COUNCIL OF THE CITY OF PHILADELPHIA

COMMITTEE ON FINANCE

Room 400, City Hall
Philadelphia, Pennsylvania
Friday, March 1, 2013
10:13 a.m.

PRESENT:

COUNCILMAN BILL GREEN, CHAIR
COUNCILWOMAN MARIAN B. TASCO, VICE-CHAIR
COUNCILWOMAN JANNIE L. BLACKWELL
COUNCILMAN WILLIAM K. GREENLEE
COUNCILMAN W. WILSON GOODE, JR.
COUNCILMAN KENYATTA JOHNSON
COUNCILWOMAN BLONDELL REYNOLDS BROWN
COUNCILMAN MARK SQUILLA
COUNCILMAN DENNIS O'BRIEN

ALSO PRESENT:

COUNCILWOMAN MARIA D. QUINONES-SANCHEZ

BILLS: 120054, 121038

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COUNCILMAN GREEN: Good morning, everyone. If we could please come to order. The Committee on Finance will begin its public hearing on Bills No. 120054 and 121038.

I note the presence of a quorum in the persons of Councilmember Goode, Councilmember Johnson, Councilmember Greenlee and Councilmember Blondell Reynolds-Brown. We will begin with testimony on -- I also want to note the presence of my colleague Maria Quinones Sanchez.

We will begin with testimony on 121038 and then move into Bill 120054.

Will the Clerk please read the title of both bills.

THE CLERK: Bill No. 121038, an Ordinance amending Chapter 17-1900 of the Philadelphia Code, entitled "First Source Jobs Policy," by clarifying certain definitions and responsibilities of financial assistance beneficiaries and of the City under the Chapter, all under certain terms and conditions.

Bill No. 120054, an Ordinance amending Chapter 19-1300 of the Philadelphia Code, entitled

"Real Estate Taxes," by providing for installment payments and requiring commencement of enforcement action, all under certain terms and conditions.

COUNCILMAN GREEN: Thank you. Will whoever -- let's see here. Kevin Dow for 121038.

Good morning, Mr. Dow. Please state your name for the record and begin your testimony.

MR. DOW: Good morning. My name is Kevin Dow. I'm the Chief Operating Officer for the Commerce Department in the City of Philadelphia. It's my pleasure to be here in testimony for Bill No. 121038. All amendments in this bill were agreed to upon -- during the first -- previous First Source legislation debate, but there was some amendments that did not wind up in the final bill.

We are -- Bill No. 121038 clarifies certain definitions and financial assistance beneficiaries and responsibilities of the City. And the Administration supports these amendments and this bill.

Thank you very much.

COUNCILMAN GREEN: Yes, thank you. I think there were certain things that we agreed to at the

Administration that I didn't actually put in the amendments to the bill, so I apologize. And I am glad we are rectifying that now.

Are there any questions for this witness?

Seeing none, anybody else here to testify on Bill No. 121038?

Seeing none, we will move to Bill No. 120054. We will start with a statement from my colleague Maria Quinones Sanchez.

MS. QUINONES SANCHEZ: Thank you. Good morning.

First, I want to thank the Administration for having worked with Councilman Green and I on this piece of legislation. It's been part of our Freshman 15, and we've spent the last four or five years working with the Administration around how do we streamline some of our collection process. So, I want to thank them for their help.

I cosponsored this bill with Councilman Green because it's urgent that we create better tools to collect the property tax that the City is owed while keeping people in their homes whenever possible. It is even more important that we do this now as some taxpayers are facing increase assessments that may have caused them to fall behind.

For too long payment plans for taxpayers have been treated effectively as a secret and often only available to those who know how to say the magic words. As a representative of a district with a significant tangle-title problems, I regularly field calls from constituents who want to pay their taxes but who are having trouble getting themselves approved for a payment plan because their name is not on the deed even though they are property's legal owner.

This bill creates a clear consistent system for incoming taxpayers of their options and rights. And once adopted, it will increase fairness and efficiency and tax collections.

In writing this bill, we looked at what works for the private mortgage companies. We know that most homeowners do not pay attention to clear notices that tell them that they are at risk of losing their home. The bill will require such notices and make sure they include information about specific payment plan options and resources like legal services, housing counselors who may be available to help taxpayers who have fallen behind on their taxes.

Philadelphia is nationally recognized for its successful mortgage foreclosure diversion program which uses housing counselors to help taxpayers negotiate agreements to save their homes. As a city, we are already funding these housing counselors to work on these issues including delinquent taxes. This bill ensures that taxpayers are referred to those housing counselors for help.

The bill also guarantees that there is one set of rules and procedures no matter who is collecting city taxes whether it's the Revenue Department, Law Department -- which are now combined -- or private firm Linebarger, GRB or anyone else.

By creating a single system of payment agreements with clear rights and requirements for taxpayers, we will be more successful in getting taxpayers into compliance and keeping tax payments coming in. We will also make sure everyone knows the consequences of not taking action with clear prescribed timeline for enforcement including foreclosure. We have worked closely with city agencies and advocates for low income taxpayers to shape this legislation.

I appreciate the Committee's support of this bill. Thank you.

COUNCILMAN GREEN: Thank you. We will begin with testimony from Commissioner Richardson. And then we will have a panel after Commissioner Richardson consisting of Christopher Ayres, Scott Winfre and Montgomery Wilson. I see Francis Beckley has joined the Commissioner.

Would you state your name for the record and please begin your testimony -- actually, before you begin, I want to recognize that Councilmembers Blackwell and Squilla are present.

Please proceed with your testimony.

MR. RICHARDSON: Good morning. My name is Keith J. Richardson, Revenue Commissioner. Good morning, Chairman Green and Members of the City Council Committee of Finance. Again, with me today is Frances Beckley, the Chief Counsel for the Department of Revenue.

We are here to testify on Bill No. 120054. Again, amending title 19-1300 that relates to the real estate tax in the general -- in the section of 19-1305, this chapter deals with installment payment agreements in particular. It is in the context that we support the general purpose of the bill. This bill contains extensive revisions and changes on the City's current real estate tax collection system. And we believe in the main -- in May these things will all be very helpful to the City's new collection strategy.

Representatives from both the Revenue Department and Law Department have been meeting regularly with council staff and members of the legal services community to discuss these issues. The Administration completely agrees with the Bill's objectives to make real estate tax payment agreements for owner/occupants more accessible, more consistent and more transparent. However, we have some reservations on certain aspects of the bill as currently written, which we are working with Council on those issues and want to continue further discussions.

