.0 | 1.119 | $1,783,539 | 1.492 | $2,239,328 | $1,965,855 |
| 03/01/04-02/28/05 | 8/31/2015 | 138.0 | 1.131 | $3,265,399 | 1.541 | $4,146,073 | $3,617,669 |
| 03/01/05-02/28/06 | 8/31/2015 | 126.0 | 1.146 | $1,991,453 | 1.600 | $2,545,116 | $2,212,918 |
| 03/01/06-02/28/07 | 8/31/2015 | 114.0 | 1.165 | $2,177,647 | 1.673 | $2,773,251 | $2,415,889 |
| 03/01/07-02/28/08 | 8/31/2015 | 102.0 | 1.189 | $1,811,018 | 1.763 | $2,655,261 | $2,148,715 |
| 03/01/08-02/28/09 | 8/31/2015 | 90.0 | 1.219 | $1,840,570 | 1.880 | $2,813,184 | $2,229,615 |
| 03/01/09-02/28/10 | 8/31/2015 | 78.0 | 1.260 | $1,751,225 | 2.036 | $2,731,082 | $2,143,168 |
| 03/01/10-02/28/11 | 8/31/2015 | 66.0 | 1.318 | $2,358,648 | 2.253 | $3,877,886 | $2,966,343 |
| 03/01/11-02/28/12 | 8/31/2015 | 54.0 | 1.404 | $2,840,713 | 2.575 | $4,844,093 | $3,642,065 |
| 03/01/12-02/28/13 | 8/31/2015 | 42.0 | 1.545 | $1,468,459 | 3.097 | $2,855,301 | $2,023,196 |
| 03/01/13-02/28/14 | 8/31/2015 | 30.0 | 1.816 | $2,076,836 | 4.076 | $4,464,398 | $3,031,861 |
| 03/01/14-02/28/15 | 8/31/2015 | 18.0 | 2.504 | $3,055,082 | 6.504 | $6,089,118 | $4,268,696 |
| 03/01/15-02/28/16 | 8/31/2015 | 6.0 | 6.603 | $2,135,529 | 20.231 | $4,574,784 | $3,111,231 |
| Totals | | | | $82,027,764 | | $106,649,979 | $91,876,650 |

*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(H)}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 Re/Pappy Plan 1990-1993)*

| (A) Accident Period | (B) Evaluation Date | (C) Maturity (months) | (D) Reported Losses at 8/31/15 | (E) Paid Losses at 8/31/15 | (F) Large Loss Critical Amount | (G) Number of Losses > Column(F) | (H) Reported on Large Losses | (I) Paid on Large Losses |
|---|---|---|---|---|---|---|---|---|
| 03/01/86-02/28/87 | 8/31/2015 | 354.0 | $1,536,617 | $1,351,272 | $242,700 | 3 | $1,536,616 | $1,351,272 |
| 03/01/87-02/28/88 | 8/31/2015 | 342.0 | $3,619,291 | $2,434,486 | $338,793 | 4 | $3,269,498 | $2,084,693 |
| 03/01/88-02/28/89 | 8/31/2015 | 330.0 | $3,805,882 | $2,938,475 | $289,553 | 5 | $2,716,376 | $1,900,237 |
| 03/01/89-02/28/90 | 8/31/2015 | 318.0 | $2,023,237 | $1,954,437 | $481,195 | 1 | $502,970 | $434,170 |
| 03/01/90-02/28/91 | 8/31/2015 | 306.0 | $3,243,240 | $2,629,933 | $479,810 | 0 | $0 | $0 |
| 03/01/91-02/28/92 | 8/31/2015 | 294.0 | $5,868,889 | $5,391,019 | $334,583 | 0 | $0 | $0 |
| 03/01/92-02/28/93 | 8/31/2015 | 282.0 | $5,334,766 | $5,157,223 | $380,924 | 0 | $0 | $0 |
| 03/01/93-02/28/94 | 8/31/2015 | 270.0 | $7,800,793 | $7,438,729 | $379,478 | 0 | $0 | $0 |
| 03/01/94-02/28/95 | 8/31/2015 | 258.0 | $1,815,480 | $1,815,475 | $330,476 | 0 | $0 | $0 |
| 03/01/95-02/28/96 | 8/31/2015 | 246.0 | $6,995,297 | $6,645,137 | $469,890 | 0 | $0 | $0 |
| 03/01/96-02/28/97 | 8/31/2015 | 234.0 | $2,916,973 | $2,316,460 | $467,692 | 0 | $0 | $0 |
| 03/01/97-02/28/98 | 8/31/2015 | 222.0 | $2,270,679 | $2,264,932 | $372,602 | 1 | $395,272 | $395,272 |
| 03/01/98-02/28/99 | 8/31/2015 | 210.0 | $2,374,008 | $2,154,794 | $370,871 | 1 | $531,090 | $325,869 |
| 03/01/99-02/28/00 | 8/31/2015 | 198.0 | $2,026,957 | $2,026,959 | $230,581 | 3 | $942,198 | $942,198 |
| 03/01/00-02/28/01 | 8/31/2015 | 186.0 | $1,751,054 | $1,751,046 | $229,212 | 3 | $1,008,418 | $1,008,418 |
| 03/01/01-02/28/02 | 8/31/2015 | 174.0 | $2,505,031 | $2,505,028 | $227,657 | 4 | $1,292,419 | $1,292,419 |
| 03/01/02-02/28/03 | 8/31/2015 | 162.0 | $6,125,320 | $5,609,932 | $271,052 | 6 | $2,615,803 | $2,153,559 |
| 03/01/03-02/28/04 | 8/31/2015 | 150.0 | $1,947,031 | $1,500,713 | $313,348 | 1 | $688,103 | $251,222 |
| 03/01/04-02/28/05 | 8/31/2015 | 138.0 | $3,145,764 | $3,086,502 | $354,273 | 2 | $966,529 | $915,257 |
| 03/01/05-02/28/06 | 8/31/2015 | 126.0 | $1,737,103 | $1,590,551 | $437,182 | 0 | $0 | $0 |
| 03/01/06-02/28/07 | 8/31/2015 | 114.0 | $1,869,131 | $1,658,048 | $645,623 | 0 | $0 | $0 |
| 03/01/07-02/28/08 | 8/31/2015 | 102.0 | $1,523,700 | $1,505,741 | $633,306 | 0 | $0 | $0 |
| 03/01/08-02/28/09 | 8/31/2015 | 90.0 | $1,509,845 | $1,496,074 | $618,081 | 0 | $0 | $0 |
| 03/01/09-02/28/10 | 8/31/2015 | 78.0 | $1,389,889 | $1,341,265 | $598,842 | 0 | $0 | $0 |
| 03/01/10-02/28/11 | 8/31/2015 | 66.0 | $1,790,208 | $1,720,961 | $612,107 | 0 | $0 | $0 |
| 03/01/11-02/28/12 | 8/31/2015 | 54.0 | $2,023,666 | $1,881,121 | $576,244 | 0 | $0 | $0 |
| 03/01/12-02/28/13 | 8/31/2015 | 42.0 | $950,175 | $921,948 | $525,719 | 0 | $0 | $0 |
| 03/01/13-02/28/14 | 8/31/2015 | 30.0 | $1,143,629 | $1,095,233 | $450,070 | 0 | $0 | $0 |
| 03/01/14-02/28/15 | 8/31/2015 | 18.0 | $1,220,050 | $936,249 | $328,170 | 0 | $0 | $0 |
| 03/01/15-02/28/16 | 8/31/2015 | 6.0 | $323,416 | $226,126 | $126,743 | 0 | $0 | $0 |
| Totals | | | $82,587,121 | $75,345,869 | | 34 | $16,465,292 | $13,054,586 |

| (J) Accident Period | (K) Evaluation Date | (L) Maturity (months) | (M) Cumulative Rptd Loss Dev Factor | (N) Implied Limited Ultimate Losses | (O) Cumulative Paid Loss Dev Factor | (P) Implied Limited Ultimate Losses | (Q) Selected Estimated Ultimate Losses |
|---|---|---|---|---|---|---|---|
| 03/01/86-02/28/87 | 8/31/2015 | 354.0 | 1.043 | $855,001 | 1.185 | $855,000 | $855,001 |
| 03/01/87-02/28/88 | 8/31/2015 | 342.0 | 1.044 | $1,765,291 | 1.192 | $1,817,125 | $1,786,025 |
| 03/01/88-02/28/89 | 8/31/2015 | 330.0 | 1.046 | $2,839,888 | 1.200 | $2,946,386 | $2,882,487 |
| 03/01/89-02/28/90 | 8/31/2015 | 318.0 | 1.048 | $2,093,757 | 1.209 | $2,338,185 | $2,191,528 |
| 03/01/90-02/28/91 | 8/31/2015 | 306.0 | 1.051 | $3,407,407 | 1.218 | $3,204,531 | $3,326,256 |
| 03/01/91-02/28/92 | 8/31/2015 | 294.0 | 1.053 | $6,180,534 | 1.229 | $6,623,771 | $6,357,829 |
| 03/01/92-02/28/93 | 8/31/2015 | 282.0 | 1.056 | $5,632,539 | 1.240 | $6,393,828 | $5,937,054 |
| 03/01/93-02/28/94 | 8/31/2015 | 270.0 | 1.059 | $8,259,479 | 1.252 | $9,312,949 | $8,680,867 |
| 03/01/94-02/28/95 | 8/31/2015 | 258.0 | 1.062 | $1,928,201 | 1.265 | $2,297,197 | $2,075,799 |
| 03/01/95-02/28/96 | 8/31/2015 | 246.0 | 1.066 | $7,455,108 | 1.280 | $8,506,650 | $7,875,725 |
| 03/01/96-02/28/97 | 8/31/2015 | 234.0 | 1.070 | $3,120,539 | 1.297 | $3,003,403 | $3,073,685 |
| 03/01/97-02/28/98 | 8/31/2015 | 222.0 | 1.074 | $2,414,799 | 1.315 | $2,858,361 | $2,592,224 |
| 03/01/98-02/28/99 | 8/31/2015 | 210.0 | 1.079 | $2,389,317 | 1.335 | $2,842,421 | $2,570,559 |
| 03/01/99-02/28/00 | 8/31/2015 | 198.0 | 1.085 | $1,927,220 | 1.359 | $2,223,852 | $2,045,872 |
| 03/01/00-02/28/01 | 8/31/2015 | 186.0 | 1.092 | $1,560,855 | 1.385 | $1,778,657 | $1,647,975 |
| 03/01/01-02/28/02 | 8/31/2015 | 174.0 | 1.099 | $2,413,260 | 1.416 | $2,796,507 | $2,566,559 |
| 03/01/02-02/28/03 | 8/31/2015 | 162.0 | 1.108 | $5,689,879 | 1.451 | $6,814,433 | $6,139,701 |
| 03/01/03-02/28/04 | 8/31/2015 | 150.0 | 1.119 | $1,783,539 | 1.492 | $2,239,328 | $1,965,855 |
| 03/01/04-02/28/05 | 8/31/2015 | 138.0 | 1.131 | $3,265,399 | 1.541 | $4,146,073 | $3,617,669 |
| 03/01/05-02/28/06 | 8/31/2015 | 126.0 | 1.146 | $1,991,453 | 1.600 | $2,545,116 | $2,212,918 |
| 03/01/06-02/28/07 | 8/31/2015 | 114.0 | 1.165 | $2,177,647 | 1.673 | $2,773,251 | $2,415,889 |
| 03/01/07-02/28/08 | 8/31/2015 | 102.0 | 1.189 | $1,811,018 | 1.763 | $2,655,261 | $2,148,715 |
| 03/01/08-02/28/09 | 8/31/2015 | 90.0 | 1.219 | $1,840,570 | 1.880 | $2,813,184 | $2,229,615 |
| 03/01/09-02/28/10 | 8/31/2015 | 78.0 | 1.260 | $1,751,225 | 2.036 | $2,731,082 | $2,143,168 |
| 03/01/10-02/28/11 | 8/31/2015 | 66.0 | 1.318 | $2,358,648 | 2.253 | $3,877,886 | $2,966,343 |
| 03/01/11-02/28/12 | 8/31/2015 | 54.0 | 1.404 | $2,840,713 | 2.575 | $4,844,093 | $3,642,065 |
| 03/01/12-02/28/13 | 8/31/2015 | 42.0 | 1.545 | $1,468,459 | 3.097 | $2,855,301 | $2,023,196 |
| 03/01/13-02/28/14 | 8/31/2015 | 30.0 | 1.816 | $2,076,836 | 4.076 | $4,464,398 | $3,031,861 |
| 03/01/14-02/28/15 | 8/31/2015 | 18.0 | 2.504 | $3,055,082 | 6.504 | $6,089,118 | $4,268,696 |
| 03/01/15-02/28/16 | 8/31/2015 | 6.0 | 6.603 | $2,135,529 | 20.231 | $4,574,784 | $3,111,231 |
| Totals | | | | $88,489,192 | | $113,222,130 | $98,382,368 |

*Columns (D) and (E): Exhibit 1, Sheet 1*
*Column(F): Appendix B, Sheet 1*
*Columns (G) through (I): PMA Large Loss Report by Policy Period*
*Column(M): Appendix A, Sheet 9 & 9A*
*Column(N):{Col(D)-Col(H)}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% Col. (P)*

