

COUNCIL OF THE CITY OF PHILADELPHIA
COMMITTEE ON FINANCE

Room 400, City Hall
Philadelphia, Pennsylvania
Wednesday, June 21, 2017
1:10 p.m.

PRESENT:

COUNCILWOMAN JANNIE L. BLACKWELL, CHAIR
COUNCILWOMAN CINDY BASS
COUNCILMAN ALLAN DOMB
COUNCILMAN WILLIAM K. GREENLEE
COUNCILMAN BOBBY HENON
COUNCILMAN DAVID OH
COUNCILWOMAN CHERELLE L. PARKER

BILL 170623 - 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 for the payment of such
bonds...

- - -

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2 COUNCILWOMAN BLACKWELL: Good
3 afternoon. The Finance Committee is
4 being called into session. We have a
5 quorum. To my left, Councilwoman
6 Cherelle Parker. To my right, Councilman
7 Bill Greenlee, Councilman David Oh,
8 Councilman Allan Domb, and Councilwoman
9 Cindy Bass. Thank you.

10 We'll ask the Clerk to read the
11 title of the bill.

12 THE CLERK: 170623, an
13 ordinance authorizing the Bond Committee
14 to sell bonds at public or private
15 negotiated sale, to provide funds toward
16 various capital municipal purposes;
17 providing for appropriations to the
18 Sinking Fund Commission for the payment
19 of such bonds; authorizing agreements to
20 provide credit or payment or liquidity
21 sources for the bonds in connection with
22 issuance of the bonds, and certain other
23 actions; providing for obtaining the
24 consent of the electors to increasing the
25 indebtedness of the City; and fixing a

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2 day and providing for arrangements for
3 holding the election for obtaining such
4 consent.

5 COUNCILWOMAN BLACKWELL: Thank
6 you very much.

7 We'll invite those who are
8 going to testify forward.

9 (Witnesses approached witness
10 table.)

11 COUNCILWOMAN BLACKWELL: Thank
12 you very much. Please identify yourself
13 for the record and begin your testimony.

14 MR. DUBOW: Good afternoon,
15 Chairwoman Blackwell and members of the
16 Finance Committee. My name is Rob Dubow.
17 I'm here to testify in support of Bill
18 No. 170623. With me is Peilin Chen, the
19 Capital Budget Director.

20 The purpose of the bill is to
21 obtain approval to place a loan
22 authorization question on the General
23 Election ballot on Tuesday, November 7th.
24 The loan question requests an increase in
25 indebtedness in an amount not to exceed

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2 \$172 million, and that's to fund the FY18
3 Capital Budget that was recently approved
4 by City Council. State law requires the
5 City to place a question on the ballot
6 before increasing its borrowing
7 authority.

8 As you can see from testimony,
9 we have plenty of borrowing capacity
10 remaining. The testimony also lays out
11 how the dollars were allocated in the
12 Capital Budget.

13 In order to provide appropriate
14 time to advertise the ballot question
15 prior to November 7th, the bill should be
16 reported out and receive first reading no
17 later than June 22nd.

18 And, finally, attached to the
19 testimony is the proposed ballot
20 question.

21 I respectfully request you
22 report the bill out of Committee with a
23 favorable recommendation and that the
24 rules of Council be suspended to permit
25 first reading at the next session of

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2 Council.

3 That concludes my written
4 testimony, and we'd be happy to answer
5 any questions you may have.

6 COUNCILWOMAN BLACKWELL: Thank
7 you, Mr. Dubow.

8 Are there questions?

9 Councilman Domb.

10 COUNCILMAN DOMB: Thank you,
11 Madam Chairwoman.

12 And good afternoon.

13 MR. DUBOW: Good afternoon.

14 COUNCILMAN DOMB: I know it's
15 in the paperwork, but I just want to make
16 sure I'm clear. On the municipal
17 buildings, for example, of 95 million, is
18 that basically repairs to existing
19 buildings?

20 MR. DUBOW: Yes, it is.

21 COUNCILMAN DOMB: And have
22 those jobs been bid or they're to be bid?

23 MR. DUBOW: No. So this is for
24 the money that's in the FY18 Capital
25 Budget. So this isn't for work that's

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2 started yet. The money won't be
3 available until the election results are
4 certified. So none of this money is
5 available until December, so the work
6 really won't start until then.

7 COUNCILMAN DOMB: So this has
8 to go through the whole process. We're
9 just authorizing it.

10 MR. DUBOW: Correct.

11 COUNCILMAN DOMB: In your
12 experience when we authorize this amount
13 of money, what percentage is typically
14 actually invested?

15 MR. DUBOW: And spent?

16 COUNCILMAN DOMB: Are we going
17 to really spend 95 or are we going to
18 spend 75 or 80?

19 MR. DUBOW: So the way we
20 determine when to borrow is really on
21 cash needs. So when our cash gets low,
22 we borrow again, and we typically spend
23 it within really two years and then we
24 borrow again. So everything that we
25 borrow is spent.

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2 COUNCILMAN DOMB: When we do
3 these projects, it's not based on a
4 drawdown on a loan. We go out and borrow
5 the money and then put it in our account?

6 MR. DUBOW: Correct.

7 COUNCILMAN DOMB: So we pay
8 interest? Whether we do the work or not,
9 we're paying the interest?

10 MR. DUBOW: Well, we borrow
11 based on our projected cash flows. And
12 so the borrowing -- it's kind of a weird
13 dynamic, where the borrowing won't list
14 these specific projects. It will show
15 what we're going to do for the following
16 two years. This is just authorizing us
17 when we're ready to borrow, to borrow.

18 COUNCILMAN DOMB: So it's not
19 really for these projects, the money?

20 MR. DUBOW: It won't
21 necessarily be. It will be for whatever
22 we're spending over the following two
23 years.

24 COUNCILMAN DOMB: Okay. Thank
25 you. Thank you very much.

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2 Thank you, Madam Chair.

3 COUNCILWOMAN BLACKWELL: Thank
4 you.

5 Any other questions?

6 (No response.)

7 COUNCILWOMAN BLACKWELL: That
8 concludes our hearing. We'll now go into
9 our stated meeting.

10 The Chair recognizes
11 Councilmember Henon for a motion on Bill
12 No. 170623.

13 COUNCILMAN HENON: Thank you,
14 Madam Chair. I move that Bill No. 170623
15 be reported from this Committee with a
16 favorable recommendation and further move
17 that the rules of Council be suspended to
18 permit first reading of this bill at our
19 next Council session.

20 (Duly seconded.)

21 COUNCILWOMAN BLACKWELL: It has
22 been moved and properly seconded that
23 Bill No. 170623 be reported from this
24 Committee with a favorable recommendation
25 and, furthermore, that the rules of

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2 Council be suspended so as to permit
3 first reading at our next session.

4 All those in favor say aye.
5 (Aye.)

6 COUNCILWOMAN BLACKWELL:

7 Opposed?

8 (No response.)

9 COUNCILWOMAN BLACKWELL: The
10 ayes have it, the motion carries, and
11 Bill No. 170623 will be reported from
12 this Committee with a favorable
13 recommendation and a request that the
14 rules of Council be suspended so as to
15 permit first reading at our next session
16 of Council.

17 Thank you very much. This
18 hearing is completed, and thank you all
19 for being here and let us getting it done
20 very quickly.

21 MR. DUBOW: Thank you. Thank
22 you for getting it done so quickly.

23 (Committee on Appropriations
24 concluded at 1:15 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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