This concludes my testimony. Thank you for the opportunity to be here this morning. And we will be here to answer any questions you may have.

COUNCILMAN GREEN: Thank you.

Any questions for this witness?

COUNCILMAN GREENLEE: Mr. Chairman, I am just wondering -- Commissioner, you said about concerns. Can you just briefly go over what your concerns are.

MR. RICHARDSON: I will refer to our Chief Counsel, Ms. Beckley.

MS. BECKLEY: Yeah. A lot of it has to do with the form of the bill as it's currently written. We don't -- we have been meeting for quite a long time with council staff and members of the legal services community. And I think we made great strides in coming to agreement on most of what needs to be done. The question is just whether this is the correct way to go about doing it.

As an example of how we would like to see the bill read, I would point you to Subsection 2-F7 which reads, "the Department shall promulgate standards governing state postponements and holds in pending enforcement action to allow taxpayers time to apply for and enter into payment agreements and/or to seek legal representation or assistance. The Department also shall promulgate standards regarding circumstances under which pending enforcement actions may be discontinued after taxpayer enters into a payment agreement."

You know, we have come to an agreement that we want to see those things happen. And you delegated to the Commissioner, I think appropriately, the discretion to figure out how those things should be gone about. And that will allow us through a process of trial and error to promulgate regulations which we can update monthly if we need to as we discover what things make sense.

When exactly should they be stayed? For how long should they be stayed?

You know, there are lots of genuine owner/applicants that we're very anxious to help. We also are -- in this business, there are a lot of scammers. And we need to make sure that we're separating those two classes of people out appropriately.

In contrasts to that you can take --

COUNCILMAN GREENLEE: Excuse me. I guess I didn't hear where that language was a problem.

Maybe I missed something.
What was the problem there?
MS. BECKLEY: No. I was showing that as an example of how a portion of this bill that I think is correctly drafted.
COUNCILMAN GREENLEE: Oh, all right. I'm sorry.
MS. BECKLEY: Okay.
In contrast to that, I would point you to Subsection 2B: Warning of risk of tax foreclosure action subpart one, First Notice.
"Should a taxpayer not remit payment for the current year's real estate tax liabilities or enter into a payment agreement" -- and I'm not going to read you this. There is a list that is longer than a page of exactly what information we have to send to the taxpayer.
Then on the next page --
COUNCILMAN GREEN: Ms. Beckley, if I can maybe shorten this process, the objection of the Administration is that you are perfectly fine if we pass a bill and everywhere in it say that the Department can promulgate regulations with respect to the following.

You have objections to parts of the bill where we have said we are not going to leave discretion with the Department, with the Commissioner or Department of Revenue but instead believe that we are -- that certain things are so clearly important to the payment plans that we want to put in place or with respect to enforcement actions that we want to make sure happen if payment plans aren't met, that we have prescribed exactly what must happen in those circumstances?

And would it -- just to summarize, would it be fair to say your objection is to everywhere in the bill we have said specifically what is to happen with respect to payment plans or enforcement actions?

MS. BECKLEY: I don't for a moment suggest that it is not City Council's prerogative to --

COUNCILMAN GREEN: I'm just asking is that a fair description of your --

MS. BECKLEY: No.

COUNCILMAN GREEN: -- object -- okay.

MS. BECKLEY: That's why I'm responding.

You know, for example, in the section that

I read to you earlier, there will be stays. There will be postponements. We will figure out what makes sense on those. I would have no problem if this section said there shall be a first notice and there shall be a second notice. Right now it prescribes a page long list of information that is to be included in both notices.

We don't know what that mailing costs, and we don't know that sending that mailing twice rather than sending all that information once and sending a shorter notice a second time might not be just as effective and cost almost half as much. That's the kind of thing that people who do this operationally day to day like the Commissioner should be allowed to determine.

I think it would be fine if you wrote there should be two notices, and at a minimum they should include, you know, a few critical pieces of information.

COUNCILMAN GREEN: Right.

MS. BECKLEY: But you have a virtually exhaustive list here that, you know -- some of which may be incomplete. You may -- we might want to lose some of these items. We might want to add some of those items. It's just a question of keeping a reasonable level of operational flexibility in the system.

MR. RICHARDSON: My only other concern with the bill is there is nothing about making a down payment for someone to get a payment agreement. We all can get a car note, can get a mortgage and you have to put some type of money down before you start making your payment agreements. It doesn't seem right to have a taxpayer come in and make a payment agreement and they're not putting any money forward as they do right now.

I think that should be part of the bill. Because if you are coming in and not making some kind of said payment, 30 days, 45 days from now they may forget about that bill. We don't want them to forget. When they take their hard earned money and put it down, that makes them think sometimes that they have to make responsible decisions to make the payments on a monthly basis, as well.

COUNCILMAN GREEN: Right. There are income tests where you are entitled to a payment agreement and where you are not. And you have complete discretion if someone is above 70 percent of AMI for the Department. We're talking about creating standards that must be achieved for people who are in poverty, who own their own homes, and to prevent them from being thrown out of their homes.

And you would like us to give you the discretion not to treat those people as I just described. And after lots of work with your department and the legal services community and others who will testify shortly, we've made the decision to draw the line at the Department's discretion in this legislation at 70 percent of AMI or -- I don't have the -- I think that's right.

And so, I hear you. But I think I am characterizing your objections somewhat clearly anyway.

Are there any questions by Members of Committee?

(No response)

COUNCILMAN GREEN: Okay. Thank you for your testimony.

Next we'll have Christopher Ayres from

Citizens and Community Legal Services; Scott Winfre, Housing Counselor from the Philadelphia Unemployment Project; and Monte Wilson from Community Legal Services.

MR. AYRES: Good morning and thank you for hearing me today.

My name is Christopher Ayres. I was born in Philadelphia in 1965. I live in my home at 2541 South 12st Street, Philadelphia, PA 19148 which I own. I was raised, educated and have worked in the City of Philadelphia my entire life. I started working when I was 13 years old to help support a single parent household, so I understand the value of hard work from an early age.

I have worked as a mental health counselor within the city prison system hoping to reach those who may have lost hope in their futures. I have also worked with children through Juvenile Treatment Court attempting to help young Philadelphians avoid institutionalization.

At times, I found myself working three jobs. One benefit of working so many jobs is the ability to buy a home in Philadelphia free and clear of a mortgage.

