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COUNCIL OF THE CITY OF PHILADELPHIA

COMMITTEE ON FINANCE

- - -

Room 400, City Hall
Philadelphia, Pennsylvania
Tuesday, November 17, 2009
1:15 p.m.

- - -

PRESENT:

- COUNCILWOMAN MARIAN B. TASCO, CHAIR
- COUNCILMAN FRANK DiCICCO
- COUNCILMAN W. WILSON GOODE, JR.
- COUNCILMAN BILL GREEN
- COUNCILMAN WILLIAM GREENLEE
- COUNCILMAN JAMES F. KENNEY
- COUNCILWOMAN BLONDELL REYNOLDS BROWN

BILLS 080746, 090119, 090687, 090688 and
090690

- - -

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COUNCILWOMAN TASCOS: Good
afternoon. I'd like to call the
Committee on Finance to order. We do
have a quorum in the presence of the
Councilman Green, Councilman Greenlee,
Councilman Goode and Councilwoman
Blondell Reynolds Brown and myself.

I'd like to have the Clerk read
the titles of all of the bills that are
to come before this committee today.

THE CLERK: Bill No. 080746, an
ordinance amending Section 17-104 of The
Philadelphia Code, relating to
"Prerequisites to the Execution of City
Contracts," by adding a new subsection
prohibiting the acceptance of bids on
City contracts from, or the execution of
original or renewal contracts with,
corporations or other business entities
that do business in Iran or Sudan, and
imposing duties on the Procurement
Department with respect to said
prohibition and certain other related
matters; and amending Section 19-201 of

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 The Philadelphia Code, relating to "City
3 Depositories," by adding provisions
4 restricting City Depositories from
5 providing certain services to
6 corporations, banks, or financial
7 institutions that do business in Iran or
8 Sudan, and imposing duties on the City
9 Treasurer with respect to said
10 restrictions, and amending Section
11 22-1001, relating to "Investments," by
12 adding a new subsection requiring the
13 Board of Pensions and Retirement to
14 divest from business entities doing
15 business in Iran or Sudan, all under
16 certain terms and conditions.

17 Bill 090119, an ordinance
18 amending Chapter 19-2600 of The
19 Philadelphia Code, entitled "Business
20 Privilege Taxes," by adding the
21 definition of "certified sustainable
22 business" and by excluding from the
23 definition of receipts, any receipts from
24 the specific business conducted by
25 certain certified sustainable businesses,

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 under certain terms and conditions.

3 Bill No. 090687, an ordinance
4 amending Bill No. 090212 (approved May
5 27, 2009), entitled "An ordinance to
6 adopt a Capital Program for the six
7 Fiscal Years 2010-2015 inclusive," by
8 revising and adding certain projects,
9 amounts and sources.

10 Bill No. 090688, an ordinance
11 amending Bill No. 090213 (approved May
12 27, 2009), entitled "An ordinance to
13 adopt a Fiscal 2010 Capital Budget," by
14 revising and adding certain projects,
15 amounts and sources.

16 Bill No. 090690, an ordinance
17 amending Chapter 19-2600 of The
18 Philadelphia Code, entitled "Business
19 Privilege Taxes," to provide for a tax
20 credit to surety companies that provide
21 construction surety bonds to
22 Disadvantaged Business Enterprises, all
23 under certain terms and conditions.

24 COUNCILWOMAN TASC0: Thank you
25 very much.

1 11/17/09 - FINANCE - BILLS 080746, etc.

2 The Chair would like to
3 recognize Councilman DiCicco.

4 We now will call on the
5 Administration to come forth regarding
6 Bills 090687 and 090688, which is a
7 continuation from our hearing on
8 10/20/09.

9 (Witnesses approached witness
10 table.)

11 MR. AGOSTINI: Good afternoon,
12 members. Steve Agostini, Budget Director
13 for the City of Philadelphia.

14 COUNCILWOMAN TASCO: Good
15 afternoon.

16 MR. DONATO: And Chris Donato,
17 Deputy Budget Director for Capital.

18 COUNCILWOMAN TASCO: Proceed
19 with your testimony.

20 MR. AGOSTINI: Well, my
21 apologies. We had not planned on giving
22 testimony. I understand this bill was
23 before you at an earlier point in time.
24 At the moment, we would respectfully ask
25 Council to move on both of these bills,

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 because for one of them, it would allow
3 us to acknowledge the receipt of grant
4 funding of approximately \$8.4 million of
5 a grant that would allow us in part to
6 make an initial payment that had been
7 anticipated in the budget but provide us
8 the funds to do so for our refresh of the
9 800 megahertz public safety communication
10 system.

11 I understand that Council has
12 had some questions about this; most
13 notably, the circumstances surrounding
14 the grant application itself, as well as
15 what would happen to the additional
16 resources. As I've said to at least one
17 of your colleagues, it would be my
18 intention, if it is the desire of
19 Council, that before any action were
20 taken to spend these funds, that the
21 Budget Office would reserve those funds
22 and plan on coming back to Council with a
23 plan for the expenditure of those funds
24 in advance of spending anything. But we
25 would ask respectfully that you would

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 approve both of those items and move them
3 forward given that it does represent some
4 significant resources to the City's
5 budget.

6 COUNCILWOMAN TASCO: The Chair
7 recognizes Councilman Green.

8 COUNCILMAN GREEN: Good
9 afternoon.

10 MR. AGOSTINI: Good afternoon.

11 COUNCILMAN GREEN: Just for the
12 record, what is the negative impact of
13 holding this bill? We can still accept
14 the funds, put them in our bank account?

15 MR. AGOSTINI: There would be
16 no negative impact, Councilmember.

17 COUNCILMAN GREEN: For the
18 holding the bill?

19 MR. AGOSTINI: For holding the
20 bill.

21 COUNCILMAN GREEN: As long as
22 we pass it by the end of the fiscal year?

23 MR. AGOSTINI: Correct. And if
24 you were to do that, I think what we
25 would contemplate is coming back with

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 either an end-of-year amendment for the
3 capital spending in '10 or some
4 recognition of the funds for the FY11
5 Capital Plan.

6 COUNCILMAN GREEN: And also
7 just for the record, there was testimony
8 here on the 20th that sort of there was
9 an idea of where these funds were going
10 to be spent, et cetera, and is it fair to
11 say that at this moment, \$6.4 million of
12 this grant funding is not identified for
13 a specific purpose or project and that by
14 putting it in the capital budget, we
15 would in fact be writing a blank check
16 without having an understanding of what
17 the capital money would be spent for?

18 MR. AGOSTINI: Councilmember,
19 it is a fair statement. It's actually
20 6.8 million, that if that were made
21 available, it would represent an addition
22 in resources to our 9-1-1 funding for a
23 variety of program and capital
24 expenditures. And you are correct, we do
25 not have at this moment a plan on how

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 those would be spent. It would be
3 subject of subsequent requests for
4 appropriation authority from this body.

5 So, yes, that is indeed a fair
6 statement. At this moment, we don't have
7 a plan for how to spend those funds.

8 COUNCILMAN GREEN: But if we
9 did pass this budget, you wouldn't have
10 to come back to us? I mean, you could
11 spend the money?

12 MR. AGOSTINI: Councilmember,
13 we could, but I think honestly --

14 COUNCILMAN GREEN: I'm not
15 disputing your word at all.

16 MR. AGOSTINI: I know. Yes, in
17 theory, were there someone else sitting
18 in this chair representing the City, they
19 could indeed move forward. I would
20 commit to you we would reserve, before we
21 would appropriate anything, we would come
22 to you with a plan. But if you decided
23 to hold it, I would understand that as
24 well, and to your point earlier, no, it
25 would not be a huge problem for us. We

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 would just accommodate that and come back
3 to this body at a later point in time.

4 COUNCILMAN GREEN: Thank you.

5 COUNCILWOMAN TASC0: Questions
6 from other members of the Committee?

7 (No response.)

8 COUNCILWOMAN TASC0: Thank you
9 very much.

10 MR. AGOSTINI: You're welcome.

11 COUNCILWOMAN TASC0: Next we
12 will have -- let me report that Bill No.
13 090690 will be held.

14 Bill No. 080746. The Chair
15 recognizes City Treasurer Rebecca
16 Rhyhart, Daniel Kutner and Kat Harrison.

17 (Witnesses approached witness
18 table.)

19 COUNCILWOMAN TASC0: I'm sorry.
20 Let me just back up here. Panel 1 will
21 be the City Treasurer and Hugh Ortman.

22 You can all just sit there.

23 We'll call you when your time comes.

24 Good afternoon.

25 MS. RHYNHART: Good afternoon,

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 Councilwoman Tasco. My name is Rebecca
3 Rhynhart, City Treasurer, City of
4 Philadelphia. I am here to testify on
5 behalf of Bill No. 080746.

6 Bill No. 080746, introduced by
7 Councilman Kenney, amends Section 19-201
8 of The Philadelphia Code, entitled "City
9 Depositories," by adding provisions
10 restricting City Depositories from
11 providing certain services to
12 corporations, banks or financial
13 institutions that do business with Iran
14 or Sudan. According to the bill, the
15 City Treasurer shall not keep any City
16 funds on deposit in any bank or other
17 financial institution that knowingly
18 provides certain services to entities
19 doing business in Iran or Sudan.

20 The Administration has no
21 objection to this bill and the proposed
22 amendments. I note, however, that the
23 Law Department has advised that with
24 respect to Iran, where an extensive
25 federal sanctions regime is currently in

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 place, federal law preempts local
3 governments like the City from
4 implementing laws in that field of
5 foreign affairs. Accordingly, if the
6 bill becomes law, the Administration must
7 evaluate and determine how to implement
8 the bill within the confines of the law.

9 With respect to Sudan, federal
10 law specifically allows contracting and
11 related rules within certain confines
12 that the bill follows, so the Law
13 Department advises that the Sudan
14 provisions do not present a preemption
15 problem.

16 This concludes my testimony. I
17 am happy to answer any questions you may
18 have.

19 COUNCILWOMAN TASCO:

20 Mr. Ortman, do you have any testimony?

21 COMMISSIONER ORTMAN: Yes, I
22 do.

23 COUNCILWOMAN TASCO: Go ahead.

24 COMMISSIONER ORTMAN: Thank
25 you.

1 11/17/09 - FINANCE - BILLS 080746, etc.

2 Good afternoon, Councilwoman
3 Tasco and members of the Committee on
4 Finance. I am Hugh Ortman, Procurement
5 Commissioner for the City of
6 Philadelphia, and am here to offer
7 testimony in support of Bill No. 080746
8 introduced on October 16, 2008 by
9 Councilman Kenney.

10 This bill proposes to amend
11 Section 17-104 of The Philadelphia Code
12 by adding a new subsection prohibiting
13 the acceptance of bids on City contracts
14 from, or the execution of original or
15 renewal of contracts with, corporation or
16 other business entities that do business
17 in Iran or Sudan. This bill also imposes
18 some additional duties on the Procurement
19 Department.

20 Specifically, this bill would
21 require that no City agency, in the
22 procurement of goods and services, may
23 accept any bid from nor enter into an
24 original or renewal contract with nor
25 purchase any product manufactured by any

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 business entity doing business with Iran
3 or Sudan. Proposed amendments to this
4 legislation would add on exception to
5 this provision where there is a federal
6 override in place with respect to Iran or
7 Sudan, as applicable, or unless an
8 exclusion from disqualification applies.

9 This bill further requires that
10 each City bid and contract must contain a
11 clause stating that the business entity
12 does not do business in Iran or Sudan.
13 In addition, the proposed amendments
14 would add that no products being
15 delivered pursuant to the contract were
16 manufactured by an entity doing business
17 in Iran or Sudan, unless a federal
18 override with respect to Iran and Sudan,
19 as applicable, is in place or exclusion
20 from disqualification applies.

21 The proposed amendment would
22 allow the Procurement Department to waive
23 compliance with the provisions of
24 Subsection 17-104(3)(b) on several
25 grounds enumerated in the bill. The

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 Procurement Department has no objection
3 to this bill and the proposed amendments.
4 I note, however, that the Law Department
5 has advised that with respect to Iran,
6 where an extensive federal sanctions
7 regime is in place, federal law preempts
8 local governments like the City from
9 implementing laws in that field of
10 foreign affairs. Accordingly, if the
11 bill becomes law, the Administration must
12 evaluate and determine how to implement
13 the bill within the confines of the law.

