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2
3 COUNCIL OF THE CITY OF PHILADELPHIA
PUBLIC HEARING - COMMITTEE OF THE WHOLE

4 Room 400, City Hall
5 Philadelphia, Pennsylvania
Wednesday, May 25, 2005, 11:19 a.m.
6

7 BILL 050451 - An Ordinance amending Title 19 of
The Philadelphia Code, entitled
8 "Finance Taxes and Collections," by
creating a new Chapter 19-3400,
9 entitled "excise Tax on Outdoor
Advertising Transactions," under
certain terms and conditions.

10 BILL 050452 - An Ordinance amending Chapter
11 19-1200 of The Philadelphia Code,
entitled "Parking Tax," to provide
12 for a tax on valet parking
transactions, under certain terms
13 and conditions.

14 BILL 050453 - An Ordinance amending Title 9 of The
Philadelphia Code, section 9-602,
15 entitled "Outdoor Advertising," by
amending the requirements for
16 obtaining and the conditions for
issuance of licenses, including the
17 applicable fees; imposing safety
requirements; increasing penalties;
18 providing certain reporting
requirements; amending certain
19 definitions; and making technical
changes; all under certain terms and
20 conditions.

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- 2 BILL 040767 - An Ordinance amending Section
3 19-2604 of The Philadelphia Code,
4 relating to tax rates, credits and
5 alternative tax computation for the
6 business privilege tax, by reducing
7 certain tax rates; all under certain
8 terms and conditions.
- 9
- 10 BILL 040789 - An Ordinance amending Chapter
11 19-2600 of The Philadelphia Code,
12 entitled "Business Privilege Taxes,"
13 to provide for an exemption from the
14 tax on gross receipts for certain
15 new businesses, under certain terms
16 and conditions.
- 17
- 18 BILL 050001 - An Ordinance to adopt a Capital
19 Program for the six Fiscal Years
20 2006-2011 inclusive.
- 21
- 22 BILL 050002 - An Ordinance to adopt a Fiscal 2006
23 Capital Budget.
- 24
- 25 BILL 050003 - An Ordinance adopting the Operating
Budget for Fiscal Year 2006.
- 26
- 27 BILL 050007 - An Ordinance amending Chapter
28 19-1200 of The Philadelphia Code,
29 entitled "Parking Tax," by
30 establishing a rate of taxation on
31 parking transactions for Fiscal Year
32 2006 and thereafter and making such
33 rate contingent on certain decreases
34 in business privilege tax rates.
- 35
- 36 BILL 050008 - An Ordinance amending Section
37 19-2604 of The Philadelphia Code,
38 relating to tax rates, credits and
39 alternative tax computation for the
40 business privilege tax, by reducing
41 certain tax rates and making such
42 reductions contingent on an increase
43 in the parking tax.
- 44
- 45 BILL 050383 - An Ordinance amending Chapter
46 19-1200 of The Philadelphia Code,
47 entitled "Parking Tax," by

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increasing the rate of taxation on
parking transactions for Fiscal Year
2006 and thereafter.

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RES. 050022 - Resolution providing for the
approval by the Council of the City
of Philadelphia of a Revised Five
Year Financial Plan for the City of
Philadelphia covering Fiscal Years
2006 through 2010, an dincorporating
proposed changes with respect to
Fiscal Year 2005, which is to be
submitted by the Mayor to the
Pennsylvania Intergovernmental
Cooperation Authority(the
"Authority") pursuant to the
Intergovernmental Cooperation
Agreement, authorized by an
ordinance of this Council approved
by the Mayor on January 3, 1992
(Bill No. 1563-A), by and between
the City and the Authority.

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14 PRESENT:

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16

COUNCIL PRESIDENT ANNA C. VERNA
COUNCILWOMAN JANNIE L. BLACKWELL
COUNCILWOMAN BLONDELL REYNOLDS BROWN
COUNCILMAN DARRELL L. CLARKE
COUNCILMAN DAVID COHEN
COUNCILMAN FRANK DiCICCO
COUNCILMAN W. WILSON GOODE, JR.
COUNCILMAN JACK KELLY
COUNCILMAN JAMES F. KENNEY
COUNCILWOMAN JOAN L. KRAJEWSKI
COUNCILWOMAN DONNA REED MILLER
COUNCILMAN RICHARD T. MARIANO
COUNCILMAN MICHAEL A. NUTTER
COUNCILMAN BRIAN J. O'NEILL
COUNCILMAN JUAN F. RAMOS
COUNCILMAN FRANK RIZZO
COUNCILWOMAN MARIAN B. TASCO

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3 P R O C E E D I N G S

4 - - -

5 COUNCIL PRESIDENT VERNA: Good
6 morning, everyone. This is a public hearing
7 of the Committee of the Whole.

8 I would ask Mr. McPherson to please
9 read the titles of Bill Numbers 050451,
10 050452 and 050453.

11 MR. MCPHERSON: Bill Number 050451,
12 an ordinance amending Title 19 of The
13 Philadelphia Code entitled, finance, taxes
14 and collections, by creating a new Chapter
15 19-3400 entitled, excise tax on outdoor
16 advertising transactions, under certain terms
17 and conditions.

18 Bill Number-050452, an ordinance
19 amending Chapter 19-1200 of The Philadelphia
20 Code, entitled, parking tax, to provide for a
21 tax on valet parking transactions, under
22 certain terms and conditions.

23 Bill Number 050453, an ordinance
24 amending Title 9 of The Philadelphia Code,
25 section 9-602, entitled, outdoor advertising,

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2 by amending the requirements for obtaining
3 and the conditions for issuance of licenses,
4 including the applicable fees, imposing
5 safety requirements, increasing penalties,
6 providing certain reporting requirements,
7 amending certain definitions, and making
8 technical changes, all under certain terms
9 and conditions.

10 COUNCIL PRESIDENT VERNA: Thank you
11 very much.

12 Who is going to be our first witness
13 from the administration?

14 MS. KAMMERDEINER: Good morning.
15 Please identify yourself and proceed with
16 your testimony

17 Good morning, Councilwoman Verna and
18 members of the Committee of the Whole. I am
19 Nancy Kammerdeiner, Revenue Commissioner.
20 And I am pleased to be with you today to
21 present testimony regarding Bill Number
22 050451.

23 This bill would amend Title 19 of
24 The Philadelphia Code, entitled, finance,
25 taxes and collections by adding a new chapter

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2 19-3400, entitled, excise tax on outdoor
3 advertising transactions.

4 This ordinance would impose an
5 excise tax on the purchase, rental or
6 licensing of any space on any building,
7 parcel or sign support structure located in
8 the City, for the purpose of installing,
9 placing or maintaining outdoor advertising
10 sign.

11 The advertiser or advertising
12 company that rents the space on the billboard
13 will pay the tax.

14 The outdoor advertising company that
15 rents the space will collect the tax at the
16 time the purchase price is paid, and will
17 remit the tax to the City in accordance with
18 regulations that will be established by the
19 Department of Revenue.

20 The proposed tax rate is seven
21 percent of the purchase price of the
22 advertising space.

23 If we assume that the average
24 outdoor advertising rental price is \$20,000
25 per year per sign face, and that there are

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2 approximately 2800 legal sign faces in the
3 City, then this tax, at a rate of seven
4 percent, which I notice the same rate as the
5 combined city and state sales taxes, would
6 produce up to \$4 million in annual tax
7 revenue in fiscal '06 and \$21 million over
8 the life of the five-year plan.

9 This revenue projection is assumed
10 in the amended operating budget and five-year
11 plan that were transmitted to City Council
12 yesterday.

13 To the extent that additional signs
14 are identified and obtain the appropriate
15 licenses and permits, this revenue would
16 increase.

17 The question that many would ask is
18 whether or not the City has the authority to
19 levy an excise tax on outdoor advertising.

20 You will recall that the City
21 receives its authority to levy taxes from the
22 Commonwealth of Pennsylvania.

23 If the City wishes to tax something
24 that is already taxed by the state, explicit
25 state legislation is required in order to

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2 have the City tax. And that legislation will
3 define the explicit terms and conditions of
4 the taxing.

5 However, the Sterling Act --

6 COUNCIL PRESIDENT VERNA: Excuse me.
7 Those having conversations, may I ask that
8 you do that in the corridor, please? We
9 can't hear the witness.

10 Please proceed.

11 MS. KAMMERDEINER: However, the
12 Sterling Act permits the City to tax anything
13 that the state does not tax.

14 So the question here is whether or
15 not the state taxes the purchase price of the
16 rental of outdoor advertising space.

17 The Commonwealth of Pennsylvania,
18 Department of Revenue, has determined in
19 Sales Tax Rule 46.5b, that a billboard is a
20 license relating to real estate, not personal
21 property.

22 And therefore, no state sales tax is
23 due on the periodic charge received by the
24 owner of the billboard from the advertiser
25 for the placement of the advertisement on

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2 that billboard.

3 Since the state does not impose a
4 sales or excise tax on billboards, the City
5 is not preempted from imposing such a tax.

6 Conceptually, this proposed excise
7 tax on outdoor advertising is similar to the
8 vehicle rental tax and the hotel tax.

9 It will be paid by the purchaser of
10 the service and collected by the seller of
11 the service for remittance to the City.

12 As with these other taxes, there are
13 a limited number of entities that own the
14 outdoor advertising signs and would be
15 responsible for collecting the tax.

16 If this ordinance is approved, the
17 Department of Revenue will contact the
18 outdoor advertising sign companies to discuss
19 procedures for implementing the tax.

20 I would like to note one difference
21 between the proposed outdoor advertising tax
22 and the hotel and vehicle rental taxes that I
23 just noted.

24 Both of those transactions or types
25 of transactions are subject to the state and

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2 the City sales taxes, in addition to those
3 subject specific taxes.

4 For example, the hotel rental tax is
5 a total of 14 percent. With 6 percent from
6 the state sales, 1 percent from City sales
7 and 7 percent from the hotel tax.

8 And similarly, the vehicle rental
9 tax transaction also is subject to the state
10 sales tax of six percent, the City sales tax
11 of one percent, and then the two percent
12 vehicle rental tax.

13 On the other hand, what we're
14 proposing now for the outdoor advertising
15 transaction would only be subject to this
16 seven percent excise tax.

17 The proposed tax on the purchase of
18 outdoor advertising space would generate much
19 needed revenue, without inhibiting job growth
20 or creation in Philadelphia. Your favorable
21 consideration of this legislation would be
22 appreciated.

23 I would like to note one thing. The
24 ordinance as presented to you and as is
25 before the committee lacks an effective date.

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2 It could be assumed that this would be
3 7/1/05, but you might want to consider
4 amending the legislation to explicitly state
5 that. And I have some suggested language for
6 that, if you would like to consider it.

7 I'd be happy to answer any questions
8 the committee might have.

9 COUNCIL PRESIDENT VERNA: Well, I
10 think since this is an administration bill,
11 it's the administration who should present
12 the amendment. Do you have copies?

13 MS. KAMMERDEINER: I only have the
14 one, but I'd be happy to present that to you.
15 This was noted after it was the end of -- My
16 apologies for that.

17 COUNCIL PRESIDENT VERNA: And what
18 date are you suggesting?

19 MS. KAMMERDEINER: July 1, 2005.

20 As might be implicit within this,
21 but so that there is no question about the
22 effective date, it would be preferred to have
23 an explicit effective date in the
24 legislation.

25 COUNCIL PRESIDENT VERNA: And this

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2 is the amendment that the administration is
3 offering.

4 MS. KAMMERDEINER: Yes.

5 COUNCIL PRESIDENT VERNA: Thank you.

6 I believe copies are being made of
7 the amendment, and we will have them
8 circulated.

9 The Chair recognizes Councilman
10 Nutter.

11 COUNCILMAN NUTTER: Thank you, Madam
12 Chair.

13 Ms. Kammerdeiner, unfortunately, I
14 didn't -- I think your testimony just came up
15 today.

16 MS. KAMMERDEINER: Yes. I'm sorry.
17 It was not ready until late yesterday.

18 COUNCILMAN NUTTER: Okay. What I
19 thought I heard you say was that there were
20 some estimates have been derived, and you
21 talked about 2800 legal sign faces. Did I
22 hear you correctly?

23 MS. KAMMERDEINER: Yes.

24 COUNCILMAN NUTTER: Okay.

25 MS. KAMMERDEINER: That information

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2 comes from, I believe, L & I, in terms of the
3 number of legal sign faces.

4 COUNCILMAN NUTTER: Do we have a
5 list of those? I mean, how do we know that
6 to be the case?

7 MS. KAMMERDEINER: I would have to
8 defer to L & I on that.

9 MR. SOLVIBILE: Robert Solvibile,
10 acting commissioner, Licenses and
11 Inspections.

12 Yes, we he do have a database of all
13 the legal signs in the City of Philadelphia.

14 COUNCILMAN NUTTER: How many illegal
15 signs are there?

16 MR. SOLVIBILE: I'm not sure of the
17 answer. We'd have to -- I'd have to get back
18 to you on that. The 2800 number, give or
19 take a few, is correct, as far as legal
20 signs.

21 COUNCILMAN NUTTER: How many signs
22 do we think are in the City?

23 COUNCIL PRESIDENT VERNA: Point of
24 information for Councilman DiCicco.

25 COUNCILMAN DiCICCO: Thank you.

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2 Councilman Nutter, could Mr.

3 Solvibile explain how you determined legal
4 versus illegal? What is the criteria for
5 legal versus illegal?

6 MR. SOLVIBILE: Where... A legally
7 licensed sign would be a sign that starts --
8 There's a zoning file, where the legal zoning
9 is there in the zoning file. And then it's a
10 licensed sign. That's how we would
11 determine.

12 We would have to get the location or
13 the address, which is always not easy to do
14 because the signs aren't really -- They're --
15 A lot of times they're on roadsides and such
16 which is being handled, as we speak, by a
17 survey that's being done, undertaken by
18 private concern.

19 But we had to get the address, go to
20 zoning file, and then determine if the zoning
21 file allows for outdoor advertising signs.

22 And it's rather intense. It's not
23 something you can do in a couple seconds.
24 It's a lot of research involved. Sometimes
25 the zoning files are really thick, and you

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2 have to keep on going through everything
3 until you find the necessary paperwork is
4 present to make it a legal sign.

5 COUNCILMAN DiCICCO: So if there's
6 no file, then the assumption is that
7 everything -- anything without a file is
8 illegal. I mean, that seems to be logical.

9 MR. SOLVIBILE: Or we have the wrong
10 address, yes. Yes.

11 COUNCILMAN DiCICCO: Or no address.

12 MR. SOLVIBILE: It's either the
13 wrong address which is possible or the sign
14 is not legal because there is no zoning file.

15 COUNCILMAN DiCICCO: Thank you.

16 Thank you, Councilman Nutter.

17 COUNCILMAN NUTTER: Thank you,
18 councilman DiCicco.

19 So, if there's no file, it's
20 automatically presumed that the sign is
21 illegal, regardless of what its actual status
22 may be.

23 MR. SOLVIBILE: Correct, unless
24 the --

25 COUNCILMAN NUTTER: Is it at all

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2 possible that we just -- the government just
3 might not have a file?

4 MR. SOLVIBILE: It's possible that
5 the file was misplaced -- and it's a huge
6 file room -- that the file was just
7 misplaced.

8 If the owner comes forward with
9 their permit that the sign was legal, we
10 would accept that also.

11 COUNCILMAN NUTTER: Okay. Now, how
12 many signs are there in the City -- sign
13 faces are there in the City?

14 MR. SOLVIBILE: I'm not at all sure
15 how many. I know how many are legal. I
16 think about 5,000. I'll give an estimate of
17 5,000 signs. And 2800 of them we know to be
18 legal.

19 COUNCILMAN NUTTER: So it's possible
20 there are 2200 illegal signs out there?

21 MR. SOLVIBILE: It's a possibility,
22 yes, Councilman.

23 COUNCILMAN NUTTER: Could you
24 forward to the Chair a list of what the
25 department believes to be the legal signs,

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2 the addresses of those signs, and what the
3 file indicates as to the owner of that
4 particular sign.

5 MR. SOLVIBILE: Yes. We will get
6 you that information.

7 Councilman, I was just handed this.
8 We believe there's 4,411 sign faces in the
9 City.

10 Of that total, we estimate that
11 2,762 are legal. And 37 percent or 1,649 are
12 not legal. And that's not necessarily 4,000
13 locations but 4,411 sign faces in the City.

14 COUNCILMAN NUTTER: Okay. What are
15 we doing about the 1649?

16 MR. SOLVIBILE: This bill... Well,
17 we're creating a sign unit which will...
18 First of all, we're working with PennDOT.

19 PennDOT's doing a study, using
20 modern technology to determine the location
21 of signs along the state highways in the
22 City.

23 And at that point we then on three
24 Saturdays about a month ago in a row had...
25 Our zoning people, working with PennDOT

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2 people, with the locations to find the zoning
3 files, to determine the signs that were
4 there, if they were legal, and if also the
5 size of the sign was what was approved by the
6 zoning code.

7 Once that study is over with, we are
8 in the process of creating a sign unit in the
9 department which will be manned by at least
10 four to five people which will determine --
11 to go out and make inspections and come back
12 and research the zoning file, to determine
13 what is legal and what is not legal. It's a
14 very intense process...

15 COUNCILMAN NUTTER: I understand.

16 MR. SOLVIBILE: ...to determine if
17 something is legal.

18 COUNCILMAN NUTTER: Gotcha.

19 Now, is the sign unit only going to
20 deal with billboards or are they going to
21 deal with the other eight million signs that
22 are around the City that I'm sure are also
23 illegal, on every telephone pole?

24 MR. SOLVIBILE: Going to deal with
25 all signs.

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2 COUNCILMAN NUTTER: Okay.

3 MR. SOLVIBILE: Well, billboards
4 mainly. But if you're talking about, like
5 the political type signs or...

6 COUNCILMAN NUTTER: No. I'm talking
7 about roofing, nails, weight loss...

8 MR. SOLVIBILE: Yes.

9 COUNCILMAN NUTTER: And everything
10 else that everyone wants to advertise.

11 MR. SOLVIBILE: Excuse me. That
12 will also be dealt with by our business
13 compliance unit. They'll deal with that type
14 of sign.

15 The sign unit will be dealing with
16 signs that it's impossible to legalize one of
17 them signs. You cannot attach anything the
18 way... a pole that's electrified. So, them
19 signs are just totally illegal, and you just
20 remove them. There's no approval for them to
21 be allowed in the City.

22 COUNCILMAN NUTTER: No; I
23 understand. I'm not looking to legalize
24 them. I'm asking you what are we going to do
25 about them, and what do we do with the people

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2 who invariably advertise on them and there's
3 a phone number?

4 Are we going after them for
5 illegally putting up signs or are we just
6 going to spend all our time taking their
7 signs down?

8 MR. SOLVIBILE: What we do now is,
9 we take their signs down, and we write a
10 code -- CVN, code violation notice, which is
11 \$75, to the people that have the signs.

12 COUNCILMAN NUTTER: Right.

13 MR. SOLVIBILE: Say we find ten
14 signs. We send ten violations of \$75 each to
15 the company. And our people under prior
16 Managing Director Gold -- Phil Goldsmith. I
17 know I got his name wrong. I always do that.
18 Phil Goldsmith.

19 We were very pro-active. And we
20 continue to be pro-active. If our people see
21 the signs, they take them down.

22 COUNCILMAN NUTTER: Okay. Great.
23 Let me have the Revenue Commissioner back,
24 please.

25 COUNCILMAN RIZZO: Madam President,

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2 could I just have a point of information.

3 COUNCIL PRESIDENT VERNA: The Chair
4 recognizes Councilman Rizzo for a point of
5 information.

6 COUNCILMAN RIZZO: Going back to the
7 billboards, Commissioner, we require a
8 newsstand to go through a process to get
9 electrification.

10 Do we require and don't our records
11 reveal the number of legal billboards by --
12 Didn't we require ordinances to electrify and
13 light billboards?

14 MR. SOLVIBILE: No. That -- That
15 would have been in the normal process when
16 you construct a building, you know, you
17 applied for the permits.

18 COUNCILMAN RIZZO: A billboard's not
19 a building.

20 MR. SOLVIBILE: Well, it's a
21 structure. It is a structure, in the sense
22 you need a building permit to erect that;
23 whereas, with a corner newsstands, you don't
24 need a permit, a construction permit.

25 COUNCILMAN RIZZO: So a newsstand's

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2 not a structure.

3 MR. SOLVIBILE: Yeah, it's a
4 structure, but not one -- It comes prefab and
5 it's put there; whereas, a building or a
6 billboard's built on the site.

7 COUNCILMAN RIZZO: So there's no
8 other -- There's no other records available
9 to really -- I mean, got a pretty good -- You
10 got a number here about how many illegal
11 billboards that we have. You're fairly
12 confident that that's a good number?

13 I mean, how did you -- You said the
14 study hasn't been done yet. How do you know
15 that that's a good, quality number?

16 MR. SOLVIBILE: We have a gentleman
17 that has been working on signs for us for the
18 last few years creating a database.

19 And he's a code administrative
20 three. Reports directly to Dave Perry, who's
21 the chief code official, Joseph D'Orio.

22 And he has over the last several
23 years been going, looking at locations and
24 trying to do research and creating a database
25 because our first concern was to get our hand

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2 around where they were and then go through a
3 process of enforcement.

4 COUNCILMAN RIZZO: So this has just
5 been a kind of go out into the community and
6 count 'em.

7 MR. SOLVIBILE: Yes, basically.

8 COUNCILMAN RIZZO: Okay.

9 MR. SOLVIBILE: And Councilman, not
10 just count them, but also research if they're
11 legal or not because that's how we came up
12 with the estimate on legal and non-legal
13 signs.

14 COUNCILMAN RIZZO: Okay. So at this
15 point this is kind of like, I'd say, a rough
16 study?

17 MR. SOLVIBILE: It's a rough study
18 that will... After -- We're looking forward
19 to the PennDOT study to be completed because
20 that will really be a big help to us.

21 I know they haven't been there for
22 about two weeks. They finished up the
23 Saturday studying to see what was legal and
24 not legal.

25 So we're just really awaiting that

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2 study as the foundation of what will go from

3 there because that will take care of all the

4 interstate highways in the City. And then we

5 can go forward to the other areas.

6 COUNCILMAN RIZZO: Okay.

7 Thank you.

8 MR. SOLVIBILE: You're welcome.

9 COUNCILMAN RIZZO: Thank you,

10 Councilman Nutter.

11 COUNCILMAN NUTTER: Sure.

12 COUNCILMAN RIZZO: And Madam

13 President.

14 COUNCILMAN NUTTER: Commissioner,

15 let me ask about these three bills. These

16 are... Two bills are related to billboards

17 and one to valet parking; is that right?

18 MS. KAMMERDEINER: That's correct.

19 COUNCILMAN NUTTER: 451, 452 and

20 453.

21 MS. KAMMERDEINER: Yes.

22 COUNCILMAN NUTTER: Who developed

23 the ideas behind these three bills?

24 MS. KAMMERDEINER: I will skip to

25 the second one first.

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2 The valet parking bill is one that
3 revenue has been interested in for some time,
4 ever since the Supreme -- or excuse me --
5 Commonwealth Court Case that indicated that
6 valet parking was not included under the
7 parking tax. And we've been talking with the
8 Law Department and others to --

9 COUNCILMAN NUTTER: When was that?

10 MS. KAMMERDEINER: -- see the best
11 way of including valet parking under the
12 parking tax.

13 COUNCILMAN NUTTER: So when was the
14 court case?

15 MS. KAMMERDEINER: Well, I have not
16 yet presented the testimony on Bill 452 --

17 COUNCILMAN NUTTER: I understand.

18 MS. KAMMERDEINER: -- but in that I
19 will reference a court case that...

20 COUNCILMAN NUTTER: And I know you
21 referenced a court case. I'm looking at the
22 testimony.

23 What I asked is, when was it?

24 MS. KAMMERDEINER: Oh. When was it?
25 I'm sorry. It was... I believe the final

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2 determination on that was in 2001 or 2002.

3 COUNCILMAN NUTTER: Okay. So when
4 was this bill developed?

5 MS. KAMMERDEINER: We had actually
6 proposed it some time ago, but I don't
7 believe it was ever introduced in Council.
8 And this time, because of further discussion
9 about alternative revenue measures --

10 COUNCILMAN NUTTER: Well, what
11 was --

12 MS. KAMMERDEINER: -- it developed
13 more attention.

14 COUNCILMAN NUTTER: What was "some
15 time ago"?

16 MS. KAMMERDEINER: In the last two
17 years we have talked informally with the Law
18 Department about it, but it never made its
19 way here.

20 COUNCILMAN NUTTER: Okay. So, when
21 was the bill finally drafted?

22 MS. KAMMERDEINER: Within the last
23 month. It was updated from what we had
24 before the Law Department took an earlier
25 proposed version and updated it. And it was

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2 presented here, I believe, two weeks ago, to
3 be introduced, and was actually introduced
4 last week.

5 COUNCILMAN NUTTER: Right. So
6 you've been talking about it for a few years.
7 You think the bill was drafted within the
8 past month.

9 Has it ever been discussed in prior
10 public hearings?

11 MS. KAMMERDEINER: Other than a
12 question that came up about it last week, I
13 believe it was, in another hearing setting on
14 the parking tax, the two percent parking tax
15 increase bill, I don't recall any other time,
16 at least not when I was present, that it was
17 discussed here.

18 COUNCILMAN NUTTER: Okay. So, to
19 your knowledge, this idea has never been
20 presented by the administration until last
21 week.

22 MS. KAMMERDEINER: Two weeks ago,
23 when the message was transmitted to Council.

24 COUNCILMAN NUTTER: Right. Well, it
25 came up late. That's why apparently it

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2 didn't get introduced. But two weeks ago.
3 Until two weeks ago this had not been
4 discussed by the administration.

5 MS. KAMMERDEINER: In Council. I
6 don't know whether there were any informal
7 discussions.

8 COUNCILMAN NUTTER: Okay. What
9 about the billboard issues? When were those
10 bills drafted?

11 MS. KAMMERDEINER: They were drafted
12 over the last several months.

13 MR. SOLVIBILE: In our testimony,
14 Councilman, for our budget, Council President
15 Verna and several members of Council asked
16 about the... an ordinance that we had had
17 given to the administration that we had put
18 together last January -- this January.

19 And you asked for it. And we
20 delivered copies of that to Council President
21 and members of Council, our draft of an
22 ordinance to the administration. And the
23 administration and some Council people have
24 been working on an ordinance since then.

25 COUNCILMAN NUTTER: Have been what?

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2 MR. SOLVIBILE: Have been working
3 together, to my knowledge, on an ordinance
4 since then.

5 COUNCILMAN NUTTER: Since January.

6 MR. SOLVIBILE: Since our testimony
7 in budget. Our budget testimony. It was a
8 question was asked -- I'm sorry?

9 COUNCILMAN NUTTER: On both of the
10 bills?

11 MR. SOLVIBILE: I'm sorry?

12 COUNCILMAN NUTTER: On both of the
13 bills?

14 MR. SOLVIBILE: On the bill for the
15 sign ordinance.

16 COUNCILMAN NUTTER: Okay. Do you
17 have any idea why the bills weren't presented
18 as a part of the operating budget?

19 MR. SOLVIBILE: No, I don't.

20 COUNCILMAN NUTTER: Okay. Thank
21 you.

22 Thank you, Madam Chair.

23 COUNCIL PRESIDENT VERNA: You're
24 welcome.

25 The Chair recognizes Councilman

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2 O'Neill.

3 COUNCILMAN O'NEILL: Yes.

4 Commissioner, on the list of legal
5 billboards, could you... I know there was a
6 request to send the names of the owners and
7 all that to the Council President. But could
8 you break it down by district? I'm not as
9 interested in the names of the owners as the
10 locations.

11 We get awful lot of inquiries from
12 people about billboards: Are they legal?
13 And the quickest thing I can find out, if
14 they're legal.

15 And then the assumption that they're
16 not if -- It would really help because there
17 is a ton of research involved in this.

18 MR. SOLVIBILE: I agree.

19 COUNCILMAN O'NEILL: But if you
20 already have the database from my district,
21 I'd appreciate it.

22 MR. SOLVIBILE: We will break it
23 down.

24 And also, we promised, I believe --
25 Council President Verna asked for it at our

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2 budget testimony -- that we will -- when the
3 PennDOT study is completed, we will also
4 deliver that to Council, too. It's been
5 asked, and we had agreed to do that as soon
6 as it starts.

7 COUNCIL PRESIDENT VERNA: Excuse me.
8 When is that report to be completed?

9 MR. SOLVIBILE: They were last in
10 our shop on a Saturday -- about two Saturdays
11 ago, Council President, and they have not
12 given us a time line. They're still working
13 on it. And they promised us that they would
14 deliver us the documentation.

15 We will check and get back to you
16 and give you a time line as best they can
17 give us.

18 COUNCILMAN O'NEILL: Commissioner,
19 for clarity, the permanent structure being
20 the frame and the body of the billboard, not
21 the sheet that's actually put on it; that
22 needs a building permit.

23 Is it that structure absent any real
24 billboards being on it that is the permit
25 that's lacking, when you can't find anything

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2 and are assuming it's illegal or is it a case
3 where you know there's a structure but
4 there's never been any permits taken out for
5 the billboards that are on there? Can you
6 just explain that a little.

7 MR. SOLVIBILE: Basically, it --
8 it -- it -- it -- Let's say it was built 20
9 years ago. It -- It -- We wouldn't be able
10 necessarily to find the permit, but the
11 zoning file would still exist.

12 And the date of approval would be in
13 the zoning file. So, we always go to the
14 zoning file. So, the tricky part with
15 outdoor advertising is, number one, the
16 address which, as you know, our zoning file
17 is address based.

18 And then from that we go to the
19 file, and then to research the file.

20 COUNCILMAN O'NEILL: Okay.

21 MR. SOLVIBILE: That's basically --
22 It's the zoning file is the controlling
23 factor here.

24 COUNCILMAN O'NEILL: Okay. The --

25 MR. SOLVIBILE: And excuse me. I'm

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2 sorry.

3 And it's assumed that there is a
4 legally zoned -- There was a building permit
5 that was delivered after that. But that at
6 the time was not a permanent file that we
7 would keep.

8 COUNCILMAN O'NEILL: The sign unit
9 you mentioned with five people in it --

10 MR. SOLVIBILE: We are creating,
11 yes.

12 COUNCILMAN O'NEILL: Is five enough?
13 Is it --

14 MR. SOLVIBILE: Well --

15 COUNCILMAN O'NEILL: Will they be
16 overwhelmed?

17 MR. SOLVIBILE: Dave Perry and I
18 thought that it was -- it would be
19 sufficient.

20 We are going to put a building
21 inspector. We are going to put a business
22 compliance inspector, an administrator and
23 clerical, and then a field administrator or a
24 supervisor.

25 And we also wanted to... We're

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2 breaking up in two ways. Also, someone
3 coming into the concourse or in for a new
4 building or signs now, would deal through
5 that unit, instead of being put in with all
6 the other examiners and with all the other
7 buildings. We felt it would be more
8 efficient to have one group controlling
9 everything.

10 And if it isn't -- We feel it's
11 enough to keep up with it because one
12 inspector, you can do 10, 12 billboards a
13 day. And there's 5,000. So it's not an
14 overwhelming --

15 COUNCILMAN O'NEILL: Once people
16 know you have a sign unit --

17 MR. SOLVIBILE: Yeah; I understand
18 that.

19 COUNCILMAN O'NEILL: -- you're going
20 to get more requests.

21 MR. SOLVIBILE: Councilman, I surely
22 understand that.

23 COUNCILMAN O'NEILL: Anyway, keep in
24 touch with us on that, the workload. Thank
25 you.

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2 MR. SOLVIBILE: Thank you.

3 COUNCIL PRESIDENT VERNA: The Chair
4 recognizes Councilwoman Brown.

5 COUNCILWOMAN BROWN: No.

6 COUNCIL PRESIDENT VERNA: Your light
7 was on.

8 Commissioner, you are requesting to
9 increase the annual license fee for
10 non-accessory outdoor signs, from \$175 per
11 sign structure to \$650 per sign face.

12 For the record, would you please
13 explain what the difference is between the
14 structure and the sign face. I think that
15 Councilman O'Neill was just asking, but I
16 don't think that that was made clear.

17 MR. SOLVIBILE: They're --
18 They're... the pole and the -- and the
19 supporting --

20 COUNCIL PRESIDENT VERNA: The
21 framework.

22 MR. SOLVIBILE: -- part for the
23 frame. The frame is what I would consider
24 the structure, and the actual advertisement
25 is the face.

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2 Some poles will have two faces on
3 them, you know, like on an angle or side by
4 side going in two different directions. That
5 is the sign face. And the structure would be
6 the steel that holds the sign up.

7 COUNCIL PRESIDENT VERNA: What is
8 the justification for the change from per
9 structure to per face?

10 MR. SOLVIBILE: We're -- We're...
11 Several factors went into our looking at what
12 it would cost us to enforce with the sign
13 unit: The cost for the employees, the
14 equipment they would need, the
15 transportation.

16 Also built into this is a -- is a
17 fund for signs that were -- they were
18 determined illegally, they would be removed
19 by -- If the owner of the sign does not
20 remove them, we will remove them.

21 So, it's just that -- what it would
22 cost the department the expense to enforce
23 the signs in the City of Philadelphia.

24 COUNCIL PRESIDENT VERNA: Can you
25 tell us how you arrived at the proposed fee

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2 amount of \$650 per face?

3 MR. SOLVIBILE: I'm going to ask
4 Dave Perry to come up because he was very...
5 He worked on that long hours...

6 COUNCIL PRESIDENT VERNA: I know he
7 has.

8 MR. SOLVIBILE: ...coming up with a
9 price.

10 And basically it's the amount of
11 employees and the cost and the benefits for
12 the employees, and everything involved with
13 the space they would use and the
14 transportation. And that's how we came up
15 with that, but Dave would have a more exact
16 answer for that.

17 COUNCIL PRESIDENT VERNA: Good
18 morning.

19 MR. PERRY: Good morning, Madam
20 President and members of Council.

21 To determine the cost for the sign
22 unit, we included salary, fringes. We also
23 included a demolition contract, engineering
24 consulting services.

25 We believe a lot of our data

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2 collection will be done by hiring an
3 engineering firm that can send equipment out
4 into the field, measure the size of the
5 signs, and using GPS software, pinpoint the
6 location.

7 We also included telephone expenses.
8 We included a large budget in the Law
9 Department to represent the City, in the
10 event that there are illegal signs that need
11 to be removed and we have to go to court to
12 ask for an order to take down the signs. e
13 So, we -- we -- included an array of costs,
14 both direct costs in terms of personnel, plus
15 contracts for demolition and engineering
16 services.

17 COUNCIL PRESIDENT VERNA: Thank you
18 very much.

19 The Chair recognizes Councilman
20 DiCicco.

21 COUNCILMAN DiCICCO: Thank you,
22 Madam President.

23 Good morning to the panel. Of the
24 16 or 1700 illegal signs, what portion or is
25 there any portion of that number that

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2 represents the eight sheets?

3 MR. SOLVIBILE: Dave, they're just
4 billboards, right?

5 COUNCILMAN DiCICCO: Or is that a
6 separate number that would be added on to the
7 16 or 1700?

8 MR. SOLVIBILE: I can say the eight
9 sheets are 900 approximately.

10 COUNCILMAN DiCICCO: But does that
11 900 -- Maybe for the purpose of everyone here
12 could someone just give a brief description
13 of what eight sheets are so we all know what
14 we're talking about?

15 MR. SOLVIBILE: Eight sheets are --
16 is my crash course in signs. I never knew
17 anything about signs, except to read them.

18 It takes eight sheets to create
19 these signs. They're more like a picture on
20 a wall. It's attached to the side of
21 buildings, that we see throughout the
22 neighborhoods.

23 They're affixed to the building.
24 And they're usually, you know, on -- They're
25 not on a separate structure on its own.

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2 They're supported by a building. And
3 they're... It takes eight sheets of paper to
4 create them. That's why they're called eight
5 sheets.

6 COUNCILMAN DiCICCO: To create the
7 entire advertisement.

8 MR. SOLVIBILE: Right.

9 COUNCILMAN DiCICCO: And sometimes
10 they're framed out.

11 MR. SOLVIBILE: Yes. They're framed
12 out. It's like a picture mounted on a wall
13 is the way I think that best describes what
14 an eight sheet is.

15 And I... I know there's 900 of
16 them. Now, Dave will give us --

17 COUNCILMAN DiCICCO: Well, that's my
18 question. Is the 900 added on to the 1700
19 illegal or is that part of the 1700?

20 MR. PERRY: Councilman, Dave Perry,
21 chief code official.

22 The number of eight sheets is part
23 of the number that we gave you, in terms of
24 the total number of illegal sign faces.

25 COUNCILMAN DiCICCO: Okay. So

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2 approximately seven... a thousand or so,
3 depending on the numbers, 800 to a thousand
4 of the typical structure, outdoor
5 advertisements that are illegal.
6 MR. SOLVIBILE: Well, typically, 900
7 from 16 is...
8 COUNCILMAN DiCICCO: 700, but --
9 MR. SOLVIBILE: Roughly 700
10 billboards.
11 COUNCILMAN DiCICCO: I used 16.
12 MR. SOLVIBILE: Yes.
13 COUNCILMAN DiCICCO: Your number
14 could be 17.
15 MR. SOLVIBILE: Yes.
16 COUNCILMAN DiCICCO: Somewhere in
17 that general vicinity.
18 MR. SOLVIBILE: It's our number.
19 We're not suggesting at this point that it's
20 an exact number. It's a best estimate.
21 COUNCILMAN DiCICCO: Okay. It's the
22 best estimate you can get. Okay.
23 A month or so ago, Commissioner
24 Solvibile, you testified to the number of
25 companies or billboards that were paying the

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2 licensing fee. And I think you said the City
3 was collecting somewhere around \$86,000
4 annually.

5 MR. SOLVIBILE: Correct.

6 COUNCILMAN DiCICCO: Of the 28 -- Of
7 the 2800 legal signs, does that \$86,000
8 represent the 2800 legal signs that are being
9 paid for or is there a portion of those legal
10 signs that are not paying any licensing fees
11 as well?

12 MR. SOLVIBILE: Back in the... When
13 Bennett Levin was Commissioner, there was a
14 lawsuit protesting the difference in one sign
15 being a hundred and I believe our sign being
16 \$150.

17 And the Bennett Levin's, I guess,
18 policy was overturned. And it was ruled --
19 The courts ruled basically that the sign
20 companies didn't have to pay anything.

21 And some of them are now voluntarily
22 paying a hundred dollars. So, it represents
23 not... All the legal ones, I believe, are
24 not paying the hundred dollars. It's
25 voluntarily who's paying. And I think the

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2 number... Dave, do we have that number?
3 COUNCILMAN DiCICCO: I mean, based
4 on your numbers at a hundred dollars times
5 2800 --
6 MR. SOLVIBILE: I'm sorry. The
7 number of sign companies actually paying the
8 license.
9 COUNCILMAN DiCICCO: Sign companies.
10 MR. SOLVIBILE: Sign companies.
11 COUNCILMAN DiCICCO: So a hundred
12 sign companies --
13 MR. SOLVIBILE: No, no, no. I'm
14 sorry.
15 COUNCILMAN DiCICCO: 86 sign
16 companies would be paying \$100.
17 MR. SOLVIBILE: There's 9 -- There's
18 80 -- There's "X" amount of legal billboards
19 owned by about ten companies, I think.
20 COUNCILMAN DiCICCO: And they're
21 voluntarily paying.
22 MR. SOLVIBILE: Some are voluntarily
23 paying the hundred dollars.
24 COUNCILMAN DiCICCO: Not per sign.
25 MR. SOLVIBILE: Some are not.

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2 COUNCILMAN DiCICCO: But not on a
3 per sign basis.

4 MR. SOLVIBILE: I... No. There's
5 some that --

6 COUNCILMAN DiCICCO: If you were
7 paying on a per sign basis, and you testified
8 there's 2800 hundred times a hundred, would
9 be \$280,000?

10 MR. SOLVIBILE: Right. Not
11 everybody's paying.

12 COUNCILMAN DiCICCO: Am I correct?

13 Mr. Perry wants to jump right in. I
14 can --

15 MR. SOLVIBILE: Go ahead, Dave. Why
16 don't you --

17 MR. PERRY: Dave Perry.

18 COUNCILMAN DiCICCO: Turn the mike
19 down a little bit. I can hear you better.

20 MR. PERRY: The reason why there's a
21 discrepancy is that under the current
22 licensing arrangement, the sign companies are
23 supposed to pay by sign structure.

24 And as we mentioned earlier, certain
25 sign structures have multiple faces. So,

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2 don't get confused between numbers of faces
3 we give you and number of sign structures.

4 So, a portion of 855 sign
5 structures, a portion of those... The
6 companies that own those structures are
7 paying a voluntary fee.

8 Some of the sign companies are not
9 paying that fee. But they're basing it on
10 structure, not on sign facing.

11 COUNCILMAN DiCICCO: And in your
12 current proposal to charge \$650...

13 MR. PERRY: Correct.

14 COUNCILMAN DiCICCO: ...per
15 structure.

16 MR. PERRY: Per sign face.

17 COUNCILMAN DiCICCO: Per sign face.
18 So, if it's two it will be \$1300 for that one
19 structure; is that correct?

20 MR. PERRY: Correct.

21 COUNCILMAN DiCICCO: I wanted to
22 make that clear as well.

23 All right. And I publicly want to
24 say thank you. I mean, you and I have been
25 working along with the Council President's

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2 President.

3 Do we know how much money in taxes
4 the sign companies pay on a yearly basis, say
5 over the last three or four years?

6 MS. KAMMERDEINER: I would have to
7 check. I don't have that information here
8 with me.

9 COUNCILMAN COHEN: Do you have any
10 idea at all?

11 MS. KAMMERDEINER: I don't believe
12 it is a large number, but... because there
13 are just a small number of firms here in
14 this -- in this industry.

15 But I will have to check and get
16 something for Council on that. I don't know
17 what that number would look like.

18 COUNCILMAN COHEN: Isn't it common
19 knowledge that these companies are known as
20 being parasites and paying as little in the
21 way of taxes as possible? Parasites in a
22 sense of using other people's property. The
23 investment is relatively little. It's an
24 investment in the sign structure, but they
25 don't own the real estate on which the sign

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2 structure exists. Isn't that true?

3 MS. KAMMERDEINER: I -- I really
4 don't know. I don't know if L & I can
5 comment on that, but I -- I don't know
6 whether they own or if they lease space.

7 COUNCILMAN COHEN: Well, these
8 questions are being asked --

9 MR. SOLVIBILE: We have no knowledge
10 of that.

11 COUNCILMAN COHEN: -- to the panel,
12 not necessarily you, Miss Kammerdeiner,
13 except where Revenue is involved.

14 MR. SOLVIBILE: We -- We -- We --
15 We... I would not... I -- I do not believe
16 we would have information if they own the
17 location or they're renting. We -- We do not
18 have that information.

19 COUNCILMAN COHEN: Well, isn't it a
20 fact that this subject has been discussed for
21 at least 20 years? That this is not
22 something that we just thought of last month
23 or last year or even the last few years.

24 Hasn't it always been a fact that
25 these billboard companies are irresponsible?

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2 Isn't it a fact, for example, that for many
3 years they were not permitted to become
4 members of the Chamber of Commerce because it
5 was thought they were not reputable
6 businessmen? Isn't it true that they
7 employ -- they pay taxes very, very little.
8 They ignore us. They post illegal signs.

9 But when it comes to Council, they
10 often employ the most expensive, including
11 counsel, that's known as the Mayor's counsel,
12 as well as major law firms in the City?

13 MR. SOLVIBILE: I -- I -- I -- I --
14 I do not know the answer to any of them
15 questions, Councilman.

16 COUNCILMAN COHEN: Hasn't it been a
17 problem for many, many years.

18 MR. SOLVIBILE: I -- I -- I -- I --
19 I -- I can not answer your question -- Your
20 statements are statements I honestly do not
21 know if they could belong to the Chamber of
22 Commerce or not. I have no knowledge of
23 that.

24 COUNCILMAN COHEN: How about their
25 non-payment of taxes?

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2 MR. SOLVIBILE: I -- I have no only
3 knowledge of that myself but Commissioner
4 Kammerdeiner might.

5 COUNCILMAN COHEN: Miss
6 Kammerdeiner, how soon could you get that
7 information for us as to how much is being
8 paid in taxes?

9 COUNCILMAN DiCICCO: Point of
10 information.

11 COUNCIL PRESIDENT VERNA: The Chair
12 recognizes Councilman DiCicco for a point of
13 information.

14 COUNCILMAN COHEN: I mean, what
15 is --

16 COUNCIL PRESIDENT VERNA: Councilman
17 Cohen.

18 COUNCILMAN DiCICCO: Is your
19 question, Councilman Cohen, taxes on the
20 structure of the advertising or taxes in
21 general?

22 Because some of these companies
23 employ people in the City of Philadelphia as
24 well. They have their companies set up here.

25 So, I'm not sure if your question

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2 goes to... When you say these advertising
3 companies, is it the company or is it --
4 COUNCILMAN COHEN: For the
5 billboards.
6 COUNCILMAN DiCICCO: -- or is it for
7 the billboards?
8 COUNCILMAN COHEN: For the
9 billboards. That's the only thing...
10 COUNCILMAN DiCICCO: Thank you.
11 COUNCILMAN COHEN: ...we're talking
12 about.
13 COUNCILMAN DiCICCO: Thank you.
14 COUNCILMAN COHEN: Because the
15 billboard industry is an industry that's bad
16 environmentally and bad financially. It's
17 bad from every point of view, and we ought to
18 be working to eliminate it.
19 MS. KAMMERDEINER: In order to do a
20 tax check, I would need to know the names of
21 the firms.
22 I -- I have some names, but I don't
23 know if I have an exhaustive list. I will
24 check with L & I to verify that we are
25 looking at or looking for all of them, and

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2 give you a report, in terms of their general
3 tax status.

4 Depending upon how many of them
5 there are, it may take a different amount of
6 time. That's why I can't commit to you, but
7 we'll do it as quickly as we can.

8 COUNCILMAN COHEN: Thank you.

9 I know the Commissioner is
10 relatively new in his position. But doesn't
11 L & I maintain lists of these billboard
12 companies?

13 MR. SOLVIBILE: Yes.

14 COUNCILMAN COHEN: That have illegal
15 signs?

16 MR. SOLVIBILE: Yes.

17 MS. KAMMERDEINER: I just have to
18 obtain it.

19 MR. SOLVIBILE: We have promised --
20 We have... I commented on that earlier,
21 Councilman. We have a database that we've
22 been creating over the last several years
23 which we are going to share with Council.

24 COUNCILMAN COHEN: But I have
25 trouble talking about the last several years.

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2 When the original billboard control
3 bill was passed by Council, I believe it was
4 in the early 1980s, over 20 years ago. And
5 we're covering the same subject, that these
6 companies post illegal signs, ignore the law,
7 pay practically nothing, fight everywhere in
8 courts.

9 They even fought in a case where the
10 Supreme Court of Pennsylvania ruled that a
11 sign near the Delaware River Bridge was
12 illegal.

13 We still had to go to court to get a
14 special order, asking that the City -- asking
15 for permission to get the City to remove the
16 sign. It wasn't enough to get a Supreme
17 Court decision that the sign was illegal.

18 These firms have plenty of money for
19 legal actions that frustrate the City.
20 They're parasites, and I think they ought to
21 be eliminated.

22 And as long as they're here, they
23 ought to be taxed heavily, and I think the
24 tax ought to be increased wherever there's an
25 illegal sign posted.

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2 They know they've got -- My guess is
3 that your figures are still very friendly to
4 them when you say there's 1700 illegal signs
5 compared to 2000 legal ones.

6 I would gather that... I would
7 think that the number of illegal signs vastly
8 outweigh the number of legal signs, if you
9 require to be legal, that they meet all the
10 specifications, including the fees.

11 MR. SOLVIBILE: Well, as I said,
12 Councilman -- explained earlier, we have done
13 research for the last several years, and
14 working with various agencies, SCRUB, and
15 also Managing Director's Office.

16 And we have determined that there
17 is, in fact, roughly the numbers we've given
18 out, 1700 signs that are illegal and...
19 Roughly 2800 that are legally zoned in the
20 City of Philadelphia. And that counts also,
21 Councilman, the eight sheets that are in the
22 communities.

23 COUNCILMAN COHEN: And are taxes
24 being paid on the legal signs? Do all legal
25 signs -- Does legality include the payment of

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2 taxes or is that merely with respect to where
3 the signs exist? Have they been granted
4 legal permits?

5 MR. SOLVIBILE: They were granted
6 legal permits.

7 COUNCILMAN COHEN: But it has
8 nothing to do with whether the taxes are
9 paid.

10 MR. SOLVIBILE: We -- We -- We do
11 not check if taxes are being paid, you know.
12 We -- We -- We -- We -- We check if the
13 license is paid but not the taxes on the...
14 That would go to Revenue.

15 COUNCILMAN COHEN: Well, Miss
16 Kammerdeiner, do you check -- Could you tell
17 us how many of the billboard signs are being
18 paid for appropriately by taxes?

19 MS. KAMMERDEINER: I would need to
20 have from L & I the list of billboard
21 companies so that we could check their tax
22 status.

23 And we'll do that after this
24 session. We need to get that information
25 from L & I, so that I can have someone check

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2 the tax status of the companies that operate
3 or own the billboards.

4 MR. PERRY: Councilman, Dave Perry
5 again.

6 This new ordinance in front of you
7 also requires that before we can renew a
8 license for an individual sign, that there
9 will be a check to see that all taxes are
10 current for the company that's putting up
11 that sign.

12 COUNCILMAN COHEN: And if they're
13 not current, then what?

14 MR. PERRY: Then we do not renew the
15 sign license.

16 COUNCILMAN COHEN: And what do we do
17 then?

18 MR. PERRY: We would do --

19 COUNCILMAN COHEN: Permit the sign
20 to exist for 20 more years without a payment?

21 MR. SOLVIBILE: What we would do
22 then, Councilman, is have our -- have a case
23 prepared and send it to the Law Department,
24 and have them represent us in an equity
25 action against the sign company.

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2 COUNCILMAN COHEN: Has the City
3 Solicitor's department been brought into this
4 study as of now?

5 MR. SOLVIBILE: Yes, we've been
6 working closely with them for the last
7 several months.

8 MR. PERRY: The ordinance
9 specifically requires if you do not pay your
10 license fee, as opposed to not having a
11 zoning permit... If you do not pay your
12 license fee, you're required to white out the
13 sign face and not derive income from that
14 sign. And if the sign company doesn't do it,
15 the ordinance empowers L & I to either do it
16 themselves or have -- hire out a contractor
17 to basically remove the sign face.

18 COUNCILMAN COHEN: That's this new
19 ordinance.

20 MR. PERRY: That's correct.

21 COUNCILMAN COHEN: But what has the
22 City done before, in the face of the defiance
23 by these sign companies?

24 MR. PERRY: When Commissioner
25 Solvibile became Commissioner last year, he

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2 asked for a study on signs.