After working for 30 years, my health began to fail. I had three heart attacks and multiple surgeries. I tried in vain to purchase health insurance as I was self-employed and was not eligible for group policy coverage. Every health insurance company turned down my request for coverage due to preexisting conditions. My health was quickly failing. The amount of hours I was physically able to work began to dwindle. And what money I did earn was being spent on doctors and medications. Eventually, I had to stop working and I began to fall behind in my real estate tax.

Last year when I was four years behind in my real estate taxes, I got a letter from Linebarger stating that I needed to appear in court because my home was going to be listed for sheriff sale. I had received earlier notices from the Department of Revenue, but I was unable to pay because I was in financial limbo having lost my job.

The letter from Linebarger did not mention anything about the possibility of entering into a hardship agreement. I had no idea that hardship agreement was even an option. I had no idea what to do. I tried to reach out to Linebarger, and they only confirmed my court date. They did not mention any alternatives to a sheriff sale. I was terrified that I was going to lose my home and become homeless, but I saw no way out. I simply could not afford to pay off my delinquency, penalties and interest in a lump sum.

At that point, I reached out to Community Legal Services after my general assistant benefits were cut off reducing my income to $100 monthly from my aunt for personal healthcare services. Only then did I learn about the option of entering into a hardship agreement to pay off my delinquent real estate taxes.

Community Legal Services also told me that with no proof of income I would not qualify for a hardship agreement. I decided to take a boarder into my home, which then gave me the income that I needed to enter into the agreement. With the help and support of Community Legal Services I have been able to enter into a hardship agreement for my current taxes. And I am anxiously awaiting a second payment agreement to pay what I owe in my back real estate taxes.

My current taxes for 2013 are $1,273 which I can pay in installments with the income I now have from a boarder and my aunt. I am also hopeful that I will begin receiving federal disability benefits later this year making it much easier for me to cover my expenses including taxes.

If Community Legal Services had not helped me, I would have lost my home. Linebarger was not forthcoming about the possibility of entering into a hardship agreement that I -- and I am extremely grateful that Linebarger gave me a 90-day extension so I could apply for the hardship agreement. But they only did so after Community Legal Services specifically asked for that extension on my behalf.

I was astounded by how limited available resources are to someone in my position and how difficult it can be to enter into a payment plan. Philadelphia City Council is the last safety net available for people like me, the poor and disabled members of this community who have nowhere else to turn, so easily discarded and often thought of as disposable. We are genuine Philadelphians who often, through no fault of our own, have found ourselves in a bad situation. But we still have faith that our elected officials will always have our best interest in mind.

Thank you.

COUNCILMAN GREEN: Thank you very much for your testimony. I appreciate it.

Any questions?

(No response)

COUNCILMAN GREEN: Thank you very much.

Scott Winfre.

(Approaches witness table)

COUNCILMAN GREEN: Thank you for joining us. Please state your name for the record and begin your testimony.

MR. WINFRE: My name is Scott Winfre. Good morning, Members of the Council.

As I said, my name is Scott Winfre. And I work for the Philadelphia Unemployment Project and the Unemployment Information Center here in Philadelphia. I've worked as a housing counselor for the past twelve years assisting over five to ten homeowners weekly with various real estate tax issues. I am in direct contact with the City of Philadelphia, Linebarger Goggan Blair Sampson, GRB and the City of Philadelphia Law Department as well as various homeowners attempting to save their residents from tax lien sales. The services we provide homeowners are provided for free to all residents of City of Philadelphia.

I've been asked to speak to you today regarding a matter of the proposed Bill 120054. The proposed changes would also make provisions for installment payment agreements and require the commencement of enforcement action under certain terms and conditions. I believe that making these changes would help homeowners in their homes.

The issue with tax collection, in my opinion, is that homeowners are not treated equally, have different processes depending on the collection agency, and very often are required to maintain unrealistic plans that are quickly broken. The purpose of this ordinance is to assist in obtaining uniformity in the tax repayment agreement process and consistency among the three collection agencies involved in the tax delinquency collection process.

The proposed change to obtain uniformity and across-the-board consistency will ensure that there is a humanistic approach to providing assistance to the thousands of families facing tax delinquency. In my experience, homeowners make agreements that are verbally agreed upon but hardly ever receive agreements in writing.

An example of this case scenario is George, a homeowner, comes into my office seeking to reach an agreement for tax delinquency. I proceed in completing the application for hardship agreement, perform a budget and verify the residency and review their income and their assets.

I then escort the homeowner to the respective collection agency in order to resolve the arrears. At one point, I used to fax the application to different agencies. But in my experience, I frequently found that there were cases that were lost, never received by the agency or just never responded to. On the other hand, there are some cases that were submitted that were reviewed and written agreements were offered.

As a result, I found the best course of action is to physically escort my clients to the prospective agency. The time and effort used to escort these clients personally is exhausting the resources from my agency. This is time that could be best used assisting other homeowners stay in their homes.

I work with homeowners that have limited resources. Often when I go to these collection agencies, they demand unrealistic amounts of money sometimes even to enter into agreements. They offer good faith payments to put up. This applies especially to homeowners facing sheriff sales. The restructuring of this process would eliminate the homeowners uncertainty affording them a way to stay into their homes while in the tax lien foreclosure status.

In addition, many of my residents have no options for transition after foreclosure. And the system in place would simply create an increase in homelessness even more than the debt. There is a mortgage foreclosure crisis that already has devastated Philadelphia. Adding to this will increase in tax lien crisis and will only increase the burden on the City and the people of Philadelphia. As my job as a local housing counselor, it would become even more challenging.

Without the support of the collaborating offices, the job is almost impossible. I'm in agreement with Mayor Nutter's admission that the tax collection system in place has been less than desirable. This warrants an obligation from this committee and other City Council members to do the right thing and to make the much needed changes. Homeowners could also benefit from citywide advertising campaign directed towards the City of Philadelphia tax delinquency collection efforts which could include information regarding agencies that provide services for free.

No matter where you go or how you send your application, homeowners should be treated the same way, given the same options to respond and be responded to in a reasonable amount of time. I think that this is an important ordinance. It will benefit the community at large by assisting in maintenance of community preservation, neighborhood integrity and ultimately a reduction in tax lien sales citywide.

Thank you for your support.

COUNCILMAN GREEN: Councilmember Johnson.

COUNCILMAN JOHNSON: Thank you, Scott.