14 With respect to Sudan, federal
15 law specifically allows contracting and
16 related rules within certain confines
17 that the bill follows, so the Law
18 Department advises that the Sudan
19 provisions do not present a preemption
20 problem.

21 The Administration agrees that
22 we should participate in the movement of
23 local governments to send a message that
24 we oppose regimes such as Iran and Sudan
25 that do not abide by the law of nations

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 and/or respect fundamental human rights
3 of their own citizens.

4 This concludes my testimony. I
5 would be happy to answer any questions
6 from the Committee.

7 COUNCILWOMAN TASCO: Thank you
8 very much.

9 The Chair recognizes Councilman
10 Kenney.

11 COUNCILMAN KENNEY: Thank you,
12 Madam Chair, and thank you very much for
13 your testimony. Give a little bit of
14 history, which I think many of the
15 members of this Council know. With
16 basically groundbreaking legislation
17 many, many years ago, the Sullivan
18 Principles were adopted here in the City
19 of Philadelphia and in many other cities
20 and states around the country. At the
21 time that that legislation was being
22 considered and eventually passed, there
23 were criticisms that cities should not be
24 involved in these type of
25 national/international issues, and I

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 think that we've seen as a result of what
3 happened in South Africa, as a result of
4 the pressure that was given around the
5 country to the destruction of apartheid,
6 that that was incorrect. I myself when I
7 came to Council here copied that idea and
8 applied similar restrictions based on the
9 MacBride Principles to City procurement
10 and depositories, and, again, other
11 cities around the world began to
12 understand some of the issues relative to
13 the northern end of Ireland and followed
14 suit. I don't think only because of
15 that, but I think it contributed to the
16 kind of peace that we have today in the
17 power sharing. Similar circumstances I
18 would like to apply to Sudan and Iran.

19 The question I have is is that
20 if federal preemption, I would assume --
21 and there's no one from the Law
22 Department here that I know of. As long
23 as we're not reversing or exceeding what
24 the federal law requires, I don't
25 understand why there's a preemption

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 problem. If we were trying,
3 hypothetically, to reverse what the
4 federal government has done in
5 sanctioning Iran by still doing business
6 with them, I can understand. I can see
7 if we were trying to exceed what the
8 federal law has already in place. But if
9 we're mirroring the federal law in our
10 own statute, I don't think presumption is
11 really even an issue.

12 So, again, if there's anything
13 you could add to enlighten us or the
14 record in that regard, please feel free,
15 but, again, I don't think we're reversing
16 or exceeding the current federal law, so
17 I think it should be safe. And, again,
18 there's no one here from the Law
19 Department, so...

20 COUNCILWOMAN TASCO: Other
21 comments?

22 COUNCILMAN GREEN: I think
23 she's going to try to answer the
24 question.

25 MS. RHYNHART: In terms of a

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 response to that, I mean, that seems like
3 it makes sense, but, I mean, I think the
4 Law Department's opinion is that we'll
5 have to look at the bill in terms of
6 implementation in regards to the federal
7 law, but it didn't -- I don't think the
8 Law Department was saying we couldn't
9 pass the bill.

10 COUNCILMAN KENNEY: In some
11 ways it's antithetical to the federal law
12 in that it would preclude us from being
13 involved and helping to put this pressure
14 on this rogue country that has no respect
15 for anyone. So, I mean, we're just
16 simply echoing, I think, in this
17 legislation what the federal restrictions
18 are now. And, again, if the Law
19 Department needs to interpret it further
20 down the road, I understand, but I want
21 that for the record, that there's no
22 intersection to reverse or extend or
23 expand what we're doing here more than
24 the federal government, but I think we
25 should all be kind of pulling the same

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 way and rowing the same direction.

3 MS. RHYNHART: And that's our
4 understanding as well.

5 COUNCILMAN KENNEY: Okay.
6 Thank you.

7 COUNCILWOMAN TASCO: Thank you
8 very much.

9 Any other questions for this
10 panel?

11 Councilman Green.

12 COUNCILMAN GREEN: My questions
13 are all legal also, which sort of puts
14 you in a bad position, I guess. If
15 you're going to have a legal opinion
16 here, perhaps the person who wrote it
17 could join us for these hearings. But I
18 want you to be clearer in your testimony.
19 Are you saying that you support this
20 bill?

21 MS. RHYNHART: Yes, I would say
22 the Administration supports the bill.

23 COUNCILMAN GREEN: Okay. Will
24 you enforce this bill as written?

25 MS. RHYNHART: To the extent

1 11/17/09 - FINANCE - BILLS 080746, etc.

2 that we can according to the law, yes.

3 COUNCILMAN GREEN: So it's your
4 testimony that to the extent this bill
5 doesn't violate federal law, you will
6 enforce it?

7 MS. RHYNHART: That's correct.

8 COUNCILMAN GREEN: It's also
9 your testimony, then, that you will not
10 enforce things that the Law Department
11 feels violate federal law?

12 MS. RHYNHART: Right. I would
13 follow the Law Department's lead on that.

14 COUNCILMAN GREEN: Just for the
15 record, this has been a significant issue
16 that my office has had with the City
17 Solicitor and many city solicitors of the
18 past. It's been an issue for Council,
19 and, that is, it is my firmly held belief
20 that in order for the Law Department to
21 not enforce a law passed by this body in
22 the methods laid out in the Charter, that
23 the Law Department must go to court and
24 have that law declared invalid in order
25 to not enforce it. And I'd just like for

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 the record that's what we would expect
3 the Law Department -- that's certainly --
4 I'm speaking only for myself. That's
5 what I expect the Law Department to do or
6 you to do with respect to any aspect of
7 this law that you find unenforceable,
8 have it declared invalid in a court of
9 law. Otherwise, it is your duty and the
10 duty of every officer of the City to
11 enforce city laws passed by this body. I
12 just wanted to make that clear for the
13 record that that's my view.

14 MS. RHYNHART: Okay.

15 COUNCILMAN KENNEY: Madam
16 Chair, just one other for the record.

17 We have taken out the
18 provisions relative to the Pension Board.
19 They have decided on their own to do
20 resolutions appropriately to respect this
21 proposed ordinance, so we don't have the
22 need for language relative to the Pension
23 Board in this particular ordinance, and I
24 just wanted to make sure that the record
25 is clear on that, and we have a letter

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 from the Pension Board saying what I had
3 just articulated to you.

4 Thanks.

5 COUNCILWOMAN TASCO: Thank you
6 very much.

7 We just got a copy of the
8 opinion from the Law Department.
9 Ms. Marsh, could you have Mr. Rosman over
10 here, please, while we're going through
11 this hearing.

12 We'll call you back. We need
13 to have him here to sort of like hear the
14 comments from the Councilmembers as well
15 as discuss what their action might be
16 given the fact that we're not superseding
17 or going around the federal law.

18 MS. RHYNHART: Sure. Makes
19 sense.

20 COUNCILWOMAN TASCO: Thank you.

21 Next we have a panel
22 representing Daniel Kutner, Consul
23 General of Israel, and Robin Schatz,
24 Jewish Federation of Greater
25 Philadelphia.

1 11/17/09 - FINANCE - BILLS 080746, etc.

2 (Witnesses approached witness
3 table.)

4 MR. KUTNER: Thank you,
5 Chairwoman Tasco, members of the
6 Committee, ladies and gentlemen. Thank
7 you for inviting me today to address you
8 on this vital issue of Iranian
9 divestment.

10 The State of Israel supports
11 U.S. governmental policy, in accordance
12 with UN Security Council resolutions, to
13 put an end to Iran's uranium enrichment
14 program through a combination of
15 diplomatic engagement and economic and
16 financial sanctions. The City of
17 Philadelphia can contribute greatly to
18 the success of these efforts by joining
19 in the policy of a divestment from firms
20 that support Iranian economy and military
21 sectors.

22 Iran poses a severe danger to
23 the stability of the Middle East and
24 threatens vital U.S. interests. It
25 supports terror organizations and stands

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 behind terror attacks against American
3 and allied troops in Iraq. It also
4 provides guidance, money and weapons to
5 Hizballah in Lebanon and to the
6 Palestinian Hamas, as well as to other
7 Islamist organizations that oppose the
8 peace process and fight reconciliation of
9 Palestinians and Israelis.

10 In its pursuit of regional
11 hegemony, Iran poses a danger to key
12 American allies like Saudi Arabia, Israel
13 and the Gulf states. It encourages and
14 supports Islamist opposition movements
15 throughout the Middle East, from Morocco
16 and Yemen, Jordan and Iraq.

17 Iran is engaged in a nuclear
18 program in defiance of international
19 community and the United Nations Security
20 Council resolutions. It has developed
21 its capabilities in secret until forced
22 to admit their existence when information
23 was made public. It has refused to
24 answer the questions posed by the
25 international Atomic Energy Agency, to

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 the point that the issue was transferred
3 to the UN Security Council. Since then,
4 four resolutions have demanded that Iran
5 stop its enrichment program and cooperate
6 with the IAEA. There is a consensus
7 among the main Intelligence agencies that
8 Iran is secretly pursuing a military
9 nuclear capability.

10 A nuclear-capable Iran will be
11 even bolder in pursuing its regional
12 hegemonic ambitions. When coupled with
13 its already existing missile
14 capabilities, it can threaten countries
15 750 miles away, including Israel, I may
16 add, and in the near future, even 1,550
17 miles and more. It could even put
18 fissile material in the hands of
19 terrorist groups and threaten Iran's
20 perceived enemies, including the United
21 States and Israel.

22 International pressure is
23 essential in order to bring the Iranian
24 leadership to desist from its enrichment
25 program. Iran has changed its policies

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 in the past as a consequence of
3 international pressure and it might do it
4 again. Only the threat of crippling
5 sanctions will convince the Iranian
6 leadership to show flexibility in the
7 negotiating table. Iran's economic
8 situation is not good, after the decline
9 of oil prices, and internal unrest,
10 following irregularities in the last
11 presidential elections, has increased the
12 vulnerability of their regime. It is
13 essential to increase pressure on Iran so
14 as to deny it the investments and
15 technology needed by its obsolete oil
16 sector and strategic industries, now
17 increasingly under the control of the
18 Iranian Revolutionary Guards Corps.

19 The City of Philadelphia can
20 effectively contribute to this worldwide
21 pressure by adopting a policy of assuring
22 that funds do not support companies
23 helping the Iranian oil or defense
24 sectors. Deterring western oil and
25 defense companies from investing or

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 selling to Iran will show its leadership
3 the dangers of pursuing its policies in
4 defiance of the international community
5 and, therefore, will strengthen the hand
6 of U.S. and international negotiators in
7 their attempt to bring about the desired
8 change in Iranian nuclear policy by
9 diplomatic means.

10 Thank you very much.

11 COUNCILWOMAN TASC0: Thank you
12 very much. We welcome you to the City
13 Council.

14 Hi, Ms. Schatz. How you doing?

15 MS. SCHATZ: Hello, Chairwoman
16 Tasco. It's a pleasure to be back and on
17 this side of the table.

18 Thank you for the opportunity
19 to speak to you in support of Bill No.
20 080746 regarding divestment from Iran and
21 Sudan.

22 These are two issues of vital
23 importance to the Jewish community, both
24 in the Philadelphia area and throughout
25 the nation, and we are grateful to

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 Councilman Kenney and City Council for
3 taking the lead in this issue.

4 I believe that Sarah passed out
5 in packets, in addition to my rather
6 limited testimony, there are letters of
7 support from the Pennsylvania Jewish
8 Coalition, with which I'm working to pass
9 divestment legislation in the General
10 Assembly, from Bradley Gordon, who is the
11 Director of Policy and Government Affairs
12 for AIPAC, and also from State Senator
13 Michael Stack, who has introduced
14 legislation on the Senate side pursuant
15 to divestment from Iran and Sudan.