*The City of Scranton*
*Workers' Compensation*

*Exhibit 3*

## *Estimation of Limited Ultimate Losses*

| (A) Accident Period | (B) Limited Ultimate Losses | (C) Loss Trend Factor | (D) Trended Limited Ultimate Losses | (E) Payroll | (F) Payroll Trend Factor | (G) Adjusted Payroll | (H) Loss Rate per $100 of Payroll |
|---|---|---|---|---|---|---|---|
| 03/01/05-02/28/06 | $2,212,918 | 1.791 | $3,962,999 | $17,874,489 | 1.411 | $25,213,732 | $15.72 |
| 03/01/06-02/28/07 | $2,415,889 | 1.689 | $4,081,593 | $17,962,298 | 1.363 | $24,480,768 | $16.67 |
| 03/01/07-02/28/08 | $2,148,715 | 1.594 | $3,424,726 | $18,801,357 | 1.317 | $24,757,797 | $13.83 |
| 03/01/08-02/28/09 | $2,229,615 | 1.504 | $3,352,517 | $19,040,392 | 1.272 | $24,224,696 | $13.84 |
| 03/01/09-02/28/10 | $2,143,168 | 1.419 | $3,040,125 | $19,712,101 | 1.229 | $24,231,206 | $12.55 |
| 03/01/10-02/28/11 | $2,966,343 | 1.338 | $3,969,636 | $24,932,924 | 1.188 | $29,612,492 | $13.41 |
| 03/01/11-02/28/12 | $3,642,065 | 1.262 | $4,598,023 | $24,599,047 | 1.148 | $28,227,972 | $16.29 |
| 03/01/12-02/28/13 | $2,023,196 | 1.191 | $2,409,659 | $23,644,343 | 1.109 | $26,214,906 | $9.19 |
| 03/01/13-02/28/14 | $3,031,861 | 1.124 | $3,406,599 | $29,012,097 | 1.071 | $31,078,483 | $10.96 |
| 03/01/14-02/28/15 | $4,268,696 | 1.060 | $4,524,818 | $30,626,357 | 1.035 | $31,698,279 | $14.27 |
| Total | **$27,082,465** | | **$36,770,694** | | | **$269,740,332** | **$13.63** |
| Excl Hi & Lo | | | **$30,279,443** | | | **$219,044,658** | **$13.82** |
| Avg Last 5 Yrs | | | **$18,908,733** | | | **$146,832,133** | **$12.88** |
| Avg Last 3 Yrs | | | **$10,341,075** | | | **$88,991,669** | **$11.62** |

| (I) Accident Period | (J) Selected Loss Rate | (K) Payroll | (L) Forecast Limited Ultimate Losses |
|---|---|---|---|
| 03/01/15-02/28/16 | ***$13.00*** | $30,621,244 | **$3,980,762** |
| 03/01/16-02/28/17 | ***$13.31*** | $29,465,923 | **$3,923,096** |

*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*

*Column(F): Based upon a selected annual wage trend of 3.5%*
*Column(G): Column (E) x Column (F)*
*Column(H): Column (D) / Column (G)*
*Column(J): Selected average of Column (H), trended for 2016-17*
*Column(K): Exhibit 1, Sheet 2*
*Column(L):Column (J) x Column (K)*

*The City of Scranton*
*Worker's Compensation*

*Exhibit 4*

## *Projection of Discounted Outstanding Losses*

| (A) Accident Year | (B) Limited Ultimate Losses | (C) Paid Losses | (D) Outstanding Losses | (E) Discount Factor | (F) Discounted Outstanding Losses |
|---|---|---|---|---|---|
| *As of August 31, 2015:* | | | | | |
| *Pre - 1986* | $9,536,742 | $8,870,799 | $665,943 | 0.971 | $646,547 |
| *1986/87* | $855,001 | $850,000 | $5,001 | 0.959 | $4,798 |
| *1987/88* | $1,786,025 | $1,749,793 | $36,232 | 0.948 | $34,344 |
| *1988/89* | $2,882,487 | $2,587,033 | $295,455 | 0.934 | $276,006 |
| *1989/90* | $2,191,528 | $1,954,437 | $237,091 | 0.920 | $218,229 |
| *1990/91* | $3,326,256 | $2,629,933 | $696,323 | 0.906 | $631,176 |
| *1991/92* | $6,357,829 | $5,391,019 | $966,810 | 0.892 | $862,819 |
| *1992/93* | $5,937,054 | $5,157,223 | $779,831 | 0.878 | $685,047 |
| *1993/94* | $8,680,867 | $7,438,729 | $1,242,138 | 0.864 | $1,073,793 |
| *1994/95* | $2,075,799 | $1,815,475 | $260,324 | 0.851 | $221,431 |
| *1995/96* | $7,875,725 | $6,645,137 | $1,230,588 | 0.837 | $1,029,664 |
| *1996/97* | $3,073,685 | $2,316,460 | $757,225 | 0.823 | $623,202 |
| *1997/98* | $2,592,224 | $2,264,932 | $327,292 | 0.809 | $264,875 |
| *1998/99* | $2,570,559 | $2,154,794 | $415,765 | 0.796 | $330,848 |
| *1999/00* | $2,045,872 | $1,832,579 | $213,293 | 0.782 | $166,843 |
| *2000/01* | $1,647,975 | $1,481,672 | $166,303 | 0.772 | $128,311 |
| *2001/02* | $2,566,559 | $2,303,711 | $262,848 | 0.761 | $199,993 |
| *2002/03* | $6,139,701 | $4,966,530 | $1,173,171 | 0.753 | $883,243 |
| *2003/04* | $1,965,855 | $1,500,713 | $465,142 | 0.745 | $346,468 |
| *2004/05* | $3,617,669 | $2,971,245 | $646,424 | 0.740 | $478,159 |
| *2005/06* | $2,212,918 | $1,590,551 | $622,367 | 0.735 | $457,149 |
| *2006/07* | $2,415,889 | $1,658,048 | $757,841 | 0.732 | $554,772 |
| *2007/08* | $2,148,715 | $1,505,741 | $642,974 | 0.730 | $469,084 |
| *2008/09* | $2,229,615 | $1,496,074 | $733,541 | 0.729 | $534,895 |
| *2009/10* | $2,143,168 | $1,341,265 | $801,903 | 0.730 | $585,528 |
| *2010/11* | $2,966,343 | $1,720,961 | $1,245,382 | 0.732 | $912,142 |
| *2011/12* | $3,642,065 | $1,881,121 | $1,760,944 | 0.736 | $1,296,006 |
| *2012/13* | $2,023,196 | $921,948 | $1,101,248 | 0.741 | $815,709 |
| *2013/14* | $3,031,861 | $1,095,233 | $1,936,628 | 0.746 | $1,445,683 |
| *2014/15* | $4,268,696 | $936,249 | $3,332,447 | 0.753 | $2,509,180 |
| *2015/16* | $1,990,381 | $226,126 | $1,764,255 | 0.759 | $1,338,951 |
| *Totals* | $106,798,259 | $81,255,531 | $25,542,728 | | $20,024,895 |

*Column (B): Exhibit 2, Sheet 3, or Exhibit 1, Sheet 1 for Pre-1986*
*Accident Year 2015/16 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 - 2002, and 2004)*
*Column (D): Column (B) - Column (C)*
*Column (E): Appendix C*
*Column (F): Column (D) x Column (E)*

*The City of Scranton*
*Worker's Compensation*

*Exhibit 5*

## *Projection of Annual Expenditure Amounts*
## *Calendar Year 2016*

| (A) | (B) | (C) | (D) | (E) | (F) | (G) |
|---|---|---|---|---|---|---|
| Accident Year | Unlimited Ultimate Losses | Accident Year Age (in months) at 12/31/15 | Ultimate Paid Loss Development Factor | Percentage Paid As of at 12/31/15 | Percentage of Losses Paid in Upcoming 12 Months | Anticipated Losses & ALAE Paid in Upcoming 12 Months |
| Pre - 1986 | $9,536,742 | 360 | 1.107 | 90.3% | 1.0% | $95,367 |
| 1986/87 | $1,601,713 | 358 | 1.143 | 87.5% | 1.0% | $16,017 |
| 1987/88 | $3,429,033 | 346 | 1.156 | 86.5% | 1.0% | $33,744 |
| 1988/89 | $3,800,162 | 334 | 1.169 | 85.6% | 1.0% | $36,565 |
| 1989/90 | $2,217,883 | 322 | 1.183 | 84.5% | 1.0% | $22,457 |
| 1990/91 | $3,326,256 | 310 | 1.197 | 83.6% | 1.0% | $32,892 |
| 1991/92 | $6,357,829 | 298 | 1.212 | 82.5% | 1.0% | $65,749 |
| 1992/93 | $5,937,054 | 286 | 1.227 | 81.5% | 1.0% | $59,896 |
| 1993/94 | $8,680,867 | 274 | 1.243 | 80.5% | 1.0% | $91,086 |
| 1994/95 | $2,075,799 | 262 | 1.259 | 79.4% | 1.0% | $21,227 |
| 1995/96 | $7,875,725 | 250 | 1.275 | 78.4% | 1.0% | $78,516 |
| 1996/97 | $3,073,685 | 238 | 1.291 | 77.5% | 1.0% | $29,883 |
| 1997/98 | $2,654,907 | 226 | 1.309 | 76.4% | 1.0% | $27,745 |
| 1998/99 | $2,688,598 | 214 | 1.328 | 75.3% | 1.1% | $30,593 |
| 1999/00 | $2,421,438 | 202 | 1.351 | 74.0% | 1.2% | $30,100 |
| 2000/01 | $2,117,333 | 190 | 1.376 | 72.7% | 1.4% | $28,855 |
| 2001/02 | $3,070,956 | 178 | 1.405 | 71.2% | 1.5% | $46,061 |
| 2002/03 | $7,329,019 | 166 | 1.438 | 69.5% | 1.7% | $121,488 |
| 2003/04 | $2,202,717 | 154 | 1.478 | 67.7% | 1.8% | $40,535 |
| 2004/05 | $4,037,933 | 142 | 1.524 | 65.6% | 2.1% | $82,896 |
| 2005/06 | $2,212,918 | 130 | 1.579 | 63.3% | 2.3% | $50,950 |
| 2006/07 | $2,415,889 | 118 | 1.647 | 60.7% | 2.6% | $62,741 |
| 2007/08 | $2,148,715 | 106 | 1.731 | 57.8% | 2.9% | $63,338 |
| 2008/09 | $2,229,615 | 94 | 1.838 | 54.4% | 3.4% | $75,100 |
| 2009/10 | $2,143,168 | 82 | 1.979 | 50.5% | 3.9% | $83,087 |
| 2010/11 | $2,966,343 | 70 | 2.172 | 46.0% | 4.5% | $133,376 |
| 2011/12 | $3,642,065 | 58 | 2.452 | 40.8% | 5.3% | $191,412 |
| 2012/13 | $2,023,196 | 46 | 2.891 | 34.6% | 6.2% | $125,209 |
| 2013/14 | $3,031,861 | 34 | 3.668 | 27.3% | 7.3% | $222,178 |
| 2014/15 | $4,268,696 | 22 | 5.379 | 18.6% | 8.7% | $370,376 |
| 2015/16 | $3,980,762 | 10 | 11.749 | 8.5% | 10.1% | $401,185 |
| 2016/17 | $3,923,096 | 0 | N/A | 0.0% | 8.5% | $333,913 |
| Totals | $119,421,974 | | | | | $3,104,540 |

*Column (B): Exhibit 2, Sheet 1 or Exhibit 3 for Accident Years 2015 and 2016*
*Column (D): Appendix A, Sheet 5*
*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)*