First and foremost, I just want to thank you for your service with the Philadelphia Unemployment Project. You have helped several of my constituents in the past. And a lot of times it was really in situations where they were going to a variety of different agencies for support being told a variety of different stories. And I remember sending them to you and them actually getting some type of assistance, which was an eye opening experience for me when I first came on as Councilman of how things worked on a city level. So, I did want to personally thank you from that component.

I guess since we are talking about the context of taxes and collecting tax, and that is, like, part of the major discussion going on as we talk about AVI, what type of responses have you been getting in your office as people have been receiving their new property tax assessments?

From your professional aspect, even as it relates to this bill and how things are operating, things that we need to pay attention to to provide a certain safety net. Because it's been in my experience even when you look at those individuals who have income levels which are 70 percent above AMI, and that's still kind of low in some areas.

MR. WINFRE: Right.

COUNCILMAN JOHNSON: I have a very, very diverse district but -- even in parts of Point Breeze. And I've been experiencing most recently, I mean, how they came up with the assessments -- I just know quite frank, it's not a scare tactic, but some of the seniors that we meet in our district office are going to have problems because they are on -- some on fixed income.

MR. WINFRE: Right.

COUNCILMAN JOHNSON: Some may be just slightly above that $23,000. Might make $25,000, and then they are in a situation. So, just give us some feedback as a person working on the ground.

MR. WINFRE: I think there is a overall level of concern. And with these changes in the structures, it's going to actually drive, in particular, seniors out of neighborhoods that they've been in for years. And that's a concern of mine. And we need to look at -- look at what we're ultimately going to do to some of these communities. In particular, yours.

You have a diverse ward. And that ward is going to change as a result of this AVI. So, we have an ultimate obligation to the residents of Philadelphia to do what we can do to assist them. And we will continue to do that.

COUNCILMAN GREEN: Thank you.

Any questions for this witness?

(No response)

COUNCILMAN GREEN: Thank you very much for the work you do and the testimony that you have here today.

MR. WINFRE: Thank you.

COUNCILMAN GREEN: Monte Wilson.

(Witness approaches table)

MR. WILSON: Good morning.

COUNCILMAN GREEN: Good morning. Please state your name for the record, and proceed with your testimony when you are ready.

MR. WILSON: My name is Monte Wilson. I am a supervising attorney at Community Legal Services in Philadelphia.

My name is Monte Wilson. I'm a supervising attorney at Community Legal Services Philadelphia where I have worked in the consumer housing unit since 2001. CLS strongly supports the bill that you are considering today in front of the Finance Committee, Council Bill 120054 which proposes to amend the code in order to standardize and formalize access to Philadelphia homeowners to affordable installment payment agreements for delinquent property taxes.

Before I do anything else, I want to take a minute to thank the whole Committee for hearing us today. And particularly, I'd like to thank Councilman Green and Councilwoman Sanchez for sponsoring this bill and all the effort in particular that their staff has put in. I'd like to recognize Sophie Bryan who had a big hand in this bill when we started out six months ago as well as Todd Baylson and Jennifer Kates. They have really done an excellent job.

I also want to thank the Commissioner of Revenue and Frances Beckley and all the staff at Revenue for meeting with us every two weeks for the last six months to try to come to some kind of agreement on this bill. There has been a lot of work and a lot of discussion around the details. And even though I know we are not quite on the same page, we are a long way from where we were six or seven months ago.

As the City of Philadelphia has stepped up its effort at tax collection, the legal services community has seen a steady increase in the number of homeowners seeking help with their delinquent real estate taxes or representation in tax foreclosure cases filed by the City or co-counsel for the City. Since January of 2012, over 570 people have come to Community Legal Services and Philadelphia Legal Assistance seeking help regarding delinquent property tax. There are thousands more we never see.

There can be little debate that the City needs the revenue or that residents need to pay their property taxes. But what residents also need is a uniform, well-publicized system of collection based on written agreements and notice which will ensure that homeowners will be offered installment payment agreements and notice and offered agreements with monthly payments they can afford to give them a fair opportunity to pay off those tax debts. The system needs to be fair and consistent ensuring that homeowners are offered the same opportunities and the same chances whether they are dealing with the Revenue Department, the Law Department or co-counsel Linebarger, Goggan, Blair and Sampson or GRB.

We believe that the installment payment bill meets those goals allowing the City to collect its overdue property taxes but helping Philadelphia homeowners a reasonable chance to preserve their homes and work their way out. The bill does that by offering homeowners uniformity, notice, incentives to make payments as agreed, and finally, real consequences for failure.

It's important to stress, because this is usually the first question I get asked, that this is not a universal bill. This is not the Save the Warehouse Bill. This is not the Vacant Property Preservation Bill. This bill applies to owner-occupied properties, peoples homes for families in Philadelphia.

We believe that homeownership is different in that homeowners need to be given every reasonable chance to keep their homes before being faced with foreclosure and eviction. We also believe that home preservation is a value that is important -- that is as important as collecting revenue. It's not necessarily cost effective for the City to move quickly to foreclose on a family home, possibly pushing a family into a shelter and negatively effecting property values if the home becomes vacant.

In fairness, it's my experience that the Department of Revenue largely agrees and does not want to foreclose on family homes if they can be paid.

Second, and I think this is probably the most important thing before the -- in this bill, the bill creates a uniform system of payment plans. One of the major problems with the current essentially informal system is that different payment plans are offered to taxpayers with different terms depending on who they are dealing with. Right now the same taxpayer whose income is eligible for financial hardship agreement with Linebarger, Goggan or GRB can be found income ineligible based on their income for an extended term agreement with the Revenue Department.

Similarly, a taxpayer who is a daughter of the record owner on a deed will be eligible for an agreement with Linebarger Goggan or GRB under the financial hardship guidelines. But if their lien just happens to be being dealt with by the Revenue or the Law Department, because that daughter is not the record owner, she will not be eligible for a payment plan. That kind of variation based solely on who the taxpayer is lucky enough to be talking to is confusing and leads taxpayers like my clients to believe that the system is unfairly based on luck and who you know.

This bill addresses that problem by setting out standardized eligibility requirements, standardized monthly payment amounts tied to a person's income, standardized amounts of interest and penalties which may be forgiven if and only if the taxpayer pays off 100 percent of the principal first, and standardized notices to be sent out to taxpayers informing them of their payment options and the tax relief that Council has worked so hard on and telling them what the consequences will be if they fail to pay.

