

COUNCIL OF THE CITY OF PHILADELPHIA
COMMITTEE ON FINANCE

- - -

Room 400, City Hall
Philadelphia, Pennsylvania
Wednesday, June 10, 2009, 10:45 a.m.

- - -

Bill 090119 - Held at request of sponsor.

Bill 090326 - Held at request of sponsor.

Bill 090405 - To sell bonds at public or
private negotiated sale to provide funds
toward various capital municipal purposes.

Bill 090410 - K0Z legislation.

Bill 090446 - General Acute-Care Hospital
Assessment.

COMMITTEE MEMBERS PRESENT:

Marian B. Tasco, Chair

Jannie L. Blackwell, Vice Chair

Blondell Reynolds Brown

Frank DiCicco

Bill Green

W. Wilson Goode, Jr.

William K. Greenlee

James F. Kenney

- - -

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2 COUNCILWOMAN TASCO: Good
3 morning. The Committee on Finance will
4 come to order.

5 I'd like to note that we have a
6 quorum in the presence of Councilwoman
7 Blondell Reynolds-Brown, Councilman
8 Kenney, Councilman Greenlee, Councilman
9 Goode, and Councilman DiCicco.

10 I will note for the record that
11 Bill No. 090119 is being held per the
12 request of the sponsor.

13 Also, Bill No. 090326 will be
14 held at the request of the sponsor.

15 We will now hear Bill No.
16 090405. Will the clerk please read the
17 bill.

18 THE CLERK: An ordinance
19 authorizing the Bond Committee to sell
20 bonds at public or private negotiated
21 sale to provide funds toward various
22 capital municipal purposes providing for
23 appropriations to the Sinking Fund
24 Commission for the payment of such bonds;
25 authorizing agreements to provide credit

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2 or payment or liquidity sources for the
3 bonds and interest rate swaps in
4 connection with issuance of the bonds and
5 certain other actions; providing for
6 obtaining the consent of the electors to
7 increasing the indebtedness of the City;
8 and fixing a day provide for arrangements
9 for holding the election for obtaining
10 such consent.

11 COUNCILWOMAN TASC0: Is there
12 anyone here to testify on this bill?

13 (Witnesses come forward.)

14 CITY TREASURER RHYNHART: Good
15 morning.

16 COUNCILWOMAN TASC0: Good
17 morning.

18 CITY TREASURER RHYNHART: Good
19 morning, Councilwoman Tasco and members
20 of the Committee on Finance. My name is
21 Rebecca Rhynhart. I'm the City Treasurer
22 for the City of Philadelphia.

23 I'm here today to testify in
24 support of Bill No. 090405, which was
25 introduced on May 14, 2009. The purpose

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2 of this bill is to obtain approval from
3 City Council to place a loan
4 authorization question on the general
5 election ballot on Tuesday, November 3,
6 2009.

7 The loan question requests an
8 increase in indebtedness in an amount not
9 to exceed \$65,525,000 to fund the City's
10 Fiscal Year 2010 Capital Budget approved
11 by City Council. State law requires the
12 City to place a question before the
13 electorate during an election to increase
14 its borrowing authority.

15 The loan authorization, if
16 approved, would finance capital projects
17 classified for the following purposes and
18 in the following aggregate amounts:

19 For transit: \$4,115,000.

20 For Streets and Sanitation:
21 \$10,937,000.

22 For Municipal Buildings:
23 \$30,177,000.

24 For Parks, Recreation and
25 Museums: \$17,967,000.

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2 And for Economic and Community
3 Development: \$2,294,000.

4 In order to provide appropriate
5 time to advertise the ballot question
6 prior to the November 3, 2009 general
7 election, the bill should be enacted no
8 later than September 17, 2009.

9 Therefore, I would like to respectfully
10 request that this bill be reported from
11 committee with a favorable recommendation
12 so that it can have first reading at the
13 June 18th session and be positioned for
14 second reading and final passage when
15 Council's legislative session resumes on
16 September 17, 2009.

17 Finally, attached as part of
18 this testimony is the proposed ballot
19 question requesting loan authorization
20 from the electorate of the City of
21 Philadelphia.

22 This concludes my written
23 testimony. I'd be happy to answer any
24 questions you may have.

25 COUNCILWOMAN TASC0: Thank you

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2 very much.

3 Are there any questions from
4 the members of the committee?

5 Let me recognize that we have
6 been joined by Councilwoman Blackwell and
7 Councilman Green.

8 Councilman Green, we recognize
9 you for a question.

10 COUNCILMAN GREEN: Thank you,
11 Madam Chair.

12 I apologize for not having this
13 if you've provided it, but did you
14 provide the breakdown of what the transit
15 money is going to be spend for?

