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COUNCIL OF THE CITY OF PHILADELPHIA

PUBLIC HEARING

COMMITTEE ON FINANCE

- - -

Room 401, City Hall
Philadelphia, Pennsylvania
Wednesday, March 6, 2002
2:20 p.m.

- - -

BILL 020047 - an Ordinance amending Chapter 19-200
of the Philadelphia Code...
BILL 020048 - an Ordinance amending Chapter 19-200
of the Philadelphia Code...

- - -

PRESENT:

COUNCILWOMAN JANNIE BLACKWELL, CHAIR
COUNCILWOMAN MARIAN B. TASCO
COUNCILMAN FRANK J. DI CICCO
COUNCILMAN WILSON W. GOODE, JR.
COUNCILMAN MICHAEL A. NUTTER

- - -

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I N D E X

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BILL 020047

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BILL 020048

JOSEPH FARALDO, Acting City Treasurer 9

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1 3/6/02 - FINANCE - BILL 020047

2 COUNCILWOMAN BLACKWELL: Good afternoon.

3 We thank all that are here for Finance Committee.

4 Today we will hear Bill Nos. 020047 and 020048.

5 Bill No. 020077 is being held at the
6 request of the sponsor.

7 For the purposes of a quorum, to my left
8 we have Councilman DiCicco, Councilman Goode is also
9 sitting in on our Finance Committee today. We thank
10 him. To my right is Councilman Nutter, and I'm the
11 Chair Jannie Blackwell. Councilwoman Tasco, vice
12 chair, is here. And we will begin our testimony.

13 Will the Clerk read the title of Bill
14 No. 020047?

15 THE CLERK: Bill No. 020047, an
16 Ordinance amending Chapter 19-200 of the
17 Philadelphia Code, entitled "City Funds - Deposits,
18 Investments, Disbursements," by amending Section
19 19-201, entitled "City Depositories," by requiring a
20 statement of community reinvestment goals for low
21 and moderate-income neighborhoods in the City of
22 Philadelphia.

23 COUNCILWOMAN BLACKWELL: Thank you.

24 We will have the Acting City Treasurer,
25 Joseph Faraldo testify.

1 3/6/02 - FINANCE - BILL 020047

2 Denise Earley, Chamber of Commerce has
3 submitted written testimony that all of you should
4 have received and that will be submitted to the
5 stenographer and considered for the record. Thank
6 you.

7 Please identify yourself and begin your
8 testimony. Thank you both for coming.

9 MR. FARALDO: Good afternoon, Chairwoman
10 Blackwell and Members of the Finance Committee. I
11 am Joseph Faraldo, Acting City Treasurer. I'm here
12 today to testify in support of Bill No. 020047 that
13 amends Section 19-200 of the Philadelphia Code to
14 require all City depositories to provide a statement
15 of Community reinvestment goals for low and
16 moderate-income neighborhoods in the City of
17 Philadelphia.

18 Having reviewed this legislation, it is
19 my understanding that the legislation merely
20 requires all City depositories to provide
21 information on their respective community
22 reinvestment goals. It is an effort to evaluate
23 whether the banks that we use are committed to
24 investing in our neighborhoods and in our City.
25 Such an effort is important and meaningful and

1 3/6/02 - FINANCE - BILL 020047

2 complements the Administration's efforts to support
3 neighborhoods and communities.

4 The Treasurer's Office does not expect
5 this change to add any significant administrative
6 burden to regular duties. Therefore, we offer our
7 support for this legislation.

8 Thank you for the opportunity to appear
9 before this Committee today and I would be happy to
10 answer any questions the Committee may have at this
11 time.

12 COUNCILWOMAN BLACKWELL: Thank you very
13 much. Once passed, how does your office plan
14 implement the legislation? Will it be part of the
15 annual report or the City's quarterly financial
16 statements?

17 MR. FARALDO: Madam chairwoman, my first
18 impression would be that we would probably
19 coordinate this with the annual reporting
20 requirements of the banks.

21 COUNCILWOMAN BLACKWELL: Who will
22 monitor to see if the City depositories are meeting
23 the goals stated? And what would the consequences
24 be for not meeting said goals?

25 MR. FARALDO: Chairwoman Blackwell, what

1 3/6/02 - FINANCE - BILL 020047

2 I would like to do is perhaps have a discussion with
3 the appropriate Members of City Council or this
4 Committee to determine exactly what we may require
5 and who the interested parties might be so that we
6 can get the information we would be interested in
7 and sharing it with the appropriate people.

