

RESOLUTION NO. 90 of 2016

Moved by: Wanda R. D. Williams

A Resolution authorizing the compromise, settlement and satisfaction of certain judgment notes arising from the City's revolving loan program, in accordance with Chapter 2-102 of the Codified Ordinances of the City of Harrisburg.

**WHEREAS**, the City of Harrisburg (the "City") has operated a revolving loan program wherein certain pools of public monies were made available for economic development purposes in accordance with Chapter 2-102 of the City Code; and

**WHEREAS**, William J. Birtle d/b/a Cutting Edge Signs, was the recipient of loans through this program, executing personal guarantees and two (2) judgment notes, the first on or about December 7<sup>th</sup>, 2000, for the face amounts of \$75,000.00 and the second on or about May 10, 2001, in the face amount of \$25,000, which with an initial period of deferred and capitalized interest came to equal a combined sum of \$108,817.33 on the loans; and

**WHEREAS**, a related Mortgage in the sum of \$7,000.00 (presumably toward the additional capitalized interest) was taken and recorded by the City, and later resolved; and

**WHEREAS**, the City confessed judgment on both original notes in the Dauphin Court of Common Pleas at Docket Nos., 2006 NT 484 on or February 3, 2006, in the total amount of \$101,591.76; and

**WHEREAS**, the judgment was not formally contested in the Court and remains of record; and

**WHEREAS**, the City and Mr. Birtle executed an Addendum to Loan Agreements in March 2006, setting forth an amended payment schedule and waiving the late fees on the past due amount; and

**WHEREAS**, in the course of processing these loans and the related judgment, Mr. Birtle has made significant payments of approximately \$91,000, including a recent good faith lump sum payment of \$10,000, in an effort to resolve the judgment; and

**WHEREAS**, in the history of this judgment, Mr. Birtle has made repeated contacts with the City attempting to negotiate a resolution of the judgment and underlying loans, including various meetings with City officials, staff and legal staff, questioning the accuracy of payment records and the fairness of the unilateral judicial process that resulted in judgment being entered; and

**WHEREAS**, Mr. Birtle has requested and the Administration now recommends that the long standing judgment be deemed satisfied by the recent good faith payment by Mr. Birtle; and

**WHEREAS**, the judgment of record does not foster or promote economic development in the City, as it impairs the operation, growth, refinancing or transfer of this business; and

**WHEREAS**, City loans to other enterprises issued under the same revolving loan program previously had been comprised by the City during the same time period of this judgment, without resort to entry of judgment; and

**WHEREAS**, the City is seeking to close out various non-performing loans under the revolving loan program, as the ongoing administration of the stale accounts does not appear to be an effective use of taxpayer monies and, consistent with that objective, the forgiveness of the balance of these underlying loans and the formal satisfaction of the related judgment would be in the City's interest; and

**WHEREAS**, Mr. Birtle has again requested and the Administration now recommends that the long standing judgment be deemed satisfied by the recent good faith payment by Mr. Birtle; and

**NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED, BY THE COUNCIL OF THE CITY OF HARRISBURG**, that the balance owed on this non-performing loans issued to William J. Birtle, d/b/a as Cutting Edge Signs under the revolving loan program in accordance with Chapter 2-102 of the Codified Ordinances of the City of Harrisburg shall by this Resolution be deemed forgiven, with payments received to be payment in full.

**BE IT FURTHER RESOLVED** that the Mayor, City Controller, the City Solicitor and other appropriate City officials are authorized and directed to take all steps necessary to further effectuate the purpose of this Resolution, including the filing of formal satisfaction of the related judgment.

I second this resolution



Passed by City Council December 13, 2016

Wanda R.W. Williams  
President of City Council

Attest [Signature]  
City Clerk

- Approved
- Returned to City Council with objections

YEAS		NAYS
	MR. ALLATT	
	MR. BALTIMORE	
	MS. DANIELS	
	MS. HODGES	
	MR. JOHNSON	
	MR. MAJORS	
	MS. WILLIAMS	
Yeas	<u>7</u>	
Nays	<u>0</u>	

**INTER**

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**OFFICE**

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# MEMO


To: HARRISBURG CITY COUNCIL  
From: Kirk Petroski, City Clerk  
LEGISLATIVE APPROVAL FORM

Date: Dec 13, 2016

**LEGISLATIVE APPROVAL FORM/CERTIFICATE OF ACCEPTANCE**

BILL NO. -2016      RESOLUTION NO. 90-2016

**THE ABOVE LISTED ITEM WAS WRITTEN AND PREPARED FOR FINAL INTRODUCTION AT THE HARRISBURG CITY SOLICITOR'S OFFICE ON:**

 \_\_\_\_\_      Date \_\_\_\_\_  
City Solicitor

Requested by Department/Bureau: DBAD/Econ Development

Department/Bureau Contact Person: \_\_\_\_\_

For Action on or before:

The attached was received in the Office of the City Clerk for introduction on

\_\_\_\_\_  
Received by: 

Date: 12-13-16