$2,328,405 @ 75%
$2,716,473 Midpoint

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

| 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 | 192 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 | | | | | | | | | | | | | 1,446,046 | 1,556,474 | 1,869,675 | 1,948,236 | 2,032,969 | 2,220,235 | 2,274,378 | 2,319,972 | 2,369,615 | 2,420,196 | 2,480,366 | 2,532,302 | 2,592,929 |
| 1/1/88 - 12/31/88 | | | | | | | | | | | | 963,628 | 1,016,513 | 1,074,084 | 1,127,995 | 1,177,999 | 1,232,728 | 1,289,801 | 1,332,500 | 1,369,339 | 1,407,287 | 1,445,530 | 1,483,474 | 1,522,671 | |
| 1/1/89 - 12/31/89 | | | | | | | | | | | 1,642,690 | 1,834,840 | 2,109,636 | 2,113,111 | 2,240,393 | 2,332,493 | 2,416,955 | 2,469,035 | 2,521,183 | 2,572,602 | 2,622,913 | 2,668,346 | 2,708,648 | | |
| 1/1/90 - 12/31/90 | | | | | | | | | | 1,415,584 | 1,559,169 | 1,791,984 | 2,004,844 | 2,101,105 | 2,198,411 | 2,280,901 | 2,340,082 | 2,394,610 | 2,449,011 | 2,503,363 | 2,558,368 | 2,616,640 | | | |
| 1/1/91 - 12/31/91 | | | | | | | | | 2,332,760 | 2,562,327 | 3,028,489 | 3,352,436 | 3,525,061 | 3,716,642 | 4,034,966 | 4,139,848 | 4,271,619 | 4,398,623 | 4,508,106 | 4,622,436 | 4,726,126 | | | | |
| 1/1/92 - 12/31/92 | | | | | | | 2,866,278 | 2,894,739 | 3,356,670 | 3,592,219 | 3,730,161 | 3,876,356 | 4,029,140 | 4,146,890 | 4,277,430 | 4,490,740 | 4,717,466 | 4,777,197 | 4,816,197 | | | | | | |
| 1/1/93 - 12/31/93 | | | | | | 3,892,981 | 4,345,861 | 5,248,437 | 5,876,906 | 6,870,976 | 6,078,458 | 6,306,818 | 6,500,609 | 6,678,671 | 6,918,982 | 7,102,628 | 7,228,081 | 7,274,926 | | | | | | | |
| 1/1/94 - 12/31/94 | | | | | 1,157,792 | 1,284,584 | 1,491,934 | 1,644,158 | 1,870,623 | 1,872,284 | 1,872,466 | 1,873,231 | 1,874,891 | 1,890,749 | 1,887,228 | 1,887,274 | 1,887,229 | | | | | | | | |
| 1/1/95 - 12/31/95 | | | | 2,174,101 | 2,573,983 | 3,293,786 | 3,859,953 | 4,084,862 | 4,515,338 | 4,895,831 | 4,827,970 | 5,001,838 | 5,097,271 | 5,308,774 | 5,367,980 | 5,424,812 | | | | | | | | | |
| 1/1/96 - 12/31/96 | | | | 1,534,598 | 1,866,233 | 2,189,028 | 2,693,551 | 2,869,308 | 3,127,337 | 3,278,620 | 3,309,236 | 3,411,441 | 3,486,109 | 3,602,138 | 3,661,388 | 3,714,761 | | | | | | | | | |
| 1/1/97 - 12/31/97 | | | 733,977 | 883,697 | 1,324,708 | 1,474,325 | 1,600,891 | 1,859,087 | 1,700,698 | 1,733,462 | 1,755,739 | 1,923,408 | 1,940,944 | 2,032,898 | 2,035,387 | | | | | | | | | | |
| 1/1/98 - 12/31/98 | | 522,741 | 730,039 | 980,801 | 1,347,426 | 1,452,767 | 1,502,992 | 1,560,486 | 1,598,773 | 1,732,208 | 1,748,813 | 1,787,096 | 1,824,536 | 1,840,362 | | | | | | | | | | | |
| 1/1/99 - 12/31/99 | 208,666 | 582,671 | 907,678 | 1,319,795 | 1,594,208 | 1,678,593 | 1,702,110 | 1,832,718 | 1,954,103 | 1,994,778 | 2,116,580 | 2,116,580 | 2,116,580 | | | | | | | | | | | | |
| 1/1/00 - 12/31/00 | 102,619 | 213,784 | 345,370 | 574,791 | 787,115 | 1,119,754 | 1,266,915 | 1,464,723 | 1,686,493 | 1,795,572 | 1,810,734 | 1,814,687 | | | | | | | | | | | | | |
| 1/1/01 - 12/31/01 | 221,010 | 600,250 | 800,133 | 917,859 | 1,048,999 | 1,248,194 | 1,466,098 | 1,569,472 | 1,511,951 | 1,511,951 | 1,569,666 | | | | | | | | | | | | | | |
| 1/1/02 - 12/31/02 | 423,841 | 1,347,773 | 2,277,446 | 3,032,927 | 3,983,629 | 4,571,285 | 5,602,099 | 5,772,409 | 6,210,190 | 6,284,346 | | | | | | | | | | | | | | | |
| 1/1/03 - 12/31/03 | 254,891 | 518,299 | 732,668 | 996,113 | 1,191,157 | 1,275,287 | 1,360,113 | 1,407,430 | 1,469,088 | | | | | | | | | | | | | | | | |
| 1/1/04 - 12/31/04 | 273,922 | 846,356 | 988,687 | 1,241,444 | 1,764,572 | 2,148,088 | 2,274,020 | 2,549,178 | | | | | | | | | | | | | | | | | |
| 1/1/05 - 12/31/05 | 385,297 | 701,581 | 1,022,338 | 1,253,546 | 1,527,912 | 1,597,308 | 1,859,686 | | | | | | | | | | | | | | | | | | |
| 1/1/06 - 12/31/06 | 337,064 | 878,358 | 946,911 | 1,047,598 | 1,173,328 | 1,305,877 | | | | | | | | | | | | | | | | | | | |
| 1/1/07 - 12/31/07 | 387,559 | 611,388 | 786,912 | 853,951 | 917,618 | | | | | | | | | | | | | | | | | | | | |
| 1/1/08 - 12/31/08 | 557,639 | 1,023,546 | 1,466,207 | 1,592,886 | | | | | | | | | | | | | | | | | | | | | |
| 1/1/09 - 12/31/09 | 370,979 | 802,393 | 1,032,829 | | | | | | | | | | | | | | | | | | | | | | |
| 1/1/10 - 12/31/10 | 505,827 | 1,068,876 | | | | | | | | | | | | | | | | | | | | | | | |
| 1/1/11 - 12/31/11 | 541,439 | | | | | | | | | | | | | | | | | | | | | | | | |

### Point to Point Paid Loss Development Factors

| ACCIDENT YEAR | 12:24 | 24:36 | 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1/1/87 - 12/31/87 | | | | | | | | | | | | | 1.076 | 1.201 | 1.042 | 1.043 | 1.092 | 1.024 | 1.020 | 1.021 | 1.021 | 1.025 | 1.021 | 1.024 |
| 1/1/88 - 12/31/88 | | | | | | | | | | | | 1.057 | 1.055 | 1.050 | 1.044 | 1.046 | 1.046 | 1.033 | 1.028 | 1.028 | 1.027 | 1.026 | 1.026 | |
| 1/1/89 - 12/31/89 | | | | | | | | | | | 1.117 | 1.160 | 1.002 | 1.060 | 1.041 | 1.036 | 1.022 | 1.021 | 1.020 | 1.020 | 1.017 | 1.015 | | |
| 1/1/90 - 12/31/90 | | | | | | | | | | 1.101 | 1.149 | 1.119 | 1.048 | 1.045 | 1.038 | 1.026 | 1.023 | 1.023 | 1.022 | 1.022 | 1.023 | | | |
| 1/1/91 - 12/31/91 | | | | | | | | | 1.088 | 1.182 | 1.107 | 1.051 | 1.064 | 1.086 | 1.028 | 1.032 | 1.029 | 1.025 | 1.025 | 1.022 | | | | |
| 1/1/92 - 12/31/92 | | | | | | | | 1.066 | 1.160 | 1.070 | 1.038 | 1.040 | 1.039 | 1.030 | 1.031 | 1.050 | 1.050 | 1.013 | 1.008 | | | | | |
| 1/1/93 - 12/31/93 | | | | | | | 1.116 | 1.208 | 1.082 | 1.034 | 1.035 | 1.038 | 1.031 | 1.027 | 1.038 | 1.027 | 1.018 | 1.008 | | | | | | |
| 1/1/94 - 12/31/94 | | | | | | 1.110 | 1.161 | 1.102 | 1.016 | 1.001 | 1.000 | 1.000 | 1.001 | 1.010 | 0.998 | 1.000 | 1.000 | | | | | | | |
| 1/1/95 - 12/31/95 | | | | | 1.184 | 1.280 | 1.172 | 1.058 | 1.105 | 1.040 | 1.028 | 1.036 | 1.019 | 1.041 | 1.011 | 1.011 | | | | | | | | |
| 1/1/96 - 12/31/96 | | | | 1.210 | 1.179 | 1.230 | 1.065 | 1.090 | 1.048 | 1.009 | 1.031 | 1.022 | 1.033 | 1.016 | 1.015 | | | | | | | | | |
| 1/1/97 - 12/31/97 | | | 1.177 | 1.534 | 1.113 | 1.088 | 1.038 | 1.025 | 1.019 | 1.013 | 1.095 | 1.009 | 1.047 | 1.001 | | | | | | | | | | |
| 1/1/98 - 12/31/98 | | 1.397 | 1.343 | 1.374 | 1.078 | 1.035 | 1.038 | 1.023 | 1.085 | 1.009 | 1.022 | 1.021 | 1.009 | | | | | | | | | | | |
| 1/1/99 - 12/31/99 | 2.792 | 1.558 | 1.454 | 1.208 | 1.052 | 1.061 | 1.040 | 1.066 | 1.021 | 1.061 | 1.000 | 1.000 | | | | | | | | | | | | |
| 1/1/00 - 12/31/00 | 2.079 | 1.616 | 1.664 | 1.369 | 1.423 | 1.131 | 1.158 | 1.151 | 1.065 | 0.841 | 1.201 | | | | | | | | | | | | | |
| 1/1/01 - 12/31/01 | 2.716 | 1.333 | 1.147 | 1.143 | 1.188 | 1.168 | 1.079 | 0.963 | 1.000 | 1.038 | | | | | | | | | | | | | | |
| 1/1/02 - 12/31/02 | 3.180 | 1.690 | 1.332 | 1.313 | 1.148 | 1.225 | 1.030 | 1.076 | 1.012 | | | | | | | | | | | | | | | |
| 1/1/03 - 12/31/03 | 2.033 | 1.413 | 1.358 | 1.197 | 1.071 | 1.059 | 1.042 | 1.044 | | | | | | | | | | | | | | | | |
| 1/1/04 - 12/31/04 | 2.360 | 1.530 | 1.256 | 1.421 | 1.217 | 1.069 | 1.121 | | | | | | | | | | | | | | | | | |
| 1/1/05 - 12/31/05 | 1.921 | 1.457 | 1.226 | 1.219 | 1.045 | 1.039 | | | | | | | | | | | | | | | | | | |
| 1/1/06 - 12/31/06 | 2.013 | 1.398 | 1.106 | 1.120 | 1.113 | | | | | | | | | | | | | | | | | | | |
| 1/1/07 - 12/31/07 | 1.578 | 1.287 | 1.085 | 1.076 | | | | | | | | | | | | | | | | | | | | |
| 1/1/08 - 12/31/08 | 1.836 | 1.434 | 1.085 | | | | | | | | | | | | | | | | | | | | | |
| 1/1/09 - 12/31/09 | 2.163 | 1.287 | | | | | | | | | | | | | | | | | | | | | | |
| 1/1/10 - 12/31/10 | 2.113 | | | | | | | | | | | | | | | | | | | | | | | |

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

**Point to Point Paid Loss Development Factors**

| | 12:24 | 24:36 | 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 | 1.460 | 1.270 | 1.265 | 1.151 | 1.123 | 1.088 | 1.074 | 1.059 | 1.033 | 1.069 | 1.046 | 1.034 | 1.052 | 1.028 | 1.030 | 1.035 | 1.021 | 1.021 | 1.023 | 1.022 | 1.022 | 1.024 | 1.024 | |
| Wgtd Avg. | 2.194 | 1.459 | 1.250 | 1.267 | 1.144 | 1.145 | 1.088 | 1.086 | 1.062 | 1.038 | 1.067 | 1.042 | 1.033 | 1.046 | 1.027 | 1.029 | 1.032 | 1.017 | 1.019 | 1.022 | 1.021 | 1.021 | 1.023 | 1.024 | |
| Avg (x-high & low) | 2.202 | 1.442 | 1.249 | 1.267 | 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 | 1.025 | | | |
| ***Selected*** | 2.215 | 1.450 | 1.200 | 1.265 | 1.145 | 1.135 | 1.088 | 1.078 | 1.059 | 1.038 | 1.062 | 1.042 | 1.034 | 1.046 | 1.028 | 1.030 | 1.033 | 1.020 | 1.020 | 1.022 | 1.022 | 1.022 | 1.023 | 1.024 | 1.100 |
| Cumulative/No tail | 12.418 | 5.606 | 3.867 | 3.222 | 2.547 | 2.225 | 1.960 | 1.805 | 1.674 | 1.581 | 1.523 | 1.434 | 1.376 | 1.331 | 1.273 | 1.238 | 1.202 | 1.163 | 1.141 | 1.118 | 1.094 | 1.071 | 1.048 | 1.024 | |
| Cumulative/w/tail | 13.360 | 6.027 | 4.158 | 3.464 | 2.738 | 2.391 | 2.107 | 1.940 | 1.800 | 1.699 | 1.637 | 1.542 | 1.480 | 1.431 | 1.368 | 1.331 | 1.292 | 1.251 | 1.228 | 1.202 | 1.176 | 1.151 | 1.126 | 1.101 | 1.075 |

(Note: potentially overstated due to the influence of an aggressive buyout program of prior program years, 1999 - 2002)

| | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2008 Bureau Factors | 6.778 | 3.415 | 2.701 | 2.320 | 2.070 | 1.908 | 1.789 | 1.685 | 1.607 | 1.540 | 1.476 | 1.418 | 1.364 | 1.316 | 1.270 | 1.228 | 1.190 | 1.157 | | | | | | | |
| Cumulative for Industry Grouping 16: Public Administration | | | | | | | | | | | | | | | | | | | | | | | | | |
| 50/50 Weighting | 10.084 | 4.721 | 3.429 | 2.892 | 2.404 | 2.149 | 1.948 | 1.813 | 1.703 | 1.620 | 1.557 | 1.480 | 1.422 | 1.373 | 1.319 | 1.279 | 1.241 | | | | | | | | |

