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**IN THE COMMONWEALTH COURT OF PENNSYLVANIA**

**DENNIS M. DAVIN, in his capacity:**  
**as Secretary for the Department :**  
**of Community and Economic :**  
**Development, :** **No. 569 MD 2011**  
**Petitioner :**  
:  
**v. :**  
:  
**CITY OF HARRISBURG, :**  
**Respondent :**

**APPLICATION**  
**FOR APPROVAL OF A STIPULATION**  
**TO DEFER EXIT PLAN PROCEEDINGS**

**NOW COMES**, the Respondent, City of Harrisburg (“City”), by and through its undersigned counsel, with the concurrence of counsel for the Commonwealth, and hereby moves as follows:

1. By its Order of February 25, 2014, this Honorable Court expressly retained jurisdiction over matters relating to the implementation of the Harrisburg Strong Plan, including any amendments thereto and related agreements.

2. After a Status Conference before this Honorable Court on August 14, 2018, the Parties hereto have stipulated and agreed to modify certain timeframes for additional action by the City of Harrisburg or the Act 47 Coordinator on an amended Exit Plan, subject to Court approval, a true and correct copy of which is attached hereto, incorporated herein and marked as "Exhibit A."

3. The City hereby respectfully moves that the Honorable Court approve and adopt the *Stipulation* to defer certain additional City proceedings regarding the Act 47 Recovery Coordinator's amended Exit Plan, for the reasons and the limited time periods set forth more fully therein.

**WHEREFORE**, the City of Harrisburg respectfully requests that the Honorable Court approve and adopt the proposed Stipulation in this matter.

Respectfully submitted,

Office of the City Solicitor

Date: August 31, 2018

/s/ Neil A. Grover

Neil A. Grover, Esquire (PA 53142)

*City Solicitor*

Tiffanie E. Baldock, Esquire (PA 316005)

*Senior Deputy City Solicitor*

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*Counsel for the City of Harrisburg*

# **EXHIBIT A**

**IN THE COMMONWEALTH COURT OF PENNSYLVANIA**

<b>DENNIS M. DAVIN, in his capacity:</b>		
<b>as Secretary for the Department of :</b>	:	
<b>Community and Economic</b>	:	
<b>Development</b>	:	<b>No. 569 MD 2011</b>
<b>Petitioner</b>	:	
	:	
<b>v.</b>	:	
	:	
<b>CITY OF HARRISBURG,</b>	:	
<b>Respondent</b>	:	

**STIPULATION**

The Respondent, City of Harrisburg (“City” or “Harrisburg”), has requested and the Petitioner, the Secretary for the Department of Community and Economic Development, (“DCED”), now agrees to stipulate as follows:

1. This matter arises under the Municipalities Financial Recovery Act of 1987, 53 P.S. §11701.101, et al., as amended (“Act 47”).
2. On February 25, 2014, this Honorable Court entered an Order granting the Application of DCED to vacate receivership status over the City of Harrisburg and retaining jurisdiction over matters relating to the implementation of the amended Act 47 Recovery Plan<sup>1</sup>, including any amendments thereto and related agreements.
3. Significant amendments to the Municipalities Financial Recovery Act were enacted on or about October 31, 2014, including new provisions for the

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<sup>1</sup> The amended recovery plan has been commonly referred to as the Harrisburg Strong Plan.

termination of the designation of “distressed municipality” under Act 47 after five (5) years and the potential for the adoption and implementation of an Exit Plan.<sup>2</sup>

4. On September 23, 2013, this Honorable Court approved a modified Recovery Plan presented by a duly appointed Receiver that included, among its many details, projected Annual Budgets for the City that including elevated tax authority and related provisions, covering a plan period that will expire on December 31, 2018.<sup>3</sup>

5. Harrisburg’s Act 47 Exit Plan process is underway, with the Recovery Coordinator having filed with the City an amended Exit Plan on August 8, 2018.

6. The Exit Plan was introduced for City Council consideration through a proposed Ordinance on August 28, 2018.

7. The City of Harrisburg has been requested to appear at a Joint House Committee hearing on September 25, 2018, as proposed legislation is under review to permit the conditional retention of Act 47 tax rates for municipalities that have successfully departed both receivership and the distressed status designation.

