



CITY OF SCRANTON

2018 OPERATING BUDGET

File of the Council No. 125, 2017

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DEPARTMENT OF BUSINESS ADMINISTRATION

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OFFICE OF CITY
COUNCIL/CITY CLERK

November 6, 2017

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

Re: 2018 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 2018 Operating Budget. The Budget document includes estimated income, including various taxes, fees, and other revenues for the fiscal year. Detailed proposed expenditures by department including employee-related expenses and capital expenditures are delineated. Proposed expenditures do not exceed budgeted revenues.

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

Sincerely,

A handwritten signature in black ink, appearing to read "DMB".

David M. Bulzoni
Business Administrator
City of Scranton

2018 Budget Summary

Financial Overview

The City of Scranton 2018 budget continues a phased progression in fiscal stability and a more manageable and effective allocation of revenues and expenses. The City will continue to strive to achieve manageable annual adjustments in both revenues and expenditures to avoid the punitive nature of double digit real estate tax increases. The compression of real estate tax increases and the sensitivity assigned to future adjustments will be an ongoing concern and remains a focal point of the 2018 budget. If the 2017 budget was considered transitory from revenue assignments concluding the parking monetization transactions and the sale of the sewer assets, the 2018 budget reflects the execution of those initiatives and the subsequent influence on the City's budget stability. Without those adjustments, the impact on the primary revenue drivers would be significant. Those revenue components are real estate and earned income taxes.

An integral component of the continued momentum in fiscal stability is the assignment of real estate taxes through a segmented calculation which originated in the 2015 budget. The City of Scranton created a dedicated millage to meet total annual debt service requirements and appointed a single point paying agent to manage those payments. This concept was well received by the financial markets and has been an integral part of the restoration of the City's credit worthiness. The reduction in budgeted debt service from \$14,713,139.50 in 2014 to \$10,825,179.53 in 2018 is representative of the City's efforts at greater budget stability. This decrease of \$3,887,959.97, or 26.50%, is resulting from a complete redefinition of the City's debt profile.

*Real estate taxes will continue as a significant source of revenue in the 2018 budget. The intent of the 2018 budget is to maintain total millage at 2017 levels. 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 evaluation process. That value will be decreased accordingly with any the City's debt service reduction. The reduction results from the refunding and defeasement initiatives concluding in 2017. Correspondingly, with a \$5,273,046.00 reduction in the Minimum Municipal Obligation in 2018, the operating revenue percentage will be adjusted accordingly.

The 2018 budget positions the City to further evaluate revenue maximization. Analytic methodology is used for better identification of components of the City's Act 511 taxes and rental units. Those analytics should result in either fee adjustments in future budget years and the migration from business privilege and mercantile taxes to a payroll based tax allowed under Act 47. While the refuse fee will remain the same in 2018, the City has implemented more favorable payment mechanisms to positively affect cash flow. A recycling based evaluation should identify best practices in both refuse and recycling programs and identify the merits of a per bag or hybrid fee based service.

A realistic approach to expenditure budgeting will mirror the same approach to revenues. While several issues portend some significance for the City with the 2018 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.

The budget also contemplates a measure of sensibility to nonunion salaries, which has been devoid of any real methodology in prior budgets. The plan initially presented in the 2015 budget is restated with variations to provide a framework for successive years. Once salaries have reached a level of equilibrium, raises may rotate every two years for the nonunion employee base. The rotation may incorporate a .50% or 1.00% increase initially resulting from low inflation levels. This percentage may be modified if inflation and cost of living levels increase. The City also will undertake a position compensation evaluation in 2018.

In effect, the 2018 budget continues to bridge stability in the City's fiscal outlook. The monetization efforts of both parking and sewer assets have or will improve the City's debt profile, create a more effective delivery of services, and stabilize the employee retirement plans. Again, the City expended significant effort for the closure of major initiatives in 2017. The defeasement and refunding of the City's 2003 bond debt included an improvement in the City's debt rating and a cooperative financial initiative with the bond insurer AMBAC.

The City of Scranton 25% Act 44 reduction provision, which artificially decreased the minimum municipal pension obligation for a six year period, concluded in 2016. The expiration of the provision increased the minimum obligation by \$4,411,510 in the 2017 budget. Revaluation of the Plan in 2018 resulted in the decrease noted above. The City also directed the reduction in the Plan discount rate to 7.50% from 8.00%.

On July 2, 2014, the City of Scranton took the initial steps in restoring long term fiscal stability and the repair of the City's creditworthiness by the unveiling of the Amoroso Plan. With the continued implementation of the Plan components and the incorporation of those provisions in the Act 47 Exit Plan prepared by the Pennsylvania Economy League, the fiscal framework for the City of Scranton is now intact and will serve as a guide to follow through the conclusion of 2018 and the anticipated exit from Distressed Status in 2021.

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

2018 General Fund Budget - Revenues

Real Estate Tax

Account Description

Real Estate Tax is the primary revenue driver in the City of Scranton annual operating budget and most subject to adjustment annually. 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 taxable real property. The values are compiled by Lackawanna County. The property tax rate is expressed either as a percentage or may also be indicated as a millage rate or mill levy.

The City of Scranton 2015 budget initiated discussions about the segregated millage concept on land and improvements. Future discussions regarding the potential advantages of migrating to a single millage based on a total assessed valuation have also been considered. This concept was deferred for further evaluation and may resurrect upon completion of a Lackawanna County property reassessment. The City's 2017 land rate is 232.521. The 2017 land improvement rate is 50.564. (A mill is also stated as one-thousandth of a dollar.) The City's total millage rate in 2017 is 283.085.

As noted previously, in departing from the usual assignment of taxes to operations, including debt service, the City created a debt service millage component from both levies. This concept was continued in the 2017 budget with an alteration to the assignment of this dedicated revenue. The use of a dedicated percentage of real estate tax revenue was memorialized in the legislative document authorizing the levy. The document authorized an assignment thirty-two percent (32%) of real estate tax revenue to meet debt service requirements. Because of debt repayment and refunding in 2017, the amount of the real estate tax revenue dedicated to debt service will remain constant at thirty-two percent (32%). The value of assessed City property indicates a decrease by \$1,068,794 from 2016 to 2017. Overall, debt service has decreased from \$14,758,139.50 in the 2014 operating budget to that projected for 2018 at \$10,315,179.53, or a decrease of 30.10%.

Total millage, therefore, remains constant at 283.085 mills.

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

Budget Highlights

- The real estate tax levy will remain level in 2018;
- The debt service revenue component will remain constant.

Landfill/ Refuse Fees

Account Description

The City has established a residential fee to fund essential refuse and mandated recycling collection programs. The annual fee was increased from \$178 per unit per year in 2013 to \$300 in 2014. The billing period was modified in 2014 to allow for two payments annually and will be continued in 2017. The fee will remain the same.

Budget Highlights

- While the refuse fee will remain at \$300 per unit in 2017, increased collections are anticipated based on the outcome of the rental registration identification program. Anticipated results, while anecdotal, if favorable, may enable the City to review the refuse fee in conjunction with the 2019 budget. Enhanced identification of billing units will result from a more effective rental registration procedure;
- The City billing and collection methods were restructured to incorporate an electronic payment and collection methodology. The City expects to evaluate the use of cash as a payment option to improve efficiency and reduce costs.
- The Department of Environmental Protection Refuse/ Recycling evaluation should be completed in the first quarter of 2018 and will provide optionality in reviewing the practicality of a ‘pay-as-you throw’ or hybrid program concept. The optionality of this program may provide the City with the opportunity to further evaluate program costs.

Local Tax

Account Description

Another important revenue component 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%; the total wage tax collected in the City of Scranton is 3.4%, as commonly stated, which includes the Scranton School District's 1% Wage Tax. The taxpayers submit payments to Berkheimer Associates, the designated collector of earned income taxes for Lackawanna County municipalities. With the exception of the current and delinquent wage taxes, the remaining Local Taxes are collected by the Single Tax Office. The Single Tax office is the local tax collection agent for the City, School District and Lackawanna County. The City's Mercantile and Business Privilege Tax rate is a flat .1%. The Real Estate Transfer tax, which is collected by Lackawanna County, was reduced to 2.90 in 2017%. The tax will be reduced further in 2018 to 2.70%.

Budget Highlights

- Real estate transfer tax collections have performed favorably since 2014. A constant collection level is projected with a .20% reduction in the tax for 2018. Wage Tax collections are projected to increase marginally due to payroll limitations resulting from the employment components of the local economy. The City has not been greatly impacted by the national trend of more favorable payroll percentage increases;
- The improvement in Mercantile and Business Privilege Tax collection percentages are beginning to be realized in 2017 because of the use of analytics by the Single Tax Office. This cooperative effort between the City and Tax office is identifying nonpayment and resulting in improved collection percentages and a more complete data base. The City will evaluate the advantages of converting from the Business Privilege and Mercantile Tax levies to a broader based payroll tax for 2019. Act 47 communities are eligible for the conversion. The tax is presently levied by the City of Pittsburgh. Another alternative and byproduct of improved collection might be a reduction in the tax to levels more acceptable to the expansion of a commercial base weighted in the service industry.
- With the Governor's signature of House Bill 1773 in 2014, the City has continued the tripling of the local services tax in the 2017 budget. The City is eligible for the increased collection level 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. Many of the line item budgets are based on four year averages.

The City will continue to receive fees through the third party planning review process in 2017. A departmental initiative for 2018 will be to review and codify enacting ordinances for applicability and fee eligibility designed to restructure the department to improve efficiency.

Budget Highlights

- Revenue fluctuations in prior budgets may be attributed to various factors impacting the collection of permit fees and licenses, including activity influenced by the state of the local economy.

- The City is working cooperatively with a third party to improve the efficacy of the rental registration database. Improved collections are anticipated through more effective unit identification and tracking procedures;
- The Department will undertake a review of enacting ordinances to better identify the effectiveness of permitting activity;
- The building permit budget remains constant as a more indicative forecast of future activity, although the City is optimistic that tax abatement legislation passed on April 21, 2016 will have a positive effect on home construction.
- Foreclosure registry fees fund the Scranton Home Assistance Program created by the partnership between the City and Neighborworks Northeastern Pennsylvania. The partnership was formalized by legislation adopted on June 23, 2016. A home improvement grant program with a maximum allocation of \$5,000 is managed by Neighborworks from the receipt foreclosure registry payments.

Fines, Forfeits, & Violations

Account Description

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

Budget Highlights

- The Civilian Parking Ticket budget is reflective of activity through September 2017;

Interest Earnings

Account Description

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

Budget Highlights

- The City of Scranton has two primary cash accounts which are subject to some balance seasonality: The General Fund and the Debt Service Account component of the Fund. The debt service account is presently maintained with the Single Point Paying Agent to meet debt payment needs; the general fund is maintained for operations.
- The remaining proceeds associated with the sewer asset sale are invested subject to Act 10 of 2016 provisions.
- The City is implementing a phased expansion and redefinition of the delivery of operational banking services to improve the refuse billing and payment programs. Greater efficiency in this front end program should positively affect cash flow and complement a further review of program alternatives.

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 increases in 2018.

Budget Highlights

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

Payment in Lieu of Taxes

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 limited but improved contribution activity since 2015 through a cooperative approach with the nonprofit community. A more direct, targeted, practical approach to this process of engagement may support improved collections.

Departmental Earnings

Account Description

These accounts represent various departmental revenues earned through program operations. Revenue is generated by utility companies through roadway impact repairs, public safety report copy fees and public safety false alarm charges. False alarm charges were modified in 2014. The City eliminated the budget for meter revenue in 2017. A redefinition of the enacting ordinance defining procedures for utility company interaction with the City should create a more effective program.

Budget Highlights

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

User Fees

Overview

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

Budget Highlights

- The budget amount is consistent with current year projections.

Misc. Revenue/ Cable TV

Overview

This account represents funds received from various sources. The Cable TV franchise fee represents the primary portion of recurring revenue. The CATV budget reflects the execution of the revised contract. Major debt initiatives are not contemplated for 2018 although City officials will need to evaluate improvements to the municipal building which will require an amount which may only be realized through the issuance of debt.

Budget Highlights

- The City expects to receive an amount consistent with the 2017 budget resulting from the CATV agreement;

Inter-fund Transfers

Account Description

This account represents reimbursements from third parties or transfers between City funds. Transfers from other funds include reimbursement from insurance companies relating to worker's compensation claims, excess recovery payments, grant funding reimbursement and other single revenue sources. The transfer of the annual liquid fuels payment is also listed.

Under provisions of the law, these funds may be deployed only for eligible expenditures. The liquid fuels funding is based on the total miles of locally owned roads and streets plus the most recent U.S. Federal census figures on record. Funds are used primarily for the construction, reconstruction, and maintenance of City roads and streets. The budget also includes project related initiatives including completion of the firehouse improvement project and Meadowbrook Creek Culvert and park projects.

Budget Highlights

- The City's Office of Business Administration has opted to a return to liquid fuels funds transfers to the general fund. The City used the fund as a standalone account in 2015. This change was recommended by the City's auditors.
- The liquid fuels transfer represents approximately 100% of the anticipated state allocation in 2018. Approximately \$640,000 of liquid fuels funds will be deployed to repay the Pennsylvania Infrastructure Bank paving loan and the Street Lighting lease, \$785,000 for eligible general fund expenditures, and \$875,000 for a newly designated roadway resurfacing budget.
- Approximately \$500,000 is budgeted for release from the parking transaction construction escrow account. Grant funds were approved by a Federal Transit administration allocation to the Commonwealth of Pennsylvania managed by the Department of Transportation.

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 \$12.75 million Tax Anticipation Note in 2017

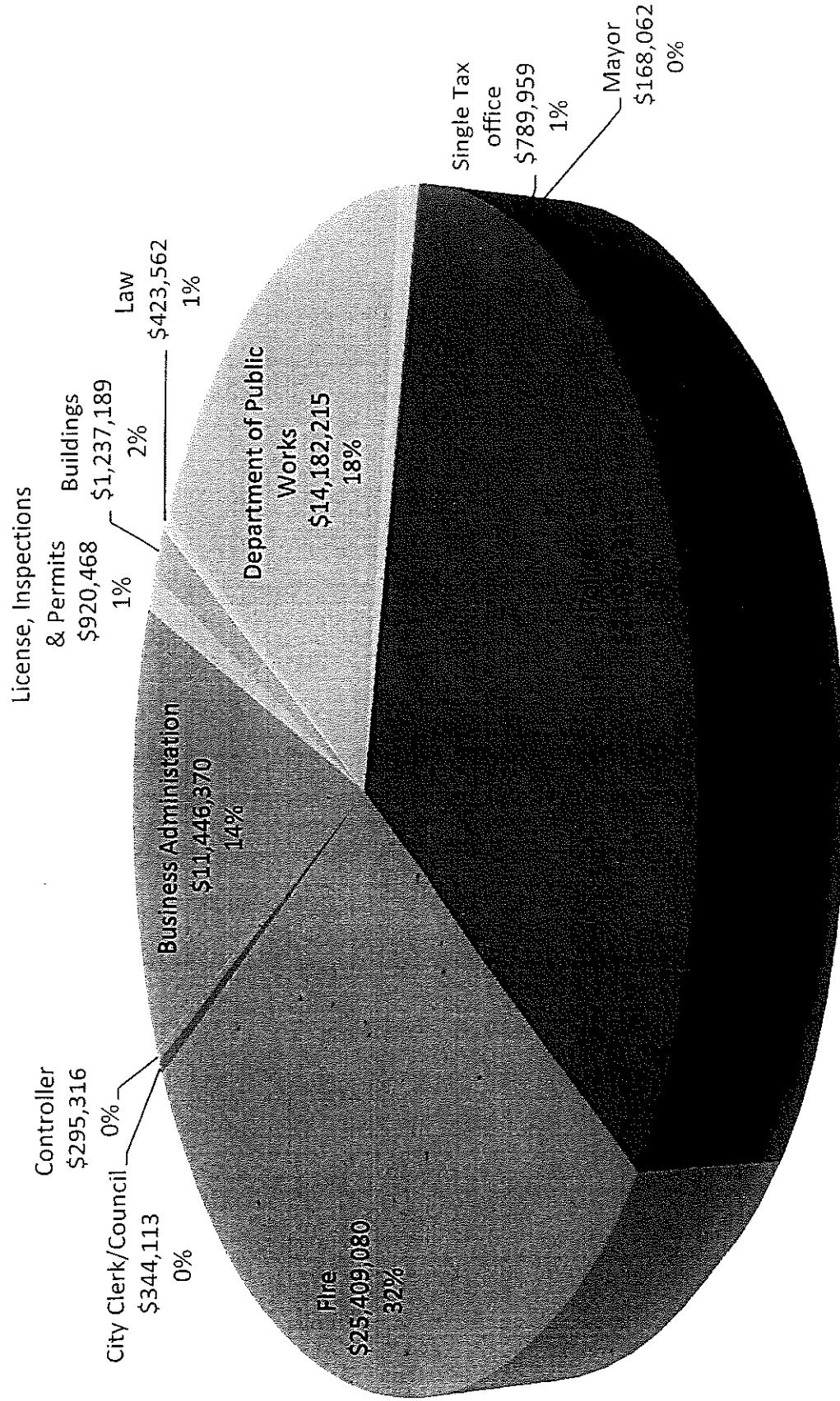
Budget Highlights

- 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. Interest costs for 2018 should range between 2.50% and 3.00%.

Revenue Category	2017 Budget	2017 Sept YTD	2018 Budget
Real Estate Taxes	\$33,557,370	\$27,779,362	\$33,827,806
Refuse Revenues	\$7,862,500	\$5,471,396	\$7,662,500
Real Estate Transfer Tax	\$3,376,000	\$2,146,903	\$3,376,000
Earned Income Tax	\$27,063,842	\$18,552,027	\$28,107,219
Mercantile/Business Privilege Tax	\$3,070,250	\$2,019,363	\$3,185,250
Parking Tax	\$0	\$0	\$0
Commuuter Tax	\$0	\$0	\$0
LST	\$4,595,000	\$2,515,784	\$4,810,000
Amusement Tax	\$400,000	\$32,788	\$385,000
Utility Tax	\$68,000	\$0	\$75,000
Penalties & Interest	\$132,100	\$193,944	\$168,092
Licenses & Permits	\$2,356,700	\$1,523,877	\$1,906,004
Fines, Forfeits & Violations	\$478,350	\$274,393	\$360,850
Interest Earnings	\$10,000	\$65,138	\$30,000
Rents & Concessions	\$5,000	\$3,500	\$5,000
Intergovernmental Reimbursements	\$4,298,246	\$355,800	\$3,957,646
In Lieu of Taxes	\$219,865	\$64,059	\$250,000
Departmental Earnings	\$579,692	\$131,299	\$469,625
User Fees	\$52,500	\$34,466	\$49,500
MBROs	\$1,000	\$0	\$50,000
Miscellaneous Revenues	\$1,394,500	\$4,097,856	\$1,065,800
Bond Proceeds Other	\$0	\$0	\$0
Interfund Transfers	\$5,942,008	\$0	\$5,183,506
Total Revenues	\$95,262,922	\$65,261,955	\$94,924,798
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	\$1,000	\$0	\$1,000
Total Revenues	\$108,647,105	\$73,645,138	\$107,675,798
			\$ 108,013,922.29 \$ 71,761,954.63 \$ 107,674,797.79

CITY OF SCRANTON 2018 OPERATING BUDGET			
REVENUE SUMMARY			
	2017 Operating Budget	2017 Actual Through (9-30-2017)	2018 Operating Budget
CURRENT REAL ESTATE TAX	\$ 32,015,910.77	\$ 26,527,222.00	\$ 32,252,806.10
DELINQUENT REAL ESTATE TAX	1,541,459.06	1,252,139.90	1,575,000.00
LANDFILL/REFUSE FEES	7,662,500.00	5,471,396.00	7,662,500.00
UTILITY TAX	68,000.00	"	75,000.00
NON RESIDENT WAGE TAX	460,000.00	"	520,000.00
LOCAL TAXES (ACT 511)	38,045,091.99	25,266,864.45	39,343,469.39
PENALTIES & INT/DEL. TAX	132,100.00	193,944.30	168,092.00
LICENSES & PERMITS	2,356,700.00	1,523,876.67	1,906,004.00
FINES, FORFEITS & VIOLATIONS	478,350.00	274,392.87	360,850.00
INTEREST EARNINGS	10,000.00	65,138.26	30,000.00
RENTS AND CONCESSIONS	5,000.00	3,500.00	5,000.00
INTERGOVERNMENTAL REIMBURSEMENTS	4,298,246.00	355,799.99	3,957,646.00
IN LIEU OF TAXES	219,864.75	64,059.13	250,000.00
DEPARTMENTAL EARNINGS	579,692.00	131,299.05	469,625.00
RECREATIONAL DEPARTMENTS	52,500.00	34,465.75	49,500.00
MISC REVENUE/CABLE TV	1,396,500.00	4,097,856.26	1,115,800.00
INTERFUND TRANSFERS	5,942,007.72	-	5,183,505.30
TAX ANTICIPATION NOTES	12,750,000.00	6,500,000.00	12,750,000.00
TOTAL REVENUE	\$ 108,013,922.29	\$ 71,761,954.63	\$ 107,674,797.79
	\$ 108,013,922.29	\$ 71,761,954.63	\$ 107,674,797.79

Summary of 2018 Expenditures by Department



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

		2018	
		2017 Actual	2017 Budget
		Through 06-30-2017	Operating Budget
Account Number	Account Description		
REAL ESTATE TAXES (calculated at 88%) Assessed Valuation: Land @ \$10,692,077 Improvements @ \$200,027,585 (05-2017)			
01.301.30100 Real Estate Taxes	CURRENT REAL ESTATE TAX-IMPROVEMENTS MILLAGE RATE - 50.564 MILLS	14,403,321.70	13,501,828.37
01.301.30105 Real Estate Taxes	at .89%		
01.301.30110 Real Estate Taxes	CURRENT REAL ESTATE TAX - LAND MILLAGE RATE - 232.521 MILLS	18,328,610.15	18,750,976.73
01.301.30115 Real Estate Taxes	DELINQUENT REAL ESTATE TAX	1,541,459.06	1,575,000.00
01.301.30120 Real Estate Taxes	TOTAL REAL ESTATE TAXES	\$ 34,273,150.91	\$ 33,827,806.10
LANDFILL REFUSE FEES			
01.302.30200 Refuse Revenues	LANDFILL TIPPING FEE - \$300 RATE IN 2016	5,912,500.00	5,912,500.00
01.302.30210 Refuse Revenues	DELING REFUSE DISP FEE	1,750,000.00	1,750,000.00
	TOTAL LANDFILL REFUSE FEES	\$ 7,662,500.00	\$ 7,662,500.00
UTILITY TAX			
01.304.30400 Utility Tax		68,000.00	76,000.00
NON RESIDENT WAGE TAX			
01.305.30500 Earned Income Tax		480,000.00	520,000.00
LOCAL TAXES (ACT #111)			
01.310.31110 Real Estate Transfer Tax	REAL ESTATE TRANSFER TAX (2.20)	3,375,000.00	2,145,803.00
01.310.31115 Real Estate Transfer Tax	DELINQUENT REAL ESTATE TRANSFER TAX	1,000.00	1,000.00
01.310.31120 Earned Income Tax	CURRENT WAGE TAX (2.4)	26,398,841.99	18,469,052.59
01.310.31125 Earned Income Tax	DELINQUENT WAGE TAX	205,000.00	62,874.15
01.310.31180 Mercantile/Business Privilege Tax	MERCANTILE TAX 10 MILLS	1,555,000.00	969,860.69
01.310.31190 Mercantile/Business Privilege Tax	MERCANTILE-DELINQUENT	95,000.00	29,820.33
01.310.31205 LST	LOCAL SERVICES TAX	4,595,000.00	2,915,783.61
01.310.31280 Mercantile/Business Privilege Tax	DELINQUENT BUS. PRV.TAX	140,000.00	4,810,000.00
01.310.31290 Mercantile/Business Privilege Tax	BUS. PRV.TAX 10 MILLS	1,280,250.00	863,883.93
01.310.31291 Parking Tax	PARKING TAX		1,280,250.00
01.310.31292 Commuter Tax	COMMUTER TAX-PENDING COURT APPROVAL		
01.310.31295 Amusement Tax	AMUSEMENT TAX	400,000.00	32,757.98
	TOTAL LOCAL TAXES (ACT #111)	\$ 3,046,081.98	\$ 25,285,814.45
PENALTIES & INT/ DELINQUENT TAXES			
01.319.31900 Penalties & Interest	PENNITIOLQ REAL ESTATE	47,250.00	76,955.73
01.319.31910 Penalties & Interest	PENDLO BUS. PRV. TAX	22,500.00	85,158.57
01.319.31930 Penalties & Interest	ADVERTISING GIRLIES REGS	100.00	100.00
01.319.31940 Penalties & Interest	TAX, REFUSE, DEMOLITION LIEN AND CONDEMNATION SEARCH FEES	62,250.00	31,680.00
01.319.31950 Penalties & Interest	FILING FEES- DELINQUENT ACCOUNT		46,500.00
	TOTAL PENALTIES & INTDEL TAXES	\$ 132,100.00	\$ 193,544.30

Account Number	Account Description	2016 Operating Budget		2017 Actual (Through 06-30-2017)		2017 Actual (Through 06-30-2017)		2018 Operating Budget	
		2016 Operating Budget	2017 Actual (Through 06-30-2017)	2016 Operating Budget	2017 Actual (Through 06-30-2017)	2016 Operating Budget	2017 Actual (Through 06-30-2017)	2016 Operating Budget	2017 Actual (Through 06-30-2017)
LICENSES AND PERMITS									
01-320-32010	Licenses & Permits			195,000.00		83,857.00		116,470.00	
01-320-32030	Licenses & Permits			25,000.00		21,225.00		20,610.00	
01-320-32040	Licenses & Permits			45,000.00		35,000.00		34,400.00	
01-320-32050	Licenses & Permits			140,000.00		82,257.00		112,150.00	
01-320-32060	Licenses & Permits			40,000.00		31,400.00		32,500.00	
01-320-32070	Licenses & Permits			70,000.00		96,750.00		85,000.00	
01-320-32080	Licenses & Permits			6,000.00		2,910.00		3,600.00	
01-320-32110	Licenses & Permits			750,000.00		479,815.50		569,324.00	
01-320-32120	Licenses & Permits			8,000.00		5,000.00		8,000.00	
01-320-32130	Licenses & Permits			1,250.00		1,050.00		1,250.00	
01-320-32140	Licenses & Permits			5,500.00		6,250.00		6,500.00	
01-320-32150	Licenses & Permits			17,500.00		12,700.00		13,000.00	
01-320-32160	Licenses & Permits			27,500.00		5,210.00		25,000.00	
01-320-32170	Licenses & Permits			90,000.00		61,250.00		92,500.00	
01-320-32180	Licenses & Permits			7,250.00		2,850.00		5,000.00	
01-320-32190	Licenses & Permits			100.00		100.00		100.00	
01-320-32200	Licenses & Permits			35,000.00		27,045.00		35,000.00	
01-320-32210	Licenses & Permits			40,000.00		30,236.00		40,000.00	
01-320-32220	Licenses & Permits			12,500.00		9,250.00		12,500.00	
01-320-322200	Licenses & Permits			750.00		200.00		500.00	
01-320-322240	Licenses & Permits			20,000.00		15,875.00		21,000.00	
01-320-322250	Licenses & Permits			-		-		-	
01-320-322290	Licenses & Permits			250.00		-		100.00	
01-320-322295	Licenses & Permits			4,500.00		16,250.00		4,500.00	
01-320-322300	Licenses & Permits			3,000.00		4,440.00		4,500.00	
01-320-322320	Licenses & Permits			3,500.00		2,900.00		3,500.00	
01-320-322330	Licenses & Permits			-		-		-	
01-320-322332	Licenses & Permits			5,000.00		4,200.00		5,000.00	
01-320-322335	Licenses & Permits			7,500.00		1,553.00		5,000.00	
01-320-322336	Licenses & Permits			100.00		-		100.00	
01-320-322337	Licenses & Permits			5,000.00		4,400.00		5,000.00	
01-320-32340	Licenses & Permits			4,000.00		2,356.00		3,500.00	
01-320-32345	Licenses & Permits			-		-		-	
01-320-32350	Licenses & Permits			465,000.00		196,900.00		310,000.00	
01-320-32360	Licenses & Permits			10,000.00		10,000.00		1,000.00	
01-320-32380	Licenses & Permits			215,000.00		263,161.17		275,000.00	
01-320-32400	Licenses & Permits			37,500.00		30,700.00		37,500.00	
01-320-32420	Licenses & Permits			-		-		-	
01-320-32430	Licenses & Permits			-		-		-	
01-320-32450	Licenses & Permits			10,000.00		7,988.00		1,000.00	
01-320-32460	Licenses & Permits			37,500.00		30,700.00		37,500.00	
TOTAL LICENSES & PERMITS									
		\$ 2,168,700.00		\$ 1,623,578.67		\$ 1,306,064.00			

