

COUNCIL OF THE CITY OF PHILADELPHIA
COMMITTEE ON PUBLIC PROPERTY AND
PUBLIC WORKS

Room 400, City Hall
Philadelphia, Pennsylvania
Tuesday, June 4, 2013
1:20 p.m.

PRESENT:

COUNCILMAN BOBBY HENON, CHAIR
COUNCILWOMAN JANNIE BLACKWELL
COUNCILMAN WILLIAM K. GREENLEE
COUNCILMAN CURTIS JONES, JR.
COUNCILMAN JAMES KENNEY
COUNCILMAN DAVID OH
COUNCILMAN MARK SQUILLA

BILLS 130410, 130416, 130419, 130450, 130453,
130454, and 130460

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1

2

COUNCILMAN HENON: Good

3

afternoon, ladies and gentlemen. The

4

Committee on Public Property and Public

5

Works is now in session.

6

Would the Clerk please read the

7

title of the bills.

8

THE CLERK: Bill No. 130410, an

9

ordinance authorizing the Commissioner of

10

Public Property to convey to the

11

Philadelphia Authority for Industrial

12

Development all or any portion of those

13

parcels of City-owned land at, or

14

generally in the vicinity of, 16 South

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34th Street, 18 South 34th Street,

16

3409-13 Ludlow Street and 3415-17 Ludlow

17

Street, with buildings and improvements

18

located thereon, if any, all under

19

certain terms and conditions; and

20

Bill No. 130416, an ordinance

21

approving a Lease Agreement between the

22

Philadelphia Gas Works by Philadelphia

23

Facilities Management Corporation, solely

24

in its capacity as operator and manager

25

of the City-owned Philadelphia Gas Works,

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.

2 and Germantown Realty Investment Group,
3 LP for certain premises located at
4 212-214 West Cheltenham Avenue; and

5 Bill No. 130419, an ordinance
6 authorizing an amendment of the
7 Philadelphia Facilities Management
8 Corporation Agreement to increase the
9 annual payment by the Philadelphia Gas
10 Works to the City, under certain terms
11 and conditions; and

12 Bill No. 130450, an ordinance
13 authorizing the Commissioner of Public
14 Property to convey certain or all
15 interests in portions of a parcel of land
16 located at and in the vicinity of the
17 Northeast corner of the intersection of
18 Roosevelt Boulevard and Poquessing Avenue
19 (commonly referred to as 8205 East
20 Roosevelt Boulevard), for further
21 conveyance, under certain terms and
22 conditions; and

23 Bill No. 130453, an ordinance
24 authorizing the Commissioner of Public
25 Property to enter into a lease agreement

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 with St. Agnes MOB, LLC, for use by the
3 City of a portion of the premises located
4 at 1930 South Broad Street, all under
5 certain terms and conditions; and

6 Bill No. 130454, an ordinance
7 authorizing the Commissioner of Public
8 Property to acquire certain land in the
9 30th Ward of the City of Philadelphia,
10 located along the Schuylkill River
11 between South Street and Christian
12 Street, known as 770-80 Rear Schuylkill
13 Avenue, under certain terms and
14 conditions; and

15 Bill No. 130460, an ordinance
16 authorizing the Commissioner of Public
17 Property to convey, to the Philadelphia
18 Authority for Industrial Development, a
19 90 foot wide strip of land located
20 between Roosevelt Boulevard and 2700
21 Southampton Road, for further conveyance,
22 under certain terms and conditions.

23 COUNCILMAN HENON: Thank you,
24 Clerk.

25 I'd like to recognize that we

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 have a quorum that's present here. To my
3 left, I have Councilwoman Blackwell,
4 Councilman Greenlee. To my right,
5 Councilman Kenney and Councilman Jones
6 and Councilman Squilla.

7 Is there anyone from the
8 Administration here who wishes to testify
9 on Bill No. 130410?

10 (Witness already approached
11 witness table.)

12 COUNCILMAN HENON: Please state
13 your name for the record and proceed with
14 your testimony. Thank you.

15 DEPUTY COMMISSIONER HERZINS:
16 Good afternoon, Chairman Henon and
17 members of the Committee on Public
18 Property and Public Works. My name is
19 John Herzins. I am Deputy Commissioner
20 of the Department of Public Property here
21 today to testify in support of Bill No.
22 130410, an ordinance authorizing the
23 Commissioner of Public Property to convey
24 to the Philadelphia Authority for
25 Industrial Development all or any portion

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 of these parcels of City-owned land at,
3 or generally in the vicinity of, 16 South
4 34th Street, 18 South 34th Street, 3409
5 to 13 Ludlow Street and 3415 to 17 Ludlow
6 Street, with buildings and improvements
7 located thereon, if any, all under terms
8 and conditions.

9 The University City Science
10 Center is purchasing the properties and
11 will use them for parking. The \$512,000
12 proceeds will be deposited into the
13 General Fund.

14 The Department supports this
15 measure and, accordingly, I respectfully
16 ask that City Council approve Bill No.
17 130410.

18 I am also requesting a
19 suspension of the rules so as to allow
20 for the first reading at the next session
21 of Council.

22 Thank you.

23 COUNCILMAN HENON: Thank you,
24 Mr. Herzins. I just have a question or
25 two for the bill. What was the prior use

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 of the property before being sold?

3 DEPUTY COMMISSIONER HERZINS:

4 It is currently being used as parking in
5 a lease situation. So these parcels will
6 add to the parcels that the University
7 Science Center already owns. So they
8 will own the entire lot.

9 COUNCILMAN HENON: And what was
10 the appraised value of the property and
11 how does that compare to the --

12 DEPUTY COMMISSIONER HERZINS:
13 512,000.

14 COUNCILMAN HENON: I don't have
15 any further questions.

16 Are there any questions from
17 members of the Committee on this bill?

18 The Chair recognizes
19 Councilwoman Blackwell.

20 COUNCILWOMAN BLACKWELL: Thank
21 you, Mr. Chairman. This is in the heart
22 of my district. We're working with them.
23 I've had people who've just come to me
24 about the minority inclusion and all of
25 that, and we will work with them on that

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 issue, but they've already made their
3 commitment and we're happy to support
4 this project.

5 COUNCILMAN HENON: Thank you,
6 Councilwoman.

7 Anybody else from the
8 Committee, any questions?

9 (No response.)

10 COUNCILMAN HENON: Thank you.

11 Is there anyone else here from
12 the Administration that wishes to testify
13 on this bill?

14 (No response.)

15 COUNCILMAN HENON: Thank you.

16 There's no one else here to testify.

17 Would the Clerk please proceed
18 with the next bill.

19 Mr. Herzins, if you please
20 proceed with the testimony on Bill No.
21 130450.

22 DEPUTY COMMISSIONER HERZINS:

23 Good afternoon, Chairman Henon and
24 members of the Committee on Public
25 Property and Public Works. My name is

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 John Herzins and I am the Deputy
3 Commissioner of the Department of Public
4 Property here today to testify in support
5 of Bill No. 130450, an ordinance
6 authorizing the Commissioner of Public
7 Property to convey certain or all
8 interests in portions of a parcel of land
9 located at and in the vicinity of the
10 Northeast corner of the intersection of
11 Roosevelt Boulevard and Poquessing Avenue
12 (commonly referred to as 8205 East
13 Roosevelt Boulevard), for further
14 conveyance, under certain terms and
15 conditions.

16 PennDOT will be acquiring the
17 parcel as part of a road improvement
18 project and will pay the City \$45,500 for
19 the conveyance of the property as well as
20 for the temporary construction easement.

21 I would also like to note that
22 this bill was amended to include a map as
23 part of Exhibit A.

24 The Department of Public
25 Property supports this measure and,

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 accordingly, I respectfully ask City
3 Council approve Bill No. 130450 as
4 amended.

5 I am also requesting a
6 suspension of the rules so as to allow
7 for the first reading at the next session
8 of Council.

9 COUNCILMAN HENON: Thank you,
10 Mr. Herzins. The parcel in question is
11 currently on the grounds of a firehouse.
12 I assume that the firehouse operations
13 will not be affected --

14 DEPUTY COMMISSIONER HERZINS:
15 Correct.

16 COUNCILMAN HENON: -- by the
17 construction of this? Is this --

18 DEPUTY COMMISSIONER HERZINS:
19 Correct. The Fire Department has said it
20 will not impact their operations.

21 COUNCILMAN HENON: Thank you.
22 Are there any questions from
23 members of the Committee on this bill?

24 (No response.)

25 COUNCILMAN HENON: Thank you.

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.

2 Is there anyone else here from
3 the Administration that wishes to testify
4 on this bill?

5 (No response.)

6 COUNCILMAN HENON: Thank you.

7 Is there anyone else who wishes
8 to testify on this bill that's here today
9 at the hearing?

10 (No response.)

11 COUNCILMAN HENON: All right.

12 Please proceed with the testimony of Bill
13 No. 130453.

14 DEPUTY COMMISSIONER HERZINS:

15 Good afternoon, Chairman Henon and
16 members of the Committee on Public
17 Property and Public Works. My name is
18 John Herzins and I am the Deputy
19 Commissioner of Public Property here
20 today to testify in support of Bill No.
21 130453, an ordinance authorizing the
22 Commissioner of Public Property, on
23 behalf of the City of Philadelphia, to
24 enter into a lease agreement with the St.
25 Agnes MOB, LLC, for use by the City of a

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 portion of the premises located at 1930
3 South Broad Street, Philadelphia, all
4 under certain terms and conditions.