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

| ACTUAL VALUES | | Curve : Y = A^(B^X) (Power Model) | | | | Curve : Y = 1 / [1 - EXP(-AX^B)] (Weibull) | | | | Curve : Y = A * (1/X)^B + 1 (Inverse Power Curve) | | | | *** SELECTED *** | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | TRANSFORMED VALUES | | FITTED VALUES | | TRANSFORMED VALUES | | FITTED VALUES | | TRANSFORMED VALUES | | FITTED VALUES | | FITTED VALUES | |
| X | Y | X | LN[LN(Y)] | | | LN(X) | Double Log [Y/(Y-1)] | | | LN(1/X) | LN(Y-1) | | | | |
| Maturity (Months) | Cumulative Paid Loss Dev Factor | X' | Y' | X | Y | X' | Y' | X | Y | X' | Y' | X | Y | X | Y |
| 12 | 12.418 | 12.00 | 0.92 | 120 | 1.478 | 2.48 | -2.48 | 120 | 1.561 | -2.48 | 2.44 | 120 | 1.622 | 120 | 1.551 |
| 24 | 5.606 | 24.00 | 0.54 | 132 | 1.382 | 3.18 | -1.63 | 132 | 1.466 | -3.18 | 1.53 | 132 | 1.551 | 132 | 1.466 |
| 36 | 3.867 | 36.00 | 0.30 | 144 | 1.307 | 3.58 | -1.21 | 144 | 1.397 | -3.58 | 1.05 | 144 | 1.494 | 144 | 1.397 |
| 48 | 3.222 | 48.00 | 0.16 | 156 | 1.248 | 3.87 | -0.99 | 156 | 1.340 | -3.87 | 0.80 | 156 | 1.446 | 156 | 1.340 |
| 60 | 2.547 | 60.00 | -0.07 | 168 | 1.201 | 4.09 | -0.70 | 168 | 1.293 | -4.09 | 0.44 | 168 | 1.406 | 168 | 1.293 |
| 72 | 2.225 | 72.00 | -0.22 | 180 | 1.164 | 4.28 | -0.52 | 180 | 1.254 | -4.28 | 0.20 | 180 | 1.372 | 180 | 1.254 |
| 84 | 1.960 | 84.00 | -0.40 | 192 | 1.134 | 4.43 | -0.34 | 192 | 1.220 | -4.43 | -0.04 | 192 | 1.342 | 192 | 1.220 |
| 96 | 1.805 | 96.00 | -0.53 | 204 | 1.110 | 4.56 | -0.21 | 204 | 1.192 | -4.56 | -0.22 | 204 | 1.317 | 204 | 1.192 |
| 108 | 1.674 | 108.00 | -0.66 | 216 | 1.090 | 4.68 | -0.09 | 216 | 1.168 | -4.68 | -0.39 | 216 | 1.295 | 216 | 1.168 |
| | | | | 228 | 1.074 | | | 228 | 1.147 | | | 228 | 1.275 | 228 | 1.147 |
| | | | | 240 | 1.061 | | | 240 | 1.128 | | | 240 | 1.258 | 240 | 1.128 |
| | | | | 252 | 1.050 | | | 252 | 1.113 | | | 252 | 1.242 | 252 | 1.113 |
| | | | | 264 | 1.041 | | | 264 | 1.099 | | | 264 | 1.228 | 264 | 1.099 |
| | | | | 276 | 1.034 | | | 276 | 1.087 | | | 276 | 1.216 | 276 | 1.087 |
| | | | | 288 | 1.028 | | | 288 | 1.077 | | | 288 | 1.205 | 288 | 1.077 |
| | | | | 300 | 1.023 | | | 300 | 1.068 | | | 300 | 1.194 | 300 | 1.068 |
| | | | | 312 | 1.019 | | | 312 | 1.060 | | | 312 | 1.185 | 312 | 1.060 |
| | | | | 324 | 1.016 | | | 324 | 1.053 | | | 324 | 1.176 | 324 | 1.053 |
| | | | | 336 | 1.013 | | | 336 | 1.046 | | | 336 | 1.168 | 336 | 1.046 |
| | | | | 348 | 1.011 | | | 348 | 1.041 | | | 348 | 1.161 | 348 | 1.041 |
| SUM | | 540.00 | 0.05 | | | 35.17 | -8.16 | | | -35.17 | 5.80 | | | | |
| AVERAGE | | 60.00 | 0.01 | | | 3.91 | -0.91 | | | -3.91 | 0.64 | | | | |

| PARAMETER ESTIMATES | | PARAMETER ESTIMATES | | PARAMETER ESTIMATES | |
|---|---|---|---|---|---|
| N = | 9.000 | N = | 9.000 | N = | 9.000 |
| A = | 13.290 | A = | 0.006 | A = | 273.503 |
| B = | 0.984 | B = | 1.069 | B = | 1.271 |
| R^2 = | 0.977 | R^2 = | 0.998 | R^2 = | 0.997 |

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



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

| ACTUAL VALUES | | Curve : Y = A^(B^X) (Power Model) | | | | Curve : Y = 1 / [1 - EXP(-AX^B)] (Weibull) | | | | Curve : Y = A * (1/X)^B + 1 (Inverse Power Curve) | | | | *** SELECTED *** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | TRANSFORMED VALUES | | FITTED VALUES | | TRANSFORMED VALUES | | FITTED VALUES | | TRANSFORMED VALUES | | FITTED VALUES | | FITTED VALUES |
| X | Y | X | LN[LN(Y)] | | | LN(X) | Double Log [Y/(Y-1)] | | | LN(1/X) | LN(Y-1) | | | |
| Maturity (Months) | Cumulative Paid Loss Dev Factor | X' | Y' | X | Y | X' | Y' | X | Y | X' | Y' | X | Y | X | Y |
| 12 | 10.064 | 12.00 | 0.84 | 6.0 | 8.451 | 2.48 | -2.26 | 6.0 | 17.701 | -2.48 | 2.20 | 6.0 | 20.231 | 6.0 | 20.231 |
| 24 | 4.721 | 24.00 | 0.44 | 18.0 | 5.918 | 3.18 | -1.44 | 18.0 | 6.503 | -3.18 | 1.31 | 18.0 | 6.504 | 18.0 | 6.504 |
| 36 | 3.429 | 36.00 | 0.21 | 30.0 | 4.399 | 3.58 | -1.06 | 30.0 | 4.190 | -3.58 | 0.89 | 30.0 | 4.076 | 30.0 | 4.076 |
| 48 | 2.892 | 48.00 | 0.06 | 42.0 | 3.435 | 3.87 | -0.86 | 42.0 | 3.186 | -3.87 | 0.64 | 42.0 | 3.097 | 42.0 | 3.097 |
| 60 | 2.404 | 60.00 | -0.13 | 54.0 | 2.796 | 4.09 | -0.62 | 54.0 | 2.625 | -4.09 | 0.34 | 54.0 | 2.575 | 54.0 | 2.575 |
| 72 | 2.149 | 72.00 | -0.27 | 66.0 | 2.365 | 4.28 | -0.47 | 66.0 | 2.268 | -4.28 | 0.14 | 66.0 | 2.253 | 66.0 | 2.253 |
| 84 | 1.948 | 84.00 | -0.41 | 78.0 | 2.041 | 4.43 | -0.33 | 78.0 | 2.022 | -4.43 | -0.05 | 78.0 | 2.036 | 78.0 | 2.036 |
| 96 | 1.813 | 96.00 | -0.52 | 90.0 | 1.812 | 4.56 | -0.22 | 90.0 | 1.842 | -4.56 | -0.21 | 90.0 | 1.880 | 90.0 | 1.880 |
| | | | | 102.0 | 1.641 | | | 102.0 | 1.705 | | | 102.0 | 1.763 | 102.0 | 1.763 |
| | | | | 114.0 | 1.511 | | | 114.0 | 1.598 | | | 114.0 | 1.673 | 114.0 | 1.673 |
| | | | | 126.0 | 1.410 | | | 126.0 | 1.513 | | | 126.0 | 1.600 | 126.0 | 1.600 |
| | | | | 138.0 | 1.332 | | | 138.0 | 1.443 | | | 138.0 | 1.541 | 138.0 | 1.541 |
| | | | | 150.0 | 1.269 | | | 150.0 | 1.386 | | | 150.0 | 1.492 | 150.0 | 1.492 |
| | | | | 162.0 | 1.220 | | | 162.0 | 1.338 | | | 162.0 | 1.451 | 162.0 | 1.451 |
| | | | | 174.0 | 1.180 | | | 174.0 | 1.297 | | | 174.0 | 1.416 | 174.0 | 1.416 |
| | | | | 186.0 | 1.148 | | | 186.0 | 1.262 | | | 186.0 | 1.385 | 186.0 | 1.385 |
| | | | | 198.0 | 1.122 | | | 198.0 | 1.232 | | | 198.0 | 1.359 | 198.0 | 1.359 |
| | | | | 210.0 | 1.100 | | | 210.0 | 1.206 | | | 210.0 | 1.336 | 210.0 | 1.336 |
| | | | | 222.0 | 1.083 | | | 222.0 | 1.184 | | | 222.0 | 1.315 | 222.0 | 1.315 |
| | | | | 234.0 | 1.069 | | | 234.0 | 1.164 | | | 234.0 | 1.297 | 234.0 | 1.297 |
| SUM | | 432.00 | 0.22 | | | 30.48 | -7.25 | | | -30.48 | 5.26 | | | | |
| AVERAGE | | 54.00 | 0.03 | | | 3.81 | -0.91 | | | -3.81 | 0.66 | | | | |

| PARAMETER ESTIMATES | | PARAMETER ESTIMATES | | PARAMETER ESTIMATES | |
|---|---|---|---|---|---|
| N = | 8.000 | N = | 8.000 | N = | 8.000 |
| A = | 10.364 | A = | 0.010 | A = | 147.967 |
| B = | 0.966 | B = | 0.960 | B = | 1.139 |
| R^2 = | 0.961 | R^2 = | 0.994 | R^2 = | 0.998 |

*PAID_FIT.xls*

*09/29/15*

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



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

| ACTUAL VALUES | | Curve : Y = A^(B^X) (Power Model) | | | | Curve : Y = 1 / [1 - EXP(-AX^B)] (Weibull) | | | | Curve : Y = A * (1/X)^B + 1 (Inverse Power Curve) | | | | *** SELECTED *** | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | TRANSFORMED VALUES | | FITTED VALUES | | TRANSFORMED VALUES | | FITTED VALUES | | TRANSFORMED VALUES | | FITTED VALUES | | FITTED VALUES | |
| X | Y | X | LN[LN(Y)] | | | LN(X) | Double Log [Y/(Y-1)] | | | LN(1/X) | LN(Y-1) | | | | |
| Maturity (Months) | Cumulative Paid Loss Dev Factor | X' | Y' | X | Y | X' | Y' | X | Y | X' | Y' | X | Y | X | Y |
| 12 | 10.064 | 12.00 | 0.84 | 246.0 | 1.057 | 2.48 | -2.26 | 246.0 | 1.147 | -2.48 | 2.20 | 246.0 | 1.280 | 246.0 | 1.280 |
| 24 | 4.721 | 24.00 | 0.44 | 258.0 | 1.047 | 3.18 | -1.44 | 258.0 | 1.132 | -3.18 | 1.31 | 258.0 | 1.265 | 258.0 | 1.265 |
| 36 | 3.429 | 36.00 | 0.21 | 270.0 | 1.039 | 3.58 | -1.06 | 270.0 | 1.118 | -3.58 | 0.89 | 270.0 | 1.252 | 270.0 | 1.252 |
| 48 | 2.892 | 48.00 | 0.06 | 282.0 | 1.033 | 3.87 | -0.86 | 282.0 | 1.106 | -3.87 | 0.64 | 282.0 | 1.240 | 282.0 | 1.240 |
| 60 | 2.404 | 60.00 | -0.13 | 294.0 | 1.027 | 4.09 | -0.62 | 294.0 | 1.095 | -4.09 | 0.34 | 294.0 | 1.229 | 294.0 | 1.229 |
| 72 | 2.149 | 72.00 | -0.27 | 306.0 | 1.022 | 4.28 | -0.47 | 306.0 | 1.086 | -4.28 | 0.14 | 306.0 | 1.218 | 306.0 | 1.218 |
| 84 | 1.948 | 84.00 | -0.41 | 318.0 | 1.019 | 4.43 | -0.33 | 318.0 | 1.078 | -4.43 | -0.05 | 318.0 | 1.209 | 318.0 | 1.209 |
| 96 | 1.813 | 96.00 | -0.52 | 330.0 | 1.016 | 4.56 | -0.22 | 330.0 | 1.070 | -4.56 | -0.21 | 330.0 | 1.200 | 330.0 | 1.200 |
| | | | | 342.0 | 1.013 | | | 342.0 | 1.063 | | | 342.0 | 1.192 | 342.0 | 1.192 |
| | | | | 354.0 | 1.011 | | | 354.0 | 1.057 | | | 354.0 | 1.185 | 354.0 | 1.185 |
| | | | | 366.0 | 1.009 | | | 366.0 | 1.052 | | | 366.0 | 1.178 | 366.0 | 1.178 |
| | | | | 378.0 | 1.007 | | | 378.0 | 1.047 | | | 378.0 | 1.172 | 378.0 | 1.172 |
| | | | | 390.0 | 1.006 | | | 390.0 | 1.042 | | | 390.0 | 1.166 | 390.0 | 1.166 |
| | | | | 402.0 | 1.005 | | | 402.0 | 1.039 | | | 402.0 | 1.160 | 402.0 | 1.160 |
| | | | | 414.0 | 1.004 | | | 414.0 | 1.035 | | | 414.0 | 1.155 | 414.0 | 1.155 |
| | | | | 426.0 | 1.004 | | | 426.0 | 1.032 | | | 426.0 | 1.150 | 426.0 | 1.150 |
| | | | | 438.0 | 1.003 | | | 438.0 | 1.029 | | | 438.0 | 1.145 | 438.0 | 1.145 |
| | | | | 450.0 | 1.002 | | | 450.0 | 1.026 | | | 450.0 | 1.141 | 450.0 | 1.141 |
| | | | | 462.0 | 1.002 | | | 462.0 | 1.024 | | | 462.0 | 1.137 | 462.0 | 1.137 |
| | | | | 474.0 | 1.002 | | | 474.0 | 1.022 | | | 474.0 | 1.133 | 474.0 | 1.133 |
| SUM | | 432.00 | 0.22 | | | 30.48 | -7.25 | | | -30.48 | 5.26 | | | | |
| AVERAGE | | 54.00 | 0.03 | | | 3.81 | -0.91 | | | -3.81 | 0.66 | | | | |

| PARAMETER ESTIMATES | | PARAMETER ESTIMATES | | PARAMETER ESTIMATES | |
|---|---|---|---|---|---|
| N = | 8.000 | N = | 8.000 | N = | 8.000 |
| A = | 10.364 | A = | 0.010 | A = | 147.967 |
| B = | 0.985 | B = | 0.960 | B = | 1.139 |
| R^2 = | 0.961 | R^2 = | 0.994 | R^2 = | 0.998 |