Account Number	Account Description	Operating Budget		2018 Operating Budget	
		2017	2017 Actual [Through 04-30-2017]	2018	2018 Operating Budget
01-330-35000	FINES, FORFEITS & VIOLATIONS				
01-331-35100	FINES, FORFEITS & VIOLATIONS	100.00	175,000.00	147,808.19	165,000.00
01-331-35118	POLICE FINES	100.00	100.00	100.00	100.00
01-331-35119	PARKING TICKETS - POLICE ISSUED	37,500.00	37,500.00	37,500.00	15,000.00
01-331-35120	CIVILIAN PARKING TICKETS	197,500.00	69,180.00	100,000.00	27,110.00
01-331-35121	QUALITY OF LIFE TICKETS	42,500.00	25,000.00	35,000.00	21,244.66
01-331-35130	FINES & PENALTIES - STATE	25,000.00	-	25,000.00	-
01-331-35145	PARKING METER PERMITS	750.00	750.00	750.00	750.00
01-331-35155	TAXI DRIVER PERMITS	476,350.00	\$ 476,350.00	\$ 274,382.87	\$ 160,800.00
01-331-35165	TOTAL FINES, FORFEITS & VIOLATIONS	476,350.00	\$ 476,350.00	\$ 274,382.87	\$ 160,800.00
01-341-35225	INTEREST EARNINGS	10,000.00	65,138.26	30,000.00	30,000.00
	INTEREST-CASH-CHECKING	\$ 10,000.00	\$ 65,138.26	\$ 30,000.00	\$ 30,000.00
	TOTAL INTEREST EARNINGS	\$ 10,000.00	\$ 65,138.26	\$ 30,000.00	\$ 30,000.00
01-342-35200	RENTS AND CONCESSIONS	\$ 5,000.00	\$ 3,500.00	\$ 5,000.00	\$ 5,000.00
	INTERGOVERNMENTAL REIMBURSEMENT				
01-350-35002	OEOC REIMB - DEMOLITION PROGRAM				
01-350-35020	SUP'L STATE AD-PENSION	3,250,000.00			
01-350-35060	DCA ACT 47 LOAN	28,380.00			
01-350-95100	FEMA EMERG PMTS				
01-350-35115	ACT 13 UNCONVENTIONAL GAS WELL FUND USAGE	734,000.00	128,401.51	200,000.00	
01-350-35130	FEMA PAYMENTS- FIRE SAFER GRANT	285,866.00	217,398.48	265,866.00	
01-350-35140	REIMBURSEMENT SCHOOL RESOURCE OFFICERS				
	PRIOR YEAR REIMBURSEMENT SCHOOL RESOURCE OFFICERS				
	TOTAL INTERGOVERNMENTAL REIMBURSEMENTS	\$ 4,298,245.00	\$ 356,799.99	\$ 3,957,646.00	
01-355-35900-35940	IN LIEU OF TAXES	\$ 219,884.75	\$ 64,059.13	\$ 250,000.00	

CITY OF SCRANTON 2016 OPERATING BUDGET						
BUDGETED REVENUES						
GENERAL FUND						
Account Number	Account Description	2017	2017 Actual (Through 01-30-2017)	2018 Operating Budget	2018 Operating Budget	
01-380-38010	DEPARTMENTAL EARNINGS					
01-380-38020	Departmental Earnings	16,250.00	25,780.00	27,125.00		
01-380-38030	Departmental Earnings	176,718.00	68,180.00	175,000.00		
01-380-38035	Departmental Earnings	25,191.00		195,000.00		
01-380-38040	Departmental Earnings	30,770.00	16,589.05	22,500.00		
01-380-38050	Departmental Earnings					
01-380-38060	Departmental Earnings	111,044.00	20,750.00	50,000.00		
	TOTAL DEPARTMENTAL EARNINGS	\$ 579,882.00	\$ 131,299.05	\$ 469,625.00		
01-387-38740	USER FEES	\$2,500.00	34,466.75	49,600.00		
	MISC REVENUES/SCARABLE TV					
01-380-38000	Miscellaneous Revenues	175,000.00	950,222.95	175,000.00		
01-380-38004	Miscellaneous Revenues	62,000.00	36,950.00	37,600.00		
01-380-38010	Miscellaneous Revenues	1,155,000.00	540,543.59	860,000.00		
01-380-38020	Miscellaneous Revenues	1,000.00		100.00		
01-380-38030	Miscellaneous Revenues	500.00		100.00		
01-380-38060	MBTOS	1,900.00		50,000.00		
01-380-38070	Miscellaneous Revenues			1,000.00		
01-380-38094	Bond Issue Proceeds			1,000.00		
01-380-38050	Bond Issue Proceeds					
01-380-38865	Miscellaneous Revenues					
01-380-38870	Bond Issue Proceeds					
01-380-38875	Bond Issue Proceeds					
01-380-38880	Bond Issue Proceeds					
	INTERFUND TRANSFERS					
	TRANSFERS IN FROM OTHER FUNDS					
	TRANSFERS IN FROM LIQUID FUELS					
01-392-39831	TOTAL INTERFUND TRANSFERS	\$ 2,750,000.00	\$ -	2,880,000.00		
01-392-39832	TOTAL INTERFUND TRANSFERS	\$ 2,942,007.72	\$ -	2,303,505.30		
	TAX ANTICIPATION NOTES					
	TAN SERIES A					
01-394-39820	Tax Anticipation Notes	12,750,000.00	\$ 6,500,000.00	12,750,000.00		
01-394-39830	Tax Anticipation Notes	\$ 12,750,000.00	\$ 6,500,000.00	\$ -		
	TAN SERIES B					
	TOTAL TAX ANTICIPATION NOTES					
	TOTAL REVENUE	\$ 108,729,943.37	\$ 71,761,954.63	\$ 107,874,797.79		

2018 General Fund Budget - Expenditures

Summary Highlights

The 2018 budget is a continuation of the process of fiscal restoration and incorporates a value added component to the use 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 effectively deliver all services, not just those assumed by our union employees, in an effective manner whereby residents and businesses will receive value for their tax dollars. In order to create balance in the City salary structure, and to incent those nonunion employees to fulfill this desire to deliver services on a value added basis, the City will continue authorize incremental salary increases for a limited number of non-union employees in the 2018 budget. The final year of the 2014 Department of Community and Economic Development Act 47 grant supporting salaries in the Office of Business Administration concluded in 2016. A second Act 47 grant received by the City in 2016 supplemented the salaries of eleven nonunion employees with \$86,000 in grant funds over a three year period. Further salary increases will be components of the operating budget and should be evaluated more methodically following a third party salary and compensation review.

The City of Scranton employee base must be viewed as an asset when evaluating the delivery of services. Limited and targeted additions to staff are included in the budget only when a determination is made that those positions either add measurable value and efficiency to the departmental operation, or are offset by either program savings or revenue production. Following the completion of the salary and compensation initiative, the City should revisit the prior recommendation of rotating salary increases for non-union employees. Salaries of nonunion employees should reach a level of equilibrium to effectuate this plan. Hence, as another step in reaching this level of salary equilibrium, \$83,050 in salary increases is recommended for key nonunion employees, or approximately .30% of the total salary budget. Salary increases for Office of Community and Economic Development employees are considered a non-addition to the budget because of the use of federal government funds to meet payroll.

To more effectively maintain and deliver services, limited additions to staff will occur in the Solicitor's Office, the Mayor's Office, and the Department of Public Works. The Solicitor's Office will employ another full time Solicitor. The Mayor's Office will change the part time administrative assistant's position to full time. The position is presently vacant. The Department of Public Works will employ a second foreman. The City will also seek to hire a full time Department of Parks and Recreation Director. As a reflection of historical structure, the function, presently imbedded in the Department of Public Works will become a fully functional department.

The City continues to improve the delivery of services through an aggressive capital improvement and acquisition program. Major parks initiatives are either planned or underway. Measurable roadway improvements will continue in the 2018 budget. Capital acquisitions will continue but will be limited to

cash acquisitions. Generally, the prospect of deployment of sewer transaction proceeds is either not a component of the operating budget or has not been fully defined.

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

That the City has benefited immensely from the execution of the sewer and parking transactions has been the subject of much discussion. The 2018 operating budget solidifies the foundation of the ongoing and endless effort to achieve an optimal level of service delivery.

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 has been supported by a part-time Administrative Secretary, which was an addition to the budget in 2015. The position has been vacant for much of 2017. To attract the appropriate candidate, the position status will be changed to full time.

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

2018 Budget Highlights

- The dues to the membership subscription in the Pennsylvania League of Cities were deferred by the League until 2016 and will continue in 2018.
- The administrative assistant position will be changed to full time status.

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.

2018 Budget Highlights

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

City Controller

Department Description

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

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

2018 Budget Highlights

- An outlay of \$40,000 was budgeted in the Professional Services category to completed audits for the Single Tax Office.
- The Controller's Office will assume responsibilities as City liaison to the cable provider Comcast. Those responsibilities are presently assumed by the City Clerks Office.

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 and major City initiatives. The Department evaluates administrative and operational functions and reviews business processes, thereby ensuring optimal use of available resources.

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

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

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

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

2018 Budget Highlights

Bureau of Administration

- The Bureau of Administration budget will continue with the current staffing complement.
- Increases in health insurance for clerical and nonunion employees are forecast to increase by 5 to 10%. The Department of Human Resources is presently undertaking a Request for Proposal process for health insurance administration which is expected to favorably impact the forecast increase.
- The non-uniform pension contribution will decrease by 10% due to adjustments in the City's actuarial requirements. The next plan valuation will be dated January 1, 2017.
- Operating transfers to the Workers Compensation Trust Fund will increase by 11.2%. This funding requirement occurs annually and is actuarially determined. The City maintains a self funded Workers Compensation program. Favorable recent activity impacted by more effective program management is expected to reduce this cost in coming years.
- Bank fees and charges are more reflective of actual bank account activity and do not incorporate transaction related fees.

Bureau of Human Resources

The Bureau of Human Resources salary budget was increased in 2016 to include an addition to staff to manage the City's Workers Compensation program. While the City's historic program management has not been viewed favorably by the Commonwealth of Pennsylvania, great strides have been made in costs savings through case settlements undertaken by this position. The Workers Compensation program is self-funded and the prior three year certification filings have occurred on a timely basis

following tardy prior submissions. This addition to staff has had a critical role in addressing those concerns expressed by the Department of Labor and Industry regarding the effectiveness of the management of the City program. Improvements will continue with safety management and claims administration.

- The Professional Services budget includes costs associated with the random drug testing program, safety and wellness programs, legal and arbitration fees associated with Compensation and Heart and Lung cases;
- The stationary/office supplies budget includes costs of equipment acquisitions associated with the departmental safety and environment review as authorized by the City of Scranton Safety Committee;
- Insurance costs are forecast to increase by 23.6% due to organic growth in in the City's property and casualty insurances and settlements associated with law office activity.

Bureau of Information Technology

The **Bureau of Information Technology** continues to drive the progression of the City through the upgrade of hardware and software in each department. The Department also coordinates efforts to evaluate the delivery of services to the City, such as telephone services. The City completed the upgrade of the financial accounting system software in the second quarter of 2015. The system was last upgraded in 2004. With the greater reliance on technology for the operation of City departments, especially the police department, the City added another Information Technology Manager to assist, primarily, with overall departmental support and also to allow for more effective implementation of technological initiatives across the City departments. This hire was completed in 2015.

- The Department continues to dedicate efforts to the implementation of the Police Records Management System. The Department is actively supporting this installation of the wireless Law Enforcement Records Management System in conjunction with the upgrade of the County of Lackawanna 911 system. The City is the first municipality in Lackawanna County to install the system;
- The Professional Services and Services and Maintenance fee budgets include costs associated with annual maintenance contracts, CCTV system, and video wall support;
- The Materials and Supplies and capital Expenditures budgets incorporate the continued need for computer replacement to replace outdated units. The budget also includes funds required to replace servers in City facilities and for the purchase of the latest version of Microsoft Office for desktop computers. The City continues to replace outdated servers and network switches.
- The telephone system budget will be maintained to support the effort to replace the existing telephone system, which is outdated and subject to connection issues. The City will likely lease the new system.

Bureau of Treasury

The Bureau of Treasury budget remains consistent with 2017. The Professional Services budget incorporates funding for the refuse billing contract.

- The Office of Business Administration has assisted with the completion of Phase I of the change in the refuse billing and collection system. The migration, when completed, will provide a cost efficient method to bill and collect refuse payments. The City also expects to evaluate a Commonwealth supported initiative to evaluate the structure of the refuse collection program to determine alternate methods of service delivery, which also may result in favorable program costs;
- The cost associated with the Tax Collection Committee expense is a pro-rated assignment based on an allocation of costs to the other participating Lackawanna County municipalities.

Office of Economic and Community Development

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.

2018 Budget Highlights

The Department initiatives support many economic development programs and capital improvements undertaken by the City. Departmental salaries are considered non-additions to the General Fund budget and receive federal funding support. Salary increases were included in the budget for Departmental employees. The City Planner position was transferred 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. This Department is also responsible for the administration and enforcement of the City's Construction Code and Zoning and Subdivision ordinances. The purpose of the Construction Code is to provide standards to safeguard life, health, property, and public welfare by regulating and controlling the design, construction, quality of materials, use, occupancy, location and maintenance of all buildings and structures within the City of Scranton. The Department oversees the maintenance and improvements of all City buildings.

2018 Budget Highlights

- The departmental initiative for 2018 and subsequent years will be automation. Providing a more user friendly method of permit issuance and payment will be a critical evaluation component. The Information Technology Department will assist with system wide improvements including the acceptance of credit cards and electronic payments;
- The Department will continue to review and reconstruct Rental Registration activities with the revised program legislation. The Department has made strides through both internal and third party support to identify rental units;
- The City Planner has been assigned to the Department;
- The Building Demolition line item has been expanded for greater activity in 2018
- The Professional Services budget includes an allowance for third party retention for initiatives including an evaluation of departmental permitting;
- The Capital Expenditures budget includes funds for improvements to the interior of City Hall, specifically including carpeting in areas not subject to exterior damage.

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.

2018 Budget Highlights

- The overall budget remains consistent with 2017 with the additional funding added to the Professional Services budget. The City will need to consider a comprehensive evaluation of the Municipal Building. The building has significant structural deficiencies.
- The City will continue to manage utility costs as effectively as possible, especially given the age and inefficiency of the municipal building.

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; 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.

2018 Budget Highlights

- Due to the volume of activity in the Office of the Solicitor, including the volume of varied legal issues confronted by the City annually, the department will add a full time assistant City solicitor. The salary will be partially funded through a reduction in the Professional Services budget. The expectation will be to manage as much legal activity internally and employ a targeted approach to the use of outside counsel.

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 policing. The Department plans, staffs, and implements police responses to major planned and unplanned events, natural disasters, major emergencies, and coordinates with other City departments and law enforcement agencies for such events. The Department is increasingly more technologically oriented which reflects the trend in effective public safety management. Costs associated with the many technological initiatives involving each department are reflected throughout the City budget and are specifically coordinated through the Department of Information Technology.

2018 Budget Highlights

- The Departmental budget decreases by 7.10 % due primarily to the reduction of 33.17% in the pension minimum municipal obligation;
- Health care costs are projected to increase by 4.30%, although the increase may be abated by program changes resulting from the receipt of administration proposals;
- The Professional Services and Services and Maintenance budgets are consistent with the increase in the use of designated software and associated maintenance fees;
- Overtime salary levels are expected to remain consistent with the 2017 budget. A component of this budget is subject to reimbursement;
- SIT/Clerical numbers will remain at 18 with the reassignment of two SIT Clerks to the civilian Parking Enforcement positions;
- The Capital Expenditure budget will increase by \$160,000 for continued technology acquisition including servers for the Mobile Video recording system and connection with the University of Scranton video system. The budget also includes a component for sidewalk replacement. The City's insurance risk manager has required sidewalk replacement at police headquarters and the Department of Public Works for safety reasons;
- With the inclusion of the Animal Control budget in the overall departmental responsibilities, the City will continue to maintain a more realistic contribution level to the Griffin Pond Animal Shelter which is the recipient organization of the City's animal control program. Prior to

authorizing any contribution, City officials will meet with the Center Board of Directors to understand how the relationship will be impacted by the recent personnel changes and structural changes to the facility. The delivery of animals to the Shelter had reached what may be deemed crisis proportions in 2014. The numbers have decreased from 2015 to 2016 although the number of animals delivered to the Shelter has averaged in excess of 1,000 over the prior five years. Due to both procedural and structural changes at the facility, the delivery number in 2017 has been much reduced. If the relationship with the Center remains advantageous to the City, the contribution level will continue to use an arithmetic calculation which includes a contribution per animal delivered to the Shelter. The calculation was suspended in 2017 due to the changes noted previously. The budget amount will be consistent with 2016. With a dispersion of responsibilities for the maintenance of the program, funding in this budget will also include contributions to the Springbrook Kennel, the Veterinary Emergency Referral Center, the Abington Veterinary Center, and St. Dogs and Cats.

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.

2018 Budget Highlights

- While the City expects future staffing to remain relatively constant without SAFER grant support;
- Health insurance costs are expected to increase by 3.54 in 2018;
- Pension contributions are projected to decrease by 25.41%;
- The Fire House improvement project will continue into 2018. An amount of \$1,500,000 was included in the 2017 budget to fund facilities improvements. This amount was received in conjunction with the parking facilities monetization debt issuance. The amount included in the

- 2018 budget will fund the remaining costs of the project and replace concrete pads and sidewalks at each of the firehouses;
- Capital acquisitions will be limited in 2018.

Department of Public Works

Department Description

In 2018, the Department of Public Works will be comprised of five bureaus; Administration, Engineering, Highways, Refuse, and Garage. The bureau of Parks & Recreation will be designated as a separate department which is consistent with historical City of Scranton operating standards. The Department's responsibilities include year-round roadway maintenance and repair, weekly household trash collection services, design and construction management of streets, bridges, and public buildings, traffic engineering, street lighting and traffic signal maintenance coordination, and office operations.

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

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

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

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

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

2018 Budget Highlights

Department of Public Works – Administration

- The health insurance funding is projected to increase by 4.30;
- The Professional Services budget will increase to complete an energy efficiency evaluation on the Public Works facility;
- The Capital Expenditures budget is funded to refinish the sidewalks fronting the facility, as recommended by the City's Insurance Risk Manager.

Department of Public Works – Engineering

- The budget is consistent with 2017.

Department of Public Works – Highways

- The street lighting budget is consistent with 2017 as PP&L continues to implement the rate code changes for the City's change to LED lighting;
- The Capital Expenditures budget was reduced to reflect the capital acquisitions over the prior four years. The budget includes an amount needed to acquire a fully outfitted small dump truck through direct purchase;
- The roadway resurfacing budget, new for 2017, is increased to \$875,000 consistent with the increase in the City's 2018 Liquid Fuels allocation.

Department of Public Works – Refuse

- The Capital Expenditures budget includes an amount to purchase a 20 yard refuse packer as a direct purchase.

Department of Public Works – Garage

- The Gas/Oil/Lubricants budget was decreased as indicative of greater fleet efficiency;
- The Capital Expenditures budget was funded to acquire new garage maintenance equipment.

Department of Parks and Recreation

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

-
- Capital expenditures include a component for funding improvements to the Novembrino Recreation Complex. The state Department of Natural Resources and Conservation approved a grant application submitted by the City for \$288,000. An amount of \$220,000.00 has been designated by the Office and Economic and Community Development and the funding component of \$23,000 assigned by the Sewer Authority. The Capital Expenditures budget incorporates an additional \$300,000 to fund the project;
 - The Capital expenditures budget also includes \$325,000 for Crowley Park, in addition to the \$126,000 presently designated for the park improvements, \$100,000 for the pedestrian bridge project undertaken by the Lackawanna Heritage Valley Authority on North 7th Avenue, \$100,000 for the joint soccer field project with the Scranton School District and the Electric City Shock, and \$25,000 for the green space development on Linden Street.
 - The increase in salary is based on the appointment of a departmental level Director.

- The City will continue to seek Weston Fund allocations for the continued maintenance of Weston Field and Weston Park. A plan to prepare a five year budget for improvements to the parks is recommended. The plan design will be funded by the Foundation.

Single Tax Office

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, Amusement taxes, and the Local Services Tax;

2018 Budget Highlights

- The City continues to work cooperatively with the Tax Office to execute 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. This service will be paid from the Targeted Services budget under Non-Departmental Expenditures;
- The health care budget for the Tax office is projected to increase by 23%, which is more consistent with actual expenditures in 2017.

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 prior year unencumbered and unpaid bills, court awards, and contingency expenditures.

Boards Commissions and Non-Profits

- The Scranton Plan contribution reinstates a financial commitment to the Plan suspended by the City. The budget includes the \$10,000 annual contribution and \$50,000 as a matching component for the Chamber of Commerce to install sidewalks at the Mt. Pleasant development site. The disbursement will occur only based on an actual project match;
- The Scranton Tomorrow budget is reflective of the City's annual contribution to the organization as Downtown Economic Development Coordinator and as a prelude to the construction of a Business Improvement District. The City will also consider an initial contribution to the organization through a targeted sewer proceeds allocation;
- The St. Cats and Dogs budget was increased to accept any overflow of animal volume which exceeds the capacity of Griffin Pond. The volume of cats has transitioned to a degree from Griffin Pond to St. Cats and Dogs due to those capacity issues. The City continues to evaluate options to the exclusive use of the Griffin Pond Animal Center, which was more prevalent with operational issues confronted by the Center in 2017;
- The Shade Tree Commission budget will increase by approximately \$40,000 to maintain consistency with the continued success of the program achieved in 2016. The budget also includes funding to continue the stump removal program;
- The Human Relations Commission budget is based on the reinstatement of the commission and has been decreased based on a lack of current year expenditures;
- While the City has consistently paid for trail maintenance according to a contract with the Lackawanna Heritage Valley Authority, the obligation has not been identifiable within the Operating Budget. The funding responsibility is based on an arithmetic formula per each mile

of train with the City geography. The agreement expires in 2016 and will be advanced for legislative approval. The budget includes maintenance responsibilities for 2017 and 2018.

Total Principal and Interest Payments, Debt Obligations/Lease Payments

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

A description of City debt transactions since 2014 follows:

New Debt Issuance Since 2014

Refinancing of 2009 and 2011 Defaulted Parking Loans

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

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

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

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

Settlement: December 2014

Pennsylvania Infrastructure Bank Loan

Issuer: The City of Scranton

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

Purpose: (1) Funds for roadway improvements

Combined Average Rate of the Issue: 1.625%

Settlement: 2015

Financing of Judgment

Issuer: The Redevelopment Authority of the City of Scranton

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

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

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

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

Settlement: June 28, 2016

Financing of the Stranded Debt Related to the Parking System

Issuer: City of Scranton

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

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

Average Rate of the Issue: 3.73%

Settlement: August 30, 2016

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

Issuer: City of Scranton

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

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

Average Rate of the Issue: 3.63%

Settlement August 31, 2017

Bonds Paid Off Since 2014

Parking Related Debt

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

Use of Sewer Proceeds & Other City Funds

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

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

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

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

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

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

To highlight the only anticipated debt transaction in 2018:

- The Tax Anticipation Note will be issued at approximately the same amount as 2017. The transaction will be completed on a negotiated basis as a private sale with IFS Securities, which is allowed under the Local Government Unit Debt Act. The transaction structure will be more traditional with a single principal and interest payment at maturity. The private placement will yield 2.75%, which is a 25 basis point increase from the 2017 TAN.
- Additional lease payments are budgeted for (1) fire department ladder truck and (2) the lease refunding of the 2014 Department of Public Works lease which incorporate the acquisition of two new refuse packers and four dump trucks.

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 from the prior fiscal year which have not been subject to encumbrance;
- The court award budget is expected to fund the remaining Award Settlement payments not resolved by the conclusion of 2017 and any litigation settlements resolved by the Law Department;
- The Veterans Organization budget includes a \$50,000 contribution for Phase II of the Veterans Memorial project and \$25,000 for the Duffy Memorial;
- The OPEB Trust Fund allocation is based on a recommendation from the City's auditor. The fund would be established for Other Postemployment Benefits, which may include Medicare reimbursements. The Government Finance Officers Association recommends as a best practice

that governments prefund their obligations for postemployment benefits other than pensions once it is determined that the employer has incurred a substantial long term liability, which is the case with the City of Scranton. If funds properly, the City may make long term investments to cover these obligations through a separate trust fund that should, over time, result in a lower total cost for providing postemployment benefits. Other examples of postemployment benefits might include health care or insurance premiums.

The City would seek further evaluation and comment from the pension board actuary and administrator in creating the fund. The fund should be created only if a component of the sewer asset proceeds are deployed to establish the fund.

- The Targeted Expenses Budget will support contractual payment requirements for third party agreements which are performance based. As an example, the analytics and identification program implemented for the Single Tax office for the Business Privilege and Mercantile Tax Program requires a 20% compensation level for all dollars collected resulting from the program. Those dollars are received by the City and 20% of those payments are remitted to the third party. This line item will provide more clarity in identifying those payments.