5 The existing site of the Health
6 Center 2 complex located at 1720 South
7 Broad Street is scheduled for a complete
8 redevelopment by the Children's Hospital
9 of Philadelphia beginning in Fiscal Year
10 2014. Health Center 2 operations must be
11 relocated within the current service area
12 in order to maintain adequate health
13 services for the prevailing population.
14 The St. Agnes site matches the criteria
15 for their functions and can provide
16 nearly 35,000 square feet of clinical
17 space on the ground and 5th floors. The
18 term of the lease will be for three
19 years. The lease will include tenant
20 improvements with construction being
21 performed to meet tenant specifications.
22 The St. Agnes location calls for no
23 displacement or transportation
24 inconvenience for their service
25 population, with the clients continuing

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 to benefit from the public health
3 services.

4 The Department of Public
5 Property supports this measure and,
6 accordingly, I respectfully ask that City
7 Council approve Bill No. 130453.

8 I am also requesting a
9 suspension of the rules so as to allow
10 for first reading at the next session of
11 Council.

12 Thank you.

13 COUNCILMAN HENON: Thank you.

14 Are there any questions from
15 the members of the Committee on this
16 bill?

17 (No response.)

18 COUNCILMAN HENON: Thank you.

19 Is there anyone else here from
20 the Administration that wishes to testify
21 on this bill?

22 (No response.)

23 COUNCILMAN HENON: Is there
24 anyone else here joining us today for the
25 hearing that wishes to testify?

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.

2 (No response.)

3 COUNCILMAN HENON: Mr. Herzins,
4 please proceed with your testimony of
5 Bill No. 130454.

6 DEPUTY COMMISSIONER HERZINS:

7 Good afternoon, Chairman Henon and
8 members of the Committee on Public
9 Property and Public Works. My name is
10 John Herzins and I'm the Deputy
11 Commissioner of Public Property here
12 today to testify in support of Bill No.
13 130454, an ordinance authorizing the
14 Commissioner of Public Property to
15 acquire certain land in the 30th Ward of
16 the City of Philadelphia, located along
17 the Schuylkill River between South Street
18 and Christian Street, known as 770 to 80
19 Rear Schuylkill Avenue, under certain
20 terms and conditions.

21 This parcel of land will be
22 acquired from the Philadelphia
23 Redevelopment Authority and will be used
24 to facilitate the expansion of the
25 Schuylkill Banks Trail.

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.

2 The Department of Public
3 Property supports this measure and,
4 accordingly, I respectfully ask that City
5 Council approve Bill No. 130454, and I'm
6 also requesting a suspension of the rules
7 so as to allow for first reading at the
8 next session of Council.

9 COUNCILMAN HENON: Thank you,
10 Mr. Herzins. I know a good portion of
11 the Schuylkill River Trail is in
12 Councilman Johnson's district. I also
13 have a trail being constructed in my
14 district. Who is overseeing the majority
15 of the construction on the Schuylkill
16 Trail and what percentage of the trail
17 has been completed thus far?

18 DEPUTY COMMISSIONER HERZINS: I
19 would have to get that information to
20 you, Councilman.

21 COUNCILMAN HENON: If you could
22 just submit that the Chair.

23 DEPUTY COMMISSIONER HERZINS:
24 Sure.

25 COUNCILMAN HENON: I appreciate

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 it.

3 Are there any other questions
4 from members of this Committee on this
5 bill?

6 (No response.)

7 COUNCILMAN HENON: Anyone else
8 here from the Administration?

9 (No response.)

10 COUNCILMAN HENON: Anyone here
11 today joining us at the hearing?

12 (No response.)

13 COUNCILMAN HENON: Thank you.
14 Since there's no other questions, you may
15 proceed with testimony on Bill No.
16 130460.

17 DEPUTY COMMISSIONER HERZINS:
18 Good afternoon, Chairman Henon and
19 members of the Committee on Public
20 Property and Public Works. My name is
21 John Herzins. I'm the Deputy
22 Commissioner of the Department of Public
23 Property here today to testify in support
24 of Bill No. 130460, an ordinance
25 authorizing the Commissioner of Public

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.

2 Property to convey, to the Philadelphia
3 Authority for Industrial Development, a
4 90 foot wide strip of land located
5 between Roosevelt Boulevard and 2700
6 Southampton Road, for further conveyance,
7 under certain terms and conditions.

8 The state will be acquiring
9 this strip of land to expand its existing
10 parking lot on the adjacent Armory parcel
11 located at 2700 Southampton Road.

12 The Department of Public
13 Property supports this measure and,
14 accordingly, I respectfully ask that City
15 Council approve Bill No. 130460.

16 I am also requesting a
17 suspension of the rules so as to allow
18 for the first reading at the next session
19 of Council.

20 Thank you.

21 COUNCILMAN HENON: Thank you.

22 Are there any questions from
23 members of this Committee?

24 (No response.)

25 COUNCILMAN HENON: Any other

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 members of the Administration that wishes
3 to testify or anyone else here joining us
4 today?

5 (No response.)

6 COUNCILMAN HENON: Thank you.
7 You may proceed with -- thank you. No
8 one else is here. So we will now go into
9 testimony of Bill No. 130416. Will
10 Mr. Hans Greene from PGW and Ms. Janet
11 Parrish from the Philadelphia Gas
12 Commission please approach the witness
13 table. And I ask the Committee members
14 to hold their questions until both
15 witnesses have read their testimony,
16 since some of your questions may be
17 answered by the testimony that's going to
18 be given here today.

19 (Witnesses approached witness
20 table.)

21 COUNCILMAN HENON: Thank you.
22 Please state your name and proceed with
23 your testimony, please.

24 MR. GREENE: Good afternoon,
25 Chairman Henon and members of the

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 Committee. My name is Hans Greene. I'm
3 Director of Facilities and Special
4 Projects for the Philadelphia Gas Works.
5 I am here today in support of Bill No.
6 130416, approving a lease agreement for
7 the PGW Germantown Customer Service
8 Center at 212 to 214 West Cheltenham Avenue
9 between PGW and the Germantown Realty
10 Investment Group.

11 The lease agreement pertains to
12 a lease for 4,112 square feet of
13 commercial office space located at the
14 address, and it is used for a customer
15 service center. PGW has leased the
16 premise since 1993. This lease agreement
17 will give PGW an additional four years,
18 with the right to terminate on or after
19 the second anniversary.

20 PGW believes the lease is
21 favorable to both PGW and its customers
22 since the location is convenient to
23 public transportation and provides all
24 ratepayers with an accessible location in
25 northwest quadrant of the City. The

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 lease also provides PGW with flexibility
3 and length of term so that PGW can
4 explore customer service and other
5 options. For these reasons, PGW seeks
6 City Council passage of this ordinance.
7 I would also ask the Chair for a
8 suspension of the rules to allow this
9 bill to move forward expeditiously.

10 Thank you.

11 COUNCILMAN GREENLEE: Thank
12 you.

13 Ms. Parrish.

14 MS. PARRISH: Thank you.
15 Chairman Henon and Vice Chairman
16 Greenlee, members of the Committee, my
17 name is Janet Parrish. I'm the Executive
18 Director of the Philadelphia Gas
19 Commission. I am also here today
20 representing the Gas Commission in
21 support of this bill, which does reflect
22 the favorable recommendations of the Gas
23 Commission to City Council which were
24 adopted at its meeting held on May 14th,
25 2013.

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.

2 I have submitted written
3 testimony in support of the bill and just
4 would note that attached to the testimony
5 is a copy of the Gas Commission's
6 decision in this matter, expressing the
7 Commission's approval of the lease for
8 some of the reasons which have been
9 identified by Mr. Greene and also
10 recommending that Council do the same.

11 We also join in the request for
12 a suspension of the rules so the bill may
13 have first reading at this week's session
14 of Council. And we'd also be happy to
15 answer any questions you may have.

16 COUNCILMAN GREENLEE: Thank
17 you.

18 Councilman Kenney.

19 COUNCILMAN KENNEY: Thank you.

20 How many square feet is this
21 parcel?

22 MR. GREENE: 4,112.

23 COUNCILMAN KENNEY: I guess the
24 question is, why are you here? Should we
25 be approving things at this level? I

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 mean, on one hand, the Administration
3 does things for a year and spends \$40
4 million. On the other hand, you're in
5 here about a lease for a storefront for a
6 service center. It seems to me to be a
7 bit cumbersome. Is it the term of the
8 lease that makes it a requirement?

9 MS. PARRISH: No.

10 COUNCILMAN KENNEY: That seems
11 like a normal course of business. You go
12 out and find a place and they lease it.

13 MS. PARRISH: If I may speak to
14 that, your question is obviously well
15 taken. Actually it is a requirement of
16 the City's agreement with the
17 Philadelphia Facilities Management
18 Corporation, which is in fact an
19 ordinance of Council that requires that
20 all real estate transactions and leases
21 by or for Philadelphia Gas Works be
22 approved both by the Gas Commission and
23 by City Council. So we are here today,
24 as we have been in the past from time to
25 time, in compliance with that ordinance.