These uniform standards will apply

regardless of whether taxpayers dealing with Revenue, the Law Department, Linebarger or GRB. This will go a long way towards giving homeowners a fair opportunity to enter into an agreement they can afford, a fair opportunity to climb out of debt and a fair notice of the consequences.

Third, this bill will give homeowners fair notice both of the relief available, like the Homestead Exemption or the Pennsylvania Rebate and their obligations to pay and the consequences for failure to pay. The bill requires that two risks of -- warning risk of foreclosure letters will go out to taxpayers at least 60 days after they are late with their payments. The warning letters would demand payment but would also advise taxpayers of the forms of tax relief like the exemption that may be available to help them and would refer them to taxpayers and housing counseling agencies and legal service agencies for advice.

Private mortgage lenders have had to do this in Pennsylvania since 1983. There is a standard letter usually known as the Act 91 Notice of Intention to Foreclose that lenders in

Pennsylvania foreclosing must send out to private borrowers before they can file a tax action. We're not asking for jurisdictional requirement. We're not asking for a loan program like the State loan program that the Act 91 letter is tied into. We are simply asking for a much simpler form of notice that tells people they are behind, that tells people what their options are and that gives them somewhere to go if they feel like they can't deal with this problem on their own, and it tells them that foreclosure could happen.

One of the things that's come up over and over in the last six months is a discussion about the culture of nonpayment. My response to that is that's absolutely correct. We do have a tradition in Philadelphia of people not paying their taxes. We also have a tradition of the taxes not particularly being collected aggressively. Beginning with the Street Administration and certainly under the Nutter Administration that is over.

One of the first things I say to every single client who comes into my office is the idea that you don't have to pay your taxes anymore is over. That is changed. We need this notice to put that word out to people, to reeducate Philadelphians that the day is over and it's time to step up and pay. But it's unrealistic to ask them to put up an enormous lump sum, something like 10 percent of the total principal balance or even 25 percent. They need to be able to make affordable payments.

The other kind of notice that they will get is a standard written payment agreement that will spell out not just here is your monthly payment, here is an address to send it to, but that will tell them here is your payment. It is tied to your monthly income. What we have proffered is a three-tiered -- essentially a four-tiered system.

For those people whose income is below -- at or below 70 percent of AMI, Area Median Income, there will be different amounts that they will have to pay. If you are extremely low income, living at 30 percent of AMI, you will pay 5 percent of your monthly income.

COUNCILMAN GREEN: Mr. Wilson, would you mind for the record stating what the average area median income is.

MR. WILSON: Well, it depends.

COUNCILMAN GREEN: What is the average? So when you say 70 percent of it, 70 percent of what number?

MR. WILSON: I think it's easier to break it down. The median income in Pennsylvania, according to HUD, is $80,000 a year. That's annual income. For our clients in these four different categories, here is what that means.

If you are living at 30 percent of area median income, that's about for one person $17,000 a year or $1,429 a month. Most of you know that's somebody living on Social Security benefits right there. If it's a family of four, that's $24,000 a year or $2,000 a month. That's the first -- the lowest tier. Those folks would pay 5 percent of their monthly income towards the delinquent taxes.

The next tier up would be people living at 50 percent of area median income. That is $2,300 a month for a single person or $3,396 a month for a family of four. They would pay 8 percent of their income towards the delinquent taxes each month.

Finally, the next tier up is folks living up to 70 percent of income. They would pay -- their income is about $3,300 a month for one person, $4,754 for a family of four. That's not a lot for a family of four to live on. They would pay 10 percent of their income.

Above the 70 percent figure, we no longer tie the payments to area income. Those folks will generally have 24 months to pay the tax bill off in full, but the Department has discretion where there's a hardship to extend that if they choose to.

COUNCILMAN GREEN: I interrupted your testimony. I apologize.

MR. WILSON: That's quite all right.

COUNCILMAN GREEN: Please proceed and then we'll have questions.

COUNCILWOMAN TASCO: I have a question on that, too.

COUNCILMAN GREEN: Yes, I'm sorry. Councilmember Tasco.

COUNCILWOMAN TASCO: What happens if a family is paying delinquent taxes? How do they keep up with the current tax?

MR. WILSON: The bill is going to require that they need to pay the current taxes at the same time. We are not trying to set up a system where you can pay 10 percent of your income, that would be $400 a month for a family of four on $4,000 but also let your 2014 taxes slide. You have to be able to manage the current taxes plus whatever the preset amount of the delinquent taxes are.

That is one of the, as a debtor's attorney I can honestly say, downsides of this bill but I think that is realistic. There are going to be people that are going to lose their homes because they cannot afford to cover the current taxes plus whatever this amount is.

I think Council needs to think about some other options for those folks like a senior deferral for folks who may be built up large arrears and are over the age of 65 or 70. You may want to allow them to simply defer payment on the taxes. But the fact remains, at some point we had to draw a line and agree that if you are living on $200 a month, it may not be possible for you to stay in your house.

When Mr. Ayres originally came to me, that was pretty much his situation. His GA had been cut off. He'd been able to pay the taxes before them. Without the State General Assistance he had $100 a month income. He would not be able to afford it. And my advice, he went out and got a renter. He still has that $100 a month. He is going to pay the taxes. If he gets disability, he will be able to do it if we tie his delinquency payments to his income.

Shall I continue?

COUNCILWOMAN TASCO: Go ahead. I will come back.

COUNCILMAN GREEN: Yes. Please proceed with your testimony.

MR. WILSON: I will move ahead.

Basically, the bill creates a carrot-and-stick approach to collection. As a member of legal services, obviously, I am in favor of a big carrot. A lot of motivation for people to pay their taxes.

We are offering affordable monthly payments that are tied to household income for homeowners that are below 70 percent of area median income. We are also saying if you step up and do this and pay 100 percent of your principal off, we will give you a certain amount of forgiveness depending again on which tier you are in on penalties and interest. For folks just below 70 percent of income, they will get 100 percent of penalties reduced, but still have to pay all their interest.

For folks living below 50 percent of area median income, they will get the penalties reduced and 50 percent of the interest.

For the poorest folks, those living at 30 percent of area median income, that's that $1,400 a month, if they pay off the principal in full, they will get 100 percent of the interest waived and 100 percent of the principal.

