

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

C. ALAN WALKER, in his capacity as :
Secretary for the Department of :
Community and Economic Development, : No. 569 M.D. 2011

Petitioner, :

v. :

CITY OF HARRISBURG, :

Respondent

ANSWER TO
APPLICATION TO VACATE
RECEIVERSHIP AND OTHER RELATED MATTERS

RECEIVED & FILED
COMMONWEALTH COURT
OF PENNSYLVANIA
2014 FEB -14 P 4:01

AND NOW, comes the City of Harrisburg (“City”), by and through its undersigned counsel, to answer and otherwise respond to the State’s request to vacate receivership, transfer certain authority and responsibilities to a Coordinator and otherwise provide for the ongoing implementation of the Harrisburg Strong Plan, and in support thereof, so now states:

ANSWER IN SUPPORT

1. On January 16, 2014, the Secretary of the Department of Community and Economic Development (“Secretary” or “DCED”), filed a nuanced application with the Honorable Court, proposing to extract the City of Harrisburg and the Commonwealth from the mantle of receivership and, concurrently, secure the

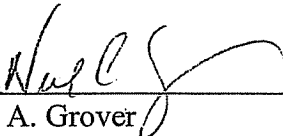
ongoing jurisdiction of the Court as the City works through the approved recovery plan, as modified and amended through this Court's prior Orders.

2. The City of Harrisburg invites and supports the Secretary's approach for both winding down receivership and carrying on with recovery.
3. The City recognizes and acknowledges that challenges remain for our citizens and this local government, as many of the systemic issues that envelop municipal governance will not simply depart our boundaries along with the Receiver.
4. Operating under the framework of the Harrisburg Strong Plan, the local government of Harrisburg will continue to face limited taxing authority and options, a statutorily-impaired tax base, an as yet unresolved labor contract¹ and a dependence on the receipt of uncertain annual allocations of State funds, all while responding to a constant demand for vital and necessary services.
5. Post-receivership, the natural tension of governing -- between the demand for municipal services and the relative scarcity of resources -- will drive the City's budgetary decisions, yet under the Plan's framework, Harrisburg now should be better equipped to identify the waypoints in decision-making that will enable its leaders to prepare budgets that both balance and support necessary operations.
6. For the City to secure the full benefits of the consensual agreement and related settlement agreements that this Court approved, the ability of the Commonwealth and the City to enforce the respective requirements of the Plan, with any or all of its many participants, will be critical.

¹ In January 2014, the City's firefighters, in their capacity as members of the IAFF union, rejected proposed modifications to their Collective Bargaining Agreement. The City and union have engaged in subsequent ongoing discussions to identify and close the gap on remaining differences.

7. Accordingly, while the City's support for the Application and Proposed Order submitted by the Secretary is unequivocal, it is conditioned upon the Court's approval of the Application in its entirety, as approval of anything less may impair the City's ability to realize a full recovery from its distressed status.

Dated: February 4, 2014

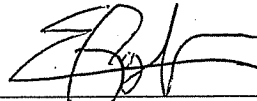
By: 
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Attorneys for Respondent

VERIFICATION

I, Eric R. Papenfuse, in my official capacity as Mayor for the City of Harrisburg, hereby verify that the statements made in the foregoing Answer To Application to Vacate Receivership and Other Related Matters are true and correct to the best of my knowledge, information and belief. I understand that false statements herein made are subject to penalties of 18 Pa. C.S.A. §4904 relating to unsworn verification to authorities.

By: _____



Eric R. Papenfuse, Mayor
City of Harrisburg, Pennsylvania

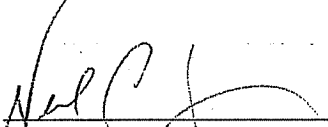
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Respondent :

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 4th day of February, 2014, contemporaneously with filing with the Court, I served a true and correct copy of the foregoing *ANSWER TO APPLICATION TO VACATE RECEIVERSHIP AND OTHER RELATED* via confirmed electronic mail transmission as well as via first class mail, postage prepaid upon the individuals identified on Exhibit A hereto at the addresses indicated

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Counsel for Respondent

EXHIBIT A

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| <p>Edward Lee Stinnett, II Salzmann Hughes PC 354 Alexander Spring Rd Ste 1 Carlisle, PA 17015 (717)249-6333 <i>(Attorneys for certain Suburban Municipalities)</i></p> | <p>Ronald L. Finck Mette, Evans & Woodside 3401 N Front PO Box 5950 Harrisburg, PA 17110 (717)232-5000 <i>(Attorneys for County of Dauphin)</i></p> |
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| <p>Christopher R Sullivan Deputy General Counsel Office of General Counsel 333 Market Street, 17th Floor Harrisburg, PA 17101 Phone: (717)787-9342 Fax: (717)787-1788 <i>(Attorneys for Williams B Lynch in his official capacity as Receiver for City of Harrisburg)</i></p> | <p>Thurbert Baker McKenna Long & Aldridge LLP 303 Peachtree Street, Suite 5300 Atlanta, Georgia 30308 Phone: (404)527-4000 Fax: (404)527-4198 <i>(Attorneys for Williams B Lynch in his official capacity as Receiver for City of Harrisburg)</i></p> |
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