3 And one of the things that we found
4 was that the enforcement efforts have been
5 increasing over the past several years.

6 And when Commissioner Solvibile took
7 office, there were 38 cases in court
8 involving illegal signs. 21 were in Common
9 Pleas Court, and the other 17 were in
10 Municipal Court. So, we have been upping our
11 enforcement efforts.

12 We had several major signs recently
13 removed, one that Commissioner was personally
14 responsible for having removed. There was
15 one of the largest wall wrap signs in the
16 City. It was off of Vine Street. And we
17 hired a contractor to remove the sign on our
18 behalf.

19 COUNCILMAN COHEN: Well, I think
20 there's been a noticeable change in
21 enforcement since Commissioner Solvibile took
22 office, and for the good as, well as you have
23 a Deputy Commissioner, I believe, by the name
24 of D'Orio.

25 MR. SOLVIBILE: Joe D'Orio is a...

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2 COUNCILMAN COHEN: Who works very
3 hard in his field.

4 MR. SOLVIBILE: Mr. D'Orio works for
5 Dave Perry, and he reports to David. And he
6 is going to lead up our sign unit. He's
7 very, very active in signs. He's the person
8 who we use to create the database.

9 I also might add that we're
10 pro-active to the point where at the
11 Convention Center, we saw two wall wraps last
12 week.

13 We wrote a violation. The wall
14 wraps were removed as of, I believe,
15 yesterday.

16 So, we're pro-active on these
17 that... You know, a sign is a sign. And
18 we're going to do what we need to do to have
19 people have legal signs.

20 COUNCILMAN COHEN: Well, we
21 congratulate you in turning a department that
22 seems to have been cooperating with the
23 lawlessness displayed by billboard operators,
24 into an agency that's begun to enforce the
25 law.

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2 But, God, it's been 20 years. And I
3 guess we have to be thankful that finally
4 there's a turnaround.

5 Thank you, Madam President.

6 COUNCILMAN RIZZO: Point of
7 information.

8 COUNCILMAN COHEN: Incidentally, may
9 I ask you this question: You mentioned in
10 talking about working with organizations in
11 the community. Can you tell us something
12 about the groups that work in the community.
13 How do they cooperate with you?

14 MR. SOLVIBILE: I know Joe D'Orio,
15 works really closely with SCRUB. I know that
16 for a fact. And I've met Mary Tracy a few
17 times, and we've had conversations.

18 What I did was, we -- I have a staff
19 meeting every other week with my senior
20 staff. And we invited SCRUB to come and give
21 us a presentation on -- on their feelings.
22 So, we -- I've -- We try to outreach to both
23 sides to determine what the problem is and
24 enforce.

25 You know, our -- our -- our job is

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2 to make sure it's legal. And if a sign is
3 licensed, legal and zoned, then, you know,
4 fine. We're -- We're -- We're -- We're not
5 going to bother with that. We're -- We're
6 really looking for the ones that are not
7 legal to do the enforcement on.

8 COUNCILMAN COHEN: How do you find
9 cooperation from the community generally?

10 MR. SOLVIBILE: Excellent. We --
11 We -- We -- We very -- As you know,
12 Councilman, Licenses and Inspections sort of
13 intertwines with the community on a daily
14 basis. Everything we do affects them. And
15 we have, with all different various kinds of
16 community groups, a great relationship.

17 COUNCILMAN COHEN: Very good.
18 Thank you.

19 COUNCILMAN RIZZO: Point of
20 information.

21 COUNCIL PRESIDENT VERNA: The Chair
22 recognizes Councilman Rizzo for a point of
23 information.

24 COUNCILMAN RIZZO: Commissioner...
25 Could I have a microphone, please? Now we're

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2 on.

3 Commissioner, you just mentioned
4 about two wall wraps. And I know you
5 can't -- Well, maybe you can. Could you
6 comment on the companies that installed
7 these? Do you think they did the
8 installations of the wall wraps in ignorance
9 or do you think they knowingly violated the
10 law?

11 MR. SOLVIBILE: I -- I honestly can
12 not -- I -- I -- I -- I believe the
13 Convention Center was not realizing what the
14 law was, the last two that were removed. I
15 really -- Once we told them that they -- they
16 were not allowed, they complied almost
17 instantly.

18 COUNCILMAN RIZZO: But I'm talking
19 about the installer of the wrap.

20 My point being is, I think you need
21 to communicate with these various sign
22 companies, because I imagine that was a
23 significant investment that the Convention
24 Center made to install.

25 Well wraps aren't cheap. And I

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2 can't imagine them spending that money
3 knowing that the signage was in jeopardy.

4 Do the vendors -- the various
5 contractors that do this work know that in
6 our City that this work is illegal?

7 MR. SOLVIBILE: They -- They --
8 They -- They know they need to have a license
9 and a permit to do what they're doing, yes.

10 It's like any builder in the City of
11 Philadelphia. They know they need a permit
12 to put a building there.

13 COUNCILMAN RIZZO: So do you know
14 the company that installed the wrap at the
15 Convention Center? I would hope.

16 MR. SOLVIBILE: No, I don't. I
17 honestly do not know the company that did it.
18 But the Convention Center will, in fact, deal
19 with that, and did deal with that rather
20 effectively.

21 COUNCILMAN RIZZO: But my point
22 being is, it seems to me that it doesn't
23 create a lot of good will that a company
24 would not know that wall wraps, or whatever
25 you call them, aren't appropriate.

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2 They spend \$10,000 to install one;
3 then a week later have to rip it down, my
4 point being is: Could we just -- Could we
5 communicate with the various people that do
6 this work via letter, your signature, and let
7 them know that it's not appropriate to do
8 this work in the City.

9 And it's for their information.
10 Because I can't imagine a legitimate
11 contractor, especially working for the
12 Convention Center, not saying to the people
13 at the Convention Center, are you guys aware
14 that this isn't legal?

15 MR. SOLVIBILE: I -- We -- We
16 will -- If we have not done it in the past,
17 we will do it, Councilman.

18 COUNCILMAN RIZZO: Thank you.

19 Thank you, Madam President.

20 COUNCIL PRESIDENT VERNA: You're
21 welcome.

22 The Chair recognizes Councilman
23 Kenney.

24 COUNCILMAN KENNEY: Thank you, Madam
25 President.

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2 Just one last thing on the wall
3 wrap. What was it advertising?

4 MR. SOLVIBILE: Big bottle of Makers
5 Bourbon, I believe. It's actually the first
6 time I ever heard of the product.

7 COUNCILMAN KENNEY: Was it related
8 at all to anything that was going on at the
9 Center?

10 MR. SOLVIBILE: Oh. I'm sorry. I
11 misunderstood you. There was several that
12 we've taken off.

13 At the Center it was advertising the
14 show that was there.

15 COUNCILMAN KENNEY: And what show
16 was that?

17 MR. SOLVIBILE: It was a computer
18 show that comes every year.

19 COUNCILMAN KENNEY: So the computer
20 people probably bought the sign and had it
21 installed?

22 MR. SOLVIBILE: It's the same sign
23 that goes up every year, yes. That's what I
24 was told after we got involved with it, yes.

25 COUNCILMAN KENNEY: And what effect

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2 do you think that might force, the removal of
3 that sign for that computer show, might have
4 on their decision whether or not they want to
5 come back here any more?

6 MR. SOLVIBILE: It's one of the few
7 shows that books annually.

8 COUNCILMAN KENNEY: But don't you
9 think in some circumstances, where it relates
10 to people who are coming to the City to do
11 business in our Convention Center, that we
12 give a little leeway, especially if it's
13 going to be up there on a temporary basis?

14 MR. SOLVIBILE: Well, what -- what I
15 did was, working -- I -- I believe the
16 gentleman's name... Tom Muldoon at the
17 Convention Center. Him and I had a
18 conversation.

19 And what we're going to do is, he's
20 going to work on having -- applying for a
21 permit so once or twice a year that would be
22 allowed. And that's the way to do it, to
23 work with them so that --

24 COUNCILMAN KENNEY: How long is the
25 sign scheduled to be up?

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2 MR. SOLVIBILE: It was up for about
3 a week.

4 COUNCILMAN KENNEY: And how long was
5 it scheduled to be up?

6 MR. SOLVIBILE: I -- I --

7 COUNCILMAN KENNEY: And the show's
8 like -- lasts what; ten days, two weeks?

9 MR. SOLVIBILE: I'm not sure how
10 long the show was there.

11 COUNCILMAN KENNEY: So we're using
12 our personnel to violate -- to cite the state
13 owned Convention Center Authority that's
14 allowing one of our customers to advertise
15 for a short period of time. That's something
16 that we should be expending our resources on?

17 MR. SOLVIBILE: Well, I -- it's --
18 it's -- it's there. And if you're enforcing
19 signs; and, you know, if we're -- if we're an
20 enforcement agency and we see a violation,
21 you -- you -- you have to note the violation,
22 no matter who or why it owns it; I mean, what
23 entity.

24 COUNCILMAN KENNEY: Obviously, if
25 there's 1400, 1700 illegal signs in the City,

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2 there's other work to do besides the
3 Convention Center.

4 MR. SOLVIBILE: Yeah, but that --
5 that -- I --

6 COUNCILMAN KENNEY: All I'm saying
7 is --

8 MR. SOLVIBILE: It's not that we
9 were picking on them. It's just that it was
10 there, and we saw it, and we made note, and
11 we worked with the Convention Center manager
12 to ensure that -- you know, that they -- that
13 they legalize what they wanted. They only do
14 it once a year. And I agree with you. And
15 it's --

16 COUNCILMAN KENNEY: So why go
17 through the whole -- why go through the whole
18 process of having to force the sign down,
19 especially if the time was going to run out?
20 It wasn't up there 12 months a year. It was
21 going to be up until the show was over.

22 MR. SOLVIBILE: Something that is
23 not... You know, we can't allow it to be
24 there for a day or a week, if it's not legal.

25 COUNCILMAN KENNEY: I can give you a

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2 list of things that have been allowed to
3 exist for more than a day or week; years.

4 All I'm saying is that I understand
5 the vigilance of wanting to take care of
6 illegal signs.

7 But when it comes to our customer
8 base at our Convention Center, our hotels and
9 our tourism, I think we maybe ought to give
10 them a little leeway because it's not
11 advertising, you know, cigarettes or whiskey
12 or whatever else is normally advertised.

13 This is advertising a customer of
14 ours who would bring people into
15 Philadelphia, staying in hotels and spending
16 money, and where our enforcement people are,
17 you know, taking care of them first.

18 MR. SOLVIBILE: I agree, Councilman.
19 That's why that Tom Muldoon -- We talked.
20 And he will not have this problem again
21 because it's going to go through the process
22 of making it legal.

23 COUNCILMAN KENNEY: Well, let me
24 just go in another direction for a second.
25 When was the sign unit thought up, the five

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2 person sign unit?

3 MR. SOLVIBILE: In March of '04.

4 COUNCILMAN KENNEY: Did it appear --

5 MR. SOLVIBILE: When I became acting
6 Commissioner, I talked -- met with Mr. Perry.

7 And I came up with the idea that we
8 should have a unit dedicated to that because
9 it just seemed like the right thing to do.
10 We've been working on it since it developed.

11 COUNCILMAN KENNEY: Was that
12 encompassed in the current budget that we're
13 deciding on now? Was that submitted? Was
14 that part of the budget that we're
15 considering now?

16 MR. SOLVIBILE: No. We were going
17 to tie it to the ordinance. When we finally
18 decided we were going to go forward with it
19 between the department and the Managing
20 Director's Office --

21 COUNCILMAN KENNEY: When was that
22 decided?

23 MR. SOLVIBILE: Last month or two.

24 COUNCILMAN KENNEY: So there was not
25 part of L & I's budget complement or employee

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2 complement as a part of the 2006 budget we're
3 now considering?

4 MR. SOLVIBILE: No.

5 COUNCILMAN KENNEY: Are these
6 existing people or are they going to be new
7 people?

8 MR. SOLVIBILE: They're existing
9 people.

10 COUNCILMAN KENNEY: And where are
11 they being taken from?

12 MR. SOLVIBILE: Well, Joe D'Orio has
13 been working on -- on -- on -- on the issue.
14 And there's personnel from a building
15 inspector.

16 As you know, our building inspectors
17 now have to be certified by state standards.
18 And some of our employees are having a hard
19 time passing the test.

20 So, we're going to put one of our
21 building -- competent, capable building
22 inspector assigned to it, a business
23 compliance inspector which will come from
24 the -- Dom McVerdie's area at 990, and a
25 supervisor over them, too, a field

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2 supervisor, who will actually be in the field
3 working with Mr. D'Orio in clerical support.
4 COUNCILMAN KENNEY: And they'll be
5 doing the sign stuff full-time?
6 MR. SOLVIBILE: Yes.
7 COUNCILMAN KENNEY: So whatever they
8 were doing before, they're not going to be
9 doing, other than just signs.
10 MR. SOLVIBILE: It will be picked up
11 by others.
12 COUNCILMAN KENNEY: Who?
13 We're not adding people, are we?
14 MR. SOLVIBILE: Well, Joe D'Orio,
15 the building inspector... Just that the
16 building inspectors that are left will take
17 over that building inspector's responsibility
18 and have more work to do.
19 COUNCILMAN KENNEY: There's no new
20 people being added.
21 MR. SOLVIBILE: No, not at this --
22 COUNCILMAN KENNEY: So we're moving
23 people from areas that are investigating
24 dangerous buildings, illegal businesses,
25 other types of nuisance problems in the

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2 community, and dedicating them to nothing but
3 billboards.

4 MR. SOLVIBILE: Correct.

5 COUNCILMAN KENNEY: And you think
6 that's a wise --

7 MR. SOLVIBILE: I -- I -- I -- I
8 think --

9 COUNCILMAN KENNEY: -- allotment of
10 people, considering the burden that this
11 department has in enforcing the current laws
12 that we give you, that you have the ability
13 to have less people doing the other stuff?

14 MR. SOLVIBILE: I think in the long
15 run it will save us time. That's why I
16 wanted to create it, because we still have to
17 deal with the complaints of billboards and
18 signs.

19 And now, so instead of having
20 various people, various units having to do
21 it, it will be housed in one place, which
22 will save the unit -- it will save business
23 compliance that much... It will save the
24 work that the inspector from business
25 compliance was doing will still be done

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2 except it will be done in that unit.

3 COUNCILMAN KENNEY: Do you get more
4 complaints about --

5 COUNCIL PRESIDENT VERNA:
6 Councilman, I don't mean to interrupt you,
7 but I just wanted the record to be clarified.

8 I understood you to say that L & I
9 would not be hiring new employees?

10 MR. SOLVIBILE: We would not be
11 hiring new employees. We will be taking on
12 employees that exist.

13 COUNCIL PRESIDENT VERNA: Well, can
14 you explain to me why, in the budget that
15 we're presently considering, we have
16 billboard enforcement \$842,000? What is that
17 for?

18 MR. SOLVIBILE: That -- That -- That
19 will be the cost of the employees that will
20 work for us doing billboard --

21 COUNCILMAN KENNEY: They're the same
22 employees.

23 COUNCIL PRESIDENT VERNA: I thought
24 you said they were not new employees.

25 MR. SOLVIBILE: Yeah. Well, the

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2 cost that they were... In another area it
3 will be -- it will be put to there. That's
4 the -- standardly the way we've always
5 created that in the past.

6 COUNCILMAN KENNEY: They're already
7 on the payroll, aren't they?

8 Well, I want to get back to the
9 issue of complaints. Do we get more
10 complaints about billboards than we do about
11 crack houses or more complaints about
12 billboards than we have about nuisance bars
13 and businesses? Or any... I mean,
14 billboards are our biggest complaint that we
15 get in L & I?

16 MR. SOLVIBILE: No. I -- I -- I --
17 I -- For crack houses and -- and -- and --
18 and that type of... We have over -- We have
19 roughly 50 inspectors that can handle --

20 COUNCILMAN KENNEY: I understand
21 that, but do we get more complaints about
22 billboards than we get about the other
23 quality of life stuff?

24 MR. SOLVIBILE: No, but we --

25 COUNCILMAN KENNEY: Well, why are we

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2 setting up a separate unit?

3 MR. SOLVIBILE: Because it's -- it's
4 such a difficult -- It's such a difficult
5 product to get your hands around.

6 And to do the research, if they're
7 legal or not legal, it -- it -- it -- it --
8 And -- And -- And -- And -- And it's just a
9 necessary thing. I think it's necessary for
10 us to try to enforce all the codes that we
11 have --

12 COUNCILMAN KENNEY: I don't disagree
13 with that. And you can hate billboards, not
14 care about billboards, or like billboards.

15 The billboard itself, even though it
16 may esthetically offend you, is not creating
17 a danger to life, health and safety of the
18 citizens of the City.

19 You may hate them. You may think
20 they're the worst things you've ever seen.
21 But it's not rising to a level of a dangerous
22 house that's next door to somebody that might
23 fall down or that has drug addicts in it
24 using it or they're selling drugs from there.

25 I mean, I can't believe that we have

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2 that much emphasis on billboard enforcement,
3 that we have to take people from other units
4 that are doing critical work in the
5 community, to deal with the billboards?

6 I mean, certainly at some point we
7 could come to the decision to take the
8 illegal ones down, to have the court enforce,
9 whatever.

10 But I mean, the billboard standing
11 there is not a threat to my life. It may be
12 a threat to my esthetic sensibilities.
13 That's fine. We can disagree.

14 But to take people from units that
15 are dealing with critical on the ground stuff
16 that affects neighbors every day, and to put
17 them in the special unit just to do this, I
18 don't understand the whole rationale.

19 MR. SOLVIBILE: There's enough work
20 and enough complaints to keep the four people
21 busy. They're -- They're -- And it takes
22 away from -- Councilman --

23 COUNCILMAN KENNEY: But Bob, isn't
24 there enough work and enough complaints to
25 keep them busy doing other stuff? I mean, we

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2 have everything else tied up?

3 COUNCIL PRESIDENT VERNA: Before we
4 go on with this, if you don't mind, if
5 someone is here from Finance, I would like
6 them to approach the witness table so that we
7 can clarify this issue once and for all. Are
8 we using employees that are presently with L
9 & I?

10 Who's here from... Miss Reed, are
11 you coming up? Who's coming up?

12 COUNCILMAN KENNEY: Don't all run up
13 at once.

14 COUNCIL PRESIDENT VERNA: Do you
15 mind approaching the witness stable?

16 COUNCILMAN DiCICCO: While she's
17 coming to the witness table, I have a point
18 of information, if I can.

19 Issue with the wall wrap at the
20 Convention Center. Was that complaint driven
21 or was that something that your inspectors --

22 MR. SOLVIBILE: It was the
23 administrator, Joe D'Orion, going to lunch at
24 the... and saw it. It wasn't complaint
25 driven. It was he went to lunch and saw it.

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2 COUNCILMAN DiCICCO: I needed to
3 know that. I was just curious if it was
4 complaint driven.

5 COUNCILMAN KENNEY: Do you questions
6 on Finance?

7 COUNCIL PRESIDENT VERNA: I just
8 want Finance to --

9 COUNCILMAN KENNEY: I'm not --
10 Before -- I want to stay in line here. I
11 don't want to get out of line because I
12 have --

13 COUNCIL PRESIDENT VERNA: I will
14 recognize you as soon as we --

15 COUNCILMAN KENNEY: Once you get out
16 of line in here, it's tough to get back in.

17 COUNCIL PRESIDENT VERNA: I know. I
18 know.

19 Miss Reed, do you mind approaching
20 the witness table, please?

21 Miss Reed, I am sure you heard the
22 testimony regarding who would be actually
23 enforcing this.

24 And it was stated we would not be
25 having new employees. Is that true or false?

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2 MS. REED: As I understand it, a new
3 unit is being created, but the employees are
4 being transferred from other units.

5 COUNCIL PRESIDENT VERNA: And they
6 would be new employees?

7 MS. REED: No.

8 COUNCIL PRESIDENT VERNA: Well, why
9 has the Department of L & I increased their
10 budget? And it does indicate it's for the
11 billboards.

12 MS. REED: Sorry?

13 COUNCIL PRESIDENT VERNA: Maybe if
14 you see it, you would understand what we're
15 talking about.

16 COUNCILWOMAN TASC0: Point of
17 information.

18 COUNCIL PRESIDENT VERNA: Yes.

19 COUNCILWOMAN TASC0: It states that
20 they were increasing the appropriations in L
21 & I by this amount.

22 COUNCIL PRESIDENT VERNA: And that
23 was for the billboard.

24 COUNCILWOMAN TASC0: For the
25 billboard enforcement, expenditures to be

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2 completely offset by revenue generating.
3 COUNCIL PRESIDENT VERNA: Exactly.
4 I think the record has to be clear.
5 Councilman Kenney.
6 COUNCILMAN KENNEY: Thank you.
7 COUNCIL PRESIDENT VERNA: Miss Reed,
8 I think Mr. McPherson just took up the
9 amendments that were introduced by the
10 administration.
11 MS. REED: Yes. Mr. McPherson is
12 giving me the transmittal or the letter from
13 the Mayor of May 24th.
14 COUNCIL PRESIDENT VERNA: So we
15 will, in fact, be hiring new employees to
16 deal with this one issue; would we not?
17 MS. REED: We are showing in the
18 amendments to the operating budget
19 ordinance...
20 COUNCIL PRESIDENT VERNA: An
21 increase.
22 MS. REED: 567 in personal services,
23 250,000 for an engineering contracting Class
24 200 and 25,000 for materials, supplies and
25 equipment for the enforcement function.

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2 COUNCIL PRESIDENT VERNA: So we are
3 increasing new employees.

4 MS. REED: Well, these are employees
5 who are being transferred into Class 100.

6 I actually do not know where they
7 are coming from. I'm not part of that
8 discussion.

9 COUNCILMAN NUTTER: All employees
10 are Class 100.

11 MS. REED: Yes, but in L & I.

12 COUNCIL PRESIDENT VERNA: It
13 doesn't...

14 COUNCILMAN NUTTER: We're in L & I
15 today.

16 COUNCILMAN KENNEY: I mean, maybe
17 the Commissioner knows whether they're hiring
18 people or not.

19 MS. REED: Excuse me. The 567 is
20 the engineering contract.

21 COUNCIL PRESIDENT VERNA: What
22 contract are you talking about?

23 MR. SOLVIBILE: Pardon me.

24 COUNCIL PRESIDENT VERNA:
25 Commissioner, are you able to answer this

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2 question?

3 MR. SOLVIBILE: I -- I -- The last
4 question I did not hear, Councilwoman.

5 We -- We -- When we planned this
6 unit, we're talking existing people. We --
7 I -- We -- We -- We never gave a thought that
8 we would hire new people to fill this
9 function for us.

10 COUNCIL PRESIDENT VERNA: So are you
11 suggesting, then, that we decrease L & I's
12 budget that's being proposed to us, since
13 you're not going to be hiring new people?

14 MR. SOLVIBILE: Not at all, but
15 we -- we -- we -- That would be the cost --

16 COUNCILMAN KENNEY: Fire engineer.
17 You've got a fire engineer.

18 COUNCIL PRESIDENT VERNA: I don't
19 understand it.

20 MR. SOLVIBILE: That -- That -- That
21 would be the cost for us to place them people
22 in that unit to fulfill that function.
23 That's...

24 COUNCIL PRESIDENT VERNA: They're
25 already on your payroll.

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2 COUNCILMAN NUTTER: They presently
3 work for the City.

4 MR. SOLVIBILE: I -- I never gave
5 that a conscious thought, that we would be
6 hiring four additional people.

7 COUNCILMAN KENNEY: Well, can I
8 go --

9 COUNCILWOMAN TASCO: Did you ask for
10 increase in appropriations?

11 MR. SOLVIBILE: We asked for the
12 increase based upon what it would cost us to
13 bring them four people into that department,
14 what it would cost us to enforce that part of
15 the code.

16 COUNCILMAN DiCICCO: Getting a
17 step...

18 COUNCIL PRESIDENT VERNA: Are they
19 being elevated to another position?
20 Therefore, they're being given more
21 compensation?

22 MR. SOLVIBILE: They're --
23 They'll -- They'll -- They'll come in at the
24 same level of pay they're at now.

25 COUNCILMAN KENNEY: Where's the

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2 increased cost?

3 MR. SOLVIBILE: And -- And -- And
4 Dave is just telling me, and -- and -- and a
5 lot of that -- A good portion of that extra
6 money would be for the demolition if we -- if
7 we need to demolish the building to hire the
8 engineering service. What was that, Dave,
9 500?

10 COUNCIL PRESIDENT VERA: No. We're
11 talking about personal services, Class 100.

12 MS. REED: Okay. Council --

13 MR. SOLVIBILE: I'm saying the
14 increase, though. I'm sorry.

15 MS. REED: Council president, we are
16 in fact hiring new employees to backfill the
17 employees who will be in the new enforcement
18 unit.

19 COUNCILMAN KENNEY: Oh.

20 COUNCIL PRESIDENT VERA: So we are
21 having new hirings.

22 MS. REED: Yes.

23 COUNCILMAN KENNEY: Okay.

24 MS. REED: Sorry for the confusion.

25 COUNCIL PRESIDENT VERA: The

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2 question has now been answered. Thank you.

3 COUNCILMAN KENNEY: Can I proceed
4 with a couple, just a couple other items,
5 relative to...

6 COUNCIL PRESIDENT VERNA: Councilman
7 Kenney.

8 COUNCILMAN KENNEY: It's my
9 understanding that law requires that any fees
10 that the City imposes need to match the cost
11 of the carrying out of what the fee is paying
12 for.

13 So that fees, for example, unlike
14 taxes, are not instituted to make a profit
15 but to simply cover the cost of what the City
16 needs to spend to do its duty or do its
17 enforcement or do its activity; is that
18 correct?

19 MR. SOLVIBILE: The license that you
20 charge or the fee you charge for the permit
21 or the license has to cover the cost. You're
22 not to make a profit, that's correct.

23 COUNCILMAN KENNEY: Not to make a
24 profit.

25 MR. SOLVIBILE: Yes.

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2 COUNCILMAN KENNEY: What is the cost
3 of enforcing or the enforcement of a legal
4 billboard? What is it that the people in the
5 billboard unit or anywhere else in L & I need
6 to do when a billboard is legal.

7 People... Again, let's go back. I
8 don't want to get into the subjective issue
9 of whether you like them or not, but if
10 they're in legal status, what does anyone in
11 the billboard enforcement unit have to do
12 with that sign that incurs a cost?

13 MR. SOLVIBILE: You -- You -- You
14 still -- You have to inspect to see that it's
15 still safe.

16 COUNCILMAN KENNEY: Right.

17 MR. SOLVIBILE: You have to... You
18 have to get the paperwork and make sure that
19 it's still the correct size, that they
20 haven't changed the sign.

21 COUNCILMAN KENNEY: Right.

22 MR. SOLVIBILE: Keep in mind that a
23 zoning permit's approved for a ten by -- I'll
24 keep it simple -- a 10 x 10 sign. And then
25 somebody puts a 10 x 20 sign up. We also

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2 need to be aware that the only thing approved
3 is the 10 x 10 sign.

4 So, there's still ongoing paperwork,
5 inspections, processing of paperwork dealing
6 with problems the sign company may have.
7 That's ongoing.

8 COUNCILMAN KENNEY: And that's
9 amounted to an increase from 170 to 650 a
10 sign face?

11 MR. SOLVIBILE: Yes.

12 COUNCILMAN KENNEY: And you have
13 that you're able to document that and
14 delineate each individual service or activity
15 that's done by employees relating to legal
16 signs?

17 MR. SOLVIBILE: Dave, do you want to
18 handle that? Yes, but we did... To answer
19 your question, we went through and determined
20 at the bottom line what it would cost us to
21 enforce this ordinance.

22 COUNCILMAN KENNEY: Because we've
23 been led to believe that these revenue
24 enhancements are related to other services
25 that would be put back into the budget, not

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2 necessarily this particular activity of L &
3 I.

4 And if that's the case, then I'd see
5 the justification for the fees, if it's not
6 going towards the L & I activity.

7 If it's going to bring back other
8 services that the Mayor cut out, relative to
9 other departments, I don't see how that the
10 fee would be legal.

11 MS. KAMMERDEINER: Councilman, if I
12 may add on that, the taxes are directed
13 toward providing additional revenue that can
14 be --

15 COUNCILMAN KENNEY: Taxes, not --
16 Talking about fees.

17 MS. KAMMERDEINER: I understand
18 that.

19 The fees have to sustain the
20 services that are provided. But when you say
21 additional services that would be put back
22 into the budget, I think that relates to the
23 taxes.

24 COUNCILMAN KENNEY: I'm talking
25 about fees. I want to know how the fee that

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2 would have been recommended to be -- to be
3 raised here relates to... And I like to see
4 it kind of laid out in writing... how it
5 relates to the actual activities of your
6 employees, as it relates to legal signs in
7 the City.

8 And let me say again for the record:
9 You can like signs, you can hate them, you
10 could care nothing about them either way.
11 We're not talking about their
12 appropriateness.

13 We're talking about a legal sign
14 that exists in the City that now L & I is
15 saying to us, we need to raise the fee to
16 this number because this is the services or
17 the activity that we need to engage in in
18 order to keep that sign safe. Do our people
19 climb up the pole, and... What do we do when
20 we inspect a sign?

21 MR. SOLVIBILE: Our people make
22 inspections, Councilman.

23 COUNCILMAN KENNEY: Do they climb up
24 the pole and check it?

25 MR. SOLVIBILE: No, not at all. Not

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2 at all. They would not be expected to climb
3 up the pole.

4 COUNCILMAN KENNEY: Well, I don't
5 expect that they would, but how do they
6 determine that it's safe?

7 MR. SOLVIBILE: Well, they -- you --
8 you -- you observe them. Just like a
9 dangerous building. They observe them from
10 the outside.

11 We don't encourage to go inside the
12 building. We -- We -- We -- You observe and
13 you look and see if there's failure in the
14 structure in the steel.

15 You -- You -- You -- You just --
16 Your observations as an inspector and then
17 also keep in mind that part of this fee is
18 going to go towards the study of the
19 engineering studies that we get from the sign
20 companies for each sign structure.

21 So... But we can give you a
22 breakdown of the costs and how we arrived at
23 it. That's not a problem.

24 COUNCILMAN KENNEY: Is any of this
25 money being related to the enforcement of the

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2 illegal signs?

3 MR. SOLVIBILE: Yes.

4 COUNCILMAN KENNEY: And is that fair
5 to the legal sign owner? If I have a legal
6 sign --

7 MR. SOLVIBILE: It's the same
8 companies, usually, that have legal and
9 illegal signs, as a whole.

10 It's... say... I don't want to say
11 a name but whatever -- If it's company wide,
12 they might have a hundred signs, and some are
13 legal and some are illegal. And I think
14 that's universal throughout.

15 COUNCILMAN KENNEY: All right.

16 Thank you, Madam President.

17 COUNCIL PRESIDENT VERNA: Thank you.

18 The Chair recognizes Councilwoman
19 Tasco.

20 COUNCILWOMAN TASCO: I have a lot of
21 questions here because I'm just not -- I'm
22 really confused about what we're doing here.

23 You talked about a court case, and
24 we lost a court case when Bennett Levin was
25 here. Could you go over that with me again?

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2 MR. PERRY: Dave Perry, chief code
3 official.

4 The court case that we were talking
5 about involved in 1992 the fees for all signs
6 were in the ordinance to be \$175 per sign
7 face. I mean, for sign structure. I'm
8 sorry. It included both accessory and
9 non-accessory signs.

10 The administration at that time felt
11 that it would be a burden on small
12 businesses, mom and pop type stores, to have
13 them pay the \$175.

14 So they arbitrarily, and without
15 benefit of counsel, started charging the mom
16 and pop stores \$25 for an accessory sign, but
17 kept the fee at 175 for the billboards which
18 are non-accessory.

19 That two-tiered fee schedule, which
20 did not have benefit of an ordinance, was --
21 was -- went to court. And it was determined
22 that it was illegal. So, sign --

23 COUNCILWOMAN TASC0: What was
24 illegal?

25 MR. PERRY: It was -- It was --

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2 COUNCILWOMAN TASC0: The disparity
3 in the rate?

4 MR. PERRY: That's correct. The
5 disparity in the rate was determined to be
6 illegal.

7 COUNCILWOMAN TASC0: So what did you
8 do about that?

9 MR. PERRY: Well, nothing happened
10 for several years. And when we started
11 crafting --

12 COUNCILWOMAN TASC0: The -- The --
13 The... A ruling was that the disparity was
14 illegal, not the fact that you could collect
15 the fee.

16 MR. PERRY: The -- The... We could
17 still collect the fee.

18 COUNCILWOMAN TASC0: Right.

19 MR. PERRY: So, what happened was,
20 we -- we kept billing the accessory sign
21 owners, the mom and pop stores, the \$25.

22 And then we asked the billboard
23 installers to voluntarily pay a \$100 per sign
24 structure fee. So they began paying it on a
25 voluntary basis, rather than through

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2 required to have a license for their parking
3 lot, a license for their sign.

4 So in the course of a year, they're
5 getting multiple bills for multiple things.
6 And the complaints were that they were being
7 over regulated. So...

8 COUNCILWOMAN TASC0: Now are we
9 talking about billboards on a mom and pop
10 store or a sign?

11 MR. PERRY: No. I'm talking the
12 sign. Let me use a Wawa, for example.

13 COUNCILWOMAN TASC0: Well, we're
14 talking about billboards now.

15 MR. PERRY: No; we're --

16 COUNCILWOMAN TASC0: Is there a
17 difference between a sign and a billboard?

18 MR. PERRY: There is a difference
19 between a... The way that the code is
20 written, that the legal definition, there's a
21 difference between an accessory sign and a
22 non-accessory sign.

23 An accessory sign relates to the
24 activities that are occurring within the
25 building. So, for instance, Wawa can put a

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2 Wawa sign up because it's a Wawa store. If
3 Wawa decided to put up a large sign up at the
4 corner that advertised Makers Mark Bourbon,
5 we'd have a problem with that.

6 COUNCILWOMAN TASC0: Okay. Now, to
7 me, that's a sign it's not a billboard.

8 MR. PERRY: Billboard is kind of a
9 colloquialism.

10 COUNCILWOMAN TASC0: All right. So
11 what are we -- what are we regulating here?

12 MR. PERRY: We are regulating
13 non-accessory signs which are commonly known
14 as billboards.

15 COUNCILWOMAN TASC0: Well, when Wawa
16 applies for a sign to put up on its store to
17 advertise Wawa, is that a billboard or is it
18 a sign?

19 MR. PERRY: That is an accessory
20 sign.

21 COUNCILWOMAN TASC0: Okay.

22 MR. PERRY: And with this ordinance,
23 they would no longer have to -- have to
24 maintain a separate sign license and wouldn't
25 have to pay the fee.

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2 COUNCILWOMAN TASC0: All right.

3 Now, let's go to the -- to the eight sheets.

4 What's happening with them? Tell me what are

5 you going to do about these eight sheets that

6 are basically in neighborhoods and have come

7 under some scrutiny in years past, relative

8 to smoking. That's just how I look at them.

9 MR. SOLVIBILE: There's --

10 There's...

11 COUNCILWOMAN TASC0: What are you

12 going to do about them?

13 MR. SOLVIBILE: There's 900 of them

14 in the City. We sent the owner -- And the

15 owner's name escapes me right now, of the

16 eight sheets -- a violation notice telling --

17 telling them to remove the eight sheets.

18 They have since filed an appeal.

19 And I believe it's going to go in front of

20 the Zoning Board of Adjustment.

21 And we've been working closely on

22 this with the Law Department. And I'm not at

23 all sure. We're trying now to decide how

24 we'll go about having a hearing.

25 There's some that want to have a

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2 series of hearings, 200 a day, 200 different
3 locations; and there's some like myself that
4 want to have one hearing for all the
5 locations.

6 COUNCILWOMAN TASC0: Are they
7 considered legal?

8 MR. SOLVIBILE: No. They're
9 mostly --

10 COUNCILWOMAN TASC0: They're all
11 illegal.

12 MR. SOLVIBILE: Unless proven
13 otherwise, we believe they're all illegal.

14 COUNCILWOMAN TASC0: Have you done
15 anything about removing those signs in the
16 years past?

17 MR. SOLVIBILE: No. But where we're
18 going now, we are going to... We have
19 ordered them to remove them themselves, to make
20 them legal or remove them.

21 They have appealed that. And as
22 soon as we win, which we will, we will --
23 they'll either remove them or we will charge
24 them for the cost to do it.

25 COUNCILWOMAN TASC0: Okay. So, if

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2 you don't win, are they subjected to this
3 cost? Would they be a part of the billboard
4 legislation?

5 MR. SOLVIBILE: The eight sheet. I
6 believe so. I -- I...

7 COUNCILWOMAN TASC0: No. Will they
8 or won't they?

9 MR. SOLVIBILE: It's a sign. I --
10 I -- I -- I think that the eight sheets,
11 Councilwoman... I think the eight sheets are
12 very, very improbable that they'll be ever
13 legalized.

14 They would have to go to get a
15 zoning hearing in the community. And I -- I
16 can't fathom any community that would go and
17 support that that sign be there.

18 So, I -- I don't see them ever being
19 able to legalize them, to answer your
20 question.

21 In our -- In our mind they were
22 never going to be legalized because they
23 would never get by the zoning aspects of it.

24 COUNCILWOMAN TASC0: So they're on
25 the side of a building. They are illegal.

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2 We haven't done anything in the years to take
3 them down. So, what will you do to enforce
4 their coming down, if they are still on the
5 wall, and you have won your hearing.

6 MR. SOLVIBILE: If they don't take
7 them down, we will. That's part of what
8 we're doing.

9 COUNCILWOMAN TASC0: Will this new
10 enforcement unit take them down?

11 MR. SOLVIBILE: Yes.

12 COUNCILWOMAN TASC0: Let me ask you
13 a question --

14 MR. SOLVIBILE: Well, not the unit
15 itself, but we'll go about hiring someone to
16 do it, yes.

17 COUNCILWOMAN TASC0: What about...
18 I just want to be clear on what we are being
19 asked to charge for.

20 What... If I'm looking at a
21 billboard... Those are billboards up there
22 (Indicating). Am I paying -- Is the
23 charge -- Is the fee on the face of the
24 billboard? What are -- What are we asking
25 the companies to pay for and who will make --

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2 who will pay?
3 MR. SOLVIBILE: Who will what?
4 COUNCILWOMAN TASC0: Who will pay?
5 MR. SOLVIBILE: Who will pay.
6 COUNCILWOMAN TASC0: Who will pay.
7 MR. SOLVIBILE: If you -- If you're
8 a non-accessory billboard --
9 COUNCILWOMAN TASC0: Mm-hmm.
10 MR. SOLVIBILE: -- if you're on a --
11 along the highway on a pole in the air, and
12 you have two faces --
13 COUNCILWOMAN TASC0: Mm-hmm.
14 MR. SOLVIBILE: -- let's say the
15 face where the camera is --
16 COUNCILWOMAN TASC0: Mm-hmm.
17 MR. SOLVIBILE: -- the sign where
18 the camera is --
19 COUNCILWOMAN TASC0: Mm-hmm.
20 MR. SOLVIBILE: -- and the one to
21 the left of that --
22 COUNCILWOMAN TASC0: Right.
23 MR. SOLVIBILE: -- that would be
24 \$650 a sign face.
25 COUNCILWOMAN TASC0: Mm-hmm.

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2 MR. SOLVIBILE: If there was only
3 one sign where the camera is, it would be
4 650. So, it's how many faces you have.

5 I -- I -- I -- I -- I've never
6 really remembered seeing a sign with three
7 faces on it, but it's going to be -- Each
8 face will be \$650 is what --

9 COUNCILWOMAN TASC0: Per year? Per
10 month?

11 MR. SOLVIBILE: Per year.

12 COUNCILWOMAN TASC0: Per year.

13 What were you talking about the
14 structure?

15 MR. SOLVIBILE: I considered the
16 structure the -- the -- the pole, the steel
17 that holds the sign face up in the air. I
18 consider that the structure.

19 COUNCILWOMAN TASC0: Okay. So, does
20 the person who own the structure is the
21 company.

22 MR. SOLVIBILE: Yes.

23 COUNCILWOMAN TASC0: Are they
24 advertising companies?

25 MR. SOLVIBILE: I... Yeah, they --

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2 They own... I'm sure they own it, yes.
3 Either that or the landlord owns it, and they
4 pay rent to put the sign there. I'm not
5 contractually sure how that works.

6 COUNCILWOMAN TASC0: So when they
7 put a advertisement on that structure, they
8 have to pay the \$650 or does the person who
9 is advertising pay the \$650?

10 MR. SOLVIBILE: The sign company.
11 The sign company. Let's say --

12 COUNCILWOMAN TASC0: The company
13 that owns the structure.

14 MR. SOLVIBILE: The -- The -- The --
15 The company that owns the sign company, let's
16 say it's a, b, c company...

17 COUNCILWOMAN TASC0: Right.

18 MR. SOLVIBILE: ... owns the outdoor
19 advertising --

20 COUNCILWOMAN TASC0: Right.

21 MR. SOLVIBILE: -- sign that's
22 there. They would charge Wawa to advertise
23 Wawa on their -- And that's the way that
24 would work.

25 MS. KAMMERDEINER: Councilwoman,

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2 under Bill 451, the tax bill, the company
3 that would be placing the ad would be subject
4 to or liable for paying the outdoor
5 advertising tax. So that there are two
6 different bills before you --

7 COUNCILWOMAN TASC0: So the 451 is
8 for the --

9 MS. KAMMERDEINER: -- and that's
10 separate --

11 COUNCILWOMAN TASC0: -- advertiser,
12 "X," "Y," "Z" mayonnaise company --

13 MS. KAMMERDEINER: Whoever is --

14 COUNCILWOMAN TASC0: -- to pay the
15 \$650?

16 MS. KAMMERDEINER: Whoever is
17 placing the advertisement there would be
18 responsible for paying the tax.

19 The tax would be collected by the
20 person who owned the billboard or the
21 structure but -- and then remitted to the
22 City, but the payer would be the company that
23 was placing the advertisement.

24 COUNCILWOMAN TASC0: So the
25 advertiser pays.

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2 MS. KAMMERDEINER: That's correct.

3 COUNCILWOMAN TASC0: Okay. So let's
4 go.

5 Have we got to 53 yet?

6 MS. KAMMERDEINER: I think that's
7 what much of the discussion has been about,
8 even though the testimony has not been
9 presented.

10 COUNCILWOMAN TASC0: So now who pays
11 in Bill 53?

12 MR. SOLVIBILE: The owner a, b, c
13 sign company.

14 COUNCILWOMAN TASC0: They paid the
15 \$650.

16 MR. SOLVIBILE: Per sign face, yes.

17 COUNCILWOMAN TASC0: Per sign face.
18 Okay. All right.

19 Okay. Thank you.

20 MR. SOLVIBILE: Thank you,
21 Councilwoman.

22 COUNCIL PRESIDENT VERNA: Thank you.

23 The Chair recognizes Councilwoman
24 Brown.

25 COUNCILWOMAN BROWN: Thank you,

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2 Madam President.

3 Good afternoon. I'd like to go back
4 to Councilman Cohen's line of questioning,
5 wherein the question was posed the amount of
6 taxes that are collected.

7 And I believe the response was, we
8 have to wait to see what L & I provides
9 before a judgment can be made on the level or
10 amount of taxes collected. Is that accurate?

11 MS. KAMMERDEINER: Well... Yes. We
12 only know at this point the largest firms.

13 In order to give you a clear picture
14 of what the tax status is of all of those
15 involved, I would like to get from L & I an
16 updated list of the firms involved, so we can
17 do the tax status check, and tell you whether
18 or not the firms as a group, as an industry,
19 are tax compliant or not, and what the total
20 amount of tax paid by that group would be.

21 COUNCILWOMAN BROWN: What in-house
22 procedures do you have in place that allow
23 the two departments to talk to each other on
24 this issue, I mean from a technological
25 standpoint.

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2 MS. KAMMERDEINER: Well, this is a
3 small number of firms, so we would probably
4 just be getting a list, either an e-mail list
5 or -- or -- or a file from L & I, so that we
6 could then check our records.

7 COUNCILWOMAN BROWN: How often does
8 communication happen between the two
9 departments on this issue?

10 MS. KAMMERDEINER: Well, we're
11 increasing that communication as L & I
12 installs a new system. We're talking about
13 doing some of these things on an electronic
14 basis instead of manual. In the past it's
15 been largely manual.

16 COUNCILWOMAN BROWN: My observation
17 is that tightening and fine tuning of the
18 electronic communication would remove us at a
19 different place with regards to the
20 collection of taxes for those who are not
21 paying up.

22 MS. KAMMERDEINER: One of the things
23 that we've been talking about, and I believe
24 Bill 53 -- 453 that's before you, would
25 actually require is that before L & I issues

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2 a license or a renewal, that they would be
3 verifying the tax status of the company that
4 was seeking that license.

5 That's something that we haven't
6 done on a regular ongoing basis in the past,
7 and we would be establishing an electronic
8 link in order to do that. There have been a
9 couple of efforts at that in the past but
10 nothing on a formal and ongoing basis.

11 MR. SOLVIBILE: Also, we have in
12 place a business privilege license which
13 part -- to get that license, you need to also
14 go to Revenue to get a tax I.D. number before
15 we'll issue it.

16 So that, we -- You know, we -- You
17 know, to do business you need that license.
18 So, that's a communication we have daily.

19 MS. KAMMERDEINER: And that is
20 actually done -- can be done via the internet
21 now. And both the tax I.D. number and the
22 business privilege license are issued as a
23 result of that one link through the internet.

24 COUNCILWOMAN BROWN: So am I hearing
25 that given the revelations that the

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2 Commissioner spoke of during budget hearings
3 that the department has, in moving towards
4 formalizing standard operating procedures
5 around this issue.

6 MS. KAMMERDEINER: Well, it really
7 gives us an opportunity in Revenue to match
8 our files with theirs.

9 When we weren't able to have systems
10 talk to one another, we were relegated to
11 manual operations. As we each advance in our
12 system capabilities, we'll be able to do more
13 and more of these things electronically.

14 But we do have to remember that
15 we'll have to establish the rules --

16 COUNCILWOMAN BROWN: Sure.

17 MS. KAMMERDEINER: -- about what it
18 is that we're going to be cross checking --

19 COUNCILWOMAN BROWN: Sure.

20 MS. KAMMERDEINER: -- and how that
21 information is going to be used, in part
22 because the revenue data is subject to
23 business confidentiality requirements, and
24 things like that.

25 So, basically, what we'll be doing

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2 is indicating they are in compliance or, no,
3 they're not in compliance; they need to see
4 us, as opposed to a full detail on what the
5 issues are, in terms of the tax.

6 COUNCILWOMAN BROWN: Thank you for
7 your testimony.

8 Thank you, Madam President, Madam
9 Chair.

10 COUNCILWOMAN BLACKWELL: Point of
11 information, Councilwoman Tasco.

12 COUNCILWOMAN TASCO: Talking about
13 taxes, these owners of the eight sheets, do
14 we collect any tax from them at all?

15 MS. KAMMERDEINER: I don't know who
16 they are. That's one of the things we are
17 going to be doing, in terms of doing a tax
18 status check for you. I -- I -- I don't
19 know.

20 COUNCILWOMAN TASCO: L & I knows.
21 You know who they are, right?

22 MR. SOLVIBILE: I -- I -- I -- I
23 would have to do some -- Dave, do you --
24 you --

25 MR. PERRY: The name of the company

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2 is Chesapeake Outdoor Advertising, is the
3 name of the company.

4 COUNCILWOMAN TASC0: So... And
5 we've never gone after them for taxes? Do
6 you ever turn the information over to revenue
7 about this --

8 MS. KAMMERDEINER: I can't tell you
9 today, and actually because of
10 confidentiality wouldn't be able to give you
11 explicit information about a specific vendor.

12 But to the extent that our checks
13 will find that they are or are not in
14 compliance, if they're not in compliance, we
15 will pursue them.

16 COUNCILWOMAN TASC0: Can I ask one
17 more question -- someone else's light's on --
18 and I'll be finished.

19 How many... How many companies own
20 billboards in the City who have licenses to
21 do billboards?

22 MR. PERRY: We have an inventory of
23 nine -- nine companies that are doing
24 business as billboard advertisers.

25 COUNCILWOMAN TASC0: Okay. And how

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2 many of these eight sheets do we have? How
3 many of those?
4 MR. SOLVIBILE: 900.
5 COUNCILWOMAN TASC0: 900 eight sheet
6 billboards in the City?
7 MR. SOLVIBILE: Yes. 900 eight
8 sheets in the City of Philadelphia, and
9 that's give or take one or two. It's not
10 meant to be an exact count. We estimate that
11 to be the number.
12 COUNCILWOMAN TASC0: So how many --
13 Out of the nine billboard owners, how many
14 billboards do we have up?
15 MR. SOLVIBILE: There's roughly...
16 Out of the nine there's roughly, as we
17 testified earlier, roughly 4700 in the City
18 of Philadelphia.
19 COUNCILWOMAN TASC0: 4700
20 billboards?
21 MR. SOLVIBILE: Billboards.
22 COUNCILWOMAN TASC0: Billboard
23 faces?
24 MR. SOLVIBILE: Bill -- Bill faces,
25 yes. 4700.

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2 MR. PERRY: 4411.

3 MR. SOLVIBILE: 4411 is the exact
4 number, Councilwoman.

5 COUNCILWOMAN TASC0: Is that how you
6 calculated the \$4 million that's in the
7 revenue estimate?

8 MR. SOLVIBILE: We -- We calculated
9 based upon the number of legal signs in the
10 City that --

11 COUNCILWOMAN TASC0: Of this 4711,
12 how many are legal?

13 MR. SOLVIBILE: Roughly 2800.

14 COUNCILWOMAN TASC0: 2800 are legal?

15 MR. SOLVIBILE: Yes, ma'am.

16 COUNCILWOMAN TASC0: Okay.

17 MR. SOLVIBILE: We -- We have a sign
18 face estimate here that we -- we didn't bring
19 a lot of copies of it. It was meant to serve
20 as a cheat sheet for us, which we're willing,
21 if you want to make copies of, we're willing
22 to share with everybody.

23 COUNCILWOMAN TASC0: Would you,
24 please? Thank you.

25 COUNCILWOMAN BLACKWELL: You're

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2 welcome.

3 Councilman Cohen, you're next.

4 COUNCILMAN COHEN: Thank you.

5 COUNCILWOMAN BLACKWELL: You're

6 welcome.

7 COUNCILMAN COHEN: Before,

8 Commissioner, you stated in response to a

9 question that if something's not legal, we

10 tell them to stop doing it or we'll take care

11 of it. They either get rid of it or we do;

12 is that right.

13 MR. SOLVIBILE: That's the direction

14 we want to go in, yes.

15 COUNCILMAN COHEN: Yes. Well, tell

16 me: Is that the direction you followed with

17 billboard companies? Because there's a

18 Supreme Court decision involving signs near

19 or on Conrail property down in... It's

20 visible from FDR Park in South Philly.

