

# CONTINUING DISCLOSURE POLICY CONCERNING SECURITIES ISSUED OR GUARANTEED BY THE CITY OF HARRISBURG

## Introduction

This Continuing Disclosure Policy (the "Disclosure Policy") is promulgated by issuance of Mayoral Executive Order No. 11 of 2012 to ensure that the City of Harrisburg (the "City") efficiently carries out its continuing disclosure obligations with respect to the securities it issues or guarantees, pursuant to Rule 15c2-12, as amended (the "Rule"), promulgated under the Securities Exchange Act of 1934, as amended.

## Definitions

The definitions set forth herein shall apply to any capitalized term used in this Disclosure Policy unless otherwise defined herein. In addition to such terms and the terms defined above, as used in this Disclosure Policy, the following capitalized terms shall have the following meanings:

*"Auditor"* means the Auditor of the City.

*"Business Administrator"* means the Business Administrator or Acting Business Administrator of the City. If those positions are vacant or eliminated, the Harrisburg City Finance Director shall be responsible for performing the duties of the Business Administrator under this Disclosure Policy.

*"CAFR"* means the Comprehensive Annual Financial Report annually prepared by the Bureau of Financial Management, which shall include, if prepared, a statement of net assets, a statement of revenues, expenses and changes in net assets and a statement of cash flow. All such financial information shall be prepared using generally accepted accounting principles and audited by a certified public accountant; provided, however, that the City may change the accounting principles used for preparation of such financial information so long as the Bureau of Financial Management includes as information provided to the public a statement to the effect that different accounting principles are being used, stating the reason for such change and how to compare the financial information provided by the differing financial accounting principles.

*"City Council"* means the Harrisburg City Council.

*"City Treasurer"* means the Harrisburg City Treasurer.

*"City Controller"* means the Harrisburg City Controller.

*"City Solicitor"* means the Harrisburg City Solicitor or Acting City Solicitor.

*"Employee"* means any person who, as part of his or her employment with the City, has regular responsibility for the administration of matters related to Obligations.

*"Finance Director"* means the Finance Director or Acting Finance Director of the City.

*"EMMA"* means the Electronic Municipal Market Access system of the MSRB. Information regarding submissions to EMMA is available at <http://emma.msrb.org/>.

*"Event"* means any of the events listed in Schedule 1 of this Disclosure Policy.

“*Fiscal Year*” means the fiscal year of the City, being the period commencing on January 1 and ending on the following December 31.

“*Mayor*” means the Mayor of the City.

“*MSRB*” means the Municipal Securities Rulemaking Board or any other board or entity which succeeds to the functions currently delegated to the Municipal Securities Rulemaking Board by the Rule.

“*Obligations*” means any securities issued by, or whose payment is guaranteed by, the City.

“*Operating Data*” means the City’s financial information and operating data disclosed pursuant to this Disclosure Policy, and which shall consist of the information contained in the City’s CAFR.

“*Order*” means an Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order issued by the United States Securities and Exchange Commission in connection with its investigation of the City.

“*SEC*” means the U.S. Securities and Exchange Commission.

#### **Annual Submission of CAFR**

1. Not later than 270 days after the end of each fiscal year of the City, and annually thereafter while any Obligations remain outstanding, the Business Administrator shall submit or cause the City’s CAFR to be submitted to the MSRB through EMMA.

2. The Business Administrator shall provide copies of the CAFR to the City’s Finance Director, the Mayor, the City Solicitor, the City Controller, the City Treasurer and to City Council, not less than ten (10) days prior to the above deadline for the submission of the CAFR to the MSRB.

3. Not more than five (5) days after the submission of the CAFR to the MSRB, the Business Administrator shall provide to the Mayor, the City Solicitor, the City Controller, the City Treasurer and to City Council written confirmation that the CAFR has been submitted and filed properly with the MSRB through EMMA.

4. In the event that the CAFR is not completed in time to submit the CAFR to the MSRB through EMMA within the time specified in paragraph 1 above, the Business Administrator will file a notice of occurrence of such Event in accordance with the policy and procedures set forth below under “Reporting of Events,” and in accordance with the Rule, and the City’s CAFR shall be submitted as soon as it is available.

5. The CAFR may be provided to the MSRB through EMMA in one document or a set of documents submitted to the MSRB, or may be included by specific reference to documents available to the public on the MSRB’s Internet website or filed with the SEC. The Business Administrator shall clearly identify each such other document provided by cross reference.