*PAID_FIT2.xls*

*09/29/15*

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



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

| ACTUAL VALUES | | Curve : Y = A^(B^X) (Power Model) | | | | Curve : Y = 1 / [1 - EXP(-AX^B)] (Weibull) | | | | Curve : Y = A * (1/X)^B + 1 (Inverse Power Curve) | | | | *** SELECTED *** | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | TRANSFORMED VALUES | | FITTED VALUES | | TRANSFORMED VALUES | | FITTED VALUES | | TRANSFORMED VALUES | | FITTED VALUES | | FITTED VALUES | |
| X | Y | X | LN[LN(Y)] | | | LN(X) | Double Log [Y/(Y-1)] | | | LN(1/X) | LN(Y-1) | | | | |
| Maturity (Months) | Cumulative Paid Loss Dev Factor | X' | Y' | X | Y | X' | Y' | X | Y | X' | Y' | X | Y | X | Y |
| 12 | 10.064 | 12.00 | 0.84 | 10 | 7.460 | 2.48 | -2.26 | 10 | 11.036 | -2.48 | 2.20 | 10 | 11.749 | 10 | 11.749 |
| 24 | 4.721 | 24.00 | 0.44 | 22 | 5.328 | 3.18 | -1.44 | 22 | 5.456 | -3.18 | 1.31 | 22 | 5.379 | 22 | 5.379 |
| 36 | 3.429 | 36.00 | 0.21 | 34 | 4.030 | 3.58 | -1.06 | 34 | 3.778 | -3.58 | 0.89 | 34 | 3.668 | 34 | 3.668 |
| 48 | 2.892 | 48.00 | 0.06 | 46 | 3.194 | 3.87 | -0.86 | 46 | 2.967 | -3.87 | 0.64 | 46 | 2.891 | 46 | 2.891 |
| 60 | 2.404 | 60.00 | -0.13 | 58 | 2.631 | 4.09 | -0.62 | 58 | 2.490 | -4.09 | 0.34 | 58 | 2.452 | 58 | 2.452 |
| 72 | 2.149 | 72.00 | -0.27 | 70 | 2.239 | 4.28 | -0.47 | 70 | 2.177 | -4.28 | 0.14 | 70 | 2.172 | 70 | 2.172 |
| 84 | 1.948 | 84.00 | -0.41 | 82 | 1.957 | 4.43 | -0.33 | 82 | 1.956 | -4.43 | -0.05 | 82 | 1.979 | 82 | 1.979 |
| 96 | 1.813 | 96.00 | -0.52 | 94 | 1.750 | 4.56 | -0.22 | 94 | 1.792 | -4.56 | -0.21 | 94 | 1.838 | 94 | 1.838 |
| | | | | 106 | 1.594 | | | 106 | 1.667 | | | 106 | 1.731 | 106 | 1.731 |
| | | | | 118 | 1.474 | | | 118 | 1.568 | | | 118 | 1.647 | 118 | 1.647 |
| | | | | 130 | 1.382 | | | 130 | 1.488 | | | 130 | 1.579 | 130 | 1.579 |
| | | | | 142 | 1.309 | | | 142 | 1.423 | | | 142 | 1.524 | 142 | 1.524 |
| | | | | 154 | 1.252 | | | 154 | 1.369 | | | 154 | 1.478 | 154 | 1.478 |
| | | | | 166 | 1.206 | | | 166 | 1.323 | | | 166 | 1.438 | 166 | 1.438 |
| | | | | 178 | 1.169 | | | 178 | 1.285 | | | 178 | 1.405 | 178 | 1.405 |
| | | | | 190 | 1.139 | | | 190 | 1.252 | | | 190 | 1.376 | 190 | 1.376 |
| | | | | 202 | 1.114 | | | 202 | 1.223 | | | 202 | 1.351 | 202 | 1.351 |
| | | | | 214 | 1.094 | | | 214 | 1.198 | | | 214 | 1.328 | 214 | 1.328 |
| | | | | 226 | 1.078 | | | 226 | 1.177 | | | 226 | 1.309 | 226 | 1.309 |
| | | | | 238 | 1.065 | | | 238 | 1.158 | | | 238 | 1.291 | 238 | 1.291 |
| SUM | | 432.00 | 0.22 | | | 30.48 | -7.26 | | | -30.48 | 5.26 | | | | |
| AVERAGE | | 54.00 | 0.03 | | | 3.81 | -0.91 | | | -3.81 | 0.66 | | | | |

| PARAMETER ESTIMATES | | PARAMETER ESTIMATES | | PARAMETER ESTIMATES | |
|---|---|---|---|---|---|
| N = | 8.000 | N = | 8.000 | N = | 8.000 |
| A = | 10.364 | A = | 0.010 | A = | 147.967 |
| B = | 0.985 | B = | 0.960 | B = | 1.139 |
| R^2 = | 0.961 | R^2 = | 0.994 | R^2 = | 0.998 |

*PAYOUTS.xls*

*09/29/15*

## *Analysis Based Upon Incurred Loss and Expenses*

***As of December 31, 2011***

| 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 | 192 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 | | | | | | | | | | | | | 2,858,220 | 2,607,839 | 3,066,052 | 2,882,616 | 3,034,993 | 2,971,720 | 3,027,240 | 3,063,788 | 3,337,348 | 3,326,087 | 3,337,940 | 3,399,546 | 3,429,088 |
| 1/1/88 - 12/31/88 | | | | | | | | | | | | 2,366,993 | 2,374,898 | 2,382,702 | 2,399,056 | 2,416,066 | 2,450,086 | 2,483,062 | 2,491,207 | 2,654,921 | 2,639,932 | 2,640,267 | 2,640,303 | 2,800,603 | |
| 1/1/89 - 12/31/89 | | | | | | | | | | | 3,273,489 | 3,441,079 | 3,479,369 | 3,321,932 | 3,179,141 | 3,185,680 | 2,834,225 | 2,852,004 | 3,020,486 | 2,999,488 | 3,014,818 | 2,986,205 | 2,991,565 | | |
| 1/1/90 - 12/31/90 | | | | | | | | | | 3,047,764 | 3,287,929 | 3,398,726 | 3,394,448 | 3,284,728 | 3,347,990 | 3,426,122 | 3,438,106 | 3,487,511 | 3,487,417 | 3,487,482 | 3,492,539 | 3,470,182 | | | |
| 1/1/91 - 12/31/91 | | | | | | | | | 4,531,147 | 4,469,424 | 4,636,171 | 4,904,419 | 4,993,618 | 5,322,053 | 5,134,326 | 5,178,001 | 5,607,933 | 5,640,337 | 5,588,220 | 5,599,798 | 5,607,056 | | | | |
| 1/1/92 - 12/31/92 | | | | | | | | 4,531,640 | 4,660,202 | 4,639,601 | 4,565,858 | 4,725,945 | 5,208,726 | 5,333,587 | 5,345,683 | 5,635,786 | 5,679,217 | 5,590,062 | 5,308,938 | 5,311,065 | | | | | |
| 1/1/93 - 12/31/93 | | | | | | | 7,974,434 | 7,994,833 | 7,097,554 | 7,283,018 | 7,308,985 | 7,758,885 | 7,900,090 | 7,969,593 | 8,110,336 | 7,978,931 | 7,941,184 | 8,129,814 | 8,054,994 | | | | | | |
| 1/1/94 - 12/31/94 | | | | | | 1,803,044 | 1,809,252 | 1,752,551 | 1,734,854 | 1,839,028 | 1,876,428 | 1,873,130 | 1,873,316 | 1,883,583 | 1,890,748 | 1,887,228 | 1,887,229 | 1,687,229 | | | | | | | |
| 1/1/95 - 12/31/95 | | | | | 4,709,868 | 4,812,912 | 5,191,364 | 5,238,169 | 5,584,705 | 5,132,463 | 6,020,955 | 5,943,928 | 5,914,921 | 5,888,409 | 5,879,820 | 5,879,837 | 5,824,875 | | | | | | | | |
| 1/1/96 - 12/31/96 | | | | 4,198,990 | 5,069,526 | 4,029,541 | 3,850,185 | 4,141,478 | 4,268,585 | 4,161,335 | 4,108,137 | 4,284,342 | 4,326,304 | 4,368,358 | 4,437,973 | 4,403,153 | | | | | | | | | |
| 1/1/97 - 12/31/97 | | | 1,201,462 | 1,422,293 | 1,797,317 | 1,881,114 | 1,940,589 | 2,011,828 | 1,982,119 | 1,904,666 | 2,027,266 | 2,070,983 | 2,039,649 | 2,072,797 | 2,074,188 | | | | | | | | | | |
| 1/1/98 - 12/31/98 | | 802,593 | 1,133,614 | 2,023,603 | 1,842,193 | 1,930,564 | 2,016,358 | 2,065,674 | 2,061,392 | 2,086,563 | 2,068,729 | 2,130,752 | 2,132,022 | 2,132,624 | | | | | | | | | | | |
| 1/1/99 - 12/31/99 | 395,278 | 965,458 | 2,031,063 | 2,032,422 | 2,391,264 | 2,104,468 | 2,133,309 | 2,134,645 | 2,232,988 | 2,245,389 | 2,271,139 | 2,116,560 | 2,116,560 | | | | | | | | | | | | |
| 1/1/00 - 12/31/00 | 142,095 | 599,025 | 483,830 | 1,412,823 | 1,547,741 | 1,515,461 | 1,627,822 | 2,119,683 | 2,213,917 | 2,313,930 | 1,523,337 | 1,822,033 | | | | | | | | | | | | | |
| 1/1/01 - 12/31/01 | 325,778 | 711,036 | 1,694,775 | 1,795,050 | 1,945,112 | 1,714,593 | 1,821,226 | 1,579,281 | 1,511,951 | 1,511,951 | 1,569,655 | | | | | | | | | | | | | | |
| 1/1/02 - 12/31/02 | 786,016 | 3,969,781 | 5,895,918 | 6,419,690 | 6,011,358 | 6,748,548 | 6,380,197 | 6,430,181 | 6,684,601 | 6,640,843 | | | | | | | | | | | | | | | |
| 1/1/03 - 12/31/03 | 426,532 | 1,651,286 | 1,772,972 | 1,754,972 | 1,938,459 | 2,001,845 | 2,096,788 | 2,229,712 | 2,242,806 | | | | | | | | | | | | | | | | |
| 1/1/04 - 12/31/04 | 882,397 | 1,248,118 | 1,681,589 | 2,579,732 | 2,812,245 | 2,507,182 | 2,609,384 | 2,867,968 | | | | | | | | | | | | | | | | | |
| 1/1/05 - 12/31/05 | 760,989 | 1,249,930 | 1,829,765 | 1,723,154 | 1,814,716 | 1,829,889 | 1,836,766 | | | | | | | | | | | | | | | | | | |
| 1/1/06 - 12/31/06 | 505,060 | 1,014,541 | 1,175,784 | 1,222,062 | 1,511,304 | 1,571,661 | | | | | | | | | | | | | | | | | | | |
| 1/1/07 - 12/31/07 | 1,471,276 | 834,766 | 878,772 | 984,850 | 1,002,260 | | | | | | | | | | | | | | | | | | | | |
| 1/1/08 - 12/31/08 | 3,103,560 | 3,013,076 | 1,859,982 | 1,882,829 | | | | | | | | | | | | | | | | | | | | | |
| 1/1/09 - 12/31/09 | 2,067,817 | 1,393,927 | 1,364,782 | | | | | | | | | | | | | | | | | | | | | | |
| 1/1/10 - 12/31/10 | 2,728,031 | 2,191,598 | | | | | | | | | | | | | | | | | | | | | | | |
| 1/1/11 - 12/31/11 | 1,240,407 | | | | | | | | | | | | | | | | | | | | | | | | |

### Point to Point Incurred Loss Development Factors

| ACCIDENT YEAR | 12:24 | 24:36 | 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1/1/87 - 12/31/87 | | | | | | | | | | | | | 0.982 | 1.103 | 0.930 | 1.053 | 0.979 | 1.019 | 1.012 | 1.089 | 0.997 | 1.004 | 1.018 | 1.009 |
| 1/1/88 - 12/31/88 | | | | | | | | | | | | 1.003 | 1.003 | 1.007 | 1.007 | 1.016 | 1.013 | 1.003 | 1.068 | 0.994 | 1.000 | 1.000 | 0.985 | |
| 1/1/89 - 12/31/89 | | | | | | | | | | | 1.051 | 1.011 | 0.955 | 0.967 | 1.005 | 0.887 | 1.006 | 1.059 | 0.993 | 1.005 | 0.991 | 1.002 | | |
| 1/1/90 - 12/31/90 | | | | | | | | | | 1.072 | 1.040 | 0.999 | 0.982 | 1.026 | 1.024 | 1.003 | 1.014 | 1.000 | 1.000 | 1.001 | 0.994 | | | |
| 1/1/91 - 12/31/91 | | | | | | | | | 0.988 | 1.037 | 1.058 | 1.018 | 1.066 | 0.965 | 1.009 | 1.083 | 0.988 | 1.010 | 1.000 | 1.001 | | | | |
| 1/1/92 - 12/31/92 | | | | | | | | 1.028 | 0.988 | 0.984 | 1.035 | 1.102 | 1.024 | 1.002 | 1.054 | 0.990 | 1.002 | 0.950 | 1.000 | | | | | |
| 1/1/93 - 12/31/93 | | | | | | | 1.003 | 0.868 | 1.028 | 1.014 | 1.060 | 1.018 | 1.009 | 1.018 | 0.984 | 0.985 | 1.024 | 0.991 | | | | | | |
| 1/1/94 - 12/31/94 | | | | | | 1.003 | 0.989 | 0.990 | 1.060 | 0.912 | 0.998 | 1.000 | 1.008 | 1.004 | 0.998 | 1.000 | 1.000 | | | | | | | |
| 1/1/95 - 12/31/95 | | | | | 1.022 | 1.079 | 1.009 | 1.068 | 1.098 | 0.982 | 0.987 | 0.995 | 0.995 | 0.985 | 1.000 | 0.990 | | | | | | | | |
| 1/1/96 - 12/31/96 | | | | 1.207 | 0.795 | 0.965 | 1.078 | 1.031 | 0.975 | 0.987 | 1.039 | 1.015 | 1.010 | 1.016 | 0.992 | | | | | | | | | |
| 1/1/97 - 12/31/97 | | | 1.184 | 1.264 | 1.047 | 1.032 | 1.037 | 0.985 | 0.961 | 1.084 | 1.022 | 0.985 | 1.016 | 1.001 | | | | | | | | | | |
| 1/1/98 - 12/31/98 | | 1.412 | 1.785 | 0.910 | 1.048 | 1.045 | 1.018 | 0.988 | 1.007 | 1.000 | 1.031 | 1.001 | 1.000 | | | | | | | | | | | |
| 1/1/99 - 12/31/99 | 2.442 | 2.104 | 1.001 | 1.177 | 0.880 | 1.014 | 1.001 | 1.048 | 1.006 | 1.011 | 0.932 | 1.000 | | | | | | | | | | | | |
| 1/1/00 - 12/31/00 | 4.218 | 0.808 | 2.920 | 1.095 | 0.979 | 1.074 | 1.302 | 1.044 | 1.045 | 0.958 | 1.196 | | | | | | | | | | | | | |
| 1/1/01 - 12/31/01 | 2.183 | 2.384 | 1.059 | 1.084 | 0.881 | 0.948 | 0.974 | 0.967 | 1.000 | 1.038 | | | | | | | | | | | | | | |
| 1/1/02 - 12/31/02 | 5.047 | 1.485 | 1.089 | 0.936 | 1.122 | 0.946 | 1.008 | 1.040 | 0.993 | | | | | | | | | | | | | | | |
| 1/1/03 - 12/31/03 | 3.871 | 1.074 | 0.990 | 1.105 | 1.033 | 1.047 | 1.063 | 1.006 | | | | | | | | | | | | | | | | |
| 1/1/04 - 12/31/04 | 1.414 | 1.331 | 1.553 | 1.013 | 0.980 | 1.041 | 1.099 | | | | | | | | | | | | | | | | | |
| 1/1/05 - 12/31/05 | 1.864 | 1.463 | 0.942 | 1.053 | 1.008 | 1.004 | | | | | | | | | | | | | | | | | | |
| 1/1/06 - 12/31/06 | 2.009 | 1.159 | 1.039 | 1.237 | 1.040 | | | | | | | | | | | | | | | | | | | |
| 1/1/07 - 12/31/07 | 0.567 | 1.053 | 1.121 | 1.018 | | | | | | | | | | | | | | | | | | | | |
| 1/1/08 - 12/31/08 | 0.971 | 0.617 | 1.012 | | | | | | | | | | | | | | | | | | | | | |
| 1/1/09 - 12/31/09 | 0.674 | 0.979 | | | | | | | | | | | | | | | | | | | | | | |
| 1/1/10 - 12/31/10 | 0.803 | | | | | | | | | | | | | | | | | | | | | | | |