16 CITY TREASURER RHYNHART: That,
17 I believe, would have been in the Capital
18 Budget. I could get a copy.

19 COUNCILMAN GREEN: This is all
20 reflected in the Capital Budget?

21 CITY TREASURER RHYNHART:
22 That's right, this was all approved in
23 the Capital Budget.

24 COUNCILMAN GREEN: Okay. I
25 have no further questions.

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2 Thank you.

3 COUNCILWOMAN TASC0: Thank you.

4 All of these items here we
5 passed in our Capital Budget, and it will
6 be outlined there.

7 Councilman Greenlee.

8 COUNCILMAN GREENLEE: Thank
9 you, Madam Chair.

10 Good morning, Miss Rhynhart.

11 CITY TREASURER RHYNHART: Good
12 morning much.

13 COUNCILMAN GREENLEE: Just a
14 question just on procedure.

15 CITY TREASURER RHYNHART: Sure.

16 COUNCILMAN GREENLEE: You said
17 that want it to be enacted at our first
18 session on September the 17th. Can't we
19 just suspend the rules today. You would
20 have first reading tomorrow and then
21 final passage on June 18th?

22 CITY TREASURER RHYNHART: You
23 know, there might be a procedural reason.
24 I will defer to the Law Department.

25 COUNCILMAN GREENLEE: Okay.

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2 All right.

3 (Witness comes forward.)

4 COUNCILMAN GREENLEE: Is it

5 because it's a ballot question?

6 CITY TREASURER RHYNHART: It

7 has something to do with the advertising,

8 but --

9 MR. DUTCHIE: I'm François

10 Dutchie, City of Philadelphia Law

11 Department.

12 There's a requirement under
13 State law that for the three weeks prior
14 to the election, a summary of the bill be
15 advertised in -- I don't remember exactly
16 what the requirement is -- three
17 newspapers with a particular circulation.

18 The law also requires that the
19 -- that the -- that the election happen
20 within a particular period of time after
21 the passage of the bill. I think that
22 time period can be no more than -- I
23 believe it's 60 days. I'd have to look
24 at the legislation.

25 COUNCILMAN GREENLEE: Oh, okay.

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2 MR. DUTCHIE: So if it's passed
3 now, we wouldn't be able to -- we
4 wouldn't be able to have the election.
5 We'd have to pass another bill next fall.

6 So you can't pass the bill too
7 early; that's essentially the
8 requirement.

9 COUNCILMAN GREENLEE: Yeah, I
10 never -- that's different. I guess
11 technically it doesn't become law,
12 though, until the Mayor signs it. I mean
13 --

14 MR. DUTCHIE: I'm sorry?

15 COUNCILMAN GREENLEE: It
16 doesn't become law until the Mayor signs
17 it so --

18 COUNCILWOMAN TASCO: But if he
19 doesn't sign it, it becomes law without
20 his signature.

21 COUNCILMAN GREENLEE: Yeah, but
22 it's two meetings, right? So, you know,
23 whatever. Okay, never mind.

24 All right. Thank you.

25 MR. DUTCHIE: Sure.

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2 COUNCILWOMAN TASC0: When she
3 didn't ask for it, I figured there had to
4 be a reason for it.

5 COUNCILMAN GREENLEE: Yeah.

6 COUNCILWOMAN TASC0: Any other
7 questions or comments?

8 (No further questions.)

9 COUNCILWOMAN TASC0: Thank you
10 very much for your testimony.

11 The clerk will please read the
12 title of the next bill.

13 THE CLERK: Bill No. 090410, an
14 ordinance amending Chapter 19-3200 of the
15 Philadelphia Code, entitled "Keystone
16 Opportunity Zone and Economic Opportunity
17 District" by providing for extension of
18 the term of benefits for certain
19 properties, under certain terms and
20 conditions.

21 COUNCILWOMAN TASC0: Who will
22 testify from the administration on this
23 bill?

24 (Witnesses come forward.)

25 MR. BUMB: Good morning.

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2 COUNCILWOMAN TASC0: Good
3 morning. Would you state your name for
4 the record and begin your testimony.

5 MR. BUMB: Good morning, Madam
6 Chair. My name is Duane Bumb, Senior
7 Deputy Director of Commerce.

8 I'm here today on behalf of the
9 Administration to testify in support of
10 Bill 090410, which is a bill authorizing
11 the City of Philadelphia to apply to the
12 Commonwealth of Pennsylvania to extend
13 the Keystone Opportunity Zone designation
14 and benefits for six unoccupied parcels
15 located in PIDC's Northeast Philadelphia
16 industrial parks.