What is important here is to know this isn't an up front deal. It's not an amnesty program. This is a chance of if you pay in full and do what you need to do and maintain your current taxes, we recognize on $1,400 a month, the odds of getting that money is going to take 10 or 20 years possibly. And the Department -- we are encouraging in this bill for it to let it go. And this is the program we came up with in our discussions with the Department.

That gives people a real incentive to pay. They can actually work their way out of the 20 or 30 years of debt that some people have accrued.

Finally, at the end of the day, there is three big sticks. One I've already mentioned. You have got to maintain your current taxes. This is not the rolling default bill where we will let you pay on your back current taxes right now and then we will kind of stick 2015 in their when we get there. You have got to maintain the agreements.

Secondly, they have got to pay in a timely manner. If you pay late three times in a row or three times over a period of time, you can default on this agreement. That gives people some flexibility. But if they engage in a consistent pattern of paying late, paying late and essentially not paying, they will default on this agreement.

And the really big stick here is, you only get one of these statutory agreements. I know the Department is very concerned about their discretion. This sets up a framework and some core principles for someone to come in. And no matter where they are, get the same agreement the first time. If they keep these agreements, they get some benefits. But if they fail to pay or they pay late or they don't pay their current taxes, there is no second bite at a right to a statutory agreement. At that point, the Department has discretion.

I imagine in the future I will be spending some time on the phone begging the Department for -- to let some little old lady have a second agreement, give her another chance. But it will be at the Department's discretion. What we have done here is give people a fair shot the first time to step up and work their way out of debt in a way that they can do because it's tied to their income.

The last stick is the one that you've already heard about. The bill does step up and say that there will be commencement of foreclosure. I can tell you after sitting with the Department for six months discussing this, I have no doubt they are going to step up and foreclose on people. But they are not interested in taking family homes if they can get paid.

What I do disagree with in this bill is the concept that if you breach, there must be a foreclosure within one year. I don't know that you can compel a lawyer to not do his due diligence in that he or she must file an action in one year. I'm also not sure it's realistic. I think if you've got 24,000 delinquent residential properties in Philadelphia, imagine the Department trying to file 24,000 or even half that 14,000 foreclosures in the next year or even two years from now as this rolls out. I'm not sure that's realistic.

I think we do need to have clear notice and an expectation that people will be foreclosed on. And unfortunately, from my perspective, we are going to go through a painful period of people seeing houses foreclosed for taxes for the first time in decades and seeing their neighbors lose their homes and the word will get out.

What we need to do is set up a system so that they have a chance to step up, pay. And the last thing, if they need the help, get to housing counseling agency or a legal service agency to get assistance in getting into an agreement. You know your constituents. Some of them are going to need an advocate to step up and help them fill out the applications, someone to help them when they are denied an agreement and they don't understand why.

If you put this bill altogether, I think it strikes a fair balance. Homeowners get a fair chance to save their homes. The City eventually says you have had your one bite of the apple, it's time to pay us or we're going to foreclose.

I would urge you to vote on this bill in favor of it today.

COUNCILMAN GREEN: Thank you very much for you testimony. And you did steal a little bit of my thunder in that I was going to acknowledge Sophie Bryan, my Chief of Staff and Stacie Graham who stepped up for her, my former Legislative Aide my former Chief of Staff and now Todd Baylson and, of course, Jenn Kates has been steady throughout this entire process who works for Maria Quinones-Sanchez' office and has done tremendous work with you and everybody else in the working group.

I also agree with you completely that the cooperation and working relationship with the

Department of Revenue and the Law Department through this process has been phenomenal. And even though we don't quite agree on everything with them, we're going to continue to work with them on this matter.

So, thank you for acknowledging everybody in the process, also.

I know Councilmember Tasco has a question and then Councilmember Squilla.

Councilmember Tasco.

COUNCILWOMAN TASCO: I don't have a question as much as a statement.

Because I was speaking to a young lady the other day, and she was asking me about her taxes going up. And she is in a community where she bought her house for a very low price, but now it's a gentrified neighborhood and taxes have gone up from like 1,200 to 3,500. She said, well, can I do monthly payments? And I said, they don't have that. She does not have the income to pay that out in one lump sum.

What I've often tried to get the Revenue Department to understand is how -- it may be difficult because I know we need the money and have to have a predictability of income.

How can we figure out a way for people to pay their taxes monthly?

I know it was very shocking to me to come from a mortgage payment where your taxes are deducted in your mortgage payment each month and you are used to that. Then of course your house is paid off and then you get this bill and you have to pay it by a certain date. Maybe you have it. You don't have it. You have to plan for it.

That is another issue I raise in terms of, I think if we can get people to pay monthly, then you prevent them from being delinquent. And it moves forward as opposed to working backwards.

MR. WILSON: Can I speak to that?

COUNCILMAN GREEN: Yeah.

MR. WILSON: I would agree. In fact, I've been doing mostly private mortgage foreclosures for ten years. I'm generally very nervous when banks talk about having homeowners authorized electron automatic deductions on their mortgage payments because the payment comes out on the first but they don't get their Social Security check till the sixth. And the check bounces and they fall behind and their is a foreclosure.

In the tax world, I've actually decided I feel the reverse. I think it would be a terrific idea if it was possible for seniors to set up automatic, I guess it would be credits -- I've been studying up a little bit on electronic payments -- from their accounts to the current accounts and a separate, I think it would have to be, account for delinquent taxes.

So a lot of my clients, a lot of the issues are they are seniors or they may have mental deficiencies or mental disabilities. One of the best ways for the City to set up a steady stream of revenue and make sure defaults don't happen would be an automatic monthly credit that goes from their account after their benefits or whatever income comes in directly to the City's account.

As long as that could be accurately tallied and citizens had access to payment history, I think that would be an excellent idea. And it would probably increase the collection rate in the City astronomically.

COUNCILWOMAN TASCO: Thank you.

COUNCILMAN GREEN: Councilmember Squilla.

COUNCILMAN SQUILLA: Yes. Thank you so much for your testimony.

Are you aware that the State legislation who is introducing a bill in the Commonwealth for a payment plan option at all?

MR. WILSON: There is in -- I believe it was the package of tax relief bills that Councilman -- I'm sorry, just left my head -- the head of Council put into Harrisburg a provision to authorize installment payment agreements in the City of Philadelphia. I believe Council already has that authority under the Municipal Claims Act. But yes, that installment language is out there.

COUNCILMAN SQUILLA: So, you believe at this point then that a Philadelphia citizen can enter into a installment plan with the City no matter what the income level is or no matter what their basis for wanting an installment plan on their taxes are?