16 Certainly the Jewish
17 community's concern about Darfur are
18 understandable. As the target of
19 genocide during the Holocaust, the Jewish
20 community has been at the forefront of
21 the battle to bring awareness to the
22 genocide taking place in Darfur. Since
23 the conflict began, more than 300,000
24 people have been killed and close to 3
25 million people displaced from their

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 homes.

3 Iran, which we're mostly
4 concerned I think at this point, is the
5 biggest threat to peace in the Middle
6 East and to American interests both here
7 and abroad. Iran's rhetoric directed
8 against the United States and Israel
9 grows on a seemingly daily basis.
10 Threats including their nuclear weapons
11 program, their documented record of
12 failing to comply with UN sanctions or
13 diplomatic agreements, and the recent
14 capture of a ship loaded with weaponry
15 and bound for Hezbollah militants clearly
16 demonstrates the need for action.

17 American companies and
18 governments have a clear legal right and
19 moral obligation to exercise discretion
20 in how our money is being invested.
21 Economic sanctions can be an effective
22 tool against terrorist regimes. The
23 divestment campaign in South Africa, to
24 which Councilman Kenney referred and
25 which Philadelphia participated, helps

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 bring about the end of apartheid. The
3 stakes are even more serious in Darfur
4 and Iran. With Darfur, we are seeing
5 another genocide playing out on the world
6 stage, and with Iran, the threat of
7 nuclear devastation, destabilization of
8 the Middle East and attacks against
9 American troops and interests abroad and
10 at home, these represent a clear and
11 present danger.

12 In the 2007 study conducted by
13 the Center for Security Policy, over 75
14 percent of Americans said that they would
15 rather invest in financial products that
16 exclude companies doing business with
17 state sponsors of terrorism, including
18 Sudan and Iran. States such as Missouri,
19 California and Florida have taken the
20 lead, and Pennsylvania is poised to pass
21 similar legislation. But taking a moral
22 stand does not mean taking a financial
23 hit. In fact, terror-free investing is
24 good business. Pension funds in Missouri
25 and Florida have both seen increases in

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 their earnings since divestment laws have
3 been enacted.

4 Economic sanctions are but one
5 tool enforcing change, but it is an
6 effective tool. Your support and passage
7 of this crucial legislation sends a
8 message that Philadelphia will not
9 contribute to regimes that threaten the
10 safety of our world.

11 Thank you.

12 COUNCILWOMAN TASC0: Thank you
13 very much.

14 Is there a list of the
15 companies that are currently doing
16 business in Iran?

17 MS. SCHATZ: I think it's about
18 20 companies, and I do have that list and
19 I apologize. I will send that to you
20 this afternoon.

21 COUNCILWOMAN TASC0: Thank you
22 very much. We'll share it with the
23 Committee.

24 MS. SCHATZ: Great. Thank you.

25 COUNCILWOMAN TASC0: Thank you.

1 11/17/09 - FINANCE - BILLS 080746, etc.

2 Are there any questions on
3 behalf of these witness?

4 (No response.)

5 COUNCILWOMAN TASC0: Thank you
6 very much for your testimony. We
7 appreciate your coming.

8 MS. SCHATZ: Thank you.

9 MR. KUTNER: Thank you.

10 COUNCILWOMAN TASC0: Is there
11 anyone else to testify on this bill? I'm
12 sorry. Ms. Harrison.

13 MS. HARRISON: Good afternoon,
14 Councilmembers. My name is Kat Harrison.
15 I'm the Executive Director of Darfur
16 Alert Coalition. I would like to thank
17 Councilman James Kenney and his Director
18 of Legislative Affairs, Sarah Sachdev,
19 for reaching out to us to testify today.

20 Since 2004, DAC has been a
21 partnership between Philadelphia's
22 Sudanese community; in particular, the
23 Darfurian community, and non-Sudanese
24 Greater Philadelphia residents concerned
25 about the disturbing reports of war

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 crimes and crimes against humanity that
3 started coming out from Darfur in 2003.
4 Then and now, DAC's mission has been to
5 educate the community about the genocidal
6 violence going on in Darfur -- and, yes,
7 it is still going on today -- and to
8 advocate for its end by engaging elected
9 officials on city, state and national
10 levels to execute policy designed to
11 protect the people of Darfur, to strip
12 their attackers of power and to disable
13 and isolate the government of Sudan,
14 which brings me why I'm here today.

15 A resolution which guided
16 Philadelphia's Pension Board to divest
17 from companies proven to be funding the
18 genocidal regime of Sudan was passed a
19 few years ago. I am here today to
20 testify to the effectiveness of such a
21 resolution adopted by the Council and to
22 support the case for Resolution 080746.

23 I mentioned earlier that the
24 genocide is still going on. Despite the
25 lack of local media coverage of the

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 conflict, let this not be doubted. On
3 June 28th, government airplanes attacked
4 an area 70 miles northwest of El Fashir,
5 the capital North Darfur. Rebel forces
6 reported the death of ten civilians in
7 the town of Hashaba. In late August, 28
8 internally displaced person camp leaders
9 were arrested by the government of
10 Sudan's commissions, who were sent to the
11 camps to tell these IDPs to return to
12 their villages. The camp leaders
13 demanded safety of their return,
14 reparations for lost property and
15 disarmament of the Janjaweed forces that
16 originally attacked them. For these
17 demands, they were arrested, and their
18 whereabouts are currently unknown.

19 Finally, on September 28th,
20 Korma, a region in North Darfur, was
21 bombed by Antonov planes and attacked by
22 Janjaweed soldiers. This attack mirrored
23 those carried out in vast number from
24 2004 to 2007. Witnesses reported that
25 over 30 women were raped and 40 people

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 were purported to be killed, hundreds
3 more injured. Clearly, the genocide is
4 still going on.

5 I could continue for much
6 longer, but I would like instead to just
7 close by making two important points on
8 this legislation. First, any money
9 prevented from ending up in the pockets
10 of government of Sudan would work to
11 disable, isolate and strip power of the
12 regime that has waged two wars against
13 its own people. The total amount of
14 money divested from the Pension Board --
15 or by the Pension Board's resolution was
16 reported to be nearly \$150 million. This
17 is 100 million not spent on Antonov plane
18 bombs, another 40 million not spent on
19 semi-automatic rifles used by the
20 Janjaweed, and, finally, 10 million in
21 blood money not used to pay tribe members
22 for carrying out the dirty work of the
23 government.

24 I do not say this to be
25 dramatic. Instead, I say this to

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 demonstrate the power of Philadelphia's
3 money to physically reduce the effects of
4 crimes against humanity being committed
5 halfway around the world.

6 Secondly, over 25 states in the
7 U.S. have adopted Sudan divestment
8 legislation. Several cities, including
9 Boston and San Francisco, have adopted
10 similar legislation to contribute to the
11 total of billions of dollars in
12 divestment that the government of Sudan
13 would otherwise have used to attack its
14 own people. I ask that the Council
15 recognize Philadelphia's part in this,
16 because some of all divestment efforts
17 combined is a serious amount of money
18 that the government of Sudan is not
19 receiving right now to wage a war on its
20 people. Please decide to expand
21 Philadelphia's part in these efforts, as
22 right now is the time that the world
23 should be recommitting its support to the
24 region and people of Darfur.

25 I sincerely thank you for your

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 attention to this resolution and for your
3 commitment to peace in the area. If you
4 have any questions, I'm more than happy
5 to answer them.

6 COUNCILWOMAN TASCO: Thank you
7 very much.

8 Well, all of the actions taken
9 by the states that you listed, have you
10 seen any economic impact in Darfur?

11 MS. HARRISON: I wouldn't want
12 to guess on that, actually analyzing the
13 numbers, but I'd be more than happy to
14 investigate and send reports to you.
15 More than happy to. Unfortunately, my
16 President Dr. Ali Dinar, is abroad right
17 now, out of the country, and I'm here in
18 his place and he'd be much more informed
19 on those statistics.

20 COUNCILWOMAN TASCO: Thank you
21 very much.

22 Any other questions or comments
23 from members of the Committee?

24 (No response.)

25 COUNCILWOMAN TASCO: Thank you

1 11/17/09 - FINANCE - BILLS 080746, etc.

2 so much for your testimony.

3 Is there anyone else here to
4 testify on this bill?

5 (No response.)

6 COUNCILWOMAN TASCO: We will
7 move on to Bill No. 090119.

8 Is Katherine here and Keith
9 Richardson.

10 (Witnesses approached witness
11 table.)

12 COUNCILWOMAN TASCO: Good
13 afternoon.

14 COMMISSIONER RICHARDSON: Good
15 afternoon, Councilwoman Tasco and members
16 of the Finance Committee. My name is
17 Keith Richardson. I'm the Revenue
18 Commissioner. I am here to testify on
19 Bill No. 090119, which proposes an
20 exclusion from the definition of receipts
21 for the business privilege tax, any
22 receipts from certified sustainable
23 businesses.

24 As you know, the mission of the
25 Department of Revenue is to collect

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 revenue due to the City and tax revenue
3 due to the School District of
4 Philadelphia and to do so promptly,
5 courteously and in a manner that inspires
6 public confidence in the integrity and
7 fairness of the Department.

8 The City of Philadelphia raises
9 approximately 70 percent of the funds it
10 needs to provide City services from
11 taxes, making appropriate tax policy and
12 tax administration essential to
13 protecting and improving the lives of
14 Philadelphia residents. In addition to
15 fairly collecting revenues due to the
16 City, the Department administers tax
17 credits and other policies to promote
18 economic and social goals, such as job
19 creation, green roofs and community
20 development. The Department is committed
21 to playing a role in the ongoing
22 sustainability and vitality of
23 Philadelphia through its operations. We
24 support the motivation behind this bill
25 and others to ensure that our tax code

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 encourages responsible, sustainable
3 business activity in Philadelphia.

4 The Administration is eager to
5 work with Council to develop and
6 implement initiatives for improving
7 Philadelphia's sustainability and believe
8 that Bill 090119, with modifications, can
9 achieve this goal.

10 As the initiative was
11 originally proposed, the Department of
12 Revenue would not have the capacity and
13 tools necessary to evaluate that only
14 firms eligible for the receipts exclusion
15 are receiving this benefit. Similar
16 exclusions restricted to narrowly defined
17 groups of firms have proved challenging
18 from a compliance standpoint, requiring
19 review of individual tax returns and
20 back-up documentation. As any of the
21 roughly 80,000 business privilege tax
22 filers could be eligible for a certified
23 sustainable business receipts exclusion,
24 ensuring appropriate compliance would be
25 overwhelming.

1 11/17/09 - FINANCE - BILLS 080746, etc.

2 By revising the bill to offer a
3 tax credit rather than a receipts
4 exclusion, the Department of Revenue's
5 ability to ensure that the benefits go to
6 truly sustainable firms is vastly
7 improved. The Administration supports
8 amendments to Bill 090119 that would
9 offer a tax credit, capped at a total of
10 \$100,000 annually with a maximum credit
11 per firm of \$4,000 in place of receipts
12 exclusion. The proposed change to a tax
13 credit would promote more efficient
14 administration and, thus, save the City
15 tax dollars. The Administration supports
16 an effective date of tax year 2012 to
17 allow adequate time to develop
18 regulations and operational procedures
19 for the administration of the tax credit
20 and an end year of 2017.

21 The questions and ideas raised
22 by Bill 090119 have helped focus
23 discussion around the ways the City of
24 Philadelphia can promote economic and
25 sustainable activities and represents an

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 important step in securing the bright
3 future of our community. With the
4 suggested amendments, this incentive can
5 further our efforts to become the
6 greenest city in America. I look forward
7 to a continued partnership with City
8 Council to support our firms, families
9 and physical environment today and in the
10 future.

11 Thank you, and I'm happy to
12 answer any questions.

13 COUNCILWOMAN TASCO: Thank you
14 very much.

15 Katherine.

16 MS. GAJEWSKI: Thank you. Good
17 afternoon, Chairwoman Tasco and members
18 of the Council Committee on Finance. I
19 am Katherine Gajewski, Director of the
20 Mayor's Office of Sustainability. I am
21 here to testify on Bill No. 090119, with
22 amendments, which proposes an exclusion
23 from the definition of receipts for the
24 business privilege tax, any receipts from
25 certified sustainable businesses.