6. The City's CAFR shall be prepared in accordance with generally accepted accounting principles as in effect from time to time and operating data and operating information ordinarily disclosed by municipal governments. The CAFR shall be audited by a certified public accountant prior to its submission to the MSRB.

7. Any or all of the items listed above may be incorporated by reference to other documents, including official statements of debt issues with respect to which the City is an "obligated person" (as defined by the Rule), which have been filed with the MSRB through EMMA or the SEC. The Business Administrator shall clearly identify each such other document so incorporated by reference. In the event that the Business Administrator determines to so incorporate by reference any or all of the items listed above, the Business Administrator shall also file a notice through EMMA indicating that all or part of the City's financial and operating information for that year is contained in documents filed with the SEC or with the MSRB through EMMA.

### **Reporting of Events**

1. The Business Administrator shall file, in a timely manner, a notice of the occurrence of any Event or Events with the MSRB via EMMA with respect to any Obligations to which the Event or Events are applicable, in a timely manner not in excess of ten (10) business days after the occurrence of the Event. The Business Administrator shall provide notice of such Event to the MSRB through EMMA, as required by the Rule. The Events to be disclosed are listed on Schedule 1 hereof, which the Business Administrator is responsible for updating in a timely manner in the event that there are future changes to the Rule.

2. Not less than three (3) business days after providing notice of an Event to the MSRB, the Business Administrator shall provide a copy of the notice submission filed with the MSRB to the Finance Director, the City Solicitor, the City Controller, the City Treasurer, the Mayor, and to City Council, along with written confirmation that such notice submission was properly filed with the MSRB through EMMA, as required by the Rule.

3. Whenever any Employee obtains actual knowledge of the occurrence of an Event, that employee must inform the Business Administrator and the City Solicitor in writing as soon as possible.

### **Manner of Submission**

The documents, reports and notices required to be submitted to the MSRB pursuant to the Disclosure Policy shall be submitted through EMMA in an electronic format, and shall be accompanied by identifying information, in the manner prescribed by the MSRB, or in such other manner as is consistent with the Rule. A description of such format and information as presently prescribed by the MSRB is included in Exhibit A hereto.

### **Disclosure Training for City Employees**

1. The Business Administrator is responsible for conducting annual training of City Employees regarding this Disclosure Policy. Such training shall include a complete review of this Disclosure Policy, the Rule, and the Events listed on Schedule 1 hereto, and shall include a

complete overview of the City's obligations under the federal securities laws. Upon completion of the annual training, all City Employees will provide written certification that they have completed the annual disclosure training and that they have reviewed and understand the Disclosure Policy, the Rule and the Events listed on Schedule 1 hereto, and that they will comply with the Disclosure Policy.

2. Not later than fourteen (14) business days after the end of each fiscal year of the City, the Business Administrator shall provide annual written certification to the Mayor and to City Council that the annual disclosure training has been completed.

### **Public Statements Regarding Financial Information**

Whenever the City makes statements or releases information relating to its finances to the public that is reasonably expected to reach investors and the trading markets (including, without limitation, all Material Event Notices, statements in the CAFR, and other financial reports and statements of the City), the City is obligated to ensure that such statements and information are complete, true, and accurate in all material aspects. The Business Administrator shall have primary responsibility for ensuring that such statements and information are accurate and not misleading in any material aspect. The Mayor, the Business Administrator, the Finance Director, and the City Solicitor shall work together to ensure that all public statements and information released by the City are accurate and non-misleading in all material aspects and that the City complies with all applicable requirements of the Rule regarding disclosure of any settlement by the City with the SEC.

### **Issuance**

Whenever the City issues general obligations bonds or notes, and whenever other Obligations are issued, a preliminary offering statement and a final offering statement are prepared. Each of these offering statements contains information relating to the City's finances. The Business Administrator and City Solicitor shall have primary responsibility for ensuring that all such information is accurate and not misleading in any material aspect. The offering statement shall also include a certification by the Business Administrator that the information contained in the offering statement regarding the City, as of the date of each offering statement, does not contain any untrue statement of material fact or omit to state any material fact necessary to make the information contained in the offering statement, in light of the circumstances under which it was provided, not misleading. The Business Administrator shall further ensure that, within five years from the date of the Order, if and when issued by the SEC, the terms of the Order are disclosed in any preliminary and final offering documents of any future securities offerings for which the City is an issuer or obligated person.

