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COUNCIL OF THE CITY OF PHILADELPHIA

3

PUBLIC MEETING

4

BEFORE THE COMMITTEE ON RULES

5

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Room 400, City Hall

6

Philadelphia, Pennsylvania

Wednesday, December 3, 1997

7

2:10 p.m.

- - -

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BILL 960823 - Amending Title 17 of the Philadelphia Code entitled "Contracts and Procurement" by revising the prevailing wage ordinance.

9

BILL 960512 - Amend Philadelphia Zoning Maps in the 14th Ward, in an area bounded by N. 12th St., 11th St., 9th St., Percy St., Brown St., 10th St., and Fairmount Ave.

10

11

BILL 970591 - Amend Philadelphia Zoning Maps of land located within the block bounded by Roosevelt Boulevard, Ramona Avenue, and Adams Avenue.

12

13

BILL 970670 - Amending Retirement System Ordinance to allow fire and police employees laid off in 1978 and 1980 and later reinstated to purchase service credit for the lay-off period.

14

15

BILL 970740 - Declaring it desirable for The Hospitals and Higher Education Facilities Authority of Phila. to participate in a project consisting of refunding certain prior bonds.

16

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- - -

18

PRESENT:

19

COUNCILMAN JAMES F. KENNEY, Vice-Chair

20

COUNCILWOMAN AUGUSTA A. CLARK

COUNCILMAN W. THACHER LONGSTRETH

21

COUNCILWOMAN ANNA C. VERNA

COUNCILMAN RICHARD T. MARIANO

22

COUNCILMAN MICHAEL A. NUTTER

COUNCILMAN FRANK DiCICCO

23

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1

2 COUNCILMAN KENNEY: Good afternoon,
3 ladies and gentlemen. The Council Committee on
4 Rules is now in session to take testimony on a
5 number of bills.

6 To we have a quorum represented by
7 Councilman Mariano, who is being appointed to this
8 committee because of the illness to Councilman
9 Cohen; Councilwoman Clark, who is a member of the
10 committee regularly; and Councilwoman Verna is a
11 regular committee member.

12 The first bill is Bill No. 970740, an
13 Ordinance declaring it is desirable for the health,
14 safety, welfare of the people in the area served by
15 the North Philadelphia Health System, a Pennsylvania
16 nonprofit corporation, located at 11th Street and
17 Girard Avenue, Philadelphia, Pennsylvania, 16th
18 Street and Girard Avenue, Philadelphia,
19 Pennsylvania, and 1522-1524 West Girard Avenue, for
20 The Hospitals and Higher Education Facilities
21 Authority of Philadelphia to participate with the
22 Hospital in a project consisting of refunding
23 certain prior bonds issued by the Authority, making
24 certain renovations and improvements to the
25 Hospital's facilities, purchasing certain equipment

1 BILL NO. 970740

2 and funding certain reserves and other capital
3 requirements.

4 Good afternoon. Please identify
5 yourself for the record and proceed.

6 MR. DONALD A. CRAMP: Thank you,
7 Mr. Chairman.

8 My name is Donald Cramp. I serve as
9 the Chief Executive Officer of The Hospitals and
10 Higher Education Authority of Philadelphia.

11 If I may, I would like to make a
12 brief statement this morning in support of this
13 proposed bill. I correct myself; this afternoon.

14 On October 27, 1997, North
15 Philadelphia Health Systems attended The Hospitals
16 and Higher Education Facilities Authority of
17 Philadelphia Board of Directors' meeting seeking The
18 Authority's assistance in this financing.

19 The North Philadelphia Health
20 Systems' request was accepted for consideration by
21 The Authority.

22 We will ratify this financing, to
23 include your actions to, at our meeting on Tuesday,
24 December the 9th.

25 A public tax equity and fiscal

1 BILL NO. 970740

2 responsibility -- that is, a TEFRA hearing -- on
3 behalf of North Philadelphia Health Systems is
4 scheduled for Thursday, December the 4th, in our
5 board room, in accordance with the published
6 newspaper advertisement at that time.

7 Both The Authority and North
8 Philadelphia Health System will be represented at
9 that TEFRA hearing.

10 This financing is an FHA-insured
11 loan. Thereby, the obligation to repay this debt is
12 not on behalf of the City of Philadelphia and not on
13 behalf of the Philadelphia Hospitals and Higher
14 Education Authority.

15 We have to, Mr. Chairman, Council
16 members, a panel of experts, should you have
17 questions.

18 We have to the privilege of assisting
19 the North Philadelphia Health System and many people
20 who are associated with this remarkable system.

21 I would also like to express our
22 appreciation for you convening to. Because part of
23 this financing is FHA insured, and we must close by
24 December 31 as a provision of that FHA condition.

25 I would like to introduce Mr. George

1 BILL NO. 970740

2 Walmsley, to my left. In many people's eyes in this
3 community, we would not be here to without
4 Mr. Walmsley.

5 Mr. George Walmsley.

6 COUNCILMAN KENNEY: Please identify
7 yourself for the record.

8 MR. GEORGE J. WALMSLEY, III: Yes. I
9 am George J. Walmsley, III, President and CEO of
10 North Philadelphia Health System.

11 I am here to to request the
12 committee's favorable consideration of Bill No.
13 970740.

14 This bill would authorize The
15 Hospitals and Higher Education Authority to issue
16 bonds for the benefit of North Philadelphia Health
17 System.

18 The new bonds that we will be issuing
19 are part of an overall debt restructuring that the
20 hospital has been contemplating for the last two
21 years.

22 We reached approval with the Health
23 and Urban Development group in Washington on the
24 31st of October. And, as Mr. Cramp testified, they
25 have given us 60 days to complete the transaction.

1 BILL NO. 970740

2 We will actually be refunding our
3 current debt with this new bond issue, which will be
4 federally insured.

5 North Philadelphia Health System is
6 comprised of the two hospitals, St. Joe's Hospital
7 at 16th and Girard, and Girard Medical Center at 8th
8 and Girard, servicing the North Philadelphia
9 community, and has serviced the community at St.
10 Joe's for over 150 years and at Girard for some 70
11 years.

12 The institutions employ some 1300
13 employees in the North Central Empowerment Zone,
14 with an annual payroll of \$40 million.

15 This bond issue is crucial to the
16 success of the hospitals maintaining the service for
17 the North Philadelphia community.