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2 The Mayor's Office of
3 Sustainability is responsible for the
4 implementation of Greenworks
5 Philadelphia, the City's comprehensive
6 sustainability plan. Rising energy
7 prices, climate change and an emerging
8 green economy are resulting in global
9 market changes. As the United States
10 makes progress towards both domestic and
11 international energy and climate
12 commitments, I believe that we are at the
13 beginning of what will be a large-scale
14 transition towards a clean energy
15 economy. Cities like Philadelphia will
16 thrive in a world where fuel prices are
17 high and carbon has a price tag. Our
18 urban assets, our dense durable housing
19 stock, transit infrastructure and
20 amenities will take on increased value
21 and position us for growth.

22 With Greenworks as our guide,
23 we will face these challenges and
24 emerging opportunities and reposition
25 Philadelphia as a city prepared to thrive

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 in the 21st century. Our aim is to grow
3 as a green city, to embrace energy
4 efficiency and social equity, not only as
5 core values but as investment strategies
6 for our community.

7 The question we now grapple
8 with is how we leverage our strengths,
9 address barriers and develop a
10 comprehensive economic development
11 strategy. Philadelphia's identity as the
12 greenest city in America will depend on
13 our ability to grow and support a vibrant
14 network of green companies, to attract
15 successful new members of green
16 industries, encourage local green
17 start-ups and to foster increased
18 awareness of local supply chains.

19 As a first step in this
20 process, the Mayor's Office of
21 Sustainability is supporting a market
22 analysis to help us to better understand
23 where this growth potential lies. With
24 grant funding from the Knight Foundation,
25 we have recently contracted with the

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 Keystone Resource Center to conduct a
3 green jobs framing study, which will
4 flesh out in more detail for us the
5 economic and job creation potential of
6 aggressive city and regional efforts to
7 promote and grow the green economy. The
8 City will also spell out how strategic
9 workforce and economic development
10 initiatives can help realize the region's
11 green jobs potential in alignment with
12 the Greenworks' target of doubling the
13 number of both low- and high-scale green
14 jobs in Philadelphia by the year 2015.
15 Our hope is that the findings will help
16 to guide subsequent policy development
17 and investment strategies. The study
18 will be complete this winter and will be
19 made publicly available.

20 Several American cities
21 throughout the country have already
22 recognized the potential for green
23 industry to spur both economic growth and
24 a shift to a more sustainable urban
25 environment. However, few have so far

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 developed comprehensive business
3 attraction plans, suggesting that
4 Philadelphia has an opportunity to become
5 one of the first U.S. cities to create
6 and advertise a cohesive set of
7 activities and incentives to lure
8 sustainable industries.

9 In order to position
10 Philadelphia in this quickly emerging
11 marketplace, we believe that we need to
12 plan and act quickly and aggressively.
13 The Mayor's Office of Sustainability is
14 participating in a working group with
15 PIDC, Commerce, and Planning and Economic
16 development to develop a green business
17 economic development plan. We have
18 drafted a preliminary white paper and
19 will be convening key stakeholders over
20 the coming weeks to review and discuss
21 this framework and to also identify
22 potential partnerships and resources to
23 support the development of a business
24 attraction and development program.

25 A critical component of this

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 process will be to better understand how
3 the City can help existing local green
4 businesses to grow while encouraging new
5 start-ups and attracting new companies,
6 both large and small. From here, we will
7 need to develop an effective incentive
8 program. Such a program could include
9 rent reductions in certain zones,
10 programs for entrepreneurs, tax
11 incentives, start-up funding grants and
12 so on. We also need to identify the
13 regulatory and standard government
14 operating procedures that act as barriers
15 to growth and then change them.

16 The provisions in this bill,
17 set to take effect in the year 2012,
18 would become a component of this larger
19 strategy and would represent an attempt
20 to formally incent sustainable
21 businesses, demonstrating and
22 understanding that triple bottom line
23 models provide enhanced benefits to the
24 local economy and to communities. From
25 our research, we think that we would be

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 one of the first cities to offer such a
3 tax credit. Because of this, I believe
4 that a tax credit, capped at a total of a
5 hundred thousand dollars annually with a
6 maximum credit per firm of 4,000, is a
7 smart initial approach to take.
8 Additionally, an annual reporting
9 requirement and five-year sunset will
10 allow us to learn from the program along
11 the way and potentially adapt as
12 necessary in order to enhance its
13 effectiveness.

14 Increasingly over the last ten
15 or so years businesses have taken steps
16 to incorporate sustainable practice into
17 their operations. As demand for
18 sustainable products and services has
19 increased, taking on heightened value in
20 the marketplace among our consumers,
21 businesses in this sector have sought to
22 clearly identify themselves while
23 consumers at the same time seek greater
24 confident in knowing what is real versus
25 what is merely a branding scheme.

1 11/17/09 - FINANCE - BILLS 080746, etc.

2 To meet this need for
3 independent verification within a growing
4 market, green business certification
5 standards have been developed by both
6 third-party organizations as well as by
7 governmental entities across the country.
8 Certification standards are meant to
9 establish and identify a certain market
10 brand, while related membership
11 organizations provide marketing
12 opportunities as well as a professional
13 network meant to strengthen the business
14 sector by providing advocacy, education,
15 technical services and partnership
16 opportunities. Here in Philadelphia, the
17 Sustainability Business Network, an
18 independent 501(c)(3), has grown to 500
19 members, 250 of which are within the City
20 limits.

21 Thus far, most of the existing
22 certification standards have focused on
23 the end product or only green
24 environmental standards. Achieving
25 sustainability, however, will require the

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 transformation of an industry to minimize
3 environmental impacts while improving the
4 local community. This legislation
5 embraces this more comprehensive view of
6 sustainability and will promote the
7 growth of sustainable businesses by
8 placing value on both the environmental
9 and the social benefits provided by the
10 companies.

11 Working with a certification
12 such as that developed by B Lab, based on
13 transparent, social and environmental
14 performance standards that were developed
15 by an independent body, will aid the City
16 of Philadelphia in realizing its goal of
17 promoting sustainable business by
18 providing a means of identifying and
19 auditing businesses without the
20 significant dedication of limited City
21 resources. A tax credit to certified
22 businesses will then be incorporated into
23 a broader green business development
24 strategy to transform the City of
25 Philadelphia into a leader in sustainable

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 development.

3 The Mayor's Office of
4 Sustainability is eager to work with
5 Council to develop and implement
6 initiatives that support Greenworks and
7 advance our sustainability goals. I
8 believe that Bill No. 090119, with
9 modifications, can achieve that goal. I
10 want to thank Councilman Kenney, Chair of
11 the Committee on the Environment, for his
12 leadership and understanding of what is
13 needed to help Philadelphia create and
14 nurture the local green economy.

15 Thank you, and I'm happy to
16 answer any questions.

17 COUNCILWOMAN TASC0: Thank you.

18 The Chair recognizes Councilman
19 Greenlee.

20 COUNCILMAN GREENLEE: Thank
21 you, madam Chair.

22 Good afternoon to you both.
23 Just quickly to cut to the chase, is it
24 your testimony that with amendments, you
25 support this bill? Would that be a

1 11/17/09 - FINANCE - BILLS 080746, etc.

2 correct statement?

3 COMMISSIONER RICHARDSON: Yes.

4 COUNCILMAN GREENLEE: For both
5 of you?

6 MS. GAJEWSKI: Yes.

7 COUNCILMAN GREENLEE: Because
8 Ms. Gajewski, you say "with
9 modifications." So you mean the
10 amendments? Is that you what meant by
11 "modifications" in your last paragraph
12 there?

13 MS. GAJEWSKI: Yeah, with
14 amendments.

15 COUNCILMAN GREENLEE: So you
16 both support the bill. I just want to
17 make that clear.

18 Okay. Thanks. Thank you.

19 COUNCILWOMAN TASCO: Thank you.

20 This is Panel No. 1. We'll go
21 to Panel No. 2. Bart Houlaghan and Bill
22 Clark.

23 (Witnesses approached witness
24 table.)

25 COUNCILWOMAN TASCO: Good

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 afternoon. Please identify yourself,
3 please, for the record and begin your
4 testimony.

5 MR. HOULAGHAN: My name is Bart
6 Houlaghan. I am President and co-founder
7 of B Lab. Councilwoman Tasco, Committee
8 members, thank you very much for the
9 opportunity to testify today in support
10 of 090119.

11 B Lab is a non-profit. We
12 exist to support sustainable businesses
13 and social enterprises and certify them
14 as B corporations. B corporations are a
15 new type of company that use the power of
16 business to try to effect social and
17 environmental change. These
18 organizations agree to meet higher
19 standards of social and environmental
20 performance and also, importantly, meet
21 higher legal standards for transparency
22 and accountability.

23 To become certified as a B
24 corporation, companies must first take
25 and pass the B Rating System. It is an

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 online assessment of everything that a
3 company does. It's about 200 questions.
4 It is totally comprehensive and it is
5 transparent. It evaluates a company's
6 impact on its employees, the environment,
7 the community, consumers and its
8 governance practices. In addition to
9 that, certified B corporations also must
10 change their corporate governing
11 documents to include the interests of
12 employees, community and the environment.
13 Now, this fundamentally changes the focus
14 of a certified B corporation. If the old
15 rules of business were to maximize
16 shareholder value, the rules under B
17 corporations include not just maximizing
18 shareholder value but also creating
19 social value.

20 We do have a rigorous assurance
21 process where we provide survey reviews
22 for all of our certified B corporations.
23 We require documentation validating all
24 of their responses, and we do audit 20
25 percent of all certified B corporations

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 every two-year certification period.

3 We began certifying B
4 corporations in 2007. We have certified
5 240 certified small businesses since
6 then. These organizations are from 28
7 different states, 51 different
8 industries. They preserve the
9 environment. They rebuild the local
10 community. They serve the underserved,
11 and they create great jobs and economic
12 opportunity.

13 Having more B corporations in
14 the City of Philadelphia will reduce
15 waste and improve air quality.
16 Seventy-two percent of B corporations use
17 renewable energy and 61 percent have
18 carpooling or public transit initiatives
19 and incentives. They are 30 times more
20 likely to reside in green buildings.

21 B corporations invest in the
22 local community. Seventy-four percent of
23 B corporations are affiliated with local
24 charities, and they are 30 times more
25 likely to donate at least ten percent of

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 their profits to charity.

3 Local businesses also are in
4 and of the community. Nine out of ten
5 are locally owned, and 82 percent have
6 programs to volunteer in their local
7 community.

8 These organizations create
9 great opportunities for women and
10 minorities. B corps are three times more
11 likely to be owned by minority or women.
12 In addition, 69 percent of B corporations
13 have suppliers in low-income communities.
14 These are also great employers creating
15 great jobs. Forty-four percent offer
16 some form of employee ownership, and they
17 are twice as likely as a community to
18 offer health insurance as well as
19 retirement plans.

20 In summary, B corporations are
21 fundamentally different than traditional
22 businesses. They exist to do something
23 more than just create private wealth.
24 These are organizations trying to use
25 their business as a vehicle for social

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 change.

3 This legislation provides a
4 modest tax incentive, but an important
5 first step to attract new sustainable
6 businesses to Philadelphia, to encourage
7 existing businesses to improve their
8 social and environmental performance to
9 become certified and to continue the
10 City's leadership position as the first
11 city or state to pass an incentive
12 recognizing certified sustainable
13 businesses.

14 Lastly, I want to ask the
15 Committee to consider expanding the scope
16 of this amendment beyond 25 companies.
17 After you hear from our other B
18 corporations, I think you'll agree that
19 each of them are providing far more than
20 \$4,000 of benefit for their city. The
21 City would be greatly improved and would
22 save money, frankly, if there were more
23 certified B corporations in Philadelphia.
24 Thank you so much for your time
25 and attention and I'm happy to answer any

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 questions that you might have.

