



ICA  
Intergovernmental Cooperation Authority  
For  
Cities of the Second Class



John E. Murray, Jr. - Chair  
Barbara A. McNees - Vice Chair  
James E. Simms, Ph.D., Secretary/Treasurer  
J. Matthew Simon  
Michael J. Masch, Ex-Officio  
Richard M. Fees, Ex-Officio

Henry Sciortino  
Executive Director  
435 Sixth Avenue  
Pittsburgh, PA 15219

November 18, 2005

The Honorable Thomas J. Murphy  
Mayor  
City Of Pittsburgh  
512 City-County Building  
Pittsburgh, Pa 15219

Re: 2006 Operating & Capital Budgets Five-Year Financial Forecast and  
Performance Plan (the "2006 Plan")

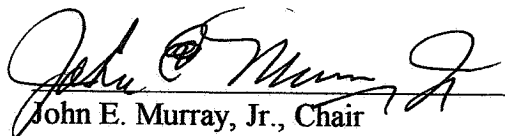
Dear Mayor Murphy:

This letter constitutes the ICA's formal rejection of the City's 2006 Plan. Notwithstanding the recent discussions focusing on the City's and the ICA's differences with respect to healthcare costs, this rejection is based upon the several recognized 2006 Plan departures from the Act 47 Plan. As you know, those departures include, among other things, costs associated with the City's pension obligations, debt, current and post retirement healthcare, workers' compensation, and costs associated with Police and Fire Bureau Collective Bargaining Agreements. We also note that the ICA has not received the opinion or certification of the City Controller as required by Section 209(g)(1) of Act 11.

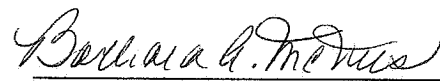
Notwithstanding this rejection, the ICA remains ready to work with the City to develop a budget and financial plan consistent with the City's timely return to fiscal stability.

Intergovernmental Cooperation Authority  
for Cities of the Second Class

By:

  
John E. Murray, Jr., Chair

By:

  
Barbara A. McNees, Vice Chair

cc: Mayor Elect Robert O'Connor