8. The General Assembly’s consideration of this (and other remaining legislative matters) may significantly alter the City’s need for and duration of an Exit

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<sup>2</sup> Other Exit provisions were also enacted, such as a disincorporation process not applicable to the City. See 53 P.S. §§ 11701.254 – 11701.257.

<sup>3</sup> Detailed 2016 amendments to Recovery Plan were proposed by the Act 47 Coordinator, approved by City Ordinance on or about April 27, 2016 and ultimately approved by Memorandum and Order of this Honorable Court on July 20, 2016.

Plan with consideration subject to a limited number of final session days, which are scheduled to convene September 24 and adjourn *sine diē* on November 14.

9. This Honorable Court has retained jurisdiction over the City's Recovery Plan and any amendments thereto, and so the Parties agree that the Court may exercise its powers to extend the timeframes provided under Act 47 for City Council and the Coordinator to act.

10. As consideration of pending legislation is undertaken through the Fall 2018 Session of the General Assembly that may significantly alter the need for and duration of an Exit Plan for Harrisburg, the parties hereby stipulate and agree that the Council of the City may defer a vote on the proposed Exit Plan submitted by the Coordinator until no later than November 15, 2018, with that deferral subject to judicial approval.

11. It is the intention of the Parties for the City to complete the Exit Plan adoption process in time for: (i) the Court to consider an Application to Approve an Exit Plan in time to make a ruling prior to November 27, 2018 and (ii) the City Council to adopt a 2019 Annual Budget that reflects whatever applicable taxing authority and tax rates will be available to the City by the statutory deadline of December 31, 2018.

12. The undersigned counsel acknowledge that the parties conferred on this proposed process at a Status Conference on August 14, 2018, with a request that the

Court consider an Application to approve a Stipulation on the deferred vote of City Council under Act 47.

**FOR THE DEPARTMENT OF COMMUNITY  
AND ECONOMIC DEVELOPMENT AND MARITA  
KELLEY, AS RECOVERY COORDINATOR FOR THE  
CITY OF HARRISBURG**

s/ J. Michael Adams, Jr.  
J. Michael Adams, Jr., Esquire  
Chief Counsel  
Commonwealth of Pennsylvania  
Department of Community and  
Economic Development  
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**FOR CITY OF HARRISBURG**

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**CERTIFICATE OF COMPLIANCE**

I certify that this filing complies with the provisions of the *Public Access Policy of the Unified Judicial System of Pennsylvania: Case Records of the Appellate and Trial Courts* that require filing confidential information and documents differently than non-confidential information and documents.

Respectfully submitted,

LAW BUREAU FOR THE CITY OF HARRISBURG

By: /s/ Neil A. Grover  
Neil A. Grover, Esq. PA53142  
City Solicitor

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*Counsel for Respondent City of Harrisburg*

**PROOF OF SERVICE**

I, Neil A. Grover, hereby certify that on this day serving the foregoing document upon the persons and in the manner indicated below, which service satisfies the requirements of Pa.R.A.P. 121. Furthermore, I hereby certify that the nature and complexity of the docket in the matter reflects numerous persons and counsel who no longer are affiliated with this action and, accordingly, notwithstanding any formal certification to the contrary, I have not served any person or organization listed on the docket other than those served by a facsimile transmission of Court or Clerk, by e-filing as reflected on the docket or as otherwise listed below:

Service by First Class Mail as follows:

<b>Mark Joachim, Esquire</b> <b>(202) 857-6018</b> <b>1717 K Street</b> <b>Washington, DC 20006</b> <b>Attorney for Ambac Assurance Corporation</b>	<b>Markian Roman Slobodian</b> <b>(717) 232-5180</b> <b>Law Offices of Markian R. Slobodian</b> <b>801 N. 2<sup>nd</sup> Street</b> <b>Harrisburg, PA 17102</b> <b>Attorney for Ambac Assurance Corporation</b>
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Service by ESERVICE as follows:

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Date: August 31, 2018

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