17 In June of 2008, the
18 Philadelphia legislature passed Senate
19 Bill 1412 authorizing, among other KOZ
20 changes, for local government throughout
21 the Commonwealth to apply to the State
22 for a seven-year extension or a ten-year
23 extension from the date of occupancy for
24 unoccupied properties in existing
25 Keystone Opportunity Subzones.

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2 In December of 2008, City
3 Council passed, and Mayor Nutter signed
4 into law, Bill 080882, which allowed for
5 the KOZ extension for 37 properties. Six
6 of the properties submitted originally in
7 that legislation were removed from the
8 bill at the Finance Committee hearing to
9 allow us to consider those for further
10 due diligence.

11 Those properties that were
12 removed are now being resubmitted to the
13 Council under the current bill, 090410,
14 for your approval. All of the properties
15 in this bill are publicly-owned and their
16 extension will have no cost to the City
17 or School District.

18 The extension of the KOZ
19 designation of these six parcels is an
20 important tool in our efforts to attract
21 and grow businesses in the City of
22 Philadelphia.

23 And, finally, subsequent to the
24 introduction of the bill, various
25 opportunities for significant development

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2 have been presented to us that would
3 require the extension of the Keystone
4 Opportunity Zone benefits to make various
5 projects economically viable. The
6 Commerce Department has worked with
7 various District Council members to
8 evaluate each of the proposed extensions.
9 And as a result of those discussions, we
10 are proposing nine properties be added to
11 this bill.

12 A list of those properties is
13 attached to this testimony -- or is
14 submitted as an amendment to this
15 testimony. Three of those properties are
16 publicly-owned and are, therefore,
17 extended at no cost to the City or School
18 District. The remaining properties are
19 privately-owned.

20 As a condition of inclusion in
21 the Commerce Department's application to
22 the State for extension, we will be
23 requiring that each private property
24 owner sign or a payment in lieu of taxes
25 for 110 percent of the 2008 tax

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2 liability, as allowed by the State
3 legislation for those respective
4 properties.

5 These additions have been
6 submitted to the Chair in the form of
7 amendments to the bill. And with the
8 Chair's (indiscernible), I will read
9 those amendments into the record.

10 This concludes my prepared
11 testimony. I respectfully request the
12 committee's support of this bill and
13 proposed amendments and would also
14 request a waiving of the rules of the
15 Council to allow for first reading at
16 your next scheduled meeting.

17 Thank you for your
18 consideration. I'd be happy to answer
19 any questions.

20 And I have copies of the
21 amendments, if you don't have those
22 there.

23 COUNCILWOMAN TASC0: The Chair
24 recognizes Councilman Kenney.

25 COUNCILMAN KENNEY: Thank you,

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2 Madam Chair.

3 Just, Mr. Bumb, your testimony
4 indicates that six of the proposed
5 properties were removed at the Finance
6 Committee hearing for further due
7 diligence. And in your verbal
8 testimony -- your testimony also
9 indicated that there were nine that were
10 being submitted.

11 So I don't understand how that
12 math works. If there were six taken out
13 written initially, and it seems on this
14 attachment on the pink sheets, there's
15 four parcels being added. Where's the
16 six and nine?

17 MR. BUMB: There are -- the
18 nine --

19 COUNCILMAN KENNEY: There were
20 six initially removed, right?

21 MR. BUMB: There were six
22 removed last year. Those six were the
23 basis for the bill being introduced
24 that's in front of you.

25 The amendment has nine

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2 additional properties. So six plus nine.

3 COUNCILMAN KENNEY: Okay.

4 COUNCILWOMAN TASC0: So there
5 are 15 properties?

6 MR. BUMB: Yes.

7 COUNCILWOMAN TASC0: Are they
8 all contiguous?

9 MR. BUMB: I'm sorry?

10 COUNCILWOMAN TASC0: Are they
11 all contiguous? I see a map attached to
12 the -- I'm sorry.

13 COUNCILMAN KENNEY: No, I have
14 the same question. I'm just trying to
15 find -- in the pink sheets, there's
16 parcels -- Attachment A-1, Parcel 1, 2,
17 3, and 4. And then there's Attachment
18 A-2, which is Parcel 1 and 2.

19 So those are the six that were
20 initially taken out?

21 MR. BUMB: Right.

22 COUNCILMAN KENNEY: So in the
23 pink sheets, there's six; they were the
24 six that were removed.

25 MR. BUMB: That's right.

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2 COUNCILMAN KENNEY: Where's the

3 nine come in?