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.

2 COUNCILMAN KENNEY: I would --
3 we can't do this. Obviously this is a
4 longer term project, but with natural gas
5 doing what it's doing statewide, East
6 Coast-wide, there's got to be some way to
7 streamline this business model to allow
8 the Gas Works to pivot and to make
9 decisions that don't come to the level of
10 Council to approve a storefront lease. I
11 mean, I can see large issues. I can see
12 some co-gen project or something that
13 rises to the level, but this to me seems
14 to be -- I mean, we're going to do it
15 obviously, but it took a lot of paperwork
16 and a lot of bureaucracy to lease a
17 storefront.

18 So I just think going forward
19 maybe the Chairman of Public Utilities
20 and Transportation and that committee or
21 some other committee of the Council
22 should look at ways of streamlining this
23 process so that you can talk to Energy
24 Solutions or any of those other folks and
25 do things that may make us money and save

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 money. So just my two cents.

3 Thanks.

4 MS. PARRISH: Appreciate that
5 comment. And if I may, I would say to
6 you that I think all of us are in favor
7 of streamlining where possible, and in
8 fact, this Council has joined with us in
9 ordinances which have streamlined the
10 approval process for PGW's gas
11 procurement contracts, which are actually
12 a very big deal and involve a lot of
13 money. So I think we've worked together
14 in the past in that manner and we can do
15 so going forward. Thank you.

16 COUNCILMAN KENNEY: Some of
17 my disagreements with the Administration
18 relative to large expenditures are that
19 if it was a private company and you went
20 out and bought an IT system without
21 telling your Board of Directors, there
22 would be a problem, but if I'm on the
23 Board of Directors of a private company
24 and you're bringing me a storefront
25 lease, I don't really need to see it.

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.

2 So, I mean, that's the two
3 differences. One we'll spend \$40 million
4 on a prison health service contract for
5 one year and not even bring it through
6 this body, and then storefront leases
7 seem to me to be kind of business as
8 usual.

9 So thanks.

10 MS. PARRISH: Thank you.

11 COUNCILMAN GREENLEE: Thank
12 you, Councilman.

13 Any other questions?

14 (No response.)

15 COUNCILMAN GREENLEE: Seeing
16 none, thank you both very much.

17 MS. PARRISH: Thank you.

18 MR. GREENE: Thank you.

19 COUNCILMAN GREENLEE:
20 Mr. Greene, I think that's it for you,
21 but Ms. Parrish is here for the next one
22 too, right?

23 MS. PARRISH: I'm here for the
24 duration.

25 COUNCILMAN GREENLEE: On

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 130419, I'll note for the record that we
3 already have written testimony from
4 Mr. Joseph Golden. And, Ms. Parrish, I
5 think you have testimony. You don't have
6 to read the whole thing, but if you want
7 to summarize.

8 MS. PARRISH: I would be happy
9 to do so.

10 COUNCILMAN GREENLEE: Thank
11 you.

12 MS. PARRISH: As always. Good
13 afternoon once again to you and the
14 members of the Committee. I'm Janet
15 Parrish, the Executive Director of the
16 Philadelphia Gas Commission. I
17 appreciate the opportunity to be here and
18 share some thoughts with you today and
19 will not repeat or read from my written
20 testimony, which has been submitted.

21 I do need to underscore the
22 fact that the Gas Commission has not
23 taken a formal position with respect to
24 Bill 130419. So my testimony is really
25 not in support of passage nor is it

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 opposed to passage of the bill. But I
3 would like to comment on two aspects of
4 the bill.

5 One pertains to the role of the
6 Gas Commission. And I just think that we
7 ought to note for the record our
8 appreciation, the manner in which this
9 bill would have City Council look to the
10 Gas Commission for feedback and input and
11 recommendations with respect to PGW's
12 financial condition.

13 We, as you know, under the
14 management agreement that we've just been
15 discussing in another matter on another
16 bill, we do share certain
17 responsibilities for PGW's oversight. In
18 some instances, there are dual approvals
19 required. In other instances, for
20 example, with respect to PGW's capital
21 budgets, one of which is pending before
22 Council at this time, we make
23 recommendations to Council, and Council
24 has the final approval. So we look
25 forward to continuing that collegial and

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 productive working relationship that I
3 think we have enjoyed.

4 Now, with respect to PGW's
5 financial condition, I think I would be
6 remiss if I didn't bring to your
7 attention the fact that the Commission
8 has taken a position with respect to
9 PGW's Fiscal Year 2014 Capital Budget.
10 That is now before Council as Bill
11 130325. It was favorably recommended out
12 of the Finance Committee a couple weeks
13 ago and it's on the Second Reading, Final
14 Passage Calendar for this Thursday's
15 session of Council.

16 And just in short, what the
17 Commission highlighted there and shared
18 with the Finance Committee is that we had
19 to make some very tough decisions with
20 respect to PGW's Capital Budget for next
21 year. We were very concerned about the
22 manner in which their financial condition
23 is constrained because of increasing
24 expenditures for capital improvements,
25 particularly for cast iron main

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 replacement, which I'm sure you're aware
3 there has been increased pressure and
4 call for accelerating that process, and
5 that costs money. And in PGW's case, the
6 Commission did support an expansion of
7 that program. They are going to be
8 taking on some very large-diameter main,
9 which actually is extremely expensive to
10 replace, more so than your
11 run-of-the-mill that we're used to.

12 And so looking at that and
13 looking at the fact that, if I can cite a
14 couple factors, one, PGW's capital fund,
15 which is comprised of the proceeds of its
16 bond issuances, is about to be exhausted.
17 It is projected to be exhausted at the
18 end of Fiscal '14.

19 Secondly, as I mentioned,
20 capital expenditures are higher than ever
21 before.

22 Third, while the potential
23 expiration of sale of PGW is ongoing, it
24 appears that PGW is effectively closed
25 out of the bond market and cannot issue

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 new tax-exempt bonds. So we are facing a
3 situation where currently PGW is
4 utilizing every available dollar of its
5 internally generated funds to pay for
6 these very critical capital investments.

7 With all those factors being
8 the case, the Commission made the very
9 tough, but very carefully-thought-through
10 decision to eliminate a \$3 million main
11 replacement program that PGW wished to
12 take on, and it appeared to be a
13 discretionary one. It wasn't as
14 intimately tied to safety as their other
15 programs. And I do quote in my testimony
16 from the Commission's decision, but if I
17 may, I would just like to read that and
18 I'll leave you with that.

19 This is from the Commission's
20 Order adopted at its meeting on May 14th
21 of this year: But this Commission cannot
22 ignore, nor recommend that City Council
23 ignore, the reality that PGW's financial
24 resources are finite. Even with
25 potential replenishment of the Capital

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.

2 Improvement Fund and the potential for
3 some amount of -- it's referred to as
4 DSIC, D-S-I-C, Distribution System
5 Improvement Charge funding. That is a
6 new funding source, if I can digress a
7 second, that PGW is poised to receive
8 approval from the PUC for to implement a
9 special surcharge that will hopefully
10 garner funds to cover some of these
11 incremental main replacement costs.

12 Continuing with the
13 Commission's decision, this is especially
14 so because of the significantly higher
15 overall level of capital spending
16 projected by PGW for Fiscal 2014 and the
17 forecast years. If PGW is to avoid
18 returning to the past, undesirable
19 pattern of requiring new capital
20 borrowing every two years, then we
21 believe its limited resources must be
22 targeted to the main replacements it has
23 determined to be its highest priority.

24 So with that said, our review
25 showed that PGW needed every available

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 dollar of its internally generated funds
3 to support its capital investments,
4 maintain safety and reliability of the
5 system. Our recommendations to Council
6 in Bill 130325 reflect this very reality.

7 So I must share with you that
8 any dollar taken from PGW's IGF,
9 internally generated funds, will most
10 likely have to be made up with additional
11 funds borrowed, which will have to be
12 paid for by PGW's customers. And that is
13 the difficult financial reality that we
14 have been looking at.

15 We'd be happy to keep you
16 posted and answer any questions you may
17 have.

18 COUNCILMAN GREENLEE: Before I
19 recognize both members here, just to be
20 clear, on the previous bill do you want a
21 suspension of the rules on that?

22 MS. PARRISH: We did request a
23 suspension. Yes, we did.

24 COUNCILMAN GREENLEE: Fine.
25 Thank you.

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2 Councilman Jones.

3 COUNCILMAN JONES: Thank you,
4 Mr. Chairman.

5 First of all, thank you for the
6 years of service to the Philadelphia Gas
7 Works and being an advocate for being a
8 responsible steward of this important
9 City asset.

10 MS. PARRISH: Thank you.

11 COUNCILMAN JONES: In your
12 opinion -- and how long have you been
13 there?

14 MS. PARRISH: I've been with
15 the Gas Commission in one capacity or
16 another for about 20 years now.

17 COUNCILMAN JONES: 20 years.

18 MS. PARRISH: Correct.

19 COUNCILMAN JONES: And when was
20 the rate established that would
21 compensate the City of Philadelphia by
22 way of this \$18 million annual payment?