3 COUNCILWOMAN TASCO: Thank you
4 very much. We'll go to the next witness
5 before we ask questions.

6 Would you identify yourself for
7 the record.

8 MR. CLARK: Yes. Chairwoman
9 Tasco and Councilmembers, thank you for
10 this opportunity to address the
11 committee. My name is William H. Clark,
12 Jr. I am a partner in Drinker Biddle and
13 Reath here in Philadelphia and I practice
14 in the Corporate and Securities group in
15 that firm. I have previously served as
16 the Chair of the Business Law Section of
17 the Pennsylvania Bar Association and also
18 Chair of the Business Law Section of the
19 Philadelphia Bar Association. I'm
20 currently a member of the Council of the
21 Business Law Section of the American Bar
22 Association and, thus, I have been a
23 leader of the professional organizations
24 representing business lawyers in our
25 city, in our state and in our nation, and

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 it's from that perspective as a business
3 lawyer that I'm offering my testimony
4 today.

5 I am here in support of
6 Councilman Kenney's amendment to Bill No.
7 090119 regarding certifiable sustainable
8 business. As pro bono counsel to B Lab,
9 I am here to testify to the strength and
10 unique nature of the B corporation
11 certification and of the scope and
12 breadth of B Lab's activities.

13 As you just heard in Mr.
14 Houlaghan's testimony and you will hear
15 from others as well, the B corporation
16 certification requires that companies
17 must first take and pass a transparent
18 comprehensive assessment of their social
19 environmental performance, and in
20 addition, they must legally expand their
21 corporate responsibilities to include
22 consideration of stakeholder interests.
23 Although the B Rating System is emerging
24 as the "gold" standard for the assessment
25 of corporate and social impact, what

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 really sets it apart are the legal
3 requirements attached to it.

4 Certified B corporations are
5 required to amend their governing
6 documents to reflect the interests of
7 their employees, the community and the
8 environment. This legal change expands
9 the responsibilities of the company and
10 imbeds in the DNA of the business an
11 ongoing commitment to employees,
12 community and the environment.

13 Unlike traditional businesses,
14 certified B corporations are no longer
15 just required to maximize shareholder
16 value. These companies must now consider
17 the impact of all of their decisions on
18 employees, the broader community and the
19 environment. This expanded
20 responsibility survives new management,
21 new investors and even potentially new
22 owners.

23 The B corporation legal
24 requirement is unique among current
25 certifications and, combined with the

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 performance standards of the B Rating
3 System, creates a truly rigorous and
4 meaningful certification for
5 sustainability businesses.

6 Importantly, the scope of B
7 Lab's work is not just limited to the
8 Delaware Valley. I have been
9 representing B Lab in its efforts to have
10 legislation authorizing a new form of
11 sustainable business enacted throughout
12 the country. Legislation is currently
13 being drafted in California, Colorado,
14 Vermont, North Carolina and in our own
15 Commonwealth of Pennsylvania. In
16 addition to those five states, five
17 additional states have also expressed
18 similar interest in legislation for
19 sustainable businesses.

20 B Lab's efforts truly represent
21 I believe the beginnings of a national
22 movement. With the passage of this
23 amendment, the City of Philadelphia has
24 the opportunity to continue its
25 leadership and be the first city in the

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 country to pass an incentive benefiting
3 certified sustainable businesses. I
4 sincerely hope the Committee will vote in
5 fair of this amendment, and thank you for
6 your time and consideration today.

7 COUNCILWOMAN TASCO: Thank you
8 very much for your testimony.

9 Are there any questions from
10 members of the panel?

11 Councilman Kenney.

12 COUNCILMAN KENNEY: Thank you
13 very much.

14 I just wanted to state to
15 Mr. Houlaghan, we would too also like to
16 expand the number of businesses and the
17 amount of money that's available, but
18 considering the City's current fiscal
19 situation and the cooperation that we
20 receive from the man who collects the
21 money, they've been very cooperative and
22 helpful, and I think to get off the
23 ground with something and to analyze it
24 and hopefully by the time we're ready to
25 analyze the results, we'll have a

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 different environment economically here,
3 and both showing how good this can be and
4 having more money may be a great
5 opportunity at that point in time. But I
6 do understand your desire to have more
7 companies involved and more money, but I
8 think at this point we're all where we
9 can be. But thank you for your testimony
10 and for your work.

11 MR. HOULAGHAN: Thank you,
12 Councilman.

13 COUNCILWOMAN TASCO: Thank you
14 very much.

15 The next panel, Tim McDonald,
16 Brian Taussig-Lux, Ariel Hauptman.

17 (Witnesses approached witness
18 table.)

19 MR. TAUSSIG-LUX: Good
20 afternoon, Chairwoman Tasco, Committee
21 members. Thank you for the opportunity
22 to testify in support of Councilman
23 Kenney's amendment to Bill 090119
24 regarding certified sustainable business.
25 My name is Brian Taussig-Lux. I'm

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 Vice-President of Untours located in
3 Media, Pennsylvania, and we're a
4 certified B corporation. Untours is a
5 35-year-old travel company with 11
6 employees. We specialize in vacation
7 rental packages to Europe and North
8 America to allow people to live like
9 locals in over 20 destinations. But we
10 believe we are offering exceptional
11 cultural emerging opportunities for our
12 clients and that our dedicated staff is
13 the best in the industry. What makes
14 Untours truly unique is what we do with
15 our profits.

16 For over 17 years, Untours has
17 given nearly 100 percent of its after-tax
18 profits to the Untours Foundation. The
19 Untours Foundation provides low-interest
20 loans to individuals and organizations in
21 order to create jobs among
22 disenfranchised populations and to build
23 low-income housing. We look for projects
24 that are innovative and replicable. To
25 date, the Untours Foundation has made \$5

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 million in loans, with many of the loan
3 recipients residing here in Philadelphia
4 and in Chester.

5 Our founders, Norma and Hal
6 Taussig, my aunt and uncle, believe in
7 change, not charity, especially as this
8 concept applies to funding small, inner
9 City businesses that create lasting
10 change and can be duplicated by others.
11 Our guiding principle is providing a hand
12 up, not a hand out.

13 Norma and Hal live a simple
14 life in their small home. They live on
15 Social Security and savings from the
16 modest wages Norma earned during her
17 working years as a bookkeeper. More than
18 a decade ago, Hal stopped drawing a
19 salary from the company, and a few years
20 ago, an IRS auditor came by, looked
21 through our books and discovered that he
22 wasn't taking a salary and decided to
23 fine him \$7,000 for attempting to evade
24 taxes. They also required that he take
25 an annual salary of \$6,000 after that,

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 which he now signs right back over to the
3 company. And, yes, Norma and Hal are the
4 owners of an \$8 million business.

5 In recognition of Hal and
6 Norma's efforts, Untours was recognized
7 in 1999 by Paul Newman and John F.
8 Kennedy, Jr. as the most generous
9 business in America.

10 We're proud to say that of the
11 235 B corporations across the country,
12 Untours was the first to become
13 certified, and I must add, this wasn't an
14 easy test. The certification challenged
15 us to look beyond the impact we create
16 with the Foundation and to improve how we
17 treat our employees, how we engage with
18 our local community and how we impact the
19 environment.

20 On the B Rating System we
21 scored 110 out of 200 points, and we
22 donate almost all of our profits to
23 charity.

24 We joined this community in
25 June of 2007 because we firmly believe

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 that business can be used to improve our
3 communities and the environment. For
4 Untours, the social benefit we created is
5 through the symmetry of using profits
6 from European vacations to lift others
7 out of poverty.

8 We are not unique in the
9 community of B corporations. Of the 235
10 certified businesses, 74 percent have a
11 public partnership with a local charity.
12 We became a certified B corporation to be
13 part of a growing community of
14 like-minded companies that are using the
15 power of business to effect change. We
16 support the goal of creating a new sector
17 of the economy in which companies like
18 ours are recognized and valued for our
19 emphasis on the triple bottom line -
20 people, planet and profits.

21 Philadelphia would benefit
22 immensely by having more certified B
23 corporations within its city limits.
24 Councilman Kenney's amendment would
25 create a direct incentive for other

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 community-oriented businesses to improve
3 their social and environmental impact and
4 become certified. I hope you'll support
5 this important legislation.

6 Thank you.

7 COUNCILWOMAN TASCO: Thank you
8 very much. Sounds good. It's amazing
9 what we learn when we're sitting in this
10 seat here.

11 Mr. Lux -- no. Brian.

12 MR. TAUSSIG-LUX: I was Brian.
13 I am Brian.

14 COUNCILWOMAN TASCO: Oh, okay.
15 McDonald, you're from Onion Flats.

16 MR. McDONALD: Yes. Good
17 afternoon, Chairwoman Tasco and Committee
18 members. Thank you for the opportunity
19 to testify in support of Councilman
20 Kenney's amendment to Bill No. 090119.
21 My name is Tim McDonald. I'm an
22 architect and one of the founders of
23 Onion Flats, a family-owned
24 development/design/build collective
25 centered in Kensington. I'm also a

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 member of the Sustainability Advisory
3 Board working with the Mayor's Office of
4 Sustainability and an active member of
5 Northern Liberties Neighbors Association
6 Zoning Committee. We are currently in
7 the process of becoming a certified B
8 corporation.

9 Begun in 1997, Onion Flats is
10 committed to designing and building the
11 most sustainable communities in the
12 country right here in Philadelphia. Our
13 nine-unit Thin Flats project in Northern
14 Liberties, completed one year ago, was
15 awarded the first LEED Platinum duplexes
16 in the country. Three other
17 single-family homes completed the year
18 before in Fishtown were Philadelphia's
19 first LEED Gold homes. These projects
20 far exceed City energy, water and
21 resource codes.

22 We have completed seven
23 projects in Philadelphia, pretty small
24 company, with many more on the boards and
25 in construction. We employ approximately

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 50 people between our five businesses -
3 Onion Flats, the development company;
4 Plumbob, the architectural firm; JIG, the
5 construction company; GRASS, the green
6 roof and solar systems company; and BLOX,
7 our newest venture, which is a
8 sustainable modular building company.

9 Though our developments include
10 a diverse mix of residential projects, we
11 are perhaps best known for converting
12 industrial sites in resource-challenged
13 neighborhoods into sustainable
14 residential developments. On the site of
15 a former rag factory in Fishtown, we
16 created Rag Flats, an 11-unit project
17 completed in 2006, which manages its own
18 storm water, generates its own
19 electricity, and greatly reduces energy
20 costs within a communal garden setting.
21 These projects are developed in a
22 collaborative public process, engaging
23 the local community.

24 We at Onion Flats believe that
25 good, solid, commonsense urban

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 redevelopment means designing buildings
3 in communities that manage their own
4 resources and sustain themselves.

5 Onion Flats' mission is
6 directly in line with City Council's
7 vision and the Greenworks Philadelphia
8 plan, to make Philadelphia the most
9 sustainable city in the country. In the
10 process, we hope to empower generations
11 of architects, developers, politicians
12 and builders to see that the pressing
13 question is no longer why would you think
14 and build sustainably, but rather why
15 wouldn't you.

16 Sustainable development is
17 often narrowly interpreted as green
18 design, solar panels, green roofs,
19 rainwater recycling, et cetera. And
20 although our projects certainly include
21 all these elements, sustainable
22 development is a much broader, more
23 holistic concept. Sustainable
24 development includes not just what you
25 build, but where you build, how you build

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 and who you impact.

3 The B corporation certification
4 appeals to us for a similar reason. It's
5 not just about green. Certification
6 represents a more holistic approach to
7 business centered on creating social and
8 environmental change. It doesn't focus
9 exclusively on a particular product or
10 practice. Instead, it's comprehensive,
11 evaluating a company's impact on its
12 employees, the community and the
13 environment.

14 When Onion Flats went through
15 the B Rating System, the survey itself
16 served as a roadmap or a guideline for
17 how we could improve our social and
18 environmental performance. We discovered
19 new areas of focus for Onion Flats beyond
20 our environmental expertise, areas like
21 employee engagement, direct service and
22 enhanced transparency.