8 COUNCILWOMAN BLACKWELL: Thank you.

9 Finally, are depositories required to invest in all
10 communities or only those where they have branches?

11 As you know, in many low-income
12 neighborhoods now there are no banks at all.

13 MR. FARALDO: I don't know that there is
14 currently any mandated requirement for the banks to
15 invest in the community by the City. There are
16 federal and state regulations that require the banks
17 to report to them these type of activities and
18 they're rated based on their activities or
19 contribution in these communities.

20 COUNCILWOMAN BLACKWELL: Thank you very
21 much.

22 Are there questions from other Members
23 of the Committee with regard to Bill No. 020047?

24 Councilwoman Tasco.

25 COUNCILWOMAN TASCO: Good afternoon.

1 3/6/02 - FINANCE - BILL 020047

2 You may or may not be able to answer this question.

3 But in terms of this, how do we identify -- what are
4 goals?

5 MR. FARALDO: Again, I think from my
6 perspective, this is one of the pieces of
7 information I would like to discuss with Members of
8 City Council and the Administration, the agencies
9 and departments that would be most interested in
10 this information so we can work as a team in our
11 discussions with the banks to accumulate this
12 information.

13 COUNCILWOMAN TASCO: Madam Chair, I
14 understand the sponsor of this bill, Councilman
15 Goode, wants to respond.

16 COUNCILWOMAN BLACKWELL: Councilman
17 Goode.

18 COUNCILMAN GOODE: In terms of goals, it
19 is language that was used in the State Reinvestment
20 Act of 1993. The House actually passed a very
21 detailed elaborate form. There has since has been
22 legislation that does not allow us to go as far, so
23 we left it very broad for the banks to actually
24 simply tell us what their goals are. So those goals
25 have not been defined.

1 3/6/02 - FINANCE - BILL 020047

2 To answer Councilwoman Blackwell's
3 question earlier, too. There is a mechanism of the
4 Finance Department to help this process along
5 through the Philadelphia Community Reinvestment
6 Commission which was placed under the Finance
7 Department.

8 COUNCILWOMAN TASC0: Could I ask the
9 Councilman a question?

10 COUNCILWOMAN BLACKWELL: Yes.

11 COUNCILWOMAN TASC0: Are goals defined
12 in percentages, or would you be seeking to have them
13 identify specific projects that they would do?

14 COUNCILMAN GOODE: We're not specifying
15 yet, but in terms of how they already do their
16 community reinvestment goals. This is information
17 which banks normally do. They just don't
18 necessarily give it to us in terms of the
19 information. We're asking them to give it to us and
20 they define in both -- information defined by
21 percentage of the market in terms of total loans,
22 and in addition to that, actual dollar amounts of
23 loans and actually number of loans.

24 COUNCILWOMAN TASC0: Thank you.

25 COUNCILWOMAN BLACKWELL: Are there any

1 3/6/02 - FINANCE - BILL 020048

2 other questions with regard to this bill.

3 COUNCILMAN GOODE: Also, Madam Chair. I
4 also have a proposed amendment, just a technical
5 amendment. We actually used the letter "D" rather
6 than letter "F" and forgot to italicize the wording.
7 I think that's been circulated to Members of the
8 Committee. It's purely a technical amendment.

9 COUNCILWOMAN BLACKWELL: Thank you very
10 much.

11 Any other questions?

12 Then we will ask the Clerk to read Bill
13 No. 020048.

14 THE CLERK: Bill No. 020048, an
15 ordinance amending Chapter 19-200 of the
16 Philadelphia Code, entitled "City Funds, Deposits,
17 Investments, Disbursement," by amending Section
18 19-201, entitled "City Depositories," by authorizing
19 the City Treasurer to deposit funds in Citizens
20 Bank, under certain terms and conditions.

21 COUNCILWOMAN BLACKWELL: Thank you very
22 much.

23 Mr. Faraldo.

24 MR. FARALDO: Good afternoon, I am
25 Joseph Faraldo, Acting City Treasurer. I'm here

1 3/6/02 - FINANCE - BILL 020048

2 today to testify in support of Bill No. 020048 that
3 amends Section 19-200 of the Philadelphia Code
4 relating to authorized City depositories. This
5 amendment will include Citizens Bank as a City
6 depository and in so doing, update the list of
7 financial institutions that the City is authorized
8 to deposit funds.

9 I have reviewed the financial
10 information provided by Citizens Bank and have
11 determined that they meet the basic criteria as
12 required by the Code for becoming an authorized
13 depository. Specifically Citizens Bank has been in
14 business for the past five years, has been
15 profitable for the last two years, is federally
16 insured, and has over \$100 million in assets.