**CITY OF SCRANTON
2018 OPERATING BUDGET
EXPENDITURE SUMMARY BY DEPARTMENT**

	2017	2017	2018
	Operating Budget	(Through 09/30/2017)	Operating Budget
MAYOR	\$ 146,561.70	\$ 82,768.47	\$ 188,061.70
DEPT OF PUBLIC SAFETY BUREAU OF POLICE	21,863,171.01	13,806,759.88	24,954,331.94
DEPT OF PUBLIC SAFETY BUREAU OF FIRE	21,910,050.67	12,311,476.59	25,409,079.87
CITY CLERK/COUNCIL	311,557.65	89,389.03	344,112.60
CONTROLLER	287,541.34	165,649.43	265,316.34
DEPT OF BUSINESS ADMINISTRATION BUREAU OF ADMINISTRATION	8,222,716.57	5,804,888.87	8,719,329.90
DEPT OF BUSINESS ADMINISTRATION BUREAU OF HUMAN RESOURCES	1,442,058.01	986,588.28	1,768,839.01
DEPT OF BUSINESS ADMINISTRATION BUREAU OF INFO TECHNOLOGY	746,850.00	394,224.37	832,250.00
DEPT OF BUSINESS ADMINISTRATION BUREAU OF TREASURY	134,648.80	84,328.76	137,961.10
DEPT OF LICENSES INSPECTIONS & PERMITS BUREAU OF LIPS	793,795.68	8,169.73	920,468.38
DEPT OF LICENSES INSPECTIONS & PERMITS BUREAU OF BUILDINGS	1,191,338.47	845,844.19	1,237,189.47
LAW DEPARTMENT	421,065.43	263,967.31	423,582.47
DEPT OF PUBLIC WORKS BUREAU OF ADMINISTRATION	3,335,250.99	2,421,933.27	3,497,079.26
DEPT OF PUBLIC WORKS BUREAU OF ENGINEERING	195,838.04	121,353.48	197,787.70
DEPT OF PUBLIC WORKS BUREAU OF HIGHWAYS	4,119,422.95	1,884,705.58	3,746,056.21
DEPT OF PUBLIC WORKS BUREAU OF REFUSE	3,970,517.86	2,586,666.84	3,898,580.48
DEPT OF PUBLIC WORKS BUREAU OF GARAGES	1,331,367.24	843,841.71	1,282,152.24
DEPARTMENT OF PUBLIC WORKS- BUREAU OF PARKS & RECREATION	734,162.55	526,872.68	1,563,580.15
SINGLE TAX OFFICE	650,324.01	2,859,190.82	788,959.49
NON-DEPARTMENTAL	26,320,413.80	58,336,007.12	27,504,130.60
TOTAL OPERATING EXPENDITURES	\$ 109,168,502.75	\$ 104,277,138.05	\$ 107,674,797.79
ECONOMIC & COMMUNITY DEVELOPMENT (NON-ADDITION TO THE BUDGET)	\$ 680,769.24	\$ -	\$ 846,386.32
	\$ 55,482,145.14	\$ 95,799,884.38	\$ 101,674,797.79

Intergovernmental Reimb

Departmental
Earnings

4%

Other Earnings

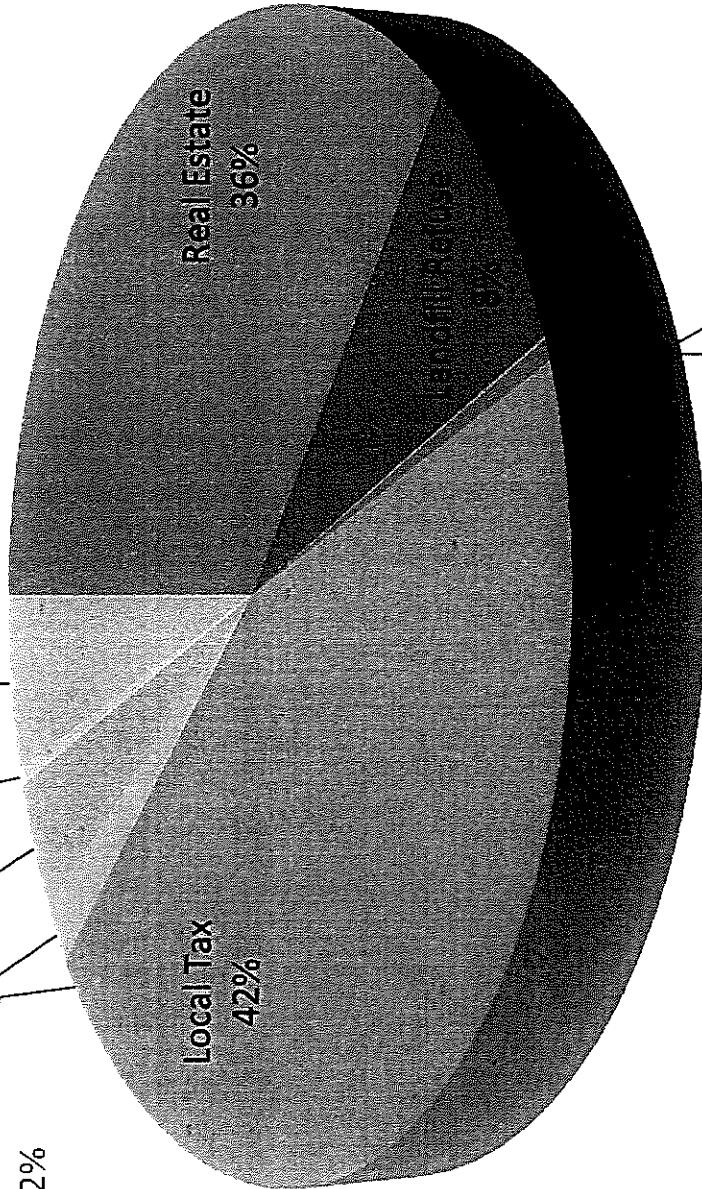
2%

Licenses & Permits

2%

Interfund Transfers

5%



Non Resident Wage Utility Tax
Tax 1%

Departmental Earnings
Interfund Transfers

Intergovernmental Reimb
Other Earnings

Local Tax

Licenses & Permits

Utility Tax

Non Resident Wage Tax

Real Estate

Landfill Refuse

CITY OF SCRANTON					
2018 OPERATING BUDGET					
EXPENDITURE SUMMARY BY ACCOUNT					
		2017	2017	2018	
		Operating Budget (Through 09/30/2017)		Budget	
4010	STANDARD SALARY	\$ 26,985,357.03	\$ 20,145,295.16	\$ 27,473,211.44	
4040	OTHER SALARY	809,074.10	738,753.48	1,107,317.00	
4070	LONGEVITY SALARY	1,827,561.41	1,152,313.31	1,832,646.15	
4080	OVERTIME SALARY	1,015,590.00	960,127.31	1,058,701.30	
4090	COURT APPEARANCE SALARY	130,050.00	100,708.01	135,460.00	
4101	UNIFORM ALLOWANCE	267,828.21	216,389.57	268,148.71	
4112	HEALTH INSURANCE - POLICE UNION	5,647,685.00	4,223,133.81	5,201,830.83	
4113	HEALTH INSURANCE - FIRE UNION	\$ 110,484.00	3,829,592.73	\$ 329,201.05	
4116	HEALTH INSURANCE - CLERICAL UNION	1,497,646.00	1,210,086.31	1,515,040.67	
4117	HEALTH INSURANCE - NON-UNION	1,102,050.00	740,993.77	1,151,642.25	
4118	HEALTH INSURANCE - DPW UNION	2,420,710.00	1,702,215.45	2,529,641.97	
4119	HEALTH INSURANCE - SINGLE TAX OFFICE	315,835.50	345,823.18	410,670.98	
4120	LIFE/DISABILITY INSURANCE	357,206.00	253,802.62	346,905.00	
4130	I.A.M. PENSION	300,344.00	273,269.28	300,354.00	
4140	CITY 10% EARLY RETIREMENT	263,586.00	180,758.43	253,176.90	
4150	CITY PENSION	18,311,562.00	3,806,06	13,613,516.00	
4170	POLICE EDUCATION ALLOWANCE		60,000.00	-	\$ 60,000.00
4180	SOCIAL SECURITY		898,000.00	674,244.01	\$ 898,096.00
4190	UNEMPLOYMENT INSURANCE		29,793.00	9,780.74	25,000.00
	TOTAL EMPLOYEE COMPENSATION	\$ 67,880,412.24	\$ 36,809,603.23	\$ 64,250,482.75	
4201	PROFESSIONAL SERVICES	940,500.00	632,509.74	1,080,000.00	
4210	SERVICES & MAINTENANCE FEE	171,542.55	104,003.35	186,290.00	
4220	CONTRACTED SERVICES	750.00	-	750.00	

CITY OF SCRANTON
2018 OPERATING BUDGET

EXPENDITURE SUMMARY BY ACCOUNT

		2017 Operating Budget (Through 09/30/2017)	2017 Budget	2018 Budget
4230	PRINTING & BINDING	8,180.15	7,482.05	\$2,50.00
4240	POSTAGE & FREIGHT	30,463.00	23,460.95	30,100.00
4250	ADVERTISING	38,750.00	32,184.64	48,750.00
4260	RENTAL VEHICLES & EQUIPMENT	319,395.00	314,159.25	340,000.00
4270	DUES & SUBSCRIPTIONS	32,076.70	4,741.70	32,051.70
4280	MISC SERVICES NOT CLASSIFIED	10,469.77	2,746.33	7,000.00
4290	STATIONERY/OFFICE SUPPLIES	17,117.90	11,786.14	43,250.00
4301	GAS, OIL & LUBRICANTS	425,500.00	269,895.27	295,300.00
4310	EQUIPMENT/VEHICLE REPAIR & MAINT	315,000.00	259,759.76	325,000.00
4320	BUILDING REPAIR, SUPPLY & MAINT	210,000.00	117,675.78	175,000.00
4330	MEDICAL, CHEMICAL & LAB SUPPLIES	25,000.00	7,788.73	20,000.00
4340	CONSTRUCTION/PAVING MATERIAL	85,000.00	72,973.36	100,000.00
4350	PAINT & SIGN MATERIAL	12,500.00	9,449.20	50,000.00
4360	SMALL TOOL/SHOP SUPPLIES	6,700.00	2,753.78	7,000.00
4370	PARKS & RECREATION SUPPLIES	750.00	-	63,000.00
4380	GUNS & AMMUNITION	22,500.00	11,614.80	22,500.00
4390	MATERIAL SUPPLIES (MISC)	198,754.90	148,071.98	191,600.00
4401	TIRES	162,500.00	60,616.70	169,500.00
4410	SALT	273,500.00	177,250.48	273,500.00
4420	TRAVEL & LODGING	10,750.00	6,019.06	18,600.00
4430	AIR PACKS/REHAB SUPPLIES	8,000.00	-	6,000.00
4440	TELEPHONE	145,000.00	90,212.09	150,000.00

CITY OF SCRANTON
2018 OPERATING BUDGET
EXPENDITURE SUMMARY BY ACCOUNT

		2017	2017 (Through 09/30/2017)	2018
		Operating Budget		Budget
4450	ELECTRICAL	274,800.00	214,144.21	275,000.00
4445	SEWER CHARGES	7,300.00	2,300.00	5,000.00
4447	PG ENERGY GAS	155,000.00	66,216.62	135,000.00
4448	PAV-WATER	433,100.00	433,099.83	475,000.00
4460	STREET LIGHTING	375,000.00	310,970.52	375,000.00
4465	BUILDING SUPPLIES	1,000.00	-	1,000.00
4466	STREET LIGHTING SERVICE / MAINTENANCE	77,500.00	51,338.44	77,500.00
4470	TRAINING & CERTIFICATION	140,915.10	93,035.16	143,000.00
4489	SELF INSURANCE	-	-	110,000.00
4490	LANDFILL	1,244,015.86	951,844.23	1,271,434.74
4530	PERFORMING ARTS	16,500.00	16,275.00	20,000.00
4540	SPRING SUMMER PROGRAM	3,000.00	2,790.00	3,000.00
4550	CAPITAL EXPENDITURES	3,182,313.84	568,483.59	3,106,250.00
4551	ROAD RESURFACING	-	-	875,000.00
4560	EQUIPMENT MAINTENANCE & LEASES	50,000.00	45,000.00	50,000.00
4570	MAINTENANCE OF COMMUNICATION EQUIP	28,750.00	19,492.77	28,750.00
4575	MAINTENANCE-EQUIPMENT	-	-	1,000.00
4580	GENERAL EQUIPMENT	16,500.00	6,575.13	13,000.00
4590	BUILDING DEMOLITION	35,000.00	12,540.00	65,000.00
4630	LIABILITY & CASUALTY INSURANCE	1,050,000.00	760,376.99	1,371,000.00
4693	PREVENTATIVE MAINTENANCE	5,000.00	-	7,500.00
6000	TAX & MISC REFUNDS	1,000.00	-	1,000.00

CITY OF SCRANTON					
2018 OPERATING BUDGET					
EXPENDITURE SUMMARY BY ACCOUNT					
		2017	2017	2018	
		Operating Budget	Through 09/30/2017	Budget	
6001	TAX COLLECTION COMMITTEE EXPENSE	—	257.00	—	500.00
6002	SPA CITATION ISSUERS	—	—	—	—
6003	SPCA ANIMAL CONTROL	86,976.00	—	86,976.00	—
6004	SINGLE TAX OFFICE AUDIT	—	—	—	—
6007	FLOOD PROTECTION SYSTEM MAINTENANCE	49,500.00	33,394.13	50,000.00	—
6009	WORKERS' COMPENSATION	3,323,826.00	3,000,000.00	3,743,432.00	—
6024	BANK FEES & CHARGES	87,250.00	210,045.94	111,000.00	—
NON-DEPARTMENTAL EXPENDITURES:					
10020-10140	BOARDS & COMMISSIONS	214,500.00	135,920.82	359,500.00	—
15010-15360	INTEREST & DEBT SERVICE (w/o TANS)	#REF!	51,319,004.04	12,007,831.50	—
15330-15340	TANs (SERIES A & B)	#REF!	6,586,666.67	12,960,000.00	—
13190,16090-17060	UNPAID BILLSCOURT AWARDS/MISCELLANEOUS	—	1,631,100.00	294,416.29	2,176,799.10
TOTAL NON-DEPARTMENTAL EXPENDITURES					
TOTAL OPERATING EXPENDITURES					
4010	ECONOMIC & COMMUNITY DEVELOPMENT STANDARD SALARY (NON-ADDITION TO THE BUDGET)	#REF!	\$ 104,319,934.38	\$ 107,674,797.79	649,985.32
		680,769.24	—	—	—

CITY OF SCRANTON 2018 OPERATING BUDGET BUDGETED EXPENDITURES GENERAL FUND			
		2017 Operating Budget (Through 09/30/2017)	2018 Operating Budget
Office of the Mayor - #10	Account Number	Account Description	Operating Budget
4010 01.010.00000.4010		STANDARD SALARY	\$ 122,585.00
4040 01.010.00000.4040		OTHER SALARY (MISC)	-
4060 01.010.00000.4080		OVERTIME SALARY	-
		TOTAL EMPLOYEE COMPENSATION	\$ 122,585.00
4270 01.010.00000.4270		DUES AND SUBSCRIPTIONS	22,826.70
4290 01.010.00000.4280		STATIONERY/OFFICE SUPPLIES	150.00
4390 01.010.30000.4390		MATERIALS/SUPPLIES (MISC)	-
4420 01.010.00000.4420		TRAVEL AND LODGING	1,000.00
4550 01.010.10000.4550		CAPITAL EXPENDITURES	-
		TOTAL OPERATING EXPENDITURES	\$ 23,976.70
		DEPARTMENT of MAYOR TOTAL	\$ 148,561.70

CITY OF SCRANTON
2018 OPERATING BUDGET
BUDGETED EXPENDITURES
GENERAL FUND

		2018 Operating Budget		2018 Operating Budget	
		2017 (Through 09/30/2017)		2017 Operating Budget	
Account Number	Account Description				
Dept. of Public Safety - #11	Bureau of Police - #71				
4010 01.011.00071.14010	STANDARD SALARY	\$ 10,346,870.71	\$ 7,259,034.93	\$ 11,545,848.30	\$ 5,101,017.00
4040 01.011.00071.14040	OTHER SALARY (MISC)	267,657.00	156,399.33	896,113.31	525,644.00
4070 01.011.00071.4070	LONGEVITY SALARY	793,624.53	605,331.33	400,000.00	158,000.00
4080 01.011.00071.4080	OVERTIME SALARY	400,000.00	139,000.00	109,208.01	108,460.00
4090 01.011.00071.4090	COURT APPEARANCE SALARY			115,850.00	115,850.00
4101 01.011.00071.14101	UNIFORM ALLOWANCE			5,647,685.00	5,647,685.00
4112 01.011.00071.14112	HEALTH INSURANCE - POLICE UNION			4,223,233.81	5,901,810.83
4120 01.011.00071.14120	LIFE/DISABILITY INSURANCE			156,516.00	150,034.00
4140 01.011.00071.4140	CITY 10% EARLY RETIREMENT			153,045.00	131,938.50
4150 01.011.00071.14150	CITY PENSION			7,998,779.00	5,945,583.00
4170 01.011.00071.14170	POLICE EDUCATION ALLOWANCE			60,000.00	80,000.00
4180 01.011.00071.14180	SOCIAL SECURITY			332,998.00	263,010.40
	TOTAL EMPLOYEE COMPENSATION			26,400,623.24	13,455,503.36
4201 01.011.00071.4201	PROFESSIONAL SERVICES			15,000.00	15,980.23
4210 01.011.00071.4210	SERVICES AND MAINTENANCE FEE			64,500.00	57,466.39
4270 01.011.00071.4270	DUES AND SUBSCRIPTIONS			3,100.00	2,798.70
4280 01.011.00071.4280	MISC SERVICES-NON CLASSIFIED			1,518,777	1,523,5.5
4290 01.011.00071.4290	STATIONARY/OFFICE SUPPLIES			2,500.00	2,460.70
4380 01.011.00071.4380	GUN/AMMUNITION			22,500.00	11,164.80
4390 01.011.00071.4390	MATERIALS/SUPPLIES (MISC)			18,554.90	15,161.59
4420 01.011.00071.4420	TRAVEL AND LODGING			3,500.00	3,491.86
4470 01.011.00071.4470	TRAINING AND CERTIFICATION			46,445.10	46,445.10
4550 01.011.00071.4550	CAPITAL EXPENDITURES			190,000.00	189,987.14
4570 01.011.00071.4570	MAINTENANCE COMMUNICATION EQUIPMENT			7,750.00	4,346.27
6003 01.011.00071.6003	SPCA-ANIMAL CONTROL			86,976.00	86,976.00
	TOTAL OPERATING EXPENDITURES			482,345.77	351,255.32
	BUREAU OF POLICE TOTAL				\$ 13,805,739.88
					\$ 24,954,313.94

		CITY OF SCRANTON	
		2018 OPERATING BUDGET	
		BUDGETED EXPENDITURES	
		GENERAL FUND	
Account Number	Account Description	2017 Operating Budget (Through 09/30/2017)	2018 Operating Budget
Dept. of Public Safety - #11 Bureau of Fire - #78			
4010 01.011.00078.4010	STANDARD SALARY	\$ 9,710,981.81	\$ 6,710,324.20
4040 01.011.00078.4040	OTHER SALARY (MISC)	\$ 285,800.00	\$ 423,099.61
4070 01.011.00078.4070	LONGEVITY SALARY	\$ 782,816.86	\$ 546,961.98
4080 01.011.00078.4080	OVERTIME SALARY	\$ 260,000.00	\$ 148,493.78
4101 01.011.00078.4101	UNIFORM ALLOWANCE	\$ 98,550.00	\$ 61,510.75
4113 01.011.00078.4113	HEALTH INSURANCE - FIRE UNION	\$ 5,140,484.00	\$ 3,850,562.73
4120 01.011.00078.4120	LIFE/DISABILITY INSURANCE	\$ 149,292.00	\$ 106,141.09
4140 01.011.00078.4140	CITY 10% EARLY RETIREMENT	\$ 110,641.00	\$ 85,814.36
4150 01.011.00078.4150	CITY PENSION	\$ 9,501,455.00	\$ 7,087,112.00
	TOTAL EMPLOYEE COMPENSATION	\$ 26,028,800.67	\$ 11,942,868.50
4201 01.011.00078.4201	PROFESSIONAL SERVICES	\$ 23,000.00	\$ 15,484.10
4210 01.011.00078.4210	SERVICES AND MAINTENANCE FEE	\$ 15,000.00	\$ 3,520.53
4270 01.011.00078.4270	DUES AND SUBSCRIPTIONS	\$ 1,000.00	\$ 500.00
4316 01.011.00078.4316	CLEAN AIR MAINTENANCE	\$ 5,000.00	\$ 3,087.43
4320 01.011.00078.4320	BLDG/REPAIR-SUPPLY MAINT	\$ 7,250.00	\$ 5,848.12
4380 01.011.00078.4380	MATERIALS/SUPPLIES (MISC)	\$ 3,000.00	\$ 977.63
4420 01.011.00078.4420	TRAVEL AND LODGING	\$ 6,000.00	\$ 6,000.00
4430 01.011.00078.4430	AIR PACKSURE/HAB SUPPLIES	\$ 85,000.00	\$ 44,278.00
4470 01.011.00078.4470	TRAINING AND CERTIFICATION	\$ 1,630,000.00	\$ 242,081.25
4550 01.011.00078.4550	CAPITAL EXPENDITURES	\$ 4,000.00	\$ 3,320.50
4570 01.011.00078.4570	MAINTENANCE COMMUNICATION EQUIP	\$ 1,000.00	\$ 1,000.00
4575 01.011.00078.4575	MAINTENANCE-EQUIPMENT	\$ 100,000.00	\$ 49,454.53
4580 01.011.00078.4580	GENERAL EQUIPMENT	\$ 1,380,250.00	\$ 368,518.09
	TOTAL OPERATING EXPENDITURES	\$ 27,910,000.67	\$ 12,311,475.58
	BUREAU of FIRE TOTAL		
	DEPARTMENT of PUBLIC SAFETY TOTAL	\$ 54,773,221.68	\$ 26,118,238.27
			\$ 50,383,411.8

		2018 OPERATING BUDGET	
		BUDGETED EXPENDITURES	
		GENERAL FUND	
Account Number	Account Description	Operating Budget (Through 09/30/2017)	Operating Budget (2018)
2017	2017	2017	2018
Office of the City Clerk/City Council - #20			
4010 01 020 00000 4010	STANDARD SALARY	\$ 226,937.37	\$ 230,637.37
4040 01 020 00000 4040	OTHER SALARY (MISC)	-	-
4070 01 020 00000 4070	LONGEVITY SALARY	3,425.13	3,425.13
4080 01 020 00000 4080	OVERTIME SALARY	500.00	500.00
	TOTAL EMPLOYEE COMPENSATION	230,862.50	\$ 234,862.50
4201 01 020 00000 4201	PROFESSIONAL SERVICES	\$ 41,000.00	\$ 33,860.48
4210 01 020 00000 4210	SERVICES AND MAINTENANCE FEE	10,786.00	\$ 10,796.00
4220 01 020 00000 4220	CONTRACTED SERVICES	-	-
4230 01 020 00000 4230	PRINTING AND BINDING	6,930.15	6,930.15
4250 01 020 00000 4250	ADVERTISING	21,500.00	18,028.35
4260 01 020 00000 4260	RENTAL VEHICLES & EQUIPMENT	-	-
4270 01 020 00000 4270	DUES AND SUBSCRIPTIONS	-	-
4290 01 020 00000 4290	STATIONERY/OFFICE SUPPL	500.00	375.05
4420 01 020 00000 4420	TRAVEL AND LODGING	-	-
4550 01 020 00000 4550	CAPITAL EXPENDITURES	80,725.15	69,989.03
	TOTAL OPERATING EXPENDITURES		\$ 108,259.03
	DEPARTMENT OF CITY CLERK / CITY COUNCIL TOTAL	\$ 311,587.65	\$ 344,112.50

Account Number	Account Description	2017 Operating Budget		2018 Operating Budget	
		(Through 09/30/2017)			
City Controller #30					
Roseann Novembrino, City Controller					
4010 01.030.00000.4010	STANDARD SALARY	\$ 242,823.63	\$ 165,247.03	\$ 248,373.83	\$ 1,004.00
4040 01.030.00000.4040	OTHER SALARY (MISC)	1,000.00	-	-	3,417.71
4070 01.030.00000.4070	LONGEVITY SALARY	3,417.71	-	-	-
4080 01.030.00000.4080	OVERTIME SALARY	0.00	-	-	-
	TOTAL EMPLOYEE COMPENSATION	247,041.34	165,247.03	252,731.54	\$ 4,422.71
4201 01.030.00000.4201	PROFESSIONAL SERVICES	40,000.00	-	\$ 40,000.00	-
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	76.00	100.00	226.50
4270 01.030.00000.4270	DUES AND SUBSCRIPTIONS	200.00	182.00	200.00	230.00
4280 01.030.00000.4280	STATIONERY/OFFICE SUPPLIES	200.00	144.40	200.00	1,000.00
4420 01.030.00000.4420	TRAVEL AND LODGING	0.00	-	-	-
4550 01.030.00000.4550	CAPITAL EXPENDITURES	0.00	-	-	-
	TOTAL OPERATING EXPENDITURES	40,500.00	402.40	42,525.00	\$ 42,525.00
	DEPARTMENT OF CITY CONTROLLER TOTAL	\$ 287,541.34	\$ 165,649.43	\$ 289,316.34	\$ 289,316.34

**CITY OF SCRANTON
118 OPERATING BUDGET
BUDGETED EXPENDITURE
GENERAL FUND**

CITY OF SCRANTON 2018 OPERATING BUDGET BUDGETED EXPENDITURES GENERAL FUND					
			2017 Operating Budget (Through 09/30/2017)	2018 Operating Budget	2018 Operating Budget
Account Number	Account Description				
Department of Business Administration - #40					
	Bureau of Human Resources				
4010 01.040.00041.4010	STANDARD SALARY	\$ 202,377.76	\$ 133,344.78	\$ 206,877.79	
4040 01.040.00041.4040	OTHER SALARY (MISC)	1,000.00		2,250.00	
4070 01.040.00041.4070	LONGEVITY SALARY	7,211.25		7,211.25	
4080 01.040.00041.4080	OVERTIME SALARY	-			
	TOTAL EMPLOYEE COMPENSATION	210,589.01	133,344.78	216,339.01	
4201 01.040.00041.4201	PROFESSIONAL SERVICES	175,000.00	101,778.09	150,000.00	
4290 01.040.00041.4290	STATIONERY/OFFICE SUPPLIES	500.00		25,000.00	
4390 01.040.00041.4390	MATERIALS/SUPPLIES (MSC)	500.00		500.00	
4420 01.040.00041.4420	TRAVEL AND LODGING	500.00		1,000.00	
4470 01.040.00041.4470	TRAINING AND CERTIFICATION	5,000.00		3,000.00	
4630 01.040.00041.4630	LIABILITY/CASUALTY INSURANCE	1,050,000.00		780,376.99	
	TOTAL OPERATING EXPENDITURES	1,231,500.00	863,254.50	\$ 1,160,500.00	
	BUREAU OF HUMAN RESOURCES TOTAL	\$ 1,442,068.01	\$ 996,599.28	\$ 1,766,839.01	

		CITY OF SCRANTON	
		2018 OPERATING BUDGET	
		BUDGETED EXPENDITURES	
		GENERAL FUND	
		2017 Operating Budget (Through 09/30/2017)	2018 Operating Budget
Account Number	Account Description		
Department of Business Administration - #40			
Bureau of Information Technology #42			
4010 01 040 00042 4010	STANDARD SALARY	\$ 119,100.00	\$ 134,750.00
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	119,100.00	85,951.57
4201 01 040 00042 4201	PROFESSIONAL SERVICES	63,250.00	85,250.00
4210 01 040 00042 4210	SERVICES AND MAINTENANCE FEE	77,500.00	75,000.00
4270 01 040 00042 4270	DUES AND SUBSCRIPTIONS	—	500.00
4290 01 040 00042 4290	STATIONERY/OFFICE SUPPLIES	1,000.00	1,000.00
4390 01 040 00042 4390	MATERIALS/SUPPLIES (MISC)	65,000.00	85,000.00
4420 01 040 00042 4420	TRAVEL AND LODGING	—	750.00
4440 01 040 00042 4440	TELEPHONE	145,000.00	90,212.00
4470 01 040 00042 4470	TRAINING AND CERTIFICATION	1,000.00	10,000.00
4550 01 040 00042 4550	CAPITAL EXPENDITURES	225,000.00	250,000.00
4560 01 040 00042 4560	EQUIPMENT MAINTENANCE/FEES	50,000.00	45,000.00
	TOTAL OPERATING EXPENDITURES	627,750.00	697,500.00
	BUREAU OF INFORMATION TECHNOLOGY TOTAL	\$ 746,850.00	\$ 394,224.37
		\$ 132,250.00	

		CITY OF SCRANTON	
		2018 OPERATING BUDGET	
		BUDGETED EXPENDITURES	
		GENERAL FUND	
		2017 Operating Budget (Through 09/30/2017)	2018 Operating Budget
Account Number	Account Description		
Department of Business Administration - #40			
Bureau of Treasury - #43			
4010 01 040.00043.4010	STANDARD SALARY	\$ 111,306.78	\$ 114,376.08
4040 01 040.00043.4040	OTHER SALARY (MISC)	0.00	-
4070 01 040.00043.4070	LONGEVITY SALARY	2,825.02	2,825.02
4080 01 040.00043.4080	OVERTIME SALARY	-	-
	TOTAL EMPLOYEE COMPENSATION	114,131.80	117,201.10
4201 01 040.00043.4201	PROFESSIONAL SERVICES	11,250.00	\$ 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)	8,000.00	4,417.49
4420 01 040.00043.4420	TRAVEL AND LODGING	-	-
4550 01 040.00043.4550	CAPITAL EXPENDITURES	1,000.00	1,000.00
6000 01 040.00043.6000	TAX AND MISC REFUNDS	257.00	500.00
6001 01 040.00043.6001	TAX COLLECTION COMMITTEE EXPENSE	20,507.00	4,417.49
	TOTAL OPERATING EXPENDITURES		\$ 20,750.00
	BUREAU of TREASURY TOTAL	\$ 134,638.86	\$ 84,323.79
	DEPARTMENT of BUSINESS ADMINISTRATION TOTAL	\$ 10,546,294.38	\$ 7,280,011.34
			\$ 11,446,378.01

