

COUNCIL OF THE CITY OF PHILADELPHIA
COMMITTEE ON FINANCE

Room 400, City Hall
Philadelphia, Pennsylvania
Tuesday, June 14, 2011
1:25 p.m.

PRESENT:

COUNCILWOMAN MARIAN B. TASCO, CHAIR
COUNCILWOMAN JANNIE BLACKWELL
COUNCILMAN W. WILSON GOODE, JR.
COUNCILMAN BILL GREEN
COUNCILMAN WILLIAM K. GREENLEE
COUNCILMAN JAMES KENNEY
COUNCILWOMAN BLONDELL REYNOLDS BROWN

BILL 110480 - An ordinance authorizing the
Bond Committee to sell bonds at public or
private negotiated sale, to provide funds
toward various capital municipal purposes;
providing for appropriations to the Sinking
Fund Commission...

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1
2 COUNCILWOMAN TASCO: Good
3 afternoon. The Committee on Finance will
4 come to order.

5 Let me note that there is a
6 quorum in the presence of Councilman
7 Greenlee, Councilwoman Blondell Reynolds
8 Brown, Councilman Green, Councilman Goode
9 and Councilman Kenney and Councilwoman
10 Tasco.

11 We'll have the Clerk read the
12 bill.

13 THE CLERK: Bill No. 110480, an
14 ordinance authorizing the Bond Committee
15 to sell bonds at public or private
16 negotiated sale, to provide funds toward
17 various capital municipal purposes;
18 providing for appropriations to the
19 Sinking Fund Commission for the payment
20 of such bonds; authorizing agreements to
21 provide credit or payment or liquidity
22 sources for the bonds in connection with
23 issuance of the bonds, and certain other
24 actions; providing for obtaining the
25 consent of the electors to increasing the

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2 indebtedness of the City; and fixing a
3 day and providing for arrangements for
4 holding the election for obtaining such
5 consent.

6 COUNCILWOMAN TASCO: Thank you
7 very much.

8 The Chair recognizes Finance
9 Director Rob Dubow.

10 (Witness approached witness
11 table.)

12 MR. DUBOW: Good afternoon,
13 Councilwoman Tasco and members of the
14 Committee. I'm Rob Dubow, Director of
15 Finance, and I'm here to testify in
16 support of Bill No. 110480.

17 The purpose of the bill is to
18 obtain approval to place a loan
19 authorization question on the General
20 Election Ballot on Tuesday, November 8th.
21 The loan question requests an increase in
22 indebtedness in an amount not to exceed
23 104,015,000. This amount will fund the
24 FY12 Capital Budget that's pending
25 approval before Council. Since state law

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2 requires the City to place a question
3 before the electorate during -- I'm
4 sorry. State law requires the City to
5 place a question on the ballot before
6 increasing its borrowing authority.

7 As of July 1st, 2011, the
8 City's legal debt limit is anticipated to
9 be about 1.57 billion, and the amount of
10 debt applicable to that limit will be
11 about 1.43 billion. As a result, the
12 City has debt capacity of about 138
13 million.

14 The loan authorization, if
15 approved, would finance capital projects
16 classified for the following purposes:
17 Transit; Streets and Sanitation;
18 Municipal Buildings; Parks, Recs and
19 Museums; Economic and Community
20 Development, and you see the testimony
21 has the amounts for each of those
22 categories.

23 In order to provide appropriate
24 time to advertise the ballot question
25 prior to the November 8th, 2011 election,

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2 the bill should be enacted no later than
3 September 8th, 2011.

4 Finally, attached as part of
5 the testimony is the proposed ballot
6 question requesting loan authorization
7 from the electorate.

8 This concludes my written
9 testimony. I'd be happy to answer any
10 questions.

11 COUNCILWOMAN TASCO: Thank you
12 very much.

13 Are there any questions of this
14 witness?

15 Councilman Kenney.

16 COUNCILMAN KENNEY: Thank you,
17 Madam Chair.

18 Just out of curiosity,
19 Mr. Dubow, the amount of 104,015,000, why
20 that particular number?

21 MR. DUBOW: That is the amount
22 that's included in the Capital Budget for
23 FY12, plus 4 percent for borrowing costs.