21 It's in South Philly, where the

22 Supreme Court of Pennsylvania ruled two years

23 ago -- maybe a little less or a little more

24 than that -- that the signs were clearly

25 illegal.

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2 And the City has done nothing about
3 causing the signs to come down, saying you
4 can not do it because the other side has
5 filed a suit in equity, permitting the other
6 side, meaning the billboard companies, to
7 relitigate the whole issue, while the
8 billboard companies are making signs
9 desecrating that whole site.

10 MR. SOLVIBILE: I -- I -- I would
11 have to defer to the Law Department. I know
12 that --

13 COUNCILMAN COHEN: Could you do that
14 and get us an answer?

15 MR. SOLVIBILE: The enforcement unit
16 of the Law Department has been working on
17 that. What I'm saying -- To answer that
18 question that you quoted me on --

19 COUNCILMAN COHEN: Right.

20 MR. SOLVIBILE: -- was going
21 forward, you know, with this bill, and -- and
22 the revenues generated by it.

23 We will be able to enforce, if the
24 sign companies won't. There's an enforcement
25 piece in there for us to be able to --

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2 COUNCILMAN COHEN: Well, why can't
3 you enforce it now?

4 MR. SOLVIBILE: Right now there's --

5 COUNCILMAN COHEN: You do it in all
6 other cases.

7 MR. SOLVIBILE: Right now there's --
8 there's no revenue that we have that we can
9 remove signs with.

10 And -- and the preferred route,
11 quite frankly, in my case would be to use
12 enforcement powers of the City to have the
13 owners do it themselves.

14 COUNCILMAN COHEN: Well, sure. But
15 if they don't do it, then we have to do it.

16 MR. SOLVIBILE: Yes, and that's the
17 purpose --

18 COUNCILMAN COHEN: And then bill
19 them.

20 MR. SOLVIBILE: That is the purpose
21 of this --

22 COUNCILMAN COHEN: And can't we bill
23 them? Can't we hire a company to do it?

24 MR. SOLVIBILE: Yes.

25 COUNCILMAN COHEN: Bill them and

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2 demand that if they don't pay it once, all
3 their signs will be declared illegal?

4 MR. SOLVIBILE: I don't know.

5 That's a legal question that I can't answer.

6 Well, I don't know.

7 COUNCILMAN COHEN: Well, I think you
8 want to consider it, because I think such a
9 provision, if there's any question as to its
10 legality, such a question -- such a question
11 ought to be considered by the Law Department
12 now and inserted into this bill. Give
13 yourself some power.

14 MR. SOLVIBILE: Yes. We -- we --
15 we -- we have worked closely with the Law
16 Department in creating this bill, and -- and
17 we have gone the direction that we -- we --
18 we -- we -- we've been advised by them and
19 this bill is the best that Mr. Perry, myself,
20 and the Law Department has been able to come
21 up with to put together.

22 And we feel it will be a very
23 effective bill in letting us deal with the
24 enforcement of signs in the City of
25 Philadelphia.

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2 COUNCILMAN COHEN: Would you find
3 out from whoever you speak with in the Law
4 Department what this bill would do for those
5 signs near the Conrail property or on the
6 Conrail property?

7 Because if it doesn't authorize the
8 City immediately to take them down, there's
9 something very much wrong with this bill.
10 Then this bill is a huge coverup, aimed at
11 making it look as if we're doing something as
12 we make it clear that we don't intend to do
13 anything at all.

14 And that's frankly, Commissioner,
15 for 20 years the billboard industry has
16 roamed freely, not paying if it didn't want
17 to pay, confident that nobody would touch it.
18 And nobody has. And if they had a problem,
19 they knew what attorneys to hire. Attorneys
20 with influence, as well as legal skills.

21 So, I urge that you check with the
22 Law Department on that question. Why don't
23 they move immediately against those signs
24 near the Conrail property or on the Conrail
25 property? They're eight faces there, which

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2 the Supreme Court has said is clearly
3 illegal.

4 MR. SOLVIBILE: I will, Councilman.

5 COUNCILMAN COHEN: Thank you.

6 COUNCILWOMAN BLACKWELL: Thank you,
7 Councilman.

8 Councilman DiCicco.

9 COUNCILMAN DiCICCO: Thank you very
10 much, Madam Chair.

11 I'll be brief. I know there are a
12 number of other witnesses that are here to
13 testify on these bills.

14 I want to go back to Councilman
15 Kenney's question about the wall wrap at the
16 Convention Center.

17 What was the reason it was removed?
18 Why was it removed?

19 MR. SOLVIBILE: It -- It -- It -- It
20 was --

21 COUNCILMAN DiCICCO: Technical legal
22 reason for removing it?

23 MR. SOLVIBILE: It was not legal,
24 period. I mean, that's the bottom line. It
25 wasn't legal.

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2 What Mr. Muldoon discussed is the
3 process that we'll go through when the show
4 comes back next year, to allow the sign to be
5 legal. And I... And I think that that's the
6 way we should do it, is not -- just because
7 it's there and illegal doesn't mean it can't
8 become illegal.

9 We're not against... I mean, I'm
10 neutral on signs. I mean, I just want them
11 to be legal and properly zoned. And that's
12 really where we're coming from as an
13 enforcement agency.

14 COUNCILMAN DiCICCO: As I board
15 member of the Pennsylvania Convention Center
16 Authority, one of the big issues in the short
17 time that I've been there... Well, it's
18 actually a couple years, I guess... is always
19 about our customers who are coming, and let
20 them believe when they leave here that they
21 feel as though they were welcome here.
22 That's a big issue for us.

23 And my concern was that, would not
24 that wall wrap have been considered an
25 accessory sign, since they were advertising

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2 the show that was going on inside the
3 building?

4 So, again, I don't want to beat this
5 horse to death any more than it's been, but I
6 think that's something that... I mean, this
7 wasn't something that had something -- it
8 was, like, advertising something that had
9 nothing to do with anything.

10 It was -- It was a sign welcoming
11 the conventioners or the business people who
12 are coming to this computer show inside the
13 building.

14 MR. SOLVIBILE: I'm -- I'm going to
15 let Dave answer that, but I want to make this
16 one statement so you understand.

17 We did not deal with the person
18 having the show or that group. We dealt
19 strictly with Tom. And it was in a very... a
20 very... We worked to arrive at a solution
21 versus enforcement.

22 COUNCILMAN DiCICCO: I understand
23 that.

24 MR. SOLVIBILE: And for his
25 purposes, he asked for the violation.

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2 COUNCILMAN DiCICCO: I just thought
3 it was accessory use.

4 MR. SOLVIBILE: Okay.

5 COUNCILMAN DiCICCO: That's the
6 point I was making --

7 MR. SOLVIBILE: I'll let Dave answer
8 that question.

9 COUNCILMAN DiCICCO: -- that it was
10 accessory.

11 And I don't see the difference
12 between that sign or when the Academy of
13 Music hangs a banner outside its building,
14 advertising a future concert or some event
15 that's taking place inside their building. I
16 mean, I'm not getting into the issue of
17 billboards, but it's accessory.

18 There's an opera that's going to be
19 performed in the Academy of Music, oftentimes
20 they will put a banner on the front of the
21 building.

22 And I don't think we want to remove
23 that banner. I don't think that that's the
24 kind of enforcement we're looking to do. So,
25 you don't even have to answer. I just want

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2 to make that as an observation.

3 The only other question I have is, I
4 think when you were here last time,
5 Commissioner, when we were doing the budget,
6 I asked you about the numbers that you see on
7 these billboards occasionally. There's a
8 six, seven digit number across.

9 Is it safe to assume -- And I may
10 have asked you this before, but I don't
11 recall the answer -- that if the billboard
12 does not have a sign that it is illegal, is
13 an illegal sign?

14 MR. SOLVIBILE: Not at all. That
15 numbering system is really what the billboard
16 company does themselves to track their own
17 billboards. It's not a -- a -- a issue --

18 COUNCILMAN DiCICCO: Wouldn't it
19 make sense for those companies to want to
20 have a number on it so they can track it, as
21 opposed to not having a number?

22 MR. SOLVIBILE: This new ordinance
23 will require them TO HAVE a sticker attached.

24 COUNCILMAN DiCICCO: I'll ask the
25 question of the industry when they come up,

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2 as to why some of theme do not have numbers
3 on them.

4 Thank you. No further questions.

5 Thank you.

6 COUNCIL PRESIDENT VERNA: Thank you.

7 The Chair recognizes Councilman
8 Clarke.

9 COUNCILMAN CLARKE: Thank you, Madam
10 President. Good afternoon.

11 Let me ask you a question. I need
12 some clarification on a particular issue, as
13 it relates to billboards.

14 If a billboard, a, gets properly
15 zoned, and then there needs to be a change in
16 the billboard, a structural change in the
17 billboard, or the current advertisement needs
18 to be restructured or taken down completely,
19 or there's some damage to the billboard, does
20 that billboard company have to go back and
21 get rezoned? Do they have to go back and get
22 an administrative authorization? What's the
23 policy on that?

24 MR. SOLVIBILE: For maintenance, no.
25 For replacement, let's say the pole, the main

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2 pole, yes. They would have to start at the
3 beginning and have it go back and have a...
4 If you're there on a variance, which probably
5 most of them are, you would have to start
6 from the beginning and get -- get -- you
7 know -- you know, have a zoning hearing. And
8 the public would have a right to testify.

9 But for normal maintenance, like
10 painting and such or... you know, no. But
11 for major, yes.

12 COUNCILMAN CLARKE: Let me
13 understand. So, they go; they get properly
14 zoned for the placement of the billboard,
15 standard, whatever. And it becomes damaged
16 or there's some problems associated with the
17 existing billboard or standard or support
18 mechanisms, and they need to alter that.

19 You're saying that they have to go
20 back and get -- go through the entire process
21 again.

22 MR. SOLVIBILE: A minor altering,
23 no, they wouldn't. A major, yes.

24 COUNCILMAN CLARKE: What's the
25 standard? I mean, what's the threshold, as

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2 it relates to alterations?

3 MR. SOLVIBILE: Dave.

4 MR. PERRY: If -- If -- If... When
5 we issue a zoning permit for a sign, we --
6 we -- we give out that zoning permit for an
7 exact size of the sign face. Say it's 10 x
8 20.

9 The company wants to make that sign
10 larger than 10 x 20. They would need to go
11 back through the zoning process.

12 If the sign is in the location in
13 which they can have that permit as a matter
14 of right, then the permit's issued over the
15 counter.

16 There are many signs, though, that
17 are in locations in which the sign itself is
18 non-conforming. They try to make that sign
19 larger, then they will have to go apply for
20 the permit and go through the Zoning Board
21 process.

22 Now, the zoning code which is not
23 addressed under this ordinance today, has
24 specific requirements, in terms of if you
25 demolish or substantially alter an existing

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2 sign, whether or not that sign would be
3 declared to be demolished at that point and
4 would have to go through the process all over
5 general.

6 COUNCILMAN CLARKE: So even if the
7 replacement billboard or sign is the same
8 size, same dimension, you still would need to
9 get... go through the process again and get
10 zoning for that location.

11 MR. PERRY: If it was just the sign
12 face itself, the plywood type material that
13 forms the face of the sign, that type of
14 material can be replaced without going
15 through the zoning process.

16 But if it's the main support pole
17 that has deteriorated, and that pole needs to
18 be replaced, then the whole sign has to come
19 down, and --

20 COUNCILMAN CLARKE: Even if it were
21 the same size -- Even if the replacement were
22 the same size, same dimension, even the same
23 advertisement, they would still have to go to
24 zoning.

25 MR. PERRY: That's correct. That

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2 provision is in the zoning code. It's not in
3 the licensing bill. But you're correct.
4 If -- If the -- If the sign pole needed to be
5 replaced, then the entire sign structure
6 would be re-reviewed for conformance with
7 current zoning requirements.

8 COUNCILMAN CLARKE: All right. Are
9 there those type of regulations in any other
10 structure?

11 I mean, if I had a building, and I
12 got the building zoned for a particular use,
13 and for some reason I had to take that
14 building down and rebuild that building, same
15 configuration, would I have to get zoning
16 again?

17 MR. PERRY: When it comes to a
18 building, you're allowed to demolish and
19 replace a certain square footage of the
20 building without having to conform to the
21 zoning code all over again.

22 COUNCILMAN CLARKE: Right. Why
23 would we have to do that for a billboard?

24 MR. PERRY: That's a good question,
25 but -- And it is a good question. The signs

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2 themselves are -- You can't quite easily
3 measure the floor area of the sign. It --
4 It -- It -- It's -- It's a harder animal to
5 wrap your arms around, in terms of how much
6 are you replacing without it being considered
7 to be a new sign.

8 With a building, you got square
9 footage of the building to deal with. And
10 the zoning code does allow a certain amount
11 of replacement without you having to conform
12 all over again.

13 COUNCILMAN CLARKE: So you're saying
14 if we can't determine the dimensions of the
15 existing sign, and then to authorize the
16 replacement with the same dimensions... I
17 mean, measurements are measurements, be it a
18 building or billboard. I would think that
19 the --

20 MR. PERRY: Well, it's the pole that
21 holds the sign up that the zoning code says
22 if you replace that pole in effect you are
23 basically putting up a brand new sign. I
24 mean, that's the zoning code.

25 MR. SOLVIBILE: That's the way it's

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2 in the zoning code which, you know, is --
3 COUNCILMAN CLARKE: Do you agree
4 with that? Let me ask that question.
5 MR. SOLVIBILE: Myself personally?
6 No.
7 COUNCILMAN CLARKE: Okay. Thank
8 you.
9 COUNCIL PRESIDENT VERNA: So,
10 Councilman DiCicco, I guess this is something
11 that could be discussed during the summer
12 months, too.
13 COUNCILMAN DiCICCO: Yes.
14 COUNCIL PRESIDENT VERNA: I think
15 that's ridiculous.
16 All right. At this point the Chair
17 recognizes Councilman Nutter.
18 COUNCILMAN NUTTER: Thank you, Madam
19 Chair.
20 Commissioner Kammerdeiner.
21 Commissioner Kammerdeiner, I'm not sure if
22 this really is a question for you or for the
23 Budget Director. Is the Budget Director
24 still here?
25 COUNCIL PRESIDENT VERNA: Yes. Do

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2 you want her at the witness table?

3 COUNCILMAN NUTTER: Yes.

4 COUNCIL PRESIDENT VERNA: Miss Reed,

5 would you please approach the witness table?

6 COUNCILWOMAN BROWN: Madam

7 President.

8 COUNCIL PRESIDENT VERNA: Yes. I'm

9 sorry. Microphone's not on. I can't hear

10 you.

11 COUNCILWOMAN BROWN: Councilman

12 Nutter, while the Budget Director comes

13 forward, I have one question on the numbers.

14 Please. Thank you. You said that there are

15 nine owners, correct?

16 MR. PERRY: That's correct.

17 COUNCILWOMAN BROWN: Thank you for

18 the one page of it that spells out the

19 details more clearly. 4700 billboards.

20 Thank you, Councilman DiCicco.

21 About 2800 are legal.

22 MR. PERRY: That's what we believe,

23 based on our best --

24 COUNCILWOMAN BROWN: Should one

25 assume, then, that the balance of those

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2 boards which are illegal are owned by
3 non-registered billboard owners?

4 MR. PERRY: No, that would not be an
5 accurate assumption to make.

6 COUNCILWOMAN BROWN: Thank you very
7 much.

8 Thank you, Madam President.

9 COUNCIL PRESIDENT VERNA: You're
10 welcome.

11 Again the Chair recognizes
12 Councilman Nutter.

13 COUNCILMAN NUTTER: Thank you, Madam
14 Chair.

15 Miss Reed, I know this is obviously
16 not your testimony, but I think you... assume
17 you are familiar with it.

18 There are revenue estimates with
19 regard to the valet parking tax. And what
20 I'm trying to understand is... And if you
21 went over this already, you'll just tell me
22 and I'll move on.

23 When the car is taken by the valet
24 person and they park it wherever they park it
25 which is hopefully not out on the street...

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2 The issue here is that when the car comes in
3 the lot, there's no parking tax paid on it.

4 MS. KAMMERDEINER: I think this is
5 actually a question for me.

6 COUNCILMAN NUTTER: Commissioner,
7 you're to be commended. I've never seen
8 anyone step up to answer a question that they
9 weren't asked directly. I'll give you credit
10 for that. You may regret it later, but go
11 ahead.

12 MS. KAMMERDEINER: I may very well.

13 But as a result of the court case
14 that I referenced earlier, the transaction
15 for the parking from the valet. You leave
16 your car with a valet. The parking tax does
17 not apply to that.

18 However, if the valet parking
19 operator has an agreement with a parking
20 facility, a garage, an open lot, and they
21 have some rate that they pay to that parking
22 facility for the parking of the cars that
23 they are picking up at the valet station.

24 COUNCILMAN NUTTER: Right.

25 MS. KAMMERDEINER: The parking tax

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2 applies to the activity at the parking
3 facility.

4 COUNCILMAN NUTTER: Mm-hmm.

5 MS. KAMMERDEINER: And only that
6 portion of the charge. And generally
7 speaking, that's a much reduced rate. It
8 could be \$5 instead of the \$15 you would have
9 paid if you parked your car at that parking
10 lot.

11 COUNCILMAN NUTTER: And so the issue
12 here, then, is that you're only getting...
13 The parking tax on 15 percent of \$5, as
14 opposed to 15 percent of \$15?

15 MS. KAMMERDEINER: Or whatever the
16 fee was to the --

17 COUNCILMAN NUTTER: That's what I'm
18 saying. You pull up. It's \$15... It's 15;
19 it's 18; it's 12. It's whatever it is.

20 MS. KAMMERDEINER: Correct.

21 COUNCILMAN NUTTER: Depending on
22 what street you're on and what place you go
23 to.

24 MS. KAMMERDEINER: And you as the
25 person parking that vehicle would not have

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2 been paying a parking tax on the transaction.
3 COUNCILMAN NUTTER: I understand
4 that.
5 MS. KAMMERDEINER: However, part
6 of --
7 COUNCILMAN NUTTER: But if you park
8 your car in a lot, and whatever your deal is
9 with them, which is going to be some flat
10 amount or percentage amount of whatever the
11 person paid when they dropped the car off --
12 MS. KAMMERDEINER: Correct.
13 COUNCILMAN NUTTER: -- the parking
14 lot operator is then responsible for 15
15 percent of whatever their take is?
16 MS. KAMMERDEINER: If you are
17 parking your vehicle at a parking facility, a
18 lot, whether it's an indoor or outdoor lot...
19 COUNCILMAN NUTTER: Right.
20 MS. KAMMERDEINER: ...you as the
21 person parking that vehicle are liable for
22 the parking tax. It should be assessed by
23 the parking owner, the operator of that
24 parking lot.
25 COUNCILMAN NUTTER: Right. It's 15

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2 percent of \$24 for two hours or whatever it
3 is.

4 MS. KAMMERDEINER: Correct.

5 The parking lot owner collects it
6 from you, holds it in trust and remits it to
7 City.

8 COUNCILMAN NUTTER: Right.

9 MS. KAMMERDEINER: The same
10 situation does not currently apply with the
11 parking operation if you are parking your car
12 through a valet.

13 If you park your car with a valet
14 and the charge is \$15, you pay \$15, not \$15
15 plus 15 percent for a parking tax.

16 If this proposal is approved, then
17 the parking transaction with the valet would
18 also be subject to the 15 percent parking
19 tax.

20 COUNCILMAN NUTTER: Right. I got
21 that.

22 Let's -- Let's try to work with my
23 example. Let's say I take my car, and I'm
24 going to some... event at Zanzibar Blue.

25 MS. KAMMERDEINER: Okay.

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2 COUNCILMAN NUTTER: And there are
3 valet people outside.

4 I give them the key. They give me
5 the ticket. I pay the \$15.

6 MS. KAMMERDEINER: Correct.

7 COUNCILMAN NUTTER: That valet
8 company has an agreement with some parking
9 lot, whether it's the Hyatt building or
10 somebody around the corner, some legitimate
11 lot for which they've made arrangements to
12 pay \$5 per car that comes in because maybe
13 otherwise that lot operator is not seeing
14 that vehicle. The lot operator pays... gets
15 the \$5.

16 MS. KAMMERDEINER: And the lot
17 operator should also be charging 15 percent
18 parking tax on that \$5, and then remitting
19 that parking tax to --

20 COUNCILMAN NUTTER: The lot operator
21 may not charge 15 percent on the five, but
22 they're responsible, aren't they, for 15
23 percent of the five to pay to the City?

24 MS. KAMMERDEINER: They're
25 responsible for paying the parking tax on the

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2 transaction fee that they have collected.
3 COUNCILMAN NUTTER: Right. So at
4 that point --
5 MS. KAMMERDEINER: However, they do
6 it, whether they assume it within the
7 charge --
8 COUNCILMAN NUTTER: Whatever.
9 MS. KAMMERDEINER: -- and have
10 calculated it within the total charge that
11 they charge the customer or they have it as
12 an ad-on --
13 COUNCILMAN NUTTER: Right. They
14 owe --
15 MS. KAMMERDEINER: -- they are
16 responsible for that.
17 COUNCILMAN NUTTER: They owe 15
18 percent of \$5.
19 MS. KAMMERDEINER: Correct.
20 COUNCILMAN NUTTER: Right?
21 MS. KAMMERDEINER: But it's not...
22 If they have done it properly, they would
23 have charged that of the person parking the
24 car there, because the tax itself, if you
25 read the code, says that this tax is on the

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2 person who parks the car, the person who
3 leaves the car there.

4 COUNCILMAN NUTTER: I got that.

5 MS. KAMMERDEINER: Not the person
6 who is responsible for it and manages the
7 parking facility. It's a tax on the person
8 who leaves the motor vehicle there for
9 parking or storage.

10 MS. REED: The driver.

11 MS. KAMMERDEINER: Yes.

12 COUNCILMAN NUTTER: I'm sorry?

13 MS. REED: The driver.

14 COUNCILMAN NUTTER: The driver.

15 MS. KAMMERDEINER: Yes.

16 COUNCILMAN NUTTER: Okay.

17 MS. KAMMERDEINER: It is not a tax
18 on the operator of the facility. It is a tax
19 on the person who leaves the motor vehicle
20 for parking or storage.

21 COUNCILMAN NUTTER: So you're saying
22 that when the person pulls up with my vehicle
23 at the lot, when they took it from Broad
24 Street, they should hand the person \$5.75?

25 MS. KAMMERDEINER: If the base fee

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2 is \$5, then, yes. The parking tax would be
3 calculated on top of that \$5.

4 What I think you find in most lots
5 when you look at the signs, and if they've
6 properly posted, they would indicate a
7 parking fee plus the tax that equals the
8 amount that they tell you they're charging
9 per hour.

10 COUNCILMAN NUTTER: Well, let me ask
11 this question --

12 MS. KAMMERDEINER: Most of them have
13 done it in a way that rounds it to a number
14 that is easier to deal with, in terms of
15 payment.

16 COUNCILMAN NUTTER: And were they --
17 And when they took my car, were they supposed
18 to take \$15 plus 15 percent?

19 MS. KAMMERDEINER: If you're talking
20 about the valet, right now that is not
21 covered by the tax.

22 COUNCILMAN NUTTER: No. I'm asking
23 about this.

24 MS. KAMMERDEINER: In a new
25 provision they would be required to charge

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2 you the \$15 plus 15 percent for the parking
3 tax. And under this. And then when they
4 take it to the lot, do they then pay the five
5 seventy-five.

6 MS. KAMMERDEINER: It depends on
7 what their arrangement is with the --

8 COUNCILMAN NUTTER: It's \$5.

9 MS. KAMMERDEINER: -- parking garage
10 operator.

11 But it is possible that they would
12 have paid a fee to the parking garage
13 operator that should have included the tax.
14 There is a provision within the -- within the
15 ordinance that they are not entitled to a
16 refund if they have done so.

17 COUNCILMAN NUTTER: Well, I think
18 what I'm raising with you -- And it sounds
19 like there's some amount of double paying of
20 the parking tax between these two
21 transactions.

22 From the time the vehicle is picked
23 up on South Broad Street, there seems to be a
24 parking tax. And from the time the vehicle
25 goes from South Broad Street to, say, Spruce

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2 Street, it sounds like there's another
3 parking tax. All on the same transaction.
4 Is that true?

5 MS. KAMMERDEINER: Actually paid by
6 two different people on two different dollar
7 amounts.

8 COUNCILMAN NUTTER: That was
9 creatively evasive.

10 Isn't it true that there are
11 essentially two parking taxes being paid on
12 the same vehicle, as it moves from one place
13 to the other?

14 MS. KAMMERDEINER: To the extent
15 that the parking fee that the valet operator
16 pays to the parking facility operator is
17 incorporated in the fee that they charge the
18 valet patron, yes.

19 COUNCILMAN NUTTER: How about if we
20 get a shorter answer? Aren't there two
21 parking taxes essentially being paid on the
22 same transaction.

23 MS. KAMMERDEINER: There are two
24 different transactions. That's why I can't
25 answer that question --

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2 COUNCILMAN NUTTER: Two different
3 transactions on the same vehicle moving from
4 one place to the other.

5 MS. KAMMERDEINER: Yes. And there's
6 a tax on each transaction.

7 COUNCILMAN NUTTER: Right. Okay.
8 You're in essence double billing.

9 Now, how many vehicles are valeted
10 every day in Philadelphia?

11 MS. KAMMERDEINER: How many vehicles
12 what?

13 COUNCILMAN NUTTER: Are valeted
14 every day in the City?

15 MS. KAMMERDEINER: I -- I do not
16 have an estimate on that. I don't have
17 numbers on that.

18 COUNCILMAN NUTTER: Okay. Then how
19 do you derive your revenue estimates?

20 MS. KAMMERDEINER: We used
21 information that had been gathered during the
22 court case, to identify the relationship
23 between the number of vehicles that were
24 parked -- or excuse me -- not the number of
25 vehicles. The cost of parking the vehicle

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2 with the valet service, and the amount that
3 was paid to the parking facility, and then
4 applied that to revenue of some significant
5 parking operators who have valet operations,
6 as well as a parking facility.

7 We used a substantial number of
8 large operators and their tax information and
9 aggregated that in order to make this
10 estimate.

11 COUNCILMAN NUTTER: Okay. But
12 again, I mean, the short answer here is, you
13 don't know how many cars are valeted every
14 day in the City.

15 MS. KAMMERDEINER: No.

16 COUNCILMAN NUTTER: Okay. And the
17 2.2 million in revenue that you anticipate
18 being generated in FY'06, how many cars would
19 that represent being valeted every day?

20 MS. KAMMERDEINER: I don't have it
21 on the basis of cars because the fees maybe
22 different from one operation to another. And
23 the tax is a percentage of that transaction
24 fee that's charged.

25 And that's why we used the gross

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2 receipts of large operators as an indicator

3 of what the fee relationship would be and how

4 much tax would be generated.

5 COUNCILMAN NUTTER: All right.

6 Well, why don't we do it this way: If, for

7 argument's sake, we could agree that the

8 average valet rate was \$15, how many cars

9 would have to be valeted to reach \$2.2

10 million in revenue?

11 MS. KAMMERDEINER: Budget Director

12 is making a calculation.

13 MS. REED: About 145,000.

14 COUNCILMAN NUTTER: I'm sorry?

15 MS. REED: About 145,000.

16 COUNCILMAN NUTTER: I'm assuming you

17 mean a year.

18 MS. REED: Pardon?

19 COUNCILMAN NUTTER: The question was

20 per day. The answer you gave, I assume,

21 represents a year.

22 MS. REED: Okay. One minute.

23 COUNCILMAN NUTTER: 145,000?

24 MS. REED: About 400 a day.

25 COUNCILMAN NUTTER: 400 a day?

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2 MS. REED: Mm-hmm.

3 COUNCILMAN NUTTER: Now, as it
4 stands at the moment, with the three bills in
5 front of us, what is the... And as you've
6 put the budget together, incorporating these
7 revenue figures, what's the response from
8 PICA, with regard to this new budget?

9 MS. REED: We had not discussed the
10 new budget with PICA yet. We are waiting for
11 Council's decision before we have a final
12 proposal to take to them.

13 COUNCILMAN NUTTER: Before you have
14 what?

15 MS. REED: A final proposal to take
16 to them.

17 COUNCILMAN NUTTER: What's been the
18 preliminary response from PICA?

19 MS. REED: PICA has some concerns
20 about some information that we have, but we
21 feel that we can address all of their
22 concerns.

23 COUNCILMAN NUTTER: I'm having a
24 little trouble hearing you.

25 MS. REED: And we have discussed

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2 these periodically.

3 COUNCILMAN NUTTER: They have some
4 concerns, but... I didn't hear the last
5 part.

6 MS. REED: But we feel that we have
7 addressed them, so that we are satisfied with
8 our conclusion, that our five-year plan and
9 '06 are in good shape.

10 COUNCILMAN NUTTER: Okay. So you're
11 satisfied with your own conclusions, but you
12 don't know that PICA is.

13 MS. REED: No. We need to meet with
14 them and fully present our information.

15 COUNCILMAN NUTTER: When do you
16 think you'll have that?

17 MS. REED: Well, we hope to meet
18 with them as soon after Council decides on
19 the budget as possible.

20 COUNCILMAN NUTTER: Okay. All
21 right. I'll come back. Thank you.

22 COUNCIL PRESIDENT VERNA: Councilman
23 Nutter, are you finished with your
24 questioning at this point?

25 COUNCILMAN NUTTER: For this part,

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2 Madam Chair. I assume we're going to have
3 other components of the budget --

4 COUNCIL PRESIDENT VERNA: Yes.

5 COUNCILMAN NUTTER: -- but yes

6 COUNCIL PRESIDENT VERNA: Thank you.

7 The Chair recognizes Councilman
8 Cohen.

9 COUNCILMAN COHEN: Before I ask a
10 question, I wanted to... In reply to
11 Councilman Nutter, you indicate that tax is
12 going to be different for different garages?

13 MS. KAMMERDEINER: The tax would be
14 the same. What I indicated was that the fees
15 may be different. And since the tax is a
16 percentage of the fee that is charged, the
17 actual amount would be different at each
18 facility, depending upon the transaction
19 cost. The percentage would be the same.

20 COUNCILMAN COHEN: Seems to me to be
21 vastly unfair to have this different kind of
22 tax.

23 MS. KAMMERDEINER: No, it's not a
24 different tax. The answer that I gave him
25 was that I couldn't calculate the number of

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2 vehicles that this represented, simply
3 because the taxes on the cost of the
4 transaction. And at one place your -- your
5 transaction fee might be \$1- and in another
6 place it might be \$15 because of the cost of
7 the services being provided.

8 The tax itself would be 15 percent
9 of --

10 COUNCILMAN COHEN: Would each
11 facility --

12 MS. KAMMERDEINER: -- the
13 transaction cost.

14 COUNCILMAN COHEN: Would each
15 facility have to have the same rate for every
16 customer?

17 MS. KAMMERDEINER: No. The tax
18 would be 15 percent of whatever the rate was
19 that they charged.

20 COUNCILMAN COHEN: But they could
21 charge different rates. How could they
22 charge different rates for the same service?

23 MS. KAMMERDEINER: The service may
24 be slightly different at each place.
25 That's... Right now the valet parkers who

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2 are on the street have different fees. You
3 see their signs. And they may have different
4 fees. Different parking garages have
5 different fees, based on the --
6 COUNCILMAN COHEN: How can the same
7 garage have different fees?
8 MS. KAMMERDEINER: The same garage
9 should have whatever the posted fees are, and
10 the parking tax is 15 percent of whatever
11 those posted fees are.
12 COUNCILMAN COHEN: And the posted
13 fee will be the same for everybody that
14 uses --
15 MS. KAMMERDEINER: Well --
16 COUNCILMAN COHEN: -- that
17 service --
18 MS. KAMMERDEINER: Well --
19 COUNCILMAN COHEN: -- at that
20 garage.
21 MS. KAMMERDEINER: At an individual
22 garage, they may have different rates for
23 different times of day. They could have
24 different rates if you come in... I see
25 postings for early bird specials. If you

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2 come in by a certain hour --

3 COUNCILMAN COHEN: Well, everybody
4 who comes in for an early bird special --

5 MS. KAMMERDEINER: Should have
6 the --

7 COUNCILMAN COHEN: -- has the same
8 rate. And will anybody that comes in at
9 presumably the same time have the same rate
10 or can the garage operator have a separate
11 deal with the person providing the --

12 MS. KAMMERDEINER: That would be
13 covered, I believe, by the L & I regulations.
14 Let me check with them.

15 MS. KAMMERDEINER: I'm told that
16 they have to post their fees. And they would
17 be allowed to have different fees, but they
18 would need to post what those fees are. And
19 there might be different circumstances for
20 different ones coming into the garage, and
21 those fees would need to be posted.

22 COUNCILMAN COHEN: Well, I just
23 think that we've got to be very careful to
24 have a very fair equal to everybody tax.

25 MS. KAMMERDEINER: The tax -- The

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2 tax itself is 15 percent of the charge for
3 the transaction. So the tax is uniform.

4 What may differ is the amount of fee
5 that's charged. But the tax is the same
6 percentage no matter what the transaction
7 cost is.

8 COUNCILMAN COHEN: All right. I'm
9 not sure what that means.

10 But I think we're in trouble if
11 people legitimately can say that different
12 folks are getting the benefit of lower rates
13 or lower charges, even if the rate is the
14 same. So, I'd want to be very careful with
15 respect to that.

16 I can't identify yet the
17 circumstance, but it sounded to me as if
18 there are all kind of special arrangements
19 that can be made, whereby the fee to a
20 certain group of people could be less than
21 the fee for the same service by the same
22 garage would be to other people. So I'd want
23 to be very careful in that.

24 Now, secondly, somewhere in the bill
25 there is a section referring to the

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2 permission to have art on billboards. And
3 the word used there is primarily. I think...
4 Could you read me that section?

5 MS. KAMMERDEINER: Which ordinance
6 are you referring to? Are you referring to
7 the L & I ordinance on the 453?

8 COUNCILMAN COHEN: I'm not sure
9 which bill it is, but it's one of the two
10 bills. Makes a provision that if something
11 is primarily art...

12 MS. KAMMERDEINER: I believe that's
13 in the L & I bill, and let us check.

14 MR. SOLVIBILE: Councilman, section
15 8, on the site public art.

16 COUNCILMAN COHEN: Well, read that
17 and I'll tell you?

18 MR. SOLVIBILE: Artwork, such as a
19 painting or a mural that is a permanent,
20 i.e., lasting the life of the building, end
21 of brackets, original, created specifically
22 for the site, and is not primarily intended
23 to advertise a product or service.

24 COUNCILMAN COHEN: Now, what does
25 that mean? What would such a sculpture or

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2 piece of art be? For what reason is that
3 section in the contract? In the ordinance?

4 What does that give whoever is
5 interested in --

6 MR. SOLVIBILE: It's a definition of
7 artwork. It's meant... H is a definition,
8 Councilman. The definitions in this section
9 for the following -- following definitions
10 apply.

11 So what we're saying, the definition
12 of artwork -- on site public art, rather, is
13 what I just read. That's under definitions,
14 and...

15 COUNCILMAN COHEN: And why is it
16 important to define it?

17 MR. SOLVIBILE: That's to prevent
18 to -- Like in the neighborhoods we have mural
19 arts, beautiful artwork that's done by the
20 community.

21 COUNCILMAN COHEN: And that frees it
22 from the requirements of the bill?

23 MR. SOLVIBILE: Yes.

24 COUNCILMAN COHEN: All right.

25 Now, I would strongly urge the

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2 removal of the word primarily because you're
3 going to find yourself constantly in battle,
4 because efforts will be made to advertise
5 businesses or activities that will be
6 appropriate for a billboard, if there were
7 any such thing as appropriateness for a
8 billboard.

9 It might be appropriate for a
10 billboard in Las Vegas, say, and the owners
11 of the billboards will want to seek the
12 benefits of having it classified as primarily
13 art.

14 MR. SOLVIBILE: We will take out the
15 word intended.

16 COUNCILMAN COHEN: Primarily.

17 MR. SOLVIBILE: Primarily intended.

18 COUNCILMAN COHEN: All right So that
19 will be eliminated.

20 MR. SOLVIBILE: Yes, sir.

21 COUNCILMAN COHEN: Okay. Very good.
22 Thank you.

23 No further questions. Thank you.

24 COUNCIL PRESIDENT VERNA: The Chair
25 recognizes Councilman DiCicco.

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2 COUNCILMAN DiCICCO: Thank you.

3 Councilman Nutter and I were
4 discussing this. So, he's on the phone. And
5 maybe we'll do it together. I think I heard,
6 and the Council President pointed out, that,
7 Miss Kammerdeiner, that you mentioned that
8 this valet parking tax would be a double tax?

9 MS. KAMMERDEINER: No.

10 Councilman Nutter was indicating
11 that he thought it might be because some of
12 the valet parking operators have agreements
13 with parking facilities and pay the parking
14 facility for putting the car there.

15 COUNCILMAN DiCICCO: Right.

16 MS. KAMMERDEINER: And that
17 transaction would be subject to the parking
18 tax.

19 And I said that there were two
20 separate transactions paid by the person who
21 was parking the vehicle.

22 One is paid by the patron of the
23 valet parking operation, and the other is
24 paid by the valet operator to the parking.

25 COUNCILMAN DiCICCO: I need to see

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2 if I can simplify this because my
3 understanding -- at least I believe the
4 intent was -- I take my car to Bob Solvibile.
5 I'm a customer, and I bring my car to Bob
6 Solvibile, who's a valet operator.

7 And they're all supposed to be
8 having contracts with garages.

9 COUNCIL PRESIDENT VERNA: Exactly.

10 COUNCILMAN DiCICCO: That was under
11 the valet bill we did a few years ago.

12 COUNCIL PRESIDENT VERNA: Exactly.

13 COUNCILMAN NUTTER: Exactly.

14 COUNCILMAN DiCICCO: So assuming
15 that is accurate, I pay Bob \$15. He then
16 takes the garage -- the car, my car, to
17 Councilman Nutter's garage. And he has a
18 deal with the Councilman to park -- to
19 charge -- be charged \$5 for the purpose of
20 parking that car.

21 Councilman Nutter is going to pay 15
22 percent on the \$5 that he collected from the
23 valet operator.

24 I thought the intent was for the
25 City to collect 15 percent on the \$10 that

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2 the valet operator has collected as his or
3 her profit.

4 Isn't that -- Because if you do it
5 the other way, you're going to be charging 15
6 percent on the \$15 and then 15 percent on the
7 \$5. I don't believe that was the intent.

8 COUNCIL PRESIDENT VERNA: No, I
9 don't either.

10 MS. KAMMERDEINER: As currently
11 drafted, the bill would not provide for a
12 credit for that. It is certainly possible to
13 have that amended --

14 COUNCILMAN DiCICCO: It is double
15 taxation.

16 MS. KAMMERDEINER: -- to have that
17 amended if --

18 COUNCILMAN NUTTER: Charging twice
19 on the same transaction.

20 MS. KAMMERDEINER: -- if you do not
21 want that provision.

22 There's a provision says there's no
23 credit for other tax that may be --

24 COUNCILMAN DiCICCO: I certainly am
25 a supporter of the valet parking tax, but not

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2 under those conditions. I think that is not
3 a fair way of doing it.

4 MS. KAMMERDEINER: There is a
5 specific provision within the bill that could
6 be amended, if you chose.

7 COUNCILMAN DiCICCO: I see our
8 Managing Director is here.

9 COUNCIL PRESIDENT VERNA: I was
10 going so suggest that perhaps he can address
11 this issue because it's just very
12 troublesome.

13 COUNCILMAN NUTTER: He's just
14 waiting to get up to that table.

15 MR. RAMOS: Good afternoon. My name
16 is Pedro Ramos. I'm Managing Director.

17 I guess what I'd like to... I'd
18 like to concur with the general principle
19 that Council members are describing, that the
20 intention isn't to have any double tax.

21 And if we could -- If you would
22 indulge us a few minutes, what I'd like to
23 suggest is that we -- is that we invite the
24 Revenue Commissioner back in a few minutes so
25 that we can come back to you, and --

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2 COUNCILMAN DiCICCO: You're clear of
3 what -- I think I'm speaking for a majority
4 of us, that we don't have a problem with the
5 15 percent --

6 MR. RAMOS: I hear you.

7 COUNCILMAN DiCICCO: -- on the \$10
8 or whatever that balance is, but it's not
9 fair to do it both times. It's...

10 MR. RAMOS: I'm saying, rather than
11 try to work through it up here, if you would
12 give the administration a few minutes, we'll
13 go back and caucus and come back.

14 COUNCIL PRESIDENT VERNA: We'd be
15 very happy to do that.

16 COUNCILMAN NUTTER: Madam Chair?

17 COUNCIL PRESIDENT VERNA: Yes.

18 COUNCILMAN NUTTER: While Mr. Ramos
19 and the Revenue Commissioner there... Miss
20 Reed was up earlier. I'd like to better
21 understand. She gave a number of 400 cars a
22 day. I mean, this is purely on the revenue
23 side.

24 Commissioner, the assumption here is
25 that it's 15 percent of something results in

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2 \$2.2 million in revenue, correct.

3 MS. KAMMERDEINER: Correct.

4 COUNCILMAN NUTTER: Okay. So, the
5 base there, then, is you need a little more
6 than about \$14.6 million in revenue, of which
7 you're taking 15 percent, that then generates
8 \$2.2 million to the City.

9 MS. KAMMERDEINER: Correct.

10 COUNCILMAN NUTTER: Is that right?

11 MS. KAMMERDEINER: Correct.

12 COUNCILMAN NUTTER: Okay. In order
13 to generate the 14.6 or so million dollars in
14 base revenue at \$15 a car is somewhere in the
15 neighborhood of 900,000 plus vehicles
16 annually, divided by 365 is 2,670 some odd
17 cars being valeted a day. Do you want to --
18 As you go back and talk about the other
19 issue, do you want to --

20 MS. KAMMERDEINER: I'll take another
21 look at it, but basically --

22 COUNCILMAN NUTTER: Do those numbers
23 make sense to you?

24 MS. KAMMERDEINER: Our numbers are
25 derived from the gross receipts of a number

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2 of businesses. We were looking at it from
3 that standpoint, as opposed to the number of
4 cars. And I really can't comment directly.

5 COUNCILMAN NUTTER: I understand
6 that. I'm dealing with your revenue figure
7 of \$2.2 million.

8 MS. KAMMERDEINER: Right.

9 COUNCILMAN NUTTER: In order for you
10 to generate that, that's 15 percent of some
11 number, close to \$15 million.

12 MS. KAMMERDEINER: Right.

13 COUNCILMAN NUTTER: At 15 bucks a
14 car, which is what you're dealing with.

15 MS. KAMMERDEINER: Not necessarily,
16 because in some of the larger hotels you may
17 have a valet fee of \$25 or \$30 overnight. So
18 your numbers are not necessarily 15.

19 COUNCILMAN NUTTER: I understand
20 that.

21 Why don't we at least work on what's
22 the base -- what's the overall revenue you
23 need from which you're going to take 15
24 percent to generate \$2.2 million in revenue.
25 We can at least figure that out.

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2 MR. RAMOS: You understand the
3 question, right?

4 MS. KAMMERDEINER: I think I
5 understand your question, but I think we came
6 from a different perspective, in trying to
7 come up with our revenue estimate. And so, I
8 will see how we can factor back to the type
9 of thing you're referring to.

10 COUNCILMAN NUTTER: Okay. But
11 however many different perspectives we come
12 from, at the end of the day, you have to be
13 able to explain how you generate \$2.2 million
14 in revenue. And that's got to come from some
15 number of vehicles being valeted a year, a
16 day, a week, whatever the measurement is
17 going to be. So it all starts with the \$2.2
18 million, right?

19 MS. KAMMERDEINER: Right.

20 COUNCILMAN NUTTER: Okay. Thanks.

21 COUNCIL PRESIDENT VERNA: Thank you.

22 Are there any other questions or
23 comments from members of the committee, on
24 any one of the three bills in front of us?

25 Seeing none, I do not have a list of

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2 competitive open market. We don't operate in
3 a vacuum. We can't raise our rates by seven
4 percent without losing business to our
5 competition, and that will surely damage our
6 businesses.

7 Would you tax a Chinese restaurant
8 but not an Italian restaurant? It is
9 blatantly unfair, and our employees feel they
10 are being singled out.

11 Add taxes in general are a bad idea.
12 Advertising is the fuel that drives the
13 economic engine. Add taxes are shortsighted
14 because they discourage advertising which
15 will stifle the economy.

16 These bills are especially unfair
17 because they are a last-minute attempt to
18 solve a budget crisis that was not created by
19 us, yet punishes our industry.

20 We have not even had time to mount
21 an appropriate defense.

22 The permit fees are unfair because
23 they go beyond the amount necessary for
24 proper enforcement of our industry.

25 Even worse, both bills contain

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2 language that creates an incredible hardship
3 for our industry, by creating onerous and
4 expensive reporting procedures that further
5 cripple our businesses.

6 For instance, how do I handle
7 existing contracts? Contracts that call for
8 some signs in Philadelphia and some in the
9 suburbs?

10 The burdens are tremendous. These
11 bills are so bad for our industry, we would
12 have no choice but to fight them in court.
13 In fact, these bills won't solve the budget
14 crisis, as they'll be tied up in court for
15 years to come.

16 Why attack an industry that has been
17 a good corporate citizen? We already pay our
18 fair share of taxes. In fact, in 1998 we
19 voluntarily moved back into the City, thereby
20 increasing the City wage tax revenues for the
21 City. I doubt we would make the same
22 decision today. And that is the message
23 we'll be sending to others in the business.

24 And is it fair to leave -- to have
25 the law-abiding companies assume the burden

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2 of policing the activity of those that are
3 not compliant?

4 We have some of our employees here
5 today. And I would like them to stand and be
6 recognized.

7 (A number of people stand.)

8 MR. CAULKER: These are your
9 constituents, including members of IBEW,
10 sheet metal workers, and District 21 painters
11 and tradesmen.

12 This bill would not only affect the
13 jobs of these people, but those that work for
14 us, our suppliers, our clients, primarily
15 small businesses, and ultimately the
16 consumer.

17 Beyond paying taxes and creating
18 jobs, we support the community in many other
19 ways, especially through public service
20 advertising.

21 We support many worthy causes such
22 as the Philadelphia Food Bank, Ronald
23 McDonald House, March of Dimes, and the
24 Philadelphia Police and Fire Departments. In
25 fact, I was at a press conference for our

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2 latest Fire Department campaign when I was
3 notified about these bills.

4 We also have Dorothy Johnson Spite
5 of Mothers in Charge here to talk about the
6 importance of her campaigns.

7 Members of Council, there has to be
8 a better way to handle this. Councilman
9 DiCicco has suggested forming a task force
10 that would work through the summer, to bring
11 the industry and the City together and solve
12 these problems in a way that does not destroy
13 our industry.

14 We could generate revenue that a
15 scaffolding or wall wrap program that would
16 include a revenue share for the City. We
17 could agree on permit fees and regulations,
18 including an inspection program and
19 enforcement guidelines that are fair to
20 everybody.

21 We know the sign business better
22 than anyone. We know what works in other
23 jurisdictions. And we could accomplish our
24 collective goals by working together, without
25 destroying a valuable, viable industry.

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2 I urge you to vote no, to table
3 these bills so that we have time to work
4 together to find a better solution. Thank
5 you.

6 COUNCIL PRESIDENT VERNA: Thank you.
7 Are you going to testify, sir?

8 MR. NEFF: Yes.

9 COUNCIL PRESIDENT VERNA: Please
10 identify yourself.

11 MR. NEFF: My name is David Neff,
12 President of Neff & Associates. We're an
13 advertising and public relations firm,
14 headquartered in Old City, Philadelphia.

15 Thank you for the opportunity to
16 speak to you today.

17 COUNCIL PRESIDENT VERNA: We welcome
18 you.

19 MR. NEFF: Of course, the reason I'm
20 here is to urge City Council to vote against
21 this taxing.

22 Aside from some of the things that
23 George Caulker has already pointed out, some
24 of the issues that I wanted to point out
25 include the following:

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2 I felt the tax was very arbitrary
3 and discriminatory against outdoor companies.
4 Now, my firm, we are an advertising agency,
5 so we buy television, outdoor, radio,
6 newspaper, magazines, and we recommend that
7 media to our clients.

8 If this would go through, it would
9 discourage business from doing business
10 within the City of Philadelphia and really
11 sends the wrong message.

12 The PR ramifications of something
13 like this going through are great. This
14 legislation would give Philadelphia yet
15 another black eye in the national press, at a
16 time when we could really use more positive
17 news from our City and its government.

18 If outdoor companies would be
19 affected and would not have enough resources
20 to maintain the cleanliness of their
21 structures, the outdoor companies would be
22 burdened with these taxes. Therefore, they
23 would have less resources in order to
24 maintain their structures.

25 So, I know the Mayor and City

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2 Council have done great -- have made great
3 strides in improving the look and feel of the
4 City.

5 And City Council and the Mayor's
6 administration have brought new vitality into
7 Center City. So, we're on a roll. And let's
8 continue it.

9 And I think if this would go
10 through, this would, you know, go against
11 some of the major principles that clearly
12 City Council and the Mayor are in favor of.

13 There would be lots of -- These --
14 If these rules would go through, it would
15 penalize small and mid size retailers that
16 advertise in the outdoor medium.

17 These retailers, because of some of
18 the things that City Council and the Mayor's
19 administration have moved forward with, these
20 retailers are keeping their shops open.

21 They're risking their businesses.
22 And they are promoting anti-blight because
23 where there was once unoccupied storefronts,
24 for example, on Chestnut Street, you know,
25 15th, 16th, 17th, 18th, 19th and beyond,

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2 there are now high-end retailers moving into
3 those areas.

4 I personally -- I mean, I live at
5 18th and Chestnut, so I live and work in the
6 City. And I've seen the transformation that
7 has taken place over the last five years, and
8 it's actually quite remarkable.

9 For example, Smith Brothers just
10 moved into a building that was unoccupied for
11 the last ten years. Smith Brothers is a
12 high-end retailer of jeans and other
13 designers clothes.

14 These retailers are generally
15 putting their money where their mouth is, and
16 their in favor of taking advantage of a lot
17 of the opportunities that City Council and
18 the Mayor's administration have given them.

19 So, they're already having a hard
20 enough time, these small to mid size
21 retailers in Philadelphia. They're, you
22 know, constantly fighting off the big box
23 retailers.

24 The last thing they need is for
25 their plans to advertise their business to be

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2 burdened, which this would do.

3 In addition, this would handicap
4 Philadelphia. And this is a very important
5 point. If this would go through, this would
6 handicap Philadelphia in competing for
7 national outdoor buys.

8 So what happens a lot with larger
9 corporations that want to roll out new
10 product introductions or branding campaigns,
11 the advertising agencies that handle these
12 accounts would -- they would be asked to
13 recommend to their clients what markets
14 they're going to roll this campaign out into.
15 And it's usually done in select U.S. markets.

16 If Philadelphia's outdoor
17 advertising is taxed, this could eliminate
18 Philadelphia from a mix of a major outdoor
19 buy that would go down.