17 This concludes my written testimony. I
18 am available to answer any questions you may have on
19 this matter. Thank you.

20 COUNCILWOMAN BLACKWELL: Thank you very
21 much.

22 Are there questions with regard to this
23 bill?

24 Thank you very much. That concludes the
25 testimony.

1 3/6/02 - FINANCE - BILL 020048

2 As we stated earlier, Bill No. 020077 is
3 being held at the request of the sponsor.

4 That will end our public hearing.

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COUNCIL OF THE CITY OF PHILADELPHIA
PUBLIC MEETING
COMMITTEE ON FINANCE

- - -

Wednesday, March 6, 2002

- - -

Public Meeting conducted by the
Committee on Public Property and Public Works, held
in Room 401, City Hall, Philadelphia, Pennsylvania,
on the above date, to consider action on the
following:

BILLS 020047, 020048

- - -

PRESENT:
COUNCILWOMAN JANNIE BLACKWELL, CHAIR
COUNCILWOMAN MARIAN B. TASCIO
COUNCILMAN FRANK J. DI CICCIO
COUNCILMAN WILSON W. GOODE, JR.
COUNCILMAN MICHAEL A. NUTTER

- - -

1 3/6/02 - FINANCE - PUBLIC MEETING

2 COUNCILWOMAN BLACKWELL: We will now
3 enter into our public meeting. And we will ask
4 Councilwoman Tasco for a motion on an amendment to
5 Bill 020047. We would ask that you make a motion to
6 accept the amendment to the bill.

7 COUNCILMAN NUTTER: I'm sorry, I was
8 distracted earlier. I know Councilman Goode had
9 raised the an issue about the amendment. I read the
10 amendment. It seemed to be exactly what was in the
11 bill. Is this about "D" and "F"?

12 COUNCILMAN GOODE: "D" and "F." They
13 forgot to italicize the wording.

14 COUNCILMAN NUTTER: Okay. So the
15 amendment is the same exactly what's in the bill.
16 The letter D was already used and you needed to use
17 F and the italics issue?

18 COUNCILMAN GOODE: Yes.

19 COUNCILWOMAN BLACKWELL: Thank you for
20 the clarification.

21 COUNCILWOMAN TASCO: Madam Chair, I move
22 that we accept the amendment.

23 (Duly seconded.)

24 COUNCILWOMAN BLACKWELL: All in favor of
25 the amendment, aye.

1 3/6/02 - FINANCE - PUBLIC MEETING

2 (Aye.)

3 COUNCILWOMAN BLACKWELL: Opposed?

4 The amendment has been accepted.

5 Councilwoman Tasco, would you now enter

6 a motion for the bill as amended?

7 COUNCILWOMAN TASCO: Madam Chair, I move
8 that Bill 020047, as amended be reported out of
9 Committee with a favorable recommendation with a
10 request for suspension of the rules so that this
11 bill can be read at the next session of Council.

12 (Duly seconded.)

13 COUNCILWOMAN BLACKWELL: It's been
14 seconded. All in favor aye.

15 (Aye.)

16 COUNCILWOMAN BLACKWELL: Opposed?

17 Therefore, Bill No. 020047, as amended,
18 has been reported out of Committee with a favorable
19 recommendation and with a recommendation for
20 suspension of the rules so that this bill may be
21 heard at our next Session of Council.

22 Councilman DiCicco, would you give us a
23 motion for Bill No. 020048?

24 COUNCILMAN DICICCO: Thank you, Madam
25 Chair. I move that Bill No. 020048 be reported out

1 3/6/02 - FINANCE - PUBLIC MEETING

2 this Committee with a favorable recommendation, and
3 a further recommendation that rules of Council be
4 suspended.

5 (Duly seconded.)

6 COUNCILWOMAN BLACKWELL: All in favor?

7 (Aye.)

8 COUNCILWOMAN BLACKWELL: It has been
9 moved and seconded that Bill No. 020048 be reported
10 out of Committee with a favorable recommendation,
11 and also a recommendation for a suspension of the
12 rules so that this may be considered at our next
13 Session of Council.

14 Thank you very much. This meeting is
15 now adjourned.

16 (Council adjourned at 2:36 p.m.)

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C E R T I F I C A T I O N

I HEREBY CERTIFY that the foregoing
proceedings of the Council of the City of
Philadelphia of March 6, 2002, were reported fully
and accurately by me, and that this is a correct
transcript of the same.

RE: COMMITTEE ON FINANCE

Lisa C. Bradley, RPR
and Notary Public