

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
THE ACT 47 COORDINATOR FOR THE CITY OF PITTSBURGH
AND THE
INTERGOVERNMENTAL COOPERATION AUTHORITY

This Memorandum of Understanding, made by and between The PENNSYLVANIA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT ("DCED") acting through the ACT 47 COORDINATOR ("ACT 47 TEAM"), and the INTERGOVERNMENTAL COOPERATION AUTHORITY ("ICA").

BACKGROUND:

The Act 47 Coordinators were appointed by the Secretary of the Pennsylvania Department of Community and Economic Development ("DCED") pursuant to 53 P.S. 11701.221. The responsibilities of the Act 47 Team include preparation and administration of a plan designed to relieve the financial plight of the City of Pittsburgh, which has been declared a "distressed" community under Act 47. The Intergovernmental Cooperation Authority for Cities of the Second Class was created pursuant to 53 P.S. 28101 *et seq.* The ICA is charged with fiscal oversight and approval of a financial plan for the City of Pittsburgh. Pursuant to its statutory authority the Act 47 Team has successfully completed the process of adopting the Act 47 Recovery Plan for the City of Pittsburgh and the ICA has successfully negotiated the Intergovernmental Cooperation Agreement with the City of Pittsburgh.

In carrying out their respective mandates the Act 47 Team and ICA have on occasion experienced conflicts over matters of mutual concern which conflicts have become obstacles to the efficient and effective exercise of their respective charges. The ICA and Act 47 Team acknowledge that while each party must continue to discharge its responsibilities consistent with its statutory mandate, conflicts between the parties can and should be minimized by increased and improved communications between the parties and by taking certain actions to remove roadblocks to enhanced cooperation.

Mindful of the above, the parties hereto, while maintaining their individual statutory mandates, desire to memorialize certain understandings as part of an action plan for increased inter-agency cooperation in addressing the needs of the City of Pittsburgh..

NOW THEREFORE, in order to enhance the performance of the ICA and the Act 47 Team consistent with each body's legislative mandate; to encourage the efficient and effective use of Commonwealth resources in achieving fiscal stability for the City of Pittsburgh; and to avoid unnecessary inter-jurisdictional conflicts; the parties to this Memorandum set forth the following as the terms and conditions of their understanding:

1. ACT 47 TEAM OBLIGATIONS:

A. COMMUNICATIONS: The Act 47 Team will, on a timely basis, provide ICA with information relative to the City's financial performance including, but not limited to:

1. Financial reports as received from City.
2. Act 47 Team analyses of City performance (prior to public dissemination of such reports). When feasible, ICA will be afforded the opportunity to comment on such analyses prior to their publication.
3. Act 47 Team (including legal counsel) will be made available to the ICA as requested by the ICA to provide clarification of reports, to respond to questions related thereto, and to provide advice and counsel in such matters as the ICA shall desire.
4. Act 47 Team will provide ICA with timely information related to occurrences which substantially impact on the financial condition and performance of the City.
5. ICA will be informed of meetings between Act 47 Team and City related to matters substantially affecting the financial condition of the City. ICA participation in such meetings will be welcomed.

B. RECOVERY PLAN AMENDMENT: The Act 47 Team will include language in the proposed Plan Amendment substantially as follows:

1. The City shall initiate the re-opener provisions contained in Appendix C of the current IAFF contract (ERASE STUDY RECOMMENDATIONS) on January 2, 2007 or as soon thereafter as practicable with the goal of achieving significant improvements in efficiency and effectiveness as contained in the study.
2. The City shall engage in a continuous review of structure and complement levels of the Fire Bureau with the goal of operating the Bureau with the lowest complement level required to provide efficient, effective and safe service.

2. ICA OBLIGATIONS: The ICA will:

- A. Expeditiously withdraw litigation related to the newly adopted IAFF contract.
- B. Provide the Act 47 Team with copies of studies, reports and/or analyses prepared by ICA staff or its consultants.
- C. Make its staff and/or consultants available to Act 47 Team to provide clarification of reports etc., and to respond to questions.
- D. Notify the Act 47 Team prior to making any declarations of variance. When feasible, the Act 47 Team will be afforded the opportunity to discuss such determinations of variance with the ICA prior to submission of such determination by the ICA to the Commonwealth and prior to public disclosure of such action.

3. MUTUAL OBLIGATIONS: The parties will, as mutually agreeable:

- A. Meet to discuss matters of mutual concern.
- B. Consider joint responses to issues of mutual concern.
- C. Establish a routine schedule of telephonic conferences to discuss issues of mutual concern.
- D. Encourage the City to actively pursue re-opener provisions under the IAFF contract.
- E. Encourage financial support of the City by the not-for-profit community consistent with the concepts incorporated in the City's Act 47 Recovery Plan and the Intergovernmental Cooperation Agreement.
- F. When possible to issue joint responses to legislative inquiries regarding the status of the City's recovery efforts.

4. This Memorandum of Understanding shall take effect immediately and shall continue indefinitely until terminated by either party or modified by mutual agreement of the parties.

5. This memorandum is not intended to and does not create any contractual rights or obligations with respect to the signatory agencies or any other parties.

IN WITNESS WHEREOF, the parties to this Memorandum of Understanding have executed it by their respective duly authorized officers.

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
on behalf of the ACT 47 TEAM

By: Dennis Yablonsky

Secretary: *Dennis Yablonsky* Date: 8-24-05

INTERGOVERNMENTAL COOPERATION AUTHORITY

By: William K. Lieberman

Chair: *William K. Lieberman* Date: Aug 18, 2005