20 This also potentially could trickle
21 down to other media in the market. So not
22 only would outdoor be affected, but large
23 advertising agencies headquartered in other
24 areas might skip Philadelphia altogether with
25 television, radio, outdoor, of course and

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2 print.

3 This also would discourage, again,
4 as I mentioned before, with a lot of the
5 things that City Council has moved forward
6 with, and the Mayor's administration has
7 moved forward with.

8 Everyone's been very successful in
9 getting developers, real estate trusts and
10 other financial institutions to invest in
11 Center City. You guys have done an
12 unbelievable job with that.

13 This... If this would go through,
14 this would further discourage developers in
15 those real estate trusts into either getting
16 more involved in the City of Philadelphia or
17 consider coming to the City.

18 So the ramifications and the PR
19 ramifications of this go way beyond just
20 advertising.

21 This also could negatively affect
22 the current residential and retail growth of
23 Center City. And as we all know, perception
24 is reality.

25 This also could have a devastating

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2 impact on many worthy non-profit
3 organizations. Clear Channel, the company
4 that George represents, as well as all the
5 other major outdoor companies in this
6 marketplace, are very generous consistently
7 throughout the year in donating space on
8 their billboards to promote non -- you know,
9 very worthy non-profit organizations and
10 causes.

11 And lastly, this could unfairly
12 impact media recommendations to advertisers
13 from respective agencies, and encourage
14 regional advertisers to use agencies outside
15 of our region.

16 You know, when my media department
17 is making a recommendation to a client on
18 what to recommend, we don't want this tax to
19 impact our recommendation to our client, and
20 therefore not recommend outdoor or recommend
21 less outdoor, in favor of recommending
22 television, radio, newspapers and magazines.

23 That concludes my personal comments.
24 We have another representative. And if it's
25 okay with you, I would like to read his, you

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2 know, his little outline as well. Okay?

3 So I'm now speaking for Scott

4 Franks. Scott Franks is the Chairman of

5 Tierney Communications which is one of the

6 City's largest advertising public relations
7 agencies.

8 As Chairman of the Philadelphia

9 Council of the American Association of

10 Advertising Agencies, which is made up of

11 over 60 agencies in the greater Philadelphia

12 region, our agencies to a large degree rely

13 on the vitality of our local business market.

14 Most of our clients are here, and

15 the advertising that they're doing is here.

16 Scott worries about a new tax on

17 outdoor advertising, from a couple of

18 perspectives. When a tax is imposed, it's

19 naive to believe that there will be no impact

20 on those businesses that are contracting for

21 the advertising that will appear on the

22 billboards, and that there will not be a

23 trickle down effect on the consumers that are
24 seeking what's advertised.

25 In other words, prices will go up

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2 for advertisers and prices will go up for
3 consumers.

4 The most adverse impact will be the
5 small business person. Already saddled with
6 an exorbitant business privilege tax, small
7 business will now find one of their most
8 relied -- one of their most relied on mediums
9 billboards costing more.

10 The move -- The move to increased
11 taxes sends yet another signal that we are
12 not friendly to those businesses. And the
13 aforementioned pass-along cost doesn't sound
14 good to anybody.

15 Now let's talk about the impact on
16 the outdoor companies themselves. As an
17 advertising agency, we continuously monitor
18 the price of media, to gauge what's best for
19 our clients.

20 In other words, what's the right mix
21 of radio, T.V., print and outdoor; and how
22 much should we be spending if one medium,
23 outdoor, spikes in cost? We may very well
24 recommend against it.

25 This could very likely have a

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2 devastating impact on all the local outdoor
3 companies and their employees.

4 If this tax does not serve business,
5 does not serve the consumer, does not serve
6 the many billboard company jobs in this
7 market, and does nothing for ad agencies like
8 ours, what does it serve? Who does it serve?

9 I respectfully urge you to think
10 about the negative ramifications of this tax.
11 Thank you very much.

12 COUNCIL PRESIDENT VERNA: Thank you,
13 sir.

14 Good afternoon. Please identify
15 yourself for the record.

16 MR. CADE: Good afternoon, Madam
17 President, honorable Council members.

18 My name Jim Cade. I am a resident
19 of the City of Philadelphia. I'm also a
20 business owner in the City of Philadelphia
21 for the past 33 years.

22 I am President of the Lancaster
23 Avenue Business Association West which
24 comprises the businesses located between 52nd
25 and 63rd Street on Lancaster Avenue.

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2 I'm also a board member of the
3 Lancaster Avenue Redevelopment Corporation, a
4 CDC located on Lancaster Avenue, dedicated to
5 the revitalization of the Lancaster Avenue
6 corridor and commercial strip.

7 My purpose for coming here today is
8 because I read an article Sunday concerning
9 the billboards. It made me aware of interest
10 in the billboards.

11 On my property and on six other
12 properties along this business corridor,
13 there are billboard signs located. We're the
14 property owners that the billboard signs are
15 located on.

16 All of these properties are
17 privately owned properties. And I, as well
18 as the other business owners, should be
19 considered mom and pop operations.

20 What happens and what has been of
21 benefit and why we should look at some of
22 these billboards not as blight but as
23 economic engines in the City, we receive
24 rental commission from the billboard
25 companies, passed on to the businesses, that

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2 assist our businesses and in maintaining our
3 properties that we would not have access to
4 otherwise.

5 These are benign incomes that do not
6 take any space from us, from our normal
7 business operations, but that allows us to
8 paint the buildings, to clean the properties.
9 These are revenues that we wouldn't have.

10 The money that comes from these
11 rentals is taxed as income by the City. We
12 pay taxes on this income.

13 The businesses along Lancaster
14 Avenue corridor... There are four main
15 businesses that advertise with these signs
16 located in this corridor that promote the
17 businesses within the corridor.

18 One promotes a very large shopping
19 center that was just constructed at 56t and
20 Lancaster Avenue, with private development
21 money, no tax incentives added to this. This
22 was private development.

23 We have a sign billboard that the
24 owner contracted and he uses to promote this,
25 which promotes jobs that were created in this

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2 shopping area.

3 There are signs that direct us to
4 where we can get food. There's one that says
5 there's a certain eatery seven blocks further
6 down the Avenue.

7 Somebody driving down the Avenue
8 that wants to know, what can we eat that's
9 seven blocks on the left? They're prepared
10 to make a turn into that property and
11 consummate a transaction, of whether it be
12 food or whatever.

13 I find billboards to be
14 informational. I find them to be cute
15 sometimes. We laugh at them, some of the
16 things that they put up. They're accessible
17 to anybody, to anybody to advertise, at a
18 rate that a small business can afford.

19 I can afford to put up a billboard
20 sign for a month. I can not afford to
21 advertise in the newspaper for one day of
22 what it would cost me to advertise on a
23 billboard for a whole month.

24 This increase of knowledge on my
25 business to my potential customers helps to

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2 increase my business, which increases tax
3 revenues to the City, that are based on the
4 profits of my business, that are based on the
5 profit -- that are based on the wages that
6 are paid to my employees.

7 That's why these signs actually
8 generate business.

9 And I would suggest to enhance
10 revenue, that some of these illegal signs we
11 talk about, they be made legal, and that they
12 be collected -- the fees be collected on.

13 COUNCIL PRESIDENT VERNA: And it's
14 really not fair to those who pay; and then we
15 have these illegal signs up and we have
16 people not paying.

17 MR. CADE: So it should be uniform.

18 COUNCIL PRESIDENT VERNA: Let me
19 just ask you a question. You keep talking
20 about the billboards in your shopping center
21 there. Is this actually a billboard or is it
22 an advertisement that's painted onto your
23 property?

24 MR. CADE: No. These are actually
25 billboards located along the corridor that

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2 direct potential customers to businesses
3 located on the corridor.

4 No, they are not affixed to the
5 buildings. They are not accessory. They are
6 actually operated by the billboard companies.

7 But it gives business on the
8 corridor access to advertisement that they
9 might not normally have.

10 There's one gigantic sign that
11 advertises a 40 percent discount on groceries
12 at this particular shopping center. The
13 average person might not know that if they
14 didn't have that outdoor sign informing that.
15 That's a help to somebody that's trying to
16 cut down on their grocery bill.

17 There's one that directs you where
18 you can go to a Kentucky Fried Chicken three
19 blocks up the street. So as I'm driving up
20 the street, I just don't see, oh, let me turn
21 and create a traffic problem. I expect that
22 this is going to be there, so I can turn into
23 there without causing a traffic -- I know
24 what's coming up.

25 These are things that help. There's

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2 a business that actually has a four-faced
3 sign located on their property. Two of these
4 sign faces, they advertise the two businesses
5 located on this property. They paid to have
6 their businesses advertised.

7 This increases their business
8 activity which increases the tax revenues
9 that they pay the City.

10 I think that a lot of misconceptions
11 of what billboards actually do. The only
12 thing billboards were meant to do is to
13 advertise and encourage business and commerce
14 in the City.

15 And I think that if we had more
16 billboards located legally, where they should
17 be located, in an appropriate place -- And
18 they would only be in a commercial property
19 or commercial corridors, because if it's not
20 visible and if it's not desirable, the
21 billboard company is not going to put it up
22 anyway. So, if it's not a need for it, it
23 wouldn't be desirable.

24 One of the other things I noticed in
25 this article is the blaring of the alcohol

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2 beverage ads.

3 Now, one thing I would like to make
4 clear about these alcohol beverage ads that I
5 find offensive is the fact that they don't
6 need to be there.

7 But they're not controlled by the
8 billboard companies. They're controlled, as
9 all other facets of the liquor industry, by
10 the Pennsylvania Liquor Control Board, which
11 would be no problem to have them prohibit
12 outdoor advertising alcoholic beverages.

13 I mean, it's a very simple solution.
14 It's a simple solution when they ban
15 cigarette advertising. There's no more
16 Marlboro Man signs as you cross the
17 Expressway that used to be there that was a
18 famous sign. They're gone because they were
19 a problem.

20 But I think we need to focus these
21 and the other things that people say
22 constitute neighborhood blight to the
23 appropriate agencies.

24 And instead of looking up at the
25 billboard signs, we need to look at street

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2 level, at the short dumping that causes
3 blight or the abandoned cars that cause
4 blight, of the graffiti that causes blight,
5 of the vandalism that causes blight.

6 These are the things that should be
7 focused on to eliminate blight, not an
8 economic benefit to the City as billboards
9 are, that a lot of people may not even
10 realize as an economic benefit.

11 And I think that any time that we
12 try and suppress a business that has made
13 investments into the City, such as the
14 billboard companies, and tell them we don't
15 want them here, we want to get rid of them,
16 that's not a good message to business.

17 I would like to see Philadelphia as
18 a place to do business, being a
19 businessperson. I have no other interest in
20 the billboard industry, except for the fact
21 that it assists business. And that's what
22 it's about.

23 Most of our taxes are based on
24 revenue. I pay a business privilege tax for
25 the privilege of doing business in the City.

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2 I pay a use and occupancy tax to occupy the
3 property where I conduct this business.

4 I pay a property tax to own the
5 property where I conduct the business that I
6 pay a use and occupancy tax to use.

7 I pay a wage tax for the money that
8 I earn. Most of our taxation is based on
9 commerce. And if we don't find ways to
10 increase commerce in the City, that's why we
11 have tax problems.

12 If we increase our commerce, if we
13 become a business oriented City, friendly to
14 business, and do away with these nuisance
15 taxes, then we will increase our revenues,
16 our tax revenues, and we won't have to try
17 and find ways to closing income gaps.

18 If we didn't waste money in the
19 City, illegal... If we didn't waste money in
20 the City for paying lawsuits, for paying
21 legal representation, if we better managed
22 our employees so that we don't have these
23 situations occur, we could save a lot of
24 money.

25 How much money is wasted each year

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2 in legal costs and lawsuits and damage claims
3 that should be eliminated, that should never
4 even occur?

5 We need to really focus as citizens
6 and as politicians what needs to be done to
7 encourage and create a better business
8 atmosphere.

9 And we need to focus on what is
10 really blight. Because a person doesn't like
11 a billboard, could that be considered blight?
12 Suppose a person doesn't like the color your
13 house is painted. Does that make your house
14 blight?

15 I just think we need to stop looking
16 up, and look street level for blight. We
17 need to understand just exactly what the
18 billboard industry does for the City.

19 I've looked at... The billboard on
20 my property has been there since I've been
21 there, since 1986, for 19 years. And I'm
22 saying many public service announcements, the
23 drunk driving announcements, the insurance
24 fraud, people that have been lost, missing
25 persons. Everything's been advertised free

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2 of cost by these billboard companies.

3 I can't think of another entity
4 that's more community concerned and more
5 accessible than what these billboard
6 companies have given us, against things that
7 affect our daily lives, at no cost.

8 What will we do without these? How
9 will we get the public messages out? How
10 will the Ad Council run their ads, their
11 public service ads: Stay in school,
12 education, all of these things.

13 And I'm saying 20 years of this as I
14 walk out of my door every day and face this
15 billboard sign.

16 And I don't think that it's just --
17 I just don't think it's fair, you know, to
18 single out this industry.

19 Suppose somebody singled out my
20 industry that I repair cars, and that I have
21 to pay an extra amount because I repair cars,
22 and the person walking doesn't think that car
23 is necessary.

24 Why should I be penalized a seven
25 percent tax to try and increase my business

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2 in the City of Philadelphia? And that's what
3 an excise tax amounts to.

4 So, I think we just need to look at
5 this in a different direction. And this is
6 why I felt compelled to come to Council and
7 give a point of view of a businessperson, a
8 community person, that actually benefits from
9 the sign, from the revenue that's generated,
10 and from the help that it gives my business
11 to increase business through affordable
12 advertising.

13 I really appreciate the opportunity
14 to speak before Council. And I hope that
15 some of the things I've said will be
16 considered by Council as they address this
17 bill.

18 COUNCIL PRESIDENT VERNA: We
19 certainly applaud you for coming in to
20 express your views. Thank you so much.

21 MR. CADE: Thank you very much.

22 COUNCIL PRESIDENT VERNA: Are there
23 any questions or comments to members of the
24 committee?

25 (No response.)

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2 COUNCIL PRESIDENT VERNA: Thank you.
3 Thank you very much.

4 Do we have anyone else to testify on
5 the three bills before us?

6 Good afternoon. Please identify
7 yourself for the record.

8 MS. SPITE: My name is Dorothy
9 Johnson Spite, Executive Director of Mothers
10 in Charge.

11 MS. RYANS: My name is Sheree Ryans,
12 Mothers in Charge.

13 MR. GILLESPIE: My name is Mike
14 Gillespie, Jr., with the Philadelphia Ad
15 Club.

16 COUNCIL PRESIDENT VERNA: Thank you.
17 Who's going to testify?

18 MS. SPITE: Good afternoon, Council.
19 Mothers in Charge is a group of mothers,
20 grandmothers, aunts and sisters who work in
21 the City of Philadelphia, to make a
22 difference as it relates to violence.

23 Most of the mothers and grandmothers
24 and sisters have lost sons and daughters and
25 loved ones to violence.

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2 don't know the person who claimed the life of
3 their loved one.

4 So we wanted to put billboards up of
5 the victims of these horrendous murders, in
6 hopes of getting the people that were
7 responsible for the murder off the street.

8 This is a picture of the first
9 billboard that we erected in the City of
10 Philadelphia, in May of '04.

11 This billboard is of Darren Griffin,
12 His mother, Dr. Pat Griffin, is a member of
13 Mothers in Charge.

14 Clear Channel came to the table and
15 agreed to support Mothers in Charge and our
16 initiatives.

17 These billboards are placed around
18 the City of Philadelphia in hopes of getting
19 the people off the street that are
20 responsible for these murders.

21 Today there's over a hundred --
22 close to 150 murders this year already in the
23 City of Philadelphia. We're trying to
24 address that issue so that we will all be
25 safe.

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2 Clear Channel helped us with that
3 initiative by donating billboard space in the
4 City of Philadelphia.

5 As of to date we've placed about 47,
6 48 billboards around the City of
7 Philadelphia, to address the issue of
8 unsolved murders, and to get the murderers
9 off the streets, and to make the City safe
10 for everyone.

11 I'm going to ask Sheree to tell a
12 little story about one of the mothers who
13 came into our office.

14 MS. RYANS: Several months ago a
15 mother and her son came into our office. We
16 were sitting around a table. And he said he
17 visited the area at 52nd and Willows where a
18 billboard was of Vincent Jackson.

19 He said he walked past that
20 billboard several times, and all he could see
21 was those glaring eyes looking at him. So he
22 decided right then because of that that he
23 would try to tell what he knew concerning
24 Vincent Jackson's murder.

25 The billboard worked. And it

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2 helped. He came in and gave some
3 information. The information that was
4 received was given to the Police Department.
5 They are now investigating. And we
6 understand that there's an arrest soon to be
7 made.

8 We know that the billboard campaign
9 works. We need the billboard campaign.
10 Here's another picture. This lady and her
11 daughter were murdered at 42nd and Aspen.
12 The murderer has not been caught, but we know
13 when these people see this billboard, that
14 their heart -- somebody will come forward
15 with some information concerning this
16 billboard. We ask that it not be a tax on
17 the people who help us get these billboards
18 out to help save a life.

19 MS. SPITE: We know that no one is
20 safe until all are safe. We really
21 appreciate Clear Channel and their support
22 for community organizations trying to address
23 the issue of violence. And we do need to
24 continue this initiative with these
25 billboards, in order to make the streets of

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2 Philadelphia safe. So we ask that you do not
3 input the tax on this organization.

4 COUNCIL PRESIDENT VERNA: Thank you
5 very much.

6 MR. GILLESPIE: Again, my name is
7 Mike Gillespie, and I'm here representing the
8 Philadelphia Ad Club.

9 It's hard to follow such an
10 important and impassioned case as was just
11 made, but I'd like to sort of circle back to
12 the business end of things, and take a minute
13 and talk a little bit about the Philadelphia
14 ad community as national -- on a national
15 platform.

16 Philadelphia is a major player in
17 the ad world. It's one of the largest
18 markets in the country. It encompasses three
19 states and 18 counties.

20 And the County of Philadelphia is
21 really the epicenter, the cultural center of
22 the ad community.

23 To tax outdoor would do irreparable
24 damage to the ad community in Philadelphia,
25 and our position on the national platform as

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2 an ad community.

3 It would be unfair to the small and
4 the medium and the large size advertisers who
5 use this as a key component of their media
6 mix, but it would also do damage to small
7 organizations, non-profits, as we've just
8 heard.

9 I think one of the things that we
10 haven't heard yet is about how organizations
11 like Clear Channel work with neighborhoods in
12 neighborhood beautification projects.

13 One of the things that I know as a
14 resident of Philadelphia, I live in the
15 Pennsport neighborhood. And we attend the --
16 My wife and I attend the meetings regularly.

17 Organizations like Clear Channel are
18 interested in helping our community by
19 providing neighborhood beautification
20 programs, and so forth.

21 And so, this kind of tax, which
22 would be passed onto the consumer, would be
23 extremely unfair, would undermine community
24 advancement efforts that the City is making,
25 but more importantly, I think, will undermine

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2 Philadelphia as an ad community, and
3 undermine our position really as a national
4 leader on the advertising stage.

5 So I would ask Council to
6 considerate at least tabling this until a
7 sensible solution can be reached. It was
8 clear from today's testimony that there are
9 more questions than answers about outdoor --
10 how outdoor should be billed, how it's taxed,
11 what kind of structures constitute a
12 billboard or a sign.

13 I think that until there is some
14 more answers, I think it makes sense to table
15 this before irreparable damage is done to a
16 key sector of this community's business
17 landscape. Thank you.

18 COUNCIL PRESIDENT VERNA: Thank you.
19 Thank you very much.

20 Do we have anyone else to testify on
21 any of the three bills?

22 Please approach the witness table.
23 Please identify yourselves for the record.

24 MS. TRACY: Good afternoon, Council
25 President Verna. My name is Mary Tracy. And

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2 to the other Council members who are still
3 here, my greetings. And thank you for
4 allowing me to speak, as well as some folks
5 from the community that are joining me.

6 I do have something that I'd like to
7 pass up to Council members or to pass around.
8 I think it would be helpful to take a look at
9 what we're really talking about here. Also
10 some copies of testimony.

11 The map that we put together
12 yesterday that we're passing around shows
13 what we perceive as the billboards in
14 Philadelphia in a way I think that really
15 illustrates the problems that neighborhoods
16 have with this proliferation of billboards.

17 The map actually shows in colors the
18 various economic levels of our City
19 neighborhoods, starting with the gray area at
20 the bottom which is zero to \$12,000; moving
21 onto the light gray, which is 12,000 to
22 25,000, the medium gray 25,000 to 38, and a
23 deep gray -- or green -- I'm sorry -- 38,000
24 to 50,000, and the deepest green is the
25 neighborhood with the most money, and 50,000

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2 to 62,000.

3 And the little red dots. There are
4 light red and dark red dots. Each one
5 indicates three billboard structures. Do you
6 have that?

7 COUNCIL PRESIDENT VERNA: Excuse me.
8 I don't mean to interrupt you, but I don't
9 think you had sufficient copies.

10 MS. TRACY: Oh. I do. I have some
11 more here.

12 COUNCIL PRESIDENT VERNA: Oh, do
13 you?

14 MS. TRACY: Yeah.

15 COUNCIL PRESIDENT VERNA: We have
16 someone making copies, but...

17 MS. TRACY: Oh, you can't copy them
18 green. No. Sorry.

19 I'll be glad to furnish them later.
20 I wasn't quite sure how many people and
21 copies we needed.

22 COUNCIL PRESIDENT VERNA: Well, I
23 think people can't follow your testimony if
24 they don't have the map, so I would suggest
25 that in your testimony you could talk about

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2 the locations, rather than pointing out the
3 map.

4 MS. TRACY: Yes. You know what? I
5 think I gave my map away.

6 Councilwoman Tasco, can I get that
7 back? I gave you my last copy. I apologize.

8 You know we're a non-profit; we're
9 trying to save costs here.

10 Anyway, I mean, the point of this
11 is -- and I'll send everyone a letter so
12 you'll have a copy of this. But the point is
13 is that the real proliferation of these
14 outdoor advertising signs are in our poorest
15 neighborhoods.

16 And the illegal ones are greater in
17 our poorest neighborhoods. When you look at
18 the light green in the center, that's the
19 \$12,000 to \$25,000 income level of those
20 neighborhoods, and they are inundated with
21 billboards.

22 And there are very few neighborhoods
23 in the City that don't have some, but as you
24 go into the darker green areas there are very
25 few.

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2 So are billboards a problem in
3 Philadelphia? Absolutely. And I represent
4 SCRUB. Stands for the Society Created to
5 Reduce Urban Blight.

6 SCRUB was formed here in the City
7 Council room in 1990 because so many people
8 came together with this problem of the
9 proliferation of signs.

10 And we asked our City Council
11 members to help us regulate it better. And
12 this Council did. They unanimously voted on
13 controls that would eliminate illegal
14 billboards, that would stop the
15 proliferation, that would protect our
16 neighborhoods, particularly our playgrounds,
17 our parks, our schools, our residences, all
18 these places where people live and work and
19 don't want to be looking 24 hours a day, 7
20 days a week at advertising messages.

21 The gentleman that just spoke before
22 talked about, you know, let's take a look at
23 eye level when we're looking at blight.

24 Well, that's exactly what we do.
25 And in these neighborhoods where we have the

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2 proliferation of wall racks, you have
3 billboards right at the eye level of the
4 people who live there.

5 Just last week we were before a
6 school, and there was a billboard on a corner
7 store that had a huge picture of vodka. And
8 as those children played in that yard, that's
9 what they looked at.

10 As they walked down the street on
11 their way home, that's what they looked at,
12 up on a pole. As they turned the corner to
13 go to their home, another one. These were at
14 eye level, and they glamorize alcohol and
15 they uglify a neighborhood.

16 I have just a few comments on the
17 advertising testimony, because I think it's
18 really important to put things in
19 perspective.

20 Mr. Caulker from Clear Channel very
21 elegantly pointed out what a growth industry
22 advertising is. And I don't think any of us
23 could deny that because, as you ride down the
24 streets and through the highways, you just
25 see more and more of them.

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2 And you see the signs that were this
3 big (Indicating) growing, to have be twice --
4 double, triple the size and even
5 proliferating, having two or three on a sign
6 where there was once one.

7 And why is that happening? Is it
8 legal? Are they allowed to just change their
9 signs or put up new signs? Absolutely not.

10 But Philadelphia, while we passed
11 great laws, setting landmark examples to the
12 rest of the nation, we have not come through
13 with any of the enforcement.

14 And why? Because we haven't
15 provided the resources. I think it's very
16 clear that when City Council wants to really
17 accomplish something, we need to figure out
18 how we're going to pay for it.

19 And who should pay for it? Should
20 I, a taxpayer? Should neighbors,
21 neighborhoods pay for this? I don't think
22 so. The real cost of regulating this
23 industry needs to be taken by the very people
24 who are making money.

25 And are they making money. Since

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2 this billboard law was passed 14 years ago...
3 I've got the wrong one.

4 In the 14 years since City Council
5 passed our ordinances regulating outdoor
6 advertising, nationwide this industry has
7 grown from \$2.6 billion to a \$5.8 billion
8 industry.

9 It is a robust industry, and just
10 last year increased by six percent. The
11 monthly rental rates in Philadelphia can
12 range from \$800 to over \$25,000.

13 Yet, Philadelphia charged no
14 billboard license fees from 1991 to 2000.
15 And in the year 2000 we received \$200 in
16 revenue.

17 Finally L & I said, we have to do
18 something here. And they brought in each and
19 every billboard company and said, would you
20 please pay a hundred dollars a sign structure
21 of at least the licensed signs?

22 And they very generously agreed to
23 do that, bringing in, I think we said,
24 \$88,000 this year, which is as much as one
25 billboard will generate in a few months.

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2 So I think this is an industry that
3 has been a cash cow and provided, you know,
4 opportunities for growth because of the
5 City's lax enforcement.

6 I think that this proposed
7 ordinance, 453, is reasonable and necessary.
8 Philadelphia has accepted the responsibility
9 for the control of outdoor advertising.

10 Unlike the rest of the state, the
11 state takes care of that. And they actually
12 have a budget of 500,000. And they just go
13 in take down sign if it's illegal, it doesn't
14 pass the test.

15 In Philadelphia, when neighborhood
16 groups say, what about that sign that's, you
17 know, towering over the school? Is that
18 legal?

19 And we look it up, and we say, no,
20 well then, why don't they take it down?

21 No, no. The billboard industry
22 never takes down a sign. They try to get a
23 variance. And when they don't get the
24 variance, then they go to court to try to
25 appeal that decision.

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2 And when they lose in the first
3 court, they'll appeal to the second court,
4 all the time bringing in revenue from those
5 illegal billboards.

6 Is it fair to penalize the legal
7 billboards for all the illegal ones? Well, I
8 think it's better to charge the billboard
9 industry that has not done a good job of
10 monitoring itself than to charge the citizens
11 of the City of Philadelphia because we have
12 other things we need to pay for.

13 And I would strongly urge this City
14 Council to vote in favor of this ordinance.
15 As citizens in the neighborhood, we really
16 expect our government to be able to enforce
17 the laws.

18 We see laws. We get involved in it.
19 And when there's no teeth in the enforcement,
20 it really makes us feel very badly about our
21 government here.

22 And we wonder: Why in Philadelphia
23 can they not enforce a simple law?

24 In Gladwynne you don't see
25 billboards. No where in lower Merion will

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2 you see them. In Abington.

3 In Delaware County I think they're
4 starting to crop up. But you know, I mean, I
5 think it's just not fair. It's not fair
6 because we live in the City that we have to
7 just put up with illegal behavior. And it
8 is. When you have 900 billboards that -- You
9 know, we caught someone just I think it was a
10 year and a half ago put up 16 more sheets,
11 just packed them up inside of buildings.

12 And the people in that neighborhood
13 say, well, we thought they were allowed to do
14 that. You mean that's illegal?

15 I mean, they're shocked. Anybody
16 who finds out that some of these -- so many
17 of these billboards are illegal are
18 absolutely shocked, because you look at
19 something so large, and you wonder, why they
20 can get away with that.

21 And then when we go to L & I and
22 say, well, take it down; and they turn to us
23 and say, well, we don't have a budget for
24 that, well, I mean, I don't think it does
25 much for their morale, it doesn't incent them

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2 to enforce the law because at the end of the
3 day, what do they do? And I think it only
4 encourages further illegal behavior.

5 Whether you like billboards or you
6 don't, in 1991 Philadelphia City Council
7 passed a law to regulate them.

8 And we really need your help to
9 bring them into compliance. And it will only
10 be by charging them their fair share of
11 taxes.

12 Well, the taxes won't do this. I
13 apologize. But a fair share of licensing
14 fees. And I don't have a lot to say about
15 the tax, except I think there's one thing we
16 should keep in mind about this excise tax.

17 And it's made me think about what
18 Philadelphia was a hundred years ago. We
19 were an industrial giant. And we had
20 factories galore, and we could tax those kind
21 of businesses.

22 Now those businesses have all gone
23 overseas. And what we do sell is our
24 citizen's eye space. And we give it for
25 free.

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2 Well, I think we need to look at
3 these transactions as something that we're
4 selling. It's the fifth largest market. And
5 there certainly are roads that taxpayers pay
6 for are the reasons why there's such a value
7 in these billboards because millions of cars
8 go by.

9 So, as the billboard industry sells
10 what they don't own, our field of vision 24
11 hours a day, 7 days a week, then I think that
12 Nike or, you know, Ford or Subaru or Coca-
13 Cola or whatever these corporations are, that
14 want to tell us about their product, why not
15 pay a transaction fee?

16 Because maybe instead of getting
17 free billboard space, this money will go to
18 keep our libraries open, and will keep our
19 art museums open.

20 And this is a very real
21 contribution, and we would appreciate maybe
22 taking a look at that.

23 At that I'll turn over...

24 COUNCIL PRESIDENT VERNA: Thank you.

25 Councilwoman Tasco, I believe you

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2 indicated you wanted to be recognized at this
3 time.

4 COUNCILWOMAN TASC0: The billboards
5 that you're talking about, could you
6 distinguish whether they are the large ones
7 we see on the highway? And does -- Or are
8 you talking about them in addition to the
9 eight sheets or most others?

10 MS. RYANS: Well, not through this.
11 We really can't.

12 One of the things, though,
13 Councilwoman, that... We did a survey of
14 Mantua and Tacony.

15 And one of the things that we
16 learned that, for the most part, the illegal
17 billboards in our what we would refer to as
18 our inner City areas, are the eight sheets.
19 And they are the ones that are sort of like a
20 checkerboard in the neighborhood.

21 The ones we found in Tacony, they
22 had very few eight sheets right in the middle
23 of the neighborhood.

24 Their billboards were more along the
25 major arteries and the major roadways.

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2 Nevertheless, there was a lot of them that
3 are illegal as well.

4 So, I would be glad to, you know, to
5 get some information to you on that. But by
6 this -- you know, this particular -- our -- I
7 guess our -- our intent in putting this
8 together was really to -- just to show what
9 we all suspected, is that those communities
10 that are least able to really defend
11 themselves --

12 COUNCILWOMAN TASC0: Well, they are
13 the other small wall signs that are put up
14 that are basically illegal. City doesn't
15 collect any taxes.

16 MS. RYANS: Never has and we hope
17 never will.

18 COUNCILWOMAN TASC0: And when we
19 passed a law in 1991 to regulate it, what --
20 I don't have the bill here. What did it
21 require?

22 I mean, it seemed this morning like
23 when we had the testimony from L & I, well,
24 you know, we really can't do anything about
25 it.

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2 I mean, they can put them up, and we
3 don't have any authority to do anything. And
4 if you know who the company is, we have laws
5 in place to control them.

6 The fact that they didn't, you know,
7 here we are today saying, we need this
8 revenue to hire four people to regulate 900
9 billboards, when they had the mechanism to do
10 it before.

11 MS. RYANS: Well, they didn't have
12 the money, though.

13 COUNCILWOMAN TASC0: Well, \$800,000
14 is not a lot of money in a \$3 billion budget.
15 We could have included it in the NTI
16 legislation, if you created this blight.

17 And we could have had it done in a
18 year's time. It would have been gone. Even
19 if it was a short period of time to do
20 that... to do it.

21 And so, you know, it's just very
22 hard to believe that in a week's time we got
23 to deal with an issue that we have been
24 trying to deal with through the years, in
25 trying to come up with a process to charge

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2 whatever fees might be necessary, but you
3 just can't seem to do it in one week.

4 Usually when we have an issue like
5 this, there's a process. You've got to bring
6 the people in from the industry. You sit
7 down and talk about it. And you come up with
8 some legislation that -- that you may or may
9 not agree with.

10 When we did lead paint, everybody
11 didn't agree with lead paint. The homeowners
12 association didn't, with all these groups.
13 But they got together and came up with
14 something and did something about it.

15 Here we have a week. We have this
16 group over here, the billboard owners, saying
17 well, look, you know, this is going to cause
18 us some problems.

19 And these eight sheets seem to be
20 the problem to me.

21 MS. RYANS: No, they're just not the
22 eight sheets. The other problem,
23 Councilwoman Tasco -- and I agree: the City
24 should have done this years ago.

25 COUNCILWOMAN TASCO: Sure, they

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2 should have.

3 MS. RYANS: I mean, the political
4 will wasn't there. You know how that goes.
5 But, you know... And I think basically it's
6 one of those -- It's such a difficult
7 industry to regulate.

8 You really don't have any idea until
9 you actually try to figure it out. When
10 someone calls and says, what about that sign
11 across the street from me?

12 And it can take you... You know,
13 you -- L & I will -- You have to go down
14 there. You have to look it up. They can't
15 find the record. The addresses are mixed up.

16 We did a survey of all the railroads
17 and found about 350 billboards along railroad
18 properties. And we could only get seven
19 permits found at L & I.

20 So, I mean, maybe they're there
21 somewhere. I don't know. But that's pretty
22 pathetic. And I think that, you know, that's
23 probably what L & I is saying, you know.
24 They have so many issues pulling them, for
25 them to really get the job done here.

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2 This is what it's going to take.

3 And for them to say, if you don't take that
4 sign down or we will, they have to be able to
5 do that or the billboard company will just
6 say, yeah, right.

7 And I think that this is not an
8 issue that we need a lot of discussion on any
9 more. We've been waiting 14 years for this.

10 We have community groups that are
11 trying to restore their commercial corridors,
12 and they are hitting roadblocks because these
13 buildings have illegal billboards attached to
14 them.

15 And instead of just saying, well,
16 you're trying to restore your commercial
17 corridor. We'll work with you. We'll take
18 the sign down. Oh, no. They then finally
19 try to get a permit which they can't because
20 it could be across the from a park or across
21 from a playground or, you know, in a C-2
22 commercial. They're not allowed.

23 So then they try to get variance.
24 And, you know, then we're off to the races,
25 with years of litigation on one sign.

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2 So, I mean, how do you stop this?

3 Is this the way to run a country, to run a
4 City? I think it flies in the face of the
5 law.

6 COUNCILWOMAN TASC0: If that is the
7 impediment to getting the sign down, of
8 passing this bill, is it going to create a
9 better scenario?

10 If you go, what changes? That you
11 have somebody to enforce the law. Or if you
12 go to L & I and say, well, this is an illegal
13 billboard. Take it down.

14 And then they get -- Then you still
15 back in the process again. Doesn't take you
16 out of the process.

17 MS. RYANS: No. I'll tell you,
18 that's a good question. And I think what's
19 different now, that instead of going to the
20 courts and saying, we want you to order to
21 take that billboard down, they go to the
22 courts and say, we want an order to take the
23 billboard down.

24 And then if the billboard company
25 wants to go to the courts to try to legalize

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2 it, they still can. And they can put it back
3 up if it happens.

4 COUNCILWOMAN TASC0: But what
5 changes? We're not changing the law here.
6 You're only changing the fact that you've got
7 somebody to enforce the law.

8 MS. RYANS: Exactly.

9 COUNCILWOMAN TASC0: So what's
10 wrong -- What's wrong with L & I saying to
11 the billboard, we're taking -- you have to
12 take the billboard down?

13 MS. RYANS: Well, I mean, also you
14 have to remember that one of the things
15 happened with this law is that... I mean, it
16 got thrown out in court in 1991. So, they
17 haven't had any real enforcement law since
18 1991 because it was thrown out, and they
19 never went back to fix it.

20 Today, here before this Council, 14
21 years later, we're trying to fix it.

22 COUNCILWOMAN TASC0: Well, how do we
23 fix it? We're only charging --

24 MS. RYANS: They figured out --
25 There's so many signs -- so many signs out

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2 there.

3 COUNCILWOMAN TASC0: But you want
4 the signs down.

5 MS. RYANS: Well, there's so many
6 signs out there. We have... I don't know
7 what it was... 2,000, whatever, signs. And
8 it's going to cost us \$1.2 million, 1.5. I
9 don't know what the thing is.

10 Let's divide that up. That comes to
11 650 a sign face. That's what we need to run
12 this program effectively. And that's what we
13 want, a program that will be run effectively,
14 that when, you know, Mary Jones who lives in
15 Mt. Airy calls up about a sign, L & I can get
16 right on it.

17 When someone wants to know the list
18 of illegal billboards in a neighborhood, they
19 can get that information. There's just too
20 many... I mean, it really is in the
21 billboard industry's best interests not to
22 have a good enforcement component.

23 And there are plenty of signs that
24 are legal, and we're not talking about them.

25 COUNCILWOMAN TASC0: What is going

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2 to be the enforcement mechanism if the bill
3 was struck down that we passed in '91?

4 MS. RYANS: What was the enforcement
5 mechanism?

6 COUNCILWOMAN TASCO: What will be
7 the enforcement mechanism if we don't have...
8 Only thing we're doing here is raising --
9 charging an excise fee and a billboard fee.

10 MS. RYANS: Well, we're really
11 talking two different things here. The
12 excise fee is really saying, you know what?
13 We need to start getting some tax revenue
14 from an industry that is making billions.
15 So... And frankly, they're not paying their
16 fair share in that way.

17 The other part is the one that we're
18 the most concerned about. And that's really
19 between you and the revenue group.

20 What we are really concerned about
21 is the enforcement component. We really
22 believe that the industry should be paying
23 permit fees and license fees that actually
24 cover the cost of proper enforcement.

25 That is not happening now, and it

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2 hasn't happened in the history of the City of
3 Philadelphia. And we have the laws. Now we
4 want L & I to have the resources to actually
5 enforce them.

6 COUNCILWOMAN TASC0: So now...
7 Because, you know, we just got this bill last
8 week because I really haven't read it.

9 Now, you're saying that with the
10 \$650 face fee, right, the illegal signs,
11 eight sheets in the community, they're going
12 to have to begin paying \$650 per sign.

13 MS. RYANS: No; I don't think
14 they're ever going to pay that because I know
15 they're not going to be able to get a zoning
16 variance because there's no hardship on this
17 property.

18 COUNCILWOMAN TASC0: So then, how do
19 we get the sign down?

20 MS. RYANS: So then... Maybe then
21 if the -- I think if the billboard owner --
22 Frank Notario, I think is his name that owns
23 Chesapeake. If he knows, hey, the City's
24 really going to take these down and then
25 charge me, maybe he'll finally take them

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2 down.

3 I mean, you're looking at a guy
4 who's had these billboards out there for
5 decades. So, what's -- why would he possibly
6 think that suddenly the City's going to
7 actually do what they say? They have never
8 had before.

9 But this bill will enable the City
10 to do what it says it's going to do.

11 COUNCILWOMAN TASC0: How does it do
12 that?

13 MS. RYANS: And that would be a
14 welcome change for many citizens in this
15 City.

16 COUNCILWOMAN TASC0: How does this
17 bill do that?

18 MS. RYANS: How does the bill do it?

19 COUNCILWOMAN TASC0: Mm-hmm.

20 MS. RYANS: Well, first of all, it
21 provides important financial resources.

22 COUNCILWOMAN TASC0: For what?

23 MS. RYANS: To have the kind of
24 staffing that you need at L & I to be able to
25 do the work. That's an essential piece of

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2 it. You can't have one person, you know...
3 Think of how big our City is, and how many
4 buildings and structures --

5 COUNCILWOMAN TASC0: Will L & I have
6 the ability to go and take the sign down?

7 MS. RYANS: Well, they are, because
8 a part of the money that -- Part of this
9 money is not just for staffing. Part of the
10 money that they have put in this budget will
11 be to hire some companies that can do that.

12 COUNCILWOMAN TASC0: That's not what
13 the letter says to me.

14 Says they have put \$550,000 in here
15 for staff, 657 -- Doesn't say anything about
16 any companies.

17 MS. RYANS: Isn't it, like, a
18 demolition or something?

19 Did those L & I guys leave?

20 MR. GILLESPIE: Yeah, they left.

21 COUNCILWOMAN TASC0: They're going
22 to put \$567,000 in Class 100 which is staff,
23 plus the \$250,000 for Mr. Solvibile.

24 MS. RYANS: For Mr. Solvibile?

25 COUNCILWOMAN TASC0: Well, he's got

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2 250,000 in Class 200. What's the \$250,000
3 for?

4 MR. SOLVIBILE: Councilwoman, we
5 have a breakdown here of the different costs
6 that we used to arrive at the figure.

7 And basically for salary it's
8 \$367,047. For fringe benefits on top of
9 that, it's \$173,980.

10 For demolition contracts it's
11 \$400,000. For engineering studies that we
12 may need to do is \$150,000. Personal
13 computers is \$21,000. Software licenses is
14 \$50,000. Telephone 2,000. Automobile
15 expense would be 4,000. Indirect cost is
16 \$1,282,619.

17 Indirect cost rates per fiscal year
18 '03 -- It's how we arrived at the figures is
19 the numbers I just gave you there.

20 There's an estimated legal sign
21 faces, what we arrived this at, is 2,762.
22 And the license fee per sign face is 650.

23 COUNCILWOMAN TASC0: Now, Miss Tracy
24 seems to think this bill -- and I really
25 haven't read it; I just saw it this

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2 morning -- that it's going to take care of
3 all of the -- basically, the illegal signs,
4 and specifically for me the eight sheets that
5 are in the communities, and that you all are
6 going to have the ability to get rid of all
7 those eight sheets right away if they are not
8 legalized by the owner.

9 And is this true? And what will be
10 different now in dealing with these illegal
11 signs, and particularly the eight sheets,
12 that you couldn't do before this?

13 MR. SOLVIBILE: Well, with the -- As
14 Miss Tracy said, the department never had a
15 fund to remove any kind of a sign at all.

16 We could write violations, go to
17 court, but we never had the monies in our
18 budget to physically hire a contractor to
19 remove signs.

20 Our first choice will be, even with
21 this new ordinance, to force the owners to
22 comply. As to the eight sheets --

23 COUNCILWOMAN TASC0: How do you
24 force them to comply?

25 MR. SOLVIBILE: Violations, court

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2 activities, court orders.

3 COUNCILWOMAN TASC0: Why couldn't we
4 do that before?

5 MR. SOLVIBILE: We -- We -- We have
6 done it. We were successful in about 35 to
7 40 cases of having signs removed. We have
8 been doing that.

9 We -- We will be able, with the sign
10 unit that we're going to create, be more
11 aggressive in what we're doing.

12 We had one person doing it before.
13 Now we'll have -- he'll be there with three
14 or four other people to assist him in this
15 activity, which will increase it.

16 As to the eight sheets that are in
17 the communities, we have issued a violation
18 notice. I stated this earlier. You might
19 not have been in the room, Councilwoman, that
20 we sent to -- Is Chesapeake... Is that
21 the -- the Chesapeake and to their -- and to
22 the owner and to their legal counsel a
23 violation notice ordering them to remove all
24 900 signs.

25 They have filed an appeal. And we

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2 believe it's going to be heard in front of
3 the Zoning Board. It's for the choice that
4 the Law Department recommended we put the
5 appeal.

6 And there will be zoning hearings or
7 a zoning hearing -- it has to be determined
8 over a period of time -- on the eight sheets
9 where they will state.

10 Initially we've asked them to prove
11 to us the ones that are legal, to give us the
12 paperwork on the signs that they claim are
13 legal.

14 We have not seen any of that
15 paperwork yet. It has not come to us. As of
16 yesterday, I know we had not received it.

17 The zoning hearings, where the
18 appeal -- they're appealing our violation
19 notice in front of the Zoning Board.

20 And at that point the Zoning Board
21 will tell them, they're not legal. And we'll
22 be able to have -- order them to remove them.
23 that's where we're going. That's the
24 direction that we're going in, is the removal
25 of all 900 or to put it in a better way, all

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2 illegal eight sheet signs in the City of
3 Philadelphia which we believe most of them
4 are, in fact, illegal.

5 COUNCILWOMAN TASC0: So if they get
6 a ruling from the Zoning Board, then they go
7 back to Commonwealth Court?

8 MR. SOLVIBILE: Our next step, I'm
9 not sure, Councilwoman. Probably it will be
10 a court action or the owner will comply on
11 his own or their own. I'm not sure who owns
12 Chesapeake.

13 COUNCILWOMAN TASC0: So you need
14 \$850,000 to do this, but you've already sent
15 out violation notice to the owner. And they
16 have appealed, and you have to go through the
17 Zoning Board. So if you lose, what happens
18 to this pot of money?

19 MR. SOLVIBILE: I -- I -- I would --
20 I would -- If we lost, if the Zoning Board --
21 I would ask the Law Department to appeal the
22 decision of the Zoning Board at a higher
23 court level.

24 COUNCILWOMAN TASC0: So we're really
25 no better off than we are now.

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2 MR. SOLVIBILE: I -- I -- I -- I --

3 COUNCILWOMAN TASC0: We will be no
4 better off than we are now, under the
5 circumstances of how the process works. But
6 we're not changing the process.

7 MR. SOLVIBILE: Well, there's a
8 legal process that we must follow, no matter
9 what the ordinance says.

10 COUNCILWOMAN TASC0: And we'll have
11 to follow that legal process, even under this
12 bill.

13 MR. SOLVIBILE: Exactly.

14 I believe in my heart of hearts that
15 within a year all illegal eight sheets will
16 not be in the City of Philadelphia.

17 MS. RYANS: Councilwoman, if I could
18 just interject here, I think one of the
19 things that could change, though, is that
20 before the City didn't have the resources to
21 go in and take the signs down themselves.

22 I mean, the state just says, 30 days
23 take it down or we will. And they take it
24 down. The City doesn't have those resources,
25 so they try to coerce the owner to take them

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2 down.

3 And then you get back into courts
4 again. And the City doesn't have to go in
5 the courts to take a sign down. They can
6 send a letter and then just take it down.
7 So, this would really enable them to do that.

8 COUNCILWOMAN TASC0: We could have
9 taken the billboards down with NTI dollars.

10 MS. RYANS: But they didn't allocate
11 them for that. I mean, we asked about that,
12 but --

13 COUNCILWOMAN TASC0: Well, it was
14 for blight.

15 MS. RYANS: Well, it was for blight,
16 but it was for buildings -- I mean, we have
17 so much blight, it's hard to pick your place.
18 And billboards weren't at that point. I
19 mean, I would have loved it if they had.

20 COUNCILWOMAN MILLER: Not a
21 priority.

22 MS. RYANS: What we were told about
23 that, it was that each Council member had
24 some... some, I guess, control over what
25 kind of NTI dollars were being spent.

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2 And if that Council member wanted to
3 take them down, then maybe; but I don't know
4 if that's true or not.

5 COUNCILWOMAN TASC0: They didn't
6 tell us that. We didn't know about that.

7 MS. RYANS: You didn't know about
8 that? So, I don't know. I don't think there
9 were as many dollars in there as we...

10 COUNCILWOMAN TASC0: That's a new
11 piece.

12 Thank you.

13 COUNCILMAN DiCICCO: (Indicating)

14 MR. SOLVIBILE: I'm here for the
15 duration.

16 COUNCILMAN DiCICCO: Well, I mean,
17 before you got out and have to come right
18 back. I don't want to go out of turn, but...

19 COUNCIL PRESIDENT VERNA: That's all
20 right.

21 COUNCILMAN DiCICCO: Thank you.

22 Any consideration or discussion that
23 possibly using either the anti-graffiti
24 folks, Tom Conway's people and/or the CLIP
25 program, to remove these signs, since they're

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2 out there. And part of their job is to
3 remove blight, clean vacant lots and things
4 of that nature, to assist. If not do it all,
5 at least to assist?

6 MR. SOLVIBILE: I agree.

7 COUNCILMAN DiCICCO: Because you're
8 connected. I mean, L & I and the CLIP
9 program are kind of like one and the same,
10 aren't they?

11 MR. SOLVIBILE: We staff them with
12 three individuals that are inspectors.

13 I have, in my own thought processes,
14 thought that we could -- with the eight
15 sheets, we could white over them, you know,
16 whitewash them. I remember prior
17 Commissioner Levin --

18 COUNCILMAN DiCICCO: My concern --
19 Not to interrupt you. If you put whitewash
20 on them, they will become canvasses for
21 graffiti.

22 MR. SOLVIBILE: I understand that.

23 COUNCILMAN DiCICCO: We have the
24 problem with the Jersey barriers; same
25 things.

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2 MR. SOLVIBILE: I -- I -- I
3 understand that. I -- I -- I -- But to
4 answer your question, yes. My -- We -- I
5 was -- We would discuss with Tommy Conway
6 and -- and -- and the CLIP people -- We --
7 We -- We -- We will use them to help
8 identify...

9 COUNCILMAN DiCICCO: Just a
10 suggestion.

11 Thank you, Madam President.

12 COUNCIL PRESIDENT VERNA:
13 Commissioner, you know all of the locations
14 of the illegal billboards?

15 MR. SOLVIBILE: We believe so, yes.
16 We have 900 locations that we've identified
17 as... When we sent the violation notice to
18 Chesapeake, we attached each location
19 where -- where -- where the signs were at
20 each location.

21 COUNCIL PRESIDENT VERNA: I think --

22 MR. SOLVIBILE: And we could share
23 that --

24 COUNCIL PRESIDENT VERNA: -- in the
25 aerial shots --

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2 MR. SOLVIBILE: I -- I --

3 COUNCIL PRESIDENT VERNA: -- to
4 determine if someone had put a deck up and it
5 was done illegally, you could certainly see
6 every billboard that was erected, and
7 determine whether it was done legally or
8 illegally.

9 MR. SOLVIBILE: We will, going
10 forward in the future, once we have all
11 identified where the legal ones are, be able
12 to see, using the aerial shots, we're going
13 to buy a package that will compare one year
14 to the next year.

15 So if it was, let's say, no
16 billboard here in '05, and then the aerial
17 shot they take for '06 shows a billboard,
18 we'll be able to check our records to see if
19 it was legal, and it will make enforcement
20 somewhat -- much easier.

21 COUNCIL PRESIDENT VERNA: But if it
22 exists in '05, you're still able to ascertain
23 whether it was erected illegally or legally.

24 MR. SOLVIBILE: If it -- If we -- If
25 it will give us the correct address. It's --

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2 With the aerial shot, the address of the sign
3 itself might not be quite accurate. You
4 still need to research what the addresses is
5 and go back to the Zoning Code.