4 MR. BUMB: The nine are in the

5 amendment that we have to the bill today.

6 COUNCILMAN KENNEY: Okay, fine.

7 MR. BUMB: I'm sorry.

8 COUNCILMAN KENNEY: I got it.

9 Thanks.

10 MR. BUMB: And I -- and I think

11 I also need to correct -- I'm adding

12 these up. And I said nine additional;

13 there are ten. So I apologize.

14 COUNCILWOMAN TASC0: I don't

15 see ten. Are all of them in -- oh, I

16 see, okay. All right.

17 MR. BUMB: If you're -- are you

18 looking -- if you're looking at the

19 amendment at the very bottom of the page,

20 J, it is also a property that's the tenth

21 property.

22 COUNCILWOMAN TASC0: The

23 American Street Corridor Industrial

24 opportunity, are they being added to

25 this?

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2 MR. BUMB: Again, these --
3 every property we're talking about,
4 whether they were in the bill as
5 submitted or added by amendment right
6 now, are all currently receiving the
7 benefits of the Keystone Opportunity
8 Zone.

9 The State legislation that
10 we're responding to -- and our
11 application must be submitted by June
12 30th to respond -- would apply for an
13 extension of the term of the benefits.
14 Some of these properties, the benefit
15 term expires as early as 2010; others as
16 early as 2013.

17 These are properties currently
18 that are unoccupied. And so, we are
19 providing additional benefit terms to
20 encourage job growth and investment.

21 COUNCILWOMAN TASC0: Are there
22 any other questions?

23 Councilman Green.

24 COUNCILMAN GREEN: It appears
25 that there's a large Keystone Opportunity

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2 Zone in East Falls. There's a Ronald
3 McDonald House going in there. It's the
4 old Bud plant facility. We're not
5 extending that zone?

6 MR. BUMB: The old Bud site in
7 Allegheny West? That's correct. It's
8 not being extended.

9 And remember that the extension
10 could only be considered for unoccupied
11 portions. And so, the Salvation Army --
12 the Crock Center that I think you're
13 referring to --

14 COUNCILMAN GREEN: But it's
15 very unoccupied. Most of the facility is
16 not occupied.

17 MR. BUMB: Right.

18 COUNCILMAN GREEN: So if we
19 don't extend it, do we lose the right to
20 extend it forever, or can we extend it
21 again next year?

22 I mean, the only thing that
23 made me think of that is, you said, we
24 have to have this into the State by June
25 30th to extend it and...

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2 MR. BUMB: Right. And I think
3 last fall, when the original legislation
4 that we had brought to City Council, we
5 had gone through the process of
6 identifying properties we were
7 recommending and then we also vetted
8 those with all -- as much as we could
9 with all District Council members and
10 other members. I know we met with you as
11 well on that issue.

12 And that is a property that we
13 identified was currently in K0Z, and it
14 was not recommended for extension. And
15 so we did --

16 COUNCILMAN GREEN: But my
17 question is: Do we lose the right to
18 extend it forever if we don't extend it
19 now?

20 MR. BUMB: We lose the right to
21 extend it under the only legislation that
22 we have in Harrisburg right now, because
23 that legislation requires us to submit
24 applications by June 30th for extensions,
25 correct.

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2 COUNCILMAN GREEN: When does
3 that Opportunity Zone expire, do you
4 know?

5 MR. BUMB: 2013.

6 COUNCILMAN GREEN: And
7 Councilman Jones was okay with not
8 extending that?

9 MR. BUMB: We met with the
10 councilman and talked about that and
11 every other existing Keystone Opportunity
12 Zone within his district, yes.

13 COUNCILMAN GREEN: Okay, thank
14 you.

15 COUNCILWOMAN TASC0: Any other
16 questions?

17 (No further questions.)

18 COUNCILWOMAN TASC0: Thank you
19 very much for your testimony.

20 Do you need a suspension of the
21 rules?

22 MR. BUMB: Yes, ma'am, I do.

23 COUNCILWOMAN TASC0: Okay.

24 The clerk will read the title
25 of Bill 090446.

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2 THE CLERK: Bill No. 090446, an
3 ordinance amending Chapter 19-3500 of the
4 Philadelphia Code, entitled "General
5 Acute-Care Hospital Assessment," by
6 adding an assessment upon the net
7 operating revenue of certain specified
8 hospitals located in the City of
9 Philadelphia, all under certain terms and
10 conditions.