23 MS. PARRISH: I'm sorry. When
24 was the rate established or when was the
25 \$18 million payment established?

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.

2 COUNCILMAN JONES: The payment
3 established.

4 MS. PARRISH: Right. I
5 actually looked into that today, and
6 according to a report I read, it was
7 established in 1980.

8 COUNCILMAN JONES: Say that
9 again for the record.

10 MS. PARRISH: According to a
11 report which I read, which was prepared
12 by the Pennsylvania Economy League in
13 1995, they reported that the \$18 million
14 payment was established in 1980.

15 COUNCILMAN JONES: And during
16 that time, what has been the adjusted
17 rate of inflation since that time?

18 MS. PARRISH: I couldn't tell
19 you that off the top of my head.

20 COUNCILMAN JONES: Some people
21 estimated that it was somewhere --
22 established that if we'd adjusted to the
23 rate of inflation over that period of
24 time, this body, the City of
25 Philadelphia, would have received upwards

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 of \$34 million. That's a figure that was
3 established.

4 How many rate increases have we
5 had by way of -- I shouldn't use the word
6 "rate." Payment increases he since 1980?

7 MS. PARRISH: To my knowledge,
8 the \$18 million payment has been fixed
9 since 1980 other than in one occasion, I
10 believe it was 1986, where the City
11 required PGW to make an additional
12 payment of \$6 and a half million in that
13 particular year.

14 COUNCILMAN JONES: So it has
15 not been adjusted since 1980, correct?

16 MS. PARRISH: I believe that's
17 correct.

18 COUNCILMAN JONES: And were
19 there some years that we missed payments
20 to the City of Philadelphia?

21 MS. PARRISH: Well, that I
22 would state a little differently. There
23 was one year in which the City; that is,
24 the Administration, in effect, waived the
25 payment. However, in the subsequent six

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 years, I believe it was, PGW made the
3 payment to the City, as is really a
4 requirement of the bond ordinances, and
5 the City then granted the payment back.

6 COUNCILMAN JONES: So I
7 appreciate the elaborated answer, but the
8 short answer, how many years did we miss
9 payments from PGW? Was it one?

10 MS. PARRISH: Then I would say
11 to you there was one year in which it was
12 missed; i.e., waived. I'm not fencing
13 with you. I just -- I can't say they
14 missed it, because PGW would be in
15 default of their obligations if they
16 didn't make the payment. The net effect
17 of it was it was zero revenue to the City
18 in those years, of course.

19 COUNCILMAN JONES: Thank you,
20 counselor. I just want to get a straight
21 answer for the record. So there was
22 years that were missed that we excused?

23 MS. PARRISH: Yes. There was
24 one year in which the City excused it and
25 there were six years I believe in which

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.

2 the City granted it back, correct.

3 COUNCILMAN JONES: Okay. And
4 in your tenure here, describe some of the
5 years from that time by way of financial
6 condition of PGW, ups and downs.

7 MS. PARRISH: Okay. Well --

8 COUNCILMAN JONES: And you're
9 not in a court of law. We're trying to
10 get a court of understanding for the
11 record.

12 MS. PARRISH: No. I
13 understand, and I'm very happy to try to
14 answer these questions, and I'm trying to
15 do so in a way without taking a position
16 on the bill as well.

17 COUNCILMAN JONES: Well, I
18 listened to your testimony. You have
19 taken a position on the bill. I just
20 want answers --

21 MS. PARRISH: Not really.

22 COUNCILMAN JONES: -- to the
23 question.

24 Were we, over this period of
25 time, in serious financial distress?

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.

2 MS. PARRISH: Absolutely. I
3 mean, I think who doesn't know the fact
4 that PGW had some very difficult years.
5 Some of those -- I mean, you have to talk
6 about what the causes of those were.

7 COUNCILMAN JONES: No, I don't.
8 I just asked a question. So I think for
9 the record many of us do know the causes.
10 The question is and the reason for the
11 question and the context is, how are we
12 today? Are we better than we were?

13 MS. PARRISH: Absolutely. And
14 I think that is also well known, the fact
15 that PGW over the last decade in
16 particular made considerable strides
17 towards improving its financial
18 condition. It's actually stopped having
19 to support its capital program a hundred
20 percent with borrowed dollars and began
21 being able to pay for it out of
22 internally generated funds, as I was
23 discussing in my testimony. That was
24 clearly an improvement.

25 There was an improvement in the

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 collections rate, which contributed to
3 additional revenues being garnered to the
4 benefit of the customers.

5 There were business
6 transformation initiatives undertaken to
7 streamline and improve various business
8 processes, particularly targeted at
9 improving collections, which cost some
10 money, but we got a return for those.

11 So I think it's obviously a
12 longer discussion than that, but
13 obviously there have been improvements.

14 Despite those improvements, we
15 have always said PGW was not entirely out
16 of the woods, and it is still very
17 heavily --

18 COUNCILMAN JONES: That's not
19 my point, but the question I asked was,
20 we're in an approved financial condition
21 from the time we established the \$18
22 million payment to today. Is that a fair
23 statement? Improved was the ward.

24 MS. PARRISH: Well, from the
25 time we established -- and I'm not going

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 back that far right now, because I think
3 there's too many variance in what's
4 occurred between 1980 to 1990. Then I
5 was speaking really to the past ten years
6 or so.

7 COUNCILMAN JONES: So let's go
8 with that. From the last ten years, we
9 have made improvements and are in a
10 better financial condition, yes or no?

11 MS. PARRISH: Yeah. I answered
12 it yes. In better financial condition,
13 but not out of the woods, correct.

14 COUNCILMAN JONES: And I
15 appreciate you elaborating on financially
16 not out of the woods as opposed to not
17 taking a position, which you stated, but
18 you elaborate on those things, and I
19 appreciate that. I get why you're doing
20 it, but here's the thing. You're also
21 not understanding that in the total
22 context of a city, at all of our assets
23 that we are looking at, this body has
24 raised taxes on home payers -- and I
25 don't want to remind you -- over the

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 years. All of us are at the same table
3 and all things are on the table. So the
4 reason why we're exploring this at this
5 time, as we contemplate how we make ends
6 meet for our most vulnerable, which are
7 our children, we're looking at
8 everything.

9 So within the context of the
10 1.8 being requested on top of the 18
11 million, is it within the Council's
12 purview to be able to make that increase?

13 MS. PARRISH: Absolutely. My
14 understanding? Yes, it is within
15 Council's authority, and you and I have
16 discussed this, the fact that under the
17 state law that governs that particular
18 situation here, the Gas Choice Act, yes,
19 Council has the ability to increase the
20 \$18 million payment by up to 10 percent,
21 which is --

22 COUNCILMAN JONES: Anything
23 above 10 percent would require?

24 MS. PARRISH: Have to be
25 approved by the state Public Utility

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 Commission.

3 COUNCILMAN JONES: Which we are
4 not asking for at this time.

5 MS. PARRISH: That's correct.

6 COUNCILMAN JONES: So those are
7 the issues I wanted to get on the record.

8 By way of main replacement,
9 which we believe and share is a very
10 important aspect of prudent governance,
11 we usually replace how much main a year?

12 MS. PARRISH: Well, in the past
13 prior to these accelerated programs, PGW
14 replaced 18 miles per year of what's
15 called small-diameter main, 8 inch and
16 smaller. It has added programs now to
17 accelerate that by replacing a couple,
18 two miles a year each, in the category of
19 30-inch main and 12-inch main, which is
20 considered to be large-diameter
21 high-pressure main.

22 COUNCILMAN JONES: And this was
23 at the request of the PUC, correct?

24 MS. PARRISH: Well, I think
25 that's clearly the direction that the PUC

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 as well as the feds, the U.S. Department
3 of Transportation, which has authority
4 over pipeline hazards, et cetera, they
5 have also been pushing the states --
6 obviously not just PGW; it's a national
7 trend -- to accelerate the replacement of
8 cast iron main and bare steel as quickly
9 as possible.

10 COUNCILMAN JONES: And you have
11 put forth a plan to the PUC, correct?

12 MS. PARRISH: PGW has put forth
13 a plan to the PUC.

14 COUNCILMAN JONES: Have they
15 approved that plan?

16 MS. PARRISH: They have
17 approved that plan. It's called a
18 long-term infrastructure improvement
19 plan.

20 COUNCILMAN JONES: And it
21 brings the amount of pipe replacement up
22 to what?

23 MS. PARRISH: Their proposal is
24 to do 25 miles per year. The Capital
25 Budget for Fiscal '14, which the

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.

2 Commission has recommended to Council and
3 which the Finance Committee reported out,
4 provides for a replacement of not 25 but
5 22 miles per year, and that's what I was
6 explaining in my testimony.

7 COUNCILMAN JONES: And you have
8 requested to pass that cost on to the
9 ratepayer?

10 MS. PARRISH: There's no place
11 else to get it from.

12 COUNCILMAN JONES: So the
13 answer is yes?

14 MS. PARRISH: Yes.

15 COUNCILMAN JONES: Okay. So we
16 didn't ask you to do that. You suggested
17 and requested from the PUC to do that --
18 I mean PGW.