CITY OF SCRANTON 2018 OPERATING BUDGET BUDGETED EXPENDITURES GENERAL FUND					
			2017 Operating Budget (Through 09/30/2017)	2017 Operating Budget	2018 Operating Budget
Account Number	Account Description				
Office of Economic & Community Development (OECD) - HSD					
50.00000.4010	STANDARD SALARY	\$ 680,769.24	\$ 680,769.24	\$ 649,915.32	
	OECD DEPARTMENT TOTAL (NON-ADDITION TO BUDGET)	\$ 680,769.24		\$ 649,915.32	

CITY OF SCRANTON		2018 OPERATING BUDGET	
		BUDGETED EXPENDITURES	
		GENERAL FUND	
Account Number	Account Description	2017 Operating Budget (Through 09/30/2017)	2018 Operating Budget (Through 09/30/2018)
Dept. of Licenses, Inspections & Permits - #51 Bureau of Licenses, Inspections & Permits - #61			
4010 01 051.00051.4010	STANDARD SALARY	\$ 655,490.67	\$ 745,883.37
4040 01 051.00051.4040	OTHER SALARY (MISC)	3,500.00	—
4070 01 051.00051.4070	LONGEVITY SALARY	17,805.01	17,805.01
4080 01 051.00051.4080	OVERTIME SALARY	6,500.00	3,000.00
4101 01 051.00051.4101	UNIFORM ALLOWANCE (AUTO)	12,500.00	7,841.50
	TOTAL EMPLOYEE COMPENSATION	659,785.68	784,968.36
4201 01 051.00051.4201	PROFESSIONAL SERVICES	35,000.00	34,668.00
4270 01 051.00051.4270	DUES AND SUBSCRIPTIONS	—	40,000.00
4290 01 051.00051.4290	STATIONARY/OFFICE SUPPLIES	1,000.00	122.57
4390 01 051.00051.4390	MATERIALS/SUPPLIES (MISC)	500.00	500.00
4420 01 051.00051.4420	TRAVEL AND LODGING	—	1,010.00
4470 01 051.00051.4470	TRAINING AND CERTIFICATION	1,000.00	1,000.00
4550 01 051.00051.4550	CAPITAL EXPENDITURES	25,000.00	23,000.00
4570 01 051.00051.4570	MAINTENANCE COMMUNICATION EQUIPMENT	500.00	500.00
4590 01 051.00051.4590	BUILDING DEMOLITION	35,000.00	65,000.00
	TOTAL OPERATING EXPENDITURES	96,000.00	131,500.00
	BUREAU OF LICENSES, INSPECTIONS & PERMITS TOTAL	\$ 794,785.68	\$ 920,468.38
		\$ 8,199.73	\$ 8,199.73

CITY OF SCRANTON 2018 OPERATING BUDGET BUDGETED EXPENDITURES GENERAL FUND		
Account Number	Account Description	Operating Budget (Through 09/30/2017) - Operating Budget
Dept. of Licenses, Inspections & Permits - #51		
Bureau of Buildings - #82		
4610 01 051.000082.4010	STANDARD SALARY	\$ 110,667.12
4640 01 051.000082.4040	OTHER SALARY (MISC)	1,000.00
4670 01 051.000082.4070	LONGEVITY SALARY	6,412.35
4680 01 051.000082.4080	OVERTIME SALARY	1,000.00
4701 01 051.000082.4101	UNIFORM ALLOWANCE	1,280.00
	TOTAL EMPLOYEE COMPENSATION	120,339.47
42201 01 051.000082.4201	PROFESSIONAL SERVICES	30,000.00
4210 01 051.000082.4210	SVCS AND MAINT FEE	26,780.00
4320 01 051.000082.4320	BLDG/REPAIR-SUPPLY MAINT	175,000.00
4360 01 051.000082.4360	SMALL TOOL/SHOP SUPPL	-
4420 01 051.000082.4420	TRAVEL AND LODGING	-
4445 01 051.000082.4445	SEWER CHARGES	2,300.00
4447 01 051.000082.4447	UGI - GAS	155,000.00
4448 01 051.000082.4448	PANIC - WATER	433,100.00
4450 01 051.000082.4450	ELECTRICAL	274,600.00
4465 01 051.000082.4465	BUILDING SUPPLIES	1,000.00
	TOTAL OPERATING EXPENDITURES	1,071,000.00
	BUREAU OF BUILDINGS TOTAL	1,191,339.47
	DEPARTMENT of LICENSES, INSPECTIONS & PERMITS TOTAL	\$ 1,985,135.15
		\$ 854,043.92
		\$ 2,457,878.01

CITY OF SCRANTON 2018 OPERATING BUDGET					
BUDGETED EXPENDITURES					
GENERAL FUND					
Account Number	Account Description	2017	2018	Operating Budget (Through 09/30/2017)	Operating Budget
Law Department - #80					
4010 01 060 00000 4010	STANDARD SALARY	\$ 186,112.47	\$ 135,246.41	\$ 216,352.47	
4040 01 060 00000 4040	OTHER SALARY (MISC)	752.98	-	750.00	
4070 01 060 00000 4070	LONGEVITY SALARY	-	-	-	
4080 01 060 00000 4080	OVERTIME SALARY	-	-	-	
	TOTAL EMPLOYEE COMPENSATION	186,865.43	135,246.41	\$ 216,352.47	
4201 01 060 00000 4201	PROFESSIONAL SERVICES	225,000.00	127,752.32	\$ 195,000.00	
4210 01 060 00000 4210	SERVICES AND MAINTENANCE FEE	-	-	2,000.00	
4270 01 060 00000 4270	DUES AND SUBSCRIPTIONS	3,950.00	-	3,850.00	
4290 01 060 00000 4290	STATIONARY/OFFICE SUPPLIES	500.00	86.08	600.00	
4390 01 060 00000 4390	MATERIALS/SUPPLIES (MISC)	500.00	-	500.00	
4420 01 060 00000 4420	TRAVEL AND LODGING	600.00	133.76	1,000.00	
4470 01 060 00000 4470	TRAINING AND CERTIFICATION	500.00	377.75	1,000.00	
4550 01 060 00000 4550	CAPITAL EXPENDITURES	3,250.00	-	3,250.00	
	TOTAL OPERATING EXPENDITURES	234,200.00	128,720.90	\$ 207,200.00	
	DEPARTMENT OF LAW TOTAL	\$ 421,065.43	\$ 263,967.31	\$ 423,502.47	

CITY OF SCRANTON		
2018 OPERATING BUDGET		
BUDGETED EXPENDITURES		
GENERAL FUND		
Account Number	Account Description	Operating Budget (Through 09/30/2017)
		2017
		2018
Department of Public Works - #80		
Bureau of Administration - #40		
4010 01 080 00080 4010	STANDARD SALARY	\$ 162,337.76
4040 01 080 00080 4040	OTHER SALARY (MISC)	\$ 1,000.00
4070 01 080 00080 4070	LONGEVITY SALARY	\$ 7,711.68
- 4080 01 080 00080 4080	OVERTIME SALARY	\$ 2,420,710.00
- 4118 01 080 00080 4118	HEALTH INSURANCE - DPW UNION	\$ 2,528,641.97
- 4120 01 080 00080 4120	LIFE/DISABILITY INSURANCE	\$ 300,344.00
4130 01 080 00080 4130	I.A.M. PENSION	\$ 351,100.00
4180 01 080 00080 4180	SOCIAL SECURITY	\$ 275,881.20
	TOTAL EMPLOYEE COMPENSATION	\$ 3,243,203.44
4201 01 080 00080 4201	PROFESSIONAL SERVICES	\$ 7,500.00
4270 01 080 00080 4270	DUES AND SUBSCRIPTIONS	\$ -
4210 01 080 00080 4210	SERVICES & MAINTENANCE FEE	\$ 2,047.55
4290 01 080 00080 4290	STATIONERY/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	\$ -
4576 01 080 00080 4576	MAINTENANCE SUPER FUND SIGHT	\$ 16,500.00
6007 01 080 00080 6007	FLOOD PROTECTION SYSTEM MAINTENANCE	\$ 49,500.00
	TOTAL OPERATING EXPENDITURES	\$ 92,047.55
	BUREAU of ADMINISTRATION TOTAL	\$ 3,335,250.99
		\$ 2,421,933.27
		\$ 3,497,013.28

CITY OF SCRANTON						
2018 OPERATING BUDGET						
BUDGETED EXPENDITURES						
GENERAL FUND						
Account Number	Account Description	Operating Budget (Through 09/30/2017)	2017	2018	2018 Operating Budget	
Department of Public Works - #80						
Bureau of Engineering - #81						
4010 .01 .080 .00081 .4010	STANDARD SALARY	\$ 111,841.65	\$ 76,046.07	\$ 112,795.45		
4040 .01 .080 .00081 .4040	OTHER SALARY (MISC)	375.14		2,100.00		
4070 .01 .080 .00081 .4070	LONGEVITY SALARY	3,891.04		3,997.04		
4080 .01 .080 .00081 .4080	OVERTIME SALARY	5,600.00		4,500.00		
4101 .01 .080 .00081 .4101	UNIFORM ALLOWANCE	3,128.21		3,128.21		
	TOTAL EMPLOYEE COMPENSATION	124,735.04		79,366.59		
				\$ 126,417.75		
4201 .01 .080 .00081 .4201	PROFESSIONAL SERVICES	69,500.00		41,625.00		
4210 .01 .080 .00081 .4210	SERVICES & MAINTENANCE FEE	200.00		179.98		
4280 .01 .080 .00081 .4280	MISC SERVICES-NOT CLASSIFIED	-		50.00		
4290 .01 .080 .00081 .4290	STATIONERY/OFFICE SUPPLIES	100.00		100.00		
4390 .01 .080 .00081 .4390	MATERIALS/SUPPLIES (MISC)	100.00		91.81		
4470 .01 .080 .00081 .4470	TRAINING AND CERTIFICATION	1,000.00		100.00		
4550 .01 .080 .00081 .4550	CAPITAL EXPENDITURES	-				
	TOTAL OPERATING EXPENDITURES	70,900.00		41,986.79		
				\$ 71,350.00		
	BUREAU of ENGINEERING TOTAL	\$ 185,836.04	\$ 121,383.48	\$ 187,767.75		

CITY OF SCRANTON					
2018 OPERATING BUDGET					
BUDGETED EXPENDITURES					
GENERAL FUND					
Account Number	Account Description	2017 Operating Budget (Through 09/30/2017)	2017 Operating Budget (Through 09/30/2017)	2018 Operating Budget (Through 09/30/2018)	2018 Operating Budget
Department of Public Works - #80					
Bureau of Refuse - #84					
4010 01 080 000084 4010	STANDARD SALARY	\$ 2,086,171.23	\$ 1,492,512.06	\$ 2,175,183.95	
4040 01 080 000084 4040	OTHER SALARY (MISC)	107,839.00	1,250.00	35,000.00	
4070 01 080 000084 4070	LONGEVITY SALARY	63,641.77		63,641.77	
4080 01 080 000084 4080	OVERTIME SALARY	150,000.00		150,000.00	
4101 01 080 000084 4101	UNIFORM ALLOWANCE	19,320.00	18,060.00	18,320.00	
	TOTAL EMPLOYEE COMPENSATION	2,425,672.00	1,516,008.11	\$ 2,443,145.72	
4280 01 080 000084 4280	RENTAL VEHICLES & EQUIP	-	-	-	
4330 01 080 000084 4330	MEDICAL, CHEM, LAB SUP	-	-	-	
4350 01 080 000084 4380	MATERIALS/SUPPL (MISC)	750.00	704.20	1,000.00	
4420 01 080 000084 4420	TRAVEL AND LODGING	-	-	1,000.00	
4480 01 080 000084 4480	LANDFILL	1,344,085.86	951,844.33	1,271,434.77	
4550 01 080 000084 4550	CAPITAL EXPENDITURES	200,000.00		180,000.00	
	TOTAL OPERATING EXPENDITURES	1,544,845.86	952,548.53	\$ 1,453,434.74	
	BUREAU of REFUSE TOTAL	\$ 3,970,517.86	\$ 2,858,556.64	\$ 3,395,381.48	

CITY OF SCRANTON 2018 OPERATING BUDGET						
BUDGETED EXPENDITURES						
GENERAL FUND						
Account Number	Account Description	2017 Operating Budget (Through 09/30/2017)	2018 Operating Budget	2017	2018	Operating Budget
Department of Public Works - #80						
Bureau of Garages - #85						
4010 01.080.00085.4010	STANDARD SALARY	\$ 352,880.82	\$ 241,706.52	\$ 387,984.50		
4040 01.080.00085.4040	OTHER SALARY (MISC)				18,800.00	
4070 01.080.00085.4070	LONGEVITY SALARY		23,876.42		23,876.42	
4080 01.080.00085.4080	OVERTIME SALARY		29,500.00		31,201.30	
4101 01.080.00085.4101	UNIFORM ALLOWANCE		3,360.00		3,360.00	
	TOTAL EMPLOYEE COMPENSATION	409,617.24	270,027.56	\$ 402,902.24		
4201 01.080.00085.4201	PROFESSIONAL SERVICES					
4210 01.080.00085.4210	SERVICES AND MAINTENANCE FEE					
4220 01.080.00085.4220	CONTRACTED SERVICES		750.00		750.00	
4280 01.080.00085.4280	STATIONARY/OFFICE SUPPL					
4301 01.080.00085.4301	GAS, OIL, LUBRICANTS		425,600.00		209,695.27	
4310 01.080.00085.4310	EQUIP/VEHICLE REPAIR/MAINT		315,000.00		289,759.76	
4360 01.080.00085.4360	SMALL TOOL/SHOP SUPPL		6,500.00		2,753.78	
4390 01.080.00085.4390	MATERIALS/SUPPL (MISC)		59,500.00		36,137.64	
4401 01.080.00085.4401	TIRES		109,500.00		109,500.00	
4420 01.080.00085.4420	TRAVEL AND LODGING				500.00	
4550 01.080.00085.4550	CAPITAL EXPENDITURES				25,000.00	
4901 01.080.00085.4901	MAINTENANCE (PREVENTATIVE)		5,000.00		4,851.00	
	TOTAL OPERATING EXPENDITURES	921,750.00	573,814.15	\$ 819,250.00		
	BUREAU of GARAGES TOTAL	\$ 1,331,367.24	\$ 843,841.71	\$ 1,284,522.24		
	DEPARTMENT of PUBLIC WORKS TOTAL	\$ 12,952,195.06	\$ 7,950,406.68	\$ 12,818,834.87		

CITY OF SCRANTON						
2018 OPERATING BUDGET						
BUDGETED EXPENDITURES						
GENERAL FUND						
Account Number	Account Description	2017 Operating Budget (Through 09/30/2017)	2017 Operating Budget	2017 Operating Budget	2018 Operating Budget	2018 Operating Budget
Department of Parks & Recreation - #100	Bureau of Parks & Recreation - #100					
4010 01.100.00000.4010	STANDARD SALARY	\$ 384,107.87	\$ 275,796.29	\$ 407,395.47		
4040 01.100.00000.4040	OTHER SALARY (MISC)	135,000.00	149,818.54	166,000.00		
4070 01.100.00000.4070	LONGEVITY SALARY	22,384.66		21,384.68		
4080 01.100.00000.4080	OVERTIME SALARY	19,000.00	25,705.34	30,000.00		
4401 01.100.00000.401	UNIFORM ALLOWANCE	2,520.00	2,940.00	2,940.00		
	TOTAL EMPLOYEE COMPENSATION	563,012.55	434,259.17	562,230.15		
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	8,950.00	1,222.78	5,000.00		
4280 01.100.00000.4290	STATIONARY/OFFICE SUPPLIES	1,000.00		500.00		
4320 01.100.00000.4320	BLDG/REPAIR/SUPPLY MAINT	20,000.00		11,959.11		
4330 01.100.00000.4330	MEDICAL, CHEM., LAB SUP	25,000.00		7,788.73		
4360 01.100.00000.4360	SMALL TOOLS/SHOP SUPPLIES	200.00		200.00		
4370 01.100.00000.4370	PARKS/RECREATION SUPPLIES	750.00		1,000.00		
4420 01.100.00000.4420	TRAVEL AND LODGING	750.00		750.00		
4530 01.100.00000.4530	PERFORMING ARTS	16,500.00		20,000.00		
4540 01.100.00000.4540	SPRING/SUMMER PROG	3,000.00		3,000.00		
4550 01.100.00000.4550	CAPITAL EXPENDITURE S	95,000.00		32,578.20		
4570 01.100.00000.4570	MAINTENANCE COMMUNICATION EQUIP			875,000.00		
	TOTAL OPERATING EXPENDITURES		171,150.00	72,613.82	\$ 940,750.00	
	DEPARTMENT of PARKS & RECREATION TOTAL		\$ 734,162.55	\$ 526,872.99	\$ 1,563,550.15	

CITY OF SCRANTON			
2018 OPERATING BUDGET			
BUDGETED EXPENDITURES			
GENERAL FUND			
Account Number	Account Description	2017 Operating Budget (Through 09/30/2017)	2018 Operating Budget
Single Tax Office - #90			
4010 01 080 00000 4010	STANDARD SALARY	\$ 369,038.51	\$ 2,271,706.68
4040 01 080 00000 4040	OTHER SALARY (MISC)	1,950.00	8,186.00
4080 01 080 00080 4080	OVERTIME SALARY	3,500.00	3,474.98
4119 01 080 00080 4119	HEALTH INSURANCE - SINGLE TAX OFFICE	315,835.50	345,823.18
	TOTAL EMPLOYEE COMPENSATION	690,324.01	2,629,190.82
8004 01 080 00000 6004	SINGLE TAX OFFICE AUDIT	-	-
	TOTAL OPERATING EXPENDITURES	-	-
	SINGLE TAX OFFICE DEPARTMENT TOTAL	\$ 690,324.01	\$ 2,629,190.82
		\$ 799,859.49	\$ 799,859.49

CITY OF SCRANTON 2018 OPERATING BUDGET BUDGETED EXPENDITURES GENERAL FUND						
Account Number	Account Description	2017		2017		Operating Budget (Through 05/31/2017)
		2017	2018	2017	2018	
4299 01-401-10030-4299	NON-DEPARTMENTAL EXPENDITURES - #401	\$ 18,500.00	\$ 15,383.51	\$ 18,500.00	\$ 18,500.00	
4299 01-401-10060-4299	ZONING BOARD	\$ 29,050.09	\$ 28,998.98	\$ 20,000.00	\$ 20,000.00	
4299 01-401-10075-4299	EVERHART MUSEUM	\$ 10,000.00	\$ 10,000.00	\$ 8,000.00	\$ 8,000.00	
4299 01-401-10080-4299	SCRANTON PLAN	\$ 32,500.00	\$ 30,000.00	\$ 75,000.00	\$ 75,000.00	
4299 01-401-10110-4299	SCRANTON TOMORROW	\$ 55,500.00	\$ 49,192.96	\$ 95,000.00	\$ 95,000.00	
4299 01-401-10120-4299	SHADE TREE COMMISSION	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	
4299 01-401-10130-4299	ST. CATS AND DOGS	\$ 1,500.00	\$ 1,000.00	\$ 1,500.00	\$ 1,000.00	
4299 01-401-10140-4299	ST. CATS AND DOGS	\$ 47,500.00	\$ 2,344.37	\$ 25,000.00	\$ 25,000.00	
4299 01-401-10150-4299	ST. CATS AND DOGS	\$ 10,000.00	\$ 10,000.00	\$ 12,500.00	\$ 12,500.00	
4299 01-401-10155-4299	ST. CATS AND DOGS	\$ 214,500.00	\$ 135,920.02	\$ 214,500.00	\$ 135,920.02	
	TOTAL BOARDS, COMMISSIONS, NON-PROFIT CONTRIBUTIONS	\$ 214,500.00	\$ 135,920.02	\$ 214,500.00	\$ 135,920.02	
4299 01-401-15230-4299	TAN SERIES	\$ 12,750,000.00	\$ 6,500,000.00	\$ 12,750,000.00	\$ 6,500,000.00	
4299 01-401-15240-4299	TAN SERIES INTEREST	\$ 210,000.00	\$ 86,668.87	\$ 210,000.00	\$ 86,668.87	
4299 01-401-15206-4299	OPER TSF TO DEBT SVC-C 2003 SERIES A BONDS	\$ 2,176,486.76	\$ 568,930.46	\$ 2,176,486.76	\$ 568,930.46	
4299 01-401-15307-4299	OPER TSF TO DEBT SVC-2003 SERIES B BONDS	\$ 495,000.00	\$ 13,999,062.86	\$ 495,000.00	\$ 13,999,062.86	
4299 01-401-15308-4299	OPER TSF TO DEBT SVC-C 2003 SERIES C BONDS	\$ 750,000.00	\$ 6,464,198.16	\$ 750,000.00	\$ 6,464,198.16	
4299 01-401-15309-4299	OPER TSF TO DEBT SVC-C 2003 SERIES D BONDS	\$ 532,541.68	\$ 450,000.00	\$ 532,541.68	\$ 450,000.00	
4299 01-401-15310-4299	OPER TSF TO DEBT SVC-STREET LIGHTING	\$ 460,056.36	\$ 460,056.36	\$ 460,056.36	\$ 460,056.36	
4299 01-401-15311-4299	OPER TSF TO DEBT SVC-SALE LEASEBACK OF DPW. SERIES 2004	\$ 1,663,026.00	\$ 8,993,862.00	\$ 1,663,026.00	\$ 8,993,862.00	
4299 01-401-15313-4299	OPER TSF TO DEBT SVC-2006 BOND	\$ 51,585.08	\$ 51,585.08	\$ 51,585.08	\$ 51,585.08	
4299 01-401-15314-4299	OPER TSF TO DEBT SVC-SALE LEASEBACK - SERIES 2008					
4299 01-401-15316-4299	OPER TSF TO DEBT SVC-OTHER FINANCING SOURCE					
4299 01-401-15317-4299	OPER TSF DEBT SVC-2011 PENN STAR BANK					
4299 01-401-15318-4299	OPER TSF DEBT SVC-SRA SCRANTON PARKING AUTHORITY					
4299 01-401-15319-4299	OPER TSF TO DEBT SVC-GUARANTEED ENERGY SAVINGS					
4299 01-401-15320-4299	OPER TSF TO DEBT SVC-REFINANCING-DEBT PYMT REDUCTION					
4299 01-401-15321-4299	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					
4299 01-401-15324-4299	OPER TSF TO DEBT SVC-FDM REVOLVING AID LOAN					
4299 01-401-15325-4299	OPER TSF TO DEBT SVC-2012 SERIES C					
4299 01-401-15326-4299	OPER TSF TO DEBT SVC-2013 SERIES A					
4299 01-401-15327-4299	OPER TSF TO DEBT SVC-2012 SERIES B					
4299 01-401-15328-4299	OPER TSF TO DEBT SVC-SERIES OF 2016 GENERAL OBLIGATION NOTES					
4299 01-401-15329-4299	OPER TSF TO DEBT SVC-2016 REDEVELOPMENT AUTHORITY SERIES A					
4299 01-401-15330-4299	OPER TSF TO DEBT SVC-2016 REDEVELOPMENT AUTHORITY SERIES AA					
4299 01-401-15331-4299	OPER TSF TO DEBT SVC-2017 DEBT SERVICE REFUNDING					
4299 01-401-15332-4299	OPER TSF TO DEBT SVC-SERIES OF 2017 GENERAL OBLIGATION REFUNDING					
4299 01-401-15333-4299	OPER TSF TO DEBT SVC-LANDMARK					
	TOTAL PRINCIPAL AND INTEREST, LOANS	\$ 22,364,852.15	\$ 57,374,791.66	\$ 22,364,852.15	\$ 57,374,791.66	
		\$ 170,360.33	\$ 127,548.51	\$ 170,360.33	\$ 127,548.51	

CITY OF SCRANTON		
2018 OPERATING BUDGET		
BUDGETED EXPENDITURES		
GENERAL FUND		
Account Number	Account Description	Operating Budget Through 09/30/2017
4299 01-401-15330-4299	OPER TSF TO DEBT SVC-LEASE OF KME ENGINE #4	49,849.00
4299 01-401-15335-4299	OPER TSF TO DEBT SVC-LEASE OF LAW ENFORCEMENT MGMT SYSTEM	439,729.50
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-LEASE OF TURNOUT GEAR	80,000.00
4299 01-401-15337-4299	OPER TSF TO DEBT SVC-2017 GO Bonds	0.00
4299 01-401-15340-4299	OPER TSF TO DEBT SVC-LEASE FORD TRUCKS 2016	53,925.94
4299 01-401-15341-4299	OPER TSF TO DEBT SVC-PIB LOAN	244,968.98
4299 01-401-15342-4299	OPER TSF TO DEBT SVC-LEASE STREET LIGHTING	395,475.00
4299 01-401-15343-4299	2018 AERIAL PLATFORM TRUCK LEASE	0.00
	TOTAL LEASE PAYMENTS	\$ 1,460,161.55
		\$ 530,879.05
		\$ 1,407,801.97
	TOTAL INTEREST & DEBT SERVICE	\$ 24,424,813.80
		\$ 57,905,670.71
		\$ 24,897,831.50
4299 01-401-13090-4299	CONTINGENCY	585,000.00
4299 01-401-13100-4299	OECD CONTINGENCY	45,000.00
4299 01-401-16090-4299	UNENCUMBERED EXPENSES PRIOR YEAR OBLIGATIONS	850,000.00
4299 01-401-16270-4299	COURT AWARDS	200,000.00
4299 01-401-17020-4299	VETERAN'S ORGANIZATION	100.00
4299 01-401-17040-4299	OPEB TRUST FUND	-
4299 01-401-17060-4299	TRIPP PARK COMMUNITY CENTER	1,000.00
4299 01-401-17080-4299	TARGETED EXPENSES - REVENUE PASS THROUGH ACCOUNT	1,000.00
	TOTAL UNPAID BILLS / COURT AWARDS / MISC	\$ 1,681,100.00
		\$ 284,416.29
		\$ 2,176,793.10
	TOTAL NON-DEPARTMENTAL EXPENDITURES	\$ 28,320,413.80
		\$ 58,326,007.82
		\$ 27,504,130.80
	TOTAL GENERAL FUND EXPENDITURES	\$ 95,482,145.14
		\$ 95,799,864.38
		\$ 107,647,977.93
		\$ 1,258,113.00
		\$ 1,258,113.00

POSITION/TITLE	#	Total	#	Total	#
		2017		2018	
SUPERINTENDENT OF POLICE		\$ 96,898.74	1	\$ 98,357.07	1
DEPARTMENT CAPTAIN		\$ 89,588.06	1	\$ 90,935.97	1
LIEUTENANT OF DETECTIVES		\$ 82,829.12	1	\$ 84,075.70	1
LIEUTENANT - ADMINISTRATIVE		\$ 79,643.31	1	\$ 80,841.94	1
LIEUTENANT'S		\$ 236,929.92	3	\$ 242,525.82	3
SUPERVISOR - NARCOTICS DIVISION		\$ 76,580.24	1	\$ 77,732.94	1
FIRE MARSHALL		\$ 76,580.24	1	\$ 77,732.94	1
DETECTIVE SERGEANT		\$ 308,320.96	4	\$ 310,931.74	4
DETECTIVES		\$ 1,104,522.71	15	\$ 1,195,876.37	16
SERGEANTS-TRAINING		\$ 147,269.69	2	\$ 149,484.54	2
SERGEANTS		\$ 883,618.16	12	\$ 1,112,838.15	15
JUVENILE PATROLMEN		\$ 283,210.72	4	\$ 285,336.19	4
CORPORALS		\$ 618,272.61	9	\$ 567,969.84	8
REGULAR PATROLMEN		\$ 5,807,201.81	92	\$ 5,700,045.63	89
SCHOOL RESOURCE OFFICERS 1/2 FUNDED BY SSD (6 OFFICERS)		\$ (261,845.24)	(4)	\$ (265,785.32)	(4)
Neighborhood Police Officer's Paid by OECD (4 In 2015)					
SUBTOTAL POLICE OFFICERS		\$ 9,629,621.05	143	\$ 9,808,799.51	143
ANIMAL CONTROL OFFICER (a)		\$ 58,920.34	2	\$ 58,920.34	2
SIT CLERKS		\$ 527,405.65	15	\$ 527,404.80	15
ADMINISTRATIVE ASSISTANT III- PAYROLL CLERK		\$ 38,057.16	1	\$ 38,057.14	1
GRANT MANAGER/SIT CLERK		\$ 48,243.03	1	\$ 48,243.03	1
SIT CLERK/CRIMINAL INFORMATION SPECIALIST		\$ 44,423.48	1	\$ 44,423.48	1
Subtotal - Administrative Support		\$ 658,125.32	18	\$ 658,128.45	18
Bureau of Police Total		\$ 10,346,870.71	163	\$ 10,525,848.30	163

* Scranton School District Reimburses the City for salaries & healthcare of 6 officers based on hours spent in the Schools. In 2017 \$196,375.92 for salaries & \$55,490.24 for healthcare will be paid to the City.