6 COUNCIL PRESIDENT VERNA:

7 Understood. Councilman DiCicco wanted to be
8 recognized. Now Councilman Kenney.

9 COUNCILMAN KENNEY: I just heard the
10 tail end of that. Are you saying that we're
11 going to fly aerial reconnaissance?

12 MR. SOLVIBILE: I -- I'm going to
13 call it the wrong name. I'm going to call it
14 Pictionary. And it's not Pictionary. It's
15 pitometry.

16 And right now on my computer at my
17 desk I can zero in on your address, if I knew
18 it --

19 COUNCILMAN KENNEY: Right.

20 MR. SOLVIBILE: -- and I could see
21 your house from the sides, the front...
22 Well, it's a row home, I believe. So, from
23 the back, from the front, and the top roof.

24 COUNCILMAN KENNEY: There's no
25 billboard on my roof.

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2 MR. SOLVIBILE: Well, we don't know.
3 I'll let you know.

4 COUNCILMAN KENNEY: You don't have
5 to check it out.

6 MR. SOLVIBILE: If there is,
7 Councilman, I promise you a violation notice.

8 COUNCILMAN KENNEY: Not up there. I
9 looked. I checked it out already. No Kenney
10 for Council signs on the roof.

11 But how do we get that done? I
12 mean, we're going to -- or is it done
13 already?

14 MR. SOLVIBILE: It's done already.
15 It's on our desktop. You're welcome to come
16 over to my office. I'll give you a
17 demonstration of it. I don't know how to get
18 it on your computer.

19 COUNCILMAN KENNEY: I thought we
20 were sending up airplanes to take pictures of
21 the billboards.

22 MR. SOLVIBILE: Well, like the
23 Sanborns. You know the Sanborns that give
24 you the lay of the land?

25 COUNCILMAN KENNEY: Yeah.

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2 MR. SOLVIBILE: They -- They -- they
3 started heading in that direction. It might
4 have something to do with that company. It's
5 a really great, great product.

6 And it gives you such a clear view.
7 from our -- From L & I purposes, it gives you
8 a clear view of the land and what's there.
9 It's really a tremendous tool.

10 COUNCILMAN KENNEY: Does it help
11 with, like, drug houses and crack houses and
12 stuff like that?

13 MR. SOLVIBILE: I'll tell you
14 what --

15 COUNCILMAN KENNEY: Can we get them
16 on that screen, too?

17 MR. SOLVIBILE: It really showed,
18 Councilman, we did a great job with NTI
19 because you can go street by street and not
20 see any holes in roofs any more.

21 COUNCILMAN KENNEY: Thank you.

22 COUNCIL PRESIDENT VERNA: Thank you.

23 The Chair recognizes Councilman
24 DiCicco.

25 COUNCILMAN DiCICCO: Madam

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2 President, every time I think I'm finished,
3 something else pops up.

4 But these eight sheets, for the most
5 part they're illegal, right?

6 MR. SOLVIBILE: We believe so, yes.

7 COUNCILMAN DiCICCO: And we're going
8 to wind up, if we haven't already started the
9 process, wind up in court or in front of the
10 ZBA to legalize these or argue the point
11 whether these things should be legal in the
12 first place.

13 MR. SOLVIBILE: We -- We think --
14 The owner appealed our violation notice.

15 COUNCILMAN DiCICCO: Here's my
16 point. Here's my point. On those that you
17 deem to be illegal... If I were running an
18 illegal business, L & I would show up and put
19 a cease and desist order, shut me down.

20 Why do we wait all this time? Why
21 don't we just go and take down the damn signs
22 in the first place, let the owner of the sign
23 sue us, and see how far they go. I'm not
24 talking billboards. I'm talking about these
25 eight sheets that are illegal. Why are we --

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2 Why is the burden on us to prove that what
3 they are doing is illegal?

4 We should be in the other position,
5 as far as -- excuse me. Same thing with
6 political posters. I don't know why we allow
7 them to stay up. Tear them all down because
8 these are the same people want to enact laws
9 in this town, but they want to put posters
10 up.

11 Take them all down and let them come
12 and complain to us. Just... We got -- We
13 have the CLIP program. We have Tom Conway's
14 people out there anyway. Take them down. Go
15 take them down.

16 MR. SOLVIBILE: I'm going to get in
17 trouble, but I've been in trouble my whole
18 life.

19 COUNCILMAN DiCICCO: A former mayor
20 who I didn't agree with, whose son is a
21 Councilman today by the name of Rizzo always
22 said, don't tell me what you can't do. Get
23 it done and we'll worry about it later. Go
24 take them down.

25 MR. SOLVIBILE: Well, I

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2 unfortunately agree with you 100, just do it.
3 Councilman, I agree with you just do it, but
4 the Law Department would get very upset with
5 me if --

6 COUNCILMAN DiCICCO: Well, the Law
7 Department... They have -- Look; they're
8 going to fight the case no matter what, is my
9 point.

10 If we remove the blight, I'd rather
11 fight the case about trying to put them back
12 up than keeping them up during this time that
13 we've been fighting for how many years to
14 take them down.

15 Now, I am a advertising advocate;
16 everyone knows. I am in favor of wall wraps
17 in appropriate locations. So I'm not here
18 defending -- I'm here on the other side
19 saying that we should just go take them down
20 and tell the Law Department to figure out how
21 to defend us for the action that we took in
22 taking it down, as opposed to the other way
23 around. And we could end this conversation.
24 I'm not yelling at you.

25 (Applause.0

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2 COUNCILMAN DiCICCO: It's
3 frustrating that we've been here for two
4 hours. Even Councilman Mariano is applauding
5 for that one. Just go take them down.

6 COUNCILMAN COHEN: Supreme Court
7 said they're illegal.

8 COUNCILMAN DiCICCO: Well, I mean,
9 the big stuff is expensive: Billboards,
10 cranes. This is stuff that somebody can go
11 by with a scraper, get behind that frame and
12 pop it off.

13 MR. SOLVIBILE: Actually,
14 Councilman, please, not that. Everybody...
15 They're actually bolted into the wall.

16 COUNCILMAN DiCICCO: Then get a
17 screw gun --

18 MR. SOLVIBILE: They have to be
19 removed properly.

20 COUNCILMAN DiCICCO: --and unscrew
21 it.

22 MR. SOLVIBILE: They have to be
23 removed properly, not just pried out.

24 COUNCILMAN DiCICCO: Oh, listen,
25 they don't have to be removed properly. Just

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2 rip them off. Get a screw -- I'll tell you
3 what: There's a great organization that Mr.
4 Ferrick is always complimenting, called
5 Citizens Alliance for Better Neighborhoods.
6 I am sure they can get them to donate screw
7 guns to L & I and go take them down.

8 COUNCIL PRESIDENT VERNA: We're
9 going to have to continue on.

10 Please identify yourself for the
11 record and proceed with your testimony.

12 MS. MANGUM: Good afternoon, Council
13 President Verna, Members of Council. I am
14 Cecily Peterson Mangum. I am director of the
15 Avenue Project, Mt. Airy, USA.

16 Mt. Airy USA profit community
17 development corporation, with programs in
18 housing counseling, real estate development,
19 summer youth programs and commercial corridor
20 revitalization.

21 As director of the Avenue Project, I
22 coordinate programs and business recruit and
23 development. I work with merchants along
24 Germantown Avenue and the Mt. Airy Business
25 Association.

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2 We have over 20 illegal billboards
3 in our community, and they are blighting
4 influences. Additionally, several of these
5 illegal billboards are along our main street
6 which is Germantown Avenue.

7 These billboards are hurting our
8 commercial corridor revitalization efforts.
9 They have a deleterious use effect in our
10 business recruitment efforts, lending to
11 perceptions of blight, decay and apathy.

12 It is difficult to appreciate the
13 beauty of our main street and our
14 architectural gems, when they are blocked by
15 these signs advertising alcohol, cigarettes
16 and predatory lenders, advertisers that prey
17 on urban communities.

18 While fighting drugs and crime in
19 our communities is always a priority and at
20 the forefront of our agendas, illegal
21 billboards lead to perceptions of crime and
22 unsafe neighborhoods.

23 These negative images instill fear,
24 create stress among residents, businesses and
25 visitors and leads to flight and abandonment.

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2 The esthetics of a commercial
3 corridor and neighborhood are important.
4 Esthetically and visually pleasing
5 communities result in the decreased flight of
6 businesses and residents, increased revenues
7 and tax collections, and prevent the decaying
8 forces of drugs and crime from taking up
9 residents in our community.

10 In closing, Mt. Airy USA fully
11 supports the City's efforts to generate
12 needed revenues for enforcement of its
13 billboard laws.

14 We believe the City's law
15 enforcement agencies should be given the
16 financial resources to enforce these quality
17 of life laws.

18 We need to raise the bar in the
19 enforcement of these laws. It is
20 demoralizing to witness these companies
21 circumvent the law, while others dutifully
22 adhere to laws, for fear of penalty.

23 There needs to be responsible
24 advertising that is sensitive to our
25 communities and at appropriate locations, as

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2 Councilman DiCicco said.

3 Thank you for this opportunity to
4 address Council.

5 COUNCIL PRESIDENT VERNA: Thank you
6 for coming in to testify.

7 Good afternoon. Please identify
8 yourself for the record.

9 MR. SPEARMAN: How you doing? My
10 name's Greg Spearman. I'm with the 18th
11 District Community Town watch, and doing a
12 number of things in West Philadelphia, as far
13 as community and economic development.

14 I'd like to thank you, Council
15 President Verna, and all the rest of the
16 Council members here, for allowing me to
17 speak before you.

18 First I want to say, Mothers in
19 Charge, I always want to be on the same side
20 as Mothers in Charge. And I wouldn't have
21 any problem with 900 signs, with all of their
22 portraits up on them.

23 I wouldn't have no problem
24 throughout our community because I know that
25 they would serve a purpose.

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2 But as these here gentlemen came up
3 previously and spoke to us about the
4 different signage, all they talked about was
5 the good things that they brought to the
6 community, as from their perspective.

7 But even the gentleman that lives on
8 18th Street, I think if he went down his
9 building and asked the residents in his
10 building would they want this type of signage
11 on their block, we all know what the answer
12 would be.

13 Councilman DiCicco, he spoke very
14 well and straight to the point. We're going
15 to court anyway. Let's get the signs off. I
16 think this is common sense legislation, as
17 Council member Tasco spoke about how does it
18 impact the removal or where in the process,
19 through this here new legislation, would
20 affect the removal of these signs.

21 If it's not there, let's figure out
22 how to get it there because, as we all know,
23 everything is a factor, and to the
24 development and the quality of life issues in
25 a community.

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2 And when we look up and see these
3 malt liquor signs, these cognac signs, and,
4 you know, all type of signage that's not
5 conducive to the type of community that any
6 of us will want to live in, if we have to sit
7 there and bear it.

8 It contributes to the atmosphere and
9 the mind set inside that community. And I
10 think that is the purpose of the map that
11 Miss Tracy took and presented to you.

12 And as you look at it, you will see
13 that it's targeted. It's targeted for the
14 poor and the minority communities
15 throughout -- throughout our City.

16 I think, as I spoke already,
17 Councilman DiCicco, he hit it right on the
18 nail head.

19 I think we need to move forward,
20 show these -- show this industry that we're
21 serious about the quality of life in our
22 community, because I could speak from my
23 community. I'm fighting all the time trying
24 to keep positive and good residents in my
25 community all the time because all of these

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2 type of businesses or business ventures try
3 to exploit our community, come in, from
4 predatory lending on down to take-out stores.

5 You know, they try to come in. They
6 try to capitalize off us. And each one of
7 them contributes because the more
8 professional residents of our community,
9 we -- we -- we don't want to live around this
10 type of behavior.

11 And as we look every day, we go out
12 to work every day. We're a working class
13 people. And we want to continue to keep our
14 communities in a clean, productive and safe
15 atmosphere.

16 And these here signs contribute
17 nothing to our communities, minus Mothers in
18 Charge. I'm totally surprised to see them
19 here today. And I commend them on all their
20 efforts. But minus that, I know of nothing
21 they do for our communities. And I'd like to
22 thank you for letting me speak.

23 COUNCIL PRESIDENT VERNA: Thank you
24 very much for coming in to testify.

25 Do we have any other witnesses to

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2 testify on these three bills?

3 I would just like to make an
4 announcement. I think we have one more
5 speaker to testify. After the speaker
6 testifies on the three bills that we have
7 been having testimony on, we're going to
8 recess for an hour so that the L & I public
9 hearing can be conducted.

10 And then we will back immediately
11 thereafter, because I don't think we have
12 even touched the surface of what we have to
13 do today.

14 So, please identify yourself for the
15 record and proceed with your testimony.

16 MS. GAVIN: My name is Jean Gavin,
17 and I'm a resident of the Fox Chase area.
18 And in order to get rid of two billboards on
19 Rhawn Street by the two blocks from -- that
20 were next to the CSX Railroad and on the
21 railroad property, I had to have PennDOT --
22 Actually, I think they paid to have them
23 taken down while they worked on the Rhawn
24 Street Bridge.

25 And immediately after that bridge

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2 was or almost finished, the billboard people
3 were putting up new station things to hold
4 more billboards.

5 And I called the police, and the
6 police said they could do nothing. So, I
7 called Mary Tracy. And with her advice, we
8 kept those billboards down.

9 But do you know that those stands
10 are still there? And they have an extra one
11 on one side? They still intend to put up big
12 billboards there.

13 They definitely have to be
14 controlled, because if you have to go to
15 PennDOT to get them down to begin with,
16 something is very wrong in this community.

17 COUNCIL PRESIDENT VERNA: Thank you
18 very much.

19 Are there any questions or comments
20 from members of the committee?

21 Councilman Cohen.

22 COUNCILMAN COHEN: Often the top
23 shows the way. And that's a problem here.
24 The problem is that everybody knows that the
25 billboard industry has enjoyed a very special

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2 position in Philadelphia for many, many
3 years.

4 And when the Mayor of the City has
5 the same law firm on his side as the
6 billboard industry, you understand it's got
7 to be a pretty powerful influence.

8 And when the largest law firms, the
9 most expensive ones, are available to the
10 billboard industry whenever they seek to
11 delay, you know they're going to have a good
12 measure of success.

13 Now, it seems to me you changed the
14 City, you make sure it's clean and admirable
15 for all the people to enjoy from the top.

16 The Mayor ought to make clear that
17 the billboard industry is being held to the
18 same standards as every other business, that
19 it doesn't have any right to be free of
20 taxation or controls, that when the court's
21 say you're illegal, you're illegal and you
22 ought to come down.

23 But you can tell from the testimony
24 it's not the fault of the people testifying
25 here. The people testifying here today from

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2 the administration are not the people who can
3 make final decisions.

4 Everybody in government can read the
5 signs. If the Mayor wanted to take an
6 action, he would have taken those signs down
7 that I talked about before that are on the
8 property of Conrail.

9 He would have done so many different
10 things. So we're asking again for the Mayor
11 to show the leadership and to make clear that
12 billboards have to conform to the law.

13 And those that have not paid their
14 fees should never be given the right to begin
15 paying now. Before they should be considered
16 for anything, they should have to pay from
17 the beginning on, plus penalties.

18 And we ought to make it clear that a
19 billboard has to be in full compliance with
20 the law. To me, a billboard -- no billboard
21 could ever be in compliance with sound
22 environmental principles because I don't
23 believe they ought to exist. But as long as
24 there's a law that permits them, at least
25 require them to meet those requirements.

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2 And I want to thank your group and
3 all those who have come here to fight for
4 environmental, as well as good taxation
5 principles.

6 MR. SPEARMAN: Could I say one last
7 thing. Councilman Cohen, I think your
8 description of the industry was right on
9 point. It was very accurate. And I'd like
10 to thank you for it.

11 MS. MANGUM: I would like to add, in
12 the morning Inquirer it said that Mayor
13 Street had made an agreement with Council on
14 how we're going to tax in order to save the
15 libraries and the fire houses.

16 And in Fox Chase, we have great big
17 billboards right across from the library and
18 across from the church school. And they
19 treat Rockwell Avenue like it's the back of a
20 train station, as something to be not
21 respected.

22 Billboards must come down, and the
23 community must have a say. They went up
24 without our say. They should come down with
25 our say.

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2 COUNCIL PRESIDENT VERNA: Thank you.
3 Thank you all very much for coming in to
4 testify.

5 Oh, I'm sorry. Councilwoman
6 Blackwell.

7 COUNCILWOMAN BLACKWELL: That's
8 quite all right. I certainly wanted to thank
9 the witnesses for coming. A special thank
10 you to Mr. Greg Spearman, who is a gentleman,
11 who's led the Stop and Go Project for some
12 how many days now?

13 MR. SPEARMAN: Over two-and-a-half
14 years.

15 COUNCILWOMAN BLACKWELL: All right.
16 I know it's been more than 800 days. So over
17 two-and-a-half years at 55th and Larchwood.
18 We thank him for his involvement in his
19 community. Thank you.

20 COUNCIL PRESIDENT VERNA: Thank you.

21 The Committee of the Whole will
22 stand in recess. We will now have the public
23 hearing of the Committee on L & I.

24 Immediately after the Committee of L
25 & I's public hearing, we will resume our

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2 public hearing on the tax bills.

3 Thank you all very much.

4 (Recess at 3:20 p.m.)

5 (Reconvene at 4:50 p.m.)

6 COUNCIL PRESIDENT VERNA: This is
7 the continued public hearing of the Committee
8 of the Whole, concerning Bill Numbers 050451,
9 050452 and 050453.

10 It is my understanding that before
11 we recessed, the administration was going to
12 be proposing amendments. Would you please
13 approach the witness table.

14 MR. RAMOS: Pedro Ramos, Managing
15 Director.

16 COUNCIL PRESIDENT VERNA: Excuse me,
17 Mr. Ramos. Do you mind waiting until
18 everyone has a copy of the amendment.

19 COUNCIL PRESIDENT VERNA: All right.
20 We can now start.

21 MR. RAMOS: Good afternoon,
22 President Verna.

23 My name is Pedro Ramos, Managing
24 Director, accompany by Nancy Kammerdeiner,
25 Revenue Commissioner.

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2 Earlier in the day questions were
3 raised about whether -- concerning Bill
4 Number 050452, and the manner in which we
5 were seeking to close the loophole on the
6 taxation of valet parking.

7 There was concern about the
8 potential for double taxation. We stated
9 before the break that in principle we were
10 not seeking a double taxation; we were
11 seeking to close a loophole.

12 So, the amendment that we have
13 distributed, President Verna, amends Section
14 19-1202, subsection 1, paragraph b, by
15 striking the last sentence that was there in
16 italics and inserting new language that would
17 provide that pursuant to regulations to be
18 issued by the Revenue Department, a valet
19 parking operator will be entitled to a credit
20 against amounts remitted to the department in
21 an amount equal to any parking tax paid by
22 the valet parking operator to the operator of
23 a parking facility on account of the parking
24 of any vehicle with respect to which the
25 valet parking operator collected and remitted

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2 a parking tax under the section.

3 In other words, what we're providing
4 for is a mechanism for the valet operator to
5 take the credit for any portion of the
6 parking amount that they paid for that is
7 attributable to the tax.

8 I believe that this clarifies the
9 intention of the bill, consistent with the
10 comments we heard from Council and our
11 intention in this bill.

12 Our revenue projections were based
13 on -- and the Commissioners here with me,
14 were based on the closing of the loophole so
15 it does not impact our projection.

16 COUNCIL PRESIDENT VERNA: Are there
17 any questions from members of the committee
18 on this issue or the amendment?

19 (No response.)

20 COUNCIL PRESIDENT VERNA: Did
21 everybody read it?

22 Councilman Nutter.

23 COUNCILMAN NUTTER: All right. So,
24 just so the record is clear, and
25 notwithstanding what happened in the

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2 discussion earlier, can you walk us through,
3 by way of example, similar to the discussion
4 that we had earlier -- And I'm sorry; I
5 was... If you went through this, I was
6 distracted a little while ago, so just tell
7 me that you went through it and I won't
8 torture you.

9 MR. RAMOS: I'll be happy... On the
10 tax portion of this, Councilman?

11 COUNCILMAN NUTTER: Yeah, just from
12 the time the person shows up with their car,
13 they pay their money. Who's collecting what
14 from whom? And just walk through that part.

15 MR. RAMOS: I show up at the valet.
16 I pay the valet base price plus the tax. The
17 valet has some kind of arrangement with the
18 parking operator, goes, pays the parking
19 operator. The portion of that payment from
20 the valet to the parking lot operator that is
21 attributable to a tax, that is now something
22 that the valet operator can claim a credit
23 for.

24 COUNCILMAN NUTTER: Okay. So, I
25 mean, what presently happens is, the little

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2 boards are out, and it just says the name of
3 the company. And it will usually say a
4 dollar amount, \$15, \$12, \$10, whatever the
5 case may be.

6 MR. RAMOS: In restaurants, you'll
7 see something that says, you know, \$17, \$15,
8 \$20, whatever the amount. Hotels, as you
9 know, will have valet service --

10 COUNCILMAN NUTTER: Right.

11 MR. RAMOS: -- for events as well as
12 guests, and to have the --

13 COUNCILMAN NUTTER: Right.

14 MR. RAMOS: -- per day, per hour
15 fee.

16 COUNCILMAN NUTTER: But for, I
17 think, the bulk of us, if you're coming in
18 from... whether it's Wynnefield or Wynnewood,
19 and go into a restaurant on Broad Street,
20 Walnut Street, wherever you're going, it's
21 usually... It's either on the dollar or on
22 the 50 cents.

23 So it's \$12, \$15, \$18 or \$12.50,
24 \$15.50, \$18.50. Is your expectation that
25 when the person comes up to get your keys and

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2 hands you a ticket, is it \$15 plus 15 percent
3 or is it just \$15 and the operator then has
4 to figure out, the real price is 13 something
5 plus 15 percent which added up to the \$15?
6 MR. RAMOS: I trust that anybody
7 that's in business, retail or parking or
8 otherwise, can figure out a price structure
9 for themselves that takes the tax into
10 account.
11 COUNCILMAN NUTTER: Right.
12 MR. RAMOS: So that it's easier to
13 make the transactions --
14 COUNCILMAN NUTTER: Right.
15 MR. RAMOS: -- between the consumers
16 and the operators easier.
17 COUNCILMAN NUTTER: Right.
18 MR. RAMOS: So I -- I won't presume
19 to --
20 COUNCILMAN NUTTER: I understand.
21 MR. RAMOS: -- to tell those vendors
22 how to do it.
23 COUNCILMAN NUTTER: Right.
24 MR. RAMOS: But I'm confident that
25 that's what they'll do.

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2 COUNCILMAN NUTTER: For the customer
3 dropping off their car, the price, whatever
4 the price is, that's the end of their
5 relationship at that point.

6 They don't owe anybody anything,
7 other than what the person asked them for
8 when they handed over the keys.

9 MR. RAMOS: I would suspect that the
10 operator, like, you know, will say -- will
11 have a sign that says, this is the amount
12 plus the tax. And they'll probably round it
13 off to something --

14 COUNCILMAN NUTTER: Right.

15 MR. RAMOS: -- so that their
16 employees don't have to handle change.

17 COUNCILMAN NUTTER: Change, right.

18 And then they take the car to the
19 lot, and whatever that arrangement is. But
20 if they've already collected technically the
21 15 percent, then there's no additional 15 on
22 whatever the price is when the valet person
23 hands it off to the parking lot operator.

24 MR. RAMOS: If the valet operator is
25 paying a parking operator, as I assume they

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2 are, and the parking operator is paying that
3 tax, then the valet can show that they've
4 incurred that tax in paying the parking
5 operator.

6 COUNCILMAN NUTTER: Right.

7 MR. RAMOS: Of course, if you
8 have -- and I don't imagine that this would
9 ever happen, but if you have folks that are
10 not operating legal parking --

11 COUNCILMAN NUTTER: That's another
12 story.

13 MR. RAMOS: -- sites --

14 COUNCILMAN NUTTER: Right.

15 MR. RAMOS: -- then obviously the
16 valet operator would not be able to show that
17 they've paid that tax.

18 COUNCILMAN NUTTER: I understand.

19 So the bottom line is, even though
20 there might be two entities handling the
21 vehicle in the one transaction, the total
22 amount of tax paid should not be more than 15
23 percent on that transaction.

24 MR. RAMOS: Correct.

25 COUNCILMAN NUTTER: Okay. Thanks.

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2 Thank you, Madam Chair.

3 COUNCIL PRESIDENT VERNA: The Chair
4 recognizes Councilman Kenny.

5 COUNCILMAN KENNEY: Thank you, Madam
6 President.

7 I'm not supporting this request for
8 an increase in these taxes, but wouldn't it
9 be easier just to require the licensed valet
10 parking operator to issue a receipt with a
11 register, like other businesses do, that we
12 track for sales tax or for anything else?

13 I mean, it seems that if they're
14 required to have a register, and they have a
15 little box where they hand out the tickets,
16 they had a register, they had to give the
17 receipt to the customer and keep the register
18 receipt on the register, would that not be 15
19 percent of whatever that was?

20 Then you wouldn't have to get
21 involved with the \$5 or whatever they charge
22 in the lot, and all that stuff back and
23 forth.

24 MR. RAMOS: Well, I think where the
25 tax is being assessed at the valet, and

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2 you're not... And it's on -- the burden ends
3 up on the valet service to show that
4 they're -- you know, what portion of their
5 payment to the parking lot operators is a
6 tax, if what you're... I think you're making
7 another suggestion which is also that it's
8 really about enforcement, and the ability to
9 audit the valet operators. How do you know
10 that the right amount is being reported if
11 you kept -- you know, if you required some
12 way of --

13 COUNCILMAN KENNEY: Like any other
14 retail business, they have to issue a
15 receipt. They have a register. Here's the
16 15 bucks. Here's your receipt. And they've
17 got a register tape that I can audit.

18 MS. KAMMERDEINER: There are
19 requirements along those lines for a parking
20 facility. And Revenue has not yet drawn up
21 regulations for valet parking operation.

22 And we certainly will take a look at
23 what you're suggesting as part of the
24 documentation that's required there.

25 I know the parking facility

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2 operators are complaining about some of the
3 things with the maintenance of the records on
4 the tickets.

5 And so, we do need to look at the
6 whole question of how we do this, so that
7 it's fair to them, as well as providing the
8 kind of audit trail you suggested.

9 COUNCILMAN KENNEY: One of the other
10 places you can raise revenue is -- I mean, I
11 know that many clubs and bars charge cover
12 charges.

13 And there's a bill that we passed --
14 it's not enforced -- that requires those
15 places to issue a receipt for those cover
16 charge.

17 Whether it's \$10 to get in or \$5,
18 whatever it is to get in, they are required
19 to issue the patron a receipt. I'm sure they
20 don't do it because we don't enforce it.

21 But you talk about a ton of cash
22 that's being made on Delaware Avenue or on
23 South Street or Manyunk or wherever else they
24 have these places. I mean, you could start
25 to find the untaxed cash sources now.

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2 MR. RAMOS: Councilman, I think what
3 the Commissioner is saying -- and I think
4 what we're all saying -- and I just... It's
5 not an opinion.

6 But in checking with another one of
7 my colleagues behind me, we think that this
8 is an issue can be looked at and dealt with
9 through regulation within the Department of
10 Revenue. And we're going to be doing
11 regulations anyway with respect to valet
12 operators.

13 COUNCILMAN KENNEY: Thank you.

14 Thank you, Madam Chair -- President.

15 COUNCIL PRESIDENT VERNA: Thank you.

16 Are there any other questions or
17 comments from members of the committee of the
18 witnesses?

19 (No response.)

20 COUNCIL PRESIDENT VERNA: Thank you
21 very much.

22 MS. KAMMERDEINER: Thank you.

23 COUNCIL PRESIDENT VERNA: And
24 Commissioner, earlier you did submit another
25 amendment about the effective date; did you

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2 not?

3 MS. KAMMERDEINER: Yes. Yes, I did.

4 And so that it was clear about what the
5 effective date would be for this legislation.
6 That had been omitted from the ordinance as
7 originally presented.

8 COUNCIL PRESIDENT VERNA: Thank you.

9 MS. KAMMERDEINER: Thank you.

10 COUNCIL PRESIDENT VERNA: Do we have
11 anyone else to testify on the three bills
12 that have been before us?

13 Councilman Nutter, your light is on.

14 COUNCILMAN NUTTER: Sorry about
15 that.

16 The earlier discussion also revolved
17 around the calculation regarding --

18 COUNCIL PRESIDENT VERNA: Excuse me.
19 Councilman, did you want a witness at the
20 table?

21 COUNCILMAN NUTTER: Yeah, that might
22 make it more interesting.

23 COUNCIL PRESIDENT VERNA: Whoever we
24 are requesting, come up to the witness table.

25 COUNCILMAN NUTTER: Just throw them

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2 out there. Maybe somebody will take them;
3 maybe not; I don't know.

4 The issue revolved around in the
5 testimony or in one of these -- one of the
6 documents \$2.2 million in revenue.

7 And I had asked a question as to how
8 many cars that might represent or what amount
9 of money would have to be generated to result
10 in the City receiving \$2.2 million in
11 revenue. And there was fair amount of back
12 and forth about that. Have you been able
13 to make some calculation in that regard?

14 MS. KAMMERDEINER: Yes, we have.

15 COUNCILMAN NUTTER: Okay.

16 MS. KAMMERDEINER: We grossed the
17 revenue up to indicate that it would be about
18 \$14 million worth of revenue that would come
19 into the parking -- valet parking operator to
20 generate that tax.

21 And if you divide that by 365 days,
22 it comes out to \$38,356 per day. And we
23 looked at it as an average.

24 COUNCILMAN NUTTER: I'm sorry. How
25 much was that?

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2 MS. KAMMERDEINER: \$38,356. And we
3 divided that by 16. The reason we used that
4 is, we were looking at an average valet
5 parking price of \$20, taking off four for the
6 amount that would be paid to the parking
7 operators.

8 So, we were only looking at the
9 residual difference between the price to the
10 person parking and the price of the parking
11 in the parking facility.

12 COUNCILMAN NUTTER: All right.

13 MS. KAMMERDEINER: And that results
14 in 2400 cars per day that would be parked
15 through a valet, in order to generate this
16 much revenue.

17 We looked at that in another way.
18 And that is, if you had 20 operators --

19 COUNCILMAN NUTTER: Okay. Hold on
20 for a second, Commissioner.

21 MS. KAMMERDEINER: Sure.

22 COUNCILMAN NUTTER: Now, earlier
23 there was some figures put out. There was a
24 number of 400.

25 MS. KAMMERDEINER: That didn't take

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2 all of the calculations into account and was
3 done very quickly.
4 COUNCILMAN NUTTER: Okay. All
5 right. So now we're at -- You need --
6 MS. KAMMERDEINER: Closer to 2400.
7 COUNCILMAN NUTTER: 2400 cars a day.
8 MS. KAMMERDEINER: Right.
9 COUNCILMAN NUTTER: Every day.
10 MS. KAMMERDEINER: Right.
11 COUNCILMAN NUTTER: To generate \$2.2
12 million in new revenues.
13 MS. KAMMERDEINER: Correct.
14 But you can also look at this on a
15 per operator basis. There are at least ten
16 large hotels that have valet parking
17 operations, have events, and have a lot of
18 people coming through with valet parking.
19 You have all of the on-street
20 parking here in Center City and in Manyunk
21 and in other areas of the City.
22 You have clubs that occasionally
23 have valet parking.
24 If you even had 20 operators who had
25 120 cars they parked per day somewhere in the

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2 City, you would come to this 2400 cars per
3 day.

4 And on days when you have a lot of
5 special events, a lot of activity, it would
6 put this number up. And so, we don't think
7 that's too unreasonable as an average daily
8 number, in terms of cars that would be parked
9 by a valet service somewhere in the City.

10 MR. RAMOS: And Councilman, if I may
11 add, as you said, to continue to put this in
12 context, as the Commissioner said earlier,
13 the administration's revenue projection was
14 based on Revenue Department's projection
15 which --

16 COUNCILMAN NUTTER: Is based on
17 what?

18 MR. RAMOS: On revenue Department's
19 projection, which used its own methodology.

20 COUNCILMAN NUTTER: Right.

21 MR. RAMOS: They didn't use the
22 methodology that you're describing now by
23 car --

24 COUNCILMAN NUTTER: Mm-hmm.

25 MR. RAMOS: -- but at your request

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2 have, for purposes of illustration, the
3 Commissioner's gone back and modeled.

4 COUNCILMAN NUTTER: Right. Okay.

5 MR. RAMOS: It's just grounded on
6 what --

7 COUNCILMAN NUTTER: Will you be able
8 to report to us in a year or so what the
9 actual result of this exercise is?

10 MS. KAMMERDEINER: Yes, we should be
11 able to do that.

12 COUNCILMAN NUTTER: I'd be very
13 interested to know, you know, after about a
14 year, six, nine months of performance what
15 the actual is.

16 MS. KAMMERDEINER: We certainly will
17 be monitoring it ourselves --

18 COUNCILMAN NUTTER: Right.

19 MS. KAMMERDEINER: -- to see whether
20 or not this does yield the revenue we thought
21 it would.

22 COUNCILMAN NUTTER: All right.

23 Thank you very much.

24 MS. KAMMERDEINER: Thank you.

25 COUNCIL PRESIDENT VERNA: Thank you.

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2 Are there any other questions or
3 comments of the witnesses?

4 (No response.)

5 COUNCIL PRESIDENT VERNA: Again, I
6 thank you.

7 MS. KAMMERDEINER: Thank you again.

8 COUNCIL PRESIDENT VERNA: Do we have
9 anyone else to testify on the three bills
10 that we've been considering?

11 If not, I would ask Mr. McPherson to
12 please read the title of the bills that will
13 be before us for public hearing.

14 MR. MCPHERSON: Bill Number 040767,
15 an ordinance amending Section 19-2604 of The
16 Philadelphia Code, relating to tax rates,
17 credits and alternative tax computation for
18 the business privilege tax, by reducing
19 certain tax rates; all under certain terms
20 and conditions.

21 Bill Number 040789, an ordinance
22 amending Chapter 19-2600 of The Philadelphia
23 Code, entitled "Business Privilege Taxes," to
24 provide for an exemption from the tax on
25 gross receipts for certain new businesses,

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2 under certain terms and conditions.

3 Bill Number 050001, an ordinance to
4 adopt a Capital Program for the six Fiscal
5 Years 2006-2011 inclusive.

6 Bill Number 050002, an ordinance to
7 adopt a Fiscal 2006 Capital Budget.

8 Bill Number 050003, an ordinance
9 adopting the Operating Budget for Fiscal Year
10 2006.

11 Bill Number 050007, an ordinance
12 amending Chapter 19-1200 of The Philadelphia
13 Code, entitled "Parking Tax," by establishing
14 a rate of taxation on parking transactions
15 for Fiscal Year 2006 and thereafter and
16 making such rate contingent on certain
17 decreases in business privilege tax rates.

18 Bill Number 050008, an ordinance
19 amending Section 19-2604 of The Philadelphia
20 Code, relating to tax rates, credits and
21 alternative tax computation for the business
22 privilege tax, by reducing certain tax rates
23 and making such reductions contingent on an
24 increase in the parking tax.

25 Bill Number 050383, an ordinance

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2 amending Chapter 19-1200 of The Philadelphia
3 Code, entitled "Parking Tax," by increasing
4 the rate of taxation on parking transactions
5 for Fiscal Year 2006 and thereafter.

6 Resolution Number 050022, resolution
7 providing for the approval by the Council of
8 the City of Philadelphia of a Revised Five
9 Year Financial Plan for the City of
10 Philadelphia covering Fiscal Years 2006
11 through 2010, and incorporating proposed
12 changes with respect to Fiscal Year 2005,
13 which is to be submitted by the Mayor to the
14 Pennsylvania Intergovernmental Cooperation
15 Authority (the "Authority") pursuant to the
16 Intergovernmental Cooperation Agreement,
17 authorized by an ordinance of this Council
18 approved by the Mayor on January 3, 1992
19 (Bill No. 1563-A), by and between the City
20 and the Authority.

21 COUNCIL PRESIDENT VERNA: Chair
22 recognizes Councilman Kenney.

23 COUNCILMAN KENNEY: Madam President,
24 on Resolution Number 050022, is that not
25 contingent on amendments that may or may not

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2 be made to the budget that we're considering?

3 And isn't that something that would
4 have to come back to us from the Mayor when
5 adjustments are made, potential adjustments
6 made to the operating budget?

7 COUNCIL PRESIDENT VERNA: The Mayor
8 has submitted amendments.

9 COUNCILMAN KENNEY: I understand.

10 COUNCIL PRESIDENT VERNA: Which we
11 would be considering today.

12 COUNCILMAN KENNEY: The amendments
13 based on discussions we've had relative to
14 potential amendments coming from the
15 administration to the operating capital
16 budgets?

17 COUNCIL PRESIDENT VERNA: Operating.

18 COUNCILMAN KENNEY: But not changes
19 to any other changes -- Not changes to the
20 five year plan, based on any other amendments
21 that may pass as a result of our
22 deliberations here.

23 My question, I guess, is, if are
24 there any amendments that are successful
25 today that have not been recommended by the

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2 administration, would that delay our action
3 on the resolution?

4 COUNCIL PRESIDENT VERNA: Yes.

5 COUNCILMAN KENNEY: Okay. Thank
6 you.

7 COUNCIL PRESIDENT VERNA: Because it
8 would affect the five year plan.

9 COUNCILMAN KENNEY: Thank you.

10 COUNCIL PRESIDENT VERNA: Okay. I
11 think we've had extensive public hearings on
12 just about all of the bills, with the
13 exception of, I think, Councilman Clarke's
14 bills.

15 Is Councilman Clarke here? Is
16 Councilman Clarke in the room?

17 Councilman Clarke, I just indicated
18 that we've had extensive public hearings on
19 just about all of the bills, with the
20 extension of yours. What is your desire,
21 sir?

22 COUNCILMAN CLARKE: Thank you, Madam
23 President.

24 Are you talking about the parking
25 and the gross receipts?

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2 COUNCIL PRESIDENT VERNA: I'm
3 talking about Bill Numbers 040789.

4 COUNCILMAN CLARKE: All right.
5 Yeah. Madam President...

6 COUNCIL PRESIDENT VERNA: And
7 050383.

8 COUNCILMAN CLARKE: Yeah. Those two
9 bills, when introduced, were, although not
10 introduced at the same time, were in my mind
11 companion bills.

12 I thought that the abatement on
13 gross receipts was a good proposal. I
14 thought it would possibly stimulate new
15 businesses.

16 There were some estimates given to
17 me by the Revenue Department because it would
18 incorporate businesses that would -- would
19 open in the City of Philadelphia regardless
20 of whether or not this bill would still
21 affect that particular revenue.

22 So subsequently I introduced a two
23 percent parking tax bill that I estimated
24 would be more than pay for any lost revenue.

25 Unfortunately, it's not been in the

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2 position in my mind, to garner the
3 appropriate votes for the parking tax, the
4 two percent parking tax.

5 So as a result of that, I will have
6 to hold bills because I don't want to run the
7 bill unless I can...

8 COUNCIL PRESIDENT VERNA: Are you
9 going to hold or withdraw the bills?

10 COUNCILMAN CLARKE: I'm going to
11 hold them.

12 COUNCIL PRESIDENT VERNA: Hold?

13 COUNCILMAN CLARKE: Yeah.

14 COUNCIL PRESIDENT VERNA: Very well.

15 Do we have anyone that would like to
16 testify on the bills that were just read?

17 (No response.)

18 COUNCIL PRESIDENT VERNA: Miss Reed,
19 you have your hand up.

20 I can't hear you.

21 MS. REED: Council President, the
22 whole list or just the two bills from Council
23 Clarke's?

24 COUNCIL PRESIDENT VERNA: No. Now,
25 the two -- the two that are being held.

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2 Councilman Clarke's bills are being held.

3 We are now going to consider all of

4 the other bills. And we'll take them in

5 order.

6 MR. MCPHERSON: Bill Number 050001

7 which is the capital.

8 COUNCIL PRESIDENT VERNA: We have a

9 number of people that want to be recognized.

10 We have a number of Council members

11 whose lights are on. Did they want to be

12 recognized specifically for...

13 COUNCILMAN RAMOS: What were the

14 bills that Councilman Clarke wanted to hold?

15 COUNCIL PRESIDENT VERNA: Yes. It's

16 Bill Number 040789.

17 MR. RAMOS: Okay.

18 COUNCIL PRESIDENT VERNA: And

19 050383.

20 MR. RAMOS: Thank you, Madam

21 President.

22 COUNCIL PRESIDENT VERNA: You're

23 welcome.

24 So I think we will take these in

25 order. The first bill that we will be

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2 considering will be Number 040767.

3 Councilwoman Tasco, your light is
4 on.

5 COUNCILWOMAN TASC0: No, not for
6 that one.

7 COUNCIL PRESIDENT VERNA: Okay. Any
8 discussion on Bill Number 040767?

9 COUNCILMAN COHEN: What is that
10 bill?

11 COUNCIL PRESIDENT VERNA: I'm sorry,
12 sir. Doesn't everybody have a copy of the
13 public hearing? So, we're going to take them
14 in sequence.

15 COUNCILMAN COHEN: Point of
16 information.

17 COUNCIL PRESIDENT VERNA: Yes, sir.

18 COUNCILMAN COHEN: What is the point
19 of this bill? What does this bill do?

20 COUNCIL PRESIDENT VERNA: This bill
21 was introduced by Councilman Nutter relating
22 to tax rates, credits and alternative tax
23 computation for the business privilege tax,
24 by reducing certain tax rates, all under
25 certain terms and conditions.

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2 And I am being reminded that last
3 week Councilman Nutter did have the bill
4 amended. So, if we don't have any...
5 Councilman Nutter, your light is on. Did you
6 want to be recognized?

7 COUNCILMAN NUTTER: I only put my
8 light on, Madam Chair, when Councilman Cohen
9 asked the nature of the bill. We're still in
10 the public hearing.

11 COUNCIL PRESIDENT VERNA: Yes.

12 COUNCILMAN NUTTER: Do I understand
13 that correctly?

14 COUNCIL PRESIDENT VERNA: Yes.

15 COUNCILMAN NUTTER: And then, I've
16 been in two other conversations. So, is that
17 question still out there?

18 COUNCIL PRESIDENT VERNA: Yes.

19 COUNCILMAN NUTTER: Is the
20 Councilman still inquiring?

21 COUNCIL PRESIDENT VERNA: No. I
22 think he... Councilman Cohen, do you know
23 what the bill is?

24 COUNCILMAN COHEN: Yes. I wanted to
25 know: Is this the bill that Councilman

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2 Nutter said he was going to reduce the amount
3 of tax reduction involved?

4 COUNCILMAN NUTTER: Yes. Yes,
5 councilman. We... You and I had a
6 wonderful --

7 COUNCILMAN COHEN: I'm just
8 identifying the bill.

9 COUNCILMAN NUTTER: Yes. We had a
10 wonderful exchange last week about this bill.

11 COUNCILMAN COHEN: It's the one that
12 was up before us and lost on 11 to 5 vote?

13 COUNCILMAN NUTTER: No.

14 COUNCIL PRESIDENT VERNA: No.

15 COUNCILMAN COHEN: No.

16 COUNCILMAN NUTTER: Councilman, last
17 week when we were in the Committee of the
18 Whole, this is the business privilege tax
19 bill that was originally introduced last
20 September.

21 There were amendments last week that
22 changed some of the schedules in the bill,
23 and reduced the five-year cost of the bill.
24 It also eliminated the guaranteed 12-year
25 schedule of reductions and made them only

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2 five years of reductions and significantly
3 lowered the cost of the bill.

4 We made amendments in the Committee
5 of the Whole last week on this particular
6 bill. So it's already been amended. And at
7 some point, if -- whenever we get to the
8 public meeting, it would, along with all
9 these other bills, be in a position for
10 action by the body.

11 COUNCILMAN COHEN: But the impact of
12 the -- Tell me if I'm right or wrong. The
13 impact of this bill would lessen the tax
14 revenue the City would receive.

15 COUNCILMAN NUTTER: I'm sorry. Say
16 that again. Say that one more time.

17 COUNCILMAN COHEN: The effect of
18 this bill would be to lessen the amount of
19 revenues the City could expect from the
20 present schedule of business taxes.

21 COUNCILMAN NUTTER: Yes, as
22 compared --

23 COUNCILMAN COHEN: But not as much
24 as the original proposal.

25 COUNCILMAN NUTTER: Yes. Yes. Yes

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2 to both questions.

3 COUNCILMAN COHEN: I now know what
4 the bill is.

5 COUNCILMAN NUTTER: Thank you.

6 COUNCIL PRESIDENT VERNA: The Chair
7 recognizes Councilman Goode.

8 COUNCILMAN GOODE: Councilman Nutter
9 actually circulated what the bill would,
10 quote unquote, cost over a five year period
11 before we had to revisit it.

12 But I think the question that
13 Councilman Cohen is asking can be answered in
14 a different way also, about whether there
15 will be less business tax revenue as a result
16 of this bill. And I don't think that answer
17 is yes. I believe that answer is no.

18 COUNCIL PRESIDENT VERNA: All right.
19 Is there any other discussion on this bill?

20 (No response.)

21 COUNCIL PRESIDENT VERNA: Seeing
22 none, we will now refer to Bill Number
23 050001, and that is the capital budget.

24 MR. McPHERSON: Councilman Cohen,
25 Bill Number 050001 is the ordinance that

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2 Council would be -- if Council approved,
3 would be approving the capital program for
4 the fiscal years 2006 through 2011.

5 COUNCIL PRESIDENT VERNA: The Chair
6 recognizes Councilman Ramos. Your light is
7 on, sir.

8 MR. RAMOS: I'm sorry.

9 COUNCIL PRESIDENT VERNA: Okay. Any
10 questions or discussions.

11 You have amendments to offer on the
12 capital?

13 MS. REED: I have amendments to
14 offer and also testimony.

15 COUNCIL PRESIDENT VERNA: On the
16 capital?

17 MS. REED: Yes, capital program and
18 budget.

19 COUNCIL PRESIDENT VERNA: Thank you.

20 COUNCILMAN KENNEY: Point of
21 information.

22 COUNCIL PRESIDENT VERNA: Yes, sir.

23 COUNCILMAN KENNEY: Madam President,
24 we're being handed now proposed amendments to
25 Bill 050001.

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2 Where are these amendments emanating
3 from? Are these amendments that have been
4 generated by Council in our discussions or
5 are these the Mayor's amendments?

6 COUNCIL PRESIDENT VERNA: The
7 Mayor's.

8 COUNCILMAN KENNEY: Okay. I want to
9 make sure that we're clear because, I mean,
10 there's been a lot of discussion over -- a
11 lot of discussion over the past number of
12 months relative to changes in the budget,
13 capital and operating.

14 And we're being handed this stuff
15 without any kind of authorship on it. And I
16 want to make sure Council members are clear
17 as to where these are coming from and where
18 they're not. So I want to make it clear that
19 these are the Mayor's proposed amendments to
20 the capital budget.

21 I assumed earlier when we received
22 this marked-up copy of the operating budget,
23 these are also the Mayor's proposed
24 amendments to the operating budget.

25 COUNCIL PRESIDENT VERNA: Yes. Yes.

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2 COUNCILMAN KENNEY: I would like to
3 have the Chair make that clear, that whatever
4 the sergeant-at-arms is distributing, you
5 know, is coming from the second floor, not
6 from the fourth.

7 COUNCIL PRESIDENT VERNA: Yes.

8 COUNCILMAN KENNEY: I appreciate it.

9 COUNCIL PRESIDENT VERNA: And I
10 think it was stated by Miss Reed that she is
11 circulating the amendments now, and you also
12 have testimony.

13 MS. REED: Yes, ma'am.

14 COUNCILMAN KENNEY: Thank you, Madam
15 President.

16 COUNCIL PRESIDENT VERNA: Thank you.

17 Miss Reed, please proceed.

18 MS. REED: Good afternoon, Council
19 President and members of Council,

20 COUNCILMAN KENNEY: Good evening.

21 MS. REED: My name is Diane Reed,
22 and I'm the Budget Director of the City of
23 Philadelphia.

24 I appear before you --

25 COUNCIL PRESIDENT VERNA: Excuse me.

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2 Do you have copies of your testimony?

3 MS. REED: Yes. They're being
4 circulated.

5 COUNCIL PRESIDENT VERNA: I don't
6 have a copy.

7 MS. REED: Here's an extra copy.

8 COUNCIL PRESIDENT VERNA: Does
9 everybody else have a copy?

10 COUNCILMAN KENNEY: No.

11 COUNCIL PRESIDENT VERNA: Give it to
12 the Councilman, please.

13 Do all Council members have a copy
14 of Miss Reed's testimony?

15 Please proceed.

16 MR. REED: I appear before you today
17 to offer testimony on Bills Number 050001 and
18 050002 which propose to establish the City's
19 fiscal year 2006 to '11 capital program and
20 capital budget and the fiscal '06 capital
21 budget.

22 Today we propose modifications to
23 add additional appropriations necessary to
24 carry forward all unobligated funding from
25 the fiscal '05 appropriations, and we ask

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2 that you treat these bills as companion
3 bills.

4 In this proposed amendment, all
5 unobligated general obligation PICA and
6 revenue bond capital appropriations have been
7 carried forward from prior years, with few
8 exceptions.

9 These exceptions fall mainly into
10 four categories: One, unspent appropriations
11 for which projects have been completed under
12 budget; two, aviation projects that were
13 either funded with other sources or
14 completed; three, water payroll costs which
15 do not carry forward; and four, state and
16 federal grant appropriations which did not
17 materialize.

18 There are a large number of projects
19 that have been included in the carry forward
20 budget at the direct request of City Council
21 members.

22 I can assure the members of Council
23 that all the remaining funding for these
24 projects have been included in the carry
25 forward amendment proposed today.

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2 This recommendation does not include
3 the lapsing of any unencumbered funding for
4 projects of this nature, whether or not those
5 projects have been completed.

6 Other than the addition of the carry
7 forward appropriations, there is one other
8 proposed modification to Bill Number 050002
9 as introduced.

10 The requested modification is to add
11 a general obligation appropriation of \$1
12 million in fiscal '06 for improvements to
13 existing facilities.

14 I would be happy to answer any
15 specific questions that Council may have
16 related to the recommended capital budget and
17 program as presented.

18 Thank you.

19 COUNCIL PRESIDENT VERNA: Miss Reed,
20 is the \$7 million that Council approved in
21 '05 being carried over to '06?

22 MS. REED: Yes, it is.

23 COUNCIL PRESIDENT VERNA: Can you
24 tell us what page it's on, so that we
25 could...

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2 MS. REED: It's in the ITEF section.
3 It's line number 66-A of the program and of
4 the budget. It's a similar line in
5 recreation, 66-A.

6 COUNCIL PRESIDENT VERNA: Pages
7 aren't numbered. It's very difficult to find
8 it.

9 MS. REED: You have to go to
10 recreation and then find the line number.
11 Sorry.

12 COUNCIL PRESIDENT VERNA: The Mayor
13 has indicated that if we were to do the
14 budget as he submitted, and approved the
15 taxes which he also submitted, that he would
16 be committed to spending the money.