19 MS. PARRISH: Well, I think the
20 fact of the matter is that PGW is
21 obligated by its agreement -- by the City
22 ordinance as well as by state law to
23 maintain a safe and reliable delivery
24 system.

25 COUNCILMAN JONES: I understand

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 the purpose of it.

3 MS. PARRISH: So then the
4 question is, as with anything else, what
5 do you spend to try to maintain as best
6 you can --

7 COUNCILMAN JONES: I'm not
8 arguing that this isn't a worthwhile
9 expenditure, but I want for the record to
10 state that any increase to the ratepayer
11 on this regard, you have already asked
12 for.

13 MS. PARRISH: That is correct.

14 COUNCILMAN JONES: Okay. So
15 this has nothing to do with that. That
16 is a separate request that you have
17 already made to the PUC.

18 MS. PARRISH: PGW has. It is a
19 separate request, and my point to you is
20 that, A, we don't know yet how much
21 revenue they're going to get from that
22 distribution system improvement
23 surcharge. To the extent that they do
24 not receive that additional money, then
25 this main replacement must be paid for

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 out of other sources, which is the
3 capital funds and internally generated
4 funds.

5 So really the thrust of my
6 testimony here today is to say I never
7 want to take Council by surprise. So I
8 guess what I would say is, if this bill
9 were to become -- were to be enacted and
10 it does call for the Gas Commission to
11 make recommendations to Council if the
12 additional \$1.8 million would have an
13 adverse effect on PGW's financial
14 situation, I wouldn't want Council to be
15 surprised if we came to you next fall and
16 said everything I told you today,
17 everything that the Commission said about
18 PGW's '14 Capital Budget. Everything
19 we're looking at now in their Fiscal '14
20 Operating Budget says that any additional
21 funds taken from their internally
22 generated funds will have to be borrowed
23 from somewhere else.

24 COUNCILMAN JONES: I don't want
25 to be taken by surprise either, but I

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 don't want us to act shocked that you've
3 already asked for those rate increases
4 for capital improvements to be passed on
5 to the ratepayer. So I don't want it to
6 say that as a chain of events of this
7 increase request, that this set that in
8 motion.

9 MS. PARRISH: No, no.
10 Absolutely. But, again, and also to
11 point out, that that distribution system
12 surcharge is actually the cheapest way to
13 PGW's customers of financing these
14 additional cast iron main replacement
15 costs, which really are a necessity.
16 It's cheaper than going out and borrowing
17 money.

18 COUNCILMAN JONES: Thank you.

19 COUNCILMAN GREENLEE: Thank
20 you, Councilman.

21 Councilman Kenney.

22 COUNCILMAN KENNEY: I
23 understand what you're saying, and I
24 don't disagree. I just have an issue
25 relative to the overall philosophy of

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 what this company is. I view this
3 company as a company that's owned by the
4 ratepayers, owned by the citizens of
5 Philadelphia. If you own a company and
6 you had stockholders, in order to
7 maintain your company's infrastructure,
8 you'd borrow money to keep the company
9 going, and then you would make money and
10 then return some of that money to the
11 stockholders, the citizens, in the way of
12 a dividend. That's kind of the way it
13 works.

14 So borrowing in itself is not
15 an evil thing. I mean, it's something
16 that business does every year or every
17 couple years to maintain its
18 infrastructure. Is that accurate?

19 MS. PARRISH: I think that's
20 accurate. It's how do you balance
21 between the borrowed funds and the funds
22 you're generating from your own
23 operations. Absolutely.

24 COUNCILMAN KENNEY: But the
25 long-term goal of the Administration

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 potentially is to sell it, which would
3 lead one to believe that whoever buys it
4 will continue to improve the
5 infrastructure and continue to borrow
6 money and pay for that borrowing with
7 rate increase requests.

8 MS. PARRISH: I think that's a
9 fair assumption.

10 COUNCILMAN KENNEY: With no
11 dividend, potential dividend, going to
12 the taxpayer at all. So, in other words,
13 the taxpayer would be a captive customer,
14 owned by a private company, with the same
15 infrastructure needs and the same
16 expenditures and the same borrowing and
17 be passing on that, with the approval of
18 the PUC, would be passing on those costs
19 to the ratepayer, who would no longer be
20 an owner but who would be, again, a
21 captive customer, captive to the rate
22 increases that are caused by the capital
23 improvements.

24 MS. PARRISH: Correct. And
25 layered on top of that, that the

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 privately owned or investor owned utility
3 has the profit motive for investing
4 additional funds in capital improvements,
5 because that increases the base of -- the
6 rate base on which they can earn a
7 return.

8 COUNCILMAN KENNEY: What is the
9 fund balance currently of PGW?

10 MS. PARRISH: It is projected
11 to be approximately \$30 million at the
12 end of this fiscal year, which is August
13 31st, and to go down to under a million
14 dollars as of the end of Fiscal '14.

15 COUNCILMAN KENNEY: What is the
16 cause of that?

17 MS. PARRISH: It is being
18 depleted by being used to fund a portion
19 of PGW's capital improvements, as it has
20 for years, and not being replenished.

21 COUNCILMAN KENNEY: So why
22 wouldn't the model be to borrow the money
23 for your capital improvements and not
24 deplete your fund balance?

25 MS. PARRISH: I'm sorry. Maybe

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.

2 I am --

3 COUNCILMAN KENNEY: Why would
4 it not be the model then to continue to
5 borrow, as any company would do, to
6 improve their capital situation, improve
7 their infrastructure, and not deplete the
8 fund balance?

9 MS. PARRISH: They must borrow.
10 To that point, what I was indicating is
11 that although PGW normally would be going
12 into the tax-exempt bond market now, they
13 are effectively precluded from doing
14 that. My understanding -- and also
15 Mr. Golden is here who can answer other
16 questions, but my understanding is that
17 PGW and the City are exploring the
18 potential of setting up a commercial
19 paper line of credit or letter of credit
20 to support the capital program in the
21 short term, since they are effectively
22 foreclosed from the tax-exempt bond
23 market.

24 COUNCILMAN KENNEY: And
25 therefore closed because we're vetting a

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 sale?

3 MS. PARRISH: I'm sorry?

4 COUNCILMAN KENNEY: We are
5 foreclosed, we're shut out of the bond
6 market because they're vetting a sale?

7 MS. PARRISH: That is my
8 understanding in effect, because who is
9 going to lend you 30-year money,
10 tax-exempt 30-year money?

11 COUNCILMAN KENNEY: And I'm not
12 speaking for any Councilmember, but I
13 would bet you sitting here today there's
14 not one vote in this body to sell that
15 utility. I can't think of one.

16 MS. PARRISH: And I'm not here
17 today to take a position on that either.

18 COUNCILMAN KENNEY: I don't
19 think there's one. So we're going to pay
20 J.P. Morgan \$3 million to close us out of
21 the tax-exempt bond market to determine
22 whether we could sell something that
23 nobody is going to sell and deplete the
24 fund balance as we do it and not be able
25 to pay a dividend to the customers who

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 own it, to the shareholders who own it.
3 I don't understand the logic, if anybody
4 can enlighten me.

5 MR. GOLDEN: I'd like to
6 introduce myself. My name is Joseph
7 Golden. I'm the Executive Vice President
8 and Acting Chief Financial Officer at
9 PGW. Good afternoon, Committee members.

10 I did pre-file written
11 testimony, which you have before you.
12 But, Councilman Kenney --

13 COUNCILMAN KENNEY: I would
14 love to hear you -- with the Chairman's
15 approval, I'd love to have you respond.

16 COUNCILMAN GREENLEE: Please.

17 MR. GOLDEN: If you can repeat
18 your question. I apologize.

19 COUNCILMAN KENNEY: We were
20 having this discussion that you own a
21 company and you have infrastructure
22 needs. You generally borrow the money,
23 and the shareholders, through the
24 borrowing, will pay for the
25 infrastructure improvements so the

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 company can do its job, expand hopefully
3 and make money for the shareholders.

4 MR. GOLDEN: Correct.

5 COUNCILMAN KENNEY: So the
6 situation we're in now is because of the
7 Gas Works being vetted for sale, we are
8 closed out of tax-exempt bond market,
9 right?

10 MR. GOLDEN: That's correct.

11 COUNCILMAN KENNEY: We have to
12 continue our infrastructure improvements
13 anyway because of the PUC agreement, and
14 we're going to wind up depleting our fund
15 balance and not being able to borrow, and
16 ultimately having a recommendation to
17 sell it or not to sell it, but there's
18 nobody in here that I know wants to sell
19 it. So I'm wondering why we're doing
20 this. Why aren't we just doing what a
21 normal company would do and go borrow the
22 money and fix our pipes?

23 MR. GOLDEN: We would normally
24 issue, through the City, tax-exempt
25 bonds, long-term bonds. At this point,

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 because of the sale vetting process, it's
3 our understanding that we are not allowed
4 to issue long-term bonds. So we are
5 going to enter the market for a
6 tax-exempt commercial paper program for
7 capital. So that will be a short-term
8 borrowing that it's our understanding
9 we're allowed to do.