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

**Point to Point Incurred Loss Development Factors**

| | 12:24 | 24:36 | 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sir. Average | 2.156 | 1.322 | 1.308 | 1.092 | 0.985 | 1.015 | 1.047 | 1.007 | 1.013 | 0.980 | 1.037 | 1.012 | 1.002 | 1.006 | 1.000 | 1.002 | 1.003 | 1.005 | 1.012 | 1.018 | 0.995 | 1.002 | 1.002 | 1.009 | |
| Wgtd Avg. | 1.387 | 1.248 | 1.188 | 1.069 | 0.984 | 1.007 | 1.033 | 1.001 | 1.015 | 0.988 | 1.033 | 1.017 | 1.005 | 1.002 | 1.001 | 1.003 | 1.006 | 0.998 | 1.008 | 1.016 | 0.995 | 1.002 | 1.004 | 1.009 | |
| Avg (x-high & low) | 2.025 | 1.287 | 1.183 | 1.092 | 0.990 | 1.016 | 1.029 | 1.013 | 1.009 | 1.003 | 1.031 | 1.006 | 1.001 | 1.000 | 1.002 | 1.007 | 1.004 | 1.005 | 1.003 | 1.003 | 0.995 | 1.002 | | | |
| ***Selected*** | 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 | 1.260 | 1.164 | 1.182 | 1.168 | 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 | 1.009 | 1.014 | 1.012 | 1.009 | |
| Cumulative/w/tail | 3.970 | 1.960 | 1.508 | 1.272 | 1.176 | 1.194 | 1.180 | 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 | 1.019 | 1.024 | 1.022 | 1.019 | 1.010 |
| 2005 Bureau Factors | 3.271 | 2.112 | 1.788 | 1.580 | 1.464 | 1.380 | 1.334 | 1.293 | 1.258 | 1.225 | 1.192 | 1.161 | 1.134 | 1.110 | 1.087 | 1.066 | | | | | | | | | |
| Cumulative for Industry Grouping 16: Public Administration | | | | | | | | | | | | | | | | | | | | | | | | | |
| 50/50 Weighting | 3.620 | 2.036 | 1.648 | 1.426 | 1.320 | 1.292 | 1.267 | 1.217 | 1.195 | 1.171 | 1.155 | 1.121 | 1.101 | 1.087 | 1.074 | 1.063 | | | | | | | | | |

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

| ACTUAL VALUES | | Curve : Y = A^(B^X) (Power Model) | | | | Curve : Y = 1 / [1 - EXP(-AX^B)] (Weibull) | | | | Curve : Y = A * (1/X)^B + 1 (Inverse Power Curve) | | | | *** SELECTED *** | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | TRANSFORMED VALUES | | FITTED VALUES | | TRANSFORMED VALUES | | FITTED VALUES | | TRANSFORMED VALUES | | FITTED VALUES | | FITTED VALUES | |
| X | Y | X | LN[LN(Y)] | | | LN(X) | Double Log [Y/(Y-1)] | | | LN(1/X) | LN(Y-1) | | | | |
| Maturity (Months) | Cumulative Rptd Loss Dev Factor | X' | Y' | X | Y | X' | Y' | X | Y | X' | Y' | X | Y | X | 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 | -2.86 | | | | |
| AVERAGE | | 36.00 | -0.87 | | | 3.44 | -0.06 | | | -3.44 | -0.57 | | | | |

| PARAMETER ESTIMATES | | PARAMETER ESTIMATES | | PARAMETER ESTIMATES | |
|---|---|---|---|---|---|
| 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 |

*CITY_RPTD_FIT_TAIL.xls*

*09/29/15*

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

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

| ACTUAL VALUES | | Curve : Y = A^(B^X) (Power Model) | | | | Curve : Y = 1 / [1 - EXP(-AX^B)] (Weibull) | | | | Curve : Y = A * (1/X)^B + 1 (Inverse Power Curve) | | | | *** SELECTED *** | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | TRANSFORMED VALUES | | FITTED VALUES | | TRANSFORMED VALUES | | FITTED VALUES | | TRANSFORMED VALUES | | FITTED VALUES | | FITTED VALUES | |
| X | Y | X | LN[LN(Y)] | | | LN(X) | Double Log [Y/(Y-1)] | | | LN(1/X) | LN(Y-1) | | | | |
| Maturity (Months) | Cumulative Rptd Loss Dev Factor | X' | Y' | X | Y | X' | Y' | X | Y | X' | Y' | X | Y | X | Y |
| 12 | 3.620 | 12.00 | 0.25 | 6.0 | 2.887 | 2.48 | -1.13 | 6.0 | 5.283 | -2.48 | 0.96 | 6.0 | 6.603 | 6.0 | 6.603 |
| 24 | 2.036 | 24.00 | -0.34 | 18.0 | 2.282 | 3.18 | -0.39 | 18.0 | 2.531 | -3.18 | 0.04 | 18.0 | 2.504 | 18.0 | 2.504 |
| 36 | 1.648 | 36.00 | -0.69 | 30.0 | 1.900 | 3.58 | -0.07 | 30.0 | 1.887 | -3.58 | -0.43 | 30.0 | 1.816 | 30.0 | 1.816 |
| 48 | 1.426 | 48.00 | -1.04 | 42.0 | 1.647 | 3.87 | 0.19 | 42.0 | 1.595 | -3.87 | -0.86 | 42.0 | 1.545 | 42.0 | 1.545 |
| 60 | 1.320 | 60.00 | -1.28 | 54.0 | 1.475 | 4.09 | 0.35 | 54.0 | 1.428 | -4.09 | -1.14 | 54.0 | 1.404 | 54.0 | 1.404 |
| 72 | 1.292 | 72.00 | -1.36 | 66.0 | 1.353 | 4.28 | 0.40 | 66.0 | 1.322 | -4.28 | -1.23 | 66.0 | 1.318 | 66.0 | 1.318 |
| 84 | 1.257 | 84.00 | -1.48 | 78.0 | 1.265 | 4.43 | 0.46 | 78.0 | 1.249 | -4.43 | -1.36 | 78.0 | 1.260 | 78.0 | 1.260 |
| 96 | 1.217 | 96.00 | -1.63 | 90.0 | 1.201 | 4.56 | 0.55 | 90.0 | 1.196 | -4.56 | -1.53 | 90.0 | 1.219 | 90.0 | 1.219 |
| | | | | 102.0 | 1.153 | | | 102.0 | 1.157 | | | 102.0 | 1.189 | 102.0 | 1.189 |
| | | | | 114.0 | 1.117 | | | 114.0 | 1.127 | | | 114.0 | 1.165 | 114.0 | 1.165 |
| | | | | 126.0 | 1.090 | | | 126.0 | 1.104 | | | 126.0 | 1.146 | 126.0 | 1.146 |
| | | | | 138.0 | 1.069 | | | 138.0 | 1.086 | | | 138.0 | 1.131 | 138.0 | 1.131 |
| | | | | 150.0 | 1.053 | | | 150.0 | 1.071 | | | 150.0 | 1.119 | 150.0 | 1.119 |
| | | | | 162.0 | 1.041 | | | 162.0 | 1.059 | | | 162.0 | 1.108 | 162.0 | 1.108 |
| | | | | 174.0 | 1.032 | | | 174.0 | 1.050 | | | 174.0 | 1.099 | 174.0 | 1.099 |
| | | | | 186.0 | 1.025 | | | 186.0 | 1.042 | | | 186.0 | 1.092 | 186.0 | 1.092 |
| | | | | 198.0 | 1.019 | | | 198.0 | 1.035 | | | 198.0 | 1.085 | 198.0 | 1.085 |
| | | | | 210.0 | 1.015 | | | 210.0 | 1.030 | | | 210.0 | 1.079 | 210.0 | 1.079 |
| | | | | 222.0 | 1.012 | | | 222.0 | 1.025 | | | 222.0 | 1.074 | 222.0 | 1.074 |
| | | | | 234.0 | 1.009 | | | 234.0 | 1.021 | | | 234.0 | 1.070 | 234.0 | 1.070 |
| SUM | | 432.00 | -7.57 | | | 30.48 | 0.35 | | | -30.48 | -5.55 | | | | |
| AVERAGE | | 54.00 | -0.95 | | | 3.81 | 0.04 | | | -3.81 | -0.69 | | | | |

| PARAMETER ESTIMATES | | PARAMETER ESTIMATES | | PARAMETER ESTIMATES | |
|---|---|---|---|---|---|
| N = | 8.000 | N = | 8.000 | N = | 8.000 |
| A = | 3.327 | A = | 0.050 | A = | 47.857 |
| B = | 0.979 | B = | 0.795 | B = | 1.197 |
| R^2 = | 0.911 | R^2 = | 0.976 | R^2 = | 0.993 |

*RPTD_FIT.xls*

*09/29/15*

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



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

| ACTUAL VALUES | | Curve : Y = A^(B^X) (Power Model) | | | | Curve : Y = 1 / [1 - EXP(-AX^B)] (Weibull) | | | | Curve : Y = A * (1/X)^B + 1 (Inverse Power Curve) | | | | *** SELECTED *** | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | TRANSFORMED VALUES | | FITTED VALUES | | TRANSFORMED VALUES | | FITTED VALUES | | TRANSFORMED VALUES | | FITTED VALUES | | FITTED VALUES | |
| X | Y | X | LN[LN(Y)] | | | LN(X) | Double Log [Y/(Y-1)] | | | LN(1/X) | LN(Y-1) | | | | |
| Maturity (Months) | Cumulative Rptd Loss Dev Factor | X' | Y' | X | Y | X' | Y' | X | Y | X' | Y' | X | Y | X | Y |
| 12 | 3.620 | 12.00 | 0.25 | 246.0 | 1.007 | 2.48 | -1.13 | 246.0 | 1.018 | -2.48 | 0.96 | 246.0 | 1.066 | 246.0 | 1.066 |
| 24 | 2.036 | 24.00 | -0.34 | 258.0 | 1.006 | 3.18 | -0.39 | 258.0 | 1.016 | -3.18 | 0.04 | 258.0 | 1.062 | 258.0 | 1.062 |
| 36 | 1.648 | 36.00 | -0.69 | 270.0 | 1.004 | 3.58 | -0.07 | 270.0 | 1.013 | -3.58 | -0.43 | 270.0 | 1.059 | 270.0 | 1.059 |
| 48 | 1.426 | 48.00 | -1.04 | 282.0 | 1.003 | 3.87 | 0.19 | 282.0 | 1.011 | -3.87 | -0.85 | 282.0 | 1.056 | 282.0 | 1.056 |
| 60 | 1.320 | 60.00 | -1.28 | 294.0 | 1.003 | 4.09 | 0.35 | 294.0 | 1.010 | -4.09 | -1.14 | 294.0 | 1.053 | 294.0 | 1.053 |
| 72 | 1.292 | 72.00 | -1.36 | 306.0 | 1.002 | 4.28 | 0.40 | 306.0 | 1.008 | -4.28 | -1.23 | 306.0 | 1.051 | 306.0 | 1.051 |
| 84 | 1.257 | 84.00 | -1.48 | 318.0 | 1.002 | 4.43 | 0.46 | 318.0 | 1.007 | -4.43 | -1.36 | 318.0 | 1.048 | 318.0 | 1.048 |
| 96 | 1.217 | 96.00 | -1.63 | 330.0 | 1.001 | 4.56 | 0.55 | 330.0 | 1.006 | -4.56 | -1.53 | 330.0 | 1.046 | 330.0 | 1.046 |
| | | | | 342.0 | 1.001 | | | 342.0 | 1.005 | | | 342.0 | 1.044 | 342.0 | 1.044 |
| | | | | 354.0 | 1.001 | | | 354.0 | 1.005 | | | 354.0 | 1.043 | 354.0 | 1.043 |
| | | | | 366.0 | 1.001 | | | 366.0 | 1.004 | | | 366.0 | 1.041 | 366.0 | 1.041 |
| | | | | 378.0 | 1.000 | | | 378.0 | 1.003 | | | 378.0 | 1.039 | 378.0 | 1.039 |
| | | | | 390.0 | 1.000 | | | 390.0 | 1.003 | | | 390.0 | 1.038 | 390.0 | 1.038 |
| | | | | 402.0 | 1.000 | | | 402.0 | 1.003 | | | 402.0 | 1.037 | 402.0 | 1.037 |
| | | | | 414.0 | 1.000 | | | 414.0 | 1.002 | | | 414.0 | 1.035 | 414.0 | 1.035 |
| | | | | 426.0 | 1.000 | | | 426.0 | 1.002 | | | 426.0 | 1.034 | 426.0 | 1.034 |
| | | | | 438.0 | 1.000 | | | 438.0 | 1.002 | | | 438.0 | 1.033 | 438.0 | 1.033 |
| | | | | 450.0 | 1.000 | | | 450.0 | 1.002 | | | 450.0 | 1.032 | 450.0 | 1.032 |
| | | | | 462.0 | 1.000 | | | 462.0 | 1.001 | | | 462.0 | 1.031 | 462.0 | 1.031 |
| | | | | 474.0 | 1.000 | | | 474.0 | 1.001 | | | 474.0 | 1.030 | 474.0 | 1.030 |
| SUM | | 432.00 | -7.57 | | | 30.48 | 0.35 | | | -30.48 | -5.55 | | | | |
| AVERAGE | | 54.00 | -0.95 | | | 3.81 | 0.04 | | | -3.81 | -0.69 | | | | |