11 COUNCILWOMAN TASCO:

12 Dr. Schwarz, are you here to testify on
13 behalf of the Administration?

14 DR. SCHWARZ: Yes, I am.

15 (Witness comes forward.)

16 COUNCILWOMAN TASCO: Good
17 morning.

18 DR. SCHWARZ: Good morning.

19 Chairwoman Tasco, members of
20 the Committee on Finance, I'm Dr. Donald
21 Schwarz, Deputy Mayor for Health and
22 Opportunity and the Health Commissioner.

23 Thank you for the opportunity
24 to present testimony today on Bill
25 090446, which represents an important

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2 amendment to Chapter 19-3500 of the
3 Philadelphia Code.

4 One year ago, Chapter 19-3500
5 created a 3.93 percent assessment on
6 certain net operating revenue of general
7 acute-care hospitals in Philadelphia
8 under well-defined terms and conditions.

9 That chapter created, in
10 collaboration with the Commonwealth
11 Department of Public Welfare, provided
12 revenue that was to be collected in
13 Philadelphia, transferred to the
14 Commonwealth, and used to match federal
15 Medicaid dollars, increasing the
16 reimbursements for Philadelphia hospitals
17 that provide a high proportion Medicaid,
18 emergency, and ambulatory services.

19 A fixed portion of the tax
20 revenue collected is to be retained by
21 the City to help pay for care Medicaid-
22 eligible and uninsured patients using the
23 Department of Public Health ambulatory
24 health-care centers.

25 The original legislation had a

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2 number of hospital exclusions. Under
3 Section 19-3501, Paragraph 2, entitled
4 "Exempt Hospital," Subparagraph 4,
5 explicitly excludes a hospital that
6 provides over 100,000 days of care to
7 Medicaid patients per year.

8 At this time, only one hospital
9 in Philadelphia meets the terms of this
10 exclusion. The exclusion was put in
11 place because a year ago, it was not
12 clear that this one hospital would be
13 able to benefit from the terms of the
14 Philadelphia hospital assessment because
15 it had already received a maximum of
16 supplemental Medicaid dollars as a
17 disproportionate shared hospital under
18 Medicaid.

19 And, I have to say, by
20 excluding the hospital, our work at the
21 federal level was made easier.

22 In the past year, both further
23 analysis of the need for this exclusion
24 and proposed changes in disproportionate
25 share reimbursement have led to an

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2 interest in Chapter 19-3500 to make
3 provision for the excluded hospital.

4 Bill 090446 does not amend the
5 exclusion but, rather, inserts two new
6 paragraphs under Section 3501, creating a
7 special category of high-volume Medicaid
8 hospital and a specific assessment rate
9 for it under Section 19-3503 of 3.45
10 percent of net operating revenue
11 excluding Medicare net operating revenue.

12 The Administration and the
13 Department of Public Health support these
14 changes. The partnership with the
15 Commonwealth has been a critical step
16 toward improving the amount and quality
17 of primary care we provide in our
18 Department of Public Health ambulatory
19 centers. It also helps Philadelphia's
20 hospitals better target to those most in
21 need.

22 The amendment will allow all
23 acute-care hospitals in Philadelphia to
24 participate in the assessment. We
25 believe it will help provide additional

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2 revenue to hospitals at a time of
3 particular fiscal challenge to them
4 because of the recession affecting
5 nation, our state, and our city.

6 Thank you for allowing me to
7 present testimony, and at this time, I'm
8 happy to answer any questions you may
9 have about the proposed legislation.

10 COUNCILWOMAN TASC0: Thank you.

11 Questions?

12 Councilwoman Blackwell.

13 COUNCILWOMAN BLACKWELL: Thank
14 you very much.

15 We would just like to note that
16 even though Ed Notebaert has moved into
17 the 5th District, he will always be
18 considered a part of Children's Hospital
19 in the 3rd.

20 It's always a pleasure, sir.

21 COUNCILWOMAN TASC0: Any other
22 questions?

23 Could you just explain this to
24 me in lay terms?

25 DR. SCHWARZ: I'd be delighted.

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2 COUNCILWOMAN TASC0: Thank you.

3 DR. SCHWARZ: So the Medicaid
4 program is, as you know, a partnership
5 between the State and the federal
6 government, where the State puts up a
7 certain number of dollars, according to
8 federal regulation, to provide benefits
9 to those who are low-income and meet
10 federal requirements. And the federal
11 government matches at a certain rate
12 those dollars.

13 The more dollars the State has
14 available, the more dollars potentially
15 to federally match, as long as we meet
16 federal requirements. So there are
17 exclusions and there are limits.

