

# City of Philadelphia



Council of the City of Philadelphia  
Office of the Chief Clerk  
Room 402, City Hall  
Philadelphia

(Resolution No. 040073)

## RESOLUTION

Authorizing City Council's Committee on Law and Government to hold public hearings to investigate the payment by the Philadelphia Pension Board of management, brokerage, finder's, and other fees, and in furtherance of such investigation and toward a remedy authorizing the issuance of subpoenas or other process as the chairperson deems necessary or appropriate to compel the attendance of witnesses and the production of documents to the full extent authorized under Section 2-401 of the Home Rule Charter.

WHEREAS, The *Philadelphia Inquirer* on January 21, 2004, reported that in late 1999 Investment Management Advisory Group Inc. ("Image") was paid one million dollars in the form of a finder's fee in a \$100 million bond investment package between the City and financial manager AIG, and

WHEREAS, Pension fund trustees were unaware of this payment; and

WHEREAS, No one seems to know what, if anything, Image did to earn this fee; and

WHEREAS, Two high-ranking officers of Image have been fined by securities regulators for questionable conduct; and

WHEREAS, The payment of undisclosed or concealed management, brokerage and finder's fees poses a threat to the financial health of pension funds generally; and

WHEREAS, The 1951 Home Rule Charter created the Board of Pensions and Retirement to enact and maintain "a comprehensive, fair and actuarially sound pension and retirement system"; and

WHEREAS, 32,381 active municipal employees and 32,136 current retirees depend on the sound management and financial health of the City of Philadelphia pension fund for their survival after retirement; and

# City of Philadelphia

*RESOLUTION NO. 040073 continued*

WHEREAS, For many of these people, their pension income will be their sole or major source of income after retirement; and

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That it hereby authorizes City Council's Committee on Law and Government to hold public hearings to investigate the payment by the Pension Board of management, brokerage, finder's, and other fees, in furtherance of such investigation and toward a remedy authorizing the issuance of subpoenas or other process as the chairperson deems necessary or appropriate to compel the attendance of witnesses and the production of documents to the full extent authorized under Section 2-401 of the Home Rule Charter.

# City of Philadelphia

*RESOLUTION NO. 040073 continued*

# City of Philadelphia

*RESOLUTION NO. 040073 continued*

CERTIFICATION: This is a true and correct copy of the original Resolution, Adopted by the Council of the City of Philadelphia on the twenty-ninth of January, 2004.

Anna C. Verna  
PRESIDENT OF THE COUNCIL

Patricia Rafferty  
CHIEF CLERK OF THE COUNCIL

Introduced by: Councilmember Cohen

Sponsored by: Councilmembers Cohen, DiCicco, Rizzo, Council President Verna, Nutter, Goode, Tasco, Blackwell, Reynolds Brown, Krajewski, Kenney, O'Neill, Clarke and Kelly