

Neil A. Grover, Esquire #53142  
Pro se & Attorney for Interested Parties, DWH  
2201 North Second Street  
Harrisburg, PA 17110  
(717) 260-9651/ FAX (717) 233-2342  
[groverlaw@ix.netcom.com](mailto:groverlaw@ix.netcom.com)

**UNITED STATES BANKRUPTCY COURT  
MIDDLE DISTRICT OF PENNSYLVANIA**

**IN RE** :  
 :  
**CITY OF HARRISBURG, PA** : **CASE NO. 1:11-bk-06938 (MDF)**  
 : **CHAPTER 9**  
 :  
**Debtor** : **AUTOMATIC STAY**

**ANSWER AND OBJECTIONS OF  
DEBT WATCH HARRISBURG AND NEIL A. GROVER,  
AS INTERESTED PARTIES,  
TO EMERGENCY MOTION OF CITY OF HARRISBURG,  
FOR RELIEF IN THE FORM OF AN ORDER CONFIRMING  
AUTHORITY OF CITY TO PAY PRE-PETITION CLAIMS  
OF CERTAIN VENDORS, SERVICE PROVIDERS, EMPLOYEES  
AND INSURANCE PAYMENT OBLIGATIONS**

NOW COMES Debt Watch Harrisburg and Neil A. Grover, as Interested Parties herein, by and through their legal counsel, Neil A. Grover, Esquire, in opposition to the City's emergency motion for relief as submitted and in response thereto states:

**INTRODUCTION**

Debt Watch Harrisburg does not object to the City of Harrisburg paying its vendors, employees or routine bills. The City expressly acknowledges that they know they have the legal right and authority to do so. The Objection herein lies in

the fact the present motion has no basis in law or fact, thereby making it a poor and unnecessary use of scarce resources. The hyperbole of the motion appears nothing more a tactic to create public uncertainty and fear. It does not purport rest the request for relief under any legal right or power, ignoring the limited role of the Court in a Chapter 9 proceeding. In short, the Court should not accept an invitation to start down a path not provided in the law, as the City remains free to go about its business.

**ANSWER**

1. Admitted.
2. Denied as stated. It is denied that four (4) members of the City Council of the City of Harrisburg somehow were “Unauthorized Council Members.” It is denied that City Council was somehow merely “purported” to authorize the filing of the bankruptcy petition at issue. It is denied that a vote of a four (4) member majority of the City Council of Harrisburg is not a vote of the Council, as such a majority vote is by definition a determination of the full Council, as the duly elected legislative branch of local government. It is denied that City Council was without legal authority to authorize and cause to be filed a Voluntary Petition for Bankruptcy for the City of Harrisburg under Chapter 9 of the Unites States Bankruptcy Code. Moreover, the Pennsylvania *Financially*

*Distressed Municipalities Act*, Act of July 10, 1987, P.L. 246, 53 P.S. §§ 11701.101 -- 11701.501 (hereinafter "Act 47"), squarely rests authorization for pursuing relief under Chapter 9 with the City Council in a third class city operating under the Mayor-Council Plan A of the Optional Third Class City Charter Law, Act of July 15, 1957, P.L. 901, as amended, 53 P.S. § 41101, *et seq.*

3. Admitted.

4. Admitted in part and denied in part. It is admitted that applicable provisions of the Bankruptcy Code that provide for an Automatic Stay for a municipal debtor under Chapter 9 have been invoked by the filing of the Voluntary Petition and remain in effect. It is admitted that the City of Harrisburg currently should be in possession and control of sufficient funds to pay current bills due vendors under pre-petition terms. The responding party is without sufficient knowledge or information to determine if certain creditors of the City have expressed concerns of receiving payments without confirmation by this Court of the City's authority to pay creditors, and, therefore, the same is denied. The assertion that the City Council engaged in some "illegal action" states a conclusion of law to which no responsive pleading is required, but should such be deemed required, that scurrilous accusation same is denied. Moreover, even if it is determined that certain vendors expressed concerns or otherwise indicated that

they required or preferred an Order confirming the right of the City to make payments, it is denied that such an Order is even provided for, yet alone required, in a Chapter 9 proceeding.