10 COUNCILMAN KENNEY: And what's
11 the rate differentials, the cost
12 differentials tax exempt versus taxable?

13 MR. GOLDEN: At this time,
14 probably one to two hundred basis points
15 depending on the term.

16 COUNCILMAN KENNEY: More
17 expensive?

18 MR. GOLDEN: More expensive.

19 COUNCILMAN KENNEY: So we're
20 going to spend more money to borrow
21 commercial paper and froze ourself out of
22 the tax-exempt market.

23 MR. GOLDEN: The commercial
24 paper will be tax-exempt because it's
25 short term.

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.

2 COUNCILMAN KENNEY: What's the
3 term that gets you the tax exemption?

4 MR. GOLDEN: Well, they can't
5 be outstanding for more than 270 days at
6 a time, but they're allowed to roll. It
7 could be a 30-year term, but they are in
8 short-term increments, and under the IRS
9 rules, you can have them short term
10 because they can be taken out at any time
11 in the event of a sale. So that's our --

12 COUNCILMAN KENNEY: But how
13 would you describe the higher rate? Much
14 higher?

15 MR. GOLDEN: No. They would be
16 actually less expensive in the short
17 term, but they can't be outstanding long
18 term. They would be taken out by a
19 tax-exempt bond if the sale goes through
20 or doesn't go through. Once the decision
21 is made to not sell the Gas Works, we
22 would be able to issue a tax-exempt bond
23 and take them out. If the decision is
24 made to sell the Gas Works, we would pay
25 them off through proceeds from the sale.

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2 COUNCILMAN KENNEY: All right.

3 It just seems to me that this company is
4 actually running quite well through the
5 efforts of a lot of people, really good
6 efforts and good management, and it's
7 making money.

8 MR. GOLDEN: Yes, it is.

9 COUNCILMAN KENNEY: And, again,
10 having the citizen and customer the
11 captive audience of a private utility,
12 who has a profit motivation, of course,
13 and has the same infrastructure and
14 capital needs that we have today seems to
15 me not to be the best interest of the
16 ratepayer. Now, you don't have to
17 comment because you might get in trouble.

18 MR. GOLDEN: Thank you,
19 Councilman.

20 COUNCILMAN KENNEY: But, I
21 mean, to me it seems that we're chasing
22 our tail for some reason. The one thing
23 in the City that actually is running like
24 a top is this utility, and with the
25 opportunities that are coming down the

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 road, Energy Solutions -- I mean, I don't
3 want to bring it up -- I don't want to
4 say Marcellus Shale in front of my friend
5 here, but it's here, and the ability to
6 kind of utilize those opportunities to me
7 just seems to be a time when we shouldn't
8 be selling it. We should be trying to
9 make ourselves more lean and more nimble
10 while at the same time allowing the
11 citizens to make some money from this in
12 the form of a potential dividend, if the
13 PUC would ever allow us to do that.

14 So that's just my view on it.
15 So I just thought I'd share it with you.
16 But thank you.

17 COUNCILMAN GREENLEE: Thank
18 you.

19 Any other questions?

20 COUNCILMAN JONES: Just real
21 quick.

22 COUNCILMAN GREENLEE:
23 Councilman Jones.

24 COUNCILMAN JONES: The cost of
25 molecules, gas molecules, have they gone

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 down?

3 MR. GOLDEN: Relative terms,
4 it's actually up from last year, but it's
5 down from previous years. It's slightly
6 up from last year.

7 COUNCILMAN JONES: So over a
8 period of five years, are we paying less
9 for gas molecules?

10 MR. GOLDEN: Yes, we are.

11 COUNCILMAN JONES: Do you
12 attribute that to Marcellus Shale's
13 200-million-year-old find? Yes, a little
14 bit, maybe?

15 MR. GOLDEN: I think it's a
16 combination. I think part of it is
17 attributed to excess supply and a weaker
18 economy.

19 COUNCILMAN JONES: And do you
20 see that in the future, foreseeable
21 future, that molecules are going to cost
22 less?

23 MR. GOLDEN: At least stable.

24 COUNCILMAN JONES: In June, did
25 we reduce the cost to the ratepayers?

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.

2 MR. GOLDEN: Yes, we did,
3 effective June 1st.

4 COUNCILMAN JONES: Of average
5 of about \$37 per ratepayer?

6 MR. GOLDEN: I believe so.

7 MS. PARRISH: Per year.

8 COUNCILMAN JONES: Per year.

9 Thank you.

10 COUNCILMAN GREENLEE: Thank
11 you.

12 Any other questions?

13 (No response.)

14 COUNCILMAN GREENLEE: Seeing
15 none, thank you both very much.

16 MS. PARRISH: Thank you.

17 COUNCILMAN GREENLEE: We just
18 have one other person on record that
19 wanted to testify, Robert Ballenger. I
20 see he's very anxiously coming up to the
21 microphone.

22 Is there anyone else here other
23 than Mr. Ballenger that wanted to
24 testify?

25 (No response.)

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.

2 (Witness approached witness
3 table.)

4 COUNCILMAN GREENLEE: Fine.

5 Sir, we have your written
6 testimony, so I'd ask you don't read
7 that. Just please summarize and then be
8 available for questions.

9 MR. BALLENGER: Absolutely,
10 Mr. Vice Chairman. Members of the
11 Committee on Public Property and Public
12 Works, thank you for allowing me to speak
13 here today. My name is Robert Ballenger.
14 I'm an attorney at Community Legal
15 Services where I specialize in utility
16 matters, and one of my primary
17 responsibilities is serving as Counsel to
18 the Public Advocate. I represent all
19 residential customers of PGW in PGW's
20 annual operating and capital budget
21 proceedings.

22 What I want to focus on here
23 today is this proposal in Bill No. 130419
24 from the perspective of PGW's customers.
25 I want to respond a little bit to what

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.

2 I've heard so far on the record, if I
3 may, as well.

4 First and foremost, PGW and its
5 customer cannot afford to pay \$1.8
6 million more annually to the City of
7 Philadelphia to be spent on other City
8 projects. PGW's customers are as a group
9 the poorest in the Commonwealth, and yet
10 they pay the highest rates for natural
11 gas utility service in the Commonwealth.
12 Remember that PGW's customers, not the
13 City, have historically paid all of PGW's
14 capital and operating costs by paying
15 their gas bills. So when we view PGW as
16 running well in present circumstances, we
17 have to remember that part of that is due
18 to the investment by customers, including
19 through a \$60 million rate increase in
20 2009 that was effective in 2009 and a
21 multi-million-dollar ratepayer-funded
22 business transformation project. Those
23 are costly things PGW's customers have
24 paid for in order for this utility to be
25 running well at the current time.

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.

2 Taking more money from PGW
3 directly and negatively impacts its
4 customers and significantly undermines
5 the confidence those customers should be
6 able to have that their PGW bills
7 represent what it actually costs to
8 maintain that utility and provide heat to
9 their homes.

10 PGW has, as Executive Director
11 Parrish points out, a significant need
12 for funds to do capital work, so much so
13 that they will be collecting an
14 additional \$22 million annually from
15 customers to replace aging cast iron
16 mains. That's likely going to start next
17 year, in Fiscal '14. It's an average
18 cost, in simple terms, of \$45 per
19 customer.

20 Taking an additional \$1.8
21 million from PGW reduces its ability to
22 do what it is required to do, to maintain
23 the safety of the distribution system.
24 It diminishes the impact and improvement
25 that could otherwise result from the

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 prudent use of funds from PGW's
3 customers.

4 Finally, Bill No. 130419, if
5 passed, would represent another striking
6 example of the diversion of customer
7 funds from PGW for unrelated purposes.
8 Two others stand out in my three years of
9 serving as Public Advocate. In 2011, the
10 City required PGW to vacate a then-in-use
11 parking lot at 9th and Berks Street. It
12 conveyed that property for a mixed-use
13 development for \$1. PGW and its
14 customers got nothing. Even worse, the
15 loss of that facility forced PGW to pay
16 an additional \$342,000 to relocate
17 security equipment. The City has never
18 reimbursed those costs.

19 The second is the current
20 proposal and what was approved in the
21 Fiscal Year 2013 Operating Budget to pay,
22 over the objections of the Chairwoman of
23 the Gas Commission and the City
24 Controller, \$2.5 million of PGW operating
25 funds for consultants who will help the

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.

2 City Administration decide whether or not
3 to sell PGW. Spending those dollars in
4 no way benefits the enterprise or its
5 customers, nor does it contribute to the
6 operations of PGW. Those costs should
7 never have been authorized from PGW. At
8 the same time, PGW will likely, as
9 Mr. Golden has testified, be forced to
10 issue debt at higher interest rates or
11 greater costs because the City
12 Administration prohibits it from issuing
13 long-term tax-exempt revenue bonds while
14 the sale exploration is ongoing.

15 So while PGW's customers, a
16 third of whom are confirmed to be low
17 income, face higher costs for capital
18 work currently and will soon pay higher
19 rates to fund capital work, this bill
20 proposes to divert \$1.8 million more from
21 customer-supplied funds to provide no
22 benefit whatsoever to customers or the
23 Gas Works. The only benefit is the City
24 General Funds. Customers will perceive
25 that \$1.8 million as a disguised tax.

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.