18 And, for the record, we want to thank
19 City Council, President Street's office, Mayor
20 Rendell and his staff, for all of the health, help,
21 and support that they have given us in proceeding
22 with this transaction.

23 The hospital's history, the changes
24 in hospital reimbursement, has made it very
25 difficult for us to maintain the current debt in its

1 BILL NO. 970740

2 current size and structure.

3 And with the approval, now with HUD
4 and the FHA financing, will enable us to continue to
5 provide for the community the health needs in North
6 Central Philadelphia.

7 We thank you.

8 COUNCILMAN KENNEY: Thank you for
9 your testimony.

10 Are there any members of the
11 committee that have questions for these witnesses?

12 Seeing none, thank you very much for
13 coming with us to.

14 Would you identify yourself, sir,
15 although we know who you are.

16 AUSTIN J. MCGREAL, ESQ.: Austin J.
17 McGreal.

18 And I would ask, Mr. Chairman, if you
19 see fit to recommend this, that you suspend the
20 Rules.

21 COUNCILMAN KENNEY: Thank you very
22 much, Mr. McGreal.

23 Anyone else to testify on this bill?

24 MR. CRAMP: No, sir.

25 COUNCILMAN KENNEY: Thank you very

1 BILL NO. 970740

2 much.

3 Councilwoman Clark.

4 COUNCILWOMAN CLARK: While I don't
5 have a question, because these hospitals are in my
6 neighborhood, I would like to personally speak to
7 how they impact on the quality of life for citizens
8 who live in North Philadelphia.

9 And to say how much less healthy that
10 section of the city would be but for the services of
11 these two hospitals, which are variously named and
12 called different things.

13 Some of us are still calling Girard
14 St. Luke's. But under whatever name, they provide a
15 continuing service for which we are grateful.

16 Large numbers of people will be
17 benefited when this committee passes this with a
18 favorable recommendation.

19 COUNCILMAN KENNEY: Thank you,
20 Councilwoman Clark.

21 Thank you very much for your
22 testimony.

23 Next bill is an Ordinance, Bill No.
24 970670, which is an Ordinance amending the
25 Retirement System Ordinance, approved December 3,

1 BILL NO. 970670
2 1956, as amended, by amending Section 221, and
3 amending the Municipal Retirement Benefit Plan, 1987
4 Ordinance, which became effective January 8, 1987,
5 as amended, by adding a new section, 119C to, in the
6 case of both ordinances, allow fire and police
7 employees who were laid off in 1978 and 1980, and
8 later reinstated, to purchase service credit for the
9 layoff period, under certain terms and conditions.

10 Good afternoon. Please identify
11 yourself.

12 MR. JOSEPH J. HERKNESS: Good
13 afternoon, Mr. Chairman. My name is Joe Herkness.
14 I am the Executive Director of the Board of Pensions
15 and Retirement.

16 And I am giving testimony to on
17 behalf of Ben Hayllar, the Director of Finance, who
18 is out of town on city business.

19 I am testifying in support of Bill
20 970670, which would allow fire and police officers
21 who were laid off in 1978 and in 1980, and later
22 reinstated, to purchase service credit for the
23 period of that layoff.

24 This option was made available to
25 uniformed employees several times in the past, while

1 BILL NO. 970670

2 there is probably only a small number of employees
3 who did not avail themselves the opportunity when it
4 was available in the past.

5 The Administration has no objection
6 to opening up the repurchase for this layoff time,
7 as long as the proper interest rate is paid to the
8 Fund.

9 And the present language of the bill
10 contains the 9 percent compounded annually, which is
11 the actuarial assumption in existence now.

12 COUNCILMAN KENNEY: Great. Thank you
13 for your testimony.

14 Any questions for this witness?

15 COUNCILWOMAN VERNA: Do we know how
16 many employees would be able to avail themselves of
17 this?

18 MR. HERKNESS: Off the top of my
19 head, we don't know. We know it is a very small
20 number.

21 Within a couple of days, if you
22 actually wanted that number, we could go through our
23 files and go back to the layoff lists and see how
24 many are still working and get a ballpark. We think
25 it is very, very small.

1 BILL NO. 970591

2 In talking with the actuary over the
3 phone to, he thinks that the cost would be what he
4 calls immaterial, quote.

5 COUNCILWOMAN VERNA: Thank you.

6 COUNCILMAN KENNEY: Thank you very
7 much for your testimony.

8 Are there any other questions for
9 Mr. Herkness?

10 Thank you very much.

11 Is there anyone else in the room to
12 testify on this bill?

13 Seeing none, we will move to Bill
14 970591, which is an Ordinance to amend the
15 Philadelphia Zoning Maps by changing the zoning
16 designation of certain areas of land located within
17 the block bounded by Roosevelt Boulevard, Ramona
18 Avenue and Adams Avenue.

19 Is there anyone from the Planning
20 Commission here?

21 Please identify yourself for the
22 record and proceed.

23 MR. RICHARD LOMBARDO: Good
24 afternoon, Mr. Chairman, members of the committee.

25 My name is Richard Lombardo, Chief of

1 BILL NO. 970591

2 Project Planning for the City Planning Commission,
3 here to to speak on this bill.

4 For the record, the Planning
5 Commission is scheduled to take up this bill
6 tomorrow in our regular meeting. Your hearing got
7 ahead of us. But I am here to basically testify to
8 what the staff will be recommending to the Planning
9 Commission.

10 COUNCILMAN MARIANO: How did we ever
11 get ahead of you? It must have been a mistake.

12 MR. LOMBARDI: It is easy. We only
13 meet twice a month, and you guys meet...

14 This bill seeks to rezone a parcel of
15 undeveloped ground along Roosevelt Boulevard, just
16 north of Adams Avenue, or just, I guess, in that
17 case east of Adams Avenue, from partly R-14 and
18 partly C-2 commercial to a single designation of
19 R-14 residential.

20 The purpose of this is to bring this
21 land, which I believe has been zoned this way since
22 the 1930's, into conformance with the surrounding
23 land, since this particular parcel that is zoned C-2
24 is in the middle of the block.

25 It would be like a hole in the donut,

1 BILL NO. 970591

2 completely surrounded by the R-14 zoning.