(a) Animal Control Officer was moved from UPS to Police Dept Budget for 2017

Department of Public Safety - #11					
Bureau of Fire - #78					
POSITION/TITLE	2017		2018		#
	Total	#	Total	#	
CHIEF	\$ 67,228.11	1	\$ 72,228.11	—	1
DEPUTY CHIEF	\$ 89,846.54	1	\$ 91,081.21	1	
ASST. CHIEF	\$ 269,237.34	3	\$ 350,312.33	4	
ADMIN. CAPTAIN	\$ 79,360.40	1	\$ 82,584.28	1	
CAPTAIN	\$ 1,335,859.00	17	\$ 1,214,562.91	15	
LIEUTENANT	\$ 1,297,482.67	17	\$ 1,167,848.95	15	
CHAUFFEUR	\$ 2,641,933.08	36	\$ 2,620,173.92	35	
FIRE INSPECTOR	\$ 165,100.86	2	\$ 168,419.38	2	
FIRE PREVENTION OFFICER	\$ 82,560.43	1	\$ 84,209.69	1	
PRIVATE	\$ 2,859,624.36	43	\$ 3,011,400.44	46	
SAFER GRANT- PRIVATE	\$ 891,531.61	14	\$ 675,198.72	14	
MASTER MECHANIC	\$ 82,500.43	1	\$ 84,209.69	1	
ADMINISTRATIVE ASSISTANT III- PAYROLL CLERK	\$ 38,056.98	1	\$ 38,056.98	1	
Bureau of Fire Total	\$ 9,710,861.81	138	\$ 9,860,286.61	137	

POSITION/TITLE	2018			
	Total	#	Total	#
CITY COUNCIL	\$ 62,500.00	5	\$ 62,500.00	5
CITY CLERK	\$ 46,220.00	1	\$ 50,220.00	1
EXECUTIVE ASSISTANT	\$ 38,056.99	1	\$ 38,056.99	1
CONFIDENTIAL SECRETARY	\$ 35,160.38	1	\$ 35,160.38	1
LEGISLATIVE LEGAL ADVISOR (a)	\$ 45,000.00	1	\$ 45,000.00	1
Department of City Clerk / City Council Total	\$ 226,937.37	9	\$ 230,937.37	9
(a) No health care benefits				

POSITION/TITLE	2018			#
	Total	#	Total	
CITY CONTROLLER	\$ 40,000.00	1	\$ 40,000.00	1
SOLICITOR TO CONTROLLER	\$ 25,092.00	1	\$ 25,092.00	1
CONFIDENTIAL SECRETARY/ASSISTANT	\$ 30,171.00	1	\$ 32,671.00	1
DEPUTY CONTROLLER/ADMIN.	\$ 37,737.00	1	\$ 39,237.00	1
ADMINISTRATIVE ASSISTANT IV-INTERNAL AUDITOR	\$ 39,059.58	1	\$ 39,059.58	1
PROGRAM MONITOR	\$ 32,827.05	1	\$ 34,077.00	1
PERFORMANCE AUDITOR	\$ 37,737.00	1	\$ 38,737.00	1
Department City Controller Total	\$ 242,623.63	7	\$ 248,873.58	7

POSITION/TITLE	2017		2018	
	Total	#	Total	#
BUSINESS ADMINISTRATOR/ASST. BUSINESS ADMINISTRATOR	\$ 90,000.00	1	\$ 90,000.00	1
FINANCIAL MANAGER	\$ 50,900.00	1	\$ 55,900.00	1
SENIOR ACCOUNTANT	\$ 37,400.00	1	\$ 38,400.00	1
STAFF ACCOUNTANT	\$ 35,000.00	1	\$ 37,500.00	1
FINANCIAL ANALYST	\$ 38,057.00	1	\$ 38,057.00	1
ADMINISTRATIVE ASSISTANT III-ACCOUNTS PAYABLE CLERK	\$ 38,057.00	1	\$ 38,057.00	1
ADMINISTRATIVE ASSISTANT IV -PURCHASING CLERK	\$ 39,059.58	1	\$ 39,059.58	1
Bureau of Administration Total	328,473.58	7	339,973.58	7

Department of Business Administration - #40			
Bureau of Human Resources - #41			
POSITION/TITLE	Total	2018	
		#	Total
HUMAN RESOURCES DIRECTOR	\$ 50,500.00	1	\$ 53,500.00
ADMINISTRATIVE ASSISTANT I-BENEFITS COORDINATOR	\$ 35,160.38	1	\$ 35,160.38
ADMIN ASSISTANT III-PAYROLL CLERK	\$ 38,057.00	1	\$ 38,057.00
ADMINISTRATIVE ASSISTANT I-CLERICAL FLOATER	\$ 35,160.38	1	\$ 35,160.38
WORKERS COMPENSATION PROGRAM MANAGER	\$ 43,500.00	1	\$ 45,000.00
Bureau of Human Resources Total	202,377.76	5	206,877.76

Department of Business Administration - #40			
Bureau of Information Technology - #42			
POSITION/TITLE	2017		2018
	Total	#	Total
INFORMATION TECHNOLOGY MANAGER	\$ 46,600.00	1	\$ 51,600.00
INFORMATION TECHNOLOGY MANAGER	\$ 35,500.00	1	\$ 41,150.00
NETWORK SYSTEMS ASSISTANT	\$ 37,000.00	1	\$ 42,000.00
Bureau of Information Technology Total	119,100.00	3	134,750.00

Department of Business Administration - #40			
Bureau of Treasury - #43			
POSITION/TITLE		2017	2018
		Total	#
CITY TREASURER		\$ 39,560.00	1 \$ 42,560.00
ADMINISTRATIVE ASSISTANT II-CASHIER		\$ 35,873.39	1 \$ 35,873.39
ADMINISTRATIVE ASSISTANT II-ASSISTANT CASHIER		\$ 35,873.39	1 \$ 35,873.39
Bureau of Treasury Total		\$ 111,306.78	3 \$ 114,306.78
Department of Business Administration Total		\$ 761,258.12	18 \$ 762,906.12

Office of Economic and Community Development - #50					
Bureau of Administration					
POSITION/TITLE	2017		2018		#
	Total	#	Total	#	
EXECUTIVE DIRECTOR	\$ 50,152.00	1	\$ 52,152.00	1	
DEPUTY DIRECTOR	\$ 42,000.00	1	\$ 43,000.00	1	
DIRECTOR OF FINANCE & COMPLIANCE	\$ 42,000.00	1	\$ 43,000.00	1	
DIRECTOR OF HOUSING/ADA COMPLIANCE	\$ 32,491.00	1	\$ 34,491.00	1	
SOLICITOR	\$ 52,500.00	1	\$ 52,500.00	1	
ADMINISTRATIVE ASSISTANT III-FINANCIAL ANALYST	\$ 38,557.00	1	\$ 39,057.00	1	
HOUSING SPECIALIST	\$ 35,500.00	1	\$ 36,000.00	1	
ADMINISTRATIVE ASSISTANT	\$ 27,700.00	1	\$ 28,000.00	1	
CITY PLANNER	\$ 42,624.00	1			
PUBLIC SERVICE/ESG SPECIALIST	\$ 27,700.00	1	\$ 28,000.00	1	
EQUAL OPPORTUNITY SPECIALIST	\$ 27,700.00	1	\$ 28,000.00	1	
Bureau of Administration Total	\$ 418,924.00	11	\$ 384,200.00	11	
non-addition to budget					
non-addition to budget					
*Construction/ADA Specialist & Economic Development/Relocation Specialist position became Housing Specialist					
*Economic Development/Relocation Specialist position became Administrative Assistant					
Office of Economic and Community Development - #50					
Bureau of Neighborhood Police - #515					
POSITION/TITLE	2017		2018		#
	Total	#	Total	#	
NEIGHBORHOOD POLICE OFFICERS	\$ 261,845.24	4	\$ 265,795.32	4	
Bureau of Neighborhood Police Total	\$ 261,845.24	4	\$ 265,795.32	4	
OECD Department Total	\$ 680,769.24	15	\$ 649,985.32	15	
non-addition to budget					
non-addition to budget					

Dept. of Licenses, Inspections & Permits - #51						
Bureau of Licenses, Inspections & Permits - #51						
POSITION/TITLE	2017			2018		
	Total	#	Total	\$	#	\$
DIRECTOR	\$ 46,760.00	1	\$ 46,760.00		1	
Deputy Director	\$ 42,535.00	1	\$ 42,535.00		1	
ADMINISTRATIVE ASSISTANT I - PERMIT CLERK	\$ 70,320.76	2	\$ 70,320.76		2	
ELECTRICAL INSPECTOR	-	-	-		-	
PLUMBING INSPECTOR	-	-	-		-	
MECHANICAL INSPECTOR	\$ 41,371.80	1	\$ 39,839.49		1	
WEIGHTS & MEASURES	\$ 38,920.34	1	\$ 38,920.34		1	
ADMINISTRATIVE ASSISTANT I	\$ 36,160.38	1	\$ 35,160.38		1	
ENFORCER OF LICENSES	\$ 38,920.34	1	\$ 38,920.34		1	
ZONING OFFICER/CODE ENFORCER	\$ 30,000.00	1	\$ 37,500.00		1	
HOUSING INSPECTORS	\$ 155,681.36	4	\$ 194,601.70		5	
HOUSING/HEALTH INSPECTOR	\$ 39,059.67	1	\$ 38,920.34		1	
RENTAL REGISTRATION ASSISTANT	\$ 77,840.88	2	\$ 77,840.88		2	
CITY PLANNER	-	-	\$ 45,624.00		-	
HEALTH INSPECTOR	\$ 38,920.34	1	\$ 38,920.34		1	
Bureau of Licenses, Inspections & Permits Total	\$ 655,440.67	17	\$ 745,863.37	18		

Dept. of Licenses, Inspections & Permits - #51				
Bureau of Buildings - #82				
		2017	2018	
POSITION/TITLE		Total	#	Total
MAINTENANCE		\$ 38920.34	1	\$ 38920.34
JANITOR		\$ 7746.78	2	\$ 71746.78
Bureau of Buildings Total		\$ 110,667.12	3	\$ 110,667.12
Department of Licenses, Inspections & Permits Total		\$ 766,157.79	20	\$ 856,330.49

Law Department - #80						
POSITION/TITLE	2017			2018		
	Total	#	Total	#		
CITY SOLICITOR	\$ 59,500.00	1	\$ 64,500.00	1		
FIRST ASSISTANT CITY SOLICITOR (full time)	\$ -	-	\$ 44,500.00	1		
ASSISTANT CITY SOLICITOR	\$ 25,000.00	1	\$ -	-		
ASSISTANT CITY SOLICITOR	\$ 35,000.00	1	\$ 35,000.00	1		
CONFIDENTIAL SECRETARY	\$ 30,115.38	1	\$ 32,615.38	1		
CONFIDENTIAL SECRETARY	\$ 36,497.09	1	\$ 38,997.09	1		
Department of Law Total	\$ 186,112.47	5	\$ 215,612.47	5		

Department of Public Works - #80					
Bureau of Administration - #80					
POSITION/TITLE	2017		2018		#
	Total	#	Total	#	
DIRECTOR	\$ 48,875.00	1	\$ 51,875.00	1	
RECYCLING COORDINATOR	\$ 36,346.10	1	\$ 35,749.95	1	
ADMINISTRATIVE ASSISTANT IV	\$ 39,059.67	1	\$ 39,059.67	1	
ADMINISTRATIVE ASSISTANT II-PAYROLL CLERK	\$ 38,056.99	1	\$ 38,056.99	1	
Bureau of Administration Total	\$ 162,337.76	4	\$ 164,741.61	4	

POSITION/TITLE	2017		2018	
	Total	#	Total	#
PAVE CUT INSPECTOR	\$ 38,920.39	1	\$ 38,920.39	1
FLOOD CONTROL PROJECT COORDINATOR	\$ 28,999.98	1	\$ 28,999.98	1
FLOOD CONTROL MAINTENANCE	\$ 43,921.28	1	\$ 44,878.08	1
Bureau of Engineering Total	\$ 111,841.65	3	\$ 112,798.45	3

Department of Public Works - #80					
Bureau of Highways - #83					
POSITION/TITLE	2017		2018		#
	Total	#	Total	#	
HEAVY EQUIPMENT OPERATOR/CRAFTSMEN	\$ 90,517.02	2	\$ 92,430.62	2	
HEAVY EQUIPMENT OPERATOR/LEADER	\$ 181,034.04	4	\$ 184,861.24	4	
CHAUFFEUR	\$ 312,033.48	7	\$ 317,756.17	7	
REPAIRMAN	\$ 306,791.24	7	\$ 313,488.84	7	
DISPATCHER	\$ 43,921.28	1	\$ 44,878.08	1	
MAINTENANCE/CRAFTSMAN LEADER	\$ 45,674.53	1	\$ 46,631.73	1	
TREE TRIMMER	\$ 45,268.51	1	\$ 46,215.31	1	
SWEEEPER OPERATOR/CHAUFFEUR	\$ 44,872.67	1	\$ 45,829.47	1	
STONE-BRICK LAYER/MASON	\$ 44,672.99	1	\$ 45,629.79	1	
TRAFFIC/SIGN MAINTENANCE	\$ 41,896.12	1	\$ 41,895.88	1	
Bureau of Highways Total	\$ 1,155,672.28	26	\$ 1,179,627.24	26	

Department of Public Works - #80			
Bureau of Refuse - #84			
POSITION/TITLE	Total	2017	
		#	Total
FOREMAN LEAD	\$ 44,587.38	1	\$ 46,587.30
FOREMAN ASSISTANT			\$ 44,000.00
OPERATOR LEADER	\$ 588,360.63	13	\$ 600,799.03
COLLECTOR LEADER	\$ 44,462.70	1	\$ 45,419.50
COLLECTOR	\$ 1,182,914.82	27	\$ 1,208,748.42
DISPATCHER	\$ 43,811.66	1	\$ 44,788.46
RECYCLING CHAUFFEUR	\$ 181,034.04	4	\$ 184,861.24
Bureau of Refuse Total	\$ 2,085,171.23	47	\$ 2,175,183.95
			48

Department of Public Works - #80						
Bureau of Garages - #86						
POSITION/TITLE	2017			2018		
	Total	#	Total	#	Total	#
AUTO REPAIRMAN-LEADER	\$ 91,349.86	2	\$ 93,263.46	2		
EQUIPMENT / VEHICLE MAINTENANCE	\$ 45,674.93	1	\$ 46,631.73	1		
TIRE-EQUIPMENT REPAIR/HELPER	\$ 44,293.60	1	\$ 45,250.40	1		
PARTS MANAGER/AUTO REPAIR/PA STATE VEHICLE INSPECTOR	\$ 44,969.18	1	\$ 45,925.98	1		
MOTOR VEHICLE REPAIR	\$ 42,197.75	1	\$ 42,197.75	1		
MECHANIC	\$ 42,197.75	1	\$ 42,197.75	1		
MECHANIC DIESEL	\$ 42,197.75	1	\$ 42,197.75	1		
Bureau of Garages Total	\$ 352,880.82	8	\$ 357,664.82	8		
Department of Public Works Total	\$ 3,868,903.74	38	\$ 3,990,016.07	39		
Department of Parks & Recreation - #100						
Bureau of Parks & Recreation - #100						
POSITION/TITLE	2017			2018		
	Total	#	Total	#	Total	#
PARKS AND RECREATION DIRECTOR	\$ -	-	\$ 49,000.00	1		
PROJECT ADMINISTRATOR	\$ 42,704.27	1	\$ 42,704.27	1		
PARKS & RECREATION SPECIALIST	\$ 32,300.00	1	-	-		
POOL OPERATORS / GROUNDSKEEPER	\$ 88,026.02	2	\$ 89,939.62	2		
PARKS & RECREATION GROUNDSKEEPER	\$ 131,434.98	3	\$ 134,305.38	3		
FACILITY MAINTENANCE / GROUNDSKEEPER	\$ 89,642.60	2	\$ 91,556.20	2		
Department of Parks & Recreation Total	\$ 384,107.87	9	\$ 407,505.47	9		

Single Tax Office - #90 (a)					
POSITION/TITLE	Total	#	2017		2018
			Total	#	Total
COLLECTOR OF TAXES	\$ 26,650.00	1	\$ 26,850.00	1	
CONTROLLER	27,500.00	1	29,500.00	1	
LEAD CASHIER	20,566.31	1	20,566.31	1	
CASHIER	19,476.12	1	19,476.12	1	
CASHIER	19,476.12	1	19,476.12	1	
LEAD AUDITOR	21,111.40	1	21,111.40	1	
LEAD CLERK	19,476.12	1	19,476.12	1	
LEAD AUDITOR	21,111.40	1	21,111.40	1	
LEAD AUDITOR	21,111.40	1	21,111.40	1	
AUDITOR (b)	38,982.24	1	38,952.24	1	
CLERK	18,385.94	1	18,385.94	1	
AUDITOR			19,476.12	1	19,476.12
CLERK			18,385.94	1	18,385.94
CLERK			18,385.94	1	18,385.94
AUDITOR			19,476.12	1	19,476.12
CLERK			18,385.94	1	18,385.94
LEAD AUDITOR			21,111.40	1	21,111.40
Single Tax Office Department Total		\$ 369,038.51	17	\$ 371,038.51	17

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

	2017	2018			
	Total	\$	Total	\$	#
Total City of Scranton Budgeted Payroll (a)	\$ 26,985,357.02	477	\$ 27,443,641.99	478	
(a) Does not include OECD Payroll.					

GRA Consulting

September 29, 2017

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, 2017. 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, 2017 to be \$22,363,350. As displayed on Exhibit 4, this amount represents the sum of estimated outstanding losses discounted for future investment earnings at an annual rate of 2.75 percent.

This is an increase of approximately \$260,000 over the prior report. The predominant impacts are threefold:

1. The apparent deterioration of program year 2016/17. Last year, at six months mature, we projected a discounted outstanding liability of \$1,433,187. Annualized would be estimated at \$2,866,374. Now, as of 18 months mature, the loss development approach projects a discounted outstanding liability of \$3,373,608, for a deterioration of approximately \$507,000.
2. The closure of the Daniel Corby claim, dol 8/24/98, resulting in a reserve takedown (savings) of approximately \$174,000, and
3. The closing of 62 claims during the past twelve months and their resultant reserve takedowns helped to offset some of the reserve increases in the more recent program years.

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

Mr. David Bulzoni

9/29/2017

Page 2 of 2

Exhibit 5 details the level of anticipated, expected claims and claims expense expenditures for the 2018 calendar year, which total \$3,317,357. This is basically flat from the prior review. It is the Bureau's position that the estimated ultimate losses used in Exhibit 5 to project the upcoming cash payouts in 2018 be gross of any reinsurance recoverable. We have estimated that this position by the Bureau results in an overstatement of the expected cash payout during 2018 for the Wilding claim alone of approximately \$150,000.

In Exhibit 5, we continue to employ a selection process that is based upon the midpoint of a range of possible estimates of the claims and associated claims expense to be paid out in 2018. We had a prior history of overstating the expected payouts due to two issues: the selected paid loss development factors continued to overestimate the ultimate final costs, and, two, the Bureau's position that the starting point of this exhibit should be estimated ultimate losses by program year that reflect zero potential reinsurance recoveries for any year regardless of whether or not the providing carrier is viewed as qualified or not. This has been the Bureau's position since November of 2005.

Finally, as outlined in Table A, combining the expected claims to be paid in 2018 with the other expenses of the Fund as provided by the Business Administration staff, the total expenditures to the Fund for 2018 are anticipated to be \$3,743,432.

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 one or two August 31st evaluations to determine whether the claims management philosophy of the newest TPA will have a material impact on the projected results of this program. 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) 642-3031. One original of this report and one working copy for the reinsurance company have been provided. In the interest of complying with the PA WC Bureau's request for a timely review of the actuarial report, I have forwarded an original of this report to Lac Longson, Actuary, PA Bureau of Workers' Compensation in Harrisburg.

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

Sincerely,



Gary R. Abramson, ACAS, MAAA
Consulting Actuary

GRA: Scranton_cover_September 29_2017.doc

Gary R. Abramson, Casualty Actuarial Services
500 Tennessee Avenue #1, Carolina Beach, NC 28428
Tel. (908) 642-0331

GRA Consulting

September 29, 2017

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, 2017 to be \$22,363,350. As displayed on Exhibit 4, this amount represents the sum of estimated outstanding losses discounted for future investment earnings at an annual rate of 2.75 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, 2018. 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 2018 are as estimated by The City based upon expected outlays. As displayed within this table, the projected annual expenditures for calendar year 2018 for all categories combined is \$3,743,432.

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

Sincerely,



Gary R. Abramson, ACAS, MAAA
Consulting Actuary

Enclosures

GRA: DOC: SCRANTON_SMRY_8.31.17.DOC
cc: David Bulzoni, Business Administrator

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

Table A

Projected Annual Expenditure Amounts
Calendar Year 2018

<u>Category</u>	<u>Amount</u>
1. Claims Liability - midpoint of reasonableness range (Losses & ALAE payments, from Exhibit 5)	\$3,317,357
2. Claims Administrative Expense (PMA Claims Services annual services fee)	\$71,000
3. General Self-Insurance Expenses (Excess Reinsurance, Risk Mgmt. Services, Loss Control & Special Assessments)	\$298,575
4. Trust Operating Expenses (Trust Fund fees including investment, accounting and actuarial services)	\$56,500
Total Projected Annual Expenditures (January 1, 2018 through December 31, 2018)	<u><u>\$3,743,432</u></u>

Table A.xls

29-Sep-17

THE CITY OF SCRANTON
Workers' Compensation

SYNOPSIS OF PROCEDURES

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

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

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

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

A detailed explanation of the exhibits and analysis follows.

EXHIBIT 1

Sheet 1 of this exhibit provides a summary of the loss experience under analysis. The experience is that as provided by the PMA Companies, evaluated as of August 31, 2017. 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 2016/17, will show that during the previous twelve months, the program paid out \$2,161,000 in claims and related expenses, while the reported losses increased by approximately \$1,440,000 over the same time frame. This implies a decrease in the outstanding losses for the City's self-insured program of approximately \$720,000 for policy years up through and including 2016/17. This data has not been audited for accuracy but has been reviewed for reasonableness and consistency.

Sheet 2 of this exhibit provides basic exposure information in the form of number of employees and payroll for the current, prospective and twenty historical program periods. Trends in the average annual wage per employee are displayed for each year and for the twenty 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 reported claim at or exceeding this limit would effectively be subject to a special capping procedure, thereby limiting its impact on the overall obligations of the City. As of this valuation, 65 individual claims meet this criterion. This is a decrease of one (1) critical value claim from the prior August 2016 analysis.

From Sheet 3 of this exhibit, when the large claims are removed from this capping procedure due to the unlikely recovery of any reinsurance recoverables due from Frontier Insurance for program years 1995 and 1996 and the General Reinsurance Pappy Plan of late 1990-93, the number of critical claims declines to 35 overall. This is a decrease of one critical claim over the prior analysis. When comparing sheets 2 & 3 of this exhibit, the impact of the unresponsive reinsurance can be estimated at approximately \$6.75Million. It is Sheet 3 of this exhibit that forms the basis of the final analysis for this review.

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

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

EXHIBIT 3

Exhibit 3 develops estimated ultimate losses for the current and prospective program years by extending loss-per-exposure estimates from prior accident periods. Various averages are displayed on this exhibit and the selected average attempts to balance responsiveness to current trends with the stability inherent in reviewing several years of experience. The selected average loss rate, per \$100 of payroll, is then multiplied by the estimated payroll base for the individual years, to yield estimated expected ultimate losses for the current, relatively immature March 1, 2017 - February 28, 2018 program year as well as the forecasted results for the March 1, 2018 – February 28, 2019 accident period. The selected loss rate for accident year 2017/18 remained steady from the prior analysis.

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

EXHIBIT 4

Exhibit 4 develops the estimated outstanding losses as of August 31, 2017 on both a nominal basis and a discounted basis. The estimated outstanding losses as of August 31, 2017 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 2017/18. 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, 2017 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 thirteen 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 \$260,000 greater than the prior analysis. It is generally reflective of the deterioration of the 2016/2017 program year's expected ultimate loss which was previously projected based upon a loss rated approach versus the current projection based upon the loss development methodologies. This deterioration offset some of the gains netted by the closure of 62 claims over the previous twelve months for program years prior to the current 2017/2018 year.

EXHIBIT 5

Exhibit 5 develops a projection of the calendar year 2018 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, 2018. 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 2018 of \$3,791,265. This figure is inclusive of allocated claims expenses since they are contained within the underlying loss data as presented by PMA Companies for this analysis and is further presented gross of any anticipated reinsurance recoveries.

A review of prior years' payouts has shown that this method had generally overstated the projected claims payments for the upcoming twelve months by upwards of 25%. The reasoning is two-fold: historical paid development factors are overly conservative based upon the impact of historical buyout programs and the ultimate losses used to project the upcoming payments do not reflect potential reinsurance recoveries.

Our mid-point of a reasonable range of estimates (\$3,317,357) results in a 12.5% decrease in expected costs. Based upon the average monthly payments over the past twelve months (\$195,300), the \$3.23M midpoint might appear somewhat conservative, but when compared to the four year trend it appears to be reasonable and adequate.

APPENDIX A

Appendix A presents the analysis of historical loss development patterns utilizing a variety of curve fitting techniques and display's various goodness of fit tests. Pennsylvania WC Bureau development patterns for paid and reported losses and reported claim counts have been used to supplement the City's own experience. The City's own loss development patterns are displayed in the triangulations of Sheets 1-2 & 6-7, for paid and reported losses respectively.

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 four years and continues to aggressively settle claims and establish reasonable reserves, resulting in some volatility in payouts 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. We have started to build new development pattern tables based on recent evaluations and currently have three successive August 31st evaluations (two point to point selections) upon which to build the new tables. It will be another year or two before they are credible enough to potentially influence the selection process.

APPENDIX B

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

These critical loss amounts were used during a review of individual large losses of the City as detailed through a PA Claims Statement of Losses valued as of August 31, 2017. As mentioned previously, currently sixty-five 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 2.75% 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, 2017 for 30 year US Treasury Bonds.

