

1                   3/23/06 - FINANCE - BILL 050661  
2                   COUNCIL OF THE CITY OF PHILADELPHIA  
3                   COMMITTEE ON FINANCE

4                                 -   -   -  
5                                 City Hall, Room 400  
6                                 Philadelphia, Pennsylvania  
7                                 Thursday, March 23, 2006  
                                  9:45 a.m.  
                                  -   -   -

8           PRESENT:

9           COUNCILWOMAN JANNIE BLACKWELL (Chair)  
10          COUNCILMAN FRANK DICICCO  
11          COUNCILMAN W. WILSON GOODE, JR.  
12          COUNCILMAN MICHAEL A. NUTTER  
13          COUNCILWOMAN BLONDELL REYNOLDS BROWN  
14          COUNCILMAN JUAN RAMOS  
15          COUNCILMAN FRANK RIZZO  
16          COUNCILWOMAN MARIAN B. TASCO

17                                 -   -   -

18           BILL NO. 050661 - An Ordinance authorizing  
19           the creation of a loan or loans to provide  
20           funds for and toward various capital  
21           municipal purposes, authorizing the Mayor,  
22           City Controller and City Solicitor or a  
23           majority of them to sell bonds at public or  
24           private negotiated sale, setting forth the  
25           capital purposes and the amounts for which  
          the proceeds of the loan or loans will be  
          expended, including reimbursement of City  
          capital expenditures, etc.

26                                 V A R A L L O Incorporated  
27                                 Litigation Support Services  
28                                 1835 Market Street, Suite 600  
29                                 Philadelphia, PA 19103  
30                                 (215) 561-2220

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2                   COUNCILWOMAN BLACKWELL: We  
3 welcome you this morning. We are now in  
4 session for the Committee on Finance  
5 with regard to Bill No. 050661.

6                   This is a continued hearing,  
7 and we note for the record that we have  
8 a quorum. To my left, Councilwoman  
9 Marian Tasco; to her left Councilwoman  
10 Blondell Reynolds Brown, Vice-Chair; to  
11 my right Councilman W. Wilson Goode; to  
12 his right Councilman Juan Ramos.

13                  I'm Jannie Blackwell, Chair  
14 of the hearing, and again we say good  
15 morning.

16                  We will ask the clerk to read  
17 the title of the bill.

18                  THE CLERK: Bill 050661, an  
19 ordinance authorizing the creation of a  
20 loan or loans to provide funds for and  
21 towards various capital municipal  
22 purposes, authorizing the Mayor, City  
23 Controller and City Solicitor or a  
24 majority of them to sell bonds at a  
25 public or private negotiated sale,

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2                   setting forth the capital purposes and  
3                   the amounts for which the proceeds of  
4                   the loan or loans will be expended  
5                   including reimbursement of City  
6                   capital expenditures.

7                   COUNCILWOMAN BLACKWELL: Thank  
8                   you very much. You read the entire  
9                   title?

10                  THE CLERK: I didn't read the  
11                  entire title. I can read the entire  
12                  title, if you like.

13                  COUNCILWOMAN BLACKWELL: Read  
14                  the entire title. Thank you.

15                  THE CLERK: Providing for the  
16                  maturities and for other terms and  
17                  conditions and for the form of the bonds  
18                  providing that certain bonds may be  
19                  redeemable prior to maturity, providing  
20                  sinking funds for the bonds and for  
21                  appropriations to the Sinking Fund  
22                  Commission for the payment thereof;  
23                  authorizing agreements to provide credit  
24                  or payment or liquidity sources for the  
25                  bonds and interest rates in connection

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2                   with issuance of the bonds and certain  
3                   other actions; providing for obtaining  
4                   the consent of the electors to increasing  
5                   the indebtedness of the City of  
6                   Philadelphia and fixing a day for holding  
7                   the election for obtaining such consent  
8                   and providing for the arrangements for  
9                   holding such election.

10                   COUNCILWOMAN BLACKWELL: Thank  
11                   you very much.

12                   We have had much discussion in  
13                   the past. We will ask Mr. Tustin to come  
14                   forward or whomever you deem, Mr.  
15                   Jannetti, Finance Chair, in the event  
16                   that there are questions.

17                   We thank all of you, our  
18                   commissioners, directors, who are in the  
19                   room.

20                   I will now open up the  
21                   committee to hear questions from members  
22                   of the committee. We also note  
23                   Councilman's Frank Rizzo's attendance, as  
24                   well as Councilman Michael Nutter.

25                   Councilwoman Tasco.

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2                   COUNCILWOMAN TASC0: Good  
3 morning. Have you all put the team  
4 together on this issue?

5                   MR. JANNETTI: No, ma'am.

6                   COUNCILWOMAN BLACKWELL: Again,  
7 identify yourself for the record.

8                   MR. JANNETTI: I'm Vincent  
9 Jannetti, acting director of finance of  
10 the City.

11                  COUNCILWOMAN TASC0: At what  
12 point would you do that.

13                  MR. JANNETTI: We would put the  
14 team together for this particular loan  
15 authorization a couple months prior to  
16 doing the actual financing.

17                  COUNCILWOMAN TASC0: So if this  
18 bill goes on the ballot in May, at what  
19 point would you begin the negotiations  
20 after that?

21                  MR. JANNETTI: If I can back up  
22 a moment, we are currently looking to do  
23 about a \$217 million G.O. financing  
24 currently to fund the '05, the '04, and  
25 the '03, most of the '03 authorizations.

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2                   This authorization would not be  
3 funded until those funds from that \$217  
4 million G.O. bond authorizing total funds  
5 runs out. We don't fund these until we  
6 actually need the cash. We save on debt  
7 service that way.

