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AGREEMENT

MADE this 30TH day of NOVEMBER, 1992, between and among the CITY OF PITTSBURGH, a home rule municipality, under the laws of the Commonwealth of Pennsylvania, hereinafter referred to as "CITY",

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THE SCHOOL DISTRICT OF PITTSBURGH, a school district of the First Class A of said Commonwealth, hereinafter referred to as "DISTRICT",

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THE COUNTY OF ALLEGHENY, political subdivision of the Commonwealth and County of the Second Class of said Commonwealth, hereinafter referred to as "COUNTY",

WITNESSETH:

WHEREAS, the City, District and County (the Three Taxing Bodies) are all signatories to an Agreement dated February 2, 1940, and an Agreement dated December 13, 1979, appointing the City of Pittsburgh, Department of Lands and Buildings, as Trustee/Agent for certain properties acquired at Sheriff Sale under the Sheriff Sale Act of 1937, P.L. 787, as amended; and

WHEREAS, subsequent to that Agreement, the Treasurer Sale Act of July 5, 1947, P.L. 1258, (the Treasurer Sale Act) was adopted; and

WHEREAS, the Treasurer Sale Act was repealed and replaced by the Second Class City Treasurer Sale and Collection Act, 1984, October 11, P.L. 874 No. 171 53 P.S. Section 27101; and pursuant to said Act, the Treasurer of the City has and will acquire real

property for the non-payment of City taxes, sewage service charges and other municipal liens and assessments on behalf of the City, the County and the School District as Trustee/Agent for the Three Taxing Bodies; and

WHEREAS, the prior agreements dated February 2, 1940 and December 13, 1979 purported to set forth the conditions and terms under which the administrative costs of the City as Trustee/Agent for the Three Taxing Bodies are to be borne by the Three Taxing Bodies; and

WHEREAS, it is the desire of the City of Pittsburgh, School District of Pittsburgh, and the County of Allegheny to repeal their existing Agreement dated December 13, 1979 and to reduce to writing the practices and procedures to be followed in connection with said real property held by the City as Trustee/Agent for the Three Taxing Bodies.

NOW THEREFORE, IT IS MUTUALLY AGREED BY THE PARTIES HERETO AND INTENDING TO BE LEGALLY BOUND AS FOLLOWS:

1. APPOINTMENT OF TRUSTEE/AGENT:

The parties hereby do appoint pursuant to the provisions of the Second Class City Treasurer Sale and Collection Act Section 27402, the City's Department of Finance, which is the City Agency designated by the Mayor of the City in that Section, as Trustee/Agent for the management, sale, and other disposition of all properties of the Three Taxing Bodies acquired by tax or municipal lien sale whether pursuant to the Treasurer Sale Act, Second Class City Treasurer Sale and Collection Act, or any previous tax or municipal claim statute; provided, however, that unless otherwise agreed to by the parties, this agreement shall have no application to sales of tax delinquent property initiated by the County pursuant to the Municipal Claims and Liens Act of 1923, on or after January 1, 1991.

2. TREATMENT OF PROPERTIES ACQUIRED PURSUANT TO DIFFERENT ACTS:

Unless otherwise agreed to in writing by the parties, the Trustee/Agent, upon the request of the County or District, will treat properties acquired through Sheriff Sale under the provision of the Municipal Claims and Liens Act of 1923 as amended, in the same manner as properties acquired pursuant to the Second Class City Treasurer's Sale and Collection Act of 1984.

3. DEDUCTIONS FROM PROCEEDS:

At the Sale or other disposition of any Three Taxing Bodies properties held by the City as Trustee/Agent, after the expiration of the applicable redemption period set forth in the Treasurer Sale Act, or other applicable legislation, the Treasurer of the City of Pittsburgh shall first make the following deductions in the following order from the proceeds of the sale:

- (a) Cost of validation proceedings required to sell the property;
- (b) Cost of the original sale;
- (c) Cost of any improvement or demolition expenses as approved by the Taxing Bodies not covered by State, Federal or Local Grants incurred subsequent to the date of acquisition by Treasurer Sale;
- (d) Cost of administration which shall be determined and paid according to Section 6 of this Agreement.

4. DISPOSITION OF BALANCE:

a). If the proceeds of sale are more than sufficient to pay all taxes and claims, then sum left shall be distributed to the parties hereto in proportion to their share of the delinquent taxes and the current rate of total millage tax levied upon the real estate. If such sum is less than all taxes and municipal claims, such sum shall be distributed to the parties in accordance to their total claim against the property as set forth in Section 2611 of the Treasurer Sale Act.

b) Distribution of all funds to the parties shall take place quarterly or during the last month of the year, as agreed upon by the parties. These funds shall first be credited to each party's share of costs as determined in Section 6 of this Agreement. Any funds in excess of those costs shall be paid directly to the parties.

5. APPLICATION OF AGREEMENT:

This Agreement shall have no application to sales of property located outside the corporate limits of the City of Pittsburgh or sales of tax delinquent properties within the corporate limits of the City of Pittsburgh initiated by the County pursuant to the Municipal Claims and Lien Act of 1923, on or after January 1, 1990, but is intended to apply to all sales of property pursuant to the Treasurer Sale Act, the Second Class City Treasurer Sale and Collection Act or any previous tax or municipal claim statutes whether or not the sale is designated to accomplish divestiture of all liens.