24 COUNCILMAN KENNEY: So what
25 makes it an odd number is the 4 percent?

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2 MR. DUBOW: Yes.

3 COUNCILMAN KENNEY: Fine.

4 Also, not to get into the Capital Budget,
5 but the 48 million, almost 49 million, in
6 Municipal Buildings, what's the bulk of
7 that for?

8 MR. DUBOW: The biggest portion
9 there would be for IT money, probably the
10 biggest single portion.

11 COUNCILMAN KENNEY: Is that 20?

12 (Witness approached witness
13 table.)

14 MR. DUBOW: And Parks and Rec.
15 The improvement to facilities is in there
16 too, so all the Recreation --

17 COUNCILMAN KENNEY: Just
18 specifically -- so in the Municipal
19 Building line, that includes recreation
20 centers, or is that the Parks and Rec?

21 MS. RHYNHART: It includes
22 Finance lines with some of the ITEF money
23 under Finance. So Finance is all in
24 municipal buildings.

25 COUNCILMAN KENNEY: No. I

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2 understand, but of the 49 million --

3 MR. DUBOW: Right. So the
4 biggest --

5 COUNCILMAN KENNEY: What's the
6 biggest items?

7 MR. DUBOW: The biggest items
8 would be the DOT money, which is about
9 seven and a half million, the improvement
10 to facilities money that sits in Finance.

11 COUNCILMAN KENNEY: And those
12 facilities are?

13 MR. DUBOW: Well, it can be
14 really for any facility. Typically it's
15 used for recreation facilities, but
16 there's some discretion at how that's
17 used.

18 COUNCILMAN KENNEY: Is there
19 anything in there for police or fire
20 stations?

21 MS. RHYNHART: Fire stations
22 are in buildings, as well as I think
23 police should be in there as well. Fleet
24 Management, the Library improvements are
25 all in Municipal Buildings and the health

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2 center improvements as well.

3 COUNCILMAN KENNEY: So of the
4 17 million in Parks and Recreation, that
5 does not include recreation centers?

6 MS. RHYNHART: That's right.
7 They're under -- right, Recreation and
8 Parks --

9 MR. DUBOW: Now, there are two
10 parts to the ITEF, one part that's in the
11 Finance budget, and then the bulk of it
12 is actually in the Parks and Recreation
13 budget.

14 MS. RHYNHART: That's right.

15 COUNCILMAN KENNEY: So there
16 are rec centers in Line 4?

17 MR. DUBOW: Yes.

18 COUNCILMAN KENNEY: And there's
19 also rec centers in Line 3?

20 MR. DUBOW: Well, the ITEF
21 money that's in Finance can be used for
22 recreation, but it can be used for other
23 facilities, too.

24 COUNCILMAN KENNEY: Okay. But
25 the stuff in Line 4 is only for the rec

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2 centers?

3 MR. DUBOW: Yes.

4 COUNCILMAN KENNEY: Okay.

5 Thank you.

6 MR. DUBOW: And parks and

7 museums.

8 COUNCILMAN KENNEY: Which

9 museum?

10 MR. DUBOW: Art Museum.

11 COUNCILMAN KENNEY: The main

12 Art Museum?

13 MR. DUBOW: Yes.

14 COUNCILMAN KENNEY: Okay.

15 COUNCILWOMAN TASCO: Any other

16 questions?

17 COUNCILMAN GREEN: Just one.

18 COUNCILWOMAN TASCO: Councilman

19 Green.

20 COUNCILMAN GREEN: Good

21 afternoon. Has it been determined how

22 the DOT money is going to be spent?

23 MR. DUBOW: It has not. We're

24 going through our prioritization process

25 now to determine that, but it has not

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2 been finalized.

3 COUNCILMAN GREEN: And when
4 will it be finalized?

5 MR. DUBOW: We'd have to get
6 back to you with a date for that.

7 COUNCILMAN GREEN: If you could
8 get back to the Chair about that.

9 MR. DUBOW: Yes.

10 COUNCILMAN GREEN: Would it be
11 possible to have electronic monitors in
12 the capital program?

13 MR. DUBOW: I guess -- I don't
14 think so. I don't think they have a long
15 enough useful life, but, I mean, that's a
16 question we can look into if you'd like.

