



Legislation Details (With Text)

File #: 2008-1018 **Version:** 1

Type: Proclamation **Status:** TABLED

File created: 12/30/2008 **In control:** City Council

On agenda: **Final action:**

Enactment date: **Enactment #:**

Effective date:

Title: RESOLUTION INVITING THE MAYOR, THE ICA, THE ACT 47 COORDINATORS, THE CITY CONTROLLER AND THE CITY SOLICITOR TO DISCUSS THE "FUND IN THE NATURE OF AN IRREVOCABLE TRUST" AND THE DEFEASEMENT OF CITY GENERAL OBLIGATION DEBT

WHEREAS, the City of Pittsburgh gross bonded debt stands at approximately \$760 million; and

WHEREAS, the City of Pittsburgh currently boasts of an unusually large positive fund balance, which, if used correctly could significantly reduce the long-term financial burdens of the citizens of Pittsburgh; and,

WHEREAS, in December of 2008 the Mayor of the City of Pittsburgh deposited \$45.3 million in the City's Debt Service Reserve Fund with the stated purpose of using this money to retire City of Pittsburgh General Obligation debt for the FY2011, FY2012 and FY2013; and,

WHEREAS, on October 20, 2008, the ICA passed a resolution mandating that "the City shall create a 'Restricted Fund' which will be used in 2009 for general obligation defeasement;" and,

WHEREAS, there is as of yet no clarity regarding the "Restricted Fund" and the use of the \$45.3 million,

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Pittsburgh does hereby commend the Mayor, the ICA, and the Act 47 Coordinators for their commitment to reducing the City of Pittsburgh's gross bonded debt, and

BE IT FURTHER RESOLVED that the Council of the City of Pittsburgh does hereby invite the Mayor, the ICA, the Act 47 Coordinators, the City Controller and the City Solicitor to participate in a City Council Post-Agenda hearing to discuss the "fund in the nature of an irrevocable trust," the draft defeasance agreement, and the nature of oversight in the City of Pittsburgh, and

BE IT FINALLY RESOLVED that the Council of the City of Pittsburgh welcomes the opportunity to work with these elected and appointed officials to build the necessary consensus for one of the most important policy decisions in the City's long path to financial recovery.

Sponsors: Patrick Dowd

Indexes: PROCLAMATION - MR. DOWD

Code sections:

Attachments: 1. 2008-1014.doc

Date	Ver.	Action By	Action	Result
1/6/2009	1	City Council	TABLED	Pass
12/30/2008	1	City Council	Held in Council	Pass

RESOLUTION INVITING THE MAYOR, THE ICA, THE ACT 47 COORDINATORS, THE CITY CONTROLLER AND THE CITY SOLICITOR TO DISCUSS THE "FUND IN THE NATURE OF AN IRREVOCABLE TRUST" AND THE DEFEASEMENT OF CITY GENERAL OBLIGATION DEBT

WHEREAS, the City of Pittsburgh gross bonded debt stands at approximately \$760 million; and

WHEREAS, the City of Pittsburgh currently boasts of an unusually large positive fund balance, which, if used correctly could significantly reduce the long-term financial burdens of the citizens of Pittsburgh; and,

WHEREAS, in December of 2008 the Mayor of the City of Pittsburgh deposited \$45.3 million in the City's Debt Service Reserve Fund with the stated purpose of using this money to retire City of Pittsburgh General Obligation debt for the FY2011, FY2012 and FY2013; and,

WHEREAS, on October 20, 2008, the ICA passed a resolution mandating that "the City shall create a 'Restricted Fund' which will be used in 2009 for general obligation defeasement;" and,

WHEREAS, there is as yet no clarity regarding the "Restricted Fund" and the use of the \$45.3 million,

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Pittsburgh does hereby commend the Mayor, the ICA, and the Act 47 Coordinators for their commitment to reducing the City of Pittsburgh's gross bonded debt, and

BE IT FURTHER RESOLVED that the Council of the City of Pittsburgh does hereby invite the Mayor, the ICA, the Act 47 Coordinators, the City Controller and the City Solicitor to participate in a City Council Post-Agenda hearing to discuss the "fund in the nature of an irrevocable trust," the draft defeasance agreement, and the nature of oversight in the City of Pittsburgh, and

BE IT FINALLY RESOLVED that the Council of the City of Pittsburgh welcomes the opportunity to work with these elected and appointed officials to build the necessary consensus for one of the most important policy decisions in the City's long path to financial recovery.