COUNCIL OF THE CITY OF PHILADELPHIA
PUBLIC HEARING
COMMITTEE ON FINANCE

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Room 401, City Hall
Philadelphia, Pennsylvania
Wednesday, December 8, 1999
7:15 p.m.

- - -

Bill No. 990810

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PRESENT:

COUNCILWOMAN JANNIE BLACKWELL, Chairwoman
COUNCILWOMAN MARIAN TASCO, Vice Chair
COUNCILMAN JAMES KENNEY
COUNCILMAN MICHAEL NUTTER
COUNCILMAN BRIAN O'NEILL

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I N D E X

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CHAIRWOMAN BLACKWELL: The Finance Committee hearing that was recessed until at 1 o'clock is now being reconvened. On the agenda are Bills No. 990455, 990712 and 990810. Those in attendance, we do have a quorum, are Councilman Kenney, Councilwoman Tasco, Councilman Nutter, Councilman O'Neill, and myself Jannie Blackwell. We have promised Councilwoman Clark who is upstairs and not feeling well that we will move this swiftly. I know all you cable folks are ready and so we're ready to move very, very quickly.

I will note, certainly, for the record that we held testimony yesterday, and now we are only here for the purpose of hearing answers to questions that were posed then. And with that, let me call to the witness stand Mr. Haler. If he would, certainly identify himself and we can proceed.

MR. HALER: Thank you. I'm Ben Haler, I'm the President of the Philadelphia Gas Works. With me is Whitney Reid, the Treasurer of the City of Philadelphia, and Mike Nadol, the Director of Finance. Also with us is Barbara Biscara (ph), the advisor from Public Financial Management. We apologize that as of yesterday we did not have some material to appropriately respond to some questions that had been raised, and because Whitney, Mike, and I whiffed on our chance to answer them, we've asked Barbara Biscara who you all know to respond to those questions.

CHAIRWOMAN BLACKWELL: Thank you. Please identify yourself for the record and proceed. And let me thank all of you and all who are here and who have waited this long, let me thank you for your patience.

MS. BISCARA: Thank you, Councilwoman. My name is Barbara Biscara, I'm a Managing Director of Public Financial Management and I have served as the City's financial advisor for the last 8 years, 7 years and 11 and a half months.

In response to what I understand were the questions that Council left the hearing with yesterday, we've prepared some materials which I hope you have a copy of. I'd like to just briefly touch on what they are and then answer any additional questions you may have. The first item which is called Appendix A is what I hope is a relatively simple and straightforward explanation of the transaction and how it works. I believe this was covered yesterday, but I thought it would be useful to have it in a single place. The second item starts on the third page and it's labeled Appendix B. And if could you turn with me to that page, I think it would be easier to follow along. Right now the Gas Works has outstanding $103 million of its Series 1998 B Bonds. With those bonds come an interest payment every year. And if you look in the column labeled "current interest" that is what the obligation is today, what it will remain for the life of the bond issue, and that's really the number in each of those years that you need to compare with what the situation would be if the swap were put in place.

If the swap were put in place at a time when interest rates were high, the obligation of PGW would be higher than it is now. Conversely, if interest rates were lower, the obligation would be smaller. So what we've done in the four columns on the right-hand side of this chart is illustrate what the obligation of PGW would be under lower interest rate assumptions 3 1/2 and 4 1/2 percent, and higher interest rates assumption being 7 1/2 and 8 1/2 percent.

The thing that I would like to point out to you is if this swap were put in place and at the moment the swap were put in place interest rates were high, which is in fact what would precipitate the swaps being put in place, there's no guarantee that they stay would stay at that rate. The history of rates has been that it's substantially below 7 percent. I would call your attention to the chart on the next page, this colored chart, and you can see that the green line across the center is 7 percent. And for the vast majority of the time that this index has been in place, it has been -- the index against which the swap would be priced, it has been substantially below 7 percent. The rate today, for example, is 3.66 percent. The average over this whole time period is 4.44 percent; again, substantially below what PGW is paying on these bonds now which is 5 percent. Obviously, this is 18 years or 20 years of history. The period at the beginning of this, there's a period where it's above 7 percent, is the period of time when interest rates -- you may remember when the prime rate was at 22 percent. And even when the prime rate was at 22 percent, you can see that it just barely spiked up over 7 percent. This is an index that changes every week; it's set every week. And because it's based on a one-week investment, it tends to be a very low rate of interest.

