

December 1, 2004

The Honorable Mark McNaughton  
Chair  
House Subcommittee on Boroughs  
Room 54B East Wing  
Harrisburg, PA 17120

**RE: House Bill 2520 (Consolidation of Local Police Pension Plans)**

Dear Mark:

On behalf of PACB's Legislative Committee, I am writing to register our opposition to House Bill 2520, sponsored by Rep. Ellen Bard in the recently concluded legislative session.

It is our understanding that this legislation would eventually consolidate all local police pension plans into a single plan administered by the state.

We recognize that no action occurred on House Bill 2520 prior to adjournment sine die. We want to take this time, however, to be sure that our position and thoughts on this concept are conveyed to the appropriate state policy-makers.

A significant number of community banks participate as local plan administrators and we believe they provide a legitimate and good service to the communities they serve. Removing local deposits from local communities in our judgment is bad state policy. Community banks reinvest in their communities by definition and practice and removing local funds from local communities for investment by the state and a single entity is a practice in this instance that we must oppose.

If there are public hearings or any legislative discussions on this concept in the future, our association would welcome the opportunity to participate. Likewise, we would welcome the opportunity to serve as a resource to you and the House Local Government Committee on this or any other issue affecting community banks.

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Thanks so much for your consideration of our views. Please do not hesitate to contact Frank Pinto, our President/CEO, Rick Cessar, our Legislative Ambassador, or Dave Transue, our Government Affairs Consultant, should you have any questions.

Sincerely,

Ronald H. Frey  
PACB Legislative Committee Chairman

Cc: Representative Lynn Herman  
Representative Gayner Cawley  
Representative Ted Harhai  
Representative Steve Nickol  
Representative Dennis Leh  
PACB Executive Committee  
PACB Legislative Committee  
Pennsylvania State Association of Boroughs