

**PUBLIC ROUNDTABLE ON**  
**PR 15-532, ‘FISCAL YEAR 2004 GENERAL**  
**OBLIGATION BOND ISSUANCE APPROVAL**  
**RESOLUTION OF 2003’**

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

**The Honorable Linda W. Cropp, Chairman**

**November 25, 2003, 9:30 a.m.**  
**Council Chambers**  
**John A. Wilson Building**



**Testimony of**  
**Lasana K. Mack**  
**Associate Treasurer**  
**Office of Finance and Treasury**

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

Good morning, Chairman Cropp and members of the Committee of the Whole. I am Lasana Mack, associate treasurer in the Office of the Chief Financial Officer. Thank you for the opportunity to appear before you today to present testimony on the proposed “Fiscal Year 2004 General Obligation Bond Issuance Approval Resolution of 2003” (the “Bond Resolution”). In my testimony today, I will briefly address the amount and timing of the proposed bond issuance, and the impact of this proposed borrowing on the District’s budget.

### **Borrowing Amount and Timing**

As the Bond Resolution indicates, the proposed borrowing amount is \$315.7 million, which would be borrowed through the issuance of District of Columbia general obligation bonds. The fact that this borrowing is scheduled to occur in the first quarter of the fiscal year, as opposed to later in the fiscal year, reflects the fact that District agencies have improved the timing of their spending of approved capital dollars in recent years. Waiting until later in the fiscal year to borrow for approved capital spending would mean utilizing significant amounts of operating dollars to cover capital expenditures, pending reimbursement from bond proceeds. Given the substantial amount of the District’s cash that is in reserves and other factors, the District cannot afford to use large amounts of operating dollars on

capital spending pending reimbursement. This principle is consistent with prudent financial management practices.

### **Impact on the District's Budget**

The projects to be financed through this bond issuance are included in the FY 2004 Capital Improvements Plan, which is a part of the District's FY 2004 Budget and Financial Plan. The debt service on the proposed bond issuance associated with the Bond Resolution is accommodated by the District's FY 2004 Budget and Financial Plan. I hereby certify that there are sufficient funds in the FY 2004 budget to cover the debt service expense associated with this proposed bond issuance.

Madame Chairman, this concludes my testimony. I am prepared to address any questions that you may have.

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