



City of Philadelphia

City Council
Chief Clerk's Office
402 City Hall
Philadelphia, PA 19107

BILL NO. 080076

Introduced January 31, 2008

Councilmember Tasco

**Referred to the
Committee on Finance**

AN ORDINANCE

Amending Bill No. 070368 entitled "An Ordinance approving the Fiscal Year 2008 Capital Budget providing for expenditures for the capital purposes of the Philadelphia Gas Works (including the supplying of funds in connection therewith) subject to certain constraints and conditions, and acknowledging receipt of the Forecast of Capital Budgets for Fiscal Years 2009 through 2013" by approving a revised Capital Budget for Fiscal Year 2008.

WHEREAS, Section IV.2.b. of the Agreement Between The City Of Philadelphia And The Philadelphia Facilities Management Corporation For The Management And Operation Of The Philadelphia Gas Works ("Management Agreement") requires the Philadelphia Facilities Management Corporation ("PFMC") to prepare annually for the Philadelphia Gas Works ("PGW") a proposed capital budget for the ensuing year and a forecast for the six (6) years comprising the ensuing budget year and the five (5) years next following; and

WHEREAS, Section IV.2.b. of the Management Agreement also requires that the proposed capital budget and forecast be submitted to the Director of Finance and the Gas Commission for their review and for submission of said budget and forecast, together with their recommendations thereon, to City Council for its approval; and

WHEREAS, Section IV.2.c. of the Management Agreement requires that all PGW expenditures be made pursuant to approved budgets; and

WHEREAS, a Fiscal Year ("FY") 2008 Capital Budget for PGW in the "not-to-exceed" amount of seventy million six hundred forty eight thousand dollars (\$70,648,000) was adopted by the City on September 20, 2007; and

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WHEREAS, PGW's request to increase the FY 2008 Capital Budget by adding three (3) new line items and reduce said Budget to reflect lower unit costs in one (1) existing line item was reviewed by the Gas Commission and endorsed at its public meeting held on November 20, 2007 subject to certain limitations; and

WHEREAS, said amendments would result in a new "not-to-exceed" Capital Budget of seventy million seven hundred twenty seven thousand dollars (\$70,727,000); and

WHEREAS, on November 27, 2007 PGW filed with the Gas Commission an Amended FY 2008 Compliance Capital Budget Proposal of seventy million seven hundred twenty seven thousand dollars (\$70,727,000); and

WHEREAS, Council seeks to provide for the evolving capital needs and related expenditures of PGW by amending the FY 2008 Capital Budget to reflect the foregoing additional costs and reduced unit costs that mitigate the impact of additional costs.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1.

Section 1 of Bill No. 070368 entitled "An Ordinance approving the Fiscal Year 2008 Capital Budget providing for expenditures for the capital purposes of the Philadelphia Gas Works (including the supplying of funds in connection therewith) subject to certain constraints and conditions, and acknowledging receipt of the Forecast of Capital Budgets for Fiscal Years 2009 through 2013" is amended as follows:

Section 1. Approval and Acknowledgment

Pursuant to the provisions of Section IV.2.b. and IV.2.c. of the Management Agreement, the Council:

- A. does hereby approve the Fiscal Year ("FY") 2008 Capital Budget for the Philadelphia Gas Works ("PGW") in an amount not exceeding [seventy million six hundred forty eight thousand dollars (\$70,648,000)] *seventy million seven hundred twenty seven thousand dollars (\$70,727,000)* as reflected in the *Amended Compliance FY 2008 Capital Budget Proposal* which is attached as Exhibit [#1] #1-A to this Ordinance, subject to the provisions of Sections 3 through 8 of this Ordinance; and
- B. does hereby acknowledge receipt of PGW's Revised Forecast of Capital Budgets for FY 2009 through FY 2013.

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SECTION 2.

Section 2 of Bill No. 070368 is amended as follows:

Section 2. Spending Authorization.

The amounts shown in the approved FY 2008 Capital Budget are hereby authorized for the purposes shown and shall be available for expenditure upon the effective date of this Ordinance during FY 2008, defined as September 1, 2007 through August 31, 2008, in an amount not exceeding [seventy million six hundred forty eight thousand dollars (\$70,648,000)] *seventy million seven hundred twenty seven thousand dollars (\$70,727,000)* as reflected in the *Amended* Compliance FY 2008 Capital Budget Proposal which is attached as Exhibit [#1] #1-A to this Ordinance, subject to the provisions of Sections 3 through 8 of this Ordinance.

SECTION 3.

Section 6 of Bill No. 070368 is amended as follows:

Section 6. Constraints And Conditions - Line Item Transfers.

B. PGW discretion to implement intradepartmental transfers pursuant to Section 6.A. shall be subject to the following constraints, conditions and reporting requirements.

* * *

(viii). *The line item styled "Disaster Recovery for Richmond and Passyunk Plants (#47-01-2-05) (\$262,000)" shall not serve as the source of any budget transfer.*

* * *

D. The Gas Commission shall have authority to review and approve for good cause shown interdepartmental line item transfers in the approved FY 2008 Capital Budget subject to the following constraints, conditions and exclusions.

* * *

(v). Gas Commission authority to implement interdepartmental transfers of line item spending authority shall not apply to the following line items:

(a) the line item styled "Conditional Funding - Cast Iron Main Replacement Program (#52-21-2-04) (\$799,000)";

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- (b) the line item styled "Conditional Funding - Reconfigure Cubicles at South & North Philadelphia District Offices (#72-01-2-06) (\$124,000)"; [and]
- (c) the line item styled "Conditional Funding – Business Process Automation (#47-01-1-04) (\$426,000)"[.] ; *and*
- (d) *the line item styled “Disaster Recovery for Richmond and Passyunk Plants (#47-01-2-05) (\$262,000)” when said line item would serve as the source of any budget transfer.*

SECTION 4.

Section 8 of Bill No. 070368 is amended as follows:

Section 8. Exhibits

Exhibits [#1] #1-A and #2 referenced in this Ordinance and incorporated herein shall be kept on file by the Chief Clerk of City Council and shall be available to the public for inspection, reading or copying at reasonable times.

[Note: Exhibits to this Bill are on file in the Office of the Chief Clerk.]