

COUNCIL OF THE CITY OF PHILADELPHIA
COMMITTEE ON FINANCE

Room 400, City Hall
Philadelphia, Pennsylvania
Tuesday, November 15, 2016
2:20 p.m.

PRESENT:

COUNCILWOMAN JANNIE L. BLACKWELL, CHAIR
COUNCILWOMAN CINDY BASS
COUNCILMAN WILLIAM K. GREENLEE
COUNCILMAN BOBBY HENON
COUNCILMAN MARK SQUILLA

BILL 160968 - An ordinance authorizing the
Commissioner of Public Property of the City of
Philadelphia, on behalf of the City of
Philadelphia and in cooperation with the
Philadelphia Municipal Authority, to undertake
a Project to promote the health, safety and
welfare of the residents of the City of
Philadelphia...

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COUNCILWOMAN BLACKWELL: Good
afternoon. We thank you all for being
here for this very exciting Finance
hearing. This is a Finance hearing with
regard to Bill No. 160968.

The Clerk will please read the
title of the bill.

THE CLERK: An ordinance
authorizing the Commissioner of Public
Property of the City of Philadelphia, on
behalf of the City of Philadelphia and in
cooperation with the Philadelphia
Municipal Authority, to undertake a
Project to promote the health, safety and
welfare of the residents of the City of
Philadelphia; authorizing and approving a
project including the refunding of bonds
issued to finance the New Youth Center
Facility, an amendment to an existing
Ground Lease between the City of
Philadelphia and the Philadelphia
Municipal Authority, an amendment to an
existing Prime Lease between the City of
Philadelphia and the Philadelphia

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Municipal Authority and the assignment of
such amendment to a trustee and the
obligation of the City of Philadelphia to
pay rent under the Prime Lease, as
amended, when due; approving the issuance
by the Philadelphia Municipal Authority
of bonds in one or more series to pay the
costs of such project; authorizing
certain officers of the City of
Philadelphia to enter into such lease
amendments and to take other actions as
may be necessary or appropriate to
accomplish the intent and purpose of this
ordinance; agreeing to be bound by each
and every provision, covenant and
agreement set forth in the Ground Lease
and Prime Lease, each as amended;
covenanting that the City of Philadelphia
will make necessary appropriations in
each of the City's fiscal years to
provide for, and will make, rental
payments when due under the Prime Lease,
as amended; all under certain terms and
conditions.

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2 COUNCILWOMAN BLACKWELL: Thank
3 you very much.

4 We note that we have a quorum.
5 To my left, Bill Greenlee. To his left,
6 Vice Chair Bob Henon. To my right is
7 Councilman Squilla, and to his right,
8 Councilwoman Cindy Bass.

9 So we do have a quorum. We
10 thank them.

11 We're going to ask our City
12 Treasurer and her Vice to begin their
13 testimony. Introduce themselves and
14 bring us forward. Thank you both for
15 being here.

16 MS. JOHNSON: Thank you.

17 Good afternoon, Councilwoman
18 Blackwell and members of the Finance
19 Committee. I'm Rasheia Johnson, City
20 Treasurer for the City of Philadelphia,
21 and with me today is Deputy Treasurer
22 Christian Dunbar. I'm here to testify in
23 favor of Bill No. 160968. I would like
24 to thank the Council President's office
25 and Councilwoman Blackwell for their

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2 cooperation in introducing this bill and
3 scheduling it for a hearing so quickly,
4 which will allow the City to achieve
5 significant debt service savings.

6 The ordinance gives the
7 Director of Finance the power to
8 authorize the Philadelphia Municipal
9 Authority to execute and issue up to \$110
10 million of PMA City Service Agreement
11 Revenue Refunding Bonds to refund the
12 outstanding PMA Lease Revenue Bonds,
13 Series 2009, and to pay the cost of
14 issuance of the refunding bonds. The
15 ordinance neither authorizes nor provides
16 funding for any new construction or
17 additions to the existing projects.

18 Currently, there exists an
19 opportunity in the market to refund the
20 Series 2009 bonds. Candidates for the
21 refunding shall be identified and
22 selected based on our existing debt
23 policy. It is the City's policy to issue
24 refunding bonds if such issuance is
25 supported by the analysis that evaluates

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2 multiple factors as laid out in the
3 City's debt policy, including present
4 value savings on a maturity-by-maturity
5 basis and on the entire transaction. It
6 is expected that the net debt service
7 savings after the authorized refunding
8 will be lower than the existing debt
9 service. The plan of finance is to issue
10 fixed-rate bonds to refund the Series
11 2009 bonds.

12 Again, thank you very much for
13 your assistance with scheduling the
14 hearing. I would like to request a
15 suspension of the rules to allow for
16 first reading at the next Council
17 session.

18 This concludes my testimony,
19 and I'm happy to answer any questions
20 that you may have at this time.

21 COUNCILWOMAN BLACKWELL: Thank
22 you very much.

23 Do we have questions or
24 concerns as to what this bill does?

25 (No response.)

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2 COUNCILWOMAN BLACKWELL: Thank
3 you.

4 Seeing none, this will end our
5 hearing and we'll go into our meeting
6 part of this, and we will call on Vice
7 Chair Bobby Henon for a motion.

8 COUNCILMAN HENON: Thank you,
9 Madam Chair. I move that Bill No. 160968
10 be reported from this Committee with a
11 favorable recommendation and further move
12 that the rules of Council be suspended to
13 permit the first reading of this bill at
14 our next Council session.

15 (Duly seconded.)

16 COUNCILWOMAN BLACKWELL: This
17 bill has been reported out and
18 seconded -- sorry. It's one of those
19 days.

20 It has been moved and seconded
21 that Bill No. 160968 be reported out of
22 the Committee with a favorable
23 recommendation and also moved that the
24 Council rules be suspended so to permit
25 first reading at our next session of

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2 Council.

3 All in favor?

4 (Aye.)

5 COUNCILWOMAN BLACKWELL:

6 Opposed?

7 (No response.)

8 COUNCILWOMAN BLACKWELL: The

9 ayes have it. This bill is passed.

10 This concludes our hearing, and

11 thank you everybody for being here.

12 (Committee on Finance concluded

13 at 2:25 p.m.)

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CERTIFICATE

I HEREBY CERTIFY that the
proceedings, evidence and objections are
contained fully and accurately in the
stenographic notes taken by me upon the
foregoing matter, and that this is a true and
correct transcript of same.

MICHELE L. MURPHY
RPR-Notary Public

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