5. Denied. The responding is without sufficient knowledge or information to determine if certain vendors expressed an unwillingness to continue to provide goods or services under pre-petition terms. Moreover, the City has defaulted on numerous payments in the past 18 months, failed to make timely payments to numerous vendors for at least that same period of time, carried forward roughly \$2 million of overdue vendor payments from 2010 into the 2011 budget year, and thus, the City and its vendors have known or should have known of the City's insolvency throughout the current budget year.

6. Admitted in part and denied in part. It is admitted that the City does not need Court authority to pay its vendors, a fact that was addressed by this Court from the bench at the Emergency Status Conference requested by the City, the digital record of which would be available for the City to share with its creditors. It is denied that the City has been "put in a position" that they in any way "needed" to file the present Emergency Motion. It is denied there was any unauthorized action by City Council. It is denied that the City Council violated its duties to the citizens of Harrisburg, acted improvidently or further jeopardized the

City financial position. Council acted as the duly elected representatives of the citizens of Harrisburg to address the lingering fiscal crisis of the City by exercising the right of the City to seek protection from its creditors.

7. Admitted in part and denied in part. It is admitted that the City routinely engages in commerce with vendors who provide goods and services to the City. It is admitted as time the City has used a competitive bidding process to procure certain goods and services. As responding parties are without sufficient knowledge or information to determine the specific vendors, terms, goods or services currently being utilized by the City, the responding parties cannot determine the accuracy of averments or examples of specific goods or services presently being provided and, as such, such averments are denied as stated.

8. Denied as stated. It is denied that a municipality in the Commonwealth of Pennsylvania and Harrisburg in particular does not possess the statutory power or authority to provide for the health, safety and welfare of its citizens and this in its borders by immediately addressing an exigency or emergency related to the loss of a contractual relationship with any vendor. The law of Pennsylvania does not prevent municipal governments the right to obtain fuel for emergency vehicles and any such speculative assertion has no basis in law or fact, but instead is blatant fear mongering.

9. It is admitted that City seeks further judicial confirmation of its plain legal right to pay its vendors. It is denied that the City requires such confirmation or that this Court need undertake a superfluous act of further confirming by Court Order the current state of the law that has been expressly set forth by Congress, particularly when the movant admits it is authorized to take these action and the Honorable Court previously advised the movant of that right in open court.

10. Denied. The responding parties are without sufficient knowledge or information of the plans of the City to address is relationships with existing vendors and as such, those averments are denied. Moreover, this Honorable Court does not appear to be authorized to in any way pre-approve or authorize the new proposed conditions set forth by the City in Paragraph 10 and any such conditions for day-to-day operation of the City remains a matter to be determined by local officials.

11. Denied. Paragraph 11 states conclusions of law to which no responsive pleading is required. Moreover, those parts of the Bankruptcy Code that are incorporated into a Chapter 9 proceedings have been expressly provided under Section 901. It is denied there is uncertainty among vendors, denied that vendors are somehow incapable of resolving any uncertainties which they might possess, and denied the City is legally competent to determine or speak to the state

of mind of their vendors, and as such, the same is denied.

12. It is admitted the City is requesting an Order for relief in the form of confirmation of the current state of the law by the Court. It is denied that it entitled to such an Order or that they have demonstrated the basis for issuing such an Order exists in a Chapter 9 proceeding.

WHEREFORE, the City's emergency motion should be denied.

Respectfully Submitted

LAW OFFICE OF NEIL A. GROVER

Date: October 31 2011

By /s/ Neil A. Grover  
Neil A. Grover, Esquire PA53142  
2201 North Second Street  
Harrisburg, PA 17110  
(717) 260-9651  
FAX (717) 233-2342  
*groverlaw@ix.netcom.com*

*PRO SE and as Counsel for  
Debt Watch Harrisburg and members*