MR. WILSON: Well, there's not a system for it the way we are proposing here today. But yes -- there actually is for current taxes. I think that the Revenue Department does a very good job in helping people get into installment agreements on their current taxes. It's the delinquency world where what we don't have is a system of how do I get into an installment agreement on my delinquency taxes.

I thought what you were asking me was does Council have the authority to set that up. And yes, I believe you do.

COUNCILMAN SQUILLA: Okay. Also, I really appreciate the work that you do.

What is the number of people who, I guess, go through your system for help? Do you have an actual count of how many people you --

MR. WILSON: For just taxes or in general?

COUNCILMAN SQUILLA: Yes. Just for taxes, delinquency taxes.

MR. WILSON: Well, we -- I actually did track -- I do almost all the tax foreclosure cases that come into our office. It's not something that we've been advertizing until the last two or three years. Just in the last twelve months between Philadelphia Legal Assistance and Community Legal Services, 570 people have come to our offices.

COUNCILMAN SQUILLA: In just a few months?

MR. WILSON: Twelve months.

COUNCILMAN SQUILLA: And I believe that number will increase dramatically with our new system going into effect. That will have a lot more people that may be not able to pay their taxes. And hopefully, you guys will be able to handle the challenge of --

MR. WILSON: I would agree. And I will say this, my boss' Executive Director will appreciate it. I would agree. And we currently have a contract with the City to assist homeowners facing private mortgage foreclosures and to work with counselors and advise them on those cases in the diversion program.

I think one thing Council should think about is funding a similar contract, maybe as a pilot project, for tax cases. I would be happy to take the referrals. I think it's reasonable to say at some point, especially if the volume picks up, somebody has to pay me to do my job.

COUNCILMAN SQUILLA: You're not going to do it for nothing?

(Laughter)

MR. WILSON: I have done it so far for nothing.

COUNCILWOMAN TASCO: He may get behind on his taxes.

(Laughter)

COUNCILMAN GREEN: Thank you very much.

Could you elaborate on installment agreements that are for current taxes sort of in response to Councilmember Tasco's question.

MR. WILSON: You might want to ask the Commissioner about installment agreements for current taxes. But I would be happy to.

What was your question?

COUNCILWOMAN TASCO: Are you saying that currently people and homeowners can have a monthly payment to pay their taxes? Their current taxes?

MR. WILSON: It's -- I think it's a little ambiguous whether you can do it electronically. I think it's clear if you want to do it by credit card, you can call in each month and make a payment.

COUNCILWOMAN TASCO: No. No. No. No.

MR. WILSON: If you want to get into an installment agreement, a regular will I get a monthly bill, homeowners, especially seniors, there is actually legislation. It's in the section that you are looking to amend. Seniors in particular are allowed to enter into an installment agreement currently between eight an twenty installments on their current taxes. And I don't I think there is legislation for other people to get into installment agreements on current taxes. But in my experiences, they are generally able to.

COUNCILMAN GREEN: Just by requesting them from the Department of Revenue, they can enter into installment agreements. In particular, would you discuss the senior installment agreements that are part of this legislation.

MR. WILSON: This current bill, I admit I have read that but I wasn't focused on that obviously. My focus is the delinquencies. There really are two pieces of the pool here.

We need you to take care of your delinquent payments and we need you to maintain your current taxes. What the law -- the code, the Philly Code currently provides for is low income seniors are eligible to enter into installment agreements on their taxes. I believe the bill currently allows seniors to get into a payment agreement between eight installments and twenty agreements. I think the bill is proposing to amend to reduce that to twelve months. Because in a sense, it doesn't make sense to have someone pay out 2013 taxes in twenty installments. And essentially, what do I do about 2014 when I run into it in the 13th month.

Typically in my experience, seniors get a coupon book from the Department and send their payment in with the coupon book every month. What I think would be a big improvement on the system would be seniors being able to make an electronic transfer automatically out of their bank accounts rather than worrying about payments or coupon books or going down to the Revenue Department.

COUNCILMAN GREEN: Thank you. That is something we will look at.

Councilwoman Brown.

COUNCILWOMAN REYNOLDS BROWN: Good morning.

Let me first go on the record to commend Councilman Bill Green and Councilwoman Maria Quinones-Sanchez for looking at this issue five years ago. And now that scenario is real as we look to see what we're faced with now around AVI.

You say that you captured or was engaged with 500-plus cases?

MR. WILSON: Uh-huh.

COUNCILWOMAN REYNOLDS BROWN: In the last year?

MR. WILSON: In the last twelve months.

COUNCILWOMAN REYNOLDS BROWN: In the last twelve months. So, are you a solo act over there at CLS, or are there other professionals doing what you do?

MR. WILSON: I am essentially a solo act. We have intake at our office. It's not that they come in and only see me. Once the file is taken in on intake, if someone is going to represent them in a tax case or seek to help them get into a payment agreement or advise them or file a response in a common pleas action, it's me.

We simply don't have the resources to divert the lawyers we have doing private foreclosures now into tax foreclosures.

COUNCILWOMAN REYNOLDS BROWN: Okay. So ultimately, lands on your desk. So when you consider and anticipate the concerns raised by Councilman Kenyatta Johnson and Councilman Squilla, there is every evidence that this is going to uptake exponentially.

Who is your current contract with? Your current contract with? You say with the City of Philadelphia?

MR. WILSON: It's, I think, in particular it's OHCD that we have the contract with.

COUNCILWOMAN REYNOLDS BROWN: Okay.

MR. WILSON: The head of our unit Beth Goodell typically negotiates the contract, so I couldn't tell you the details.

COUNCILWOMAN REYNOLDS BROWN: I see.

MR. WILSON: But I believe it's with the Office of Community Housing and Development. Because they are the ones who organize the housing counselors.

COUNCILWOMAN REYNOLDS BROWN: Okay. And so, you have spoken to one conceivable practice that we as a City could consider to protect in a strong way senior citizens.

Do you know of other best practices around the country in a similarly situated municipalities that have tackled this issue and found ways to protect low income persons and seniors?

MR. WILSON: I think there is two parts to your question. Are there other practices? And there are. And are there a consolidated list of best practices?

COUNCILWOMAN REYNOLDS BROWN: Uh-huh.

MR. WILSON: I've started to research that. I would think that the Commission on State and Local Government would have compiled a list of best practices, this is for tax collection. I haven't been able to found that.

