

City of Philadelphia



(Bill No. 060011)

AN ORDINANCE

Amending Bill No. 050792, entitled “An Ordinance Approving the Fiscal Year 2006 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 2007 through 2011”, by approving a revised Capital Budget for Fiscal Year 2006 and by extending the timeline related to line item transfers.

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/Ordinance”) 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/Ordinance 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/Ordinance requires that all PGW expenditures be made pursuant to approved budgets; and

WHEREAS, a Fiscal Year (“FY”) 2006 Capital Budget for PGW in the “not-to-exceed” amount of sixty four million six hundred nineteen thousand dollars (\$64,619,000) was approved by Ordinance passed by City Council (Bill No. 050792) on November 3, 2005 and signed by the Mayor on November 17, 2005 (“FY 2006 Budget Ordinance”); and

WHEREAS, PGW’s request for endorsement of a new line item for the FY 2006 Capital Budget in the “not-to-exceed” amount of three hundred sixteen thousand dollars (\$316,000) to fund a Work Management System in the Gas Processing Department (“WMS Amendment”) was reviewed by the Gas Commission and endorsed at its meeting held on November 15, 2005 as stated in the Gas Commission Resolution dated November 25, 2005; and

WHEREAS, PGW’s request for endorsement of a new line item for the FY 2006 Capital Budget in the “not-to-exceed” amount of nine hundred thousand dollars (\$900,000) to fund the acquisition of certain parcels of land in order to enhance plant security (“Land

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Acquisition Amendment”) was reviewed by the Gas Commission and endorsed at its meeting held on December 13, 2005 as stated in the Gas Commission Resolution And Order dated December 22, 2005; and

WHEREAS, the new line items in the FY 2006 Budget for the WMS Amendment and the Land Acquisition Amendment would increase said Budget by a total of one million two hundred sixteen thousand dollars (\$1,216,000) and result in a new “not-to-exceed” Budget total of sixty five million eight hundred thirty five thousand dollars (\$65,835,000); and

WHEREAS, on December 23, 2005 PGW filed with the Gas Commission a Revised Compliance FY 2006 Capital Budget Proposal of sixty five million eight hundred thirty five thousand dollars (\$65,835,000); and

WHEREAS, Council therefore desires to provide for the evolving capital needs and related expenditures of PGW by amending the FY 2006 Capital Budget to reflect the foregoing additional costs; and

WHEREAS, Section 6 of the FY 2006 Budget Ordinance delegates to PGW and the Gas Commission limited line item transfer authority with respect to the FY 2006 Capital Budget which expires on November 30, 2006; and

WHEREAS, PGW’s draft financials for FY 2006 will not be available and PGW’s cost variance projections in the FY 2006 Capital Budget will not be well-developed until late October 2006; and

WHEREAS, on November 15, 2005 during the course of the Gas Commission’s approval of PGW’s proposed line item transfers in the approved FY 2005 Capital Budget, the Gas Commission recommended that Council amend the FY 2006 Budget Ordinance by extending the November 30, 2006 expiration date for line item transfer authority to December 31, 2006 and by imposing a deadline of November 7, 2006 for PGW to file any request(s) for approval of line item transfers in the FY 2006 Budget as stated in the Gas Commission Order And Resolution dated November 25, 2005; and

WHEREAS, Council therefore wishes to ensure that any line item transfers proposed by PGW for the FY 2006 Capital Budget are based on accurate financial data, that the Gas Commission has a reasonable opportunity for due diligence review of such proposals, and that any such proposal filed after November 7, 2006 shall be rejected as untimely.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1.

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Section 1 of Bill No. 050792, entitled “An Ordinance Approving the Fiscal Year 2006 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 2007 through 2011”, 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/Ordinance, the Council:

- A. does hereby approve the Fiscal Year 2006 Capital Budget for the Philadelphia Gas Works in an amount not exceeding [sixty four million six hundred nineteen thousand dollars (\$64,619,000)] *sixty five million eight hundred thirty five thousand dollars (\$65,835,000)* as reflected in the Revised Compliance FY 2006 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 Forecast of Capital Budgets for Fiscal Year 2007 through Fiscal Year 2011.

