



## Legislation Details (With Text)

**File #:** 2010-1225      **Version:** 1

**Type:** Resolution      **Status:** Defeated

**File created:** 12/14/2010      **In control:** Committee on Finance and Law

**On agenda:**      **Final action:** 12/20/2010

**Enactment date:**      **Enactment #:**

**Effective date:**

**Title:** Resolution authorizing the Mayor to enter into a Revenue Sharing Services Agreement with and between LAZ Parking, Limited. This Resolution shall be known as the "Pension Compromise Plan."

**Sponsors:** Reverend Ricky V. Burgess, Theresa Kail-Smith

**Indexes:** PARKING ASSETS

**Code sections:**

**Attachments:** 1. 2010-1225.doc, 2. 2010-1225 Attachment Letter.pdf

Date	Ver.	Action By	Action	Result
12/20/2010	1	City Council	Passed Finally	Fail
12/15/2010	1	Standing Committee	AFFIRMATIVELY RECOMMENDED	Fail
12/15/2010	1	Standing Committee	Held in Committee	Fail
12/14/2010	1	City Council	Read and referred	
12/14/2010	1	City Council	Waived under Rule 8	Pass

Resolution authorizing the Mayor to enter into a Revenue Sharing Services Agreement with and between LAZ Parking, Limited. This Resolution shall be known as the "Pension Compromise Plan."

**Whereas**, the original lease, as submitted to Council in September, was rejected by Council on October 19, 2010; and,

**Whereas**, the Council-Controller Plan, approved by Council, was rejected by the Parking Authority's Board of Directors on October 28, 2010; and,

**Whereas**, the rejection of these plans leaves the City with no legitimate means of avoiding a state takeover of the Pension Funds; and,

**Whereas**, the Commonwealth of Pennsylvania will take over the City of Pittsburgh's Pension funds unless the city raises its pension plan funding to 50 percent by December 31; and,

**Whereas**, mandatory enrollment in Pennsylvania Municipal Retirement System ("PMRS") will cost City taxpayers an average of \$120 million in annual pension payments for the next 30 years; and,

**Whereas**, the City can solve this problem right now by approving the Revenue Sharing Services Agreement,

**Whereas**, PMRS has calculated that a \$220 million lump-sum contribution now, along with the additional parking tax revenues from leasing the garages, would reduce the city's annual pension obligations to an average \$65 million per year for the next 30 years; and,

**Whereas**, PMRS data indicate that the cost of waiting until 2011 or 2014 to make the \$220 million lump-sum contribution will add almost \$1 billion to the bill; and,

**Whereas**, the Revenue Sharing Services Agreement will provide the City with the up-front cash to avoid State takeover and the increased parking tax revenue which will reduce our annual MMO payments; and,

**Whereas**, the City's firefighters have filed suit against the City compelling the City to make substantial tax increases in order to make the necessary \$220 million contribution to the Pension Funds by years' end; and,

**Whereas**, LAZ Parking, Ltd. has been negotiating with members of Council to reach a compromise which would allow the City to avoid State takeover without raising taxes or cutting services; and,

**Whereas**, LAZ Parking, Ltd. submitted to Council a modified lease agreement on November 17, 2010; and,

**Whereas**, in response to Council's concerns, LAZ Parking, Ltd. submitted the Revenue Sharing Services Agreement.

**Be it resolved by the Council of the City of Pittsburgh as follows:**

**Section 1.** The Mayor, Director of Finance and the Solicitor, on behalf of the City of Pittsburgh, are hereby authorized to enter into a Revenue Sharing Services Agreement, in a form approved by the City Solicitor, with LAZ Parking, Limited, one of the principals of Pittsburgh Parking Partners, for the purpose of operating various parking facilities owned by the City of Pittsburgh or the Public Parking Authority of the City of Pittsburgh, and generating the monies needed to make a substantial upfront payment to fund the City's pension obligations so as to avert a takeover of the City's pension funds by the Pennsylvania Municipal Retirement System pursuant to the provisions of the Municipal Pension Plan Funding Standard and Recovery Act.

**Section 2.** Said agreement shall incorporate those terms and conditions set forth in the letter of the Chairman and CEO of LAZ Parking, Ltd. to the Council President dated November 29, 2010, a copy of which is attached hereto.