THE CITY OF SCRANTON
Workers' Compensation

Exhibit 1
Sheet 1

The City of Scranton
Summary of Historical Loss Experience
As of August 31, 2017

Accident Year	Maturity (months)	Number of Claims			Paid Losses (Net of Subro)	Reported Losses
		Closed	Open	Total		
03/01/79-02/28/80	462	5	1	6	\$1,281,498	\$1,287,267
03/01/80-02/28/81	450	6	1	7	\$1,787,645	\$1,853,978
03/01/81-02/28/82	438	6	1	7	\$2,178,489	\$2,269,337
03/01/82-02/28/83	426	8	1	9	\$729,614	\$799,233
03/01/83-02/28/84	414	2	1	3	\$1,632,860	\$1,753,155
03/01/84-02/28/85	402	5	0	5	\$134,535	\$134,535
03/01/85-02/28/86	390	3	1	4	\$1,307,440	\$1,350,565
03/01/86-02/28/87	378	1	2	3	\$1,403,930	\$1,537,292
03/01/87-02/28/88	366	8	1	9	\$2,434,741	\$2,468,437
03/01/88-02/28/89	354	4	5	9	\$3,101,640	\$3,811,726
03/01/89-02/28/90	342	10	1	11	\$1,990,693	\$2,024,637
03/01/90-02/28/91	330	18	2	20	\$2,767,136	\$3,148,210
03/01/91-02/28/92	318	114	4	118	\$6,535,320	\$5,869,389
03/01/92-02/28/93	306	201	2	203	\$5,268,493	\$5,377,224
03/01/93-02/28/94	294	176	5	181	\$7,619,995	\$7,807,289
03/01/94-02/28/95	282	194	0	194	\$1,815,475	\$1,815,480
03/01/95-02/28/96	270	273	4	277	\$6,889,312	\$6,981,035
03/01/96-02/28/97	258	220	3	223	\$2,392,361	\$2,950,533
03/01/97-02/28/98	246	235	1	236	\$2,271,134	\$2,295,059
03/01/98-02/28/99	234	219	2	221	\$2,235,761	\$2,235,767
03/01/99-02/28/00	222	233	0	233	\$2,026,959	\$2,026,957
03/01/00-02/28/01	210	194	0	194	\$1,751,046	\$1,751,054
03/01/01-02/28/02	198	191	0	191	\$2,505,028	\$2,505,031
03/01/02-02/28/03	186	206	3	209	\$5,638,984	\$5,704,170
03/01/03-02/28/04	174	150	2	152	\$1,553,858	\$1,962,561
03/01/04-02/28/05	162	149	1	150	\$3,087,946	\$3,094,492
03/01/05-02/28/06	150	156	0	156	\$1,576,622	\$1,576,847
03/01/06-02/28/07	138	168	2	170	\$1,773,638	\$1,920,928
03/01/07-02/28/08	126	174	1	175	\$1,515,262	\$1,541,236
03/01/08-02/28/09	114	140	3	143	\$1,521,724	\$1,529,705
03/01/09-02/28/10	102	157	1	158	\$1,413,852	\$1,438,179
03/01/10-02/28/11	90	157	1	158	\$1,747,959	\$1,747,967
03/01/11-02/28/12	78	145	3	148	\$1,957,485	\$2,104,717
03/01/12-02/28/13	66	131	4	135	\$1,288,299	\$1,360,036
03/01/13-02/28/14	54	125	0	125	\$1,186,240	\$1,186,236
03/01/14-02/28/15	42	111	4	115	\$1,565,009	\$1,641,459
03/01/15-02/28/16	30	114	9	123	\$2,221,479	\$4,462,254
03/01/16-02/28/17	18	78	21	99	\$1,325,516	\$1,508,037
03/01/17-02/28/18	6	33	19	52	\$182,045	\$264,427
Totals		4520	112	4632	\$90,617,023	\$97,096,441

Source: PMA Companies Loss Summary by Policy, Account # 0441006
Statement of Losses Valued as of August 31, 2017

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

THE CITY OF SCRANTON
Workers' Compensation

Exhibit 1
Sheet 2

The City of Scranton
Summary of Historical Exposure
As of August 31, 2017

<u>Calendar Year</u>	<u>Number of Employees</u>	<u>Payroll</u>	<u>Average Pay Per EE</u>	<i>Annual Change in Avg Payroll</i>
1997	571	\$18,920,100	\$33,135	
1998	584	\$18,968,992	\$32,481	-2.0%
1999	485	\$19,098,399	\$39,378	21.2%
2000	516	\$22,307,900	\$43,232	9.8%
2001	605	\$24,626,474	\$40,705	-5.8%
2002	580	\$21,313,870	\$36,748	-9.7%
2003	543	\$16,463,598	\$30,320	-17.5%
2004	562	\$20,214,639	\$35,969	18.6%
2005	520	\$17,887,985	\$34,400	-4.4%
2006	529	\$17,807,008	\$33,662	-2.1%
2007	516	\$18,738,747	\$36,315	7.9%
2008	525	\$19,114,409	\$36,408	0.3%
2009	549	\$18,670,308	\$34,008	-6.6%
2010	555	\$24,921,069	\$44,903	32.0%
2011	480	\$24,992,200	\$52,067	16.0%
2012	468	\$22,633,282	\$48,362	-7.1%
2013	498	\$28,699,650	\$57,630	19.2%
2014	480	\$30,574,331	\$63,697	10.5%
2015	475	\$32,395,961	\$68,202	7.1%
2016	474	\$31,625,548	\$66,721	-2.2%
2017	477	\$32,198,864	\$67,503	1.2%
Average Annual Trend in Average Payroll per Employee:				5.2%
2018 Budgetary	477	\$34,986,321	\$73,347	8.7%

Source: City of Scranton, Department of Business Administration

The City of Scranton
Workers' Compensation

Exhibit 2
Sheet 1

Estimation of Unlimited Ultimate Losses

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Accident Period	Evaluation Date	Maturity (months)	Reported Losses at 8/31/17	Paid Losses at 8/31/17	Large Loss Critical Amount	Number of Losses > Column(F)	Reported on Large Losses	Paid on Large Losses
03/01/85-02/28/87	8/31/2017	378.0	\$1,537,292	\$1,403,930	N/A	N/A	N/A	N/A
03/01/87-02/28/88	8/31/2017	388.0	\$2,469,437	\$2,434,741	N/A	N/A	N/A	N/A
03/01/88-02/28/89	8/31/2017	354.0	\$3,811,725	\$3,101,840	N/A	N/A	N/A	N/A
03/01/89-02/28/90	8/31/2017	342.0	\$2,024,837	\$1,890,693	N/A	N/A	N/A	N/A
03/01/90-02/28/91	8/31/2017	330.0	\$3,148,210	\$2,767,136	N/A	N/A	N/A	N/A
03/01/91-02/28/92	8/31/2017	318.0	\$5,869,389	\$5,335,320	N/A	N/A	N/A	N/A
03/01/92-02/28/93	8/31/2017	306.0	\$5,377,224	\$5,268,483	N/A	N/A	N/A	N/A
03/01/93-02/28/94	8/31/2017	294.0	\$7,807,289	\$7,819,955	N/A	N/A	N/A	N/A
03/01/94-02/28/95	8/31/2017	282.0	\$1,815,480	\$1,815,473	N/A	N/A	N/A	N/A
03/01/95-02/28/96	8/31/2017	270.0	\$6,581,035	\$6,589,312	N/A	N/A	N/A	N/A
03/01/96-02/28/97	8/31/2017	259.0	\$2,980,533	\$2,392,361	N/A	N/A	N/A	N/A
03/01/97-02/28/98	8/31/2017	248.0	\$2,295,050	\$2,271,134	N/A	N/A	N/A	N/A
03/01/98-02/28/99	8/31/2017	234.0	\$2,235,767	\$2,235,761	N/A	N/A	N/A	N/A
03/01/99-02/28/00	8/31/2017	222.0	\$2,026,957	\$2,026,959	N/A	N/A	N/A	N/A
03/01/00-02/28/01	8/31/2017	210.0	\$1,781,054	\$1,781,046	N/A	N/A	N/A	N/A
03/01/01-02/28/02	8/31/2017	198.0	\$2,505,031	\$2,505,028	N/A	N/A	N/A	N/A
03/01/02-02/28/03	8/31/2017	186.0	\$5,704,170	\$5,638,984	N/A	N/A	N/A	N/A
03/01/03-02/28/04	8/31/2017	174.0	\$1,952,581	\$1,553,858	N/A	N/A	N/A	N/A
03/01/04-02/28/05	8/31/2017	162.0	\$3,094,492	\$3,087,945	N/A	N/A	N/A	N/A
03/01/05-02/28/06	8/31/2017	150.0	\$1,578,847	\$1,576,822	N/A	N/A	N/A	N/A
03/01/06-02/28/07	8/31/2017	138.0	\$1,920,928	\$1,773,638	N/A	N/A	N/A	N/A
03/01/07-02/28/08	8/31/2017	126.0	\$1,541,238	\$1,515,282	N/A	N/A	N/A	N/A
03/01/08-02/28/09	8/31/2017	114.0	\$1,529,705	\$1,521,724	N/A	N/A	N/A	N/A
03/01/09-02/28/10	8/31/2017	102.0	\$1,438,179	\$1,413,852	N/A	N/A	N/A	N/A
03/01/10-02/28/11	8/31/2017	90.0	\$1,747,987	\$1,747,959	N/A	N/A	N/A	N/A
03/01/11-02/28/12	8/31/2017	78.0	\$2,104,717	\$1,957,485	N/A	N/A	N/A	N/A
03/01/12-02/28/13	8/31/2017	66.0	\$1,300,038	\$1,298,299	N/A	N/A	N/A	N/A
03/01/13-02/28/14	8/31/2017	54.0	\$1,188,236	\$1,188,240	N/A	N/A	N/A	N/A
03/01/14-02/28/15	8/31/2017	42.0	\$1,841,458	\$1,585,059	N/A	N/A	N/A	N/A
03/01/15-02/28/16	8/31/2017	30.0	\$4,462,254	\$2,221,479	N/A	N/A	N/A	N/A
03/01/16-02/28/17	8/31/2017	18.0	\$1,508,037	\$1,325,516	N/A	N/A	N/A	N/A
03/01/17-02/28/18	8/31/2017	6.0	\$264,427	\$182,045	N/A	N/A	N/A	N/A
Total			\$57,848,371	\$51,984,942				
(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)
Accident Period	Evaluation Date	Maturity (months)	Rptd Loss Dev Factor	Cumulative Implied Ultimate Losses	Cumulative Paid Loss Dev Factor	Implied Limited Ultimate Losses	Selected Estimate (Losses)	Estimated Losses
03/01/85-02/28/87	8/31/2017	378.0	1.039	\$1,597,715	1.172	\$1,645,083	\$1,116,654	
03/01/87-02/28/88	8/31/2017	388.0	1.041	\$2,588,279	1.178	\$2,682,570	\$2,351,386	
03/01/88-02/28/89	8/31/2017	384.0	1.043	\$3,973,785	1.185	\$3,875,684	\$3,441,141	
03/01/89-02/28/90	8/31/2017	342.0	1.044	\$2,114,344	1.182	\$2,373,883	\$2,111,710	
03/01/91-02/28/91	8/31/2017	330.0	1.048	\$3,283,794	1.200	\$3,321,896	\$3,125,000	
03/01/91-02/28/92	8/31/2017	318.0	1.048	\$8,153,118	1.209	\$8,192,884	\$8,061,874	
03/01/92-02/28/93	8/31/2017	308.0	1.051	\$5,648,409	1.216	\$6,419,573	\$6,057,471	
03/01/93-02/28/94	8/31/2017	294.0	1.053	\$8,221,865	1.229	\$9,342,442	\$8,871,060	
03/01/94-02/28/95	8/31/2017	282.0	1.056	\$1,816,815	1.240	\$2,250,782	\$2,124,000	
03/01/95-02/28/96	8/31/2017	270.0	1.059	\$7,391,519	1.252	\$8,825,104	\$7,834,381	
03/01/96-02/28/97	8/31/2017	258.0	1.062	\$3,133,728	1.265	\$3,027,155	\$3,027,155	
03/01/97-02/28/98	8/31/2017	248.0	1.063	\$2,445,917	1.280	\$2,807,350	\$2,807,350	
03/01/98-02/28/99	8/31/2017	234.0	1.070	\$2,391,794	1.297	\$2,890,773	\$2,890,773	
03/01/99-02/28/00	8/31/2017	222.0	1.074	\$2,177,813	1.315	\$2,885,169	\$2,772,564	
03/01/00-02/28/01	8/31/2017	210.0	1.078	\$1,890,158	1.335	\$2,338,418	\$2,204,418	
03/01/01-02/28/02	8/31/2017	198.0	1.085	\$2,718,550	1.359	\$3,403,552	\$2,402,501	
03/01/02-02/28/03	8/31/2017	186.0	1.092	\$6,226,158	1.385	\$7,810,879	\$7,810,879	
03/01/03-02/28/04	8/31/2017	174.0	1.099	\$2,157,825	1.416	\$2,189,562	\$2,174,530	
03/01/04-02/28/05	8/31/2017	162.0	1.108	\$3,429,874	1.451	\$4,479,926	\$4,380,514	
03/01/05-02/28/06	8/31/2017	150.0	1.118	\$1,764,239	1.492	\$2,352,430	\$2,189,514	
03/01/06-02/28/07	8/31/2017	138.0	1.131	\$1,273,173	1.541	\$2,733,327	\$2,527,327	
03/01/07-02/28/08	8/31/2017	126.0	1.148	\$1,766,997	1.600	\$2,424,642	\$2,000,601	
03/01/08-02/28/09	8/31/2017	114.0	1.165	\$1,782,196	1.673	\$2,545,235	\$2,167,231	
03/01/09-02/28/10	8/31/2017	102.0	1.189	\$1,709,371	1.783	\$2,493,221	\$2,022,811	
03/01/10-02/28/11	8/31/2017	90.0	1.219	\$2,130,852	1.860	\$3,286,822	\$2,724,822	
03/01/11-02/28/12	8/31/2017	78.0	1.260	\$2,651,891	2.036	\$3,985,828	\$3,180,828	
03/01/12-02/28/13	8/31/2017	66.0	1.318	\$1,791,885	2.253	\$2,902,957	\$2,259,254	
03/01/13-02/28/14	8/31/2017	54.0	1.404	\$1,655,174	2.573	\$3,054,698	\$2,500,698	
03/01/14-02/28/15	8/31/2017	42.0	1.545	\$2,536,811	3.097	\$4,845,681	\$4,845,681	
03/01/15-02/28/16	8/31/2017	30.0	1.816	\$8,103,474	4.076	\$9,055,212	\$8,464,110	
03/01/16-02/28/17	8/31/2017	18.0	2.504	\$3,776,219	6.504	\$6,020,809	\$5,774,809	
03/01/17-02/28/18	8/31/2017	6.0	6,603	\$1,746,023	20.231	\$3,932,975	\$3,759,975	
Total			\$103,853,469		\$130,951,714		\$114,212,770	

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

Column(F): Not applicable

Columns (G) through (I): Not applicable

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

Column(M): Col(D) x Col(M)

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

Column(P): Col(E) x Col(O)

Column(Q): 50% of Col (N) and 40% of Col (P)

The City of Scranton
Workers' Compensation

Exhibit 2
Sheet 2

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 8/31/17	(E) Paid Losses at 8/31/17	(F) Large Loss Critical Amount	(G) Number of Losses > Column(F)	(H) Reported on Large Losses	(I) Paid on Large Losses
03/01/88-02/28/87	8/31/2017	378.0	\$1,537,292	\$1,403,930	\$241,062	3	\$1,637,291	\$1,403,930
03/01/87-02/28/88	8/31/2017	368.0	\$2,458,437	\$2,424,741	\$338,837	4	\$2,118,643	\$2,084,948
03/01/88-02/28/89	8/31/2017	354.0	\$3,811,725	\$3,101,840	\$288,440	5	\$2,722,219	\$2,028,083
03/01/89-02/28/90	8/31/2017	342.0	\$2,024,637	\$1,990,693	\$478,810	1	\$504,370	\$470,426
03/01/90-02/28/91	8/31/2017	330.0	\$3,148,210	\$2,787,106	\$478,891	2	\$1,472,058	\$1,090,883
03/01/91-02/28/92	8/31/2017	318.0	\$5,068,389	\$5,525,320	\$334,553	8	\$4,212,448	\$3,878,390
03/01/92-02/28/93	8/31/2017	308.0	\$5,377,224	\$5,208,493	\$381,850	4	\$2,603,408	\$2,494,880
03/01/93-02/28/94	8/31/2017	294.0	\$7,807,289	\$7,810,995	\$380,551	9	\$5,135,530	\$4,948,319
03/01/94-02/28/95	8/31/2017	282.0	\$1,815,480	\$1,815,475	\$332,043	0	\$0	\$0
03/01/95-02/28/96	8/31/2017	270.0	\$8,581,035	\$8,889,312	\$473,001	5	\$3,022,839	\$2,931,119
03/01/96-02/28/97	8/31/2017	258.0	\$2,950,533	\$2,392,361	\$471,218	2	\$1,432,639	\$878,962
03/01/97-02/28/98	8/31/2017	240.0	\$2,293,059	\$2,271,134	\$375,559	1	\$395,272	\$364,272
03/01/98-02/28/99	8/31/2017	234.0	\$2,235,767	\$2,235,761	\$374,154	0	\$0	\$0
03/01/99-02/28/00	8/31/2017	222.0	\$2,026,957	\$2,026,959	\$232,876	3	\$942,198	\$942,198
03/01/00-02/28/01	8/31/2017	210.0	\$1,751,054	\$1,751,046	\$231,794	3	\$1,008,418	\$1,008,418
03/01/01-02/28/02	8/31/2017	198.0	\$2,505,031	\$2,505,026	\$230,581	4	\$1,292,419	\$1,282,419
03/01/02-02/28/03	8/31/2017	186.0	\$5,704,170	\$5,636,984	\$275,055	5	\$2,158,818	\$2,149,800
03/01/03-02/28/04	8/31/2017	174.0	\$1,862,561	\$1,593,858	\$318,720	1	\$688,103	\$287,825
03/01/04-02/28/05	8/31/2017	162.0	\$3,094,482	\$3,087,946	\$361,402	2	\$915,257	\$915,257
03/01/05-02/28/06	8/31/2017	150.0	\$1,578,847	\$1,576,822	\$447,840	0	\$0	\$0
03/01/06-02/28/07	8/31/2017	138.0	\$1,920,928	\$1,773,638	\$664,262	1	\$570,913	\$523,824
03/01/07-02/28/08	8/31/2017	128.0	\$1,541,236	\$1,515,262	\$455,771	0	\$0	\$0
03/01/08-02/28/09	8/31/2017	114.0	\$1,529,705	\$1,521,724	\$645,023	0	\$0	\$0
03/01/09-02/28/10	8/31/2017	102.0	\$1,438,179	\$1,413,852	\$833,308	0	\$0	\$0
03/01/10-02/28/11	8/31/2017	90.0	\$1,747,987	\$1,747,959	\$659,267	0	\$0	\$0
03/01/11-02/28/12	8/31/2017	78.0	\$2,104,717	\$1,957,485	\$638,704	0	\$0	\$0
03/01/12-02/28/13	8/31/2017	68.0	\$1,360,038	\$1,289,289	\$612,107	0	\$0	\$0
03/01/13-02/28/14	8/31/2017	54.0	\$1,185,236	\$1,166,240	\$576,244	0	\$0	\$0
03/01/14-02/28/15	8/31/2017	42.0	\$1,841,458	\$1,585,009	\$525,718	0	\$0	\$0
03/01/15-02/28/16	8/31/2017	30.0	\$4,462,254	\$3,221,479	\$450,070	2	\$2,481,828	\$888,216
03/01/16-02/28/17	8/31/2017	18.0	\$1,508,037	\$1,325,518	\$328,170	0	\$0	\$0
03/01/17-02/28/18	8/31/2017	6.0	\$264,427	\$182,045	\$128,743	0	\$0	\$0
Total			\$87,648,371	\$81,584,942		65	\$35,294,471	\$30,320,478
(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	
03/01/88-02/28/87	8/31/2017	378.0	1.039	\$855,001	1.172	\$855,000	\$855,000	
03/01/87-02/28/88	8/31/2017	368.0	1.041	\$1,784,084	1.178	\$1,812,121	\$1,781,249	
03/01/88-02/28/89	8/31/2017	354.0	1.043	\$2,835,828	1.185	\$2,972,238	\$2,860,381	
03/01/89-02/28/90	8/31/2017	342.0	1.044	\$2,087,827	1.182	\$2,312,804	\$1,777,734	
03/01/90-02/28/91	8/31/2017	330.0	1.048	\$2,753,685	1.200	\$3,012,162	\$3,057,078	
03/01/91-02/28/92	8/31/2017	318.0	1.048	\$4,537,037	1.209	\$4,803,427	\$4,841,593	
03/01/92-02/28/93	8/31/2017	308.0	1.051	\$4,514,221	1.218	\$4,979,546	\$4,700,471	
03/01/93-02/28/94	8/31/2017	294.0	1.053	\$6,413,632	1.229	\$6,882,803	\$6,001,320	
03/01/94-02/28/95	8/31/2017	282.0	1.056	\$1,816,815	1.240	\$2,250,792	\$2,044,406	
03/01/95-02/28/96	8/31/2017	270.0	1.059	\$6,690,937	1.252	\$7,465,477	\$6,895,753	
03/01/96-02/28/97	8/31/2017	258.0	1.062	\$2,612,138	1.265	\$2,814,968	\$2,721,270	
03/01/97-02/28/98	8/31/2017	246.0	1.066	\$2,424,683	1.260	\$2,801,350	\$2,578,138	
03/01/98-02/28/99	8/31/2017	234.0	1.070	\$2,391,784	1.287	\$2,898,773	\$2,894,060	
03/01/99-02/28/00	8/31/2017	222.0	1.074	\$1,815,385	1.315	\$2,176,320	\$2,118,759	
03/01/00-02/28/01	8/31/2017	210.0	1.079	\$1,551,630	1.335	\$1,741,736	\$1,627,773	
03/01/01-02/28/02	8/31/2017	198.0	1.085	\$2,395,970	1.349	\$2,727,557	\$2,538,063	
03/01/02-02/28/03	8/31/2017	186.0	1.092	\$8,371,029	1.385	\$8,337,501	\$8,731,016	
03/01/03-02/28/04	8/31/2017	174.0	1.098	\$1,778,280	1.416	\$2,187,415	\$1,752,732	
03/01/04-02/28/05	8/31/2017	162.0	1.103	\$3,215,421	1.481	\$3,852,092	\$3,618,090	
03/01/05-02/28/06	8/31/2017	150.0	1.118	\$1,764,239	1.492	\$2,352,430	\$2,199,418	
03/01/06-02/28/07	8/31/2017	138.0	1.131	\$2,164,159	1.541	\$2,678,378	\$2,406,947	
03/01/07-02/28/08	8/31/2017	126.0	1.148	\$1,788,907	1.600	\$2,424,842	\$2,030,861	
03/01/08-02/28/09	8/31/2017	114.0	1.165	\$1,782,186	1.673	\$2,645,235	\$2,097,412	
03/01/09-02/28/10	8/31/2017	102.0	1.189	\$1,709,371	1.783	\$2,493,221	\$2,022,811	
03/01/10-02/28/11	8/31/2017	90.0	1.219	\$2,130,652	1.880	\$3,266,822	\$2,600,545	
03/01/11-02/28/12	8/31/2017	78.0	1.260	\$2,651,891	2.038	\$3,985,828	\$2,163,468	
03/01/12-02/28/13	8/31/2017	68.0	1.318	\$1,791,885	2.253	\$2,902,857	\$2,065,314	
03/01/13-02/28/14	8/31/2017	54.0	1.404	\$1,668,174	2.575	\$3,054,888	\$2,220,363	
03/01/14-02/28/15	8/31/2017	42.0	1.545	\$2,636,811	3.097	\$4,846,881	\$4,846,881	
03/01/15-02/28/16	8/31/2017	30.0	1.816	\$5,233,144	4.076	\$8,212,883	\$8,212,883	
03/01/16-02/28/17	8/31/2017	18.0	2.504	\$3,776,219	8,594	\$8,620,809	\$8,620,809	
03/01/17-02/28/18	8/31/2017	6.0	8,803	\$1,746,023	20,231	\$3,682,975	\$3,682,975	
Total				\$88,742,008		\$116,139,863	\$99,701,154	

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

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

Column (P): Col(E) - Col(J) x Col(M) + Col(G) x Specific Retention

Column (Q): 50% of Col. (H) and 40% of Col. (P)

The City of Scranton
Workers' Compensation

Exhibit 2
Sheet 3

Estimation of Limited Ultimate Losses
Limited to Specific per Claim Retentions

(Assumes Allowable Reinsurance recoveries - all but Frontier 1994-1999 and General Re/Pappy Plan 1990-1993)

(A) Accident Period	(B) Evaluation Date	(C) Maturity (months)	(D) Reported Losses at 8/31/17	(E) Paid Losses at 8/31/17	(F) Large Loss Critical Amount	(G) Number of Losses > Column(F)	(H) Reported on Large Losses	(I) Paid on Large Losses
03/01/88-02/28/87	8/31/2017	378.0	\$1,537,292	\$1,403,930	\$241,002	5	\$1,537,291	\$1,403,930
03/01/87-02/28/88	8/31/2017	368.0	\$2,468,437	\$2,434,741	\$338,637	4	\$2,118,643	\$2,084,948
03/01/88-02/28/89	8/31/2017	354.0	\$3,811,728	\$3,101,640	\$268,440	5	\$2,722,218	\$2,028,093
03/01/89-02/28/90	8/31/2017	342.0	\$2,024,637	\$1,890,693	\$479,810	1	\$504,370	\$470,426
03/01/90-02/28/91	8/31/2017	330.0	\$3,148,210	\$2,787,136	\$478,881	0	\$0	\$0
03/01/91-02/28/92	8/31/2017	318.0	\$5,868,389	\$5,535,320	\$334,583	0	\$0	\$0
03/01/92-02/28/93	8/31/2017	306.0	\$5,377,224	\$5,286,493	\$381,850	0	\$0	\$0
03/01/93-02/28/94	8/31/2017	294.0	\$7,807,288	\$7,618,995	\$380,561	0	\$0	\$0
03/01/94-02/28/95	8/31/2017	282.0	\$1,815,450	\$1,815,475	\$332,043	0	\$0	\$0
03/01/95-02/28/96	8/31/2017	270.0	\$6,981,035	\$6,888,312	\$473,001	0	\$0	\$0
03/01/96-02/28/97	8/31/2017	258.0	\$2,950,533	\$2,392,361	\$471,218	0	\$0	\$0
03/01/97-02/28/98	8/31/2017	246.0	\$2,295,058	\$2,271,134	\$375,359	1	\$396,272	\$395,272
03/01/98-02/28/99	8/31/2017	234.0	\$2,235,767	\$2,235,761	\$374,184	0	\$0	\$0
03/01/99-02/28/00	8/31/2017	222.0	\$2,026,957	\$2,026,956	\$232,876	3	\$942,198	\$842,198
03/01/00-02/28/01	8/31/2017	210.0	\$1,751,054	\$1,751,046	\$221,794	3	\$1,006,418	\$1,006,418
03/01/01-02/28/02	8/31/2017	198.0	\$2,505,031	\$2,505,028	\$230,581	4	\$1,292,419	\$1,292,419
03/01/02-02/28/03	8/31/2017	186.0	\$5,704,170	\$5,638,984	\$275,056	5	\$2,158,818	\$2,140,600
03/01/03-02/28/04	8/31/2017	174.0	\$1,962,561	\$1,553,858	\$318,720	1	\$888,103	\$287,023
03/01/04-02/28/05	8/31/2017	162.0	\$3,094,482	\$3,087,946	\$381,402	2	\$815,257	\$815,257
03/01/05-02/28/06	8/31/2017	150.0	\$1,570,847	\$1,576,822	\$447,840	0	\$0	\$0
03/01/06-02/28/07	8/31/2017	138.0	\$1,820,828	\$1,773,438	\$684,202	1	\$870,813	\$523,824
03/01/07-02/28/08	8/31/2017	126.0	\$1,841,236	\$1,515,262	\$855,771	0	\$0	\$0
03/01/08-02/28/09	8/31/2017	114.0	\$1,529,705	\$1,521,724	\$645,623	0	\$0	\$0
03/01/09-02/28/10	8/31/2017	102.0	\$1,458,179	\$1,413,852	\$633,308	0	\$0	\$0
03/01/10-02/28/11	8/31/2017	90.0	\$1,747,987	\$1,747,958	\$858,287	0	\$0	\$0
03/01/11-02/28/12	8/31/2017	78.0	\$2,164,717	\$1,957,485	\$638,784	0	\$0	\$0
03/01/12-02/28/13	8/31/2017	66.0	\$1,360,036	\$1,288,299	\$812,107	0	\$0	\$0
03/01/13-02/28/14	8/31/2017	54.0	\$1,186,236	\$1,186,240	\$576,244	0	\$0	\$0
03/01/14-02/28/15	8/31/2017	42.0	\$1,841,459	\$1,885,009	\$525,719	0	\$0	\$0
03/01/15-02/28/16	8/31/2017	30.0	\$4,492,254	\$2,221,479	\$450,070	2	\$2,461,829	\$589,218
03/01/16-02/28/17	8/31/2017	18.0	\$1,508,037	\$1,325,516	\$328,170	0	\$0	\$0
03/01/17-02/28/18	8/31/2017	6.0	\$284,427	\$182,045	\$128,743	0	\$0	\$0
Total			\$87,848,371	\$81,564,942		35	\$17,415,551	\$14,098,025