### **Additional Information**

Nothing in this Disclosure Policy shall be deemed to prevent the City from disseminating any other accurate information using the means of dissemination set forth in this Disclosure Policy or any other means of communication.

**Filing on EMMA**

A copy of the Disclosure Policy shall be filed on EMMA. If the Disclosure Policy is amended, such amendments will be filed on EMMA as soon as practicable after such amendments take effect. A current copy of the Disclosure Policy and any amendments will also be made publicly available on the City's web site.

The Business Administrator shall ensure that the terms of the Order are disclosed on EMMA as soon as practicable after the date that the Order is issued.

## Schedule 1 to the Disclosure Policy

The SEC requires notification of the occurrence of any of the Events listed as (1) through (14) below with respect to any applicable Obligation. Notification must be provided in a timely manner, but not more than ten (10) business days after its occurrence.

1. Principal and interest payment delinquencies;
2. Nonpayment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, or a Notice of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to tax status of the Certificates, or other events affecting the tax status of the Certificates;
7. Modifications to rights of registered owners of the Certificates, if material;
8. Bond calls (excluding mandatory sinking fund redemptions), if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Certificates;
11. Rating changes;
12. Bankruptcy, insolvency, receivership, or a similar proceeding by an obligated person;
13. Consummation of a merger, consolidation, acquisition involving an obligated person, or sale of all or substantially all of the assets of an obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or determination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of an additional or a successor trustee, or the change in name of a trustee, if material.

## EXHIBIT A

### MSRB PROCEDURES FOR SUBMISSION OF CONTINUING DISCLOSURE DOCUMENTS AND RELATED INFORMATION

Securities and Exchange Commission Release No. 34-59061 (the "Release") approves an MSRB rule change establishing a continuing disclosure service of the MSRB's Electronic Municipal Market Access system ("EMMA"). The rule change establishes, as a component of EMMA, the continuing disclosure service for the receipt of, and for making available to the public, continuing disclosure documents and related information to be submitted by issuers, obligated persons and their agents pursuant to continuing disclosure undertakings entered into consistent with Rule 15c2-12 ("Rule 15c2-12") under the Securities Exchange Act of 1934. The following discussion summarizes procedures for filing continuing disclosure documents and related information with the MSRB as described in the Release.

All continuing disclosure documents and related information is to be submitted to the MSRB, free of charge, through an Internet-based electronic submitter interface or electronic computer-to-computer data connection, at the election of the submitter. The submitter is to provide, at the time of submission, information necessary to accurately identify: (i) the category of information being provided; (ii) the period covered by any annual financial information, financial statements or other financial information or operating data; (iii) the issues or specific securities to which such document is related or otherwise material (including CUSIP number, issuer name, state, issue description/securities name, date, maturity date and/or coupon rate); (iv) the name of any obligated person other than the issuer; (v) the name and date of the document; and (vi) contact information for the submitter. Submissions to the MSRB are to be made as portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. If the submitted file is a reproduction of the original document, the submitted file must maintain the graphical and textual integrity of the original document. In addition, as of January 1, 2010, such PDF files must be word-searchable (that is, allowing the user to search for specific terms used within the document through a search or find function), provided that diagrams, images and other non-textual elements will not be required to be word-searchable.

All submissions to the MSRB's continuing disclosure service are to be made through password protected accounts on EMMA by: (i) issuers, which may submit any documents with respect to their municipal securities; (ii) obligated persons, which may submit any documents with respect to any municipal securities for which they are obligated; and (iii) agents, designated by issuers and obligated persons to submit documents and information on their behalf. Such designated agents are required to register to obtain password-protected accounts on EMMA in order to make submissions on behalf of the designating issuers or obligated persons. Any party identified in a continuing disclosure undertaking as a dissemination agent or other party responsible for disseminating continuing disclosure documents on behalf of an issuer or obligated person will be permitted to act as a designated agent for such issuer or obligated person, without a designation being made by the issuer or obligated person as described above, if such party certifies through the EMMA on-line account management utility that it is authorized to disseminate continuing disclosure documents on behalf of the issuer or obligated person under the continuing disclosure undertaking. The issuer or obligated person, through the EMMA on-line account management utility, is able to revoke the authority of such party to act as a designated agent.

The MSRB's Internet-based electronic submitter interface (EMMA Dataport) is at [www.emma.msrb.org](http://www.emma.msrb.org).

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