8                   COUNCILWOMAN TASC0: So right  
9 now -- so why are we voting on this today  
10 then?

11                  MR. JANNETTI: This loan  
12 authorization provides the appropriations  
13 necessary to fund the capital program for  
14 fiscal '06.

15                  COUNCILWOMAN TASC0: So if you  
16 don't spend the money until the other  
17 money runs out, why do you need the money  
18 now?

19                  MR. JANNETTI: We need the  
20 appropriations. We need the ability to  
21 move forward with the projects. We can  
22 be working on these projects and be using  
23 other cash that's available. It doesn't  
24 have to be funded until we actually need  
25 the cash, but the projects, in order to

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2                   be funded, not in a dollars way, but in  
3                   an appropriation way, in order for them  
4                   to be funded in the capital budget, we  
5                   need the loan authorization.

6                   COUNCILWOMAN TASC0: So you  
7                   would project how far down the line would  
8                   these funds be expended.

9                   MR. JANNETTI: We spend around  
10                  7 or \$8 million a month in capital on  
11                  average. I would expect about two years,  
12                  assuming, you know, assuming nothing  
13                  crazy happens between now and then.

14                  COUNCILWOMAN TASC0: Thank you.  
15                  Thank you, Madam Chair.

16                  COUNCILWOMAN BLACKWELL: Thank  
17                  you very much.

18                  Are there further questions?  
19                  Are there further questions from members  
20                  of the committee?

21                  MR. JANNETTI: Madam Chair, if  
22                  I may.

23                  COUNCILWOMAN BLACKWELL: Yes,  
24                  sir.

25                  MR. JANNETTI: This second

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2           amendment has two changes to it. They  
3           are the dates of when the primary  
4           election is. The original bill listed  
5           November 8, 2005. The amendment is for  
6           May 16, 2006, and that's in Section 1 on  
7           top of Page 2. And in Section 6 in the  
8           middle of the section, that's also May  
9           16, 2006.

10                   COUNCILWOMAN BLACKWELL: And  
11           those are the only changes and this is a  
12           proposed amendment?

13                   MR. JANNETTI: Yes.

14                   COUNCILWOMAN BLACKWELL: Thank  
15           you very much.

16                   Any other questions from  
17           members of the committee?

18                   That will conclude our hearing.  
19           We will enter into the stated meeting.

20                   And I assume you need a  
21           suspension?

22                   MR. JANNETTI: Yes, ma'am.

23                   COUNCILWOMAN BLACKWELL: The  
24           Chair recognizes Councilman Ramos for the  
25           purpose of introducing an amendment.



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2                   COUNCILMAN RAMOS: Thank you,  
3                   Madam Chair.

4                   I'm proposing an amendment to  
5                   Bill No. 05066. One is a technical type  
6                   of amendment on Page 2 of the amendment  
7                   that has been circulated to all members  
8                   of this committee. The change is made on  
9                   top of the page from November 8 to May  
10                  16.

11                  The same change is made in the  
12                  last page of the amendment sheet in the  
13                  middle of the paragraph. Again that  
14                  change is from November 8 to May 16.

15                  I move that we add this  
16                  amendment to the bill.

17                  (Duly seconded.)

18                  COUNCILWOMAN BLACKWELL: It has  
19                  been moved and seconded that the proposed  
20                  amendment to Bill No. 050661 be adopted.  
21                  All in favor will say aye.

22                  (Aye.)

23                  COUNCILWOMAN BLACKWELL:

24                  Opposed?

25                  (No response.)

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2                   COUNCILWOMAN BLACKWELL: They  
3 ayes have it and so the amendment is  
4 adopted.

5                   The Chair recognizes  
6 Councilwoman Blondell Reynolds Brown for  
7 a motion to report out this bill as  
8 amended and with the suspension of the  
9 rules.

10                  COUNCILWOMAN BROWN: I move  
11 that Bill No. 050661 be reported out of  
12 committee as amended. I further move  
13 that the rules of Council be suspended to  
14 allow first reading at the next scheduled  
15 session of City Council.

16                  (Duly seconded.)

17                  COUNCILWOMAN BLACKWELL: It has  
18 been moved as seconded that Bill No.  
19 050661 as amended be reported out of  
20 committee and, furthermore, that the  
21 rules of Council be suspended so as to  
22 permit first reading at our next session  
23 of Council. All in favor will say aye.

24                  (Aye.)

25                  COUNCILWOMAN BLACKWELL:

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2           Opposed?  
3                   COUNCILWOMAN TASCO: No.  
4                   COUNCILWOMAN BLACKWELL: The  
5           record will note that Councilwoman Marian  
6           Tasco is a no vote. All the others are  
7           aye. And so the bill passes.  
8                   That will conclude our hearing.  
9           We thank you all for being here and we  
10          welcome you to say. You know we have  
11          Bill Cosby today. Thank you very much.  
12          Thank you, committee members.  
13                   (The hearing concluded at (9:52  
14          a.m.)

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2                   CERTIFICATE

3                   I HEREBY CERTIFY that the  
4   proceedings of the Committee on Finance of  
5   the Council of the City of Philadelphia are  
6   contained fully and accurately in the  
7   stenographic notes taken by me on Friday,  
8   March 23, 2006, and that this is a true and  
9   correct transcript of same.

10

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16                   \_\_\_\_\_  
                  Cynthia A. Whyte, RPR

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19                   (The foregoing certification of  
20   this transcript does not apply to any  
21   reproduction of the same by any means,  
22   unless under the direct control and/or  
23   supervision of the certifying reporter.)

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