(J) Accident Period	(K) Evaluation Date	(L) Maturity (months)	(M) Cumulative Rptd Loss Day Factor	(N) Implied Limited Ultimate Losses	(O) Cumulative Paid Loss Day Factor	(P) Implied Limited Ultimate Losses	(Q) Selected Estimated Ultimate Losses
03/01/88-02/28/87	8/31/2017	378.0	1.038	\$855,001	1.172	\$855,000	\$855,000
03/01/87-02/28/88	8/31/2017	368.0	1.041	\$1,744,084	1.173	\$1,812,121	\$1,793,244
03/01/88-02/28/89	8/31/2017	354.0	1.043	\$2,635,826	1.185	\$2,972,238	\$2,886,381
03/01/89-02/28/90	8/31/2017	342.0	1.044	\$2,087,627	1.192	\$2,312,804	\$2,277,718
03/01/90-02/28/91	8/31/2017	330.0	1.048	\$3,293,794	1.200	\$3,321,896	\$3,266,959
03/01/91-02/28/92	8/31/2017	318.0	1.048	\$8,153,116	1.209	\$8,692,684	\$8,608,014
03/01/92-02/28/93	8/31/2017	306.0	1.051	\$5,849,409	1.218	\$8,419,573	\$8,357,775
03/01/93-02/28/94	8/31/2017	294.0	1.053	\$8,221,865	1.229	\$9,362,442	\$9,311,056
03/01/94-02/28/95	8/31/2017	282.0	1.058	\$1,916,815	1.240	\$2,250,792	\$2,205,408
03/01/95-02/28/96	8/31/2017	270.0	1.059	\$7,391,518	1.252	\$8,075,104	\$7,394,563
03/01/96-02/28/97	8/31/2017	258.0	1.062	\$3,133,728	1.265	\$3,027,185	\$3,001,059
03/01/97-02/28/98	8/31/2017	246.0	1.068	\$2,424,663	1.280	\$2,801,350	\$2,575,338
03/01/98-02/28/99	8/31/2017	234.0	1.070	\$2,391,704	1.297	\$2,896,773	\$2,894,398
03/01/99-02/28/00	8/31/2017	222.0	1.074	\$1,915,385	1.315	\$2,176,320	\$2,018,759
03/01/00-02/28/01	8/31/2017	210.0	1.079	\$1,551,630	1.335	\$1,741,736	\$1,587,072
03/01/01-02/28/02	8/31/2017	198.0	1.085	\$2,395,970	1.358	\$2,727,557	\$2,700,868
03/01/02-02/28/03	8/31/2017	186.0	1.092	\$5,371,029	1.385	\$6,337,501	\$6,777,318
03/01/03-02/28/04	8/31/2017	174.0	1.098	\$1,776,260	1.418	\$2,167,415	\$1,932,722
03/01/04-02/28/05	8/31/2017	162.0	1.108	\$3,215,421	1.431	\$3,852,092	\$3,310,009
03/01/05-02/28/06	8/31/2017	150.0	1.119	\$1,764,239	1.452	\$2,362,430	\$1,989,518
03/01/06-02/28/07	8/31/2017	138.0	1.131	\$2,164,359	1.541	\$2,876,378	\$2,829,847
03/01/07-02/28/08	8/31/2017	126.0	1.146	\$1,768,907	1.600	\$2,424,642	\$2,050,071
03/01/08-02/28/09	8/31/2017	114.0	1.165	\$1,782,106	1.673	\$2,545,235	\$2,087,412
03/01/09-02/28/10	8/31/2017	102.0	1.189	\$1,709,371	1.783	\$2,493,221	\$1,922,811
03/01/10-02/28/11	8/31/2017	90.0	1.219	\$2,130,652	1.880	\$3,286,622	\$1,859,240
03/01/11-02/28/12	8/31/2017	78.0	1.260	\$2,051,691	2.036	\$3,985,828	\$1,885,496
03/01/12-02/28/13	8/31/2017	66.0	1.318	\$1,791,695	2.253	\$2,902,957	\$1,236,314
03/01/13-02/28/14	8/31/2017	54.0	1.404	\$1,685,174	2.575	\$3,054,698	\$1,720,843
03/01/14-02/28/15	8/31/2017	42.0	1.545	\$2,536,611	3.097	\$4,846,881	\$1,400,108
03/01/15-02/28/16	8/31/2017	30.0	1.818	\$5,233,144	4,076	\$8,212,683	\$1,424,369
03/01/16-02/28/17	8/31/2017	18.0	2,504	\$3,776,219	6,504	\$8,620,808	\$4,714,004
03/01/17-02/28/18	8/31/2017	6.0	6,603	\$1,748,023	20,231	\$3,592,975	\$2,550,345
Total			\$95,063,800		\$123,540,390		\$108,454,444

Columns (D) and (E): Exhibit 1, Sheet 1
 Column(F): Appendix B, Sheet 1
 Columns (G) through (J): PMA Large Loss Report by Policy Period
 Column(M): Appendix A, Sheet 9 & 9A

Column(N): [(Col(O)-Col(H))/Col(M)] x Col(G) x Specific Retention
 Column(O): Appendix A, Sheet 4 & 4A
 Column(P): [(Col(E)-Col(J))/Col(O)] x Col(O) x Specific Retention
 Column(Q): 80% of Col (N) and 40% Col (P)

The City of Scranton
Workers' Compensation

Exhibit 3

Estimation of Limited Ultimate Losses

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Accident Period	Limited Ultimate Losses	Loss Trend Factor	Limited Ultimate Losses	Payroll Trend	Payroll Factor	Adjusted Payroll	Loss Rate per \$100 of Payroll
03/01/07-02/28/08	\$2,030,001	1.791	\$3,635,423	\$18,801,357	1.480	\$27,830,602	\$13.06
03/01/08-02/28/09	\$2,087,412	1.689	\$3,526,638	\$19,040,392	1.423	\$27,100,415	\$13.01
03/01/09-02/28/10	\$2,022,911	1.594	\$3,224,213	\$19,712,101	1.369	\$26,977,372	\$11.95
03/01/10-02/28/11	\$2,593,240	1.504	\$3,899,274	\$24,932,924	1.316	\$32,810,027	\$11.88
03/01/11-02/28/12	\$3,185,466	1.419	\$4,518,644	\$24,599,047	1.265	\$31,125,642	\$14.52
03/01/12-02/28/13	\$2,236,314	1.338	\$2,992,692	\$23,644,343	1.217	\$28,766,959	\$10.40
03/01/13-02/28/14	\$2,220,983	1.262	\$2,803,940	\$29,012,097	1.170	\$33,940,050	\$8.26
03/01/14-02/28/15	\$3,460,839	1.191	\$4,121,915	\$30,877,936	1.125	\$34,733,479	\$11.87
03/01/15-02/28/16	\$6,424,960	1.124	\$7,219,085	\$32,267,559	1.082	\$34,900,591	\$20.68
03/01/16-02/28/17	\$5,714,055	1.060	\$6,056,898	\$31,721,101	1.040	\$32,989,945	\$18.36
Total	\$31,976,181		\$41,998,723			\$311,175,081	\$13.50
Excl HI & LO			\$31,975,698			\$242,334,440	\$13.19
Avg Last 5 Yrs			\$23,194,531			\$165,331,024	\$14.03
Avg Last 3 Yrs			\$17,397,898			\$102,624,015	\$16.95

(I)	(J)	(K)	(L)
Accident Period	Loss Rate	Payroll	Ultimate Losses
03/01/17-02/28/18	\$13.50	\$32,663,440	\$4,409,564
03/01/18-02/28/19	\$13.76	\$35,150,408	\$4,842,065

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): Exhibit 1, Sheet 2

Column(G): Column (E) x Column (F)
 Column(H): Column (D) / Column (G)
 Column(I): Selected average of Column (H), trended for 2018-19
 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) <i>Accident Year</i>	(B) <i>Limited Ultimate Losses</i>	(C) <i>Paid Losses</i>	(D) <i>Outstanding Losses</i>	(E) <i>Discount Factor</i>	(F) <i>Discounted Outstanding Losses</i>
<i>As of August 31, 2017:</i>					
Pre - 1986	\$9,448,070	\$9,052,081	\$395,989	0.973	\$385,391
1986/87	\$855,000	\$850,000	\$5,000	0.973	\$4,867
1987/88	\$1,783,298	\$1,749,793	\$33,505	0.973	\$32,608
1988/89	\$2,890,391	\$2,660,982	\$229,409	0.963	\$220,840
1989/90	\$2,177,738	\$1,990,693	\$187,045	0.952	\$178,076
1990/91	\$3,305,035	\$2,767,136	\$537,899	0.939	\$505,280
1991/92	\$6,369,015	\$5,535,320	\$833,695	0.927	\$772,554
1992/93	\$5,957,475	\$5,268,493	\$688,982	0.914	\$629,507
1993/94	\$8,678,096	\$7,619,995	\$1,058,101	0.901	\$953,024
1994/95	\$2,050,406	\$1,815,475	\$234,931	0.888	\$208,544
1995/96	\$7,884,953	\$6,889,312	\$995,641	0.875	\$870,861
1996/97	\$3,091,099	\$2,392,361	\$698,738	0.862	\$602,120
1997/98	\$2,575,338	\$2,271,134	\$304,204	0.849	\$258,202
1998/99	\$2,594,586	\$2,235,761	\$358,825	0.836	\$299,954
1999/00	\$2,019,759	\$1,832,579	\$187,180	0.823	\$154,067
2000/01	\$1,627,672	\$1,481,672	\$146,000	0.810	\$118,316
2001/02	\$2,528,605	\$2,303,711	\$224,894	0.798	\$179,391
2002/03	\$5,757,618	\$4,969,864	\$787,753	0.788	\$620,419
2003/04	\$1,932,722	\$1,553,858	\$378,864	0.777	\$294,563
2004/05	\$3,510,090	\$2,972,689	\$537,400	0.770	\$413,733
2005/06	\$1,999,516	\$1,576,622	\$422,894	0.762	\$322,356
2006/07	\$2,369,047	\$1,773,638	\$595,409	0.757	\$450,897
2007/08	\$2,030,001	\$1,515,262	\$514,739	0.752	\$387,247
2008/09	\$2,087,412	\$1,521,724	\$565,688	0.750	\$424,182
2009/10	\$2,022,911	\$1,413,852	\$609,059	0.747	\$455,203
2010/11	\$2,593,240	\$1,747,959	\$845,281	0.747	\$631,363
2011/12	\$3,185,466	\$1,957,485	\$1,227,981	0.748	\$918,196
2012/13	\$2,236,314	\$1,288,299	\$948,015	0.750	\$710,756
2013/14	\$2,220,983	\$1,186,240	\$1,034,743	0.753	\$779,135
2014/15	\$3,460,839	\$1,565,009	\$1,895,830	0.757	\$1,435,801
2015/16	\$6,424,960	\$2,221,479	\$4,203,481	0.763	\$3,206,048
2016/17	\$5,714,055	\$1,325,516	\$4,388,539	0.769	\$3,373,608
2017/18	\$2,204,782	\$182,045	\$2,022,737	0.774	\$1,566,241
Totals	\$115,586,492	\$87,488,039	\$28,098,451		\$22,363,350

*Column (B): Exhibit 2, Sheet 3, or Exhibit 1, Sheet 1 for Pre-1986
Accident Year 2017/18 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 2018

(A) <i>Accident Year</i>	(B) <i>Unlimited Ultimate Losses</i>	(C) <i>Accident Year Age (in months) at 12/31/17</i>	(D) <i>Ultimate Paid Loss Development Factor</i>	(E) <i>Percentage Paid As of at 12/31/17</i>	(F) <i>Percentage of Losses Paid in Upcoming 12 Months</i>		(G) <i>Anticipated Losses & ALAE Paid In Upcoming 12 Months</i>
					Paid in Upcoming 12 Months	Paid in Upcoming 12 Months	
Pre - 1986	\$9,448,070	430	1.070	93.5%	1.0%		\$94,481
1986/87	\$1,616,654	382	1.111	90.0%	1.0%		\$16,167
1987/88	\$2,688,996	370	1.124	89.0%	1.0%		\$27,999
1988/89	\$3,854,545	358	1.137	88.0%	1.0%		\$39,218
1989/90	\$2,218,160	346	1.151	86.9%	1.1%		\$23,734
1990/91	\$3,305,035	334	1.165	85.8%	1.0%		\$34,514
1991/92	\$6,369,015	322	1.180	84.8%	1.1%		\$69,510
1992/93	\$5,957,475	310	1.195	83.7%	1.1%		\$63,386
1993/94	\$8,678,096	298	1.211	82.6%	1.1%		\$95,966
1994/95	\$2,050,406	286	1.227	81.5%	1.1%		\$22,083
1995/96	\$7,884,953	274	1.243	80.5%	1.0%		\$82,735
1996/97	\$3,091,099	262	1.259	79.4%	1.0%		\$31,610
1997/98	\$2,630,490	250	1.275	78.4%	1.0%		\$26,224
1998/99	\$2,594,586	238	1.291	77.5%	1.0%		\$25,225
1999/00	\$2,372,644	226	1.309	76.4%	1.0%		\$24,795
2000/01	\$2,069,461	214	1.328	75.3%	1.1%		\$23,548
2001/02	\$2,992,551	202	1.351	74.0%	1.2%		\$37,199
2002/03	\$6,861,245	190	1.376	72.7%	1.4%		\$93,506
2003/04	\$2,174,520	178	1.405	71.2%	1.5%		\$32,615
2004/05	\$3,849,895	166	1.438	69.5%	1.7%		\$63,817
2005/06	\$1,999,516	154	1.478	67.7%	1.8%		\$36,796
2006/07	\$2,397,234	142	1.524	65.6%	2.1%		\$49,214
2007/08	\$2,030,001	130	1.579	63.3%	2.3%		\$46,739
2008/09	\$2,087,412	118	1.647	60.7%	2.6%		\$54,211
2009/10	\$2,022,911	106	1.731	57.8%	2.9%		\$59,629
2010/11	\$2,593,240	94	1.838	54.4%	3.4%		\$87,348
2011/12	\$3,185,466	82	1.979	50.5%	3.9%		\$123,495
2012/13	\$2,236,314	70	2.172	46.0%	4.5%		\$100,552
2013/14	\$2,220,983	58	2.452	40.8%	5.3%		\$118,726
2014/15	\$3,460,839	46	2.891	34.6%	6.2%		\$214,180
2015/16	\$8,484,169	34	3.668	27.3%	7.3%		\$621,728
2016/17	\$5,714,055	22	5.379	18.6%	8.7%		\$495,784
2017/18	\$4,409,564	10	11.749	8.5%	10.1%		\$444,401
2018/19	\$4,842,065	0	N/A	0.0%	8.5%		\$412,130
Totals	\$130,391,665						\$3,791,265

Column (B): Exhibit 2, Sheet 1 or Exhibit 3 for Accident Years 2017 and 2018

\$2,843,449 @ 75%

\$3,317,357 Midpoint

Column (D): Appendix A, Sheet 5, runoff of 1997/98 and prior

Column (E): 1/Column (D)

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

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

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

**City of Fremont
Workers' Comp Insurance**

**Appendix A
Sheet 2**

Analytical Work Product Letterhead
As of December 31, 2014

		Workers' Comp Premiums by Payroll Category											
		2013					2014						
		Actual		Budget			Actual		Budget				
Payroll Category	Rate	Actual	Budget	Actual	Budget	Actual	Actual	Budget	Actual	Budget	Actual	Rate	Actual
Non-Administrative	12.24	26,736	26,341	56,920	50,712	72,561	64,950	50,188	70,130	50,212	70,130	12.24	26,475
Wages & Benefits	2.232	1,480	1,370	3,205	2,865	4,165	3,723	1,323	1,448	1,323	1,448	1.232	1,322
Health & Life Ins.	2.159	1,450	1,290	3,067	2,867	3,444	3,144	1,345	1,295	1,345	1,295	1.207	1,294
Workers' Comp	2.232	1,442	1,280	3,237	2,887	4,134	3,734	1,314	1,296	1,372	1,296	1.233	1,323
Salaries	2.215	1,450	1,290	3,265	2,865	4,145	3,723	1,395	1,395	1,378	1,395	1.235	1,325
Contractors	12.18	5,816	5,816	3,867	3,222	2,647	2,225	1,820	1,825	1,574	1,581	1.231	1,230
Consultants	12.18	5,800	5,800	4,184	3,444	2,738	2,394	2,107	1,940	1,549	1,549	1.232	1,232
Other	6,774	3,416	2,274	2,320	2,970	1,905	1,788	1,645	1,807	1,540	1,476	1.234	1,230
Total Workers' Comp Admin	36,084	4,721	5,428	2,892	2,404	2,149	1,849	1,813	1,703	1,820	1,657	1.232	1,229
Total Workers' Comp	60,810												1.231

Income: premium data due to the influence of an insurance broker/brokerage system, 100% - 200%

2008 Budget/Factors
Data/Rate for Industry Grouping 165 Public Administration

2010 Workers' Comp Premiums by Payroll Category
Actual vs. Budget

The City of Scranton
City of Scranton WC Paid Loss Development Factors

ANALYSIS OF DEVELOPMENT PATTERNS
USING THE METHOD OF LEAST SQUARES*

Curve: $Y = A + B(X)$
[Flatline Model]

Curve: $Y = 1 / [1 - EXP(-AX)]$
[Walkup]

Curve: $Y = A * X^B + C$
(Inertia Power Curve)

** SELECTED **

ACTUAL VALUES		TRANSFORMED VALUES		TRANSFORMED VALUES		TRANSFORMED VALUES		TRANSFORMED VALUES	
X	Y	X	LN(LNY/Y)	X	LN(X)	X	Double Log [Y(X-1)]	X	LN(Y-1)
Maturity (Months)	Cumulative Paid Loss								
12	12,4118	12.00	0.92	120	1.478	2.48	-2.48	120	1.551
24	5,806	24.00	0.54	132	1.382	3.19	-1.63	132	1.551
36	3,867	36.00	0.30	144	1.307	3.53	-1.21	144	1.494
48	3,222	48.00	0.16	156	1.248	3.87	-0.86	156	1.446
60	2,847	60.00	-0.07	168	1.201	4.09	-0.70	168	1.406
72	2,325	72.00	-0.22	180	1.164	4.28	-0.52	180	1.354
84	1,983	84.00	-0.46	192	1.134	4.43	-0.34	192	1.304
96	1,8016	96.00	-0.53	204	1.110	4.58	-0.21	204	1.277
108	1,674	108.00	-0.66	216	1.090	4.68	-0.06	216	1.236
				228	1.074	228	1.147	228	1.275
				240	1.061	240	1.128	240	1.240
				252	1.050	252	1.113	252	1.215
				264	1.041	264	1.098	264	1.199
				276	1.034	276	1.087	276	1.192
				288	1.028	288	1.077	288	1.188
				300	1.023	300	1.068	300	1.147
				312	1.019	312	1.060	312	1.128
				324	1.016	324	1.053	324	1.113
				336	1.013	336	1.048	336	1.099
				348	1.011	348	1.041	348	1.087
SUM	\$40.00	0.95							
AVERAGE	\$0.333	0.01							
				35.17	-0.16	3.91	-0.91	-35.17	5.80
								-31.91	0.64

PARAMETER ESTIMATES

PARAMETER ESTIMATES

PARAMETER ESTIMATES

PARAMETER ESTIMATES

N =	9,050	N =	9,050
A =	13.250	A =	0.006
B =	0.946	B =	1.059
R ² =	0.977	R ² =	0.998

N =	9,050	N =	9,050
A =	273.503	A =	273.503
B =	1.271	B =	1.271
R ² =	0.987	R ² =	0.987

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*

Curve : $Y = A \cdot X^B$ (%)
(Power Model)

Curve : $Y = 1 / [1 - EXP(-AX^B)]$
(Weibull)

Curve : $Y = A \cdot (1/X)^B + 1$
(Inverse Power Curve)

** SELECTED **

ACTUAL VALUES		TRANSFORMED VALUES		FITTED VALUES		TRANSFORMED VALUES		FITTED VALUES		TRANSFORMED VALUES		FITTED VALUES	
X	Y	X	LN(Y)	X	LN(X)	X	LN(X)	X	LN(Y-1)	X	LN(X)	X	LN(Y-1)
Maturity (Months)	Paid Loss Dollars												
12	10,084	12.00	0.04	6.0	0.451	2.46	-2.26	6.0	17.701	-2.45	2.26	6.0	20.231
24	4,721	24.00	0.44	18.0	5.918	2.19	-1.44	18.0	6.803	-3.18	1.31	18.0	6.504
36	3,428	36.00	0.21	30.0	4.359	1.98	-1.06	30.0	4.190	-3.58	0.89	30.0	4.076
48	2,897	48.00	0.08	42.0	3.435	3.87	-0.66	42.0	3.188	-3.97	0.64	42.0	3.097
60	2,404	60.00	-0.13	54.0	2.798	4.03	-0.62	64.0	2.625	-4.08	0.34	64.0	2.575
72	2,149	72.00	-0.27	66.0	2.385	4.28	-0.47	68.0	2.288	-4.28	0.14	68.0	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	2.038
96	1,813	96.00	-0.52	90.0	1.612	4.58	-0.22	90.0	1.842	-4.58	-0.21	90.0	1.880
		102.0	1.641			102.0	1.705			102.0	1.783		
		114.0	1.511			114.0	1.958			114.0	1.973		
		128.0	1.410			128.0	1.613			128.0	1.600		
		138.0	1.312			138.0	1.443			138.0	1.541		
		160.0	1.268			160.0	1.306			160.0	1.492		
		182.0	1.220			182.0	1.239			182.0	1.451		
		174.0	1.195			174.0	1.297			174.0	1.415		
		188.0	1.148			188.0	1.262			188.0	1.385		
		188.0	1.122			188.0	1.232			188.0	1.355		
		210.0	1.100			210.0	1.206			210.0	1.335		
		222.0	1.083			222.0	1.184			222.0	1.315		
		234.0	1.058			234.0	1.184			234.0	1.297		
SUM AVERAGE	432.00	0.22	0.03			30.43	-7.25			-36.48	5.26		
				31.81	-0.91					-2.81	0.53		

PARAMETER ESTIMATES

PARAMETER ESTIMATES

PARAMETER ESTIMATES

PARAMETER ESTIMATES

N = 8,000

A = 0.110

B = 0.960

R² = 0.991

R² = 0.994

R² = 0.996

R² = 0.998

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

ANALYSIS OF DEVELOPMENT PATTERNS:
USING THE METHOD OF LEAST SQUARES*

Curve : $Y = A \cdot e^{(B \cdot X)}$			Curve : $Y = 1 / (1 + EXP(-A \cdot X))$			Curve : $Y = A \cdot (1/X)^{B \cdot C}$			
ACTUAL VALUES			TRANSFORMED VALUES			TRANSFORMED VALUES			
X	Y	X	LN(Y)	X	Y	LN(X)	LN(Y-1)	X	Y
Maternity Paid Loss (Actual)	Cumulative Paid Loss (Actual)	X	Y	X	Y	X	Y	X	Y
12	10.084	12.00	0.94	248.0	1.057	2.48	-2.26	246.0	1.260
24	4.721	24.00	0.44	258.0	1.047	3.18	-1.44	258.0	1.265
36	3.429	36.00	0.21	270.0	1.039	3.68	-1.06	270.0	1.252
45	2.682	48.00	0.06	282.0	1.033	3.97	-0.86	282.0	1.240
60	2.404	60.00	-0.13	294.0	1.027	4.09	-0.62	294.0	1.229
72	2.149	72.00	-0.27	306.0	1.022	4.29	-0.47	306.0	1.218
84	1.948	84.00	-0.41	318.0	1.019	4.45	-0.33	318.0	1.209
96	1.813	98.00	-0.62	330.0	1.016	4.86	-0.22	330.0	1.200
				342.0	1.013	342.0	1.083	342.0	1.182
				354.0	1.011	354.0	1.057	354.0	1.185
				366.0	1.009	366.0	1.052	366.0	1.178
				378.0	1.007	378.0	1.047	378.0	1.172
				390.0	1.006	390.0	1.042	390.0	1.168
				402.0	1.005	402.0	1.039	402.0	1.160
				414.0	1.004	414.0	1.035	414.0	1.155
				426.0	1.004	426.0	1.032	426.0	1.158
				438.0	1.003	438.0	1.029	438.0	1.145
				450.0	1.002	450.0	1.026	450.0	1.141
				462.0	1.002	462.0	1.024	462.0	1.137
				474.0	1.002	474.0	1.022	474.0	1.133
SUM	432.00	0.22		30.48	-7.23				
AVERAGE	54.00	0.03		3.81	-0.91				
						-30.48	5.26		
						-0.91	0.58		

PARAMETER ESTIMATES			PARAMETER ESTIMATES			PARAMETER ESTIMATES		
N =	8.000	8.000	N =	8.000	8.000	N =	B.000	B.000
A =	10.354	10.354	A =	0.010	0.010	A =	147.987	147.987
B =	0.905	0.905	B =	0.900	0.900	B =	1.139	1.139
R^2 =	0.981	0.981	R^2 =	0.984	0.984	R^2 =	0.998	0.998

PAD FITTED

24-Sep-17

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

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

Curve: $Y = A \cdot B^X$
(Power Model)

Curve: $Y = 1 / [1 - EXP(-AXB)]$
(Weibull)

Curve: $Y = A + B \cdot X^C$
(Inverse Power Curve)

TRANSFORMED VALUES

FITTED VALUES

LN(X)

LN(Y)

LN(XY)

LN(XY⁻¹)

LN(XY)

LN(Y⁻¹)

Appendix A
Sheet 5

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

Curve: $Y = A + B \cdot X^C$
(Inverse Power Curve)

Curve: $Y = 1 / [1 - EXP(-AXB)]$
(Weibull)

Curve: $Y = A + B \cdot X^C$
(Inverse Power Curve)

PARAMETER ESTIMATES

N =

A =

B =

R² =

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City of Granada
Workers' Comp Insurance

Appendix 3
B4447

Actuals Based Upon Incurred Loss and Expenses

As of December 31, 2017

	1224	2236	3040	4010	5022	7214	8428	108120	120225	132321	142429	152536	162643	172750	182857	202954	212100	222208	232316	242424	252530	Total
Mr. Anderson	21.05	7.332	1.308	4.010	0.904	1.902	1.047	1.015	1.007	1.003	1.015	1.012	1.008	1.000	1.000	1.010	1.012	1.003	1.000	1.000	1.000	
Wynn Aleg.	1.357	1.218	1.038	1.038	1.004	1.002	1.007	1.003	1.007	1.007	1.005	1.007	1.007	1.000	1.000	1.000	1.010	1.008	1.000	1.000	1.000	
Attn: (Fitch & Law)	2.025	1.247	1.185	1.043	1.043	1.018	1.028	1.013	1.028	1.028	1.028	1.028	1.028	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Subtotal	2.025	1.300	1.185	1.042	1.042	1.018	1.026	1.012	1.026	1.026	1.026	1.026	1.026	1.000	1.000	1.000	1.010	1.008	1.000	1.000	1.000	
Complaints/Call	3.820	1.841	1.495	1.280	1.164	1.182	1.182	1.180	1.182	1.182	1.182	1.182	1.182	1.100	1.100	1.100	1.110	1.108	1.100	1.100	1.100	
Cumulative/Initial	3.870	1.960	1.600	1.272	1.170	1.194	1.194	1.190	1.194	1.194	1.194	1.194	1.194	1.100	1.100	1.100	1.110	1.108	1.100	1.100	1.100	
2010 Burau Factory	3,971	2,112	1,708	1,580	1,464	1,360	1,324	1,269	1,269	1,269	1,269	1,269	1,269	1,100	1,100	1,100	1,110	1,107	1,100	1,100	1,100	
Comments for Industry Characterization																						
GRANADA VEHICLES	2,820	2,334	1,849	1,720	1,520	1,292	1,287	1,287	1,287	1,287	1,287	1,287	1,287	1,100	1,100	1,100	1,110	1,107	1,100	1,100	1,100	