2 In short, it's \$1.8 million
3 that PGW should be investing in main
4 replacement work, which, if this bill is
5 passed, will be diverted for another
6 purpose. I urge you to reject this bill,
7 or in the alternative, I urge you to
8 defer consideration of this bill to allow
9 the Philadelphia Gas Commission to
10 determine what, if any, changes to the
11 management agreement ordinance concerning
12 the annual payment to the City may be
13 appropriate.

14 One more thing, if I may, is
15 simply to address what I think is a
16 slight misconception about the \$18
17 million annual payment that PGW makes to
18 the City. The ratemaking principle is
19 that a utility owner is permitted the
20 opportunity, but not the guarantee, of a
21 fair return on its investment, and recall
22 that PGW's customers have funded all of
23 PGW's operating and capital costs. So it
24 would be correct to look at them as the
25 investors in this utility.

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.

2 Our state Supreme Court held
3 that PGW's rates, as long as they are not
4 unjust and unreasonable, could include
5 provision for an amount, in this case \$18
6 million, as an estimate of the possible
7 fair return the City could achieve. It
8 did not, however, say that the City was
9 entitled to that amount regardless of
10 other conditions facing ratepayers. So a
11 fixed \$18 million payment from PGW to the
12 City every year has never been legitimate
13 from a public policy perspective. In
14 fact, at this time, considering the
15 challenges facing PGW's customers and the
16 likelihood that they will finance an
17 additional \$22 million in capital funding
18 next year, it may be appropriate to
19 consider whether the \$18 million annual
20 payment is appropriate at all.

21 Thank you for the opportunity
22 to speak here today. I'm free to answer
23 any questions you may have.

24 COUNCILMAN GREENLEE: Thank
25 you.

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.

2 Before I recognize Councilman
3 Jones, just one quick question. It
4 strikes me in reading your testimony
5 beforehand and what you said now, you say
6 that the money being taken from PGW from
7 their customers, which are citizens of
8 Philadelphia, right?

9 MR. BALLENGER: Yes, Mr. Vice
10 Chairman. Yes.

11 COUNCILMAN GREENLEE: And would
12 be given to the City for other purposes,
13 but the City uses it for citizens of
14 Philadelphia. So it's not like it's
15 going to a complete different entity that
16 the same people won't ever benefit from,
17 right?

18 MR. BALLENGER: That's correct,
19 but, in fact, customers who are paying
20 their hard-spent earnings to pay their
21 gas bills, to afford their annual gas
22 bills, do not expect through the payment
23 of their gas bills that they're financing
24 other unrelated projects. The simple, I
25 guess, response is that utility

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 ratepayers should have confidence that
3 what they're paying to the utility
4 represents what's needed to provide them
5 with the utility service.

6 COUNCILMAN GREENLEE: But the
7 City does own it.

8 MR. BALLENGER: That's
9 absolutely correct, Mr. Vice Chairman.
10 The City owns PGW, but it has been
11 financed by its customers, who pay the
12 costs of --

13 COUNCILMAN GREENLEE: Who are
14 the citizens of Philadelphia.

15 MR. BALLENGER: That's correct,
16 but they pay through their bills, and
17 they have the ability to decide how much
18 heat to use, how much to heat their
19 homes, how much to invest in
20 weatherization in their homes to keep
21 their bills down. This would divert \$1.8
22 million regardless of customer behavior
23 that could otherwise be put in the
24 ground. That's approximately two miles
25 of low-pressure cast iron main \$1.8

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 million could finance next year.

3 COUNCILMAN GREENLEE: Okay. I
4 get you, but we're still talking in some
5 ways the same --

6 MR. BALLENGER: We are talking
7 about the same population, generally
8 speaking, but we're talking about a
9 different bill presented to them and a
10 bill that they perceive very differently.

11 COUNCILMAN GREENLEE: Okay.

12 COUNCILMAN KENNEY: Just --

13 COUNCILMAN GREENLEE:
14 Councilman Kenney.

15 COUNCILMAN KENNEY: Just to
16 piggyback on -- I never liked that word,
17 piggyback, from years ago, but that's
18 another whole story.

19 Just an offshoot of Councilman
20 Greenlee's line of questioning. The
21 ratepayers own the company, correct? As
22 citizens of the City of Philadelphia,
23 they own the company?

24 MR. BALLENGER: Philadelphia
25 owns the assets that are PGW. PGW is not

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 incorporated. It is simply a set of
3 assets owned by the City and financed by
4 the customers through payment of their
5 bills.

6 COUNCILMAN KENNEY: So they're
7 kind of like shareholders?

8 MR. BALLENGER: One could look
9 at them that way, yes.

10 COUNCILMAN KENNEY: What do you
11 think the condition of the shareholders
12 customers would be in the event of a
13 sale?

14 MR. BALLENGER: In the event of
15 a sale? Without seeing the terms --

16 COUNCILMAN KENNEY: A private
17 for-profit company owns it now.

18 MR. BALLENGER: I can tell you
19 that not in my own opinion but in
20 consultations I've had with utility
21 experts who have served as experts -- and
22 I serve as the Advocate, so my position
23 is to represent the customers on the
24 basis of that expertise -- is that the
25 analysis so far has not demonstrated how

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 a prospective buyer could make a
3 reasonable go of it without an additional
4 need for rates in the future. And I
5 don't know that it's impossible to do so
6 because I'm not a financial analyst, but
7 what I have seen so far leads me to have
8 some skepticism, but not to take a
9 position, because ultimately if a sale
10 were beneficial to customers, as Public
11 Advocate, it would be my responsibility
12 to support that sale.

13 COUNCILMAN KENNEY: But from
14 the information that you have now, the
15 potential customer would be in a worse
16 situation than they are at the moment?

17 MR. BALLENGER: I can say that
18 the study that I'm most familiar with
19 that actually considered the impact on
20 customers of a go-private transaction was
21 conducted in 1999 and concluded that a
22 private owner would have to obtain \$92
23 million more from the same ratepayers in
24 order to make a fair return on its
25 investment and to pay the taxes that

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 would be associated with being a private
3 gas enterprise in Philadelphia.

4 COUNCILMAN KENNEY: Thank you.

5 COUNCILMAN GREENLEE: Thank
6 you.

7 Before I recognize Councilman
8 Jones, let the record reflect Councilman
9 Oh, a member of the Committee, is also
10 present.

11 Councilman Jones.

12 COUNCILMAN JONES: Thank you,
13 Mr. Chairman.

14 And thank you for your
15 testimony.

16 MR. BALLENGER: Thank you,
17 Mr. Councilman.

18 COUNCILMAN JONES: Just a
19 couple of things. What part of town do
20 you live in?

21 MR. BALLENGER: I live in -- I
22 suppose -- it goes by many names. I
23 suppose it's Graduate Hospital. It
24 changes from time to time.

25 COUNCILMAN KENNEY: No; you

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.

2 don't want to go there.

3 COUNCILMAN JONES: So let me
4 ask you this, and you make the
5 delineation between the ratepayers, the
6 customers, and what is in their benefit.
7 I would say to you that if our facility
8 at 9th and Montgomery catches on fire,
9 who is going to respond to that?

10 MR. BALLENGER: Well, there
11 would be a pool of first responders. I
12 assume the Fire Department as well as --

13 COUNCILMAN JONES: Fire
14 Department, which are a municipally run
15 department.

16 MR. BALLENGER: As well as
17 emergency personnel from the Gas Works.

18 COUNCILMAN JONES: I just want
19 to just go through my questions.

20 So unless you know of another
21 entity that's going to respond to it, I
22 think it's going to be the Fire
23 Department. I think it's safe to say.

24 If a PGW worker gets assaulted
25 going into a house and there's a charge,

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.

2 who is going to respond to that crime?

3 MR. BALLENGER: I would assume
4 that the Philadelphia Police Department
5 would respond if there's a crime
6 involving a Philadelphian in
7 Philadelphia.

8 COUNCILMAN JONES: So that
9 would be another City department that
10 responds to it.

11 In conjunction with main
12 replacement, there's the Streets
13 Department that works with the Gas Works,
14 and all of these things go in concert one
15 to the other. One point eight million
16 deals with a whole plethora of City
17 issues that directly impact the Gas
18 Department, and I'll list some of them.
19 There's a thing called brownouts that our
20 Fire Departments go through because
21 there's a shortfall in money so that we
22 can't keep them all open at the same
23 time. That gets solved with \$2 million.
24 It's a matter of public testimony. So
25 that's an important part of the equation,

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.

2 because you don't live on the island.

3 You live in Philadelphia. And when we

4 start talking about our school system,

5 which has been my pet peeve in all of

6 this and why I'm approaching the Gas

7 Works about it, is that you have a

8 documented work shortage. There are not

9 enough skilled -- as we start to look at

10 attrition, as we start to look at

11 retirement, there is a problem getting

12 skilled laborers to dig the ditches, to

13 make the piping, to do all of that. It

14 is documented. We need to invest in

15 education so that your workforce actually

16 gets dealt with.

17 So what I'm trying to say to

18 you is that 1.8 million may not seem like

19 a lot of money and it may seem unrelated

20 to the beneficiaries who are the

21 ratepayers, but we are in this together,

22 and we're all stepping up to the plate

23 asking for money and looking for love in

24 all the wrong places, but we have to

25 solve this problem together. You can't

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.