3 And there is a map before you that
4 shows the zoning pattern as exists to and as
5 proposed.

6 The one thing that I would just
7 broach with you is, the R-14 zoning itself may be
8 inappropriate, given the fact that it is a
9 high-density, high-rise district, in a portion of
10 Northwood, which is characterized by three-story
11 twin homes.

12 And we would suggest, the Commission
13 will be suggesting, that the Council consider
14 rezoning this entire block to R-5 residential, which
15 would be the same rezoning character of the rest of
16 the Northwood community which is east and north of
17 this particular block.

18 COUNCILMAN MARIANO: Can you do that
19 with an amendment to?

20 MR. LOMBARD0: Yes. This bill does
21 not have the zoning classification in the short
22 title, so you should be able to amend it to, if you
23 would like to do that.

24 COUNCILMAN MARIANO: I would like to
25 do that.

1 BILL NO. 970591

2 You didn't bring an amendment with
3 you. Can you whip one up real quick?

4 MR. LOMBARDO: We can have one for
5 the clerk by the end of the day to. That's not a
6 problem.

7 For the record, I said the Planning
8 Commission will be taking this up at tomorrow's
9 meeting at 1 o'clock in the afternoon. The staff
10 will be recommending approval of Bill 970591.

11 COUNCILMAN MARIANO: Let me ask you a
12 question. Councilman Mariano. I am very familiar
13 with this. This is like my backyard. And this is
14 my division where I am Democratic committeeman.

15 Why do you think this was ever done?
16 I mean, I know you weren't around in the '30s.

17 MR. LOMBARDO: Well, in the '30s
18 mainly what they did was, they did the zoning what
19 they called windshield. It was a WPA project.

20 They rode around the city. And what
21 they saw, they looked for appropriate classification
22 and zoned it.

23 I understand back then -- this is
24 only hearsay -- that there were garages behind the
25 houses facing Ramona Street.

1 BILL NO. 970591

2 COUNCILMAN MARIANO: Unattached.

3 MR. LOMBARD0: Like rental garages,
4 right where you would come in and rent space, like
5 rent for storage.

6 And since they were a commercial
7 enterprise, they probably zoned them commercial.

8 Now, why they used the 14 rather than
9 another district for the housing, I do not know.

10 Maybe because of the home across
11 Adams -- home across Adams Avenue. But I really
12 don't know where the R-14 would have come from.

13 Because back then, still the
14 character of that area was three-story single and
15 twin homes, for the most part.

16 COUNCILMAN KENNEY: I am sorry. Do
17 you have any other testimony?

18 MR. LOMBARD0: No.

19 COUNCILMAN KENNEY: There has been
20 some discussion over potential amendment to this
21 bill. Are you aware of that?

22 MR. LOMBARD0: Yes.

23 COUNCILMAN KENNEY: You suggested
24 it?

25 MR. LOMBARD0: Other people may have,

1 BILL NO. 970591

2 also. But we are suggesting that the zoning be
3 brought into conformity.

4 COUNCILMAN KENNEY: Could you do us
5 all a favor. And, do you think you could do that
6 before the end of this hearing to, to begin working
7 on it now, give us something in writing so we can
8 deal with this? Because I would rather get the bill
9 done to, as opposed to holding it.

10 We have one bill which is a very
11 complicated issue, and we can't go forever. So I
12 want to make sure you think you can get it done
13 within a certain time frame.

14 MR. LOMBARDO: I will certainly try
15 to do it in that period of time.

16 COUNCILMAN KENNEY: Is there anyone
17 else to testify on this bill? Please come forward.

18 Good afternoon. Please identify
19 yourself for the record.

20 MR. LESTER HALL: My name is Lester
21 Hall. I live at Northwood, at the direct opposite
22 end, at 5398 Oxford Avenue.

23 COUNCILMAN KENNEY: Please proceed.

24 MR. HALL: I would just like to say
25 that Northwood, through deed restrictions, has been

1 BILL NO. 970591

2 in the dark ages for many years.

3 And I would like to see that this
4 bill be passed so that this property could be
5 developed, instead of being an eyesore. Thank you.

6 COUNCILMAN KENNEY: Thank you very
7 much.

8 Anyone else to testify on this bill?
9 Please come forward.

10 Please identify yourself for the
11 record.

12 MICHAEL SKLAROFF, ESQ.: Mr.
13 Chairman, members of the Rules Committee, my name is
14 Michael Sclaroff. I am the attorney for the
15 equitable owner of this property, Maurice LoPiccolo,
16 L-O-P-I-C-C-O-L-O, who is to my right. And to my
17 left is Larry Watesman, the land planner for
18 Mr. LoPiccolo.

19 This bill comes kind of out of the
20 blue in response to a zoning application
21 Mr. LoPiccolo now has before the Zoning Board of
22 Adjustment.

23 And this, as has been testified to --

24 COUNCILMAN KENNEY: Just so I can
25 make sure the record is clear about the

1 BILL NO. 970591

2 characterization of a piece of legislation
3 introduced by a duly elected member of City Council,
4 it should not be determined as "out of the blue."

5 It came out of Councilman Mariano's
6 office, and introduced in appropriate order.

7 MR. SKLAROFF: Yes. But it was
8 something where the zoning of this property has been
9 the same for 65 years.

10 COUNCILMAN KENNEY: I just don't want
11 the record to reflect that somehow, out of the
12 heavens somewhere dropped this bill, and no one
13 knows where it came from.

14 We all know where it came from. It
15 came from the District Councilperson.

16 MR. SKLAROFF: Yes. Exactly. Thank
17 you for correcting the record, Mr. Chairman.

18 COUNCILMAN KENNEY: Please proceed.

19 MR. SKLAROFF: And it came in
20 response to a specific development. It is not part
21 of a comprehensive planning exercise on behalf of
22 the Planning Commission or any other body under the
23 city Charter. It is designed to stop a specific
24 development.

25 And if we can be heard briefly, I

1 BILL NO. 970591

2 would like Mr. Watesman to explain the history of
3 development of the site, the efforts since 1979 to
4 develop the property for residences, and where we
5 stand to.

6 Mr. Watesman.

7 COUNCILMAN KENNEY: Please.

8 Sir, what I would do is, Councilwoman
9 Clark requested that the schematic be brought closer
10 to the table, say in front of Councilwoman Verna's
11 desk here.

12 COUNCILMAN KENNEY: That's very
13 good.

14 MR. WATESMAN: We also have copies.

15 COUNCILMAN KENNEY: Sir, you are
16 going to have to use one of the microphones. Just
17 pull one of those off of there.