17 I would like to know from you, is
18 that also your understanding?

19 MS. REED: My understanding is that
20 one million of this would be used to fund a
21 capital eligible group of employees who would
22 work on recreation related projects out of
23 the seven million. And it would have to be
24 determined the fate of the other six million.

25 COUNCIL PRESIDENT VERNA: That

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2 wasn't my question.

3 The Chair recognizes Councilman
4 Nutter for a point of information.

5 COUNCILMAN NUTTER: Madam Chair, do
6 I understand we're talking about line 66-A?

7 COUNCIL PRESIDENT VERNA: I don't
8 know what line we're talking about because
9 they're not numbered. Pages aren't numbered,
10 and I can't find it.

11 COUNCILMAN NUTTER: No. I
12 understand that.

13 But this is in ITEF, various
14 facilities?

15 (Unidentified speaker, microphone
16 off, not reportable.)

17 COUNCILMAN NUTTER: All right.
18 That's \$11 million.

19 COUNCIL PRESIDENT VERNA: I'm sorry.
20 What line item is that?

21 COUNCILMAN NUTTER: 66-A is \$11
22 million. In FY'05.

23 I'm just trying to understand what
24 does that represent. And the discussion that
25 you just had with Miss Reed about a million

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2 dollars and a commitment to spend it, I found
3 it difficult to follow that.
4 MS. REED: There's \$7 million in
5 that which was proposed by Council as an
6 increase.
7 COUNCILMAN NUTTER: 7 or 70?
8 MS. REED: 7 of the 11.
9 COUNCILMAN NUTTER: 7 of the 11.
10 MS. REED: Yes. And we are
11 proposing that one million of that would be
12 used -- of this carry forward amount would be
13 used to fund capital eligible projects.
14 COUNCIL PRESIDENT VERNA: I thought
15 she said --
16 MS. REED: For recreation.
17 COUNCILMAN NUTTER: What happens to
18 the other ten?
19 MS. REED: Pardon?
20 COUNCILMAN NUTTER: What happens to
21 the other ten?
22 MS. REED: Four of that is the
23 previously offered amount by the
24 administration, four million.
25 COUNCILMAN NUTTER: Miss Reed, I

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2 have to admit that I literally have no idea
3 what you're talking about.

4 I mean, I just, you know, maybe have
5 reached the maturity level that I could say
6 that publicly. But I just -- I have no idea
7 what you're talking about.

8 MS. REED: Four million of this was
9 budgeted for Councilmanic districts in '05,
10 and the other seven is the amount that
11 Council added.

12 COUNCILMAN NUTTER: Okay. And is
13 that four million different than the four
14 million in the line above, in line 66?

15 MS. REED: Yes, it is. Yes, it is.

16 COUNCILMAN NUTTER: Okay. So then
17 you said the administration offered four,
18 Council added seven. And of the eleven,
19 you're now saying a million of that is going
20 to some capital eligible pay for employees to
21 do what?

22 MS. REED: To work on capital
23 eligible recreation projects.

24 COUNCILMAN NUTTER: Okay. So now
25 I'll get back to the original question, which

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2 is: What happens to the other ten million?

3 MS. REED: Well, four of that was
4 the amount that was previously budgeted, and
5 the balance is really six, which really needs
6 to be determined.

7 COUNCILMAN NUTTER: Well, is it in
8 the budget or is it out of the budget?

9 MS. REED: It's in the budget.

10 COUNCILMAN NUTTER: Well, then, what
11 do you mean it needs to be determined?

12 MS. REED: This is the money that
13 was under discussion since, I guess, last
14 year's budget was passed.

15 Right now there is no plan on how to
16 spend this money. The administration would
17 need to work with Council on it to determine
18 how to spend that money, if it's to be spent,
19 the six million.

20 COUNCILMAN NUTTER: Why wouldn't you
21 just divide it up, the way you have in the
22 past? I don't understand it. What do you
23 mean you don't know what you're going to do
24 with it?

25 MS. REED: The Mayor had not

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2 intended that this money would be spent
3 originally from '05. So, it will need to be
4 determined what will happen with the six
5 million.

6 We also have at line --

7 COUNCILMAN NUTTER: Well, if the 11
8 stays where it is --

9 MS. REED: At line 61, they're under
10 the Managing Director's in the Managing
11 Director's section, there is a million
12 dollars added for Councilmanic districts,
13 both in the program and in the budget.

14 COUNCILMAN NUTTER: Let me ask this
15 question: If the 11 stays where it is right
16 now, and this gets approved, what happens to
17 it?

18 MS. REED: Well, four of it has
19 already been budgeted to projects.

20 Of the seven that has not been
21 budgeted, one would be used for capital
22 eligible recreation projects, using a special
23 team.

24 COUNCILMAN NUTTER: And then, what
25 are you going to do with the other six?

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2 MS. REED: That will not be spent or
3 there would be a determination at some point.

4 COUNCILMAN NUTTER: And what are the
5 projects that are funded with the four
6 million dollars? Is this FY'05 money or is
7 this carryover from FY'04?

8 MS. REED: This is FY'05 money
9 carrying over into '06.

10 COUNCILMAN NUTTER: And is the
11 carrying over because we were not allowed to
12 spend it or it wasn't authorized for spending
13 or it just hasn't been designated for
14 anything?

15 MS. REED: I think it's been
16 designated but has not been spent.

17 COUNCILMAN NUTTER: Okay.

18 And it's been designated for
19 projects already throughout the City?

20 MS. REED: Correct?

21 Not necessarily all of it.

22 COUNCILMAN NUTTER: Well, of the \$4
23 million, how much is designated for projects?

24 MS. REED: That would be up to each
25 individual Council person. We do not have

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2 that information with us, but we can get it
3 back to you.

4 COUNCILMAN NUTTER: Okay. All
5 right. Thank you very much.

6 COUNCIL PRESIDENT VERNA: I think
7 the question is, why hasn't any of the \$4
8 million been spent?

9 MS. REED: It's possible that some
10 of that has been designated. We just don't
11 have it.

12 COUNCIL PRESIDENT VERNA: Why isn't
13 it reflected in what's been presented to us?

14 MS. REED: It's probably because the
15 loan authorization bill did not pass in the
16 spring, but rather in the fall. And none of
17 it was available for spending until
18 January -- December, January '04, '05. These
19 carry forward numbers are as of the end of
20 March. So they didn't all get designated
21 within a three-month period.

22 COUNCIL PRESIDENT VERNA: Do we have
23 assurances from the administration that
24 whatever we put into the budget will be
25 spent? And I'm talking about both capital

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2 and operating.

3 MS. REED: On the operating side,
4 yes. On the capital side, there is still a
5 \$6 million amount that will have to be
6 determined.

7 The goal really is, in moving the
8 Council appropriation, is to keep it at the
9 same proportionate level to the overall
10 spending limit for the capital budget each
11 year, rather than having it take a larger
12 share, if it increases in the amount proposed
13 by Council.

14 COUNCIL PRESIDENT VERNA: Should we
15 have gotten something like nine million in
16 '04?

17 MS. REED: In '04 Councilmanic --
18 the ten Councilmanic districts were budgeted
19 for 1.2 million.

20 COUNCIL PRESIDENT VERNA: Okay. Is
21 there any other conversation and questions,
22 suggestions regarding the capital budget?

23 Yes. The Chair recognizes
24 Councilwoman Tasco.

25 COUNCILWOMAN TASCO: Back to the

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2 improvement to existing facilities.
3 Improvement to existing facilities, line 66.
4 Is that \$4 million programed out through
5 2006?
6 MS. REED: I'm sorry, Councilwoman.
7 We didn't really hear you.
8 COUNCILWOMAN TASC0: The improvement
9 to existing facilities, line 66, ITEF.
10 MS. REED: In 02 or...
11 COUNCILWOMAN TASC0: No. The \$4
12 million that's here, '06, 07.
13 MS. REED: Yes.
14 COUNCILWOMAN TASC0: That's a carry
15 over from prior years?
16 MS. REED: Are you looking at the
17 program. So, this is '06. And the proposed
18 for the out years.
19 COUNCIL PRESIDENT VERNA: It's new
20 money.
21 MS. REED: In that line team.
22 COUNCILWOMAN TASC0: Okay.
23 MS. REED: And as you see, it's
24 marked CN, which is new money.
25 COUNCILWOMAN TASC0: Now, what is

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2 that four million? Where is that from?
3 That's money you said hasn't been spent.
4 MS. REED: No. This would be new
5 money in the future. This is new money.
6 COUNCILWOMAN TASC0: Okay. Explain
7 to me the \$11 million, then.
8 MS. REED: That's a different line.
9 That's line 66-A.
10 COUNCILWOMAN TASC0: Right.
11 MS. REED: And the four million we
12 were speaking of was a different line item.
13 There just happened to be two lines under
14 four million, that have a \$4 million
15 component in them.
16 Each line represents a separate
17 budget year.
18 COUNCILWOMAN TASC0: So we have \$11
19 million in N fiscal year '05?
20 MS. REED: Yes. This is an '05, '06
21 carry over. In '02. In the '02 bill.
22 COUNCIL PRESIDENT VERNA:
23 Councilwoman, the \$11 million was never
24 spent. Correct?
25 MS. REED: Some of the four million

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2 of it may have been spent.

3 COUNCIL PRESIDENT Verna: Talking
4 about the 11 million.

5 COUNCILWOMAN TASC0: What about the
6 11 million?

7 COUNCIL PRESIDENT Verna: We're
8 carrying that over.

9 MS. REED: Four million of the
10 eleven million, some of that may have been
11 spent. That is the loan -- is referenced --
12 with reference to the loan authorization that
13 I mentioned earlier.

14 COUNCILWOMAN TASC0: Well, what
15 about improvement to existing facilities '04,
16 seven million 850. What is that?

17 MS. REED: That's all fiscal 2004
18 unspent money.

19 COUNCILWOMAN TASC0: So, from...

20 MS. REED: All of the line items in
21 the ITEF section are City Council projects.

22 COUNCILWOMAN TASC0: And that's
23 money that was appropriated but not spent.

24 MS. REED: Right.

25 COUNCILWOMAN TASC0: Okay.

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2 MISS REED: Each of them is a
3 different year. '05, '04, '03, '02, and so
4 forth.

5 COUNCILWOMAN TASC0: Okay. So,
6 let's go back to the 11 million because I
7 don't understand the 11 million. Maybe a
8 little thick.

9 It was \$11 million. Where does \$4
10 million come in? Is that the four million in
11 line 66?

12 MS. REED: No, no. This is a line
13 item that has its own characteristics, one of
14 which was four million which was what was in
15 the budget from the administration, an
16 additional seven that Council added.

17 Out of that seven --

18 COUNCILWOMAN TASC0: So four
19 million --

20 MS. REED: -- the administration is
21 now proposing to use one million for special
22 capital eligible projects.

23 COUNCILWOMAN TASC0: Okay. So the
24 four million was proposed by the
25 administration.

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2 MS. REED: Mm-hmm.

3 COUNCILWOMAN TASC0: And we changed
4 it to seven million.

5 MS. REED: To eleven.

6 COUNCILWOMAN TASC0: Okay. All
7 right. All right. Okay. So it's \$11
8 million, none of which has been --

9 MS. REED: Some of the four may have
10 been spent. As we said, the loan
11 authorization was late. So, there have only
12 been three months in which any money could
13 have been spent.

14 COUNCILWOMAN TASC0: And they are
15 for projects that are approved by the
16 Council, District Council members.

17 MS. REED: Correct.

18 COUNCILWOMAN TASC0: Okay. There
19 are any projects -- any of this money used
20 for any facilities determined by the
21 administration?

22 MS. REED: No.

23 COUNCILWOMAN TASC0: So all this
24 money is Council money.

25 MS. REED: All Council. Thank you.

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2 COUNCILWOMAN TASC0: I'm done.

3 COUNCIL PRESIDENT VERNA: The Chair

4 recognizes Councilman Nutter.

5 COUNCILMAN NUTTER: I can come back,

6 Madam Chair, if there are others.

7 COUNCIL PRESIDENT VERNA: I'm sorry?

8 COUNCILMAN NUTTER: I can come back,

9 if there are others.

10 COUNCIL PRESIDENT VERNA: There are

11 no others that I'm aware of.

12 COUNCILMAN NUTTER: Sorry.

13 COUNCIL PRESIDENT VERNA: All right.

14 Is there anyone else?

15 (No response.)

16 COUNCIL PRESIDENT VERNA: Is there

17 any discussion on the capital program?

18 (No response.)

19 COUNCIL PRESIDENT VERNA: Seeing no

20 one, we will then consider Bill Number

21 050002, and that is an ordinance regarding

22 the capital budget.

23 Ms. Reed.

24 We're still in the hearing.

25 COUNCIL PRESIDENT VERNA: Miss Reed.

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2 MS. REED: Yes. The amendment is in
3 the Managing Director's line which is a
4 million dollars. Line 51, Managing
5 Director's Office, capital projects various.
6 That has been increased from two million two
7 twenty-five to three million two twenty-five
8 which is a hundred thousand dollars per
9 Councilmanic District.

10 COUNCILMAN NUTTER: What bill are
11 you on right now?

12 MS. REED: Both of them, same line
13 in both the program and the budget, 406.

14 COUNCILMAN NUTTER: Is the amendment
15 in a separate form or is it within the big
16 document that's been handed out.

17 MS. REED: It's within both big
18 documents on line 51 of the Managing
19 Director's Office capital projects various.

20 COUNCILMAN NUTTER: What page is
21 that?

22 MS. REED: Their pages are not
23 numbered. Read the page through the Managing
24 Director.

25 COUNCILMAN NUTTER: All right. What

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2 line?

3 MS. REED: 51, capital projects
4 various.

5 COUNCILMAN NUTTER: Right. Now I
6 see it.

7 So, where is the amendment?

8 MS. REED: The amount is three
9 million two twenty-five. It previously had
10 been two million two twenty-five.

11 That is the one -- That is the one
12 amendment that can be, you know, clearly
13 identified by changing the amount.

14 The amount of the proposed amendment
15 is \$1 million. It has been changed from two
16 million two hundred twenty-five thousand to
17 three million two hundred twenty-five
18 thousand which provides a hundred thousand
19 per Councilmanic district.

20 COUNCILWOMAN TASC0: Say it one more
21 time.

22 COUNCILMAN NUTTER: What are you
23 reading from?

24 COUNCILWOMAN TASC0: Citywide
25 facilities, line 51, says three million two

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2 hundred twenty-five.

3 MS. REED: Correct. And in our
4 previous submission, that was two million two
5 hundred twenty-five.

6 COUNCILWOMAN TASC0: That's wait
7 says here. That's what it says here.

8 MS. REED: (Indicating.) Yes. The
9 amendment is a million dollar. The change is
10 \$1 million.

11 COUNCILWOMAN TASC0: So when you
12 submitted the first budget to us, it had how
13 much in it?

14 MS. REED: Two million, two hundred
15 twenty-five thousand.

16 COUNCILWOMAN TASC0: I'm trying to
17 tell you, that's the same thing here on this
18 sheet.

19 COUNCILMAN NUTTER: Miss Reed...

20 MS. REED: Not at line 51.

21 You should have... My version has
22 three million, two hundred twenty-five
23 thousand. So, I hope you have the same as
24 mine.

25 COUNCILMAN NUTTER: It would

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2 probably be helpful if you had the
3 strikethrough or something.
4 COUNCILWOMAN TASC0: All right. All
5 right. I'm not hearing you. Thank you. I'm
6 sorry. I'm not hearing you.
7 COUNCILMAN NUTTER: Miss Reed?
8 MS. REED: Sir.
9 COUNCILMAN NUTTER: I think maybe
10 part of the issue is... It's just a
11 suggestion for the future. Even with this
12 kind of document, it might be helpful if --
13 Normally in an amendment situation we see the
14 strikeout. So if you had reprinted the 2.225
15 and then replaced it with the 3.225, that may
16 have --
17 MS. REED: We apologize for that.
18 We'll make sure we do that next year.
19 COUNCILMAN NUTTER: Okay. It may
20 have been helpful. Thank you.
21 Madam Chair, can I just... Just so
22 we wrap up on the \$11 million, and the whole
23 floor discussion and the seven, if this bill
24 moves forward with the \$7 million in it, I'm
25 assuming the effect of that is four million

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2 is guaranteed, a million of the 11 is
3 supposed to go to pay for employees to do
4 capital improvements, and in essence we have
5 authorized \$6 million in capital improvements
6 under a category of improvements to existing
7 facilities, for which there is no commitment
8 at the moment from the administration to
9 spend those dollars. Is that the end result
10 of the situation?

11 COUNCIL PRESIDENT VERNA: That's
12 correct. That's correct.

13 COUNCILMAN NUTTER: Okay.

14 COUNCILMAN O'NEILL: Madam Chair, I
15 will have an amendment for the public meeting
16 once we get through the rollover amendments
17 for both the capital program and the capital
18 budget, to reflect the \$7 million being put
19 back in.

20 COUNCIL PRESIDENT VERNA: We'll do
21 that at the public meeting.

22 Very well. The Chair recognizes
23 Councilwoman Miller.

24 COUNCILWOMAN MILLER: Oh. That's a
25 mistake.

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2 COUNCIL PRESIDENT VERNA: Chair
3 recognizes Councilwoman Tasco.

4 COUNCILWOMAN TASC0: This \$1 million
5 that's going in here for the Managing
6 Director's Office, who will determine how the
7 hundred thousand dollars per district will be
8 spent?

9 MS. REED: Council people.

10 COUNCILWOMAN TASC0: Is this the
11 first time you've appropriated a hundred
12 thousand dollars for each district?

13 MS. REED: No. This is an
14 appropriation that -- combination that has
15 gone forward between the improvements to
16 existing facilities in recreation and a
17 million dollars in the Managing Director's
18 budget.

19 COUNCILWOMAN TASC0: So we can call
20 the Managing Director and say, we have a
21 hundred thousand dollars over there. And can
22 we use some of it to do X, Y and Z, or does
23 it have to be for any facility?

24 MS. REED: Recreation.

25 COUNCILWOMAN TASC0: Has to be for

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2 recreation.

3 MS. HOWARD: Linda Howard, Deputy
4 Budget Director.

5 Councilwoman, traditionally, ever
6 since we started allocating money per
7 Councilmanic District, we've always budgeted
8 a certain -- the bulk of the amount in
9 recreation.

10 When this -- When this started, I
11 think the allocation was 1.2 million per
12 district. We always budgeted a million
13 dollars in recreation and 200,000 in the
14 Managing Director's Office, the purpose
15 category being a bit broader than recreation,
16 so that Council people had some discretion to
17 fund projects other than recreation projects.

18 COUNCILWOMAN TASCO: Well, why do
19 they give us such a hard time about putting
20 up a fence if we have a hundred thousand
21 dollars? That's not your issue. Okay. They
22 act like, you know, you're asking for the
23 world, to get something out of the Managing
24 Director.

25 Okay. Thank you.

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2 COUNCIL PRESIDENT VERNA: You're
3 welcome.

4 Are there any other questions or
5 comments on this bill?

6 (No response.)

7 COUNCIL PRESIDENT VERNA: Seeing
8 none, seeing none, we will now refer to Bill
9 Number 050003.

10 Councilman Cohen, that is the
11 ordinance adopting the operating budget for
12 '06.

13 The Chair recognizes Councilman
14 Kelly.

15 COUNCILMAN KELLY: Yes.

16 Madam President, I offer one
17 amendment to Bill Number 050003.

18 COUNCIL PRESIDENT VERNA: I would
19 suggest you do that at our public meeting.

20 COUNCILMAN KELLY: Oh, okay. All
21 right. Thank you.

22 COUNCIL PRESIDENT VERNA: The Chair
23 recognizes Councilman Rizzo.

24 COUNCILMAN RIZZO: Madam President,
25 I'd like to take the opportunity to get some

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2 clarification on the Mayor's May 24th letter
3 about the \$5.6 million that it cost the
4 taxpayers of the City of Philadelphia to
5 patrol the state highways here in the County
6 of Philadelphia.

7 As you know, we're the only county
8 in the Commonwealth that provides that
9 service and pays for it.

10 There's some confusion whether or
11 not that letter that the Mayor wrote... I'd
12 like to get some clarification whether we're
13 going to get the \$5.6 million in fiscal year
14 '06 or are we going to get the state troopers
15 to come in here and patrol the roadway.
16 Could you please clarify what that means.

17 MS. REED: Diane Reed, Budget
18 Director.

19 The Mayor has indicated that to make
20 sure that we have a way of acknowledging the
21 obligation that we understand that the state
22 will provide this service, that we have added
23 5.6 -- a line of 5.6 million to the revenue
24 side to pay for this, as a way of recognizing
25 that we expect that the state will support

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2 this operation.

3 COUNCILMAN RIZZ0: In fiscal year
4 '06?

5 MS. REED: Yes.

6 COUNCILMAN RIZZ0: So we are
7 confident that the state will pay the tab for
8 those -- Is this with confidence or is this
9 speculation?

10 I mean, what -- Again, I think we
11 had this conversation once before. What is
12 the source?

13 MS. REED: We have repeated
14 assurances from various senior officials at
15 the state that because Philadelphia is the
16 only county that is not patrolled, that this
17 service will be provided by the state -- or
18 supported by the state. Excuse me.

19 COUNCILMAN RIZZ0: Supported
20 financially, meaning a check for 5.6 million
21 annually starting in fiscal year '06?

22 MS. REED: It will be determined
23 exactly how this will occur. The Mayor has
24 indicated that he would like to see it shown
25 as a revenue expectation for '06, and that is

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2 what the budget reflects.

3 COUNCILMAN RIZZO: Thank you, Miss
4 Reed.

5 Thank you, Madam Chair.

6 COUNCIL PRESIDENT Verna: You're
7 welcome.

8 The Chair recognizes Councilwoman
9 Tasco.

10 COUNCILWOMAN TASC0: Yeah. I want
11 to go back to this hundred thousand dollars
12 per district in the Managing Director's
13 Office.

14 Since I didn't know too much about
15 that, I should have a lot of money in that
16 budget from my district. Can somebody know
17 about that?

18 MR. RAMOS: We're trying to track
19 down Miss Howard.

20 COUNCILWOMAN TASC0: Do ya'll kind
21 of accumulate the money in little pockets for
22 the District Council person? \$100,000 per
23 district? I know you just got there, but I'm
24 sure that --

25 MR. RAMOS: You know me well enough

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2 to know that I'm not going to speculate or if

3 I don't know, I'm not going to talk about it.

4 We're going to get Miss Howard to clarify.

5 COUNCILWOMAN TASC0: I'd like to

6 know about the money.

7 MS. HOWARD: Miss Linda Howard,

8 Deputy Budget Director.

9 Councilwoman, the reason you

10 don't -- We don't really... identify --

11 COUNCILWOMAN TASC0: (Inaudible.)

12 MS. HOWARD: No, no, that's not

13 true. We identify it by line numbers, and

14 you can -- you can tell from your list of

15 projects where the money is budgeted.

16 It just -- It's not transparent to

17 you, but it's always been there. The

18 Managing Director does not -- He's not

19 allowed to spend it.

20 It's designated for the Councilmanic

21 District in our budget information system,

22 infamous. So, there's -- there's really not

23 an issue.

24 COUNCILWOMAN TASC0: Is it on the

25 sheet that you all give us?

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2 MS. HOWARD: Yes. Yes. That list
3 that CPO prepares that we -- when we meet
4 with you and we go over all your projects,
5 that includes all the money.

6 And we could show you on that sheet
7 where it -- it's budgeted in recreation, and
8 where it's budgeted in the Managing
9 Director's Office.

10 COUNCILWOMAN TASC0: Okay.

11 MS. HOWARD: But it is controlled by
12 each Councilmanic...

13 COUNCILWOMAN TASC0: Okay. All
14 right.

15 MS. HOWARD: ...person.

16 COUNCILWOMAN TASC0: Thank you.

17 COUNCIL PRESIDENT VERNA: We're now
18 back to the operating budget. So, Miss Reed,
19 you are going to present the administration's
20 amendments?

21 MS. REED: Yes. I think they've
22 been distributed. You have a marked-up copy
23 of Bill 050003 which are the amendments.

24 COUNCIL PRESIDENT VERNA: I have it.
25 I have it.

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2 Miss Reed, could you very quickly go
3 over the amendments for the record.

4 MS. REED: The first change is in
5 section 2.11 which is a \$469,000 increase in
6 materials and supplies.

7 This is for fuel which will be used
8 for the condo trash crews that we're putting
9 in place, which also some of the expenses are
10 reflected in the next line, 2.12 which are
11 the vehicles. This is a \$2.3 million
12 increase for compactors, dumpsters, and a
13 bulk truck.

14 On Page 4 at line 2.15, there is a
15 change to personal services, an increase of
16 nine hundred and fifty-four thousand for the
17 crew, and of nine hundred thousand for the
18 disposal contract.

19 There is an increase at line 2.16 in
20 the Fire Department of 3.4 million in
21 personal services, which is an increase of
22 about 17 million over the full five year
23 plan.

24 At line 2.19 there is \$100,000
25 increase in contributions, indemnities and

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2 taxes for the recreation activities fund.

3 At line 2.21, to the Recreation
4 Department for the Art Museum, there's a
5 \$250,000 increase in contributions,
6 indemnities and taxes, an increase or
7 restoration to \$2 million for the Art Museum.

8 At line 2.22, also in recreation, to
9 the Board of Trustees of the Atwater Kent,
10 there are two changes of 14,000 to the... for
11 one position and personal services, and an
12 additional 6,000 in purchase of services for
13 insurance.

14 In line 2.32, there is a \$567,000
15 increase in personal services for the
16 enforcement crew that we were discussing
17 earlier at another hearing, and also \$250,000
18 in purchase of services for an engineering
19 contract and \$25,000 in material, supplies
20 and equipment for hand-held equipment.

21 At line 2.37 to the Department of
22 Records we have an increase of \$660,000 in
23 purchase of services, for mapping and police
24 accident reporting. This is offset by
25 \$600,000 in increased fees for recording at

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2 \$10 apiece, so that the net change for this
3 is \$60,000.

4 There is also... No. That's all.
5 At 2.53 for contributions, indemnities and
6 taxes, there's a hundred thousand dollars
7 increase for the cultural fund.

8 At 2.58, there is a \$3.5 million
9 increase in personal services for the Free
10 Library for increased services, the
11 restoration of full day service, Saturday
12 service, and the three regional libraries, 37
13 positions.

14 At 2.65, to the Register of Wills
15 there's a \$240,000 increase for personal
16 services for systems, which is offset by a
17 like amount of new fees, for a revenue
18 neutral effect on the budget.

19 In 2.66 to the District Attorney,
20 there's an \$87,000 restoration in purchase of
21 services for the victims' support and
22 confidential investigations services.

23 At 2.67 to the Sheriff, there's
24 \$115,000 purchase of services increase which
25 is the amount required for the Sheriff to

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2 complete the systems work required by the
3 state.

4 At 2.69, there is a \$2.272 million
5 personal services increase. And this is
6 offset by a million and a half of civil fee
7 increases. And the net change to the budget
8 is \$772,000.

9 And the last change is in the Water
10 Department, line 4.1 which is a transfer of
11 \$125 million from purchase of services to
12 personal services.

13 And those are the extent of changes
14 to the -- to Bill 050003, the operating
15 budget.

16 COUNCIL PRESIDENT VERNA: Thank you.

17 Councilman Kenney, your light is on.
18 Did you want to be recognized?

19 COUNCILMAN KENNEY: Thank you, Madam
20 President.

21 COUNCIL PRESIDENT VERNA: You're
22 welcome.

23 COUNCILMAN KENNEY: Thank you, Madam
24 President.

25 This question is for either the

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2 Class 200 dollars that are available to the
3 Law Department.

4 It was also... If I may, it was
5 also a joint effort by the City Law
6 Department. So, we did not have any
7 additional expenses from that part of the
8 legal representation.

9 But in terms of the total dollars
10 spent, I don't have that. I can provide that
11 to you real quickly for the record.

12 COUNCILMAN KENNEY: I'd appreciate
13 it. I don't know what Council spent on it.
14 Don't know either?

15 COUNCIL PRESIDENT VERNA: Don't have
16 that information at this point.

17 COUNCILMAN KENNEY: The real point
18 of my question is, with the Streets
19 Department increase, why are we doing this
20 the hard way?

21 It seems to me that the condo
22 associations now get mostly twice a week
23 trash pickup from a private contractor,
24 private hauler.

25 Why are we going through the effort

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2 of acquiring new trucks, hiring new people,
3 and doing something that's going to cost us
4 more money than it costs the private
5 associations to do it now?

6 Why aren't we sitting at the table
7 and negotiating a reimbursement for their
8 trash pickup, as opposed to playing this game
9 with buying new trucks and retrofitting and
10 all the other stuff we're going to do?

11 I mean, I even envision that we pick
12 up the trash, like, in a sloppy way so that
13 they're unhappy, I mean, just to be spiteful.

14 Could we just figure out why we
15 can't write a check or figure out how we can
16 reimburse these groups for the trash pickup
17 that they have now twice a week, and save the
18 taxpayers some money, as opposed to buying
19 equipment and trucks and everything else?

20 MR. RAMOS: The operating budget
21 amendment reflects an estimate of the -- from
22 the Streets Department on a -- you know, a --
23 a -- a -- a reasonable approach to collecting
24 trash.

25 Obviously, as you know, by adopting

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2 the amended budget and appropriating the
3 funds, it doesn't lock us in to a particular
4 way of doing it. We -- But we did think it
5 was important to -- to assume that we would
6 be proceeding -- our numbers are not based on
7 something cute like piling all the trash bags
8 up in front of the Society Hill Towers or
9 anything like that.

10 COUNCILMAN KENNEY: It's not out of
11 the realm of possibility, if we want to --

12 MR. RAMOS: I just said it was.

13 COUNCILMAN KENNEY: If somebody
14 wanted to prove a point.

15 All I'm saying is, why are we having
16 discussions with the people now? I
17 understand you're asking for reconsideration.
18 That's a highly, as you know, a highly
19 unlikely occurrence with the Supreme Court,
20 once they've denied to hear it.

21 MR. RAMOS: As you're saying,
22 Councilman, we're proceeding on both tracks,
23 on the legal track asking for
24 reconsideration, but as you've observed in
25 this budget, also budgeting for... as if we

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2 were undertaking that obligation, which we
3 would take seriously, you know, in our
4 provision of City services.

5 MR. DIAZ: If I could, Councilman,
6 just respond very briefly to your earlier
7 point about the cost, I think what you see in
8 the budget amendment relative to the condo
9 trash costs that would be incurred in the
10 fiscal year '06, you see a significant sum of
11 money.

12 So, I don't... I think it's
13 important to keep in context, given the costs
14 to the City, apart from any principles
15 related to governance, that there is a real
16 cost.

17 And the litigation costs are, I
18 think, quite reasonable and moderate, with
19 respect to that potential liability.

20 But I agree with the Managing
21 Director. Prudence demands that we include
22 that, even as we are pursuing the legal
23 track. And we will see what the Supreme
24 Court says, with regard to the
25 reconsideration petition that was filed last

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2 week.

3 COUNCILMAN KENNEY: Well, my only
4 suggestion is that we try to work out a deal
5 to reimburse them for their current pickup
6 now, as opposed to trying to do it the hard
7 way.

8 MR. RAMOS: We're going to have to
9 reach out to the -- reach out to the
10 stakeholders and get some of the feedback.

11 For example, if we were to... If we
12 were to take a certain approach with... And
13 buy particular types of trucks, part of what,
14 you know, we might be looking to the condo
15 owners to do is to -- we'll come to Council
16 and try to provide some standardization on
17 what's put -- you know, how that gets put out
18 for our collection, whether types of
19 containers, whether compactors, and also look
20 at the other alternatives.

21 COUNCILMAN KENNEY: But we don't
22 have to buy -- I don't think we have to buy
23 one truck.

24 MR. RAMOS: But what we're --

25 COUNCILMAN KENNEY: If we simply

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2 allow the private haulers to pick up what
3 they're picking up now and reimburse the
4 association, I would bet that in the larger
5 buildings, that the condo association's trash
6 budget, if reimbursed by the City, would
7 probably be used to beautify and improve the
8 area surrounding it.

9 I'll bet you they wouldn't be
10 writing smaller checks to each individual
11 member, but they would probably do plantings
12 and improvements, and other things, to make
13 the whole area even better.

14 MR. RAMOS: We tried to budget
15 prudently. We haven't locked ourselves into
16 any means of doing it.

17 I would say that any time you deal
18 with a public service -- and I'll get myself
19 in trouble, maybe, by referring to education.

20 But, you know, with schools, we
21 provide -- You know, you get -- You know, you
22 get the public school option, and at some
23 level of service. And if you want something
24 different, then we don't pay for the -- we
25 don't pay for the private school. But we try

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2 to -- You know, we'd like to provide.

3 COUNCILMAN KENNEY: But see, that
4 example is not accurate because in that
5 circumstance you'd be paying more money for
6 the private school and for the extra -- for
7 the extra amenities of the education beyond
8 what the public school's offering.

9 What we're saying -- What I'm saying
10 is that they're picking it up now twice a
11 week. It's costing less than it would for
12 the City to do it. Why would we go a route
13 that costs more?

14 MR. RAMOS: We're not locked in.

15 COUNCILMAN KENNEY: That's all I
16 would like to have for the record. Thank
17 you.

18 COUNCIL PRESIDENT VERNA: And
19 Councilman, I thought that when Council was
20 considering that bill, that was the route
21 that we thought that the City administration
22 was going.

23 COUNCILMAN KENNEY: You can make
24 this process more difficult, if you choose,
25 and more expensive, if you choose. And we

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2 had that extensive testimony and conversation
3 back when we considered the bill.

4 And we made that clear to the
5 administration back then, that it was not
6 going to cost what they were -- what they
7 were saying in -- I think they were up to \$8
8 million at one point in their testimony. It
9 was nowhere near going to cost that, but that
10 was an effort to scare off people over the
11 issue of cost.

12 MR. RAMOS: I mean, the ordinance, I
13 believe, spoke of providing for regular trash
14 collection, I think was the key phrase. I
15 don't remember.

16 But we're... You know, we're...
17 If -- If -- You know, if -- if -- if life is
18 that we have to proceed with condo trash
19 pickup, we're going to do it as best we can
20 and as cost effectively as we can. For
21 purposes of budget, we tried to take, you
22 know, a responsible --

23 COUNCILMAN KENNEY: And my only
24 suggestion is, I would just consider you guys
25 writing a check as opposed to buying trucks.

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2 MR. RAMOS: I hear you.

3 COUNCILMAN KENNEY: Thank you.

4 COUNCIL PRESIDENT VERNA: Thank you.

5 The Chair recognizes Councilman DiCicco.

6 COUNCILMAN DiCICCO: Thank you,
7 Madam President.

8 On that same note -- and Councilman
9 Kenney or you, Madam President -- I thought
10 we had a number that was somewhere around a
11 political, political one or two.

12 MR. RAMOS: One of the things that
13 we looked at, and we can talk about some more
14 because we may have to come back either way
15 on the implementation side, depending on how
16 we do it, is certainly the growth of the
17 number of... you know, the growth in the
18 condo market.

19 COUNCILMAN KENNEY: Right.

20 COUNCILMAN DiCICCO: Right. That's
21 what I was going to get to.

22 MR. RAMOS: Among other things.

23 COUNCIL PRESIDENT VERNA: Well, I
24 think that is an issue that should be looked
25 at sooner or later because you look at some

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2 of the condos along the Parkway, it's my
3 understanding that they have trash pick-ups
4 at least four times a week. So I don't think
5 the City's going to be able to do that.
6 Okay. Councilman DiCicco, you're
7 finished?
8 COUNCILMAN DiCICCO: Yes.
9 COUNCIL PRESIDENT VERNA: Bill
10 Number 050007 is next to be considered.
11 MR. RAMOS: President Verna.
12 COUNCIL PRESIDENT VERNA: Yes, sir.
13 MR. RAMOS: On behalf of the
14 administration, we're requesting that 050007,
15 050008 be held.
16 COUNCIL PRESIDENT VERNA: Very well.
17 Thank you.
18 Councilman Cohen, is your aide
19 explaining them to you? 7 and 8 are being
20 held.
21 Miss Reed, again, I would ask you
22 for the record, is the Mayor prepared to
23 spend the money in the operating budget as he
24 submitted it, if we approve it, and approve
25 his taxes? Are we being given a guarantee

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2 that the money will be spent?
3 MS. REED: Yes.
4 COUNCIL PRESIDENT VERNA: We have a
5 guarantee, a commitment, and a solemn oath...
6 MS. REED: Yes, ma'am.
7 COUNCIL PRESIDENT VERNA: ...that it
8 will be spent.
9 COUNCILMAN KENNEY: Madam President,
10 just a point of information. Why don't we
11 just get a letter to that effect, Madam
12 President? Then it's memorialized.
13 COUNCIL PRESIDENT VERNA: That would
14 be fine. You do have the letter.
15 COUNCILMAN KENNEY: They will give
16 us one.
17 COUNCIL PRESIDENT VERNA: They will
18 give us a letter.
19 MR. RAMOS: In addition to the
20 letter of May 24th?
21 COUNCIL PRESIDENT VERNA: We have
22 the letter from the Mayor of May 24th.
23 MR. RAMOS: The Mayor stands behind
24 his letter.
25 COUNCIL PRESIDENT VERNA: Okay. I

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2 believe that will conclude our public
3 hearing.

4 We will now go into our public
5 meeting.

6 COUNCIL PRESIDENT VERNA: This will
7 conclude the public hearing of the Committee
8 of the Whole.

9 (Public hearing concluded at 6:55
10 p.m.)

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3 COUNCIL OF THE CITY OF PHILADELPHIA
4 PUBLIC HEARING - COMMITTEE OF THE WHOLE
5 - - -
6 Room 400, City Hall
7 Philadelphia, Pennsylvania
8 Wednesday, May 25, 2005, 6:55 p.m.
9 - - -

10 BILL 050451 - An Ordinance amending Title 19 of
11 The Philadelphia Code, entitled
12 "Finance Taxes and Collections," by
13 creating a new Chapter 19-3400,
14 entitled "excise Tax on Outdoor
15 Advertising Transactions," under
16 certain terms and conditions.

17 BILL 050452 - An Ordinance amending Chapter
18 19-1200 of The Philadelphia Code,
19 entitled "Parking Tax," to provide
20 for a tax on valet parking
21 transactions, under certain terms
22 and conditions.

23 BILL 050453 - An Ordinance amending Title 9 of The
24 Philadelphia Code, section 9-602,
25 entitled "Outdoor Advertising," by
amending the requirements for
obtaining and the conditions for
issuance of licenses, including the
applicable fees; imposing safety
requirements; increasing penalties;
providing certain reporting
requirements; amending certain
definitions; and making technical
changes; all under certain terms and
conditions.

21

22 - - -

23 V A R A L L O Incorporated
24 Litigation Support Services
25 1835 Market Street, Suite 600
Philadelphia, Pennsylvania 19103
215.561.2220 215.567.2670

- 1 Whole - 5/25/05
- 2 BILL 040767 - An Ordinance amending Section
3 19-2604 of The Philadelphia Code,
4 relating to tax rates, credits and
5 alternative tax computation for the
6 business privilege tax, by reducing
7 certain tax rates; all under certain
8 terms and conditions.
- 9 BILL 040789 - An Ordinance amending Chapter
10 19-2600 of The Philadelphia Code,
11 entitled "Business Privilege Taxes,"
12 to provide for an exemption from the
13 tax on gross receipts for certain
14 new businesses, under certain terms
15 and conditions.
- 16 BILL 050001 - An Ordinance to adopt a Capital
17 Program for the six Fiscal Years
18 2006-2011 inclusive.
- 19 BILL 050002 - An Ordinance to adopt a Fiscal 2006
20 Capital Budget.
- 21 BILL 050003 - An Ordinance adopting the Operating
22 Budget for Fiscal Year 2006.
- 23 BILL 050007 - An Ordinance amending Chapter
24 19-1200 of The Philadelphia Code,
25 entitled "Parking Tax," by
 establishing a rate of taxation on
 parking transactions for Fiscal Year
 2006 and thereafter and making such
 rate contingent on certain decreases
 in business privilege tax rates.
- 26 BILL 050008 - An Ordinance amending Section
27 19-2604 of The Philadelphia Code,
28 relating to tax rates, credits and
29 alternative tax computation for the
30 business privilege tax, by reducing
31 certain tax rates and making such
32 reductions contingent on an increase
33 in the parking tax.
- 34 BILL 050383 - An Ordinance amending Chapter
35 19-1200 of The Philadelphia Code,
 entitled "Parking Tax," by

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2 increasing the rate of taxation on
3 parking transactions for Fiscal Year
4 2006 and thereafter.
5 RES. 050022 - Resolution providing for the
6 approval by the Council of the City
7 of Philadelphia of a Revised Five
8 Year Financial Plan for the City of
9 Philadelphia covering Fiscal Years
10 2006 through 2010, and incorporating
11 proposed changes with respect to
12 Fiscal Year 2005, which is to be
13 submitted by the Mayor to the
14 Pennsylvania Intergovernmental
15 Cooperation Authority(the
16 "Authority") pursuant to the
17 Intergovernmental Cooperation
18 Agreement, authorized by an
19 ordinance of this Council approved
20 by the Mayor on January 3, 1992
21 (Bill No. 1563-A), by and between
22 the City and the Authority.
23

24 PRESENT:

25 COUNCIL PRESIDENT ANNA C. VERNA
26 COUNCILWOMAN JANNIE L. BLACKWELL
27 COUNCILWOMAN BLONDELL REYNOLDS BROWN
28 COUNCILMAN DARRELL L. CLARKE
29 COUNCILMAN DAVID COHEN
30 COUNCILMAN FRANK DiCICCO
31 COUNCILMAN W. WILSON GOODE, JR.
32 COUNCILMAN JACK KELLY
33 COUNCILMAN JAMES F. KENNEY
34 COUNCILWOMAN JOAN L. KRAJEWSKI
35 COUNCILWOMAN DONNA REED MILLER
36 COUNCILMAN RICHARD T. MARIANO
37 COUNCILMAN MICHAEL A. NUTTER
38 COUNCILMAN BRIAN J. O'NEILL
39 COUNCILMAN JUAN F. RAMOS
40 COUNCILMAN FRANK RIZZO
41 COUNCILWOMAN MARIAN B. TASCO

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2 - - -

3 P R O C E E D I N G S

4 - - -

5 COUNCIL PRESIDENT VERNA: We will
6 now go into our public meeting.

7 And the first bill that we will be
8 considering will be Bill Number 040767.

9 The Chair recognizes the sponsor of
10 the bill, Councilman Nutter.

11 COUNCILMAN NUTTER: Thank you, Madam
12 Chair.

13 From your previous comments, there
14 has been extensive public testimony and
15 discussion about this bill.

16 I would just encourage my
17 colleagues, this is the only bill at the
18 moment that is available to us to put forward
19 any additional, although responsible, tax
20 reduction or some might call a part of the
21 tax reform plan.

22 It is fiscally responsible but also
23 continues to send, I believe, the right
24 message, that Philadelphia is open for
25 business, it's looking to grow jobs, and is

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2 seeking to keep things moving in the right
3 direction and sending the right message,
4 especially with a first time ever
5 opportunity -- not opportunity; we've had
6 other opportunities -- but certainly a first
7 time ever reduction in the excessively high
8 net income portion of the business privilege
9 tax.

10 So, I would ask for support for this
11 measure, at a minimum, to be r from this
12 committee so that the full body can take up
13 this matter at the subsequent Council
14 session.

15 So, I move the adoption. I'm sorry.
16 I move -- Been a long day. I move that Bill
17 040767 be reported out of this committee with
18 a favorable recommendation.

19 COUNCIL PRESIDENT Verna: As
20 amended. Wasn't it amended last...

21 COUNCILMAN Nutter: It was amended.

22 As amended, so as to permit first
23 reading at our next Council session.

24 UNIDENTIFIED COUNCIL PERSON:
25 Second.

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2 COUNCIL PRESIDENT VERNA: It has
3 been moved and seconded that Bill Number
4 040767 be reported out of committee with a
5 favorable recommendation as amended, and that
6 the rules of Council be suspended, so as to
7 permit first reading at our next Council
8 session.

9 The Chair recognizes Councilman
10 Cohen.

11 COUNCILMAN COHEN: On this matter I
12 would like to speak in opposition to it.

13 My daughter was... Marie's somewhere
14 in the room, wearing a sign, I think, saying
15 tax cuts don't grow opportunities. Tax
16 revenue does.

17 At some point we've got to have
18 enough revenue to run the City. And I think
19 at this point it would be a misguided action
20 to take any more cuts in taxes.

21 So I will be voting against
22 Councilman Nutter's bill, although I
23 appreciate the very strong work he's done in
24 support of the bill.

25 But I think this is the wrong time

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2 to cut taxes when we need so much in the form
3 of services.

4 People stay in Philadelphia and love
5 Philadelphia because of services it provides.
6 And people are important, not just business
7 people but residential people.

8 And people from businesses don't
9 want to come to a City that's lost too many
10 jobs.

11 So, for all of those reasons, I
12 think at this time it would be a mistake to
13 cut taxes beyond what we've done.

14 And therefore, I will be
15 respectfully opposed to Councilman Nutter's
16 bill, in the interests of the City.

17 COUNCIL PRESIDENT VERNA: Yes, sir.

18 COUNCILMAN COHEN: Thank you, Madam
19 President.

20 COUNCIL PRESIDENT VERNA: Yes, sir.

21 COUNCILMAN NUTTER: Madam Chair,
22 thank you very much. Just a couple brief
23 comments. And I respect and appreciate
24 Councilman Cohen's comments.

25 I think, as we heard through the

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2 extensive hearings, and as articulated most
3 recently by Councilman Goode, we know for a
4 fact, based on information from the City
5 administration, that the continuing cuts in
6 the rate of tax on the business privilege tax
7 and also on the wage tax have not led to a
8 lower tax revenue collected on these taxes.
9 That's first.

10 And the information comes from the
11 City's own budget documents. We have
12 extensive back and forth with our own Budget
13 Director last week.

14 Second, this is not just about what,
15 quote unquote, business people get. Who
16 works for these businesses but Philadelphians
17 in many, many instances.

18 And Philadelphians, while they
19 desperately need in some cases or personally
20 enjoy the services that the City provides, I
21 also believe that what Philadelphians want is
22 a growing, thriving City where they can get a
23 job.

24 A sense of dependency on the system,
25 I believe, ultimately is not the kind of

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2 public policy that we wish to promote.

3 And I know that there is this motion
4 that cutting the taxes in this City somehow
5 leads to an instant transference of dollars
6 into the pockets of a variety of business
7 people.

8 And while business may grow, and the
9 last I checked we're still in the United
10 States of America, and there is a bit of a
11 capitalistic system here, what I'm really
12 more interested in, is whether it's a big
13 business or a small business or a medium
14 sized business downtown, my good colleague
15 knows that there are many, many, many smaller
16 businesses throughout Philadelphia.

17 The small business outnumbers big
18 business by a significant margin. And those
19 small businesses hire local neighborhood
20 people. They have problems. Those
21 businesses also have problems with the
22 onerous tax system and tax rates here in
23 Philadelphia.

24 When those businesses grow, our
25 neighborhoods grow. When those businesses

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2 grow, our neighbors get jobs. And when they
3 have jobs, they can take care of their
4 families and get all the service that they
5 need, and will continue to enjoy the services
6 here in Philadelphia.

7 There is no direct connection
8 between the lowering of tax rates and less
9 tax revenue. That point, I think, has been
10 proven by the facts and the data and
11 information laid on this record.

12 So, I do appreciate the Councilman's
13 perspective. I know he cares about this City
14 and our neighborhoods and people getting
15 jobs. His record is crystal clear on that
16 particular point.

17 We do, though, have a slight
18 difference of opinion as to what the ultimate
19 result of these kinds of actions are.

20 And I would only ask, on behalf of
21 the citizens of this City, and working age
22 people, and some who are not working age
23 today but who might want to have a job in
24 this town, that we support efforts to help
25 grow business and grow this economy so that

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2 Philadelphia can continue to be a premiere
3 City in the United States.

4 Thank you, Madam Chair.

5 COUNCIL PRESIDENT VERNA: Thank you.

6 The Chair recognizes Councilwoman
7 Blackwell. Your light is on.

8 COUNCILWOMAN BLACKWELL: Sorry,
9 Madam President.

10 COUNCIL PRESIDENT VERNA: Does
11 anyone else want to be recognized on this
12 bill?

13 Yes, Councilman Cohen.

14 COUNCILMAN COHEN: Just briefly. I
15 think there's been no proof of any showing
16 that tax cutting produces the revenue. We
17 don't know what the cause is. Might well be
18 that business was better in the Clinton years
19 than in the Bush years, and that's the reason
20 why we have the increases in revenue, despite
21 the tax cutting that went on.

22 But be that as it may, I have no
23 objection to cutting the taxes on the... on
24 the small business people. That's why I
25 introduced in this Council, pass the bill on

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2 small businesses.

3 But the Tax Reform Committee, of
4 which you were a leader, objected to that and
5 said, there was no indication that the cut of
6 taxes on the working people would have any
7 increase -- would result in any increase of
8 revenue.

9 So, I just respectfully submit
10 again, you can't have it both ways. If you
11 believe that there ought to be cuts limited
12 to the... what I call residential businesses,
13 businesses... the mom and pop variety, that
14 give meaning to residential living. That's
15 one thing.

16 But your bill gives the tax cut to
17 all businesses, including the major bills,
18 and serves sort of to justify the \$36 million
19 giveaway of the state money for Comcast.

20 And that's the reason I say, let's
21 set a new classification of residential
22 businesses, meaning small businesses, with
23 well defined boundaries that make residential
24 living in Philadelphia worthwhile. But let's
25 not cut taxes for the giants that don't need

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2 it.

3 Thank you, Madam President.

4 COUNCIL PRESIDENT VERNA: Thank you.

5 Do we have any other comment from
6 members of the committee?

7 (No response.)

8 COUNCIL PRESIDENT VERNA: Seeing
9 none, it was moved and seconded that the bill
10 be reported out of committee with a favorable
11 recommendation. I would ask Mr. McPherson to
12 please call the roll.

13 MR. MCPHERSON: Councilwoman
14 Blackwell.

15 COUNCILWOMAN BLACKWELL: No.

16 MR. MCPHERSON: Councilman Clarke.

17 COUNCILMAN CLARKE: No at this time.

18 MR. MCPHERSON: Councilman Cohen.

19 COUNCILMAN COHEN: No.

20 MR. MCPHERSON: Councilman DiCicco.

21 COUNCILMAN DiCICCO: Aye.

22 MR. MCPHERSON: Councilman Goode.

23 COUNCILMAN GOODE: Aye.

24 MR. MCPHERSON: Councilman Kelly.

25 COUNCILMAN KELLY: Aye.

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2 MR. McPHERSON: Councilman Kenney.