18 There is the possibility of
19 increasing the amount the State has
20 available matching federal dollars, and
21 then using those dollars to increase
22 payments to hospitals. The problem is,
23 the State doesn't necessarily have the
24 dollars to match.

25 So what the State is doing --

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2 and we approved a year ago -- is levying
3 a tax on hospitals in Philadelphia, using
4 those revenues passed from the City to
5 the State to match federal dollars, draw
6 them down.

7 COUNCILWOMAN TASCO: I remember
8 that.

9 DR. SCHWARZ: Reimburse
10 hospitals at a higher rate, thus
11 stabilizing the network of hospitals in
12 Philadelphia and having dollars left over
13 for both the Commonwealth and the City
14 and directing the dollars in the City to
15 help support the network of health
16 centers, the City's health centers, that
17 provide care both to the uninsured and to
18 those who are on Medicaid.

19 What we did last year was to do
20 that for all but one general acute-care
21 hospital in Philadelphia; that was Temple
22 University. And the reason was that
23 Temple's proportion of Medicaid service
24 is so high that it was -- it made the
25 negotiation with the federal government

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2 more complex.

3 We have now -- the Commonwealth
4 has done an incredible job of working
5 with the federal government, and we have
6 been approved just this week for the
7 hospital tax to go forward.

8 Now that that's approved, the
9 feeling is that we have an opportunity to
10 talk about how to deal with the one
11 excluded general acute-care hospital.

12 The City is very supportive of including
13 Temple in this whole process in order to
14 help Temple stabilize itself because of
15 the role that it performs in providing
16 care in North Philadelphia.

17 That's what this amendment is
18 about.

19 COUNCILWOMAN TASCO: Thank you.

20 Councilman Kenney.

21 COUNCILMAN KENNEY: Thank you.

22 Just let me restate what you're
23 saying so I think I understand it.

24 The hospitals originally agreed
25 to the assessment because it increased

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2 the matchability of federal dollars to
3 the State, which comes back to them
4 anyway because they're under-reimbursed
5 generally.

6 The additional money that's
7 going to the health centers is going to
8 help keep people out of their emergency
9 rooms in the first.

10 DR. SCHWARZ: And provide
11 better care for more people.

12 COUNCILMAN KENNEY: Thank you.
13 I understand.

14 COUNCILWOMAN TASC0: Everybody
15 understand? Yeah, I know you didn't.
16 That's why I asked the question.

17 (Laughter.)

18 COUNCILWOMAN TASC0: Thank you
19 very much.

20 DR. SCHWARZ: My pleasure.

21 COUNCILWOMAN TASC0: Is there
22 anyone else here to testify on this bill?

23 (Witness comes forward.)

24 COUNCILWOMAN TASC0: Good
25 morning.

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2 MR. NOTEBAERT: Good morning,
3 Madam Chair.

4 COUNCILWOMAN TASC0: Would you
5 state your name for the record, please.

6 MR. NOTEBAERT: Good morning,
7 Madam Chair. And good morning, Madam
8 Vice Chair.

9 My name is Edmond Notebaert,
10 and it's my privilege to serve as the
11 Chief Executive Officer of the Temple
12 University Health System.

13 I have provided written
14 testimony, recognizing and wanting to be
15 respectful of the members' time. My
16 testimony essentially parallels that of
17 Dr. Schwartz. I would be happy to read
18 My testimony or to provide an executive
19 summary, or to respond to questions, as
20 the Chair so directs me.

21 COUNCILWOMAN TASC0: I'm sorry.
22 Forgive me.

23 Sure. Any questions for
24 Mr. Notebaert?

25 (No questions or comments.)

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2 COUNCILWOMAN TASC0: Thank you
3 very much. I apologize.

4 COUNCILMAN KENNEY: Madam
5 Chair, he's probably the best witness
6 we've ever had.

7 (Laughter.)

8 COUNCILWOMAN TASC0: Thank you.
9 All written testimony does become a part
10 of the public record.

11 MR. NOTEBAERT: Thank you. We
12 really appreciate your support on this.

13 COUNCILWOMAN TASC0: Okay.
14 Thank you very much.

15 Any other questions or
16 comments?

17 (No further questions or
18 comments.)

19 COUNCILWOMAN TASC0: Would you
20 like a suspension of the rules?

21 DR. SCHWARZ: Yes.

22 COUNCILWOMAN TASC0: Okay.
23 Councilman Green.

24 MR. NOTEBAERT: Madam Chair?

25 COUNCILWOMAN TASC0: Yes.

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2 MR. NOTEBAERT: I've been
3 instructed that I need to point out that
4 there are some technical amendments to
5 the legislation, and I believe that we
6 have some expertise that can testify to
7 that if that is needed by the members.