| PARAMETER ESTIMATES | | PARAMETER ESTIMATES | | PARAMETER ESTIMATES | |
|---|---|---|---|---|---|
| N = | 8.000 | N = | 8.000 | N = | 8.000 |
| A = | 3.327 | A = | 0.050 | A = | 47.867 |
| B = | 0.979 | B = | 0.795 | B = | 1.197 |
| R^2 = | 0.911 | R^2 = | 0.976 | R^2 = | 0.993 |

*RPTD_FIT2.xls*

*09/29/15*

**The City of Scranton**
**PA Bureau of WC - Reported Claim Development Factors, Public Administration**



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

| ACTUAL VALUES | | Curve : Y = A^(B^X) (Power Model) | | | | Curve : Y = 1 / [1 - EXP(-AX^B)] (Weibull) | | | | Curve : Y = A * (1/X)^B + 1 (Inverse Power Curve) | | | | *** SELECTED *** | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | TRANSFORMED VALUES | | FITTED VALUES | | TRANSFORMED VALUES | | FITTED VALUES | | TRANSFORMED VALUES | | FITTED VALUES | | FITTED VALUES | |
| X | Y | X | LN[LN(Y)] | | | LN(X) | Double Log [Y/(Y-1)] | | | LN(1/X) | LN(Y-1) | | | | |
| Maturity (Months) | Cumulative Rptd Claim Dev Factor | X' | Y' | X | Y | X' | Y' | X | Y | X' | Y' | 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 | | | | |

| PARAMETER ESTIMATES | | PARAMETER ESTIMATES | | PARAMETER ESTIMATES | |
|---|---|---|---|---|---|
| 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 |

*PCRB_CLAIM.xls*

*09/29/15*

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



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

| ACTUAL VALUES | | Curve : Y = A^(B^X) (Power Model) | | | | Curve : Y = 1 / [1 - EXP(-AX^B)] (Weibull) | | | | Curve : Y = A * (1/X)^B + 1 (Inverse Power Curve) | | | | *** SELECTED *** | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | TRANSFORMED VALUES | | FITTED VALUES | | TRANSFORMED VALUES | | FITTED VALUES | | TRANSFORMED VALUES | | FITTED VALUES | | FITTED VALUES | |
| X | Y | X | LN[LN(Y)] | | | LN(X) | Double Log [Y/(Y-1)] | | | LN(1/X) | LN(Y-1) | | | | |
| Maturity (Months) | Cumulative Rptd Loss Dev Factor | X' | Y' | X | Y | X' | Y' | X | Y | X' | Y' | X | Y | X | Y |
| 12 | 3.620 | 12.00 | 0.25 | 8.0 | 2.764 | 2.48 | -1.13 | 8.0 | 4.313 | -2.48 | 0.96 | 8.0 | 4.971 | 8.0 | 4.971 |
| 24 | 2.036 | 24.00 | -0.34 | 20.0 | 2.206 | 3.18 | -0.39 | 20.0 | 2.375 | -3.18 | 0.04 | 20.0 | 2.326 | 20.0 | 2.326 |
| 36 | 1.648 | 36.00 | -0.69 | 32.0 | 1.850 | 3.58 | -0.07 | 32.0 | 1.824 | -3.58 | -0.43 | 32.0 | 1.755 | 32.0 | 1.755 |
| 48 | 1.426 | 48.00 | -1.04 | 44.0 | 1.614 | 3.87 | 0.19 | 44.0 | 1.561 | -3.87 | -0.85 | 44.0 | 1.516 | 44.0 | 1.516 |
| 60 | 1.320 | 60.00 | -1.28 | 56.0 | 1.451 | 4.09 | 0.35 | 56.0 | 1.407 | -4.09 | -1.14 | 56.0 | 1.387 | 56.0 | 1.387 |
| 72 | 1.292 | 72.00 | -1.36 | 68.0 | 1.336 | 4.28 | 0.40 | 68.0 | 1.308 | -4.28 | -1.23 | 68.0 | 1.306 | 68.0 | 1.306 |
| 84 | 1.257 | 84.00 | -1.48 | 80.0 | 1.253 | 4.43 | 0.46 | 80.0 | 1.239 | -4.43 | -1.36 | 80.0 | 1.252 | 80.0 | 1.252 |
| 96 | 1.217 | 96.00 | -1.63 | 92.0 | 1.192 | 4.56 | 0.55 | 92.0 | 1.189 | -4.56 | -1.53 | 92.0 | 1.213 | 92.0 | 1.213 |
| | | | | 104.0 | 1.146 | | | 104.0 | 1.152 | | | 104.0 | 1.184 | 104.0 | 1.184 |
| | | | | 116.0 | 1.112 | | | 116.0 | 1.123 | | | 116.0 | 1.162 | 116.0 | 1.162 |
| | | | | 128.0 | 1.086 | | | 128.0 | 1.101 | | | 128.0 | 1.144 | 128.0 | 1.144 |
| | | | | 140.0 | 1.066 | | | 140.0 | 1.083 | | | 140.0 | 1.129 | 140.0 | 1.129 |
| | | | | 152.0 | 1.051 | | | 152.0 | 1.069 | | | 152.0 | 1.117 | 152.0 | 1.117 |
| | | | | 164.0 | 1.040 | | | 164.0 | 1.057 | | | 164.0 | 1.107 | 164.0 | 1.107 |
| | | | | 176.0 | 1.031 | | | 176.0 | 1.048 | | | 176.0 | 1.098 | 176.0 | 1.098 |
| | | | | 188.0 | 1.024 | | | 188.0 | 1.040 | | | 188.0 | 1.091 | 188.0 | 1.091 |
| | | | | 200.0 | 1.018 | | | 200.0 | 1.034 | | | 200.0 | 1.084 | 200.0 | 1.084 |
| | | | | 212.0 | 1.014 | | | 212.0 | 1.029 | | | 212.0 | 1.079 | 212.0 | 1.079 |
| | | | | 224.0 | 1.011 | | | 224.0 | 1.025 | | | 224.0 | 1.074 | 224.0 | 1.074 |
| | | | | 236.0 | 1.009 | | | 236.0 | 1.021 | | | 236.0 | 1.069 | 236.0 | 1.069 |
| SUM | | 432.00 | -7.57 | | | 30.48 | 0.35 | | | -30.48 | -5.55 | | | | |
| AVERAGE | | 54.00 | -0.95 | | | 3.81 | 0.04 | | | -3.81 | -0.69 | | | | |

| PARAMETER ESTIMATES | | PARAMETER ESTIMATES | | PARAMETER ESTIMATES | |
|---|---|---|---|---|---|
| N = | 8.000 | N = | 8.000 | N = | 8.000 |
| A = | 3.327 | A = | 0.050 | A = | 47.857 |
| B = | 0.979 | B = | 0.795 | B = | 1.197 |
| R^2 = | 0.911 | R^2 = | 0.976 | R^2 = | 0.993 |

*RPTD_FIT_CRITICAL.xls*

*09/29/15*

## *Derivation of Large Loss Critical Values*

| (A) Accident Period | (B) Implied Trend Factor to 2016 | (C) Large Loss Defintion | (D) Maturity at 8/31/15 (months) | (E) Reported Loss Development Factor | (F) Reported Claim Development Factor | (G) Large Loss Critical Reported Amount at 8/31/15 |
|---|---|---|---|---|---|---|
| 01/01/86-12/31/86 | N/A | $250,000 | 356 | 1.030 | 1.000 | $242,700 |
| 01/01/87-12/31/87 | N/A | $350,000 | 344 | 1.033 | 1.000 | $338,793 |
| 01/01/88-12/31/88 | N/A | $300,000 | 332 | 1.036 | 1.000 | $289,553 |
| 01/01/89-12/31/89 | N/A | $500,000 | 320 | 1.039 | 1.000 | $481,195 |
| 01/01/90-12/31/90 | N/A | $500,000 | 308 | 1.042 | 1.000 | $479,810 |
| 01/01/91-12/31/91 | N/A | $350,000 | 296 | 1.046 | 1.000 | $334,583 |
| 01/01/92-12/31/92 | N/A | $400,000 | 284 | 1.050 | 1.000 | $380,924 |
| 01/01/93-12/31/93 | N/A | $400,000 | 272 | 1.054 | 1.000 | $379,478 |
| 01/01/94-12/31/94 | N/A | $350,000 | 260 | 1.059 | 1.000 | $330,476 |
| 01/01/95-12/31/95 | N/A | $500,000 | 248 | 1.064 | 1.000 | $469,890 |
| 01/01/96-12/31/96 | N/A | $500,000 | 236 | 1.069 | 1.000 | $467,692 |
| 01/01/97-12/31/97 | N/A | $400,000 | 224 | 1.074 | 1.000 | $372,602 |
| 01/01/98-12/31/98 | N/A | $400,000 | 212 | 1.079 | 1.000 | $370,871 |
| 01/01/99-12/31/99 | N/A | $250,000 | 200 | 1.084 | 1.000 | $230,581 |
| 01/01/00-12/31/00 | N/A | $250,000 | 188 | 1.091 | 1.000 | $229,212 |
| 01/01/01-12/31/01 | N/A | $250,000 | 176 | 1.098 | 1.000 | $227,657 |
| 01/01/02-12/31/02 | N/A* | $300,000 | 164 | 1.107 | 1.000 | $271,052 |
| 01/01/03-12/31/03 | N/A* | $350,000 | 152 | 1.117 | 1.000 | $313,348 |
| 01/01/04-12/31/04 | N/A* | $400,000 | 140 | 1.129 | 1.000 | $354,273 |
| 01/01/05-12/31/05 | N/A* | $500,000 | 128 | 1.144 | 1.000 | $437,182 |
| 01/01/06-12/31/06 | N/A | $750,000 | 116 | 1.162 | 1.000 | $645,623 |
| 01/01/07-12/31/07 | N/A | $750,000 | 104 | 1.184 | 1.000 | $633,306 |
| 01/01/08-12/31/08 | N/A | $750,000 | 92 | 1.213 | 1.000 | $618,081 |
| 01/01/09-12/31/09 | N/A | $750,000 | 80 | 1.252 | 1.000 | $598,842 |
| 01/01/10-12/31/10 | N/A | $800,000 | 68 | 1.306 | 1.000 | $612,107 |
| 01/01/11-12/31/11 | N/A | $800,000 | 56 | 1.387 | 1.001 | $576,244 |
| 01/01/12-12/31/12 | N/A | $800,000 | 44 | 1.516 | 1.004 | $525,719 |
| 01/01/13-12/31/13 | N/A | $800,000 | 32 | 1.755 | 1.013 | $450,070 |
| 01/01/14-12/31/14 | N/A | $800,000 | 20 | 2.326 | 1.048 | $328,170 |
| 01/01/15-12/31/15 | N/A | $800,000 | 8 | 4.971 | 1.270 | $126,743 |

*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 1995 and prior*
*Column (F): Appendix A, Sheet 10*
*Column (G): Column (C)/ Column (E)/ Column (F)*