3 COUNCILMAN KENNEY: Aye.

4 MR. McPHERSON: Councilwoman

5 Krajewski.

6 COUNCILWOMAN KRAJEWSKI: No.

7 MR. McPHERSON: Councilman Mariano.

8 COUNCILMAN MARIANO: No.

9 MR. McPHERSON: Councilwoman Miller.

10 COUNCILWOMAN MILLER: No.

11 MR. McPHERSON: Councilman Nutter.

12 COUNCILMAN NUTTER: Aye.

13 MR. McPHERSON: Councilman O'Neill.

14 COUNCILMAN O'NEILL: Aye.

15 MR. McPHERSON: Councilman Ramos.

16 COUNCILMAN RAMOS: No.

17 MR. McPHERSON: Councilwoman

18 Reynolds Brown.

19 COUNCILWOMAN REYNOLDS BROWN: No.

20 MR. McPHERSON: Councilman Rizzo.

21 COUNCILMAN RIZZO: Aye.

22 MR. McPHERSON: Councilwoman Tasco.

23 COUNCILWOMAN TASCO: Aye.

24 MR. McPHERSON: Council President

25 Verna.

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2 amendment. Right?
3 COUNCIL PRESIDENT VERNA: Yes, it
4 is.
5 COUNCILMAN NUTTER: Did I hear one
6 bill or two?
7 COUNCIL PRESIDENT VERNA: One.
8 COUNCILMAN NUTTER: This is 01?
9 COUNCIL PRESIDENT VERNA: This is
10 01.
11 COUNCILMAN NUTTER: Gotcha.
12 COUNCILMAN COHEN: I believe
13 Councilman Nutter and the Budget Director,
14 Diane Reed -- Is this the bill in which
15 she -- the Budget Director had to tell us
16 what the meaning was because it wasn't in the
17 bill itself?
18 COUNCILMAN NUTTER: I think so,
19 Councilman. I think it was the same thing.
20 She told us that there was an amendment to
21 the Managing Director's line, I believe, of a
22 million dollars. Is 1 the budget or the
23 program the program? The program?
24 COUNCIL PRESIDENT VERNA: Yes.
25 COUNCILMAN NUTTER: Yeah. There was

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2 a million -- I believe it was the same

3 million dollar adjustment on line item 51 or

4 something.

5 It was one of the bills the Budget

6 Director talked about.

7 COUNCILMAN COHEN: Would you care

8 to state how you're going to vote on it,

9 Councilman. I thought your criticism with

10 sound.

11 COUNCILMAN NUTTER: I appreciate

12 that. I'm going to vote in favor of the

13 amendment.

14 COUNCILMAN COHEN: I didn't hear

15 that.

16 COUNCILMAN NUTTER: I'm going to

17 vote in favor of the amendment.

18 COUNCILMAN COHEN: Did you hear

19 what he said?

20 COUNCIL PRESIDENT VERNA: I will

21 recognize you again. The Chair recognizes

22 Councilwoman Blackwell.

23 COUNCILWOMAN BLACKWELL: Thank you,

24 Madam President.

25 I move that the proposed amendment

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2 to Bill Number 050001, as passed out today,
3 the amendment we received be adopted.

4 UNIDENTIFIED COUNCIL PERSON:
5 Second.

6 COUNCIL PRESIDENT VERNA: It has
7 been moved and seconded that the amendments
8 as presented be adopted.

9 All in favor will signify by saying
10 aye.

11 (Chorus of "ayes.")

12 COUNCIL PRESIDENT VERNA: Those
13 opposed?

14 COUNCILMAN COHEN: No.

15 COUNCIL PRESIDENT VERNA: Councilman
16 Cohen is voting no. All other members are
17 voting in the affirmative.

18 And the amendment is adopted.

19 Councilman O'Neill.

20 COUNCILMAN O'NEILL: I would offer
21 an amendment to the amended capital program.

22 COUNCIL PRESIDENT VERNA: Okay. It
23 has been circulated?

24 COUNCILMAN O'NEILL: No. I'm going
25 to circulate it now. It's very simple. I

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2 didn't want to confuse it with the other
3 until it was passed.

4 COUNCIL PRESIDENT VERNA: The Chair
5 recognizes Councilman O'Neill.

6 COUNCILMAN O'NEILL: Thank you,
7 Madam President.

8 Does everyone have a copy of the
9 amendment?

10 (No response.)

11 COUNCIL PRESIDENT VERNA: Yes or no.

12 Councilman O'Neill, you're being
13 recognized.

14 COUNCILMAN O'NEILL: Thank you,
15 Madam President.

16 The amendment is in number one,
17 section one, and it adds \$7 million to the
18 capital program in the Recreation Department.

19 UNIDENTIFIED COUNCIL PERSON:

20 Second.

21 COUNCIL PRESIDENT VERNA: Councilman
22 Nutter, if you're saying something, I can't
23 hear you.

24 COUNCILMAN NUTTER: No. I'm just --
25 I'm really not saying anything.

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2 COUNCIL PRESIDENT VERNA: That's a
3 change.

4 (Laughter.)

5 COUNCILMAN NUTTER: Yeah. You know,
6 just rambling thoughts.

7 COUNCILMAN O'NEILL: Move the
8 adoption, Madam President.

9 UNIDENTIFIED COUNCIL PERSON:
10 Second.

11 COUNCIL PRESIDENT VERNA: It has
12 been moved and seconded that the
13 amendments -- Chair recognizes Councilman
14 Clarke.

15 COUNCILMAN CLARKE: Thank you.
16 Thank you, Madam President.

17 Madam President, I just wanted to
18 ask our budget --

19 (Councilman Cohen said something
20 away from the microphone, not reportable.)

21 COUNCIL PRESIDENT VERNA: Yes, there
22 is.

23 Councilman Clarke, you're being
24 recognized.

25 COUNCILMAN CLARKE: Thank you.

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2 Thank you, Madam President.

3 Madam President, I would just like
4 to ask our budget guru, also known as Mr.
5 McPherson, does this amendment simply
6 increase the amount of the amount of money in
7 the capital budget? It has no effect
8 whatsoever on any other aspects of this
9 particular bill?

10 MR. McPHERSON: It conforms to what
11 the administration amendments that were just
12 passed do. And what this does is, it then
13 conforms an additional \$7 million of CN money
14 to the Recreation Department to improvement
15 to existing facilities.

16 COUNCILMAN CLARKE: So that takes us
17 up from the proposed -- Is it five or
18 600,000?

19 MR. McPHERSON: Well, if you go into
20 the amended, this takes us up to a million
21 two.

22 COUNCILMAN CLARKE: From the prior.

23 MR. McPHERSON: It's a question
24 mark.

25 COUNCILMAN CLARKE: Of five or six

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2 COUNCIL PRESIDENT VERNA: The
3 stenographer could not hear you.

4 COUNCILMAN COHEN: I said, I have
5 not changed my objection to this grant of
6 potential money to District Council members,
7 to the exclusion of the at large, but this
8 represents an entirely different issue in
9 today's world.

10 But I'm serving notice that
11 hereafter I expect to be voting against any
12 grants which separates Council members into a
13 superior and an inferior class. We've all
14 got to be treated the same way. At this
15 point, the question's on a different matter
16 entirely.

17 COUNCIL PRESIDENT VERNA: Thank you.

18 The Chair recognizes Councilwoman
19 Blackwell again, regarding Bill Number
20 050001.

21 COUNCILWOMAN BLACKWELL: Madam
22 President, I move that Bill Number 050001 as
23 amended be reported out of committee with a
24 favorable recommendation, and also a
25 recommendation for a suspension of the rules

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2 so as to permit first reading at our next
3 session of Council.

4 UNIDENTIFIED COUNCIL PERSON:
5 Second.

6 COUNCIL PRESIDENT VERNA: It has
7 been moved and seconded that Bill Number
8 050001 be reported out of committee with a
9 favorable recommendation, as amended; also a
10 recommendation that the rules of Council be
11 suspended so as to permit first reading at
12 our next session of Council.

13 All in favor will say aye.

14 (Chorus of "ayes.")

15 COUNCIL PRESIDENT VERNA: Those
16 opposed?

17 (No response.)

18 COUNCIL PRESIDENT VERNA: The ayes
19 have it, and the motion passes.

20 The Chair recognizes Councilwoman
21 Blackwell, regarding Bill Number 050002.

22 COUNCILWOMAN BLACKWELL: Thank you,
23 Madam President.

24 COUNCIL PRESIDENT VERNA: Pardon me?

25 COUNCILMAN NUTTER: Sorry. My

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2 apologies.

3 COUNCILWOMAN BLACKWELL: Madam

4 President, I move that the proposed amendment

5 as circulated be adopted to Bill Number

6 050002.

7 COUNCILMAN RAMOS: Second.

8 (Councilwoman Krajewski said

9 something away from the microphone, not

10 reportable.)

11 COUNCIL PRESIDENT VERNA: No. This

12 is the capital. It's Bill Number 050002.

13 It has been moved and seconded that

14 the amendments to Bill Number 050002 be

15 adopted.

16 All in favor will signify by saying

17 aye.

18 (Chorus of "ayes.")

19 COUNCIL PRESIDENT VERNA: Those

20 opposed?

21 (No response.)

22 COUNCIL PRESIDENT VERNA: Chair

23 recognizes Councilman O'Neill.

24 COUNCILMAN O'NEILL: Madam

25 President, just like on the previous bill, I

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2 have an amendment to the amended capital
3 budget, reflecting the additional \$7 million
4 in the recreation budget.

5 It's being circulated.

6 COUNCIL PRESIDENT Verna: Councilman
7 Cohen, you have a question or comment? Your
8 light is on.

9 COUNCILMAN COHEN: I'm waiting to
10 hear a motion.

11 COUNCIL PRESIDENT Verna: The Chair
12 recognizes Councilman Clarke.

13 COUNCILMAN CLARKE: Thank you.

14 Madam President, I just wanted to
15 ask Mr. McPherson the same question as I
16 asked on the last capital bill.

17 MR. MCPHERSON: The answer is yes
18 because this amendment then makes the capital
19 budget consistent with the capital program,
20 as we just amended it.

21 COUNCILMAN CLARKE: Thank you.

22 COUNCIL PRESIDENT Verna: A motion
23 was made. Was it seconded?

24 UNIDENTIFIED COUNCIL PERSON:
25 Second.

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2 COUNCIL PRESIDENT VERNA: It was
3 moved and seconded that the amendment be
4 adopted.

5 Councilman Cohen.

6 COUNCILMAN COHEN: Yes, I seconded
7 it.

8 COUNCIL PRESIDENT VERNA: Your light
9 was still on. that's why I recognized you.
10 Councilman DiCicco.

11 COUNCILMAN DiCICCO: Clarification.
12 Does this amendment increase the capital
13 budget that has been submitted by the
14 administration?

15 COUNCILMAN O'NEILL: (Microphone not
16 on, not reportable.) ...process so that the
17 Planning Commission would have notice.

18 COUNCILMAN DiCICCO: And what, if
19 any, impact does this have on the five year
20 plan?

21 MR. MCPHERSON: Nothing. It's
22 capital.

23 COUNCILMAN DiCICCO: So it doesn't
24 have any impact on it.

25 COUNCILMAN O'NEILL: No, it doesn't.

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2 COUNCIL PRESIDENT VERNA: Okay. All
3 those in favor of the amendment will indicate
4 by saying aye.

5 (Chorus of "ayes.")

6 COUNCIL PRESIDENT VERNA: Those
7 opposed?

8 (No response.)

9 COUNCIL PRESIDENT VERNA: The ayes
10 have it, and the amendment is adopted.

11 The Chair again recognizes
12 Councilwoman Blackwell, regarding Bill Number
13 050002.

14 COUNCILWOMAN BLACKWELL: Thank you,
15 Madam President.

16 I move that Bill Number 050002, as
17 amended, be reported out of committee with a
18 favorable recommendation, and a
19 recommendation that the rules be suspended so
20 as to permit first reading at our next
21 session of Council.

22 COUNCILMAN COHEN: Second.

23 COUNCIL PRESIDENT VERNA: It has
24 been moved and seconded that Bill Number
25 050002 be reported out of committee with a

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2 favorable recommendation as amended; also, a
3 recommendation the rules of Council be
4 suspended so as to permit first reading at
5 our next session of Council.

6 All in favor will indicate by saying
7 aye.

8 (Chorus of "ayes.")

9 COUNCIL PRESIDENT Verna: Those
10 opposed?

11 (No response.)

12 COUNCIL PRESIDENT Verna: The ayes
13 have it, and the motion carries.

14 The Chair recognizes Councilwoman
15 Blackwell regarding Bill Number 050003.

16 COUNCILWOMAN BLACKWELL: Thank you,
17 Madam President.

18 I move that the amendment to Bill
19 Number 050003 be adopted.

20 UNIDENTIFIED COUNCIL PERSON:
21 Second.

22 COUNCIL PRESIDENT Verna: It has
23 been moved and seconded that the amendments
24 as provided earlier to the operating budget
25 be adopted.

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2 All in favor will say aye.

3 (Chorus of "ayes.")

4 COUNCIL PRESIDENT VERNA: The Chair
5 recognizes Councilman Nutter.

6 A vote's been cast.

7 Councilman Nutter.

8 COUNCILMAN NUTTER: Yes, Madam
9 Chair.

10 These are -- This is the set of
11 amendments that was put forward by Miss Reed
12 that we walked through. Is that what we're
13 talking about here?

14 Madam Chair?

15 COUNCIL PRESIDENT VERNA: Yes, sir.

16 COUNCILMAN NUTTER: There were
17 another set of amendments to the operating
18 budget that had been discussed over some
19 period of time, prior to the most recent set
20 of proposed amendments, that had a variety of
21 different schedules, proposed cuts and
22 restorations.

23 Now, it was indicated to me that
24 there would at least be some opportunity for
25 discussion of these proposed changes to the

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2 FY'06 operating budget prior to the time of
3 taking up the other amendments that had been
4 discussed at the witness table by Miss Reed.

5 So I would at least... I mean,
6 before we... These proposed amendments are
7 very different in nature from each other.

8 COUNCIL PRESIDENT VERNA: The Chair
9 recognizes Councilman Goode for a point of
10 order.

11 COUNCILMAN GOODE: Thank you, Madam
12 President.

13 I believe there's a motion on the
14 floor that was made and seconded.

15 COUNCIL PRESIDENT VERNA: There was.
16 However...

17 COUNCILMAN GOODE: So we are
18 reconsidering the matter.

19 COUNCIL PRESIDENT VERNA: I am told
20 by our counselor that the issue is being
21 debated.

22 So, Councilman Nutter --

23 COUNCILMAN GOODE: I don't mind the
24 issue being debated, as long as we know what
25 we're considering. We're considering the

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2 amendments as presented.

3 There was a motion, and it was
4 seconded. I don't mind a debate, but we're
5 not considering a second set of amendments.
6 We're debating the amendments that were just
7 presented.

8 COUNCILMAN KENNEY: Point of
9 information.

10 COUNCIL PRESIDENT VERNA: Yes, sir.

11 COUNCILMAN KENNEY: In the event
12 that the Chair rules that there's only one
13 set of amendments that are going to be voted
14 on, will the Chair let us know that?

15 It's my understanding -- It was my
16 understanding that we'd be potentially voting
17 on a second set of amendments.

18 If the Chair rules that we are not,
19 could you let us know? Because I would like
20 to vote no on these amendments, if we're
21 having no opportunity for a second set.

22 I am being told by... In fact, Mr.
23 Auerbach, why don't you explain it, please?

24 MR. AUERBACH: Sure. There's now a
25 motion on the floor to amend the operating

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2 budget. It's been seconded. There's now a
3 debate on that motion.

4 The debate should continue. There
5 should then be a vote on the motion to amend
6 the operating budget. That way, if the
7 amendment -- if that motion passes, then
8 another motion would be in order to make
9 different amendments to the operating budget.
10 But there is a motion pending on the floor
11 at the moment.

12 COUNCILMAN NUTTER: Well, I would
13 only raise two issues in the course of this
14 discussion.

15 One is, will there be an opportunity
16 in the course of this public meeting to
17 consider any other amendments to Bill 050003?

18 COUNCIL PRESIDENT VERNA: Sure.

19 COUNCILMAN NUTTER: Okay.

20 COUNCIL PRESIDENT VERNA: I think
21 that's what --

22 COUNCILMAN KENNEY: Well, point of
23 order.

24 COUNCIL PRESIDENT VERNA: -- he just
25 said.

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2 COUNCILMAN KENNEY: One more point
3 of information.

4 Is it the Chair's ruling that the
5 last set of amendments that are voted on, if
6 passed, are the ones that finally amend the
7 bill?

8 MR. AUERBACH: If the first set of
9 amendments passes, the second motion really
10 should be to undo the first set of amendments
11 and substitute a second set of amendments.

12 COUNCILMAN KENNEY: May, in fact,
13 just do that.

14 MR. AUERBACH: So...

15 COUNCILMAN KENNEY: So, if those
16 amendments pass, they would be the germane.

17 MR. AUERBACH: That is correct.

18 COUNCILMAN KENNEY: Okay. Thank
19 you.

20 COUNCIL PRESIDENT VERNA: So we have
21 to consider the first set of amendments.

22 MR. AUERBACH: You have to consider
23 the first set first.

24 COUNCILMAN NUTTER: Okay. The
25 second issue I raise is, I just want to make

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2 sure that I have clarity on this particular
3 set of amendments, specifically related to
4 restorations.

5 COUNCIL PRESIDENT VERNA: We're
6 fine.

7 COUNCILMAN NUTTER: Thanks.

8 What is the amount that is proposed
9 to be restored to the Fire Department?

10 COUNCIL PRESIDENT VERNA:
11 Councilman, I think we're all getting rather
12 tired. Who are you asking the question of?

13 COUNCILMAN NUTTER: Sponsor of the
14 amendment, I guess.

15 COUNCIL PRESIDENT VERNA: Pardon me?

16 COUNCILMAN NUTTER: There's an
17 amendment on the floor. I'd like to
18 understand how much is being restored to the
19 Fire Department.

20 COUNCIL PRESIDENT VERNA: Okay. So,
21 I would suggest Miss Reed come to the witness
22 table, since she submitted the Mayor's
23 proposed amendments.

24 (Councilman Goode speaking, away
25 from the microphone, not reportable.)

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2 COUNCIL PRESIDENT VERNA: I'm sorry.
3 I can't hear you.

4 COUNCILMAN GOODE: Moved from the
5 public hearing to the public meeting.

6 (Councilman Goode speaking, away
7 from the microphone, not reportable.)

8 COUNCIL PRESIDENT VERNA: That's
9 true.

10 COUNCILMAN NUTTER: Madam Chair, may
11 I ask a question of the --

12 COUNCILMAN KENNEY: Point of
13 information.

14 Does the Chair rule that a Council
15 member in a public meeting is not able to ask
16 a question of a person who is sponsoring the
17 amendment?

18 I recognize Councilman Goode's
19 position, relative to additional testimony
20 from the administration. But is it
21 appropriate or out of order for a Council
22 member to ask the introducer of the amendment
23 questions relative to the amendment?

24 COUNCIL PRESIDENT VERNA: I'm sorry.
25 I didn't hear you.

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2 I think if the Councilman is asking
3 a question -- and I know that Councilwoman
4 Blackwell is the sponsor of the bill, but the
5 sponsor of the amendments were the
6 administration's, I would suggest that Miss
7 Reed come up to the table and respond,
8 please.

9 COUNCILMAN GOODE: I object, Madam
10 President.

11 COUNCIL PRESIDENT Verna: It's to
12 the discretion of the Chair, I'm being told,
13 and...

14 MR. RAMOS: Where's that? I'm new
15 on this Council. Can you show me where that
16 discretion lies in our rules?

17 MR. AUERBACH: Let me answer.

18 COUNCIL PRESIDENT Verna: Can we
19 have the microphone on, please.

20 MR. AUERBACH: I don't have a copy
21 of the rules with me, but there is a
22 provision on regulation of committees, that
23 the Chair of a committee controls the conduct
24 of the hearing, sets rules and procedure for
25 the conduct of the hearing.

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2 MR. RAMOS: I have a motion, it's
3 been seconded, we go back into a public
4 meeting all over again? We can do that,
5 then, every Thursday, if we...

6 MR. AUERBACH: We are in the public
7 meeting. We are in the public meeting, and
8 the Chair has ruled that a question has been
9 asked, and that someone may approach the
10 table to answer the question. That's in the
11 discretion of the Chair.

12 COUNCIL PRESIDENT VERNA: Somebody
13 should approach.

14 COUNCILWOMAN TASC0: Point of
15 information.

16 COUNCIL PRESIDENT VERNA: Yes.

17 COUNCILWOMAN TASC0: If there's an
18 amendment, it can only be presented at the
19 public meeting.

20 COUNCIL PRESIDENT VERNA: Yes.

21 COUNCILWOMAN TASC0: At what point
22 do you have a discussion on the amendments,
23 if you have a question?

24 COUNCIL PRESIDENT VERNA: It can
25 only be at the public meeting.

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2 COUNCILWOMAN TASC0: Can't do it in
3 the public hearing because --

4 COUNCIL PRESIDENT VERNA: So you'd
5 have to do it at the public meeting.

6 COUNCILWOMAN TASC0: They're
7 submitted in the public meeting.

8 COUNCIL PRESIDENT VERNA: Precisely.

9 COUNCILWOMAN TASC0: And that's
10 where you have the discussion --

11 COUNCIL PRESIDENT VERNA: Precisely.

12 COUNCILWOMAN TASC0: -- about the
13 amendment, in the public meeting.

14 COUNCILMAN GOODE: It's discussion.
15 It's not testimony. It's not question and
16 answer.

17 COUNCILWOMAN TASC0: But if the
18 person who presented the amendment has --

19 COUNCILMAN GOODE: Councilman Nutter
20 did not ask the sponsor to explain the
21 amendment.

22 COUNCILWOMAN TASC0: -- person
23 answering the question -- asking the
24 question.

25 COUNCILMAN GOODE: Point of order.

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2 COUNCIL PRESIDENT VERNA: Yes,
3 Councilman Goode.

4 COUNCILMAN GOODE: Councilman Kenney
5 asked was it appropriate for Councilman
6 Nutter to direct his questions to the sponsor
7 of the amendment. And it is appropriate. As
8 the sponsor of the amendment --

9 COUNCILMAN NUTTER: Well, it's --

10 COUNCILMAN GOODE: -- answer the --

11 COUNCILMAN NUTTER: Well, that's an
12 entirely --

13 COUNCILMAN GOODE: -- question --

14 COUNCILMAN NUTTER: -- thing to do.

15 COUNCILMAN GOODE: We moved to a
16 vote. And I'm not against debate or
17 discussion. I'm against further hearing on
18 this issue.

19 COUNCIL PRESIDENT VERNA: You're
20 against...

21 COUNCILMAN GOODE: Further hearing.

22 COUNCIL PRESIDENT VERNA: Further
23 hearings.

24 COUNCILMAN GOODE: We can debate and
25 discuss all night until tomorrow, but when

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2 we're considering one amendment I don't think
3 we should take any more testimony on that
4 amendment.

5 COUNCILMAN NUTTER: Madam Chair, I
6 understand the distinction being raised. If
7 I can then at least ask the sponsor of the
8 amendment, our majority leader, the question
9 on the amendment, there is some information
10 that I'm trying to ascertain about the
11 amendment.

12 COUNCILWOMAN BLACKWELL: Madam
13 President, since it is an administration
14 amendment, if my colleague has a series of
15 questions, I would suggest that he direct
16 them to the administration.

17 COUNCILMAN NUTTER: Okay. Which I'd
18 be pleased to do. If it's esteemed by the
19 Chair to be okay.

20 COUNCIL PRESIDENT VERNA: All right.
21 Councilman Nutter, please ask your question.

22 MR. RAMOS: Point of order.

23 Was this question asked in the
24 public hearing? I believe this question was
25 already asked and answered during the public

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2 hearing. \$3.4 billion or... Is that it?
3 COUNCIL PRESIDENT VERNA:
4 Councilman, I --
5 COUNCILMAN NUTTER: I don't believe
6 I asked the question.
7 MR. RAMOS: You didn't hear that,
8 Councilman?
9 COUNCILMAN NUTTER: I don't believe
10 I heard the question being asked or the
11 answer. I know I didn't ask.
12 COUNCIL PRESIDENT VERNA: Councilman
13 Ramos, I think there were two figures being
14 bandered about. There were two figures being
15 bandered about, so I think Councilman Nutter
16 does have the right to ask the question and
17 get an answer.
18 MR. RAMOS: I'm not sure... I
19 withdraw my questioning.
20 COUNCIL PRESIDENT VERNA: Thank you.
21 Councilman Nutter.
22 COUNCILMAN NUTTER: Mr. Managing
23 Director, what is the amount to be restored
24 to the Fire Department?
25 MR. RAMOS: Councilman Nutter, Pedro

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2 Ramos, Managing Director.

3 At line 2.16, under personal
4 services, as pointed out by my colleague,
5 Diane Reed, reflects a difference of \$3.4
6 million.

7 COUNCILMAN NUTTER: And what was the
8 amount that was originally proposed or how
9 much was originally proposed to be cut?

10 MR. RAMOS: Didn't the good
11 Councilman have the opportunity to ask this
12 in public hearings? We just heard the same
13 answer that was given earlier, an hour ago.

14 Is the intention of the Councilman
15 to proceed with the same line of questioning
16 and make us go into a public hearing all over
17 again?

18 If it's at your discretion, Madam
19 President, I suggest that you use your
20 discretion to limit the time and the
21 repetition of the same questions that we
22 heard the good Councilman from West
23 Philadelphia ask.

24 COUNCIL PRESIDENT VERNA: The Chair
25 recognizes Councilman Kenny.

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2 COUNCILMAN KENNEY: I am getting in
3 line. I want to get in line. I have a
4 question for Mr. Ramos.

5 COUNCIL PRESIDENT VERNA: Okay.
6 Chair recognizes Councilman Cohen.

7 COUNCILMAN COHEN: Madam President,
8 the Council can always do what it wishes to,
9 and all that's needed is a motion to suspend
10 the rules, to permit the questioning of this
11 witness during this hearing.

12 If there's an aye vote, Councilman
13 Nutter can do it. If the membership votes
14 no, that's the end of Councilman Nutter's
15 questioning.

16 So I'd like to suggest to Councilman
17 Nutter he make that motion and we can settle
18 this.

19 COUNCILMAN NUTTER: Well...

20 COUNCILMAN COHEN: Motion to suspend
21 the rules.

22 COUNCIL PRESIDENT VERNA: Councilman
23 Cohen, I think a ruling was made. I think a
24 ruling was made. I said that Councilman
25 Nutter could ask his questions, and I am

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2 asking that he proceed.

3 Thank you. Try to be as brief as
4 possible.

5 COUNCILMAN NUTTER: I will be.

6 COUNCIL PRESIDENT VERNA: Thank you.

7 COUNCILMAN NUTTER: Thank you.

8 Councilman Ramos, let me assure you
9 we will not, at least on my part, be going
10 into a full-blown hearing. I only have two
11 questions.

12 Mr. Managing Director, the \$3.4
13 million, that amount does not represent a
14 full restoration of proposed cuts to the Fire
15 Department, does it?

16 MR. RAMOS: That's correct.

17 COUNCILMAN NUTTER: Okay. And can
18 you tell us, for the amount that's being
19 restored, which sounds like it's about half,
20 can you tell us at this point, as we are at
21 budget time, can you tell us which services
22 will be restored as a result of this proposed
23 restoration of about 50 percent of the
24 proposed cut?

25 MR. RAMOS: No.

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2 COUNCILMAN NUTTER: I'm sorry?

3 MR. RAMOS: No.

4 COUNCILMAN NUTTER: So it is unknown
5 at this time as to which services will be
6 restored.

7 MR. RAMOS: Correct.

8 COUNCILMAN NUTTER: Okay. All
9 right. Thank you.

10 Thank you, Madam Chair.

11 COUNCIL PRESIDENT VERNA: Thank you.

12 The Chair recognizes Councilman
13 Kenney.

14 COUNCILMAN KENNEY: Thank you, Madam
15 President.

16 Based on that response to that
17 question, I'll be voting no on this
18 amendment. I think it's appropriate that we
19 be given the information as to which services
20 would be restored.

21 I think it's important for all of us
22 to know fully, before we vote on any
23 restoration, what's going back. So that's my
24 comment. I'm not asking any question, but
25 unless we have an opportunity to know where

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2 these service put-backs will go, I can not
3 vote in favor of it.

4 Thank you.

5 COUNCIL PRESIDENT VERNA: Madam
6 majority leader, would you make your motion
7 to adopt the amendments, please, for the
8 second time?

9 COUNCILWOMAN BLACKWELL: Certainly,
10 Madam President.

11 COUNCIL PRESIDENT VERNA: So there's
12 no confusion.

13 COUNCILWOMAN BLACKWELL: All right.
14 I move that the amendments to Bill Number
15 050003 be adopted.

16 UNIDENTIFIED COUNCIL PERSON:
17 Second.

18 COUNCIL PRESIDENT VERNA: It has
19 been moved and seconded that the amendments
20 as proposed by the administration on Bill
21 Number 050003 be adopted.

22 All in favor will say aye.

23 (Chorus of "ayes.")

24 COUNCIL PRESIDENT VERNA: Those
25 opposed?

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2 (Chorus of "nos.")
3 COUNCIL PRESIDENT VERNA: Roll call,
4 please.
5 MR. McPHERSON: Councilwoman
6 Blackwell.
7 COUNCILWOMAN BLACKWELL: Aye.
8 MR. McPHERSON: Councilman Clarke.
9 COUNCILMAN CLARKE: Aye.
10 MR. McPHERSON: Councilman Cohen.
11 COUNCILMAN COHEN: No.
12 MR. McPHERSON: Councilman DiCicco.
13 COUNCILMAN DiCICCO: Aye.
14 MR. McPHERSON: Councilman Goode.
15 COUNCILMAN GOODE: Aye.
16 MR. McPHERSON: Councilman Kelly.
17 COUNCILMAN KELLY: Aye.
18 MR. McPHERSON: Councilman Kenney.
19 COUNCILMAN KENNEY: No.
20 MR. McPHERSON: Councilwoman
21 Krajewski.
22 COUNCILWOMAN KRAJEWSKI: Aye.
23 MR. McPHERSON: Councilman Mariano.
24 COUNCILMAN MARIANO: Aye.
25 MR. McPHERSON: Councilwoman Miller.

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2 COUNCILWOMAN MILLER: Aye.

3 MR. McPHERSON: Councilman Nutter.

4 COUNCILMAN NUTTER: No.

5 MR. McPHERSON: Councilman O'Neill.

6 COUNCILMAN O'NEILL: Aye.

7 MR. McPHERSON: Councilman Ramos.

8 COUNCILMAN RAMOS: Aye.

9 MR. McPHERSON: Councilwoman

10 Reynolds Brown.

11 COUNCILWOMAN REYNOLDS BROWN: Aye.

12 MR. McPHERSON: Councilman Rizzo.

13 COUNCILMAN RIZZO: Aye.

14 MR. McPHERSON: Councilwoman Tasco.

15 COUNCILWOMAN TASCO: No.

16 MR. McPHERSON: Council President

17 Verna.

18 COUNCIL PRESIDENT VERNA: Aye.

19 MR. McPHERSON: 13 to 4.

20 COUNCIL PRESIDENT VERNA: The

21 amendment is adopted.

22 Again, the Chair recognizes

23 Councilwoman Blackwell.

24 COUNCILWOMAN BLACKWELL: Thank you,

25 Madam President.

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2 I move that Bill Number 050003, as
3 amended, be reported out of committee with a
4 favorable recommendation, and also that the
5 rules of Council --

6 COUNCIL PRESIDENT VERNA: I'm sorry.
7 Excuse me. I'm just being told that
8 Councilman Kelly wants to be recognized.

9 COUNCILMAN KELLY: Yes. Madam
10 Chair, I'd like to offer one amendment to
11 Bill Number 050003.

12 COUNCIL PRESIDENT VERNA: Has the
13 amendment been circulated?

14 COUNCILMAN KELLY: It's being
15 circulated now, Madam Chair.

16 Madam Chair, I would just like to
17 offer this amendment. And what this
18 amendment does is, it restores the revenue or
19 the appropriations to two facilities which
20 provide City services to the communities of
21 North Philadelphia and Northeast
22 Philadelphia. And they are known as mini
23 City Halls.

24 I think that it totals about
25 \$418,000 for the complete operation. And I

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2 think that we're speaking of a budget of \$3.4
3 billion. It's not too much to ask for.

4 While I think we have been
5 discussing the restoration to the Art Museum,
6 the Atwater Kent Museum, the free libraries,
7 the Recreation Departments, and Is most of
8 the funding for the Fire Department, I think
9 this has been an omission.

10 And I want to correct this omission
11 by amending the bill to include the
12 appropriations which will enable both of
13 these facilities.

14 Now, it's my understanding that the
15 lease has expired in North Philadelphia
16 location, but this will enable -- this will
17 enable and give the proper funding to
18 whenever they decide to reopen that office at
19 a new location, they will be able to do so.

20 And it will also continue the
21 operation at the Northeast facility in their
22 present location.

23 So, therefore, I am asking an
24 additional \$418,000 which will increase the
25 public properties space rentals and come out

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2 of the Director of Finance fringe benefits.
3 COUNCIL PRESIDENT VERNA: Thank you.
4 The Chair recognizes Councilwoman
5 Krajewski.
6 COUNCILWOMAN KRAJEWSKI: Thank you,
7 Madam President.
8 Since the mini City Hall that
9 Councilman Kelly's referring to happens to
10 be --
11 COUNCIL PRESIDENT VERNA: Put the
12 microphone.
13 COUNCILWOMAN KRAJEWSKI: -- happens
14 to be in the 6th district, it's been there
15 for the last, oh, I would say at least 20
16 years, since Mayor Goode was in office. And
17 I worked with him in order to get the mini
18 City Hall exactly where it is.
19 I feel that the show is not over. I
20 have been in contact with the administration
21 for some time. And I think I advised
22 Councilman Kelly the same issue that, please,
23 I am working on it. I have represented the
24 people in the 6th District for the last 25
25 years.

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2 I don't know a time since I've been
3 here that I allowed the people that I
4 represent down. And there would be no way
5 that I would let this pass.

6 But I tried to tell the Councilman
7 that I am on it, but he didn't... he won't
8 listen.

9 And I'm still telling you,
10 Councilman, I have been on this, and so is
11 Councilman Mariano. We've been here. We've
12 been here, Councilman.

13 I know what the 6th District wants.
14 And there is no way that I'm going to allow
15 them to not do that.

16 COUNCILMAN KELLY: Madam President,
17 if I may, the Councilman is correct. She
18 does a great job in her District, but I'd
19 like to remind her that this not only
20 includes her district --

21 COUNCILWOMAN KRAJEWSKI: It's in the
22 boundaries.

23 COUNCILMAN KELLY: -- but it
24 includes many, many communities throughout
25 the Northeast, as well as the communities in

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2 North Philadelphia.

3 COUNCILWOMAN KRAJEWSKI: But the
4 boundary is in the 6th District.

5 COUNCILMAN KELLY: It doesn't matter
6 where it's located.

7 COUNCILWOMAN KRAJEWSKI: It's the
8 boundary. I found it where it is, and I made
9 sure that it was located in the 6th District.

10 COUNCIL PRESIDENT VERNA:
11 Councilwoman Krajewski.

12 COUNCILMAN KELLY: Madam President,
13 this amendment just gives the
14 appropriations --

15 COUNCILWOMAN KRAJEWSKI: I make my
16 motion.

17 COUNCILMAN KELLY: What is your
18 motion?

19 COUNCILWOMAN KRAJEWSKI: My motion
20 is to table the amendment.

21 UNIDENTIFIED COUNCIL PERSON:
22 Second.

23 COUNCIL PRESIDENT VERNA: It has
24 been moved and seconded that the amendment be
25 tabled.

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2 And the Chair recognizes Councilman
3 Mariano. I think your light's been on, too,
4 for some time.

5 COUNCILMAN MARIANO: Thank you,
6 Madam President.

7 And to follow what Councilwoman
8 Krajewski said, Councilman Kelly is a great
9 at-large Councilman from Northeast
10 Philadelphia.

11 And he's doing in his mind what he
12 thinks is right. But Councilwoman Krajewski
13 is absolutely right. The Democratic caucus
14 of the District Council people of Northeast
15 Philadelphia... She represents it. My
16 district's across the street.

17 We have been working with the Mayor
18 quietly behind the scenes, out of the glare
19 of the newspapers and news media, to keep
20 this thing open.

21 Councilman Kelly's intentions are
22 well meaning, but this is a time when you
23 have to go with the District Council people
24 on this one. We are going to restore this,
25 and we're going to do it behind the scenes,

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2 out of the glare of the media.

3 And if it closes, it will be opened
4 up. And I think the same thing is going to
5 go for the one in Germantown. I can't speak
6 for that, but we have been assured -- And
7 whatever it's become a political football,
8 it's not our political football.

9 We are just grabbing the ball and
10 making sure our constituents get what they
11 need. And same as Councilman Kelly. It's
12 just the approach of it.

13 COUNCIL PRESIDENT VERNA: The motion
14 was made to table. It was seconded. It is
15 not debatable. It is not debatable.

16 All in favor will signify by saying
17 aye.

18 (Chorus of "ayes.")

19 COUNCIL PRESIDENT VERNA: Those
20 opposed?

21 COUNCILMAN KELLY: No.

22 COUNCIL PRESIDENT VERNA: Roll call.

23 COUNCILWOMAN BLACKWELL: This is on
24 the motion to table; is it not?

25 COUNCIL PRESIDENT VERNA: Yes.

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2 MR. McPHERSON: Councilwoman

3 Blackwell.

4 COUNCILWOMAN BLACKWELL: Aye.

5 MR. McPHERSON: Councilman Clarke.

6 COUNCILMAN CLARKE: Aye.

7 MR. McPHERSON: Councilman Cohen.

8 COUNCILMAN COHEN: Aye.

9 MR. McPHERSON: Councilman DiCicco.

10 COUNCILMAN DiCICCO: Aye.

11 MR. McPHERSON: Councilman Goode.

12 COUNCILMAN GOODE: Aye.

13 MR. McPHERSON: Councilman Kelly.

14 COUNCILMAN KELLY: No.

15 MR. McPHERSON: Councilman Kenney.

16 COUNCILMAN KENNEY: Only because of

17 Councilwoman Krajewski, no -- I'm saying yes.

18 (Laughter.)

19 COUNCILMAN KENNEY: You see what

20 this administration does to me?

21 (Laughter.)

22 COUNCILMAN KENNEY: Strokes over

23 nothing, over a contrived crisis.

24 MR. McPHERSON: Councilwoman

25 Krajewski.

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2 COUNCILWOMAN KRAJEWSKI: Aye.

3 MR. McPHERSON: Councilman Mariano.

4 COUNCILMAN MARIANO: Aye.

5 MR. McPHERSON: Councilwoman Miller.

6 COUNCILWOMAN MILLER: Aye.

7 MR. McPHERSON: Councilman Nutter.

8 COUNCILMAN NUTTER: Aye.

9 MR. McPHERSON: Councilman O'Neill.

10 COUNCILMAN O'NEILL: No.

11 MR. McPHERSON: Councilman Ramos.

12 COUNCILMAN RAMOS: Aye.

13 MR. McPHERSON: Councilwoman

14 Reynolds Brown.

15 COUNCILWOMAN REYNOLDS BROWN: Aye.

16 MR. McPHERSON: Councilman Rizzo.

17 COUNCILMAN RIZZO: No.

18 MR. McPHERSON: Councilwoman Tasco.

19 COUNCILWOMAN TASCO: Only because of

20 the Councilwoman, aye.

21 MR. McPHERSON: Council President

22 Verna.

23 COUNCIL PRESIDENT VERNA: Aye.

24 MR. McPHERSON: 14, 3.

25 COUNCIL PRESIDENT VERNA:

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2 Councilwoman Miller, I know your light was
3 on. However, it was not debatable.

4 COUNCILWOMAN MILLER: I wasn't going
5 to debate it. I was just going to support
6 it.

7 COUNCIL PRESIDENT VERNA: I know you
8 wanted to support it, but I'm sorry.

9 COUNCILWOMAN MILLER: That's okay.

10 COUNCIL PRESIDENT VERNA: Councilman
11 Clarke, your light is on.

12 COUNCILMAN CLARKE: Mistake.

13 COUNCIL PRESIDENT VERNA: The Chair
14 recognizes Councilman Nutter.

15 COUNCILMAN NUTTER: Thank you, Madam
16 Chair.

17 This is a reference back to the
18 earlier discussion regarding Bill 050003,
19 with regard to an additional set of
20 amendments.

21 The members, I believe, are very
22 familiar with this set of proposed
23 amendments. I think there are primarily two
24 major differences between this set of
25 amendments and the previous larger set, not

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2 aye. Should we have a roll call?

3 COUNCILMAN CLARKE: Madam President.

4 COUNCIL PRESIDENT VERNA: Yes. I'm

5 sorry. I can't hear you. Your microphone's

6 not on.

7 COUNCILMAN CLARKE: I was asking if

8 you could explain or either one more time.

9 It appears that a number of members were busy

10 doing other things. And I'm not sure that

11 everyone understands what we're voting on.

12 COUNCIL PRESIDENT VERNA: Councilman

13 Nutter just presented his set of amendments.

14 COUNCILMAN NUTTER: I can say it

15 exactly the way I said it before.

16 COUNCILMAN CLARKE: Those

17 amendments...

18 COUNCIL PRESIDENT VERNA: Pardon me.

19 COUNCILMAN CLARKE: Okay. And the

20 set of amendments to the operating budget.

21 COUNCIL PRESIDENT VERNA: Yes, sir.

22 COUNCILMAN NUTTER: Councilman, it's

23 a proposed set of amendments to the operating

24 department. It was the subject of a little

25 bit of discussion earlier. This proposed set

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2 of amendments are very familiar to the
3 members. It's been a topic of discussion for
4 some time.

5 I think the two important features
6 are the previous large set of full
7 amendments, not to be confused with the most
8 recently addressed amendment.

9 It seeks to make a series of
10 reductions in certain areas, and of course
11 restorations in others, the more prominent of
12 which would be a full \$6.8 million
13 restoration to the Philadelphia Fire
14 Department, insuring that all of the proposed
15 cuts would be restored, and of course full
16 funding restoration for the Art Museum and
17 Atwater Kent Museum, Recreation Department,
18 and a number of other departments, which is
19 not dependent upon additional or new tax
20 revenue sources.

21 That's the explanation. I think it
22 had been moved and seconded already.

23 COUNCIL PRESIDENT VERNA: Very well.

24 We are now going to call the roll
25 for the approval or disapproval of the

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2 adoption of Councilman Nutter's amendments.

3 MR. AUERBACH: Councilwoman
4 Blackwell.

5 COUNCILWOMAN BLACKWELL: No.

6 COUNCIL PRESIDENT VERNA: Councilman
7 Cohen, yes, sir.

8 COUNCILMAN COHEN: I'd like to ask
9 Councilman Nutter: Does this represent an
10 agreement with the Mayor or does it represent
11 both the agreement with the Mayor plus our
12 recommendations in the areas where there is
13 no agreement?

14 What's different about this set of
15 amendments from the other set of amendments?
16 Just so we know what we're voting on.

17 COUNCILMAN NUTTER: I understand.
18 All right. Thank you Councilman.

19 I think there are two primary
20 distinctions between the first large set of
21 amendments and the second, and this set now
22 in front of you.

23 First, this set of amendments
24 proposes to make a number of strategic cuts
25 in a variety of places throughout the budget,

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2 as well as restore funding to many of the
3 proposed areas to be cut, whether it's full
4 funding, \$6.8 million to the Fire Department,
5 or funding for the library service, to get
6 rid of the proposed express branch system,
7 Art Museum and Atwater Kent and a variety of
8 others.

9 Secondly, this proposed set of
10 amendments to the budget is not dependent
11 upon any of the recently proposed... In the
12 past two weeks, the administration proposed
13 three new tax revenue measures which the
14 first set of amendments are dependent upon
15 those measures passing, in order for that
16 budget to be in balance.

17 So, the difference is full funding
18 for the Fire Department, Art Museum, and
19 significant funding for the libraries, as
20 well as the... It's not contingent on the
21 passage of the three tax measures which I
22 assume will come up a little later. That's
23 the difference.

24 COUNCILMAN COHEN: Does that mean
25 this budget as presented in this amendment is

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2 a balanced budget.
3 COUNCILMAN NUTTER: It is.
4 COUNCILMAN COHEN: And it's the
5 Council's product, as required by the Home
6 Rule Charter, that Council pass a budget?
7 Does it meet that test?
8 COUNCILMAN NUTTER: I'm sorry,
9 Councilman. Say that first part again.
10 COUNCILMAN COHEN: Does it meet the
11 test that the Home Rule Charter requires to
12 us meet to pass a budget?
13 I'm asking what is not a trap
14 question. To me it seems to meet that issue.
15 In the Home Rule Charter we seem to have a
16 duty to deal with the budget.
17 COUNCILMAN NUTTER: Yes. Yes. Yes,
18 Councilman. Yes.
19 COUNCILMAN COHEN: Main function.
20 COUNCILMAN NUTTER: Yes.
21 COUNCILMAN COHEN: And you're
22 presenting this as our answer to meeting the
23 test.
24 COUNCILMAN NUTTER: Yes, Councilman.
25 COUNCILMAN COHEN: Well, it sounds

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2 good to me.

3 COUNCILMAN NUTTER: Thank you. I
4 just want to make sure I wasn't walking into
5 a trap; that's all. Just had to hesitate for
6 a moment.

7 COUNCIL PRESIDENT VERNA: The Chair
8 recognizes Councilwoman Tasco.

9 COUNCILWOMAN TASCO: Well, I just
10 will say a lot of time and discussion has
11 been spent on these amendments, with all
12 members of Council.

13 And I think that they offer an
14 alternative to us having to in a week's
15 notice raise taxes where there has been a
16 real discussion about what all those taxes
17 might mean to the people, that those taxes
18 would have had...

19 And without having to raise any
20 taxes, we may have come up with a nice
21 recommendation which has not been... you know
22 no self interest in.

23 So I'm fortunate that we find
24 ourselves here in City Council trying to pass
25 a budget. The alternatives have been

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2 offered, but because of political intrigue
3 and infighting, we can't get something done
4 without trying to raise taxes. So, I support
5 these amendments.

6 COUNCIL PRESIDENT VERNA: Thank you.

7 The Chair recognizes Councilman
8 Goode.

9 COUNCILMAN GOODE: Thank you, Madam
10 President.

11 I'd like to ask the sponsor of the
12 amendment why he's eliminating a hundred
13 percent of the economic stimulus funding.

14 COUNCIL PRESIDENT VERNA: I'm sorry.

15 COUNCILMAN GOODE: I'd like to ask
16 the sponsor of the amendment why he's
17 eliminating a hundred percent of the economic
18 stimulus funding.

19 COUNCILMAN NUTTER: Councilman, I'm
20 asking you in your amendments, you eliminate
21 a hundred percent of the economic stimulus
22 money. Why is that?

23 COUNCILMAN NUTTER: Councilman, I
24 think one of the issues that has arisen in
25 the course of this process is what actually

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2 happens with that money.

3 And as much as I support economic
4 development, I think that there is some
5 requirement by this body to at least put in
6 place a process that would either require
7 additional information from the
8 administration as to what those projects are
9 and not have a complete carte blanche as to
10 what to do; and second --

11 COUNCILMAN GOODE: I can tell you
12 exactly what --

13 COUNCILMAN NUTTER: -- should there
14 be --

15 COUNCILMAN GOODE: -- looking for.

16 COUNCILMAN NUTTER: -- should
17 there -- should there be a response back from
18 the administration, there very well could be
19 a restoration of those dollars or they could
20 be placed somewhat similar to... I think it's
21 the water fund, in another part in the
22 budget, and utilize those dollars through a
23 series of transfer ordinances.

24 COUNCILMAN GOODE: Councilman, I can
25 tell you exactly what those dollars are spent

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2 for, having worked for the Commerce
3 Department for several years, and having
4 examined how the dollars are spent.

5 Usually two primary purposes. One
6 is to acquire land, but the larger purpose is
7 to write down interest.

8 More important... On projects,
9 which some projects would not go if we did
10 not have the flexible dollars.

11 The truth of the matter is that the
12 overwhelming majority of economic development
13 dollars come from state or federal
14 government, with whatever regulations the
15 state and federal government give us.

16 These are only dollars we have at
17 our disposal where we can flexibly decide
18 what we're going to do, to help make a deal
19 go.

20 COUNCILMAN NUTTER: Okay. Thank
21 you.

22 COUNCIL PRESIDENT VERNA: The Chair
23 recognizes Councilman Ramos.

24 MR. RAMOS: Thank you, Madam
25 President.

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2 I don't know; I've done my share of
3 complaining in a very short period of time of
4 how the administration doesn't send us stuff
5 in a timely manner.

6 But to get a 30-page document and
7 want me to vote on this stuff in a matter of
8 minutes is very difficult for a freshman like
9 myself around here.

10 Some of you have been around here
11 for a while might be a whole lot or
12 definitely a whole lot better at this than I
13 am at this point of my term here.

14 I understand that the budget -- that
15 the operating budget that we're considering
16 before Councilman Nutter's amendment is a
17 budget that we've had discussions with the
18 administration.

19 We've proposed. They've counter
20 proposed. We've proposed. They counter
21 proposed. And it was my understanding up to
22 this moment that there was an atmosphere of
23 reaching an agreement, and that we're very
24 close to reaching an agreement.

25 Then, all of a sudden, he's got the

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2 right to do. This and we all do. But I find
3 it kind of difficult to see a 30-page
4 document.

5 And in the document there's
6 something on Page 27 that I find, you know,
7 kind of slick, because I can't find a nicer
8 word. But I don't mean it in a derogatory or
9 an offensive way when I say slick.

10 But it says there in the middle of
11 the page, transfer between and among
12 department respecting grants... respecting
13 grants of \$250,000 or greater shall not be
14 made, except with the prior approval of the
15 Council by resolution or ordinance.

16 So, in the middle of all this stuff
17 here, the question that Councilman Goode
18 asked about, when it comes to stimulus
19 dollars, there's a statement in the middle of
20 this that changes the whole way we do
21 business around here.

22 So, you'd have to go -- You would
23 have to go to page 27 in the middle to find
24 that there's something here that would change
25 the whole outlook on how we do business at

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2 this time.

3 I understand the interest of... for
4 I suspect this might be his interest on
5 changing how we do things between the
6 legislative and the executive branch.

7 But I find it quite... you know,
8 quite interesting to find this in the middle
9 of all the budget recommendations made by the
10 good Councilman from West Philadelphia. I
11 have no intentions whatsoever in voting for
12 this.

13 Thank you, Madam President.

14 COUNCIL PRESIDENT VERNA: You're
15 welcome.

16 The Chair recognizes Councilman
17 DiCicco.

18 COUNCILMAN DiCICCO: Thank you,
19 Madam President.

20 I think it's important that I make a
21 brief statement, as it relates to the
22 amendment that is being offered by my
23 colleague, Councilman Nutter, because a
24 number of times there's been reference made
25 that this amendment would fully restore the

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2 \$6.8 million to the Fire Department.