18 MR. WATESMAN: Realizing that this
19 photograph is small, we did bring copies.

20 It looks like this is the best I can
21 do.

22 COUNCILMAN KENNEY: Could you
23 identify yourself for the record.

24 MR. LARRY WATESMAN: Yes, sir. My
25 name is Larry Watesman. I am a professional

1 BILL NO. 970591

2 planner. I have 27 years of experience, and I am
3 the Chief Executive Officer of the Watesman Planning
4 Group. We serve municipal clients, as well as
5 private clients, in both Pennsylvania and New
6 Jersey.

7 COUNCILMAN KENNEY: Please proceed.

8 MR. WATESMAN: Thank you very much,
9 Mr. Chairman. First of all, I would like to explain
10 a little bit about this property and its unique
11 situation.

12 I have distributed copies of this
13 aerial photograph, which actually was introduced as
14 an exhibit by the neighbors at the zoning hearing.
15 But I think it really shows that this is a very
16 unique piece of property.

17 The property is the undeveloped
18 portion of the triangle which is located on
19 Roosevelt Boulevard, and which is also bounded by
20 Adams Avenue.

21 The homes that I am pointing to here
22 are developed residentially on Ramona Street.

23 What you notice as you look at this
24 photograph is that Roosevelt Boulevard makes an
25 S-turn. So that the Boulevard really points

1 BILL NO. 970591

2 directly at the undeveloped corner of this
3 triangle.

4 The only other place in the entire
5 Boulevard where this unique configuration really
6 occurs is on the opposite side of the S, where there
7 is currently commercial development.

8 This is a photograph that was
9 actually produced a number of years ago. It is not
10 current.

11 You will see what appears to be a
12 high-rise building up in the upper right-hand
13 corner. That is actually part of the former Sears
14 complex. And as I am sure many members of Council
15 are aware, it was imploded.

16 And in its place we now have a power
17 center developed by the Rubin organization, which
18 will ultimately have over 500,000 square feet of
19 retail space. A number of those uses are currently
20 open.

21 Roosevelt Boulevard is one of the
22 busiest and most heavily trafficked nonlimited
23 access highways in the Commonwealth. This doesn't
24 come as a surprise to anybody on Council, but there
25 are 61,500 vehicles a day that pass this site.

1 BILL NO. 970591

2 What was a little more surprising to
3 me is the volume on Adams Avenue, which has 31,500
4 vehicles a day.

5 So adding these two together, we have
6 nearly 100,000 vehicles passing this property a day
7 on the site.

8 MR. SKLAROFF: Mr. Watesman, I
9 believe you said 61,500.

10 MR. WATESMAN: That's correct. On
11 the Boulevard.

12 MR. SKLAROFF: I believe it is
13 66,500.

14 MR. WATESMAN: 66, I'm sorry. Thank
15 you for correcting me. And 31,500 on Adams. So we
16 have together almost 100,000 vehicles.

17 The question is, is this really an
18 appropriate location for residential development,
19 whether it be R-5 or R-15?

20 And I would suggest that from not
21 only my experience as a professional planner, but
22 from the development history of this property, the
23 answer is a resounding no.

24 This property has attempted to be
25 developed a number of times since 1979. Actually,

1 BILL NO. 970591

2 in 1979 the Zoning Board approved the plan that
3 would have permitted the development of 70 -- excuse
4 me, 32 twin homes on Adams and Roosevelt Boulevard.

5 The only homes that were ever started
6 of those 32 were 6 semidetached units, in a total of
7 three buildings, which you see in this picture on
8 Roosevelt Boulevard.

9 The developer was unable to even
10 complete those six units. They were sold -- they
11 were taken over in an unfinished state by the bank,
12 sold to individuals who completed them themselves,
13 and those properties have had a difficult time being
14 occupied.

15 Several have been for sale recently.
16 One at the corner is currently boarded and appears
17 to be vacant. Several of the windows are boarded.
18 It is not a good site for residential development.

19 In 1995 another developer took over
20 the property, attempted to complete the project, and
21 built the 26 as yet unbuilt units from that original
22 1979 plan.

23 He was unable to get necessary
24 approvals from the Zoning Board. And even though
25 there had been some prior agreements, the Zoning

1 BILL NO. 970591

2 Board reduced his plan to 14 units.

3 He set up a trailer to attempt to
4 market those 14 units and was not able to raise
5 interest in a single dwelling.

6 So the fact of the matter is, he has
7 since abandoned the property and has signed an
8 agreement with the current owner.

9 We had a real estate expert testify
10 at the zoning hearing, who also confirmed that, in
11 his opinion, there was no market for residential
12 development.

13 The gentleman who preceded us, the
14 resident, indicated that he would like to see
15 something done with zoning that would permit the
16 property to be developed constructively.

17 We believe that that should occur,
18 but will not occur with residential zoning; but
19 will, in fact, occur with an extension of the C-2
20 zone to the entire site.

21 The applicant has proposed the plan
22 that you see in front of you, which is a six-island
23 gasoline service station, filling station, with a
24 convenience store.

25 The applicant is extremely concerned

1 BILL NO. 970591

2 about the sensitivity of the neighborhoods, and so
3 he has provided a minimum 100-foot buffer to the
4 rear of that development between his development and
5 the homes.

6 He has proposed to landscape it
7 heavily, provide berms, provide an attractive
8 upgrade to the neighborhood. This can only occur
9 with the C-2 zoning.

10 And, in my opinion as a professional
11 planner, it is clearly the most appropriate zoning
12 for this site. And to rezone it to any residential
13 district would be, in my opinion, a planning
14 mistake.

15 Further, I would like to mention
16 that, to my knowledge -- and I think Mr. Lombardo
17 has just confirmed this recently -- there has never
18 been a comprehensive planning study as to what the
19 zoning of this property should be.

20 He indicated that in the 1930s it was
21 a WPA project, which basically drove around in a
22 windshield survey and legitimized existing uses.

23 It is my understanding that there has
24 never been -- and I have spoken to the City Planning
25 Commission about this -- there has never been a

1 BILL NO. 970591

2 comprehensive plan of Northeast Philadelphia.