8 COUNCILWOMAN TASCO: Do we have
9 the amendments?

10 MR. NOTEBAERT: We believe that
11 you do.

12 COUNCILMAN GREENLEE: I don't
13 see it.

14 COUNCILMAN GREEN: Madam Chair,
15 I have a question about this amendment.

16 COUNCILWOMAN TASCO: A question
17 the amendment?

18 The Chair recognizes Councilman
19 Green.

20 COUNCILMAN GREEN: Thank you,
21 Madam Chair.

22 Dr. Schwarz, is the City okay
23 with these amendments?

24 DR. SCHWARZ: I'm just seeing
25 them now for the first time, so give me

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2 one second.

3 COUNCILWOMAN TASC0: Who's
4 offering the amendments?

5 MR. NOTEBAERT: We believe that
6 Temple University Health System is, and
7 the intention of the amendments is to
8 clarify the intended recipient and the
9 intended contributor of the assessment to
10 make it more clear that it's Temple
11 University Hospital.

12 COUNCILWOMAN TASC0: Well,
13 we'll get Dr. Schwarz an opportunity to
14 review the amendments before we proceed.

15 MR. NOTEBAERT: Thank you.

16 COUNCILWOMAN TASC0: The
17 committee is going to recess until 12
18 o'clock and then come back.

19 Dr. Schwarz...

20 (Committee members confer off
21 the record).

22 COUNCILWOMAN TASC0: This is
23 what we're going to do. We're going to
24 report the bill out, and we will amend it
25 tomorrow, when it's presented, during the

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2 course of Council. With the committee
3 report, we'll offer an amendment, get it
4 amended, and then report it out, as
5 amended.

6 That will give the
7 Administration time to reviews changes.
8 Thank you.

9 Normally, it's the sponsor of
10 the bill who offers the amendments. So
11 we were not really fully aware, and it's
12 last minute. So we have to take time to
13 review them and give the Administration
14 an opportunity to review them.

15 We understand the predicament
16 you were in, as you advised me, in terms
17 of what you had to do to get them
18 approved by the State. So we appreciate
19 that too, but we do have to give the
20 Administration an opportunity to review
21 them.

22 So we will report it out and
23 amend it tomorrow, all right?

24 Councilman DiCicco?

25 (Brief discussion held off the

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2 record.)

3 COUNCILWOMAN TASC0: Okay.

4 Any -- Councilman Green would
5 like to -- and you will be asking for a
6 suspension of the rules, right? Okay.

7 Councilman Green would like to
8 offer comments on Bill No. 090326.

9 COUNCILMAN GREEN: Yes, Madam
10 Chair.

11 I'd like it to be called up and
12 held to the call of the Chair, if that
13 didn't happen before I got there.

14 COUNCILWOMAN TASC0: We already
15 did that.

16 COUNCILMAN GREEN: You did?
17 Oh, I'm sorry, I apologize.

18 Thank you, Madam Chair. I just
19 wanted to put this on the record.

20 This bill, which was introduced
21 by myself, Councilwoman Reynolds-Brown,
22 Sanchez, and Councilman Jones, will help
23 citizens take advantage of existing
24 federal and state subsidies for
25 weatherization and solar energy and to

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2 fill the funding gap left by these
3 programs.

4 The bill would create the
5 financing investments in residences and
6 small businesses throughout Philadelphia
7 or the First Philadelphia Loan Program,
8 under which residents and small
9 businesses could access upfront capital
10 to make energy-efficient improvements to
11 their properties, including
12 environmentally-friendly insulation
13 energy-saving windows, door replacements,
14 and solar paneling.

15 This legislation is modeled on
16 the successful Berkley First model and
17 similar innovative financing approaches
18 already in place in Colorado, California,
19 and other locations.

20 We collaborated with key
21 stakeholders, including the Green Economy
22 Task Force, Penn Future, the Sustainable
23 Business Network, the Energy Coordinating
24 Council, and most recently, the Clinton
25 Climate Initiative, to develop this

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2 legislation and to further refine it in
3 the period since introduction.

4 Earlier this year, we presented
5 the proposal to the Mayor's Office of
6 Sustainability, which agreed that the
7 bill addressed significant problems,
8 namely that the State and federal subsidy
9 for weatherization and solar energy
10 products are either unavailable to low-
11 to middle-income residents or are
12 insufficient to allow property owners to
13 undertake the full range of renovations
14 and repairs.