3 As everyone --

4 COUNCIL PRESIDENT VERNA:

5 Councilman, just a minute, please.

6 COUNCILMAN DiCICCO: Thank you,
7 Madam president.

8 As everyone on this Council knows,
9 that although we have all been interested in
10 the Fire Department cuts that have been
11 proposed a year ago, I believe, this month,
12 that I have been pretty much out in the
13 forefront from last May.

14 In fact, I believe I introduced the
15 appropriations transfer ordinance last year
16 that moved the 6.8 back into the Fire
17 Department.

18 But for the temporary restraining
19 order that was issued by Judge Cariefiello on
20 behalf of Local 22, we had no guarantees
21 then, nor do we have any guarantees now, if
22 this amendment were adopted, that the
23 administration would spend that \$6.8 million.

24 Traditionally, past history has
25 proven to us again, as a result of the

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2 transfer ordinance that we took up last May,
3 when we put the extra million dollars into
4 the library, which was never spent because
5 the administration refused to spend it.

6 I certainly would want to have the
7 full \$6.8 million. I've been fighting about
8 that for the last 12 months. I've been to
9 every single rally in my district which is
10 affected by about 11... up to 15 proposed
11 cuts.

12 So I'd be a fool to say I would not
13 want that money restored. The problem is
14 there are no guarantees that any portion of
15 that \$6.8 million would be restored.

16 What I have is the Mayor's word, and
17 it's in writing, that at least as of today,
18 \$3.4 million of the \$6.8 will be restored,
19 and there's ongoing discussions that may lead
20 to additional increases to that restoration.

21 So, the spin may be out there
22 somewhere that I'm not supporting the
23 firefighters, not looking to fully support.
24 I'm sure my would-be opponent or somebody
25 will use that, the hearings tonight, against

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2 me.

3 But I'm comfortable, knowing that
4 we're getting some of the money back, with
5 the understanding that we may get additional
6 money going forward.

7 One other point I'd like to make is,
8 the \$6.8 million that's being appropriated,
9 being suggested in this amendment does not
10 take into consideration the EMS units.

11 At least the 3.4 is just for the
12 Fire Department, and we do get, I think, the
13 2.2...

14 COUNCIL PRESIDENT VERNA: Two.

15 COUNCILMAN DiCICCO: ...to do the
16 EMS.

17 So, no matter how you cut it, we're
18 still going to be short, whether we did this
19 amendment or the other amendment.

20 My suggestion is that we continue to
21 work with the administration to get the
22 additional money into the Fire Department.

23 Thank you, Madam President.

24 COUNCIL PRESIDENT VERNA: And a
25 commitment has been made that that money

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2 definitely will be spent.

3 COUNCILMAN DiCICCO: It was in the
4 letter that was sent up by the
5 administration.

6 COUNCIL PRESIDENT VERNA: Thank you.
7 Thank you.

8 The Chair recognizes Councilman
9 O'Neill.

10 COUNCILMAN O'NEILL: I'm sorry.

11 COUNCIL PRESIDENT VERNA: Your light
12 was on.

13 COUNCILMAN O'NEILL: I hit it by
14 accident.

15 COUNCIL PRESIDENT VERNA: Does
16 anyone else want to be recognized on this
17 matter?

18 COUNCILMAN NUTTER: Just a quick
19 response, Madam Chair.

20 I do appreciate my colleague who
21 represents the entire City. And I feel bad
22 that I don't know exactly where he lives, so
23 I could return the compliment of the
24 Councilman from a particular neighborhood.

25 But Councilman Ramos, I would only

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2 suggest that the document that was circulated
3 has been the topic of discussion, whether
4 official or unofficial, for at least about a
5 week, possibly more.

6 And the only reason that I felt
7 comfortable in circulating the document is
8 because I know that members had seen it
9 before.

10 So, I do appreciate your concern
11 with regard to timeliness. But I think we
12 would all agree that regardless of our
13 position about the proposed amendments, I
14 don't think that timeliness of circulation is
15 necessarily the issue at hand.

16 I think all members have had this
17 document in some form, and even including the
18 City administration, for at least a week.

19 And the particular provision that
20 you referenced on Page 27, I think, only
21 represents a situation where the Council or
22 some of the Council may want to have more
23 involvement in what goes on, with regard to
24 grants and transfers of dollars between
25 departments, the opportunity to know about

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2 them, either by approval through resolution
3 or ordinance. It is what we do.

4 And so, it is, from my perspective,
5 at least, a normal part of the process, where
6 you have a fully independent legislative body
7 that works with the City administration but
8 does not necessarily work for the City
9 administration, and all of us doing our jobs
10 to the best of our ability, on behalf of our
11 constituents. So... But I do appreciate
12 greatly your comments. Thank you so much.

13 COUNCIL PRESIDENT VERNA: Thank you.

14 The Chair recognizes Councilman
15 Kenney.

16 COUNCILMAN KENNEY: Thank you, Madam
17 President.

18 As it relates... I would like to
19 ask Councilman Nutter. In Section 14, as it
20 relates to the general provisos, my
21 understanding of the history of those is that
22 these are things that the Council had agreed
23 to in prior budgets, to make it easier or to
24 make it easier for the administration to
25 handle some of the dollars that are in the

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2 budget.

3 So these were not Charter granted --
4 not Charter granted rights to the Mayor, but
5 certainly these were agreements made by
6 Council and allowed by Council, to streamline
7 certain sections of the government.

8 So, this is not something that I
9 guess the Mayor's Office has by virtue of the
10 Charter, but these provisos are operational
11 agreements that have occurred as a result of
12 budget after budget, and added to the end of
13 the budgets, in an effort to make the
14 business of government a little more
15 streamlined.

16 It doesn't mean that we should not
17 be involved in the decision making process on
18 how the monies that we appropriate through
19 this budgets are spent.

20 And I think it's clear -- it should
21 be clear for the record that these are not
22 Charter powers of the Mayor, but simply stuff
23 that the -- simply powers that the Council
24 has over the years agreed to allow him to
25 have.

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2 Thank you, Madam President.

3 COUNCIL PRESIDENT VERNA: Chair
4 recognizes Councilwoman Blackwell.

5 COUNCILWOMAN BLACKWELL: Thank you,
6 Madam President.

7 I, too, am concerned about the...
8 Obviously, I'm not a new member of Council.
9 I'd love to be a younger member of Council.

10 Having said that, I'm concerned
11 about all of these changes. Many of them
12 deal with the Office of Housing and Community
13 Development, and the community development
14 block grant application.

15 And I find it -- I think it unwise
16 that we should consider voting on so many
17 detailed changes, and expect at a cursory
18 glance that would allow to us make these
19 decisions.

20 So I think if Councilman Ramos and
21 certainly ask my colleagues to consider the
22 same. Thank you.

23 COUNCIL PRESIDENT VERNA: Thank you.

24 Councilman Nutter, I believe you
25 made a motion for the adoption of your

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2 resolution.
3 COUNCILMAN NUTTER: Yes.
4 COUNCIL PRESIDENT VERNA: And it was
5 seconded.
6 COUNCILMAN NUTTER: I believe it
7 was.
8 COUNCIL PRESIDENT VERNA: We are
9 doing a roll call.
10 MR. McPHERSON: Councilwoman
11 Blackwell.
12 COUNCILWOMAN BLACKWELL: No.
13 MR. McPHERSON: Councilman Clarke.
14 COUNCILMAN CLARKE: No.
15 MR. McPHERSON: Councilman Cohen.
16 COUNCILMAN COHEN: Aye.
17 MR. McPHERSON: Councilman DiCicco.
18 COUNCILMAN DiCICCO: No.
19 MR. McPHERSON: Councilman Goode.
20 COUNCILMAN GOODE: No.
21 MR. McPHERSON: Councilman Kelly.
22 COUNCILMAN KELLY: No.
23 MR. McPHERSON: Councilman Kenney.
24 COUNCILMAN KENNEY: Aye.
25 MR. McPHERSON: Councilwoman

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2 fails.

3 And the Chair recognizes

4 Councilwoman Blackwell.

5 COUNCILWOMAN BLACKWELL: Thank you,

6 Madam President.

7 COUNCIL PRESIDENT Verna: For a

8 motion regarding Bill Number 050003.

9 COUNCILWOMAN BLACKWELL: Thank you,

10 Madam President.

11 I move that the... I think we are

12 adopting the amendment.

13 COUNCIL PRESIDENT Verna: Yes, we

14 did.

15 COUNCILWOMAN BLACKWELL: Madam

16 President, I move that Bill Number 050003, as

17 amended, be reported out of committee with a

18 favorable recommendation; also, a

19 recommendation for the suspension of the

20 rules so as to permit first reading at our

21 next session of Council.

22 COUNCIL PRESIDENT Verna: Do I hear

23 a second?

24 COUNCILMAN MARIANO: Second.

25 COUNCIL PRESIDENT Verna: It has

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2 been moved and seconded that Bill Number

3 050003 be reported out of committee with a

4 favorable recommendation, as amended; also, a

5 further recommendation that the rules of

6 Council be suspended so as to permit first

7 reading at our next Council session.

8 All in favor will please say aye.

9 (Chorus of "ayes.")

10 COUNCIL PRESIDENT VERNA: Those

11 opposed?

12 COUNCILMAN KENNEY: No.

13 COUNCIL PRESIDENT VERNA: I don't

14 think we have to have a roll call vote on it.

15 Councilman Kenney is voting no.

16 Councilman O'Neill?

17 COUNCILMAN O'NEILL: No.

18 COUNCIL PRESIDENT VERNA: Do you

19 want a roll call?

20 COUNCILWOMAN BLACKWELL: This is for

21 the amendment, right?

22 COUNCIL PRESIDENT VERNA: No. This

23 is for reporting it out.

24 MR. MCPHERSON: Councilwoman

25 Blackwell.

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2 COUNCILWOMAN BLACKWELL: Aye.

3 MR. McPHERSON: Councilman Clarke.

4 COUNCILMAN CLARKE: Aye.

5 MR. McPHERSON: Councilman Cohen.

6 COUNCILMAN COHEN: Aye.

7 MR. McPHERSON: Councilman DiCicco.

8 COUNCILMAN DiCICCO: Aye.

9 MR. McPHERSON: Councilman Goode.

10 COUNCILMAN GOODE: Aye.

11 MR. McPHERSON: Councilman Kelly.

12 COUNCILMAN KELLY: No.

13 MR. McPHERSON: Councilman Kenney.

14 COUNCILMAN KENNEY: No.

15 MR. McPHERSON: Councilwoman

16 Krajewski.

17 COUNCILWOMAN KRAJEWSKI: Aye.

18 MR. McPHERSON: Councilman Mariano.

19 COUNCILMAN MARIANO: Aye.

20 MR. McPHERSON: Councilwoman Miller.

21 COUNCILWOMAN MILLER: Aye.

22 MR. McPHERSON: Councilman Nutter.

23 COUNCILMAN NUTTER: Aye.

24 MR. McPHERSON: Councilman O'Neill.

25 COUNCILMAN O'NEILL: Aye.

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2 MR. McPHERSON: Councilman Ramos.

3 COUNCILMAN RAMOS: aye.

4 MR. McPHERSON: Councilwoman

5 Reynolds Brown.

6 COUNCILWOMAN REYNOLDS BROWN: aye.

7 MR. McPHERSON: Councilman Rizzo.

8 COUNCILMAN RIZZO: Aye.

9 MR. McPHERSON: Councilwoman Tasco.

10 COUNCILWOMAN TASCO: Aye.

11 MR. McPHERSON: Council President

12 Verna.

13 COUNCIL PRESIDENT VERNA: Aye.

14 MR. McPHERSON: 16 to 1. Passes.

15 COUNCIL PRESIDENT VERNA: Very well.

16 The motion carries.

17 Do we do the resolution now?

18 All right. We are now going to

19 consider the revenue bills. Bill Number

20 050451.

21 The Chair recognizes Councilwoman

22 Blackwell. And I would remind you that there

23 is an amendment that was submitted. At the

24 public hearing, the... 050451. They're the

25 tax bills.

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2 Do we have copies for the Council
3 people, please?

4 COUNCILWOMAN BLACKWELL: Madam
5 President, I move --

6 COUNCIL PRESIDENT Verna: Just a
7 minute, Councilwoman.

8 All right. Councilwoman Blackwell.

9 COUNCILWOMAN BLACKWELL: Thank you,
10 Madam President.

11 I move that the proposed amendment
12 to Bill Number 050451 that's being
13 distributed be adopted.

14 COUNCIL PRESIDENT Verna: Do I hear
15 a second?

16 UNIDENTIFIED COUNCIL PERSON:
17 Second.

18 COUNCIL PRESIDENT Verna: It has
19 been moved and seconded that the amendment be
20 adopted.

21 All in favor will please indicate by
22 saying aye.

23 (Chorus of "ayes.")

24 COUNCIL PRESIDENT Verna: Those
25 opposed?

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2 (No response.)

3 COUNCIL PRESIDENT Verna: The ayes
4 have it and the amendment is adopted.

5 The Chair again recognizes
6 Councilwoman Blackwell.

7 COUNCILWOMAN BLACKWELL: Thank you,
8 Madam Chair.

9 I move that Bill Number 050451, as
10 amended, be reported out of committee with a
11 favorable recommendation; and also
12 recommendation that the rules of Council be
13 suspended so as to permit first reading at
14 our next session of Council.

15 COUNCIL PRESIDENT Verna: The Chair
16 recognizes Councilman O'Neill.

17 COUNCILMAN O'NEILL: Madam
18 President, I have an additional amendment to
19 this bill, which I'd like to circulate. It's
20 basically a sunset provision for one year
21 which I would like to speak on.

22 COUNCIL PRESIDENT Verna: Okay.

23 Councilman O'Neill, I believe the
24 amendments have been circulated, if you care
25 to discuss it.

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2 COUNCILMAN O'NEILL: Yes. Thank
3 you.

4 I move the adoption, please. I
5 don't believe I...

6 COUNCIL PRESIDENT VERNA: Is there a
7 second?

8 COUNCILMAN O'NEILL: I don't believe
9 I moved the adoption.

10 COUNCILMAN KELLY: Second.

11 COUNCIL PRESIDENT VERNA: Do you
12 wish to speak on the amendment?

13 COUNCILMAN O'NEILL: Yes, I do.
14 Thank you.

15 I actually have this similar
16 amendment on each of the three bills that
17 were introduced last week and heard today, to
18 sunset them after one year which would
19 require reauthorization next year.

20 The reasons are several. One, first
21 and foremost, is that the budget as reported
22 out of committee, I believe, has a surplus of
23 \$29 million in it.

24 These bills themselves are \$7.1
25 million of that \$29 million surplus. And I

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2 don't have any recollection of us ever
3 passing new tax bills to increase the surplus
4 in a given year.

5 The other reason is that this
6 administration hasn't had a good record with
7 surpluses. I won't go any further than that.

8 If people want to talk more about
9 it, there was, I believe, a \$300 million
10 surplus that they started with.

11 And it sort of gives us another bite
12 at the apple. If this tax were collected
13 this year, fine. There's an additional
14 issue, I understand, from discussions with
15 members who have talked to the billboard
16 community, that they would like to find
17 another way to pay the same amount of money,
18 other than these two bills that are before
19 us.

20 And this would give us an
21 opportunity for that to occur during the
22 year, and then take the place of this excise
23 tax and the additional permit fees.

24 I think it protects us. It protects
25 the budget. It doesn't change anything in

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2 the budget.

3 I think it's a legitimate concern
4 that someone may have about the five year
5 plan. But I don't think, when we are talking
6 about the amount of surpluses that are going
7 through the five year plan right now, that
8 it's an issue that is anything but just an
9 issue. It's not an unsolvable issue.

10 So, it's \$7.1 million. We're not
11 raising money to restore cuts. We're raising
12 money to add additional surplus.

13 Coming back next year, with a chance
14 to reauthorize these bills or similar
15 measures, if there are other measures that
16 are involved with the billboards --

17 COUNCIL PRESIDENT VERNA: Excuse me,
18 Councilman.

19 COUNCILMAN O'NEILL: Sure.

20 COUNCILMAN COHEN: I would like a
21 few moments but would like to announce my
22 opposition to the amendment, but I vote aye
23 on the bill, whatever happens to the
24 amendment and aye on the other bill.

25 COUNCIL PRESIDENT VERNA: Thank you.

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2 COUNCILMAN O'NEILL: So the
3 sunsetting of the bill would, I believe, give
4 us many more opportunities.

5 And lastly, in this past year we had
6 some indications that certain monies were
7 being spent. They weren't spent.

8 I know we don't have direct control
9 over that, but we always try to find
10 leverage.

11 And I think having... I believe
12 that having a sunset provision on these
13 additional revenues within the surplus would
14 give us more leverage next year, should
15 something go awry, as it did last year.

16 Thank you.

17 COUNCIL PRESIDENT VERNA: Thank you.

18 The Chair recognizes Councilman
19 DiCicco.

20 COUNCILMAN DiCICCO: Thank you,
21 Madam President.

22 I just would like to comment on the
23 proposed amendment by my colleague,
24 Councilman O'Neill.

25 As I reported in a couple of

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2 will happen, but my understanding is that
3 every effort will be made to accomplish that.

4 So I think, in addition to some of
5 the other questions or concerns I have, based
6 on my conversations with Charley McPherson
7 and others, that this may, in effect, not be
8 appropriate because it may interfere with the
9 five year plan, and PICA would not accept
10 this anyway.

11 I just wanted, again, for a point of
12 information for my colleagues, that there is
13 a task force that will be working going
14 forward.

15 And hopefully by September we'll
16 have some resolution to that issue with the
17 advertising industry, and this may not be
18 necessary after all.

19 I guess what I'd be asking is that
20 my colleague, Councilman O'Neill, table this
21 amendment, in lieu of the fact that there is
22 a task force that will be working on this
23 over the summer months.

24 COUNCILMAN DiCICCO: That's in the
25 form of a motion, by the way. Make a motion

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2 that he table it.

3 UNIDENTIFIED COUNCIL PERSON:

4 Second.

5 (Conversation back and forth among
6 Council persons, away from the microphone,
7 not reportable.)

8 COUNCILMAN O'NEILL: If that were
9 the only reason, Councilman, I mentioned I
10 would do that because we did have that
11 conversation yesterday. And I was sort of
12 adding that to what I had already thought the
13 sunset was a good idea.

14 COUNCILMAN DiCICCO: But I wanted to
15 just bring you up to date as of today.

16 COUNCIL PRESIDENT VERNA: Well, I
17 thought there was going to be no debate on
18 this.

19 COUNCILMAN DiCICCO: No, there's not
20 a debate. I'm just clearing up the air.

21 COUNCIL PRESIDENT VERNA: Okay.

22 There's been a motion to table.

23 It's been seconded.

24 COUNCILMAN NUTTER: I have a point
25 of information.

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2 COUNCIL PRESIDENT VERNA: Yes, sir.

3 COUNCILMAN NUTTER: Madam Chair.

4 COUNCIL PRESIDENT VERNA: Yes. Yes.

5 COUNCILMAN NUTTER: I only had

6 one -- Based on what Councilman DiCicco

7 said -- and I did get my point of information

8 in before the motion to table -- the bill is

9 scheduled to go into effect July 1, 2005. So

10 I assume that this is the... Is this the

11 excise or is this the...

12 COUNCIL PRESIDENT VERNA: Excise.

13 COUNCILMAN O'NEILL: Excise, 51.

14 COUNCILMAN NUTTER: So, what happens

15 during the time that the task force is doing

16 its work, if the excise tax is going to be

17 collected in any event after July 1, 2005?

18 COUNCILMAN DiCICCO: Are you asking

19 me, Councilman?

20 COUNCIL PRESIDENT VERNA: Yes.

21 COUNCILMAN NUTTER: I guess, yes.

22 COUNCILMAN DiCICCO: I suspect,

23 based on my conversation as of late this

24 afternoon, that the industry will go forward

25 and pay that tax, knowing that there is going

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2 to be some resolution that we'll either have
3 to repeal the bill or amend it. I guess it
4 would be a repeal. And then maybe create a
5 whole new bill.

6 The indication I got was that they
7 were willing to go forward with the excise
8 tax, with the understanding that every effort
9 will be made over the summer months to come
10 up with a comprehensive bill that will
11 address the issue on a uniformity in
12 collecting of fines -- fees and licensing for
13 the advertising industry.

14 COUNCILMAN NUTTER: Well, all right.

15 COUNCILMAN DiCICCO: That's my
16 understanding.

17 COUNCILMAN NUTTER: Well, it's awful
18 magnanimous of them; that's for sure.

19 COUNCIL PRESIDENT VERNA: Okay.
20 Thank you.

21 COUNCILMAN DiCICCO: And if I could
22 just say, they estimate that the revenues
23 would probably, cumulatively, across the
24 industry, would probably be about a million
25 dollars, if it took us to the end of

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2 September.

3 I guess in their mind, cumulatively,
4 it's not all that much money.

5 COUNCILMAN O'NEILL: Madam
6 President, Councilman DiCicco referred the
7 five year plan. I had referred to that in my
8 remarks.

9 If Mr. McPherson could just go over
10 if all three taxes were only implemented for
11 one year, what the balance is, how the
12 balances would show, and in the five year
13 plan what the effect would be on the 7.1 in
14 each year.

15 COUNCIL PRESIDENT VERNA: Councilman
16 Goode, I know what you're going to say.
17 Let's end the night, please.

18 MR. MCPHERSON: In the proposed five
19 year plan, as presented by the Mayor, with
20 these three revenue initiatives in it, the
21 fund balance is at 29.2. That would stay the
22 same in '06, based on your amendment.

23 The revenue -- The fund balance
24 estimate in '07 is 14.2. Assuming that the
25 revenue... three revenue items were not

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2 reauthorized, that would be down to about \$7
3 million.

4 The '08 because of the cumulative
5 effect, he was projecting a \$10 million --
6 approximately ten -- the administration is
7 recommending approximately a \$10 million
8 surplus.

9 It would be... With the cumulative
10 effect, it would be about a \$4 million
11 deficit, because you would lose it in both
12 years.

13 In '09 they are projecting an 82.
14 You would take away approximately 61 if we --
15 or 21 if we didn't authorize it. So, it
16 would be down to about \$61 million surplus.

17 And in FY'10 it would be
18 approximately... They have seven -- they
19 have 80 minus 28. It would be approximately
20 a \$52 million surplus.

21 COUNCILMAN O'NEILL: Thank you for
22 the clarity.

23 I have nothing further.

24 COUNCIL PRESIDENT VERNA: The Chair
25 recognizes Councilman Goode.

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2 COUNCILMAN GOODE: Thank you, Madam
3 President.

4 COUNCIL PRESIDENT Verna: And then
5 after that we're going to go by the rules.

6 Yes, sir.

7 COUNCILMAN GOODE: Thank you, Madam
8 President.

9 I'd just like to note for the record
10 those fund balances do not take into account
11 new labor contracts.

12 MR. McPHERSON: That is correct.

13 COUNCILMAN GOODE: And so as, of
14 '08, '09, '10, essentially, unless the
15 economy grows significantly, we have a huge
16 problem to deal with.

17 And so, we're not as rich as you may
18 think we are, in terms of the next couple of
19 years' surpluses.

20 COUNCIL PRESIDENT Verna: You're
21 absolutely correct. Thank you.

22 Okay. There's been a motion, and it
23 has been seconded, to table.

24 Yes is to table; no is to not to.

25 MR. McPHERSON: Councilwoman

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2 Blackwell.
3 COUNCILWOMAN BLACKWELL: Yes.
4 MR. McPHERSON: Councilman Clarke.
5 COUNCILMAN CLARKE: Yes.
6 MR. McPHERSON: Councilman Cohen.
7 COUNCILMAN COHEN: Yes.
8 MR. McPHERSON: Councilman DiCicco.
9 COUNCILMAN DiCICCO: Yes.
10 MR. McPHERSON: Councilman Goode.
11 COUNCILMAN GOODE: Yes.
12 MR. McPHERSON: Councilman Kelly.
13 COUNCILMAN KELLY: No.
14 MR. McPHERSON: Councilman Kenney.
15 COUNCILMAN KENNEY: No.
16 MR. McPHERSON: Councilwoman
17 Krajewski.
18 COUNCILWOMAN KRAJEWSKI: Yes.
19 MR. McPHERSON: Councilman Mariano.
20 COUNCILMAN MARIANO: Yes.
21 MR. McPHERSON: Councilwoman Miller.
22 COUNCILWOMAN MILLER: Yes.
23 MR. McPHERSON: Councilman Nutter.
24 COUNCILMAN NUTTER: No.
25 MR. McPHERSON: Councilman O'Neill.

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2 COUNCILMAN O'NEILL: No.

3 MR. McPHERSON: Councilman Ramos.

4 COUNCILMAN RAMOS: Yes.

5 MR. McPHERSON: Councilwoman

6 Reynolds Brown.

7 COUNCILWOMAN REYNOLDS BROWN: Yes.

8 MR. McPHERSON: Councilman Rizzo.

9 COUNCILMAN RIZZO: No.

10 MR. McPHERSON: Councilwoman Tasco.

11 COUNCILWOMAN TASCO: No.

12 MR. McPHERSON: Council President

13 Verna.

14 COUNCIL PRESIDENT VERNA: No.

15 MR. McPHERSON: 10 to 7. It's

16 tabled.

17 COUNCIL PRESIDENT VERNA: Okay. The

18 motion fails. I'm sorry. The motion carried

19 to table.

20 The Chair recognizes Councilwoman

21 Blackwell regarding Bill Number 050451.

22 COUNCILWOMAN BLACKWELL: Thank you,

23 Madam President.

24 I move that Bill Number 050451, as

25 amended, be reported out of committee with a

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2 favorable recommendation and recommendation
3 that the rules of Council be suspended so as
4 to permit first reading at our next session
5 of Council.

6 UNIDENTIFIED COUNCIL PERSON:
7 Second.

8 COUNCIL PRESIDENT VERNA: It has
9 been moved and properly seconded that Bill
10 050451...

11 COUNCILMAN O'NEILL: I move to
12 table.

13 UNIDENTIFIED COUNCIL PERSON:
14 Second.

15 COUNCIL PRESIDENT VERNA: Okay.
16 Let's have a roll call, please, to table the
17 bill.

18 Yes is to table the bill, the motion
19 to report it out, as amended, and to suspend
20 the rules.

21 MR. MCPHERSON: Councilwoman
22 Blackwell.

23 COUNCILWOMAN BLACKWELL: No.

24 MR. MCPHERSON: Councilman Clarke.

25 COUNCILMAN CLARKE: No.

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2 MR. McPHERSON: Councilman Cohen.

3 COUNCILMAN COHEN: Aye.

4 MR. McPHERSON: Councilman DiCicco.

5 COUNCILMAN DiCICCO: No.

6 MR. McPHERSON: Councilman Goode.

7 COUNCILMAN GOODE: No.

8 MR. McPHERSON: Councilman Kelly.

9 COUNCILMAN KELLY: Aye.

10 MR. McPHERSON: Councilman Kenney.

11 COUNCILMAN KENNEY: Aye.

12 MR. McPHERSON: Councilwoman

13 Krajewski.

14 COUNCILWOMAN KRAJEWSKI: No.

15 MR. McPHERSON: Councilman Mariano.

16 COUNCILMAN MARIANO: No.

17 MR. McPHERSON: Councilwoman Miller.

18 COUNCILWOMAN MILLER: No.

19 MR. McPHERSON: Councilman Nutter.

20 COUNCILMAN NUTTER: Aye.

21 MR. McPHERSON: Councilman O'Neill.

22 COUNCILMAN O'NEILL: Aye.

23 MR. McPHERSON: Councilman Ramos.

24 COUNCILMAN RAMOS: No.

25 MR. McPHERSON: Councilwoman

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2 Reynolds Brown.

3 COUNCILWOMAN REYNOLDS BROWN: No.

4 MR. MCPHERSON: Councilman Rizzo.

5 COUNCILMAN RIZZO: Aye.

6 MR. MCPHERSON: Councilwoman Tasco.

7 COUNCILWOMAN TASCO: Aye.

8 MR. MCPHERSON: Council President

9 Verna.

10 COUNCIL PRESIDENT VERNA: No.

11 MR. MCPHERSON: 7 to 10. It fails.

12 There's 7 yeses -- There's 7 to table, 10 not

13 to. So, the motion fails.

14 COUNCIL PRESIDENT VERNA: Okay.

15 Again, the Chair recognizes Councilwoman

16 Blackwell.

17 A motion was made and seconded that

18 Bill Number 050451 be reported out of

19 committee with a favorable recommendation, as

20 amended; also, a recommendation that the

21 rules of Council be suspended so as to permit

22 first reading at our next Council session.

23 All in favor will indicate by saying

24 aye.

25 (Chorus of "ayes.")

1 Whole - 5/25/05

2 COUNCIL PRESIDENT VERNA: Those

3 opposed?

4 (Chorus of "nos.")

5 COUNCIL PRESIDENT VERNA: Roll call.

6 MR. McPHERSON: Councilwoman

7 Blackwell.

8 COUNCILWOMAN BLACKWELL: Aye.

9 MR. McPHERSON: Councilman Clarke.

10 COUNCIL PRESIDENT VERNA: We're

11 voting on the bill, as amended, with a

12 suspension.

13 COUNCILMAN CLARKE: Aye.

14 MR. McPHERSON: Councilman Cohen.

15 COUNCILMAN COHEN: Aye.

16 MR. McPHERSON: Councilman DiCicco.

17 COUNCILMAN DiCICCO: Aye.

18 MR. McPHERSON: Councilman Goode.

19 COUNCILMAN GOODE: Aye.

20 MR. McPHERSON: Councilman Kelly.

21 COUNCILMAN KELLY: No.

22 MR. McPHERSON: Councilman Kenney.

23 COUNCILMAN KENNEY: No.

24 MR. McPHERSON: Councilwoman

25 Krajewski.

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2 COUNCILWOMAN KRAJEWSKI: Aye.

3 MR. McPHERSON: Councilman Mariano.

4 COUNCILMAN MARIANO: Aye.

5 MR. McPHERSON: Councilwoman Miller.

6 COUNCILWOMAN MILLER: Aye.

7 MR. McPHERSON: Councilman Nutter.

8 COUNCILMAN NUTTER: No.

9 MR. McPHERSON: Councilman O'Neill.

10 COUNCILMAN O'NEILL: No.

11 MR. McPHERSON: Councilman Ramos.

12 COUNCILMAN RAMOS: Aye.

13 MR. McPHERSON: Councilwoman

14 Reynolds Brown.

15 COUNCILWOMAN REYNOLDS BROWN: Aye.

16 MR. McPHERSON: Councilman Rizzo.

17 COUNCILMAN RIZZO: Aye.

18 MR. McPHERSON: Councilwoman Tasco.

19 COUNCILWOMAN TASCO: No.

20 MR. McPHERSON: Council President

21 Verna.

22 COUNCIL PRESIDENT VERNA: Aye.

23 MR. McPHERSON: 12 ayes, 5 nos.

24 COUNCIL PRESIDENT VERNA: Okay. The

25 motion carries.

1 Whole - 5/25/05

2 Bill Number 050451 will be reported
3 out of committee with a favorable
4 recommendation, as amended, also with a
5 suspension of the rules.

6 The Chair now recognizes
7 Councilwoman Blackwell, regarding Bill Number
8 050452.

9 Councilman DiCicco, your light is
10 on. Did you want to be recognized?

11 COUNCILMAN DiCICCO: Was it
12 circulated? I have an amendment to this bill
13 that would close the loophole that was being
14 discussed earlier.

15 I think Councilman Nutter and
16 several others had some issues on the double
17 taxation issue. It's been distributed. Oh,
18 I'm sorry. Jannie, you were doing that?

19 COUNCIL PRESIDENT VERNA: Okay. The
20 amendment to this bill has been circulated.
21 Does everyone have a copy?

22 MR. MCPHERSON: We're making more
23 copies.

24 COUNCIL PRESIDENT VERNA: Everyone
25 has a copy of the amendment now.

1 Whole - 5/25/05

2 COUNCIL PRESIDENT VERNA: You don't
3 have a copy? Make certain that Councilman --

4 COUNCILMAN DiCICCO: Councilman
5 Kelly, would you share your copy with
6 Councilman Rizzo?

7 COUNCIL PRESIDENT VERNA: Councilman
8 Rizzo does not have a copy.

9 COUNCILMAN DiCICCO: It's a
10 conspiracy.

11 COUNCIL PRESIDENT VERNA: Councilman
12 DiCicco, did you make a motion?

13 COUNCILMAN DiCICCO: Yes, I did,
14 Madam President.

15 COUNCIL PRESIDENT VERNA: I didn't
16 hear a second.

17 COUNCILMAN RAMOS: Second.

18 COUNCIL PRESIDENT VERNA: Okay. It
19 has been moved and seconded that the
20 amendment that has been circulated be
21 adopted.

22 All in favor will signify by saying
23 aye.

24 (Chorus of "ayes.")

25 COUNCIL PRESIDENT VERNA: The Chair

1 Whole - 5/25/05

2 recognizes Councilman O'Neill.

3 COUNCILMAN O'NEILL: Madam

4 President, I have another amendment, proposed
5 amendment, for this bill. I'd like to
6 circulate it.

7 COUNCIL PRESIDENT VERNA: The Chair
8 recognizes Councilman O'Neill.

9 COUNCILMAN O'NEILL: Move the
10 adoption.

11 UNIDENTIFIED COUNCIL PERSON:
12 Second.

13 COUNCIL PRESIDENT VERNA: Again, the
14 Chair recognizes Councilman O'Neill.

15 I believe everyone now has a copy of
16 the amendment. Thank you.

17 Councilman O'Neill.

18 COUNCILMAN O'NEILL: Madam
19 President, I'll be brief. Just about
20 everything I would say on this bill was
21 covered in the last, and I deleted from my
22 comments on this bill any reference to
23 billboards and settlements or discussions or
24 task forces, dealing with billboards. This
25 is a valet parking tax, and they don't apply.

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2 COUNCIL PRESIDENT VERNA: Okay.

3 You've made a motion. It was seconded.

4 COUNCILMAN O'NEILL: Move to adopt
5 the amendment.

6 UNIDENTIFIED COUNCIL PERSON:

7 Second.

8 COUNCIL PRESIDENT VERNA: Okay.

9 All in favor of the adoption of
10 Councilman O'Neill's amendment will please
11 say aye.

12 (Chorus of "ayes.")

13 COUNCIL PRESIDENT VERNA: Those
14 opposed?

15 (Chorus of "nos.")

16 COUNCIL PRESIDENT VERNA: I guess we
17 better have a roll call.

18 MR. McPHERSON: Councilwoman
19 Blackwell.

20 COUNCILWOMAN BLACKWELL: No.

21 MR. McPHERSON: Councilman Clarke.

22 COUNCILMAN CLARKE: No.

23 MR. McPHERSON: Councilman Cohen.

24 COUNCILMAN COHEN: No.

25 MR. McPHERSON: Councilman DiCicco.

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2 COUNCILMAN DiCICCO: No.
3 MR. McPHERSON: Councilman Goode.
4 COUNCILMAN GOODE: No.
5 MR. McPHERSON: Councilman Kelly.
6 COUNCILMAN KELLY: Aye.
7 MR. McPHERSON: Councilman Kenney.
8 COUNCILMAN KENNEY: Aye.
9 MR. McPHERSON: Councilwoman
10 Krajewski.
11 COUNCILWOMAN KRAJEWSKI: No.
12 MR. McPHERSON: Councilman Mariano.
13 COUNCILMAN MARIANO: No.
14 MR. McPHERSON: Councilwoman Miller.
15 COUNCILWOMAN MILLER: No.
16 MR. McPHERSON: Councilman Nutter.
17 COUNCILMAN NUTTER: Aye.
18 MR. McPHERSON: Councilman O'Neill.
19 COUNCILMAN O'NEILL: Aye.
20 MR. McPHERSON: Councilman Ramos.
21 COUNCILMAN RAMOS: No.
22 MR. McPHERSON: Councilwoman
23 Reynolds Brown.
24 COUNCILWOMAN REYNOLDS BROWN: No.
25 MR. McPHERSON: Councilman Rizzo.

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2 COUNCILMAN RIZZO: Aye.

3 MR. McPHERSON: Councilwoman Tasco.

4 COUNCILWOMAN TASCO: Aye.

5 MR. McPHERSON: Council President

6 Verna.

7 COUNCIL PRESIDENT VERNA: No.

8 MR. McPHERSON: The amendment fails,

9 6 to 11.

10 COUNCIL PRESIDENT VERNA: Okay.

11 The Chair recognizes Councilwoman

12 Blackwell.

13 COUNCILWOMAN BLACKWELL: Madam

14 President, I move that Bill Number 050452, as

15 amended, be reported out of committee with a

16 favorable recommendation, and further

17 recommendation that the rules of Council be

18 suspended so as to permit first reading at

19 our next session of Council.

20 UNIDENTIFIED COUNCIL PERSON:

21 Second.

22 COUNCIL PRESIDENT VERNA: It has

23 been moved and seconded that Bill Number

24 050452 be reported out of committee with a

25 favorable recommendation, as amended; and the

1 Whole - 5/25/05
2 rules of Council be suspended so as to permit
3 first reading at our next session of Council.
4 All in favor will please indicate by
5 saying aye.
6 (Chorus of "ayes.")
7 COUNCIL PRESIDENT VERNA: Those
8 opposed?
9 (Chorus of "nos.")
10 COUNCIL PRESIDENT VERNA: Roll call.
11 MR. McPHERSON: Councilwoman
12 Blackwell.
13 COUNCILWOMAN BLACKWELL: Aye.
14 MR. McPHERSON: Councilman Clarke.
15 COUNCILMAN CLARKE: Aye.
16 MR. McPHERSON: Councilman Cohen.
17 COUNCILMAN COHEN: Aye.
18 MR. McPHERSON: Councilman DiCicco.
19 COUNCILMAN DiCICCO: Aye.
20 MR. McPHERSON: Councilman Goode.
21 COUNCILMAN GOODE: Aye.
22 MR. McPHERSON: Councilman Kelly.
23 COUNCILMAN KELLY: No.
24 MR. McPHERSON: Councilman Kenney.
25 COUNCILMAN KENNEY: No.

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2 MR. McPHERSON: Councilwoman

3 Krajewski.

4 COUNCILWOMAN KRAJEWSKI: Aye.

5 MR. McPHERSON: Councilman Mariano.

6 COUNCILMAN MARIANO: Aye.

7 MR. McPHERSON: Councilwoman Miller.

8 COUNCILWOMAN MILLER: Aye.

9 MR. McPHERSON: Councilman Nutter.

10 COUNCILMAN NUTTER: No.

11 MR. McPHERSON: Councilman O'Neill.

12 COUNCILMAN O'NEILL: No.

13 MR. McPHERSON: Councilman Ramos.

14 COUNCILMAN RAMOS: Aye.

15 MR. McPHERSON: Councilwoman

16 Reynolds Brown.

17 COUNCILWOMAN REYNOLDS BROWN: Aye.

18 MR. McPHERSON: Councilman Rizzo.

19 COUNCILMAN RIZZO: Aye.

20 MR. McPHERSON: Councilwoman Tasco.

21 COUNCILWOMAN TASCO: No.

22 MR. McPHERSON: Council President

23 Verna.

24 COUNCIL PRESIDENT VERNA: Aye.

25 MR. McPHERSON: 12 to 5, it passes.

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2 COUNCIL PRESIDENT VERNA: Okay.

3 Therefore, Bill Number 050452 has been
4 reported out of committee with a favorable
5 recommendation, as amended; also, a
6 recommendation that the rules of Council be
7 suspended so as to permit first reading at
8 our next session of Council.

9 Councilman O'Neill.

10 COUNCILMAN O'NEILL: This is 453,
11 Madam President?

12 COUNCIL PRESIDENT VERNA: No.

13 COUNCILMAN O'NEILL: Oh. I'm sorry.

14 COUNCIL PRESIDENT VERNA: So, as I
15 said, the Bill Number 050452 has been
16 reported out with a favorable recommendation.
17 as amended, with a suspension.

18 We are now going to consider Bill
19 Number 050453. And the Chair recognizes
20 Councilwoman Blackwell.

21 COUNCILMAN BLACKWELL: Thank you,
22 Madam President.

23 I move that Bill Number 050453 be
24 reported out of committee with a favorable
25 recommendation, and a recommendation that the

1 Whole - 5/25/05

2 rules of Council be suspended so as to permit

3 first reading at our next Council of Council.

4 COUNCILMAN RAMOS: Second.

5 COUNCIL PRESIDENT VERNA: Were there

6 any amendments?

7 MR. McPHERSON: No.

8 COUNCIL PRESIDENT VERNA: Okay.

9 The Chair recognizes Councilman

10 O'Neill.

11 COUNCILMAN O'NEILL: Offer an

12 amendment.

13 COUNCIL PRESIDENT VERNA: Does

14 everyone have copy of the amendment?

15 Chair recognizes Councilman O'Neill.

16 COUNCILMAN O'NEILL: Thank you,

17 Madam President.

18 Again, the same remarks from the

19 first bill repeated on the second, with the

20 deletion of any reference to working out the

21 billboard matter, now that I know there's a

22 task force.

23 COUNCIL PRESIDENT VERNA: If that's

24 a motion... If it's a motion...

25 COUNCILMAN O'NEILL: Move the

1 Whole - 5/25/05
2 adoption.
3 UNIDENTIFIED COUNCIL PERSON:
4 Second.
5 COUNCIL PRESIDENT VERNA: Okay.
6 All those in favor will say aye.
7 (Chorus of "ayes.")
8 COUNCIL PRESIDENT VERNA: Those
9 opposed?
10 (Chorus of "nos.")
11 COUNCIL PRESIDENT VERNA: Roll call.
12 MR. McPHERSON: Councilwoman
13 Blackwell.
14 COUNCILWOMAN BLACKWELL: No.
15 MR. McPHERSON: Councilman Clarke.
16 COUNCILMAN CLARKE: No.
17 MR. McPHERSON: Councilman Cohen.
18 COUNCILMAN COHEN: No.
19 MR. McPHERSON: Councilman DiCicco.
20 COUNCILMAN DiCICCO: No.
21 MR. McPHERSON: Councilman Goode.
22 COUNCILMAN GOODE: No.
23 MR. McPHERSON: Councilman Kelly.
24 COUNCILMAN KELLY: Aye.
25 MR. McPHERSON: Councilman Kenney.

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2 COUNCILMAN KENNEY: Aye.
3 MR. McPHERSON: Councilwoman
4 Krajewski.
5 COUNCILWOMAN KRAJEWSKI: No.
6 MR. McPHERSON: Councilman Mariano.
7 COUNCILMAN MARIANO: No.
8 MR. McPHERSON: Councilwoman Miller.
9 COUNCILWOMAN MILLER: No.
10 MR. McPHERSON: Councilman Nutter.
11 COUNCILMAN NUTTER: Aye.
12 MR. McPHERSON: Councilman O'Neill.
13 COUNCILMAN O'NEILL: Aye.
14 MR. McPHERSON: Councilman Ramos.
15 COUNCILMAN RAMOS: No.
16 MR. McPHERSON: Councilwoman
17 Reynolds Brown.
18 COUNCILWOMAN REYNOLDS BROWN: No.
19 MR. McPHERSON: Councilman Rizzo.
20 COUNCILMAN RIZZO: Aye.
21 MR. McPHERSON: Councilwoman Tasco.
22 COUNCILWOMAN TASCO: Aye.
23 MR. McPHERSON: Council President
24 Verna.
25 COUNCIL PRESIDENT VERNA: Aye.

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2 MR. MCPHERSON: 7 to 10. It fails.

3 COUNCIL PRESIDENT Verna: Okay. The
4 Chair recognizes Councilwoman Blackwell.

5 COUNCILWOMAN BLACKWELL: Madam
6 President, I move that Bill Number 050453 be
7 reported out of committee with a favorable
8 recommendation, and a recommendation that the
9 rules of Council be suspended so as to permit
10 first reading at our next session.

11 UNIDENTIFIED COUNCIL PERSON:
12 Second.

13 COUNCIL PRESIDENT Verna: It has
14 been moved and seconded that Bill Number
15 050453 be reported out of committee with a
16 favorable recommendation; also, a
17 recommendation that the rules of Council be
18 suspended so as to permit first reading at
19 our next session of Council.

20 All in favor will please say aye.

21 (Chorus of "ayes.")

22 COUNCIL PRESIDENT Verna: Should I
23 ask if anybody's opposed?

24 (Chorus of "nos.")

25 COUNCIL PRESIDENT Verna: Roll call.

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2 MR. McPHERSON: Councilwoman

3 Blackwell.

4 COUNCILWOMAN BLACKWELL: Aye.

5 MR. McPHERSON: Councilman Clarke.

6 COUNCIL PRESIDENT VERNA: Councilman

7 Clarke.

8 COUNCILMAN CLARKE: Aye.

9 MR. McPHERSON: Councilman Cohen.

10 COUNCILMAN COHEN: Aye.

11 MR. McPHERSON: Councilman DiCicco.

12 COUNCILMAN DiCICCO: Aye.

13 MR. McPHERSON: Councilman Goode.

14 COUNCILMAN GOODE: Aye.

15 MR. McPHERSON: Councilman Kelly.

16 COUNCILMAN KELLY: No.

17 MR. McPHERSON: Councilman Kenney.

18 COUNCILMAN KENNEY: No.

19 MR. McPHERSON: Councilwoman

20 Krajewski.

21 COUNCILWOMAN KRAJEWSKI: Aye.

22 MR. McPHERSON: Councilman Mariano.

23 COUNCILMAN MARIANO: Aye.

24 MR. McPHERSON: Councilwoman Miller.

25 COUNCILWOMAN MILLER: Aye.

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2 MR. McPHERSON: Councilman Nutter.

3 COUNCILMAN NUTTER: No.

4 MR. McPHERSON: Councilman O'Neill.

5 COUNCILMAN O'NEILL: No.

6 MR. McPHERSON: Councilman Ramos.

7 COUNCILMAN RAMOS: Aye.

8 MR. McPHERSON: Councilwoman

9 Reynolds Brown.

10 COUNCILWOMAN REYNOLDS BROWN: Aye.

11 MR. McPHERSON: Councilman Rizzo.

12 COUNCILMAN RIZZO: Aye.

13 MR. McPHERSON: Councilwoman Tasco.

14 COUNCILWOMAN TASCO: No.

15 MR. McPHERSON: Council President

16 Verna.

17 COUNCIL PRESIDENT VERNA: Aye.

18 MR. McPHERSON: 12 to 5. It passes.

19 COUNCIL PRESIDENT VERNA: Councilman

20 Goode.

21 COUNCILMAN GOODE: Madam President,

22 are we going to be voting on the five year

23 plan resolution?

24 COUNCIL PRESIDENT VERNA: We will

25 be.

1 Whole - 5/25/05

2 COUNCILMAN GOODE: I'm asking: Are
3 we going to be voting on the five year
4 resolution?

5 COUNCIL PRESIDENT Verna: I think we
6 have to go back. We're having a discussion
7 on that at this moment, please.

8 We're just going to have a breather.
9 Mr. McPherson is getting some information for
10 us.

11 (Brief pause.)

12 COUNCIL PRESIDENT Verna: All right.
13 We are now going to be considering Resolution
14 Number 050022.

15 And I understand that everyone has
16 received a copy of the technical amendments
17 to Exhibit A. Everyone has a copy.

18 The Chair recognizes Councilwoman
19 Blackwell.

20 COUNCILWOMAN BLACKWELL: Thank you,
21 Madam President.

22 We introduced the amendments to
23 Resolution 050022. These are technical
24 amendments to Exhibit A that will conform to
25 the actions of the five year plan that this

1 Whole - 5/25/05
2 committee has taken, with regards to both the
3 operating and capital budget, as well as
4 revenue measures.

5 And we move for the adoption of the
6 amendment.

7 UNIDENTIFIED COUNCIL PERSON:
8 Second.

9 COUNCIL PRESIDENT VERNA: It has
10 been moved and seconded that the amendments
11 to Resolution Number 050022 be adopted.

12 All in favor will please indicate by
13 saying aye.

14 (Chorus of "ayes.")

15 COUNCIL PRESIDENT VERNA: The Chair
16 recognizes Councilman Nutter.

17 COUNCILMAN NUTTER: I'm sorry. Just
18 one quick question. This is the document?

19 MR. McPHERSON: Yes.

20 COUNCILMAN NUTTER: This document
21 incorporates, then, the amendments that were
22 made in Bill 03 which is the operating
23 budget, the changes that were made, and then
24 reflects them all the way through the
25 document.

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2 MR. MCPHERSON: Yes.

3 COUNCIL PRESIDENT VERNA: Yes.

4 COUNCILMAN NUTTER: Okay. Great.

5 And assumes... I'm sorry. And assumes in
6 this document the revenues from the three new
7 tax measures, two for the billboard, one for
8 the valet parking?

9 COUNCIL PRESIDENT VERNA: Yes.

10 COUNCILMAN NUTTER: This five year
11 plans assumes those revenues?

12 COUNCIL PRESIDENT VERNA: Yes.

13 COUNCILMAN NUTTER: Okay.

14 COUNCIL PRESIDENT VERNA: All in
15 favor of the adoption of the amendments will
16 please indicate by saying aye.

17 (Chorus of "ayes.")

18 COUNCIL PRESIDENT VERNA: Those
19 opposed?

20 (No response.)

21 COUNCIL PRESIDENT VERNA: The ayes
22 have it. The motion carries, and the
23 amendments are adopted.

24 The Chair recognizes Councilwoman
25 Blackwell.

1 Whole - 5/25/05

2 COUNCILWOMAN BLACKWELL: Thank you,
3 Madam President.

4 We move that Resolution 050022 as
5 amended be reported out of committee with a
6 favorable recommendation; and also a
7 recommendation that --

8 COUNCIL PRESIDENT Verna: We don't
9 need a suspension.

10 MR. McPHERSON: It's a resolution.

11 COUNCIL PRESIDENT Verna: We don't
12 need a suspension.

13 COUNCILWOMAN BLACKWELL: Thank you.

14 COUNCIL PRESIDENT Verna: Do I hear
15 a second?

16 UNIDENTIFIED COUNCIL PERSON:
17 Second.

18 COUNCIL PRESIDENT Verna: It has
19 been moved and seconded that Resolution
20 Number 050022 be reported out of committee
21 with a favorable recommendation, as amended.

22 All in favor will please say aye.

23 (Chorus of "ayes.")

24 COUNCIL PRESIDENT Verna: Those
25 opposed?

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2 (No response.)

3 COUNCIL PRESIDENT Verna: The ayes
4 have it, and the motion carries.

5 Thank you all very much, and have a
6 very good evening.

7 (Public meeting concluded at 8:20
8 p.m.)

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CERTIFICATE

I HEREBY CERTIFY that the proceedings and evidence are contained fully and accurately in the stenographic notes taken by me upon the public hearing and meeting of The Philadelphia City Council, taken on May 25, 2005, and that this is a true and correct transcript of same.

DAVID A. DEIK, RPR and
Commissioner of Deeds

(The foregoing certification of this transcript does not apply to any reproduction of the same by any means, unless under the direct control and/or supervision of the certifying reporter.)