2 separate out fire protection when you
3 need it. It's a part of the operation.
4 And so as a stakeholder, I want you to
5 know that.

6 When we closed pools, we closed
7 pools -- it would have been solved with
8 \$1.8 million. When we closed and
9 shortened the hours of libraries, it
10 could be solved with that kind of money.
11 All of this stuff is together.

12 So as stakeholders, as you are,
13 and as an asset, as you are, and you are
14 an improved asset, I thank all of those
15 who have operated within the
16 organizational structure of this entity
17 to make it worthwhile. You are doing a
18 great job, but we need your help as
19 strategic partners.

20 MR. BALLENGER: Thank you,
21 Mr. Chairman, and if I may respond to
22 that. I think your point highlights a
23 significant difference between a utility
24 ratepayer and a taxpayer. A utility
25 ratepayer does not expect through the

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 payment of utility bills to subsidize the
3 General Fund, which is why in my
4 testimony I conclude that I think the
5 customers would see the increased \$1.8
6 million payment from PGW as akin to a
7 disguised tax paid through their bills.

8 I think it is certainly the
9 case that PGW's ratepayers are largely
10 taxpayers of the City. It is not, in my
11 view, the expectation of a customer that
12 the hard-earned money that they pay and
13 have historically paid through bad times
14 and good to finally result in a PGW that
15 has some significant funds coming from
16 customers, that it could invest in
17 infrastructure to see those funds
18 diverted to their detriment, with the
19 result being that those customers will
20 again have to pay more or a greater
21 percentage of what they pay toward
22 capital improvement, which is what we're
23 seeing.

24 COUNCILMAN JONES: Since 1980,
25 name one thing that hasn't gone up.

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.

2 We're talking about 30-plus years at the
3 same rate.

4 MR. BALLENGER: One thing that
5 hasn't gone up has been the cost of the
6 commodity. The gas molecules in fact has
7 gone down.

8 COUNCILMAN JONES: That's gone
9 down.

10 MR. BALLENGER: Which is a
11 passed through cost, and PGW does not
12 make any money off of the cost of its
13 gas. What PGW's funds come from are
14 through its other charges, through its
15 distribution charges, and that is where
16 the money that is on the table in this
17 bill is coming from. It's not coming
18 from cheaper gas. It's coming from
19 customer bill payments for the other
20 aspects of --

21 COUNCILMAN JONES: Well, we
22 need to address that at another time,
23 that somehow in government at the state
24 level, how in the world we get the
25 richest find since Alaska oil and the

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 citizens of Philadelphia don't benefit
3 from it in a meaningful way. But that's
4 another discussion. We'll put a pin in
5 that one.

6 MR. BALLENGER: Thank you,
7 Mr. Councilman.

8 COUNCILMAN JONES: Thank you.

9 COUNCILMAN GREENLEE: Any other
10 questions?

11 (No response.)

12 COUNCILMAN GREENLEE: Seeing
13 none, anyone else here to testify on this
14 bill?

15 (No response.)

16 COUNCILMAN GREENLEE: Seeing
17 none, that will conclude our public
18 hearing of the Committee on Public
19 Property and Public Works. We will now
20 go into our public meeting.

21 The Chair recognizes Councilman
22 Kenney regarding Bill No. 130410.

23 THE CLERK: Thank you, Mr.
24 Chairman. I move that Bill No. 130410 be
25 reported out of this Committee favorably

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 and a request made for rules suspension
3 to allow first reading at our next
4 Council session.

5 (Duly seconded.)

6 COUNCILMAN GREENLEE: It's been
7 moved and seconded.

8 All in favor?

9 (Aye.)

10 COUNCILMAN GREENLEE: Opposed?
11 (No response.)

12 COUNCILMAN GREENLEE: Hearing
13 none, Bill 130410 reported out of this
14 Committee favorably with a rules
15 suspension to allow for first reading at
16 our next session.

17 Councilman Kenney.

18 COUNCILMAN KENNEY: Thank you,
19 Mr. Chairman. I move that Bill No.
20 130416 be reported out of this Committee
21 favorably and a request made for rules
22 suspension to allow first reading at our
23 next Council session.

24 (Duly seconded.)

25 COUNCILMAN GREENLEE: It's been

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.

2 moved and seconded.

3 All in favor?

4 (Aye.)

5 COUNCILMAN GREENLEE: Opposed?

6 (No response.)

7 COUNCILMAN GREENLEE: Hearing

8 none, Bill No. 130416 reported out of

9 this Committee favorably with a rules

10 suspension to allow for first reading at

11 our next session of Council.

12 The Chair recognizes Councilman

13 Jones regarding Bill No. 130419.

14 COUNCILMAN JONES: Thank you,

15 Mr. Chairman. I move that Bill No.

16 130419 be moved and reported from this

17 Committee with a favorable recommendation

18 and request that the rules of Council be

19 suspended to allow the first reading in

20 our next Council session.

21 (Duly seconded.)

22 COUNCILMAN GREENLEE: It's been

23 moved and seconded.

24 All in favor?

25 (Aye.)

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.

2 COUNCILMAN GREENLEE: Opposed?

3 (No response.)

4 COUNCILMAN GREENLEE: Hearing
5 none, Bill No. 130419 is reported out of
6 this Committee favorably with a rules
7 suspension to allow for first reading at
8 our next session of Council.

9 Councilman Kenney, the
10 amendment.

11 COUNCILMAN KENNEY: Thank you,
12 Mr. Chairman. I move the adoption of the
13 amendment to Bill No. 130450 as was
14 circulated to the members of the
15 Committee.

16 (Duly seconded.)

17 COUNCILMAN GREENLEE: It's been
18 moved and seconded.

19 All in favor?

20 (Aye.)

21 COUNCILMAN GREENLEE: Opposed?

22 (No response.)

23 COUNCILMAN GREENLEE: Hearing
24 none, the amendment is adopted.

25 Councilman Kenney.

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.

2 COUNCILMAN KENNEY: Thank you,
3 Mr. Chairman. I move that Bill No.
4 130450, as amended, be reported out of
5 this Committee with a favorable
6 recommendation and a request made for
7 rules suspension to allow first reading
8 at our next Council session.

9 (Duly seconded.)

10 COUNCILMAN GREENLEE: All in
11 favor?

12 (Aye.)

13 COUNCILMAN GREENLEE: Opposed?

14 (No response.)

15 COUNCILMAN GREENLEE: Hearing
16 none, Bill No. 130450, as amended,
17 reported out of this Committee favorably
18 with a rules suspension to allow for
19 first reading at our next session of
20 Council.

21 Councilman Kenney.

22 COUNCILMAN KENNEY: Thank you,
23 Mr. Chairman. I move that Bill No.
24 130453 be reported out of this Committee
25 favorably and a request made for rules

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 suspension to allow first reading at our
3 next Council session.

4 (Duly seconded.)

5 COUNCILMAN GREENLEE: All in
6 favor?

7 (Aye.)

8 COUNCILMAN GREENLEE: Opposed?

9 (No response.)

10 COUNCILMAN GREENLEE: Hearing
11 none, Bill No. 130453 is reported out of
12 this Committee favorably with a rules
13 suspension to allow for first reading at
14 our next session of Council.

15 Councilman Kenney.

16 COUNCILMAN KENNEY: Thank you,
17 Mr. Chairman. I move that Bill 130454 be
18 reported out of this Committee favorably
19 and a request made for rules suspension
20 to allow first reading at our next
21 Council session.

22 (Duly seconded.)

23 COUNCILMAN GREENLEE: It's been
24 moved and seconded.

25 All in favor?

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.

2 (Aye.)

3 COUNCILMAN GREENLEE: Opposed?

4 (No response.)

5 COUNCILMAN GREENLEE: Hearing
6 none, Bill No. 130454 is reported out of
7 this Committee favorably with a rules
8 suspension to allow for first reading at
9 our next session of Council.

10 Councilman Kenney.

11 COUNCILMAN KENNEY: Thank you,
12 Mr. Chairman. I move that Bill No.
13 130460 be reported out of this Committee
14 favorably and a request made for rules
15 suspension to allow first reading at our
16 next Council session.

17 (Duly seconded.)

18 COUNCILMAN GREENLEE: It's been
19 moved and seconded.

20 All in favor?

21 (Aye.)

22 COUNCILMAN GREENLEE: Opposed?

23 (No response.)

24 COUNCILMAN GREENLEE: Hearing
25 none, Bill No. 130460 is reported out of

1 6/4/13 - PUBLIC PROPERTY - BILL 130410, etc.
2 this Committee favorably with a rules
3 suspension to allow for first reading at
4 our next session of Council.

5 That concludes the business of
6 the meeting of the Public Property and
7 Public Works Committee.

8 Thank you all very much.

9 (Committee on Public Property
10 and Public Works concluded at 2:25 p.m.)

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CERTIFICATE

I HEREBY CERTIFY that the
proceedings, evidence and objections are
contained fully and accurately in the
stenographic notes taken by me upon the
foregoing matter, and that this is a true and
correct transcript of same.

MICHELE L. MURPHY
RPR-Notary Public

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direct control and/or supervision of the
certifying reporter.)

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