

PUBLIC ROUNDTABLE ON
PR 17-123, “FISCAL YEAR 2007 GENERAL
OBLIGATION BOND ISSUANCE APPROVAL
RESOLUTION OF 2007”

Before the
Committee of the Whole
Council of the District of Columbia

The Honorable Vincent C. Gray, Chairman

March 20, 2007, 1:00 p.m.
Council Chambers, John A. Wilson Building



Testimony of
Lasana Mack
Deputy Chief Financial Officer and Treasurer
Office of Financial and Treasury

Natwar M. Gandhi
Chief Financial Officer
Government of the District of Columbia

Good afternoon, Chairman Gray and members of the committee. My name is Lasana Mack, and I am the District's Treasurer and Deputy Chief Financial Officer for Finance and Treasury. I am pleased to have the opportunity to testify today regarding PR 17-123, the "Fiscal Year 2007 General Obligation Bond Issuance Approval Resolution of 2007."

This proposed resolution would authorize the issuance of District general obligation (G.O.) bonds to finance \$598.7 million of budgeted and approved District capital project expenditures. The District issues G.O. bonds on an annual basis to fund the annual capital expenditures in its on-going capital improvements program.

In the past there has been some degree of mismatch on budgeted capital expenditures and financed capital expenditures, and the result is that, in prior years, certain projects had expenditures in excess of the financed amounts. The Office of the Chief Financial Officer has developed a plan to bring this circumstance back into balance incrementally during the course of the next several years, and this proposed resolution and upcoming bond issuance are consistent with that plan.

As you are aware, the District's bond ratings have steadily improved during the past 10 years, and our ratings are now higher than they have ever been. The result is that the District's bond issuances are well received in the financial marketplace. This translates into favorable interest rates for the District, which has a positive effect on the amount of debt service that the District pays annually on its bonds.

Mr. Chairman, this concludes my testimony. I would be pleased to respond to any questions that you or other committee members might have.