6. BUDGET PROCESS:

The City, County and District agree to budget for and compensate the Trustee/Agent for the Three Taxing Bodies for costs incurred by the City in disposition and maintenance of Three Taxing Bodies property. The method of compensation to the Trustee/Agent for the Three Taxing Bodies by the City, County and District shall be as follows:

- (i) City, on behalf of the Three Taxing Bodies, shall, no later than August 1 of each year, submit to the appropriate officer of the the County and the District, its estimate of expenditures, including those anticipated for salaries and related expenses in disposing of, and in maintaining Three Taxing Bodies property and vacant tax delinquent lots within the immediate area of the Three Taxing Bodies properties during the following year;

- (ii) County and District shall have the right to review and determine the appropriateness of the estimate of expenditures;
- (iii) County and District shall notify the City of its acceptance of the City's estimate of expenditures. If no objection is received by the City within sixty (60) days of receipt of the estimate, the City's estimate will be deemed accepted;
- (iv) County and District's acceptance shall be deemed a commitment to provide the funds necessary in the budget for the applicable year;
- (v) City, County and District agree to participate in a joint budgetary process to determine the amount of related expenses. Said joint process shall begin no later than ninety (90) days prior to the date scheduled for City submission of its estimate;
- (vi) Payment of estimate hereunder shall be made by the City, County and District based upon each Taxing Bodies percentage share of the total tax millage imposed each year. For the first full year of said agreement, the percentage shall be deemed to be as follows: City, 45%, District 31% and County 24%; said percentage shall be adjusted annually.
- (vii) If none of the events set forth in this Section occur, the County and District shall pay to the City on behalf of the Three Taxing Bodies, the amount budgeted for the previous years plus any additional costs incurred by the City as a result of any collective bargaining agreement.
- (viii) The schedule of all payments hereunder shall be made in accordance to Section 4(b) of this Agreement.

7. RENTAL ACCOUNT:

Trustee/Agent is hereby authorized to maintain a Rental Account for rents and other income from Three Taxing Bodies properties. Trustee/Agent is further authorized to pay from said Rental Account the cost of all supplies, maintenance, rehabilitation and emergency repairs by outside contractors to Three Taxing Bodies properties. At the end of each year, the Trustee/Agent shall make distribution to the Three Taxing Bodies of all excess funds, if any, in the Rental Account in accordance with the procedures set forth in Section 4.

8. QUARTERLY STATEMENTS AND AUDITS:

The Trustee/Agent will submit quarterly statements to the City, County and District setting forth all income and expenses of Three Taxing Bodies' property. Such statements shall reflect all income and expenses from all accounts held by the Trustee/Agent and all funds held by the Trustee/Agent for or on behalf of the County and District. The County and District may annually audit accounts and funds, including all income and expenses, related to this Agreement and controlled by the Trustee/Agent.

9. QUARTERLY STATEMENT OF PROPERTY INVENTORY:

The Trustee/Agent will provide to the Three Taxing Bodies a quarterly statement with a record of all the properties currently held in its property inventory, all properties rented, all anticipated renovations, and projections of properties for sale.

10. LITIGATION:

(a) Trustee/Agent shall notify County and District of all claims filed with Trustee/Agent with respect to Three Taxing Bodies property. Such notification, which shall include all documentation filed with the City shall be transmitted to the respective Solicitors of the District and Allegheny County within seven (7) working days of the receipt of the same by the City.

(b) City shall not join County or District in any action filed with Trustee/Agent on account of Three Taxing Bodies property.

(c) All settlements, judgments, and expenses of litigation shall be borne by the City, County, and District in direct proportion to the formula set in Section 6, sub-section IV. Said settlements, judgments, and expenses of litigation shall be paid from the funds generated pursuant to said Agreement.

(d) The County may at its option, elect to submit any and all claims filed as a result of this Agreement to any such insurance carriers who may from time to time insure the County against losses and claims such as may arise under this Agreement. However, the County shall not be obligated to make any such submission on any claim.

(e) City agrees to indemnify and hold harmless the County and District against any and all claims filed as a result of the actions of the City as Trustee/Agent under this Agreement.

11. REPORTS AND NOTICES:

Any and all reports and notices, with the exception of those required under Paragraph Ten (10) hereof relating to litigation and claims, required by this Agreement or made under the Authority of this Agreement shall be made in writing directed to the Solicitor and the Controller of the County of Allegheny and Solicitor for the District. Notices required under Paragraph Ten (10) shall be transmitted to County and the District's Solicitors.

12. EFFECTIVE DATE:

This Agreement shall become effective as of January 1, 1992.

13. TERMINATION:

This Agreement shall continue in force until terminated by mutual consent of the parties hereto; provided, however, that any party may withdraw only by giving notice in writing by June 30th of the preceding year to the other parties of an intention to terminate. Either of the remaining parties may terminate the Agreement at any time by giving written notice to the other party.

14. AUTHORIZING RESOLUTIONS:

This Agreement is entered into by the City of Pittsburgh in accordance with Resolution No. 1030 effective OCTOBER 23, 1992, adopted _____ and by the County of Allegheny pursuant to authorization duly given by the Board of County Commissioners on 11-19-92 at Agenda No. 1566-92 and pursuant to the authorization duly given by the Board of Public Education on November 25, 1992 at Pittsburgh, PA.