17 COUNCILMAN GREEN: Okay. Thank
18 you.

19 COUNCILWOMAN TASCO: Any other
20 questions?

21 (No response.)

22 COUNCILWOMAN TASCO: The Chair
23 calls on Councilman Goode for an
24 amendment.

25 I'm sorry. We will now go out

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2 of the public hearing and go into the --

3 COUNCILMAN KENNEY: I have a
4 question on the -- could he highlight the
5 amendment? Because I just have a
6 question on them before we go into the
7 public meeting, on the amended numbers,
8 which have not been read into the record.
9 I want to question the amendment, but
10 it's not been read into the record yet,
11 so I wanted to do that before we get into
12 the public meeting.

13 COUNCILWOMAN TASC0: Okay. Go
14 ahead. There's an offer for an
15 amendment.

16 COUNCILMAN GOODE: Thank you,
17 Madam Chair. I'm offering an amendment
18 to Bill No. 110480, which is essentially
19 increasing the appropriation power. On
20 Page 2 of the amendment, you will see
21 Streets and Sanitation is improved to
22 \$29,550,000 and Economic and Community
23 Development is increased to \$11,567,000.

24 COUNCILWOMAN TASC0: Question?

25 COUNCILMAN KENNEY: Yes. What

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2 does that entail? Why the increase?

3 COUNCILWOMAN TASCO: The
4 increase is Council's request for
5 increase for alley lighting and
6 commercial corridors.

7 COUNCILMAN KENNEY: Okay. I
8 just wanted to know what I was voting on.

9 COUNCILMAN GOODE: So I move
10 for the adoption of the amendment.

11 (Duly seconded.)

12 COUNCILWOMAN TASCO: We're
13 going into the meeting.

14 COUNCILMAN KENNEY: My question
15 was for the hearing, and it was answered.

16 COUNCILWOMAN TASCO: So the
17 explanation is in the hearing. We're now
18 in the meeting, and we will now ask for
19 the adoption of the amendment.

20 COUNCILMAN GOODE: Thank you,
21 Madam Chair. I move the amendment that
22 was just discussed to Bill No. 110480 be
23 approved.

24 (Duly seconded.)

25 COUNCILWOMAN TASCO: It has

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2 been moved and seconded that the
3 amendment to Bill 110480 be approved.

4 All in favor will say aye.

5 (Aye.)

6 COUNCILWOMAN TASC0: Is there
7 any opposition?

8 (No response.)

9 COUNCILWOMAN TASC0: There
10 being none, the motion is carried.

11 The Chair recognizes Councilman
12 Goode to move the bill out of Committee,
13 as amended.

14 COUNCILMAN GOODE: Thank you,
15 Madam Chair. I move that Bill No.
16 110480, as amended, be reported out of
17 Committee with a favorable recommendation
18 and the rules of Council be suspended so
19 as to permit first reading at our next
20 Council session.

21 (Duly seconded.)

22 COUNCILWOMAN TASC0: Thank you.
23 It has been moved and seconded that Bill
24 110480, as amended, be reported out of
25 Committee with a favorable recommendation

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2 and that a request for suspension of
3 Council rules so this bill can be heard
4 at Council's next session.

5 All in favor will say aye.

6 (Aye.)

7 COUNCILWOMAN TASC0: Is there
8 any opposition?

9 (No response.)

10 COUNCILWOMAN TASC0: There
11 being none, the motion is carried, and
12 this meeting is adjourned.

13 Thank you very much.

14 (Committee on Finance concluded
15 at 1:35 p.m.)

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1
2 CERTIFICATE

3 I HEREBY CERTIFY that the
4 proceedings, evidence and objections are
5 contained fully and accurately in the
6 stenographic notes taken by me upon the
7 foregoing matter on June 14, 2011, and that
8 this is a true and correct transcript of same.

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13 -----
14 MICHELE L. MURPHY
15 RPR-Notary Public
16
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20 transcript does not apply to any reproduction
21 of the same by any means, unless under the
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