23 We have been in the
24 certification process now for several
25 months and we're hoping to become a

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 member of the community by the end of the
3 year. This legislation makes the
4 decision to become a certified B
5 corporation a little easier for Onion
6 Flats. It's true that we will have to
7 improve some of our practices to join the
8 community, but being part of a broader
9 effort to create a new paradigm for
10 business meshes with our own vision for a
11 new sustainable reality.

12 I sincerely hope that the
13 Committee will vote in favor of this
14 important legislation and continue the
15 City's ongoing support of sustainable
16 businesses.

17 Thank you for your time and
18 attention.

19 COUNCILWOMAN TASCO: Thank you
20 very much for your testimony.

21 Ms. Hauptman.

22 MS. HAUPTMAN: Chairwoman
23 Tasco, Committee members, thank you for
24 your time and attention this afternoon.
25 My name is Ariel Hauptman. I have

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 traveled from Yonkers, New York to
3 express my support for this legislation.
4 I'm the Business Development Manager of
5 Greyston Bakery and we are a certified B
6 corporation.

7 Greyston Bakery is a social
8 enterprise founded in 1982. We use
9 entrepreneurship to solve the problems of
10 the inner city. We bake the brownies you
11 find in Ben & Jerry's ice cream. We also
12 have a line of exceptional gourmet
13 brownies called Do-Goodie that we sell in
14 grocery stores across the country. We
15 truly believe that our brownies are the
16 best tasting, highest quality brownies
17 you've ever had.

18 COUNCILWOMAN TASC0: You didn't
19 bring any brownies?

20 MS. HAUPTMAN: Maybe I did.

21 COUNCILWOMAN TASC0: We've had
22 trans fat products.

23 MS. HAUPTMAN: Trans fat free,
24 exactly.

25 But our mission isn't to bake

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 exceptional brownies. Instead, we exist
3 to support low-income individuals and
4 families as they forge a path to
5 self-sufficiency and community
6 transformation. We maintain an open
7 hiring policy at Greyston. Specifically,
8 if we have a job opening, the next
9 applicant is hired regardless of
10 background or personal history. Our
11 guiding principle of Greyston is
12 relatively simple. We don't hire people
13 to bake brownies. We bake brownies to
14 hire people. We hire men and women who
15 have little or no credentialed work
16 experience, many of whom have come to
17 Greyston with backgrounds that include
18 homelessness, incarceration, substance
19 abuse, welfare dependence, domestic
20 violence and illiteracy. We currently
21 have 120 employees at Greyston and each
22 has story. Take Rodney. Rodney began
23 working at Greyston Bakery in 1995 after
24 spending years working on the streets.
25 Before the bakery, Rodney's work

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 consisted of selling drugs and earning
3 thousands of dollars every week.
4 Starting at the bakery at an entry-level
5 job, Rodney's income dropped to a few
6 hundred dollars a month. His choice
7 could be attributed to one thing - his
8 family. Thirteen years later, Rodney
9 serves as a positive role model for his
10 children. During his tenure at Greyston
11 Bakery, he has moved up through the ranks
12 to become a Production Manager.

13 Or take Delaney. At the age of
14 11, Delaney immigrated to New York from
15 Haiti to be with her father. At 14, she
16 ventured out on her own and found herself
17 living in a shelter. There Delaney got
18 pregnant and was forced to drop out of
19 school. Looking to make a change in her
20 life, Delaney, then 19, found Greyston
21 Bakery and applied for a job. She didn't
22 have a phone. She came to Greyston every
23 day to say if there was a position
24 available. Determination paid off and
25 Delaney landed a job making brownies.

1 11/17/09 - FINANCE - BILLS 080746, etc.

2 We at Greyston Bakery want to
3 be a model for social enterprises,
4 building a coalition with employees, the
5 community and shareholders. Our factory
6 sits on a redeveloped brownfield in an
7 underdeveloped section of Yonkers. We
8 properly compensate our employees with
9 fair wage, health benefits and direct
10 participation in the profitability of the
11 company. We train and promote from
12 within and mentor our employee whom we
13 source from the local communities. All
14 of our profits are donated to the
15 Greyston Foundation, an innovative
16 integrated set of non-profits and
17 for-profit entities serving underserved
18 populations in Southern West Chester
19 County, New York. The Greyston
20 Foundation supports childcare for the
21 community, affordable housing for the
22 homeless and low-income families and
23 affordable healthcare for persons with
24 HIV. The Foundation's programs reach
25 2,200 community members annually.

1 11/17/09 - FINANCE - BILLS 080746, etc.

2 We joined the community of B
3 corporations to be part of a movement
4 bigger than ourselves. Our mission at
5 Greyston is to serve as a model for a new
6 way of doing business that we hope others
7 will follow. The community of certified
8 B corporations provide us both a larger
9 platform and a louder voice to
10 demonstrate that social entrepreneurship
11 can work to rebuild the inner city.

12 Whether B corporations are
13 working to preserve the environment,
14 rebuild local communities or alleviate
15 poverty, we all share a common desire to
16 effect change with our business. This
17 certification is the best effort yet to
18 pull together the diverse community of
19 social enterprises and sustainable
20 businesses and unify our efforts as a
21 collective, harnessing the power of
22 business for social change.

23 Humbly, I submit to you that
24 the world needs more Greyston Bakeries.
25 Philadelphia needs more Greyston Bakers.

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 This legislation is one way to encourage
3 businesses to accept the challenge of
4 social entrepreneurship and to help
5 rebuild our communities. I promise you
6 the proposed tax incentive will be repaid
7 to the City many, many times over.

8 Thank you for your time.

9 COUNCILWOMAN TASC0: Thank you
10 very much. We appreciate your coming to
11 Philadelphia to present your testimony,
12 and your story is quite interesting, and
13 we thank you for your commitment to
14 social justice.

15 MS. HAUPTMAN: Thank you.

16 COUNCILWOMAN TASC0: Are there
17 any questions on behalf -- we have an
18 area in Philadelphia called the Ogontz
19 Revitalization area. We can use a
20 Greyston Bakery up there. So if you're
21 interested, contact us.

22 MS. HAUPTMAN: I will check
23 that out. Thank you very much for your
24 time.

25 COUNCILWOMAN TASC0: Thank you.

1 11/17/09 - FINANCE - BILLS 080746, etc.

2 And I'm not kidding about that either.

3 I do believe that Councilman
4 Green would like to call back
5 Commissioner Richardson for some
6 questions.

7 (Witness approached witness
8 table.)

9 COMMISSIONER RICHARDSON: Yes,
10 sir.

11 COUNCILMAN GREEN:
12 Commissioner, do you know how many -- I
13 think there are roughly 20 B corporations
14 in the City already?

15 COMMISSIONER RICHARDSON:
16 Currently about ten, I think.

17 COUNCILMAN GREEN: Ten? Okay.
18 So this would potentially allow 15 more
19 companies to come in or at least to get
20 certified in the City.

21 COMMISSIONER RICHARDSON:
22 Twenty-five, if that's what's going to be
23 in the amendment.

24 COUNCILMAN GREEN: Fifteen more
25 than are already here. Those ten will be

1 11/17/09 - FINANCE - BILLS 080746, etc.

2 the first ten to apply, I assume.

3 COMMISSIONER RICHARDSON:

4 Right. If they apply. I can't assume

5 that.

6 COUNCILMAN GREEN: So do you

7 really think that this is enough money to

8 encourage this kind of activity?

9 COMMISSIONER RICHARDSON:

10 Currently --

11 COUNCILMAN GREEN: A hundred

12 thousand dollars.

13 COMMISSIONER RICHARDSON: What

14 would say, currently, yes, in this

15 economic times. Also, with the ten

16 businesses that are currently in the City

17 of Philadelphia, the average BPT

18 liabilities is about \$2,500.

19 COUNCILMAN GREEN: Twenty-five

20 hundred dollars. So they're not going to

21 use it all.

22 COMMISSIONER RICHARDSON: No.

23 COUNCILMAN GREEN: So why limit

24 the number of companies then?

25 COMMISSIONER RICHARDSON: I

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 think right now again as we discussed --

3 COUNCILMAN GREEN: In other
4 words, if we're picking a dollar amount,
5 why not allow it -- if it's 50 companies
6 that use it up --

7 COMMISSIONER RICHARDSON:
8 You're saying 50 companies at \$2,000 a
9 tax credit?

10 COUNCILMAN GREEN: Yeah. I
11 mean, if you have up to 4,000 but you're
12 not going to use it, why limit it to 25
13 companies?

14 COMMISSIONER RICHARDSON: Well,
15 that's just on these ten on the average
16 now. So you got to remember, some are
17 over that.

18 COUNCILMAN GREEN: Right. But
19 by limiting it to 25 companies, what
20 you're going to have is, we know those
21 ten on average will use up 25,000 when
22 they're eligible for 40. That means that
23 we're actually only going to use 85 of
24 this hundred thousand dollars, at the
25 most, assuming those ten apply. So we

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 already know that we're not going to use
3 up the full hundred.

4 COMMISSIONER RICHARDSON:

5 Again, I can't state we are or we're not,
6 because that's today's environment.
7 Three years from now, it could be a
8 totally different environment. I hope
9 these businesses continue to grow and
10 have more revenue. So I can't say today
11 what it's going to be like in 2012.

12 COUNCILMAN GREEN: Well, do you
13 have any objection to removing a
14 limitation up to the number that uses the
15 full amount of the hundred thousand
16 dollars?

17 COMMISSIONER RICHARDSON: I'd
18 have to get back to you, because, again,
19 that's a lot of work on our staff to do
20 that, analytical work and do the credit
21 part of it. So I'd have to get back to
22 you on that determination before I commit
23 today.

24 COUNCILWOMAN TASCO: Councilman
25 Goode, point of information.

1 11/17/09 - FINANCE - BILLS 080746, etc.

2 COUNCILMAN GOODE: Thank you,
3 Madam Chair.

4 Commissioner, these businesses
5 who are eligible under this tax credit in
6 2012, they're not restricted from taking
7 advantage of other business tax credits,
8 are they?

9 COMMISSIONER RICHARDSON: No,
10 sir, not right now, they're not.

11 COUNCILMAN GOODE: So they're
12 eligible for the Job Creation Tax Credit?

13 COMMISSIONER RICHARDSON: PREP
14 credit as well, yes.

15 COUNCILMAN GOODE: And the
16 community development corporation tax
17 credit?

18 COMMISSIONER RICHARDSON: They
19 would not be for the CDC tax credit,
20 because they're not CDCs.

21 COUNCILMAN GOODE: No. They
22 can donate money to CDCs and receive a
23 tax credit.

24 COMMISSIONER RICHARDSON: Sure.

25 COUNCILMAN GOODE: Okay. Thank

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 you.

3 COUNCILMAN GREEN: I'm sorry.
4 I just wanted clarification on those
5 issues. If Councilman Kenney is happy
6 with this, I am as well. It seems to me
7 if we're going to put up a hundred
8 thousand, we ought to make all of it
9 available.

10 Thank you.

11 COUNCILMAN KENNEY: Madam
12 Chair, I do appreciate the Councilmember
13 raising that issue, and that was
14 something we had bantered about. We
15 changed it a couple times, the number of
16 firms, the amount of money. And, again,
17 my hope -- and I think all of our hope --
18 is that the economy in the country turns
19 around, the economy of the city turns
20 around and we will have more resources.
21 As I told Mr. Houlaghan, I wish we did
22 have more. And I understand Councilman
23 Green's issue relative to the
24 maximization of the use of the hundred
25 relative to as many firms as possible,

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 but at this point, I'd like to keep it as
3 it is and then maybe revisit it in a
4 little while and see whether or not we
5 can throw some more money into this pot.

6 I mean, again, I think the
7 whole concept of this thing, as we've
8 heard from a number of witnesses, is that
9 a company can do well financially but
10 also can do good, and it's a different
11 kind of concept. The other issue we
12 raised was with larger firms in the City
13 that have a more difficult time
14 convincing their stakeholders and their
15 boards to change their bylaws and change
16 their governance structure to create this
17 and we thought that maybe smaller
18 businesses or medium-sized businesses
19 would be more flexible in that regard. I
20 just would like to go through and see how
21 it goes, and I do appreciate in this
22 environment the Administration's
23 cooperation with the number. I wish it
24 could be more also, but we have libraries
25 coming up to fund soon, so I think we

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 ought to keep our powder dry. But thank
3 you for your input.