3 An argument could be strongly made,
4 based upon the Ugella decision, that comprehensive
5 planning is, in fact, a mandate for the enactment of
6 any zoning ordinance to avoid it being arbitrary and
7 capricious.

8 And I would respectfully recommend
9 that Council consider not the residential rezoning,
10 but commercial zoning, which I think is most
11 appropriate for the site.

12 Thank you.

13 COUNCILMAN KENNEY: Thank you very
14 much.

15 Can I ask the question, what is it
16 you want to develop there?

17 MR. WATESMAN: Pardon me?

18 COUNCILMAN KENNEY: What do you want
19 to develop there?

20 MR. WATESMAN: The applicant would
21 like to develop the convenience store and the
22 gasoline service station as shown on this plan, with
23 the 100-foot landscape buffer between the
24 development and the homes.

25 COUNCILMAN KENNEY: The question, I

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2 guess, I have for you -- and maybe it is rhetorical
3 in nature -- but don't the residents of that
4 particular area have some right to oppose a retail
5 development that they don't think is necessarily
6 appropriate for their community, despite lack of
7 housing planning?

8 Just as to what, I guess, to what
9 your plans, or your client's plans, are, if they are
10 not conducive with the wishes of the neighbors, why
11 shouldn't we allow them to oppose that
12 successfully?

13 MR. WATESMAN: Well, respectfully,
14 Councilman, there have been numerous development
15 opportunities and plans for this site.

16 In many of those instances the
17 residents have been consulted, there have been
18 agreements that have been reached and have been
19 subsequently changed on the residents' behalf.

20 There has never been a residential or
21 a commercial development that has been acceptable to
22 the residents.

23 And we believe that, frankly, the
24 appropriate role for Council is to make a rezoning
25 request based upon good planning sense, not upon,

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2 you know, what the residents may consider.

3 Because, in fact, this has a
4 substantial buffer, which is designed specifically
5 to protect the residents.

6 MR. SKLAROFF: If I may,
7 Mr. Chairman, the residents are currently opposing
8 the development at the Zoning Board of Adjustment,
9 which is the proper forum.

10 Now to rezone it, after that
11 application, in a manner which does not reflect
12 comprehensive planning, really, is a judgment for
13 Council.

14 Of course the residents can oppose
15 it. The question before Council to is whether it is
16 appropriate legislation at this point.

17 COUNCILWOMAN CLARK: May I ask a
18 question?

19 COUNCILMAN KENNEY: Councilwoman
20 Clark.

21 COUNCILWOMAN CLARK: Would you
22 characterize your testimony as being in favor of or
23 against the bill that's before us?

24 MR. WATESMAN: Against, ma'am.

25 COUNCILWOMAN CLARK: If I understand

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2 your testimony, it is that the tract of land needs
3 to be rezoned, but that the zoning that the bill
4 contemplates is inappropriate?

5 MR. WATESMAN: That's correct.

6 COUNCILWOMAN CLARK: And that rather
7 than rezone it to --

8 MR. WATESMAN: R-14.

9 COUNCILWOMAN CLARK: -- R-14, you
10 think it ought to be C-3?

11 MR. WATESMAN: Well, Councilwoman,
12 the current zoning, which is shown on this exhibit,
13 is a very unusual zoning situation.

14 There is a C-2 zone.

15 COUNCILWOMAN CLARK: Whatever it is.

16 MR. WATESMAN: Yes.

17 COUNCILWOMAN CLARK: What do you
18 think it ought to be?

19 MR. WATESMAN: I believe it should be
20 C-2 in the entire triangle.

21 COUNCILWOMAN CLARK: C-2 in the
22 entire triangle?

23 MR. WATESMAN: Yes, ma'am.

24 COUNCILWOMAN CLARK: So what this
25 committee has to do is to weigh the evidence we hear

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2 to determine whether yours is more persuasive than
3 that which is coming opposite yours?

4 MR. WATESMAN: Yes, ma'am.

5 COUNCILWOMAN CLARK: Thank you. I
6 don't have anything further.

7 COUNCILMAN KENNEY: Just one other
8 question.

9 What is the history of the planning
10 that went into the current C-2 designation? Let me
11 try to get this.

12 Was there any extensive planning that
13 went into making that little triangle in the middle
14 of the big triangle C-2?

15 MR. WATESMAN: Well, Mr. Chairman, my
16 understanding of the history of this is sort of in
17 the same league as Mr. Lombardo's. I believe we are
18 guessing.

19 I have been told that the original
20 zoning in the township, in the city, was enacted in
21 1933 as a result of this WPA study.

22 I had not been aware that there had
23 ever been garages in this area. But there was a
24 restriction placed on the property in 1917, which
25 would have permitted public garages and other uses

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2 not harmful to the residents in this center
3 triangle. And it may well be that the zoning
4 attempted to pick this up.

5 The point I would make to Council is
6 that the conditions that existed in 1917 are
7 considerably different than the conditions that
8 exist to, and that restriction may not be relevant
9 to.

10 COUNCILMAN KENNEY: So my final
11 question, before I recognize Councilman Mariano, is,
12 what extensive planning have you undertaken that
13 would indicate a forceful argument to us that the
14 entire triangle should be C-2?

15 MR. WATESMAN: I have conducted an
16 existing land use study of the property. I have
17 visited the property. I have reviewed the zoning
18 ordinance. I have reviewed plans.

19 It is my firm that has designed the
20 landscape plan with the buffers that you have seen
21 there. I have investigated the -- reviewed the
22 development history of the site.

23 And I am convinced, based upon my 27
24 years of professional experience as a planner, that
25 the site is one of the most inappropriate for

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2 residential development that I have ever seen.

3 And I write numerous zoning
4 ordinances for suburban municipalities.

5 COUNCILMAN KENNEY: In all fairness,
6 let the record show, on behalf of your client, who
7 wants to put in a retail C-2 development.

8 MR. WATESMAN: Oh, absolutely. I am
9 representing the client here.

10 But as I told the client when I took
11 this assignment, he asked me what would I say, what
12 would my position be, if in fact I was hired by the
13 neighbors. And I simply told him I wouldn't take
14 the case.

15 Because I have a professional
16 reputation at stake. And, in my honest professional
17 opinion, it is not an appropriate site for
18 residential development.