The City of Scranton
City of Scranton WC Insured Loss Development Factors

ANALYSIS OF DEVELOPMENT PATTERNS
USING THE METHOD OF LEAST SQUARES*

Curve: $Y = A + B(X)$
(Power Model)

Curve: $Y = 1/(1 - EXP(-AX^B))$

Curve: $Y = A \cdot (1/N)^{B+1}$
(Inverse Power Curve)

--- SELECTED ---

ACTUAL VALUES		TRANSFORMED VALUES		TRANSFORMED VALUES		TRANSFORMED VALUES		TRANSFORMED VALUES		FITTED VALUES	
X	Y	X	LN(N/Y)	X	Y	X	LN(X)	X	Y	X	Y
Maturity Period	Cumulative Dev Factor										
12	3.930	12.00	0.31	120.0	1.039	2.48	-1.23	120	1.010	-2.48	1.038
24	1.941	24.00	-0.41	132.0	1.095	3.18	-0.32	132	1.036	-3.18	1.044
36	1.483	36.00	-0.91	144.0	1.013	3.58	0.10	144	1.038	-3.58	1.044
48	1.280	48.00	-1.47	156.0	1.032	3.87	0.46	156	1.032	-3.87	1.035
60	1.184	60.00	-1.88	168.0	1.001	4.09	0.67	168	1.001	-4.09	1.029
				180.0	1.001	4.09	0.67	180	1.001	-4.09	1.029
				192.0	1.000			192	1.000		
				204.0	1.000			204	1.000		
				216.0	1.000			216	1.000		
				228.0	1.000			228	1.000		
				240.0	1.000			240	1.000		
				252.0	1.000			252	1.000		
				264.0	1.000			264	1.000		
				276.0	1.000			276	1.000		
				288.0	1.000			288	1.000		
				300.0	1.000			300	1.000		
				312.0	1.000			312	1.000		
				324.0	1.000			324	1.000		
				336.0	1.000			336	1.000		
				348.0	1.000			348	1.000		
SUM	160.00	4.36				17.21	-0.32			-17.21	-2.85
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	A =	5.000
A =	0.527	B =	0.016	B =	255.180
B =	0.988	R² =	1.180	R² =	1.775
R² =	0.991	R² =	0.998	R² =	0.995

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

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

Curve: $Y = A + BX$
(Power Model)

Curve: $Y = 1/(1 - EXP(-AX^B))$
(Weibull)

Curve: $Y = A * ((X)^{-B})^{+1}$
(Inverse Power Curve)

*** SELECTED ***

X	Y	ACTUAL VALUES	TRANSFORMED VALUES	FITTED VALUES									
Maturity (Months)	Cumulative Rapid Loss Rate Factor	X	LN(Y/X)	X	X	X	X	X	X	X	X	X	
12	3.620	12.00	0.25	6.0	2.887	2.46	-1.13	8.0	5.283	-2.46	0.96	8.0	6.803
24	2.036	24.00	-0.34	18.0	2.292	3.18	-0.39	18.0	2.831	-3.18	0.04	18.0	2.504
36	1.648	36.00	-0.69	30.0	1.900	3.58	-0.07	30.0	1.987	-3.58	-0.43	30.0	1.816
48	1.426	48.00	-1.04	42.0	1.847	3.87	0.19	42.0	1.595	-3.87	-0.85	42.0	1.545
60	1.320	60.00	-1.26	54.0	1.475	4.09	0.35	54.0	1.428	-4.09	-1.14	54.0	1.404
72	1.292	72.00	-1.38	68.0	1.369	4.28	0.46	68.0	1.322	-4.28	-1.23	68.0	1.318
84	1.257	84.00	-1.48	78.0	1.266	4.43	0.46	78.0	1.249	-4.43	-1.38	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
				102.0	1.153			102.0	1.157			102.0	1.189
				114.0	1.117			114.0	1.127			114.0	1.165
				128.0	1.093			128.0	1.104			128.0	1.146
				138.0	1.069			138.0	1.086			138.0	1.131
				150.0	1.053			150.0	1.071			150.0	1.119
				162.0	1.041			162.0	1.069			162.0	1.108
				174.0	1.032			174.0	1.050			174.0	1.099
				188.0	1.025			188.0	1.042			188.0	1.082
				198.0	1.019			198.0	1.035			198.0	1.085
				210.0	1.016			210.0	1.030			210.0	1.079
				222.0	1.012			222.0	1.025			222.0	1.074
				234.0	1.008			234.0	1.021			234.0	1.070
SUM		432.00	-7.57		30.48	0.35			-30.48	-5.55			
AVERAGE		54.00	-0.95		3.61	0.04			-3.61	-0.08			

PARAMETER ESTIMATES

N =	A =	B =	R² =
8.000	0.050	0.795	0.876
3.327	0.973	0.911	

PARAMETER ESTIMATES

N =	A =	B =	R² =
8.000	47.857	1.197	0.993

PARAMETER ESTIMATES

The City of Scranton
Western Avenue of PA: Bureau of WC Insured Loss Development Factors
City of Scranton WC Insured Loss Development Factors

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

Curve: $Y = A \cdot (B^X)$
(Power Model)

Curve: $Y = 1 / (1 + EXP(-AX+B))$

Curve: $Y = A \cdot Y^{(1/B)} + 1$
(Inverse Power Curve)

*** SELECTED ***

Appendix A
Sheet 9A

ACTUAL VALUES		TRANSFORMED VALUES		FITTED VALUES		TRANSFORMED VALUES		FITTED VALUES		TRANSFORMED VALUES		FITTED VALUES	
X	Y	X	LN(Y)	X	LN(X)	X	LN(Y)	X	LN(X)	X	LN(Y)	X	LN(X)
Maturity (Month)	Cumulative Paid Loss Factor												
12	3.620	12.00	0.25	248.0	4.13	248.0	4.018	-2.48	0.98	246.0	4.085	246.0	4.086
24	2.036	24.00	-0.34	258.0	3.18	268.0	4.016	-3.18	0.04	258.0	4.062	258.0	4.062
36	1.848	36.00	-0.69	270.0	1.004	270.0	4.013	-3.58	-0.43	270.0	4.059	270.0	4.059
48	1.426	48.00	-1.04	282.0	1.003	282.0	4.011	-3.87	-0.85	282.0	4.058	282.0	4.058
60	1.320	60.00	-1.28	294.0	1.003	294.0	4.008	-4.09	-1.14	294.0	4.053	294.0	4.053
72	1.292	72.00	-1.38	296.0	1.002	296.0	4.008	-4.28	-1.23	296.0	4.051	296.0	4.051
84	1.257	84.00	-1.48	318.0	1.002	318.0	4.007	-4.43	-1.38	318.0	4.048	318.0	4.048
96	1.217	96.00	-1.63	330.0	1.001	330.0	4.006	-4.56	-1.53	330.0	4.046	330.0	4.046
				342.0	1.001	342.0	4.005			342.0	4.044	342.0	4.044
				354.0	1.001	354.0	4.005			354.0	4.043	354.0	4.043
				366.0	1.001	366.0	4.004			366.0	4.041	366.0	4.041
				378.0	1.000	378.0	4.003			378.0	4.039	378.0	4.039
				390.0	1.000	390.0	4.003			390.0	4.038	390.0	4.038
				402.0	1.000	402.0	4.003			402.0	4.037	402.0	4.037
				414.0	1.000	414.0	4.002			414.0	4.036	414.0	4.036
				426.0	1.000	426.0	4.002			426.0	4.034	426.0	4.034
				438.0	1.000	438.0	4.002			438.0	4.033	438.0	4.033
				450.0	1.000	450.0	4.002			450.0	4.032	450.0	4.032
				462.0	1.000	462.0	4.001			462.0	4.031	462.0	4.031
				474.0	1.000	474.0	4.001			474.0	4.030	474.0	4.030
SUM		432.00	-7.57			30.48	0.35			-30.48	-0.55		
AVERAGE		54.00	-0.55			3.61	0.04			-3.61	-0.59		

PARAMETER ESTIMATES

PARAMETER ESTIMATES

N =	N =
8.000	8.000
A =	A =
0.050	47.857
B =	B =
0.735	1.197
R² =	R² =
0.911	0.993

The City of Scranton
PA Bureau of WC - Reported Claim Development Factors, Public Administration
ANALYSIS OF DEVELOPMENT PATTERN
USING THE METHOD OF LEAST SQUARES*

Curve : $Y = A \cdot Y^B \cdot X^C$
(Power Model)

Curve : $Y = 1/(1 - EXP(-AX+B))$

Curve : $Y = A + (B \cdot X^C) +$
(Inverted Power Curve)

*** SELECTED ***

FITTED VALUES

The City of Scranton
Weighted Average of P2, 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***

Curve: $Y = A + B(X)$
(Power Model)

Curve: $Y = 1/(1 - e^{-AX})$
(Weibull)

Curve: $Y = A + B(X)^{1/2}$
(Inverse Power Curve)

*** SELECTED ***

ACTUAL VALUES		TRANSFORMED VALUES		EDITED VALUES		TRANSFORMED VALUES		EDITED VALUES		TRANSFORMED VALUES		EDITED VALUES	
X	Y	X	LN(Y/X)	X	Y	X	LN(Y/X)	X	Y	X	LN(Y/X)	X	Y
Maturity (Months)	Cumulative Paid Loss Days Factor												
12	3.620	12.00	0.25	8.0	2.764	2.48	-1.13	8.0	4.313	-2.48	0.98	8.0	4.971
24	2.036	24.00	-0.34	20.0	2.208	3.18	-0.38	20.0	2.376	-3.18	0.04	20.0	2.326
36	1.648	36.00	-0.89	32.0	1.680	3.58	-0.07	32.0	1.824	-3.58	-0.43	32.0	1.765
48	1.426	48.00	-1.04	44.0	1.614	3.87	0.18	44.0	1.561	-3.87	-0.86	44.0	1.516
60	1.320	60.00	-1.25	56.0	1.451	4.09	0.25	56.0	1.407	-4.09	-1.14	56.0	1.387
72	1.222	72.00	-1.48	68.0	1.326	4.28	0.40	68.0	1.348	-4.28	-1.23	68.0	1.308
84	1.257	84.00	-1.48	80.0	1.253	4.43	0.48	80.0	1.239	-4.43	-1.36	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
				104.0	1.148	4.52	0.55	104.0	1.132	-4.52	-1.53	104.0	1.184
				116.0	1.112	4.52	0.55	116.0	1.123	-4.52	-1.53	116.0	1.162
				128.0	1.085	4.52	0.55	128.0	1.101	-4.52	-1.53	128.0	1.144
				140.0	1.056	4.52	0.55	140.0	1.083	-4.52	-1.53	140.0	1.125
				152.0	1.051	4.52	0.55	152.0	1.068	-4.52	-1.53	152.0	1.117
				164.0	1.040	4.52	0.55	164.0	1.057	-4.52	-1.53	164.0	1.107
				176.0	1.031	4.52	0.55	176.0	1.048	-4.52	-1.53	176.0	1.098
				188.0	1.024	4.52	0.55	188.0	1.040	-4.52	-1.53	188.0	1.091
				200.0	1.015	4.52	0.55	200.0	1.034	-4.52	-1.53	200.0	1.084
				212.0	1.014	4.52	0.55	212.0	1.029	-4.52	-1.53	212.0	1.079
				224.0	1.011	4.52	0.55	224.0	1.026	-4.52	-1.53	224.0	1.074
				236.0	1.009	4.52	0.55	236.0	1.021	-4.52	-1.53	236.0	1.069
SUM		432.63	-7.57			30.48	0.35			-39.48	-5.55		
AVERAGE		44.05	-0.35			3.81	0.04			-3.81	-0.59		

PARAMETER ESTIMATES		PARAMETER ESTIMATES		PARAMETER ESTIMATES	
N=	A=	N=	A=	N=	A=
8.000	0.000	8.000	0.000	8.000	0.000
3.327	0.879	3.327	0.795	47.657	1.187
0.879					
R ² =	0.911	R ² =	0.976	R ² =	0.993

*The City of Scranton
Workers' Compensation*

APPENDIX B
Sheet I

Derivation of Large Loss Critical Values

(A) <i>Accident Period</i>	(B) <i>Implied Trend Factor to 2018</i>	(C) <i>Large Loss Definition</i>	(D) <i>Maturity at 8/31/17 (months)</i>	(E) <i>Reported Loss Development Factor</i>	(F) <i>Reported Claim Development Factor</i>	(G) <i>Large Loss Critical Reported Amount at 8/31/17</i>
01/01/86-12/31/86	N/A	\$250,000	380	1.037	1.000	\$241,062
01/01/87-12/31/87	N/A	\$350,000	368	1.039	1.000	\$336,837
01/01/88-12/31/88	N/A	\$300,000	356	1.040	1.000	\$288,440
01/01/89-12/31/89	N/A	\$500,000	344	1.042	1.000	\$479,810
01/01/90-12/31/90	N/A	\$500,000	332	1.044	1.000	\$478,891
01/01/91-12/31/91	N/A	\$350,000	320	1.046	1.000	\$334,583
01/01/92-12/31/92	N/A	\$400,000	308	1.048	1.000	\$381,660
01/01/93-12/31/93	N/A	\$400,000	296	1.051	1.000	\$380,561
01/01/94-12/31/94	N/A	\$350,000	284	1.054	1.000	\$332,043
01/01/95-12/31/95	N/A	\$500,000	272	1.057	1.000	\$473,001
01/01/96-12/31/96	N/A	\$500,000	260	1.061	1.000	\$471,218
01/01/97-12/31/97	N/A	\$400,000	248	1.065	1.000	\$375,559
01/01/98-12/31/98	N/A	\$400,000	236	1.069	1.000	\$374,154
01/01/99-12/31/99	N/A	\$250,000	224	1.074	1.000	\$232,876
01/01/00-12/31/00	N/A	\$250,000	212	1.079	1.000	\$231,794
01/01/01-12/31/01	N/A	\$250,000	200	1.084	1.000	\$230,581
01/01/02-12/31/02	N/A*	\$300,000	188	1.091	1.000	\$275,055
01/01/03-12/31/03	N/A*	\$350,000	176	1.098	1.000	\$318,720
01/01/04-12/31/04	N/A*	\$400,000	164	1.107	1.000	\$361,402
01/01/05-12/31/05	N/A*	\$500,000	152	1.117	1.000	\$447,640
01/01/06-12/31/06	N/A	\$750,000	140	1.129	1.000	\$664,262
01/01/07-12/31/07	N/A	\$750,000	128	1.144	1.000	\$655,771
01/01/08-12/31/08	N/A	\$750,000	116	1.162	1.000	\$645,623
01/01/09-12/31/09	N/A	\$750,000	104	1.184	1.000	\$633,306
01/01/10-12/31/10	N/A	\$800,000	92	1.213	1.000	\$659,287
01/01/11-12/31/11	N/A	\$800,000	80	1.252	1.000	\$638,764
01/01/12-12/31/12	N/A	\$800,000	68	1.306	1.000	\$612,107
01/01/13-12/31/13	N/A	\$800,000	56	1.387	1.001	\$578,244
01/01/14-12/31/14	N/A	\$800,000	44	1.516	1.004	\$525,719
01/01/15-12/31/15	N/A	\$800,000	32	1.755	1.013	\$450,070
01/01/16-12/31/16	N/A	\$800,000	20	2.326	1.048	\$328,170
01/01/17-12/31/17	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 1997 and prior

Column (F): Appendix A, Sheet 10

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

The City of Scranton
Workers' Compensation

Summary of Critical Value Disability Losses
As of August 31, 2017

APPENDIX B
Sheet 2

(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	Critical Loss Reported Amount
03/01/84-02/28/87								
09/01/86 SABLE	\$2,394	\$411,761	\$7,032	\$421,186	\$104,494	\$625,680	\$241,062	
07/01/86 MCGEE	\$8,213	\$441,970	\$21,743	\$469,926	\$28,868	\$498,794	\$241,062	
01/09/87 HOBAN	\$48,817	\$413,963	\$50,038	\$512,818	\$0	\$512,818	\$336,837	
3 Claims								
01/01/87-02/28/87								
08/04/87 KERRIGAN	\$175,517	\$433,507	\$20,454	\$629,478	\$33,686	\$663,174	\$336,837	
08/08/87 ROSS III	\$8,996	\$368,392	\$2,022	\$379,410	\$0	\$379,410	\$336,837	
08/15/87 NOVAK	\$15,304	\$371,897	\$15,027	\$402,228	\$0	\$402,228	\$336,837	
09/01/87 GENOVESE	\$166,035	\$484,785	\$23,011	\$873,831	\$0	\$873,831	\$336,837	
4 Claims								
03/01/84-02/28/89								
06/08/88 MCGOWAN	\$17,515	\$516,250	\$15,855	\$549,421	\$159,075	\$708,496	\$268,440	
07/14/88 TASSEY	\$3,980	\$272,427	\$3,038	\$279,455	\$122,830	\$402,264	\$268,440	
07/17/88 RESCIGNO	\$0	\$204,609	\$3,372	\$207,980	\$350,539	\$668,620	\$268,440	
08/13/88 MCNAUL	\$31,714	\$300,486	\$23,443	\$355,642	\$0	\$355,642	\$268,440	
01/14/89 HOFFMAN	\$32,152	\$585,569	\$17,874	\$635,596	\$81,682	\$697,277	\$479,810	
5 Claims								
01/01/87-02/28/90								
02/16/90 ABCA	\$4,805	\$463,861	\$1,950	\$470,426	\$33,944	\$604,370	\$478,891	
1 Claim								
03/01/87-02/28/91								
06/28/90 JONES	\$0	\$524,626	\$12,696	\$537,322	\$338,441	\$815,763	\$478,891	
12/30/90 BENTLER	\$68,963	\$444,566	\$31,393	\$553,861	\$42,632	\$596,233	"Pappy Plan"	
2 Claims								

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29-Sep-17

The City of Scranton
Workers' Compensation

APPENDIX B
Sheet 3

Summary of Critical Value Disability Losses

As of August 31, 2017

Losses

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Date of Loss	Named Insured	Medical Paid	Intemperity Paid	Expense Paid	Total Paid	Outstanding Reserves	Total Insured	Large Loss Critical Amount
03/07/91-02/27/92								
05/06/91 PRICE	\$23,868	\$351,781	\$1,956	\$377,605	\$65,003	\$442,608	\$334,583	
07/19/91 WHALEN	\$138,044	\$295,115	\$18,444	\$451,602	\$0	\$451,602	\$334,583	
07/24/91 MAJNOWSKI	\$58,858	\$485,887	\$46,455	\$591,199	\$134,867	\$726,068	\$334,583	
08/01/91 PETRINI	\$7,720	\$423,075	\$5,897	\$430,692	\$40,344	\$471,036	\$334,583	
08/21/91 HARVEY	\$119,714	\$322,881	\$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	\$529,560	\$21,386	\$647,260	\$93,845	\$741,105	\$334,583	
02/07/92 BIDWELL	\$0	\$395,914	\$9,218	\$405,133	\$0	\$405,133	\$381,650	
B Claims								
02/07/92-02/26/93								
08/02/92 DAVIS, B.	\$123,164	\$381,884	\$38,082	\$543,111	\$0	\$543,111	\$381,650	
08/26/92 GRISKO	\$72,744	\$535,788	\$31,161	\$683,692	\$74,077	\$713,769	\$381,650	
10/14/92 MONAHAN	\$34,840	\$644,818	\$60,507	\$760,265	\$34,551	\$784,916	\$381,650	
11/29/92 DAVIS, Wm.	\$90,017	\$403,035	\$58,560	\$561,613	\$0	\$551,613	\$381,650	
4 Claims								
03/01/93-02/28/94								
03/04/93 POWELL	\$132,728	\$632,534	\$92,497	\$857,759	\$49,710	\$907,469	\$980,561	
04/15/93 CONLON	\$77,228	\$594,473	\$19,034	\$680,735	\$29,221	\$709,956	\$380,561	
05/02/93 WASYLYNAK	\$59,871	\$470,649	\$27,214	\$557,734	\$0	\$557,734	\$380,561	
05/14/93 JEFFERS	\$311,885	\$319,155	\$36,513	\$387,553	\$0	\$387,553	\$380,561	
06/22/93 PAULITS	\$76,477	\$390,796	\$48,169	\$515,442	\$0	\$515,442	\$380,561	
07/08/93 ARMFIELD	\$11,005	\$588,113	\$16,879	\$615,997	\$61,749	\$677,746	\$380,561	
07/24/93 CAWLEY	\$34,655	\$345,586	\$42,994	\$423,245	\$0	\$423,245	\$380,561	
08/11/93 DAFFARO	\$49,843	\$50,080	\$3,881	\$563,774	\$46,531	\$610,305	\$380,561	
09/19/94 BURRIER	\$59,239	\$265,436	\$31,476	\$346,081	\$0	\$346,081	\$332,043	
9 Claims								
				\$4,948,319	\$187,212		\$5,135,530	

Lg Losses.xls

19-Sep-17

The City of Scranton
Workers' Compensation

Summary of Critical Value Disability Losses

As of August 31, 2017

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Date of Loss	Name Insured	Medical Paid	Indemnity Paid	Expense Paid	Total Paid	Outstanding Reserve	Total Recovered	Large Loss Critical Reported Amount
03/01/95-02/28/95								
07/20/95 MCGINNIS	\$91,758	\$494,797	\$40,216	\$626,771	\$0	\$626,771	\$473,001	
08/23/95 DERMODY	\$10,151	\$625,434	\$70,963	\$706,569	\$39,350	\$745,918	\$473,001	
09/18/95 ANDRE JACK	\$44,326	\$383,700	\$51,958	\$459,985	\$19,843	\$479,828	\$473,001	
12/07/95 HINKLEY	\$67,882	\$382,619	\$55,955	\$460,436	\$0	\$480,436	\$473,001	
01/05/96 DUZINSKI	\$58,294	\$543,209	\$51,970	\$657,359	\$32,527	\$689,885	\$471,218	
5 Claims								
03/01/96-02/28/97								
07/24/96 DOYLE	\$586	\$476,513	\$12,317	\$489,415	\$407,252	\$898,668	\$471,218	
09/04/96 MUSSO	\$187,212	\$154,800	\$47,535	\$389,547	\$146,425	\$535,971		
2 Claims								
03/01/97-02/28/98								
06/09/97 MATTICKS	\$62,307	\$275,891	\$57,074	\$395,272	\$0	\$395,272	\$375,559	
1 Claim								
03/01/98-02/28/00								
04/06/99 OTTONE	\$24,493	\$227,517	\$35,777	\$285,787	\$0	\$285,787	\$232,876	
05/10/99 KLEE	\$15,904	\$209,899	\$22,015	\$247,818	\$0	\$247,818	\$232,876	
07/26/00 MARTIN	\$272,273	\$89,236	\$47,054	\$308,593	\$0	\$408,593	\$231,794	
3 Claims								
01/01/98-02/28/01								
06/09/00 MEDALLIS	\$103,100	\$148,552	\$30,040	\$281,692	\$0	\$281,692	\$231,794	
07/13/00 WAZNAK	\$224,468	\$220,048	\$43,165	\$487,682	\$0	\$487,682	\$231,794	
02/17/01 BARYKO	\$44,640	\$156,846	\$37,568	\$239,044	\$0	\$239,044	\$230,581	
3 Claims								

Loss Details

29-Sep-17

The City of Scranton
Workers' Compensation

Summary of Critical Value Disability Losses

As of August 31, 2017

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Date of Loss	Name/ Insured	Hospital Paid	Indemnity Paid	Expense Paid	Total Paid	Outstanding Reserves	Total Recovered	Large Loss Critical Amount
08/10/01	LANNING	\$56,527	\$219,620	\$25,557	\$301,704	\$0	\$301,704	\$230,581
08/23/01	GAELLA	\$44,321	\$184,415	\$27,920	\$256,656	\$0	\$256,656	\$230,581
02/11/02	MACKIN	\$46,164	\$221,969	\$22,969	\$291,102	\$0	\$291,102	\$275,055
02/20/02	OZOVEK	\$143,954	\$288,672	\$30,331	\$442,957	\$0	\$442,957	\$275,055
	4 Claims	(2 post 10/7/01 S/R)			\$1,292,419	\$0	\$1,292,419	
03/01/02-02/28/03	FARGIONE	\$126,603	\$304,542	\$27,010	\$453,519	\$0	\$463,519	\$275,055
08/12/02	GIBOLFI	\$144,865	\$294,596	\$45,856	\$485,317	\$0	\$485,317	\$275,055
07/21/02	ROSAR, J.	\$79,913	\$308,384	\$44,915	\$443,182	\$0	\$433,182	\$275,055
07/25/02	BOEZI	\$192,537	\$223,981	\$70,584	\$487,102	\$12,218	\$499,320	\$275,055
08/24/02	PIAZZA	\$43,922	\$207,269	\$26,289	\$277,480	\$0	\$277,480	\$275,055
	5 Claims	(all pre 10/7/02)			\$2,146,600	\$12,218	\$2,158,818	
03/01/03-02/28/04	MALONE	\$4,886	\$274,414	\$8,325	\$287,625	\$400,478	\$688,103	\$364,251
11/25/03	1 Claim	(1 post 10/7/03 S/R)			\$287,625	\$400,478	\$688,103	
03/01/04-02/28/05	EIBACH	\$155,854	\$284,209	\$58,192	\$488,055	\$0	\$488,055	\$361,402
09/19/04	MCINTYRE	\$149,519	\$236,458	\$20,023	\$417,202	\$0	\$417,202	\$361,402
	2 Claims	(pre 10/7/04)			\$915,257	\$0	\$915,257	
03/01/05-02/28/07	SVETOVICH	\$159,914	\$269,875	\$93,835	\$523,624	\$147,289	\$670,913	\$684,282
09/12/06	1 Claim				\$523,624	\$147,289	\$670,913	
03/01/15-02/28/18	WILDING	\$93,143	\$105,833	\$4,540	\$203,515	\$1,748,099	\$1,951,614	\$450,070
11/28/15	PIERSON	\$334,354	\$553,816	\$7,530	\$395,700	\$114,315	\$510,015	\$450,070
	2 Claims				\$559,218		\$2,461,829	

Closes w/o

10-Sept-17

**The City of Scranton
Workers' Compensation**

APPENDIX C

Derivation of Discount Factors as of 8/31/17

Accident Period	(B) Maturity in Years at 8/31/17	(C) Cumulative Paid Loss Development Factor	(D) % Losses Paid at 8/31/17	(E) Midpoint Upcoming Period	(F) Paid Upcoming Period	(G) Column(F) Discounted	(H) Discount Factor	
							% Losses	
							Paid	Upcoming
2017/2018	0.50	28.231	4.9%	1.0	10.4%	0.102	0.774	
2016/2017	1.50	6.504	15.4%	2.0	9.2%	0.087	0.759	
2015/2016	2.50	4.076	24.5%	3.0	7.8%	0.071	0.763	
2014/2015	3.50	3.097	32.3%	4.0	6.5%	0.059	0.757	
2013/2014	4.50	2.575	38.8%	5.0	5.8%	0.048	0.753	
2012/2013	5.50	2.253	44.4%	6.0	4.7%	0.040	0.750	
2011/2012	6.50	2.036	49.1%	7.0	4.1%	0.034	0.744	
2010/2011	7.50	1.880	53.2%	8.0	3.5%	0.028	0.747	
2009/2010	8.50	1.763	56.7%	9.5	5.8%	0.045	0.747	
	10.50	1.600	62.5%	11.5	4.5%	0.033	0.752	
	12.50	1.492	67.0%	13.5	3.6%	0.025	0.762	
	14.50	1.416	70.6%	15.5	3.0%	0.019	0.777	
	16.50	1.359	73.6%	17.5	2.5%	0.015	0.798	
	18.50	1.315	76.0%	19.5	2.7%	0.016	0.823	
	20.50		78.8%	21.5	3.0%	0.017	0.849	
	22.50		81.7%	23.5	3.3%	0.017	0.875	
	24.50		85.0%	25.5	3.6%	0.018	0.901	
	26.50		88.6%	27.5	4.0%	0.019	0.927	
	28.50		92.6%	29.5	4.4%	0.020	0.952	
	30.50		96.9%	31.5	3.1%	0.013	0.973	
ULT	32.50	1.000	100.0%					

Annual Interest Rate: 2.75%

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}^n - Column(E)}

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