4 COUNCILWOMAN TASCO: Thank you.

5 Any further questions?

6 (No response.)

7 COUNCILWOMAN TASCO: Thank you
8 very much for your --

9 COMMISSIONER RICHARDSON:
10 You're welcome.

11 COUNCILWOMAN TASCO: --
12 testimony.

13 We'd like to call the City
14 attorney, Mr. Rosman, to come forward. I
15 think we have some questions relative to
16 Bill, No. 080746 regarding this bill in
17 relationship to federal regulations or
18 restrictions, federal law.

19 (Witness approached witness
20 table.)

21 COUNCILMAN KENNEY: Madam
22 Chair, if I can just kind of restate?

23 COUNCILWOMAN TASCO: Sure.

24 COUNCILMAN KENNEY: I recognize
25 the federal program on sanctions, and it

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 was my view -- and, again, it's an
3 untrained legal view -- that as long as
4 we weren't trying to reverse or exceed
5 what the federal government was doing,
6 that preemption was not an issue.
7 Because in some ways if preemption is an
8 issue on something that we're trying to
9 piggyback or go along with the federal
10 government in trying to put more pressure
11 on this -- economic pressure on this
12 issue, abiding by a preemption standard
13 would preclude us from being involved at
14 all, that the federal government could be
15 the only entity that provides sanctions
16 in this regard, when it doesn't restrict
17 it in Sudan, it didn't restrict it in the
18 MacBride Principles in Northern Ireland,
19 it didn't restrict it in Sullivan
20 Principles in South Africa. I don't
21 understand the nuance as to why it's our
22 involvement or any other local government
23 or state government involvement in this
24 issue is preempted by a federal law that
25 does the same thing we're asking our own

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 Procurement and City Treasurer to do.

3 MR. ROSMAN: Councilman, Madam
4 Chair and members of the Committee, I am
5 Lewis Rosman. I'm a Senior Attorney at
6 the Philadelphia Law Department.

7 Councilman, with respect to --
8 the legal advice is that the local
9 legislation with respect to Iran would be
10 preempted. The difference between this
11 and MacBride Principles and the South
12 Africa sanctions is that since the time
13 of adoption of those sanctions policies,
14 the Supreme Court ruled in 2000 in a case
15 called Crosby very broadly that local
16 sanctions regimes with respect to a
17 country that the United States has its
18 own comprehensive sanctions regime in
19 place, that those local laws are
20 preempted. It doesn't -- in some
21 respects, the local law can't precisely
22 mirror the federal law because what is
23 sanctioned -- the company may be
24 sanctioned for the same conduct, the same
25 type of business in Iran or Sudan, but

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 the penalty is different in that the
3 federal government imposes federal
4 sanctions, criminal sanctions often,
5 whereas we impose the sanction of you
6 can't have a contract with the City of
7 Philadelphia or you may not --with the
8 banking, it's a little bit more complex.
9 If a bank provides banking services to a
10 company that does business in Iran or
11 Sudan, the bill provides that we cannot
12 have them as our depository. That
13 sanction of not letting a bank be our
14 depository is necessarily different than
15 the federal sanction.

16 The Sudan case is --
17 COUNCILMAN KENNEY: Let me stop
18 you there a minute. So what you're
19 saying is in practice or in theory that
20 this bill in practice would potentially
21 have a court tell us that we need to
22 accept -- that we need to keep City money
23 in a depository that does business with
24 Iran because the federal government
25 preempts us?

1 11/17/09 - FINANCE - BILLS 080746, etc.

2 MR. ROSMAN: I believe a court
3 would almost certainly say that.

4 COUNCILMAN KENNEY: I mean,
5 isn't it antithetical to the effort? I
6 mean, I understand you're interpreting
7 the Supreme Court decision and it's not
8 your personal view, but it seems
9 ridiculous that potentially a court could
10 say to us, Yeah, you got to keep your
11 money in that bank even though they're
12 Iran's favorite bank.

13 MR. ROSMAN: I think it's an
14 extraordinarily complex question about
15 the policy decisions that the Supreme
16 Court weighed in evaluating whether the
17 federal government should have sole
18 control of determining foreign policy
19 through the United States of America such
20 that it would preclude, when the federal
21 government acts in a certain area, it
22 would preclude local governments from
23 seeking to influence foreign policy in
24 that way.

25 COUNCILMAN KENNEY: Do you

1 11/17/09 - FINANCE - BILLS 080746, etc.

2 think that that's --

3 MR. ROSMAN: And I --

4 COUNCILMAN KENNEY: Do you

5 think that question up is in the air yet

6 or do you think that's settled?

7 MR. ROSMAN: I think the Crosby
8 case is an extremely broad statement that
9 there might be nuances to it in certain
10 cases, but it's a pretty broad statement
11 preempting local government. And let me
12 add that, you know -- and you mentioned
13 this, but by all means, I'm not making
14 any statement about what sanctions
15 policies should be with respect to Sudan
16 or Iran. Obviously I'm, like all of you,
17 in support of our federal government's
18 policies with respect to those particular
19 countries. This is simply an analysis of
20 what I think the courts would say about
21 the bill in connection with Iran and
22 Sudan. And in Sudan, it's a different
23 situation, because the federal government
24 specifically adopted a law that
25 specifically provides that local

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 governments may have their own sanctions
3 programs with respect to Sudan if they
4 follow certain contours, that the
5 sanctions policy has to apply with
6 respect to companies that are engaged in
7 certain types of business in Sudan, oil
8 business and military equipment business.
9 And the amendments that have been drafted
10 to the bill are crafted to mirror
11 precisely what is permitted under federal
12 law.

13 Senator Barack Obama had
14 introduced legislation with respect to
15 Iran in Congress seeking a similar type
16 of exemption from the preemption
17 principle with respect to local
18 governments having sanctions programs
19 with respect to Iran. That has not
20 passed Congress. You know, it's
21 extraordinarily complex how the federal
22 government determines how it wants to
23 manage foreign affairs with these
24 countries.

25 COUNCILMAN KENNEY: But I also

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 believe that this bill is not an
3 effort -- and, again, this is not a
4 matter for court decision, but the
5 purpose of this bill is not to influence
6 American foreign policy. It's to set our
7 own standard policies for how we spend
8 and deposit our money. So this is not in
9 effort to direct or guide or shape
10 American foreign policy. This is our
11 city's home rule's right to determine
12 where we place our money in purchasing
13 and in our deposits in banks. And the
14 question I have for you is, the testimony
15 of the City Treasurer and the Procurement
16 Commissioner has been that within the
17 guidelines of this bill, as long as
18 they're following the law as directed by
19 the Law Department, they will enforce
20 this ordinance, and is that as you
21 understand it?

22 MR. ROSMAN: I wasn't here for
23 the earlier testimony, but okay. I
24 accept that.

25 COUNCILMAN KENNEY: So there's

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 no need to remove it in the event --
3 there's no need to remove the Iranian
4 language -- if you advised them in a
5 certain particular case that they're
6 preempted by federal law and they follow
7 your advice, there's no need to have an
8 outside -- my point is, I want to keep it
9 in the legislation, because in the event
10 that that changes or in the event that
11 there's some way the Law Department can
12 direct them in a legal way to act, I want
13 to keep it there.

14 MR. ROSMAN: And I think if the
15 bill were adopted and Congress were to
16 create a carveout for here is how you can
17 have a sanctions policy, a local
18 government can have a sanctions policy
19 with respect to Iran, we would want to
20 try and calibrate the language in the
21 code to what the federal government
22 allows.

23 COUNCILMAN KENNEY: Right.

24 MR. ROSMAN: But it could
25 become unpreempted if Congress were to

1 11/17/09 - FINANCE - BILLS 080746, etc.

2 pass --

3 COUNCILMAN KENNEY: And we
4 would be ahead of the curve legislatively
5 if that happened?

6 MR. ROSMAN: That's right.

7 COUNCILMAN KENNEY: Thank you.

8 COUNCILWOMAN TASCO: Councilman
9 Green.

10 COUNCILMAN GREEN: Thank you.

11 I was troubled by the testimony
12 that Councilman Kenney just relayed, that
13 the Treasurer and Procurement
14 Commissioner, when they said that
15 basically they were not going to enforce
16 any portion of this law if the Law
17 Department deemed it to be in violation
18 of federal law, and just wanted you to
19 clarify that, because it is my personal
20 belief that the City has to enforce --
21 the executive has to enforce a law
22 validly passed by City Council pursuant
23 to the provisions of the Charter unless
24 and until it proactively goes to court
25 and declares that law to be and a court

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 declares the law to be invalid. It
3 cannot make its own decision about
4 whether or not to enforce laws validly
5 passed through the mechanisms of the
6 Charter.

7 So I assume you'd be giving
8 advice after you've gone to court and had
9 the law declared invalid?

10 MR. ROSMAN: No. We give
11 advice based on how we read the law, and
12 the law is many things. The law is City
13 Council ordinances. It's state law.
14 It's federal law.

15 If we were asked by the
16 Treasurer or the Procurement
17 Commissioner, Here is a law that,
18 particularly since we all have this
19 public discussion, that we understand
20 there to be some legal issues with, are
21 we permitted under the law to follow the
22 restrictions of this bill, we would
23 provide legal advice about what we
24 understand the law collectively to be,
25 what the ordinance says and how we

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 analyze that ordinance among all laws.
3 So our advice is based on what we think
4 the law is with respect to a particular
5 issue.

6 COUNCILMAN GREEN: Okay. I
7 just wanted that for the record.

8 So with respect to this
9 particular law, I thought Councilman
10 Kenney made an excellent point, in that
11 we're not attempting to influence foreign
12 policy. We're setting criteria for who
13 we do business with. Why don't we have
14 the ability to do that?

15 MR. ROSMAN: I don't believe a
16 court would look at it that way. I
17 believe a court would say when you tell
18 banks if you want to be a City
19 depository, keep your hands clean of
20 doing business with a company that is in
21 Iran, do not lend to a company that does
22 business in Iran, the court would look at
23 that as our seeking to put pressure on
24 companies that do business in Iran, and
25 the purpose of that, of course, is to

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 create pressure through lots of laws like
3 this or lots of sanctions regimes in many
4 countries on the base country to say
5 we're going to pressure companies not to
6 do business with you because we don't
7 like your policies.

8 COUNCILMAN GREEN: As a
9 practical matter, if we pass this
10 ordinance and we in fact put that policy
11 into effect, who will bring an action
12 against the City and what would our
13 penalties be?

14 MR. ROSMAN: Who will bring an
15 action for -- if we are in violation of
16 the federal law?

17 COUNCILMAN GREEN: Yeah. What
18 is the penalty for actually just doing
19 in?

20 MR. ROSMAN: I don't think --

21 COUNCILMAN GREEN: Whether it's
22 in an ordinance or not.

23 MR. ROSMAN: I don't think
24 there's any penalty for passing the law.
25 With respect to Sudan --

1 11/17/09 - FINANCE - BILLS 080746, etc.

2 COUNCILMAN GREEN: With respect
3 to enforcing the law as written, what is
4 the penalty?

5 MR. ROSMAN: If we were to -- I
6 don't know what the penalty would be.
7 Someone could potentially bring an action
8 to say you cannot preclude our -- if we
9 were to be --

10 COUNCILMAN GREEN: So as a
11 practical matter, a bank who does
12 business with Iran will sue to be our
13 depository because we have restricted
14 them? You think someone is going --

15 MR. ROSMAN: I think it's very
16 unlikely, because I think it's very
17 unlikely that our depositories lend money
18 to companies that do business in Iran.
19 So I think it's unlikely that the issue
20 would be brought to a head. I think it's
21 unlikely that we give out contracts to
22 companies that do business in Iran. It's
23 possible, but I think the confluence of
24 the two are unlikely.

25 COUNCILMAN GREEN: So we could

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 take the position that this is not
3 intended to influence foreign policy,
4 which Councilman Kenney has said it is
5 not, and then let someone sue us.