19 COUNCILMAN KENNEY: Councilwoman
20 Clark.

21 COUNCILWOMAN CLARK: You spoke, sir,
22 of an extensive survey of the area.

23 Is that survey reduced to a report?
24 And, if so, can you share it with us?

25 MR. WATESMAN: It is not a written

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2 report. It is based upon notes, any number of
3 annotated exhibits that were submitted to the Zoning
4 Board of Adjustment, and is on file with the Zoning
5 Board, as is my testimony.

6 COUNCILWOMAN CLARK: Is there any
7 corroboration of your judgment that this is a better
8 use of the land?

9 MR. WATESMAN: Yes, ma'am.

10 COUNCILWOMAN CLARK: And that
11 corroboration is in the form of what? Witnesses who
12 you are prepared to call?

13 How will we get the corroboration
14 that your position is the better of the two?

15 MR. WATESMAN: Well, again, based
16 upon the fact that I know Council has a busy addenda
17 to, we had not intended to put all of our witnesses
18 on.

19 We are on the fourth or fifth day of
20 hearings before the Zoning Board. That record is
21 available to Council, and has already been
22 transcribed.

23 There has been testimony by traffic
24 experts, by planning experts, by engineering
25 experts, by real estate experts.

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2 COUNCILWOMAN CLARK: Now, may I ask
3 the question, all of these experts that you have
4 just named are independent of you and your client?

5 MR. WATESMAN: They are retained by
6 the client, yes, ma'am.

7 COUNCILWOMAN CLARK: They are
8 retained by the client?

9 MR. WATESMAN: Yes, ma'am.

10 COUNCILWOMAN CLARK: I guess what
11 this committee is trying to get is some independent
12 corroboration that this is a better land use plan
13 than the one that you oppose.

14 And your lawyer seems to have
15 something on his mind. Yes, sir.

16 MR. SKLAROFF: Councilwoman Clark,
17 thank you.

18 If the Rules Committee would wish, we
19 would be happy to forward copies of the notes of
20 testimony from the Zoning Board proceeding, where
21 the applicant was heard, the neighbors were heard,
22 there was expert testimony. And we would be happy
23 to furnish that to the members of the Rules
24 Committee if that would be helpful.

25 COUNCILWOMAN CLARK: How did the

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2 Zoning Board rule?

3 MR. SKLAROFF: They have not yet
4 ruled.

5 COUNCILWOMAN CLARK: They have not
6 yet ruled.

7 So that we should not be relying on
8 an incomplete record, should we?

9 MR. SKLAROFF: Well, the facts are as
10 established in the record.

11 It may well be that Council would
12 want to wait until the Zoning Board made its
13 decision. We would have no objection to that.

14 MR. WATESMAN: Councilwoman, if I
15 may.

16 COUNCILWOMAN CLARK: Let me just
17 confer.

18 MR. WATESMAN: Sure.

19 (Council members confer.)

20 COUNCILMAN KENNEY: Councilman
21 Mariano.

22 COUNCILMAN MARIANO: Yes. I forget
23 your name.

24 MR. WATESMAN: Larry, Mr. Watesman.

25 COUNCILMAN MARIANO: Where do you

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2 live?

3 MR. WATESMAN: In Ardmore.

4 COUNCILMAN MARIANO: Okay. Mr.

5 LoPiccolo, where do you live?

6 MR. LoPICCOLO: Media.

7 COUNCILMAN MARIANO: Mr. Sklaroff,

8 where do you live?

9 MR. SKLAROFF: I live in the Spring
10 Garden section.

11 COUNCILMAN MARIANO: Well, I live a
12 block from here.

13 And let me tell you something. In
14 1982, when I was a new journeyman electrician in
15 Local Union 98, I bought a house in this area a
16 block away. I am the Democratic committeeman
17 there.

18 This area has been here since -- and
19 if you take the zoning notes of testimony, if we
20 wish to do that, Federal Judge Ed Becker, who has
21 been there since probably the '20s, was the
22 community association's representative.

23 And he had been the lawyer for the
24 community association when this was done a number of
25 times. This triangle here, I don't know why it

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2 wasn't zoned.

3 And one of you guys said that I am
4 doing this after you started. Well, let me tell
5 you. I have a comprehensive plan to rezone my whole
6 district. I have worked with Councilman DiCicco and
7 watched him rezone part of the First Council
8 District. And we happened to start here because I
9 live here.

10 This should have been done 4, 5, 6,
11 10, 20, years ago. Why it wasn't, who knows. I
12 have talked to Mr. LoPiccolo and I have talked to
13 Mr. DePalma before him.

14 And I told him, "Mr. LoPiccolo, you
15 want to build a gas station? Anywhere but here.
16 And here is why, because the people that moved there
17 moved there because the community had an area that
18 was single-family dwellings, nothing else."

19 If Judge Becker wanted to open a law
20 office in here, he could not. He could not, because
21 the neighbors do not want it.

22 And that's why I moved there, because
23 of the ambiance of that neighborhood. And that's
24 why a lot of the people moved here.

25 The Councilperson that I replaced,

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2 this is in his backyard. He was against this.

3 And I told Mr. LoPiccolo -- and he
4 seemed like a very nice guy -- I said, "You want to
5 build houses here" -- first I told him don't buy
6 it. Because the guy that had it before him,
7 DePalma, lied to us, tried to build nonunion
8 houses.

9 They didn't have any sold. Put a
10 trailer up, and left the trailer there, said it
11 belonged to the Department of Recreation.

12 I had to go picket his house in New
13 Jersey almost -- because of course he lives in New
14 Jersey. Nobody lives here that wants to put money
15 into this neighborhood.

16 We have all people and hired guns
17 coming over telling us what we want to do with our
18 neighborhood. Okay? With our neighborhood.

19 And what happens is, this guy
20 wouldn't even cut the lawn, then he tells me the
21 trailer belongs to the Department of Rec.

22 I had to get one of the union
23 contractors to come, drag this out of here, from
24 Jimmy Jordan and the riggers, and move this thing,
25 and then he buys it.

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2 I said, "Mr. LoPiccolo, you are a
3 nice Italian guy. Relate to me here. Do not buy
4 this."

5 What did you pay for it? \$100,000?
6 I will get the neighbors to get 100 grand up, and we
7 will make a park there, but it is not going to be
8 anything.

9 If we were going to do anything
10 there, the Mormons wanted to go in before. What
11 better neighbors than Mormons? Okay? But they went
12 against that because of the ambiance of the
13 neighborhood.

