

PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY

Resolution No. 2009 - __
July 21, 2009

WHEREAS, as required under the Pennsylvania Intergovernmental Cooperation Authority Act for Cities of the First Class (the Act of June 5, 1991, P.L. 9, No. 6, as amended) (the "Act"), and under the Intergovernmental Cooperation Agreement, dated as of January 8, 1992 (the "Cooperation Agreement"), between the Pennsylvania Intergovernmental Cooperation Authority (the "Authority") and The City of Philadelphia, Pennsylvania (the "City"), the City has submitted to the Authority a five-year financial plan for the City's fiscal years ending June 30, 2010 through June 30, 2014 (the "Plan"); and

WHEREAS, the staff of the Authority has reviewed the Plan and has recommended that the Board approve the Plan, subject to certain qualifications;

NOW THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The Authority hereby finds and determines that the Plan meets the applicable requirements, criteria and standards of the Act and the Cooperation Agreement and hereby approves the Plan, subject, however, to the following qualifications:

(a) if (i) the General Assembly of the Commonwealth of Pennsylvania (the "General Assembly") shall not have enacted, and the Governor of Pennsylvania shall not have signed, in each case on or prior to August 15, 2009, the new legislation contemplated by the Plan with respect to the increase in the City's sales tax and the change to the City's pension fund payments (such legislation being currently in the form of House Bill No. 1824 and House Bill No. 1828 and being referred to herein as the "Plan Legislation"), or (ii) the General Assembly shall have otherwise recessed for the summer without having enacted the Plan Legislation, then the Plan shall be deemed to be disapproved by the Authority as of August 16, 2009 (or, if earlier, the date of any such recess) and the City shall be required to submit a

revised five-year financial plan to the Authority within fifteen days of the date of such deemed disapproval in accordance with Section 209(g) of the Act;

(b) the City shall agree to continue to provide monthly supplemental reports to the Authority pursuant to Section 209(i) of the Act whether or not a variance from the Plan has occurred; and

(c) the City shall provide to the Authority a list of items that could generate at least \$25 million in savings or recurring revenues *per year* beyond those already included in the Plan (among the items that could be included in that list are initiatives to reduce health, pension and other benefits and other compensation costs, measures to improve the efficiency of government, revenue generating proposals and program reductions or eliminations). If the City fails to provide such list to the Authority on or before August 20, 2009, then the Plan shall be deemed to be disapproved as of such date and the City shall be required to submit a revised five-year financial plan to the Authority within fifteen days of the date of such deemed disapproval in accordance with Section 209(g) of the Act.

2. All prior resolutions or parts of prior resolutions not in accordance with this Resolution are hereby repealed insofar as they conflict herewith.

3. This Resolution shall take effect immediately.