SECTION 2.

Section 2 of said Bill No. 050792 is amended as follows:

Section 2. Spending Authorization.

The amounts shown in the approved FY 2006 Capital Budget are hereby authorized for the purposes shown and shall be available for expenditure upon the effective date of this Ordinance during Fiscal Year 2006, defined as September 1, 2005 through August 31, 2006, in an amount not to exceed [sixty four million six hundred nineteen thousand dollars (\$64,619,000)] *sixty five million eight hundred thirty five thousand dollars (\$65,835,000)* as reflected in the Revised Compliance FY 2006 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 said Bill No. 050792 is amended as follows:

Section 6. Constraints And Conditions – Transfers of Line Item Spending Authority.

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- A. PGW shall have the authority to implement intradepartmental transfers of line item spending authority in the approved FY 2006 Capital Budget at its discretion subject to the following constraints and conditions.

* * *

- (viii). PGW's discretion to implement transfers ends on [November 30, 2006] *December 31, 2006*.

* * *

- (x). In no event will the total bottom-line amount of [sixty four million six hundred nineteen thousand dollars (\$64,619,000)] *sixty five million eight hundred thirty five thousand dollars (\$65,835,000)* for the FY 2006 Capital Budget herein approved be exceeded.

* * *

- (xii). *The FY 2006 Capital Budget line item styled "Acquire Land to Enhance Plant Security (#53-03-1-01) (\$900,000)" shall be unavailable for line item transfers.*

- B. The Gas Commission shall have the authority to review and approve for good cause shown PGW's requests for intradepartmental transfers of line item spending authority in the approved FY 2006 Capital Budget that would otherwise exceed PGW's discretion under Section 6(A) of this Ordinance subject to the following constraints and conditions.

- (i). *PGW shall file any request(s) for approval of intradepartmental transfers together with the supporting PFMC Board Resolution(s) authorizing such requests with the Gas Commission by no later than November 7, 2006. The authority of the Gas Commission to approve [such] transfers ends by the close of business on [November 30, 2006] December 31, 2006.*

- (ii). In no event will the total bottom-line amount of [sixty four million six hundred nineteen thousand dollars (\$64,619,000)] *sixty five million eight hundred thirty five thousand dollars (\$65,835,000)* for the FY 2006 Capital Budget herein approved be exceeded.

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(iv). *The FY 2006 Capital Budget line item styled “Acquire Land to Enhance Plant Security (#53-03-1-01) (\$900,000)” shall be unavailable for line item transfers.*

C. The Gas Commission shall have the authority to review and approve for good cause shown PGW’s requests for interdepartmental transfers of line item spending authority in the approved FY 2006 Capital Budget subject to the following constraints and conditions.

(i). *PGW shall file any request(s) for approval of interdepartmental transfers together with the supporting PFMC Board Resolution(s) authorizing such requests with the Gas Commission by no later than November 7, 2006. The authority of the Gas Commission to approve [such] transfers ends by the close of business on [November 30, 2006] December 31, 2006.*

(ii). In no event will the total bottom-line amount of [sixty four million six hundred nineteen thousand dollars (\$64,619,000)] *sixty five million eight hundred thirty five thousand dollars (\$65,835,000)* for the FY 2006 Capital Budget herein approved be exceeded.

* * *

(iv). *The FY 2006 Capital Budget line item styled “Acquire Land to Enhance Plant Security (#53-03-1-01) (\$900,000)” shall be unavailable for line item transfers.*

SECTION 4.

Section 8 of said Bill No. 050792 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.

Explanation:

[Brackets] indicate matter deleted.
Italics indicate new matter added.

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CERTIFICATION: This is a true and correct copy of the original Bill, Passed by the City Council on March 16, 2006. The Bill was Signed by the Mayor on March 30, 2006.



Patricia Rafferty
Chief Clerk of the City Council