COUNCILWOMAN REYNOLDS BROWN: Is that right?

MR. WILSON: I admit, I have had a lot on my plate locally, so I haven't looked exhaustively. But I haven't been able to find best practices.

In terms of practices that are out there, yes. There is a whole variety of things that are on the table. Some of the tax reliefs options that you are already considering in terms of gentrification, I think the deferral for seniors is something to think about. I think the

Homestead Exemption is a good idea. Some of the other things that are out there.

In Genesee County, they --

COUNCILWOMAN REYNOLDS BROWN: You say Genesee?

MR. WILSON: Genesee County, which is in Michigan.

COUNCILWOMAN REYNOLDS BROWN: Oh, okay.

MR. WILSON: They basically had a smaller version of the problem we have here. They moved up to, I believe, a 99 percent collection rate. One of the things they did was hire legal services to literally go door to door to do outreach to taxpayers. I don't think that's going to happen in Philadelphia, but that's the kind of creative thinking.

There is a Massachusetts statute that allows homeowners literally to work off their property tax bill working for different municipal services like libraries and other agencies.

COUNCILWOMAN REYNOLDS BROWN: Is that right?

MR. WILSON: Generally, what happens is that as you trend west across the United States, you see more and more just straight exemptions for low income homeowners for seniors for that kind of thing. Just a simple statement of at the age of 72, you are exempt from property taxation or you have a deferral until you are deceased.

I don't think that we are going to see a straight exemption. I am in favor of it, but I don't believe that's going to happen in Philadelphia.

COUNCILWOMAN REYNOLDS BROWN: Well, your testimony has been quite informative. And additional yellow flags have gone up for us as members as we face this AVI challenge.

Thank you for your testimony and for your good work.

MR. WILSON: Thank you.

COUNCILMAN GREEN: Thank you.

(Applause)

COUNCILMAN GREEN: Please proceed.

MR. WILSON: If I can just say one word about the AVI situation and how it ties into this in my view.

AVI, I actually agree with the reassessments. You asked Mr. Winfre earlier what they had seen at PUP in terms of people getting the new notices. We are having people coming in left and right with the notices panicking because they believe their taxes are going to triple and double. We all understand that the tax rate has not been set yet, and that's not necessarily going to happen.

What my experience is, is that with the Homestead Exemption, homeowners are either going to either see a small decrease in their tax bill if they are living at 30 percent of area median income or 50 percent or maybe a 100 to 200 dollar increase. But there are a few people who have won the reverse lottery.

I have one client who was actually referred to me by the City who unfortunately has delinquent taxes, needs an agreement like this. Unfortunately, under the AVI proposition, her tax bill is going to triple. Given her income, I don't know how she is going to pay that. She is a senior. I think the gentrification bill or a deferral bill would help her stay in her home. But those are the folks, this is the last stop for. Even with the changes you are currently making. Some people are going to fall behind.

Hopefully, we can get to place where nobody is ten or twenty years behind in the future or someone is two years behind. By then they are in my office. But on the way there, we need something like this as the last stop.

COUNCILMAN GREEN: I will say this to my colleagues and other people in the audience who have friends in the State Senate or in the General Assembly. That is, there is a really important piece of legislation that could help that woman you just talked about. And that is Means Tested Gentrification Relief. Which is -- I don't know what is happening to it. It's been stalled up there. It hasn't happened.

But if we pass that, that person will be protected at very little cost to other Philadelphia taxpayers because we're not applying gentrification relief to people in Society Hill and Rittenhouse Square who don't need it, which is the only way we can do it today.

So, that bill I would -- I wish we could get some action on from our delegation in Harrisburg.

Thank you.

MR. WILSON: Thank you.

COUNCILMAN GREEN: Thank you. I do want to note for the record that you can enter into an installment agreement under this legislation today if you are a senior or if you are up to 50 percent of AMI and it's automatic. And this legislation requires it be made available, so your -- for the current year.

COUNCILWOMAN TASCO: Delinquent?

COUNCILMAN GREEN: For the current year taxes. Your constituents if they are below 50 percent of AMI, will be able to get a -- if we pass this legislation, a current year installment agreement.

Thank you.

Are there any other people here to testify on Bill 120054?

Seeing none, we will move from the Public Hearing into the Public Meeting.

And I would ask Councilmember Tasco to please move the amendments to Bill 120054.

COUNCILWOMAN TASCO: I move for the adoptions of the amendments to Bill 120054.

COUNCILMAN JOHNSON: Second.

COUNCILMAN GREEN: It's been approved -- the amendments to Bill 120054 have been approved and seconded.

All in favor?

(Chorus of Ayes)

COUNCILMAN GREEN: Any opposed?

Seeing none, the amendments are approved.

I'd ask Councilmember Tasco to move Bill 120054 as amended.

COUNCILWOMAN TASCO: I move Bill 120054 be reported out of Committee with a favorable recommendation. And that the rules of Council -- as amended. And that the rules of Council be suspended so this bill can be heard at Council's next session.

COUNCILMAN GREENLEE: Second.

COUNCILMAN GREEN: It's been properly moved and seconded that 120054 as amended be reported from this Committee with a favorable recommendation.

All in favor.

(Chorus of Ayes)

COUNCILMAN GREEN: Any opposed?

The ayes have it.
I would ask that Councilmember Tasco move 120 -- 121038.
COUNCILWOMAN TASCO: Is there an amendment?
COUNCILMAN GREEN: No amendments.
COUNCILWOMAN TASCO: I move that Bill 121038 be reported out of Committee with a favorable recommendation. And that the Rules of Council be suspended so this bill can be heard at Council's next session.
COUNCILMAN GREENLEE: Second.
COUNCILMAN GREEN: It's been properly moved and seconded that Bill 121038 be reported from this Committee with a favorable recommendation. And that the Rules of Council be suspended so that it can be heard at our next session of council.
All in favor?
(Chorus of Ayes)
COUNCILMAN GREEN: Any opposed?
(No response)
COUNCILMAN GREEN: The ayes have it.
And that concludes the Public Meeting on the bills just reported from this Committee.
Thank you everyone for your participation.

COUNCILWOMAN TASCO: Thanks.

(Committee on Finance Meeting concluded at 11:18 a.m.)

C E R T I F I C A T I O N

I, hereby certify that the proceedings and evidence noted are contained fully and accurately in the stenographic notes taken by me in the foregoing matter, and that this is a correct transcript of the same.

Court Reporter - Notary Public

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