If the interest rate on the swap in any given rate or during any period is high, the expectation is that the cash that PGW has on hand at any given time would also be invested at a high rate of interest. If you remember, at the same time the prime rate was 22 percent, you were able to go out and buy a CD for 12 percent. There's obviously every expectation that that pattern would follow. So at a time when interest rates on the swap were high, there is a virtual sureness that interest rates on PGW's cash would also rise.

PGW at the moment has $32 million in its cash debt service reserve fund that it invests at short-term rates. Over the last two fiscal years, it's had an average cash balance at the end of each month of $23 million. So based on $55 million, and I think that's a conservative assumption of how much cash they have, that $55 million at any given point in time would be earning substantially more than it's earning now. PGW invests it's short-term cash in US Government securities. US Government securities are taxable securities and the interest on those securities is higher than the interest on tax exempt securities. It rises faster than the interest rate on tax exempt securities. So for every hundred basis points that interest rates rise on tax-exempt securities, historically they've risen about 140 basis points or 40 percent more on taxable rates. There's a great likelihood that PGW would in fact be improving its earning situation in a high interest rate scenario, and that would more than offset the additional interest expense on the swap.

Another question that was raised yesterday was with regard to what's called the termination payment on this transaction. Under the documents, PGW has at its sole discretion the option to terminate this transaction. They could elect to terminate it during what's called the option period, which is prior to the swap beginning, or they could terminate it once the swap had kicked in, once the trigger had happened and the swap had kicked in. The calculation of the termination payment is slightly different in each of those scenarios. But the formula for the termination payment is based on several factors. One is how much time has passed from when we entered into this agreement. Is it 5 years, 10 years, 20 years. And the termination payment reduces over time. As you get closer to the end of the term, it gets smaller.

The second factor that impacts the termination payment calculation is what interest rates are at the time. So for example, if interest rates have gone up from where we are today, the termination payment would be greater. If interest rates have gone down, it would be less. Under certain circumstances, if enough time had passed, they would actually have to pay PGW to get out of the transaction if interest rates are low.

The third factor that goes into the calculation of the termination amount is what's called market volatility. That's really a calculation that's made of how much change there is in interest rates and how nervous the market is that those rates are going to change. What expectation of rate change is there in the market. That is the single largest component of the formula that goes into the calculation of the termination of payment.

So while we have calculated some numbers as to what the termination payment would be in the option period and in the swap period and at various interest rate assumptions and at various time horizons, what we have not put into it is different volatility assumptions which could substantially change the calculation. One of the reasons, for example, with regard to volatility that PGW would like to do this transaction in December is that the capital markets are in modest turmoil right now in anticipation of the Y2K happening. Whether that happens or not, there's a lot of skittishness in the market. What I called skittishness, this formula cause volatility, and that means that when the market is volatile, they are willing to pay PGW more than they would in a stable market. Simply a fact of how that business is done. So while we've calculated termination payments in some, it's minus volatility factor which could drive the number substantially up or down in either direction. For that reason, I'm a little uncomfortable saying if we waited 12 years it would cost X amount of dollars to get out of it.

I'd be happy to answer any questions.

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Oh, I'm sorry, one other item. On the final page what we gave you is a list of transactions completed by other municipalities and other public agencies, universities, airports, and so on that have similar characteristics or are identical to the transaction that we're considering here.

CHAIRWOMAN BLACKWELL: Thank you Councilman O'Neill.

COUNCILMAN O'NEILL: I'd just like to thank you for your answer. I don't need the specifics. I understand what you're saying, and that's a real tribute because this isn't real easy to understand from this side, often, and I wouldn't want you to go through every possible volatility level. And I also since decided since yesterday that I'm going to vote for it, so it really wouldn't really matter what the answer was, especially when you have to factor in unknown.

What is a swaption, though? That's the only thing we didn't hear yesterday. You have it in this list.

MS. BISCARA: Yes. What a swaption is, the transaction we're entering into has a trigger point which is an interest rate trigger. A swaption is a similar transaction, but what triggers is a date certain. "Three years from now on January 1st we're going to enter into this deal." The deal has all the same characteristics, but the trigger is different is different.

