IN THE COMMONWEALTH COURT OF PENNSYLVANIA

Dennis M. Davin, in his capacity as   :
Secretary for the Department of   :
Community and Economic   :
Development,   :
               Petitioner   :
                        :
         v.   : No. 569 M.D. 2011
                        :
City of Harrisburg,   :
             Respondent :

Re: Application for Approval of the Amended Harrisburg Strong Plan

MEMORANDUM AND ORDER

Presently before the Court is the Application of the Coordinator of the City of Harrisburg for Court approval of proposed amendments to the current Harrisburg Strong Plan.[1] The Application was filed on April 29, 2016, and no objections or comments to the Application have been raised. On July 18, 2016, prior to entering the instant order, the Court held a status conference in open court to address the Application.

The Coordinator has been charged with implementation and enforcement of the Harrisburg Strong Plan (Plan) in order to shepherd the City on the path towards continued financial recovery and stability. *See* Order dated February 25, 2014; *see also* Sections 710.1, 221 and 241 of the

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[1] Upon termination of the Court-appointed Receiver under Chapter 7 of the Municipalities Financial Recovery Act, Act of July 10, 1987, P.L. 246, added by the Act of October 20, 2011, P.L. 318, *as amended*, 53 P.S. §§ 11701.101 – 11701.712, the Secretary of the Department of Community and Economic Development appointed Fred Reddig as the Coordinator for the City of Harrisburg

Municipalities Financial Recovery Act (Act), Act of July 10, 1987, PL. 246, *as amended*, 53 P.S. §§ 11701.710.1, 11701.221, 11701.241, respectively.[2] In connection with that authority, the Coordinator may seek to revise and modify the Plan as appropriate.

A review of the very detailed proposed amendments to the Plan demonstrates that the Coordinator has thoughtfully and thoroughly modified the Plan to respond to the successes in some areas of Plan performance and the less than hoped-for success in other areas as a result of unforeseen contingencies. The proposed amendments seek to, *inter alia,* maximize revenue opportunities, provide for operational changes to address day-to-day departmental needs, increase departmental efficiency and productivity, provide avenues to secure the City's future financial stability following its exit from financially distressed status, such as the possible adoption of a Home Rule Charter, which would provide some advantages relative to earned income taxation, consideration of regional policing initiatives, and transferring from a Business Privilege & Mercantile Tax to a Payroll Preparation Tax.

According to the Coordinator, the proposed amendments reflect a "collaborative effort between the Coordinator, Harrisburg City Council and the Mayor of Harrisburg to ensure the continued economic recovery of the City and its financial condition." Application, ¶ 9. Moreover, the proposed amendments were presented to the public and filed with the City. Application, Exhibit B [Ordinance (Bill No. 9 of 2016) findings]. Determining that the proposed amendments were in the best interest of the

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[2] Chapter 7 of the Act was added by the Act of October 20, 2011, P.L. 318.

City, the Harrisburg City Council adopted the amendments by Ordinance dated April 27, 2016. *See* Application, Exhibit B.

Following consideration of the proposed amendments, City Council's support for the Amended Plan, the Coordinator's experience and judgement, and the information provided at the status conference, the Court finds that the Amended Plan is reasoned, constitutes a sound exercise of the Coordinator's judgment and appears tailored to address the City's current financial and operational needs. Accordingly, this 20th day of July, 2016, the Court grants the Application and orders as follows:

1. The Amended Harrisburg Strong Plan is APPROVED.

2. The Coordinator is authorized to take all necessary steps to implement and enforce the Amended Plan.

3. Jurisdiction over enforcement of the Amended Plan and any subsequent modifications thereto is retained by this Court.

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BONNIE BRIGANCE LEADBETTER,
Senior Judge