6 MS. RHYNHART: I just wanted to
7 add one point on City depositories. I
8 did speak to a few of them, not all, but
9 a few, and they said they were already
10 not doing business with Iran because of
11 the federal sanctions program. So that
12 several banks did not see any problem
13 with this legislation. That's not every
14 bank, but that's what I consistently
15 heard from the banks I spoke with. So I
16 just wanted to share that.

17 COUNCILWOMAN TASCO: If the
18 federal government has sanctions on
19 companies who do business with Iran, is
20 that what the feds have, their sanctions
21 preclude bank from doing business with
22 Iran?

23 MR. ROSMAN: I think there are
24 sanctions -- I am by no means an expert
25 on the federal sanctions regime, but I

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 think generally it is prohibitions on
3 U.S. companies doing business in Iran and
4 whether -- I don't know whether that
5 prohibits banks from -- I doubt that that
6 prohibits banks from lending to companies
7 that do business in Iran, but I don't
8 really know. This bill would prohibit us
9 from using banks that lend money to
10 companies that do business in Iran. It's
11 a little bit more removed than the
12 contracting restriction.

13 COUNCILWOMAN TASCOS: Well,
14 maybe it's not, because we don't know
15 what the federal law is. Maybe it's not
16 in conflict with the federal law.

17 MR. ROSMAN: Even if they are
18 not -- I don't believe that the local law
19 has to be in conflict with the federal
20 sanctions regime to be preempted. I
21 think it's much more broad than that, the
22 preemption principles. I think it is
23 meant to preclude local government
24 conduct that has the effect of
25 potentially influencing foreign affairs.

1 11/17/09 - FINANCE - BILLS 080746, etc.

2 COUNCILMAN KENNEY: But someone
3 has to bring an action to claim that this
4 particular ordinance is in conflict with
5 the federal law. I mean, no court is
6 going to unilaterally issue an order. So
7 someone is going to have to take an
8 affirmative action, expose themselves,
9 make a public filing in a federal court
10 and say we're challenging this law.

11 MR. ROSMAN: In order for the
12 issue to be joined in court, that's
13 right.

14 COUNCILMAN KENNEY: So, I mean,
15 until that happens, we can basically set
16 our own financial policy and our own
17 banking policy, until a court tells us
18 otherwise, even with your advice -- and
19 we do appreciate your advice, and I think
20 it's appropriate that you give it, but
21 until someone takes an affirmative
22 action, sues us in court and a judge says
23 don't do it, I don't see why we shouldn't
24 move ahead.

25 MR. ROSMAN: Well, I wouldn't

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 presume to say how Council should act as
3 the law-making body. I was asked about
4 what our advice would be to the
5 administrative and executive branch with
6 respect to implementation of the law. We
7 would not hold back on our advice that we
8 think we're preempted from acting in this
9 way simply because it's unlikely that the
10 case will come to a head. We still
11 provide our legal advice that in our view
12 we cannot implement such a policy, even
13 though it might be very unlikely that
14 anyone would challenge us and take us to
15 court.

16 COUNCILMAN KENNEY: And advice
17 is advice. It's not --

18 MR. ROSMAN: That's right.

19 COUNCILMAN KENNEY: It's not
20 required to be followed.

21 MR. ROSMAN: Well, under the
22 Charter, if -- that's not entirely true.
23 Under the Charter, if a government
24 agency, if a city agency asks us for
25 advice and we give it, they are required

1 11/17/09 - FINANCE - BILLS 080746, etc.

2 to follow it.

3 COUNCILMAN KENNEY: What if
4 they don't ask? It's always better to
5 ask for forgiveness than permission,
6 don't you think?

7 MR. ROSMAN: No, I don't agree,
8 Councilman.

9 COUNCILMAN KENNEY: I'm only
10 being -- I'm being flip. Tongue and
11 cheek. Relax.

12 COUNCILWOMAN TASCO: Because
13 Ms. Rhyhart would be bound by the
14 recommendations of the Law Department,
15 being a part of that Administration.

16 MR. ROSMAN: That's right. And
17 we do run into the problem occasionally,
18 Councilman, of sometimes people don't
19 ask, and we have to deal with that. But,
20 generally speaking, for example, we
21 provide advice to the Mayor when a bill
22 is presented for his signature of what we
23 think, generally speaking.

24 COUNCILMAN KENNEY: I guess
25 we'll see what he thinks once he gets the

1 11/17/09 - FINANCE - BILLS 080746, etc.

2 advice.

3 MR. ROSMAN: Right.

4 COUNCILWOMAN TASCO: Councilman
5 Greenlee.

6 COUNCILMAN GREENLEE: Thank
7 you, Madam Chair.

8 I guess I'm kind of repeating
9 what was just said, but I guess it goes
10 back to Councilman Green's point, because
11 I think the Treasurer said they would act
12 on the advice of the Law Department,
13 right? Did you not say that earlier,
14 Ms. Rhynhart?

15 MR. RHYNHART: That's right.

16 COUNCILMAN GREENLEE: So I
17 guess what you're basically saying is
18 that what Mr. Rosman is saying is that
19 you would not -- you do not feel you
20 could enforce this if the Law Department
21 advised against it; is that right? Even
22 if nobody challenged it in court, as
23 Councilman Kenney was talking about
24 earlier; am I right?

25 MS. RHYNHART: I mean, I think

1 11/17/09 - FINANCE - BILLS 080746, etc.

2 we would have to discuss that.

3 COUNCILMAN GREENLEE: I'm

4 sorry?

5 MS. RHYNHART: I think I would

6 want to discuss that others before making

7 a final decision on it, but generally, I

8 think we should take the advice of the

9 Law Department.

10 COUNCILMAN GREENLEE: Okay.

11 MS. RHYNHART: But, again, the

12 banks that I did speak with did say that

13 they're already complying in respect to

14 Iran to this bill.

15 COUNCILMAN GREENLEE: No. I

16 understand that.

17 Okay. All right. I don't want

18 to belabor it. Thanks.

19 COUNCILWOMAN TASCO: Thank you

20 very much.

21 Any other questions?

22 Councilman Goode.

23 COUNCILMAN GOODE: Thank you,

24 Madam Chair.

25 Mr. Rosman, your testimony is

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 that there are no federal preemption
3 issues with regard to our approval of the
4 ordinance. There are just preemption
5 issues with regard to the implementation
6 of the ordinance?

7 MR. ROSMAN: If you were to ask
8 me do I think the law that you are about
9 to approve is lawful --

10 COUNCILMAN GOODE: No. That's
11 not the question I asked. The question I
12 asked was, was that your testimony
13 earlier?

14 MR. ROSMAN: No, I don't think
15 it was.

16 COUNCILMAN GOODE: Okay. Thank
17 you.

18 COUNCILWOMAN TASCO: Okay. Any
19 other questions?

20 (No response.)

21 COUNCILWOMAN TASCO: Thank you.
22 Anyone else to testify on Bill 090119?

23 (No response.)

24 COUNCILWOMAN TASCO: Okay.
25 That concludes our public hearing. We

1 11/17/09 - FINANCE - BILLS 080746, etc.

2 will now go into our public meeting.

3 The Chair calls on Councilman

4 Bill Green to move Bill 090687.

5 COUNCILMAN GREEN: Madam Chair,

6 I move that Bill 090687 and 090 --

7 COUNCILWOMAN TASC0: Do one at

8 a time.

9 COUNCILMAN GREEN: Madam Chair,

10 I move, one at a time, that Bill No.

11 090687 be reported from this committee

12 with a favorable recommendation.

13 (Duly seconded.)

14 COUNCILWOMAN TASC0: It has

15 been moved and seconded that Bill 090687

16 be reported out of committee with a

17 favorable recommendation.

18 All in favor will say aye.

19 (Aye.)

20 COUNCILWOMAN TASC0: Is there

21 any opposition?

22 (No response.)

23 COUNCILWOMAN TASC0: There

24 being none, the bill is carried.

25 The Chair recognizes Councilman

1 11/17/09 - FINANCE - BILLS 080746, etc.

2 Green to move Bill 090688.

3 COUNCILMAN GREEN: Madam Chair,

4 I move that Bill No. 090688 be reported

5 from this committee with a favorable

6 recommendation.

7 (Duly seconded.)

8 COUNCILWOMAN TASC0: It has

9 been moved and seconded that Bill 090688

10 be reported out of committee with a

11 favorable recommendation.

12 All in favor will say aye.

13 (Aye.)

14 COUNCILWOMAN TASC0: Is there

15 any opposition?

16 (No response.)

17 COUNCILWOMAN TASC0: There

18 being none, the motion is carried.

19 I will announce that Bill

20 090690 will be held.

21 The Chair recognizes Councilman

22 DiCicco to offer the amendment to Bill

23 080746.

24 COUNCILMAN DiCICCO: Thank you,

25 Madam Chair. I move that the amendment

1 11/17/09 - FINANCE - BILLS 080746, etc.

2 to Bill No. 080746 be approved.

3 (Duly seconded.)

4 COUNCILWOMAN TASC0: It's been
5 moved and seconded that the amendment to
6 Bill 080746 be approved.

7 All in favor will say aye.

8 (Aye.)

9 COUNCILWOMAN TASC0: Is there
10 any opposition?

11 (No response.)

12 COUNCILWOMAN TASC0: There
13 being none, the motion is carried.

14 The Chair recognizes Councilman
15 DiCicco to move 080746 as amended.

16 COUNCILMAN DiCICCO: Thank you,
17 Madam Chair. I move that Bill 080746, as
18 amended, be reported out of this
19 committee with a favorable recommendation
20 and that the rules of Council be
21 suspended so as to permit first reading
22 at our next session of City Council.

23 (Duly seconded.)

24 COUNCILWOMAN TASC0: It has
25 been moved that Bill 080746, as amended,

1 11/17/09 - FINANCE - BILLS 080746, etc.
2 be voted out of committee with a
3 favorable recommendation and that the
4 rules of Council be suspended so that
5 this bill can be heard at Council's next
6 session.

7 All in favor will say aye.

8 (Aye.)

9 COUNCILWOMAN TASC0: Those
10 opposed?

11 (No response.)

12 COUNCILWOMAN TASC0: There
13 being no opposition, the motion is
14 carried.

15 The Chair recognizes Councilman
16 DiCicco for an amendment for Bill 090119.

17 COUNCILMAN DiCICCO: Thank you,
18 Madam Chair. I move that the amendment
19 to Bill No. 090119 be approved.

20 (Duly seconded.)

21 COUNCILWOMAN TASC0: It has
22 been moved that Bill 090119 be -- the
23 amendment be accepted.

24 All in favor?

25 (Aye.)

1 11/17/09 - FINANCE - BILLS 080746, etc.

2 COUNCILWOMAN TASC0: Is there
3 any opposition?

4 (No response.)

5 COUNCILWOMAN TASC0: There
6 being none, the amendment is approved.

7 The Chair recognizes Councilman
8 DiCicco to report Bill No. 090119 out of
9 committee, as amended.

10 COUNCILMAN DiCICCO: Thank you,
11 Madam Chair. I move that Bill No.
12 090119, as amended, be reported out of
13 this committee with a favorable
14 recommendation and that the rules of
15 Council be suspended.

16 (Duly seconded.)

17 COUNCILWOMAN TASC0: It has
18 been moved that Bill 090119, as amended,
19 be reported out of committee with a
20 favorable recommendation and that the
21 rules of Council be suspended so this
22 bill can be heard at Council's next
23 session.

24 All in favor will say aye.

25 (Aye.)

1 11/17/09 - FINANCE - BILLS 080746, etc.

2 COUNCILWOMAN TASCO: Is there
3 any opposition?

4 (No response.)

5 COUNCILWOMAN TASCO: There
6 being none, this bill is passed.

7 We thank you all for your time
8 and your attendance, and thank you,
9 Councilman Kenney and Councilman Green.

10 (Committee on Finance concluded
11 at 3:00 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 on November 17, 2009, and that this is a true and correct transcript of same.

MICHELE L. MURPHY
RPR-Notary Public

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