COUNCILMAN O'NEILL: We heard about that yesterday, we just didn't hear it called a swaption. The New Jersey thing had some had some of those.

MS. BISCARA: That's exactly right. If John Stern spoke about the New Jersey thing, that was a swaption.

COUNCILMAN O'NEILL: Thank you.

CHAIRWOMAN BLACKWELL: Thank you very much. Councilman Cohen.

COUNCILMAN COHEN: What does J.P. Morgan get?

MS. BISCARA: J.P. Morgan in this transaction -- or actually, it will be Morgan Guaranty, which is the bank owns J.P. Morgan, the highest rated bank in America I might say, American bank, will be on the other side of this transaction and they will be called the counterparty. They are essentially making a calculation that over time interest rates will be such that PGW will be paying them more then they have to pay PGW, that somewhere over the term of this transaction interest rates will swing in their favor. They are willing to pay for that, you know, their projection over the time horizon that they will come out ahead on that.

COUNCILMAN O'NEILL: I have a follow-up to that. Aren't they also paying because even if they're wrong on that, if they're completely wrong on what you just said, interest rates never get to the point, they have been enriched because they have a counter-balancing portfolio somewhere that benefits from the interest rates staying lower.

MS. BISCARA: That's right.

COUNCILMAN O'NEILL: They're not just gambling.

MS. BISCARA: Right, they're not making a bet on one side of the deal. You're exactly right. They have what they call a hedge book which is a very large and complicated balancing of investments. They do this as an investment. If this investment is a calculation that interest rates will go up and they will benefit, somewhere they have an investment that is bet on interest rates going down. It won't be quite a one for one match, but it's in their overall balancing of their investment portfolio. This will serve as a hedge to another investment.

COUNCILMAN O'NEILL: And they could have a number of these with different parties.

MS. BISCARA: Many.

COUNCILMAN O'NEILL: That add up to some or actually even hedge.

MS. BISCARA: Yes. They actually calculate the value of their hedge book every day at the end of the day and find out, you know, if they have too much of one side or the other of the equation, and when that calculation is done, the next day they want to put on a new hedge to re-balance.

COUNCILMAN COHEN: Is there a scenario in which both parties make money or ultimately one side makes the money and one side losses money?

MS. BISCARA: There's certainly a scenario in which both sides come out even. There's also a scenario in which one side makes more than the other. Right now PGW is getting the benefit of the cash up front. Over time Morgan may benefit under the transaction. Just as they're doing this hedge I described to the Councilman a moment ago, in effect this is a hedge for PGW because if PGW is in a situation where it's paying more on this transaction, as I described before, it will be earning more on its investments. So in a way this is a transaction that's considered very appropriate by the rating agencies for PGW because it hedges their own situation as well.

COUNCILMAN COHEN: Agencies have records that are dependent on it?

MS. BISCARA: Yes. Several weeks ago I wrote to the rating agencies on behalf the PGW and described this transaction to them to make sure that they were comfortable and raised no objections to it. They have raised no objections to it. In their general writing, not specific to this transaction, but in their general writings about large complicated utility credits like PGW, they encourage and support having about 20 percent of your long-term debt at a variable rate in order that can serve as a hedge to your cash position. This will be -- if were to kick in tomorrow, which it can't, it couldn't even kick in for a minimum of six

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months after it was placed into effect, this would be -- it would be less than 20 percent of PGW's outstanding debt. So it doesn't even rise to the level that the rating agencies have expressed comfort with.

COUNCILMAN COHEN: Is there such a thing here as here as a worst-case scenario.

MS. BISCARA: Let's say we started this on January 1st and interest rates on January 1st immediately go to 7 percent and they stay at 7 percent for six months, that's the trigger. So on July 1st J.P. Morgan can say to PGW "We want to put the swap in place right now." So six months we're in the swap and at that point PGW is paying interest at a high rate, higher than the 5.01 they're paying at out. Let's say for discussion they're paying at 7 1/2 percent. So they're paying -- if the rate stays at 7 1/2 percent, never changes again, unlikely, but never changes again for the \whole balance of the term of the bounds, PGW is paying approximately $2.2 million more a year than they would have paid had they done nothing. However, and the reason why I don't like that would be a worst-case scenario, that would be a worst-case scenario if you stop the story right there. What mitigates that being the worst-case scenario is the fact that at the same time PGW's investment portfolio would have increased by the same interest in the same interest rate environment and they would be earning in my opinion at least as much, if not in fact on their cash balances than that differential.