14 Now, I won't say the magic word that
15 you are trying to get me to say. We know what that
16 is. And that will be solved in court.

17 But I sat there, just like all three
18 of you guys did. And you listened to Becker. Now,
19 Judge Becker, who is a federal judge -- and a
20 Republican, by the way -- who knew what was
21 happening, lived there, grew up there, still lived
22 in the neighborhood, raised his family, went to
23 Frankford High School, went to law school, became a
24 lawyer and a judge, lived through this whole thing,
25 and he said he know another lawyer you had over

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2 there. You had another lawyer at the zoning
3 hearing; he knew Becker because he represented the
4 client before.

5 I saw a guy out in the hallway. 20
6 years ago he wanted to put a gas station here.
7 Believe me, if I have to lay down in front of the
8 bulldozers, there will not be a gas station here. I
9 guarantee that. Because the neighbors don't want
10 it.

11 People are fleeing this city every
12 day. I get a call, Jim Kenney, Frank DiCicco,
13 Mrs. Verna, everybody here, "We are moving out of
14 the city because we have no control over our
15 destiny."

16 We are going to have control in
17 Northwood. When it comes to that little division in
18 Northwood, I have control. And we are going to have
19 control.

20 Now, I understand everybody has a job
21 to do. I will get you a community development
22 corporation, we will change this to R-5, and we will
23 build houses there -- union project, by the way;
24 there will be union carpenters and union plumbers
25 and union electricians working on the job -- and

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2 everybody will be happy.

3 I can bring my friend Councilwoman
4 Blackwell up here, whose passion is for the
5 homeless. We could put people there.

6 We had testimony here two weeks ago
7 about Section 8 and housing. Okay? So this is
8 where we are going with this.

9 This isn't going to happen, believe
10 me. It is not going to happen. Not because of the
11 magic word that I won't say, that I know all three
12 of your legal minds know.

13 I didn't say it, deed restriction;
14 Murphy said that. But that's where we are at with
15 that.

16 There was a comprehensive plan. The
17 comprehensive plan is in my office to rezone the
18 whole Seventh Councilmanic District, from Girard to
19 Grant. I started here on Castor Avenue.

20 Now, why people before me didn't do
21 it, I don't know. But if it is going to be rezoned,
22 it is going to be rezoned R-5.

23 And when we go back to the Zoning
24 Board, let the Zoning Board make their decision, and
25 you guys can go to court and do what you got to do.

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2 MR. SKLAROFF: Mr. Chairman.

3 COUNCILMAN KENNEY: Go ahead.

4 MR. SKLAROFF: I just wondered if
5 Mr. LoPiccolo could say a word.

6 COUNCILMAN KENNEY: Fine. Would you
7 please identify yourself for the record.

8 And before we do, let the record
9 reflect that Councilwoman Clark believes that
10 Baptists are better neighbors than Mormons. She
11 wanted the record to reflect that.

12 Please, Mr. LoPiccolo, would you
13 identify yourself for the record.

14 MR. SKLAROFF: Are they better
15 quarterbacks?

16 MR. MAURICE LoPICCOLO: My name is
17 Maurice LoPiccolo. And I am a real estate, licensed
18 real estate agent. I am a developer.

19 I run several service stations in the
20 City of Philadelphia, and I own other properties
21 which are used as residential apartments.

22 Mr. Mariano said that he wants to put
23 people to work. And I agree with him. Certainly
24 any kind of building will be a building for the
25 trades union. Any kind of building that then

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2 continues the jobs, I would think, would be more
3 preferable to a one-time deal.

4 I mean, we can have the ironworkers
5 come in and put up a canopy. We can have a pump and
6 tank, and the electricians and carpenters and
7 roofers and so on come in and do this project. So
8 we are even on that score, I believe.

9 But the benefit from this is that the
10 jobs would continue, many jobs would be created, and
11 certainly the exodus of residents would be
12 alleviated when you have jobs that keep them in the
13 city.

14 The city now seems to be spending an
15 awful lot of money in trying to attract business and
16 jobs here. Here is an opportunity for Councilman
17 Mariano to create 15 to 20 jobs right in his own
18 neighborhood.

19 It is a project that takes into
20 consideration the health, well-being, and the
21 quality of life for the neighbors.

22 The berms that are being provided are
23 being so far removed from the rear of the garages of
24 the residents in front of Ramona, as to give them
25 additional greenery, where they can enjoy their back

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2 yards and screen them from the Boulevard.

3 If I may --

4 COUNCILMAN KENNEY: Can I just
5 interrupt for a second?

6 I don't want to be rude. But the
7 information you are providing now seems to be best
8 to be provided -- and I am sure you have already --
9 to the Zoning Board of Adjustment.

10 The issue we are discussing here now
11 is whether or not a District Councilmember has the
12 support of his colleagues in passing a piece of
13 legislation that rezones a portion of land a certain
14 designation.

15 I don't know necessarily whether or
16 not it is the purview of this body to to determine
17 the propriety of the shrubbery and landscape and the
18 gas station, and what the prices are going to be,
19 and how wonderful. I don't think that's what we are
20 being asked to deal with.

21 What we are being asked to deal with
22 is a colleague's request to rezone a parcel of land
23 to a certain designation.

24 And that's what I think the Zoning
25 Board, on the variance issue, would determine the

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2 propriety in their mind of the actual business.

3 MR. SKLAROFF: Mr. Chairman, that's
4 correct. However, here -- and I don't think
5 Councilman Mariano would take issue with this --
6 here this --

7 COUNCILMAN MARIANO: I might. I
8 might. Be careful.

9 MR. SKLAROFF: Well, if you would.
10 But this bill is intended to stop a
11 specific development. But I think --

12 COUNCILMAN MARIANO: That's your
13 opinion. It is not.

14 I just told you that we are up trying
15 to redevelop my whole district. I have a
16 comprehensive zoning plan. I told the Zoning Board
17 that.

18 You are wasting our time. I told
19 you. I told you that.

20 MR. SKLAROFF: Well, then, the
21 characterization, Mr. Chairman, of what is happening
22 here is, the evidence is that there is no market and
23 hasn't been a market since 1980 for homes on this
24 site.

25 100,000 cars pass this site every

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2 day. It is appropriate for the proposed use.