15 In fact, the Administration's
16 Green Works plans make specific reference
17 to the Berkeley First model and includes
18 as a goal creating financing mechanisms
19 to help homeowners and small businesses
20 pay upfront costs for energy-efficiency
21 improvements.

22 The bill sponsors appreciate
23 that the Administration has had its hands
24 full in dealing with the budget and, as a
25 result, has not been able to work through

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2 the details of the proposal.

3 Accordingly, we are holding the bill

4 today but want to thank the

5 Administration for its commitment to work

6 with us over the summer to further refine

7 the First Philadelphia Loan Program.

8 We think this program, which

9 will offer Philadelphia property owners

10 an essential tool in making their homes

11 and businesses energy-efficient and help

12 create green jobs, is an important step

13 in advancing our shared sustainability

14 goals. We look forward to continued

15 collaboration with the Administration and

16 key stakeholders in bringing the First

17 Philadelphia Loan Program to fruition

18 over the summer.

19 Thank you, Madam Chair.

20 COUNCILWOMAN TASCO: Thank you
21 very much.

22 Any other questions or comments
23 on behalf the committee?

24 (No further comments.)

25 COUNCILWOMAN TASCO: Thank you.

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2 This ends our public hearing, and we will
3 now go into our public meeting.

4 The Chair recognizes
5 Councilwoman Blackwell to report out Bill
6 No. 090405.

7 COUNCILWOMAN BLACKWELL: Thank
8 you, Madam Chair.

9 I move that Bill No. 090405 be
10 reported out of committee with a
11 favorable recommendation.

12 (Motion duly seconded.)

13 COUNCILWOMAN TASC0: It has
14 been moved and seconded that Bill No.
15 090405 be reported out of committee with
16 a favorable recommendation.

17 All in favor will say aye.

18 Is there any opposition?

19 There being none, the motion is
20 carried.

21 The Chair recognizes Councilman
22 Kenney for Bill No. 090410.

23 COUNCILMAN KENNEY: Thank you,
24 Madam Chair.

25 I move the amendments to Bill

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2 No. 090410 be approved.

3 (Motion duly seconded.)

4 COUNCILWOMAN TASC0: Let's
5 adopt the amendment.

6 COUNCILMAN KENNEY: I move the
7 amendment.

8 (Motion duly seconded.)

9 COUNCILWOMAN TASC0: It has
10 been moved and seconded that we adopt the
11 amendment to Bill No. 090410.

12 All in favor?

13 There being no opposition, the
14 amendment is passed.

15 Now we ask Councilman Kenney to
16 vote out Bill No. 090410, as amended.

17 COUNCILMAN KENNEY: Thank you,
18 Madam Chair.

19 I move that Bill No. 090410, as
20 amended, be reported out of this
21 committee with a favorable recommendation
22 and a request made for a rules suspension
23 to allow for first reading at our next
24 Council session.

25 (Motion duly seconded.)

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2 COUNCILWOMAN TASCO: It has
3 been moved and seconded that Bill No.
4 090410, as amended, be voted out of
5 committee with a favorable recommendation
6 and that the rules of Council be
7 suspended so this bill can be heard at
8 Council's next session.

9 All in favor will say aye.

10 The motion's carried.

11 The Chair recognizes Councilman
12 Greenlee to report out Bill No. 090446.

13 COUNCILMAN GREENLEE: Thank
14 you, Madam Chair.

15 I move that Bill No. 090446 be
16 reported out of this committee with a
17 favorable recommendation and further that
18 the rules of Council be suspended to
19 allow for first reading at our next
20 session of Council.

21 (Motion duly seconded.)

22 COUNCILWOMAN TASCO: It has
23 been moved and seconded that Bill 090446
24 be reported out of committee with a
25 favorable recommendation and a

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2 recommendation that the rules of Council
3 be suspended so that this bill can be
4 heard at Council's next session.

5 All in favor?

6 There be being no opposition,
7 the motion is carried.

8 Thank you very much. This
9 meeting is adjourned.

10 (Proceedings end at 11:27 a.m.)

11 * * *

C E R T I F I C A T E

I HEREBY CERTIFY that the
proceedings of the City of Philadelphia
Council Committee on Finance are contained
fully and accurately in the stenographic notes
taken by me on Wednesday, June 10, 2009, and
that this is a true and correct statement of
same.

JOSEPHINE CARDILLO

Registered Professional Reporter

(The foregoing certification of
this transcript does not apply to any
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