COUNCILMAN COHEN: What did you say that differential was, two million?

MS. BISCARA: It declines over time, but it's about 2.2 million.

MR. NADOL: Just to be clear, that's an extremely hypothetical scenario.

COUNCILMAN COHEN: Yes, I understood that.

MS. BISCARA: That's what he asked, the absolutely unlikely worst-case scenario. And the reason I don't think it's a worst-case scenario is because the investment side that you're hedging goes up as well.

COUNCILMAN COHEN: Is it possible that Morgan Corporation would never start this?

MS. BISCARA: Yes. If you look at --

COUNCILMAN COHEN: I guess exercise

option, that's what they have in effect.

MS. BISCARA: It is entirely possible that during the entire term of the option period interest rates would never hit the trigger point. It has to stay at 7 percent average nor six months. That has only happened once in the last 20 years and that was when, as I said, the prime rate was at 22. As a rolling average, it's so unlikely that that will occur that this could be, in fact, the last you ever hear of this. It will stay on the books and nothing will happen.

COUNCILMAN COHEN: PGW would then have $8 million more than it otherwise would have had.

MS. BISCARA: That's correct.

COUNCILMAN COHEN: Thank you very much, Madam Chair.

CHAIRWOMAN BLACKWELL: Thank you very much. Are any other questions for Members of the Committee? As we said, we pretty much agreed to hold our questions for the most part.

Councilman Nutter.

COUNCILMAN NUTTER: Thank you. Yesterday when we were together, the question was raised with regard to the testimony that in an environment of extremely high interest rates where TBMA exceeds 5.01 percent, a swap could require PGW to pay more in debt service than its current fixed rate payments. That discussion then led to questions about what the current debt service is. Could the people who were here yesterday -- you were not here yesterday, to the best of my knowledge. Could they develop for us various scenarios with different elements and different years and different interest rates? And I now see that there is this appendix B. So I need to ask you a couple questions about that.

MS. BISCARA: Sure.

COUNCILMAN NUTTER: What is the total debt service on the fixed income dollars that we're talking about, the $103 million over the time period from 2000 to 2,028, what's the total debt service on that?

MS. BISCARA: Well, I don't know the total. It's the sum of this column called current interest plus $103,550,000 which would be the principal amount.

COUNCILMAN NUTTER: But the chart that we received apparently doesn't have totals at the bottom?

MS. BISCARA: That's correct. I'd glad to add them up for you.

COUNCILMAN NUTTER: No, I'm not too bad at adding, but for discussion purposes I'll just kind of stat the obvious that it's a little difficult to make a direct comparison on our total fixed costs versus the variable costs if we don't know what the total is to then be able to compare. Do you have any estimates on what the 3 1/2 rate is versus the 4 1/2, the 7 1/2, and the 8 1/2.

MS. BISCARA: The reason I didn't pt the totals on there, and that's my fault, is that the total for the current interest is a fixed and known number now. The total for the fixed column is a known amount now. It's a bargained amount already. The total for each of these other columns, the 3 1/2, 4 1/2, I didn't total because it's unlikely that it would stay at those rates for any period of time. It might be 3 1/2 one week, it might be 2 one week, at might be 9 one week. So it seemed to me to be a little bit misleading to imply that if it was 7 1/2, it was always going to be 7 and a half 7 1/2 for every year. So I apologize if this isn't clear.

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COUNCILMAN NUTTER: All right. I understand that. I guess I'm still stuck with we're told that there's at least a possible, the odds of which some may say may never happen, but I'm assuming you're in agreement with the general notion that it is possible that as a result of the transaction, PGW could be required to pay more in debt service than its current know first fixed debt service for these obligations; is that correct?

MS. BISCARA: Absolutely.

COUNCILMAN NUTTER: How do we quantify and ever figure out what the risk is if no one can provide us with a number?

MS. BISCARA: What I've tried to provide you with here is the annual difference because I thought that was one way to look at it. So the plus and minus of each year was what I thought was the best way to compare so you could see in a year where you might come out ahead. You know, in a 3 1/2 percent year, you'd get some benefit. In a 7 1/2 percent year, you'd have some costs. I don't know how to say the risk in this transaction is some number because I don't know what that would be.