***Summary of Crtical Value Disability Losses***
***As of August 31, 2015***

| (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* |
| | ***03/01/86-02/28/87*** | | | | | | | |
| 03/01/86 | SABLE | $2,394 | $385,684 | $6,832 | $394,909 | $130,095 | $525,004 | $242,700 |
| 07/01/86 | MCGEE | $6,213 | $415,589 | $21,743 | $443,545 | $55,249 | $498,794 | $242,700 |
| 01/09/87 | HOBAN | $48,817 | $413,963 | $50,038 | $512,818 | $0 | $512,818 | $338,793 |
| | 3 Claims | | | | $1,351,272 | $185,344 | $1,536,616 | |
| | ***03/01/87-02/28/88*** | | | | | | | |
| 08/04/87 | KERRIGAN | $175,284 | $433,507 | $20,433 | $629,224 | $33,950 | $663,174 | $338,793 |
| 08/09/87 | ROSS III | $8,996 | $368,392 | $2,022 | $379,410 | $0 | $379,410 | $338,793 |
| 08/15/87 | NOVAK | $15,304 | $371,897 | $15,027 | $402,228 | $0 | $402,228 | $338,793 |
| 09/01/87 | GENOVESE | $166,035 | $484,785 | $23,011 | $673,831 | $1,150,855 | $1,824,686 | $338,793 |
| | 4 Claims | | | | $2,084,693 | $1,184,805 | $3,269,498 | |
| | ***03/01/88-02/28/89*** | | | | | | | |
| 05/06/88 | MCGOWAN | $17,515 | $474,562 | $15,655 | $507,732 | $200,764 | $708,496 | $289,553 |
| 07/14/88 | TASSEY | $3,990 | $254,843 | $2,863 | $261,697 | $140,588 | $402,285 | $289,553 |
| 07/17/88 | RESCIGNO | $0 | $183,727 | $3,372 | $187,098 | $371,421 | $558,519 | $289,553 |
| 08/13/88 | MCHALE | $31,714 | $300,486 | $23,443 | $355,642 | $0 | $355,642 | $289,553 |
| 01/14/89 | HOFFMAN | $26,566 | $544,071 | $17,431 | $588,068 | $103,366 | $691,434 | $481,195 |
| | 5 Claims | | | | $1,900,237 | $816,139 | $2,716,376 | |
| | ***03/01/89-02/28/90*** | | | | | | | |
| 02/16/90 | ABDA | $4,805 | $427,804 | $1,560 | $434,170 | $68,800 | $502,970 | $479,810 |
| | 1 Claim | | | | $434,170 | $68,800 | $502,970 | |
| | ***03/01/90-02/28/91*** | | | | | | | |
| 06/26/90 | JONES | $0 | $485,851 | $12,696 | $498,547 | $377,216 | $875,763 | $479,810 |
| 12/30/90 | BENTLER | $67,155 | $361,238 | $25,880 | $454,273 | $236,089 | $691,322 | "Pappy |
| | 2 Claims | | | | $952,819 | $613,305 | $1,567,084 | Plan" |

***Summary of Crtical Value Disability Losses***
***As of August 31, 2015***

| (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* |
| | ***03/01/91-02/28/92*** | | | | | | | |
| 05/06/91 | PRICE | $23,868 | $324,430 | $1,781 | $350,080 | $92,028 | $442,108 | $334,583 |
| 07/19/91 | WHALEN | $138,044 | $295,115 | $18,444 | $451,602 | $0 | $451,602 | $334,583 |
| 07/24/91 | MALINOWSKI | $58,658 | $443,422 | $45,084 | $547,164 | $178,902 | $726,066 | $334,583 |
| 08/01/91 | PETRINI | $1,720 | $385,023 | $5,897 | $392,640 | $78,396 | $471,036 | $334,583 |
| 08/21/91 | HARVEY | $119,714 | $322,891 | $58,992 | $501,597 | $0 | $501,597 | $334,583 |
| 09/08/91 | HUBSHMAN | $13,294 | $398,781 | $61,227 | $473,302 | $0 | $473,302 | $334,583 |
| 11/05/91 | SEYMOUR | $96,312 | $494,871 | $21,388 | $612,571 | $128,534 | $741,105 | $334,583 |
| 02/07/92 | BIDWELL | $0 | $395,914 | $9,218 | $405,133 | $0 | $405,133 | $380,924 |
| | 8 Claims | | | | $3,734,088 | $477,860 | $4,211,948 | |
| | ***03/01/92-02/28/93*** | | | | | | | |
| 08/02/92 | DAVIS, B. | $123,164 | $381,864 | $38,082 | $543,111 | $0 | $543,111 | $380,924 |
| 08/26/92 | GRISKO | $72,574 | $535,788 | $31,076 | $639,438 | $74,281 | $713,719 | $380,924 |
| 10/14/92 | MONAHAN | $34,940 | $539,618 | $74,692 | $649,250 | $103,258 | $752,508 | $380,924 |
| 11/29/92 | DAVIS, Wm. | $90,017 | $403,035 | $58,560 | $551,613 | $0 | $551,613 | $380,924 |
| | 4 Claims | | | | $2,383,411 | $177,539 | $2,560,950 | |
| | ***03/01/93-02/28/94*** | | | | | | | |
| 03/04/93 | POWELL | $131,579 | $584,461 | $91,660 | $807,701 | $95,247 | $902,948 | $379,478 |
| 04/15/93 | CONLON | $77,228 | $545,754 | $19,034 | $642,016 | $67,941 | $709,957 | $379,478 |
| 05/02/93 | WASYLYNIAK | $59,871 | $470,649 | $27,214 | $557,734 | $0 | $557,734 | $379,478 |
| 05/14/93 | JEFFERS | $31,885 | $319,155 | $36,513 | $387,553 | $0 | $387,553 | $379,478 |
| 06/22/93 | PALUTIS | $76,477 | $390,796 | $48,169 | $515,442 | $0 | $515,442 | $379,478 |
| 07/08/93 | ARMFIELD | $11,005 | $538,711 | $16,879 | $566,595 | $109,177 | $675,772 | $379,478 |
| 07/24/93 | CAWLEY | $34,655 | $345,596 | $42,994 | $423,245 | $0 | $423,245 | $379,478 |
| 08/11/93 | DAFFARO | $49,843 | $466,964 | $3,881 | $520,688 | $89,617 | $610,305 | $379,478 |
| 01/19/94 | BURRIER | $59,239 | $255,436 | $31,406 | $346,081 | $0 | $346,081 | $330,476 |
| | 9 Claims | | | | $4,767,053 | $361,982 | $5,129,035 | |

## *Summary of Crtical Value Disability Losses*
### *As of August 31, 2015*

| (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* |
| | ***03/01/95-02/28/96*** | | | | | | | |
| 07/20/95 | MCGINNIS | $91,758 | $494,797 | $40,216 | $626,771 | $0 | $626,771 | $469,890 |
| 08/23/95 | DERMODY | $10,151 | $503,527 | $66,322 | $580,001 | $182,932 | $762,933 | $469,890 |
| 12/07/95 | HINKLEY | $61,862 | $362,619 | $55,955 | $480,436 | $0 | $480,436 | $469,890 |
| 01/05/96 | DUDZINSKI | $55,559 | $446,096 | $42,921 | $544,576 | $158,443 | $703,019 | $467,692 |
| | 4 Claims | | | | $2,231,784 | $341,375 | $2,573,159 | |
| | ***03/01/96-02/28/97*** | | | | | | | |
| 07/24/96 | DOYLE | $586 | $435,206 | $7,467 | $443,259 | $448,559 | $891,818 | $467,692 |
| 09/04/96 | MUSSO | $167,083 | $154,800 | $39,445 | $361,327 | $151,434 | $512,761 | |
| | 2 Claims | | | | $804,586 | $599,993 | $1,404,579 | |
| | ***03/01/97-02/28/98*** | | | | | | | |
| 06/09/97 | MATTICKS | $62,307 | $275,891 | $57,074 | $395,272 | $0 | $395,272 | $372,602 |
| | 1 Claim | | | | $395,272 | $0 | $395,272 | |
| | ***03/01/98-02/28/99*** | | | | | | | |
| 08/24/98 | CORBY | $63,567 | $251,322 | $10,980 | $325,869 | $205,221 | $531,090 | $370,871 |
| | 1 Claim | | | | $325,869 | $205,221 | $531,090 | |
| | ***03/01/99-02/28/00*** | | | | | | | |
| 04/06/99 | OTTONE | $24,493 | $227,517 | $33,777 | $285,787 | $0 | $285,787 | $230,581 |
| 05/10/99 | KLEE | $15,904 | $209,899 | $22,015 | $247,818 | $0 | $247,818 | $230,581 |
| 01/26/00 | MARTIN | $272,273 | $89,236 | $47,084 | $408,593 | $0 | $408,593 | $229,212 |
| | 3 Claims | | | | $942,198 | $0 | $942,198 | |
| | ***03/01/00-02/28/01*** | | | | | | | |
| 06/09/00 | MEDALLIS | $103,100 | $148,552 | $30,040 | $281,692 | $0 | $281,692 | $229,212 |
| 07/13/00 | WAZNAK | $224,469 | $220,048 | $43,165 | $487,682 | $0 | $487,682 | $229,212 |
| 02/17/01 | BATYKO | $44,640 | $156,846 | $37,558 | $239,044 | $0 | $239,044 | $227,657 |
| | 3 Claims | | | | $1,008,418 | $0 | $1,008,418 | |

## *Summary of Crtical Value Disability Losses*
### *As of August 31, 2015*

| (A) Date of Loss | (B) Named Insured | (C) Medical Paid | (D) Indemnity Paid | (E) Expense Paid | (F) Total Paid | (G) Outstanding Reserves | (H) Total Incurred | (I) Large Loss Critical Reported Amount |
|---|---|---|---|---|---|---|---|---|
| | **03/01/01-02/28/02** | | | | | | | |
| 08/10/01 | LANNING | $56,527 | $219,620 | $25,557 | $301,704 | $0 | $301,704 | $227,657 |
| 08/23/01 | GALELLA | $44,321 | $184,415 | $27,920 | $256,656 | $0 | $256,656 | $227,657 |
| 02/11/02 | MACKIN | $46,164 | $221,969 | $22,969 | $291,102 | $0 | $291,102 | $271,052 |
| 02/20/02 | OZOVEK | $143,954 | $268,672 | $30,331 | $442,957 | $0 | $442,957 | $271,052 |
| | 4 Claims | *(2 post 10/17/01 SIR)* | | | $1,292,419 | $0 | $1,292,419 | |
| | **03/01/02-02/28/03** | | | | | | | |
| 04/15/02 | FARGIONE | $126,603 | $304,542 | $27,010 | $463,519 | $0 | $463,519 | $271,052 |
| 06/12/02 | GISOLFI | $144,865 | $294,596 | $45,856 | $485,317 | $0 | $485,317 | $271,052 |
| 07/21/02 | ROSAR, J. | $79,913 | $308,354 | $44,915 | $433,182 | $0 | $433,182 | $271,052 |
| 07/25/02 | BOEZI | $170,742 | $223,981 | $66,661 | $461,384 | $14,378 | $475,762 | $271,052 |
| 08/31/02 | DIEROLF | $0 | $0 | $32,677 | $32,677 | $447,866 | $480,543 | $271,052 |
| 09/24/02 | PIAZZA | $43,922 | $207,269 | $26,289 | $277,480 | $0 | $277,480 | $271,052 |
| | 6 Claims | *(all pre 10/17/02)* | | | $2,153,559 | $462,244 | $2,615,803 | |
| | **03/01/03-02/28/04** | | | | | | | |
| 11/25/03 | MALONE | $4,886 | $238,011 | $8,325 | $251,222 | $436,881 | $688,103 | $358,112 |
| | 1 Claim | *(1 post 10/16/03 SIR)* | | | $251,222 | $436,881 | $688,103 | |
| | **03/01/04-02/28/05** | | | | | | | |
| 06/24/04 | EIBACH | $155,654 | $284,209 | $58,192 | $498,055 | $0 | $498,055 | $354,273 |
| 09/19/04 | McINTYRE | $149,519 | $236,458 | $20,023 | $417,202 | $51,272 | $468,474 | $354,273 |
| | 2 Claims | *(pre 10/17/04)* | | | $915,257 | $51,272 | $966,529 | |

## *Derivation of Discount Factors as of 8/31/15*

| (A) Accident Period | (B) Maturity in Years at 8/31/15 | (C) Cumulative Paid Loss Development Factor | (D) % Losses Paid at 8/31/15 | (E) Midpoint Upcoming Period | (F) % Losses Paid Upcoming Period | (G) Column(F) Discounted | (H) Discount Factor |
|---|---|---|---|---|---|---|---|
| 2015/2016 | 0.50 | 20.231 | 4.9% | 1.0 | 10.4% | 0.101 | 0.759 |
| 2014/2015 | 1.50 | 6.504 | 15.4% | 2.0 | 9.2% | 0.086 | 0.753 |
| 2013/2014 | 2.50 | 4.076 | 24.5% | 3.0 | 7.8% | 0.071 | 0.746 |
| 2012/2013 | 3.50 | 3.097 | 32.3% | 4.0 | 6.5% | 0.058 | 0.741 |
| 2011/2012 | 4.50 | 2.575 | 38.8% | 5.0 | 5.6% | 0.048 | 0.736 |
| 2010/2011 | 5.50 | 2.253 | 44.4% | 6.0 | 4.7% | 0.040 | 0.732 |
| 2009/2010 | 6.50 | 2.036 | 49.1% | 7.0 | 4.1% | 0.033 | 0.730 |
| 2008/2009 | 7.50 | 1.880 | 53.2% | 8.0 | 3.5% | 0.028 | 0.729 |
| 2007/2008 | 8.50 | 1.763 | 56.7% | 9.5 | 5.8% | 0.044 | 0.730 |
| | 10.50 | 1.600 | 62.5% | 11.5 | 4.5% | 0.032 | 0.735 |
| | 12.50 | 1.492 | 67.0% | 13.5 | 3.6% | 0.024 | 0.745 |
| | 14.50 | 1.416 | 70.6% | 15.5 | 3.0% | 0.019 | 0.761 |
| | 16.50 | 1.359 | 73.6% | 17.5 | 2.5% | 0.015 | 0.782 |
| | 18.50 | 1.315 | 76.0% | 19.5 | 2.7% | 0.015 | 0.809 |
| | 20.50 | | 78.8% | 21.5 | 3.0% | 0.016 | 0.837 |
| | 22.50 | | 81.7% | 23.5 | 3.3% | 0.016 | 0.864 |
| | 24.50 | | 85.0% | 25.5 | 3.6% | 0.017 | 0.892 |
| | 26.50 | | 88.6% | 27.5 | 4.0% | 0.018 | 0.920 |
| | 28.50 | | 92.6% | 29.5 | 4.4% | 0.018 | 0.948 |
| | 30.50 | | 96.9% | 31.5 | 3.1% | 0.012 | 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 runoff after 19 years based upon an annual increase of 10% over prior period*

*Column(G): Column(F) x [1 ÷ Interest Rate]^[-Column(E)]*

*Column(H): [1 ÷ Interest Rate]^[Column(B)] / [1 - Column(D)] x [Upward Sum, Column(G)]*