COUNCILMAN NUTTER: Mr. Nadol, you look

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like you want to try to jump in.

MR. NADOL: I would just simply add that that carrying variable rate debt -- I won't use the term floating rate in light of our previous hearings, testimony on floodplains and floodways. Carrying variable rate debt is not an unusual practice. It's something that the City does for other enterprises already and it's something that is commonplace throughout public finance and is generally accepted by the rating agencies as a good idea. So while there is some element of unknown to it, in large part because of the hedging that Barbara outlined in her testimony just a few moments ago, whether it goes up a lot or up a little, it tends to be balanced by interest earnings on our assets and, therefore, the bottom line effect is relatively moderate.

COUNCILMAN NUTTER: I respect your answer. Thank you.

CHAIRWOMAN BLACKWELL: Councilman Tasco.

COUNCILWOMAN TASCO: Except that the interest if we didn't have the swap, the interest that would be earned would be accrued to the ratepayer.

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MS. BISCARA: If you didn't have swap --

COUNCILWOMAN TASCO: And the interest was 7.50 that would go to the benefit of the ratepayer.

MS. BISCARA: That is true.

COUNCILMAN NUTTER: I'm sorry, Councilwoman, can you say that again?

COUNCILWOMAN TASCO: If you didn't have this swap and interest rates went up, the interest to the company would be plus for the ratepayer. If the interest goes up, we have a swap, you have to balance the increase in interest payments from the accrual amount you make on your assets, then you still are not making anything.

MS. BISCARA: I think another way I would think of that is that you would keep your old 5 percent fixed rate while the investment on your short-term assets went up to 7 percent or some higher rate and so you would get the full benefit of that with no offset. But by the same token, if interest rates on your investment were to dip down and you maintained the 5 percent fixed rate, that would be a loss to the ratepayers. In addition, you're getting the $8 million now which is, you

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know, part of the benefit or is the benefit initially in the transaction.

CHAIRWOMAN BLACKWELL: Thank you very much.

Are there any other questions for members of the Committee or persons in Council.

COUNCILMAN NUTTER: Just one last question, Madam Chair. The issue that was raised yesterday was about cash flow in January. What happens in February, March, and the rest of the year? I mean, I'm continually left with the impression that on our best day, we continue to limp along and come up with day-to-day, week-to-week, month-to-month fixes for some fairly serious outstanding problems as it relates to PGW. And in this particular transaction, although $8 million is obviously a lot of money, I'm almost left with the feeling that at a much lower scale this is almost like a person refinancing their mortgage so they can buy extra groceries next week. I mean, this is not going to solve your problem. Now we're left with, well, we need to get through January.

MR. HALER: What happens historically with the Gas Works is that the cash comes in starting in the mid-winter, in February. It continues to come in until June. And that is because of the payment, the time it takes people to pay their bills and you're now in the heating season. So theoretically, your highest bill is going to be in, say, in January. And if everybody paid their bill in 30 to 35 days, which many of our customers are not able to do, the money doesn't come in until the following month or a little thereafter. And that has historically been the pattern. We bring in the least amount of cash in the fall even at the beginning of the heating season and then as the heating season progresses, we bring in the cash as people pay for those higher heating bills because of the colder weather. And, no, this does not solve the problems, which I'd be happy to discuss with you at great length, probably not --

COUNCILMAN NUTTER: Not tonight.

MR. HALER: Yes, but I was ready. This does not solve the problem, but this is a problem that is also exacerbated by two very warm winters and we're now starting -- it's still fall, but we are now starting a winter that appears to be warmer than usual.

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MR. NADOL: Councilman, I would also note consistent with your analogy of refinancing a home, by entering into this transaction and generating the $8 million up front, the Gas Works will be a position to reinvest that in its infrastructure, in effect, capturing those benefits and reinvesting them in its home for the long term. That's not something that the cash flow would dictate to happen in the immediate months succeeding the transaction, but it is a part of their longer-term plan and it is --

COUNCILMAN NUTTER: Mr. Nadol, I have a greater appreciation for that argument if not for fact that we heard conflicting, at best, testimony yesterday about what the eventual use of the $8 million would be, which is anywhere from capital improvements to potentially buying pencils and note pads on the operating side or other possible uses in addition to the fact that you have a capital budget to do those things for. So again, I mean, it's too late in the day to get into the kind of conflict and fire power that could emanate from over here to still be talking neighborhood infrastructure, which is, you know it's a wonderful term and it could be added to motherhood and apple pie. The money for your financial situation and your cash flow, and that, for me, is just a much more legitimate answer.

Thank you, Madam Chair.

CHAIRWOMAN BLACKWELL: One final question before we try to conclude this part of our hearing today. Would you respond to the minority participation on the project?

MR. HALER: Yes. I apologize, there has been confusion on this. We believe fees would be no more than $200,000 based on the information we have. Joan Stern of Blank Rome is the lead Counsel. Co-Council is Leon Tucker, Public Financial Management and Sam Hopkins & Associate are financial advisors on the deal.

CHAIRWOMAN BLACKWELL: Thank you very much.

Are we finished our questioning part, Members of the Committee?

Is there anyone else here who would like to testify?

I'm sorry, Councilman Cohen, I didn't see you.

COUNCILMAN COHEN: I don't know if this

will help me understand this or not, but during my whole life I've understood that anybody who wants cash up front, which we're getting, pays a very heavy premium for it.

Secondly, to have a deal in which the Morgan Company is paying us $8 million and to be told that, you know, it's such a good deal for us, it's hard for me to understand why the Morgan Company's entering into it.

And third, the questions raised by Councilman Nutter. I lived through the days when every Monday morning all the department heads got together in the City to figure out how they were going to pay. That's when Wall Street turned of the spigot and said, you know, our credit was worthless. That's what draws my concern.

Could you very briefly just summarize why these concerns should not foreclose the deal in the mind of any Councilmember.

Am I wrong in the questions are raised or is it really true that Wall Street is composed of gold, you know, people make money from whatever side they deal on? Yet we know that's not true. So I'm very puzzled.

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MS. BISCARA: I think your question is a fair question. I think that it's safe to say that J.P. Morgan would not be entering into this transaction out of the goodness of their heart. They're not an eleemosynary institution; they're in the business of making money. The way they make money is extremely complicated, far, far more complicated than I can understand or hope to explain. But I do know that this is a kind of investment that they routinely, highly routinely, every day, enter into which means that on the other side of the transaction, whether it's a government agency, a university, a hospital, or a corporation, and this is far, far more common in corporate life than in municipal life, there is somebody on the other side of those transactions they enter into every day. If it was a win, win, win, win for Morgan only, this would have stopped a long time ago. So clearly people are making investments based on their own situation, which may or may not prove a benefit to Morgan, but they are what the government or the corporation feels is best for itself at the time. So it's possible for both sides to be in the transaction. It's possible for both sides to feel that they are getting the benefit of their bargain, and it's frankly possible for both sides to come out getting the benefit of that bargain because they have different objectives in making the bargain.

COUNCILMAN COHEN: Thank you.

CHAIRWOMAN BLACKWELL: Thank you very much.

Is there anyone else here to testify?

MR. HALER: To remind the Committee, I believe Treasurer Reid asked for a waiver of the rules in his testimony yesterday.

CHAIRWOMAN BLACKWELL: Thank you. Thank you very much.

Is there anyone else to testify? This will end then the public hearing.

I'm sorry.

(Pause.)

CHAIRWOMAN BLACKWELL: Thank you very much. There being no one else to testify on the bill, the Chair will entertain a motion with the suspension for Bill No. 990810.

COUNCILMAN KENNEY: Madam Chair, I move that Bill No. 990810 be reported out of this Committee with a favorable recommendation and a

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request made for Rules suspension to allow for first reading at our next Council session.

(Duly seconded.)

CHAIRWOMAN BLACKWELL: It has been properly moved and seconded that Bill No. 990810 be reported out of Committee with a favorable recommendation, and furthermore, that the Rules be suspended so as to permit consideration at our next session of Council.

All in favor?

Opposed?

COUNCILMAN NUTTER: No.

CHAIRWOMAN BLACKWELL: The Chair notes we have four ayes and one nay. And with that, this bill is reported out of Committee with the suspension of the Rules and will be heard at our next session of Council.

That ends our finance hearing. Let me thank all the Members of the Committee for their patience.

(Council adjourned at 8:00 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 December 8, 1999, 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