3 If you rezone this to R-5 or to R-14
4 or to any R district, take away the C-2 that has
5 been there for 65 years, what you are doing is
6 zoning it back so that there is no commercial use.

7 Yes, if you had subsidized housing
8 here or housing --

9 COUNCILMAN MARIANO: Nobody said
10 subsidized housing. I said housing, with the
11 redevelopment associated.

12 When you quote me, make sure you
13 quote me right.

14 MR. SKLAROFF: I assume the homeless
15 are not going to spend market value for the houses.
16 But the testimony before the Zoning Board and here
17 is that there is no market.

18 The result of this would be a
19 confiscation, would be special legislation and spot
20 zoning.

21 We are asking you, on behalf of the
22 land owner, the equitable owner of this property,
23 please don't rezone this.

24 It is not part of comprehensive
25 planning by the Planning Commission. And what it

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2 does is, just puts more fuel in the fire in what is
3 a dispute at the Zoning Board.

4 And this one, we would hope that City
5 Council would stay out of this dispute.

6 COUNCILMAN KENNEY: And your
7 testimony is duly noted and will be considered in
8 our deliberations.

9 MR. SKLAROFF: Appreciated. We very
10 much appreciate it.

11 COUNCILMAN MARIANO: Can I ask
12 Mr. LoPiccolo a few questions?

13 Mr. LoPiccolo, how much did you pay
14 for this land?

15 MR. LoPICCOLO: \$327,000.

16 COUNCILMAN MARIANO: And how much
17 will the people make, the 6 or 10 or 15 jobs, an
18 hour will they make in your AM/PM mini-market or
19 your Mobile station? \$28 an hour? \$30 an hour?
20 How much will they make?

21 MR. LoPICCOLO: A manager would
22 normally make somewhere around \$50,000 a year.

23 COUNCILMAN MARIANO: And how about
24 the slugs that work at the window; what do they
25 make?

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2 MR. LoPICCOLO: The assistant manager
3 would make somewhere around 30,000. And then --

4 COUNCILMAN MARIANO: A year?

5 MR. LoPICCOLO: Yes.

6 COUNCILMAN MARIANO: And what's that
7 about an hour? Any math geniuses in here? What's
8 that, \$15 an hour, 16?

9 MR. LoPICCOLO: Those are usually
10 salaried jobs, Councilman, and I can't quote you.

11 COUNCILMAN MARIANO: It is about \$6
12 an hour.

13 MR. LoPICCOLO: I think it is maybe
14 \$8, \$9 an hour.

15 Mr. Councilman, the jobs created by
16 the development of the site are definitely trade
17 union jobs.

18 The jobs that stay with the project
19 are perhaps not the best jobs, but they are jobs and
20 they help, I am sure, the fabric of the city.

21 There are also additional revenues
22 generated by such use; Use Taxes, Gross Sales
23 Receipt Tax, Sales Tax, Fuel Use Tax. There are
24 many other benefits to the city.

25 COUNCILMAN MARIANO: As opposed to

1 BILL NO. 970591

2 taxes, what about say you build, what, 16 houses
3 before. Use and Occupancy Taxes, School District
4 Taxes.

5 COUNCILMAN KENNEY: Let me make a
6 suggestion.

7 The people you have to convince are
8 the residents of that neighborhood and the person
9 who represents them.

10 And while we understand and accept
11 your testimony for the record as it relates to your
12 opinion on the attempts to rezone this parcel at
13 this particular time, we will either accept or
14 reject that.

15 The debate on the propriety of the
16 development is between the neighbors, the developer,
17 and their legal representatives.

18 And we do appreciate your coming in.

19 MR. SKLAROFF: Thank you,
20 Mr. Chairman.

21 MR. LoPICCOLO: Thank you.

22 COUNCILMAN KENNEY: Anyone else to
23 testify on this bill?

24 We will now go to Bill No. 960512,
25 which is an Ordinance to amend the Philadelphia

1 BILL NO. 970512

2 Zoning Maps by changing the zoning designations of
3 certain areas of land located in the 14th Ward and
4 within an area bounded by North 12th Street, former
5 Brown Street, 11th Street, former Parrish Street,
6 9th Street, Percy Street, Brown Street, 10th Street
7 and Fairmount Avenue from partly Class R-10
8 residential, partly Class C-2 commercial, and partly
9 Class G-2, general industrial, to a single
10 designation of R-13 residential.

11 Please identify yourself for the
12 record and proceed.

13 MR. THOMAS CHAPMAN: Good afternoon,
14 Mr. Chairman and members of the committee. For the
15 City Planning Commission, my name is Thomas
16 Chapman.

17 Bill No. 970512 was introduced by
18 Councilwoman Clark for Council President Street on
19 June 6, 1996. It concerns the area bounded by
20 Parrish Street, 9th Street, Fairmount Avenue, and
21 12th Street.

22 The purpose of this bill is to rezone
23 the blocks in question and to consolidate the zoning
24 to a single classification of R-13 residential.
25 This would assist in the redevelopment of existing

1 BILL NO. 970512

2 PHA housing at the Richard Allen housing site.

3 The site will be developed with the
4 rehabilitation and construction of 369 units from
5 the existing 628 units.

6 As Councilman Kenney stated, this
7 area is kind of a mixed batch of zoning. It has
8 some C-2, some G-2, and some R-10. And, obviously,
9 especially the G-2, would be inappropriate, as well
10 as the C-2 commercial.

11 For the record, the Planning
12 Commission at its meeting of May 23, 1996, reviewed
13 Bill No. 960512 and recommended that it be
14 approved.

15 COUNCILMAN KENNEY: Thank you for
16 your testimony.

17 Any questions for this witness?

18 You are requesting a Rules
19 suspension, I would suspect?

20 MR. CHAPMAN: Yes, sir.

21 COUNCILMAN KENNEY: Councilwoman
22 Clark.

23 COUNCILWOMAN CLARK: This will
24 continue the new housing that is being built near
25 the Nea Mia Housing; is that correct?

1 BILL NO. 970512

2 MR. CHAPMAN: That's correct.

3 COUNCILWOMAN CLARK: That housing is
4 making a substantial difference in the quality of
5 life. And I would urge my colleagues to support
6 this and report it out with a favorable
7 recommendation.

8 COUNCILMAN KENNEY: Thank you,
9 Councilmember.

10 Anyone else to testify on this bill?

11 Seeing none.

12 We will now move to Bill No. 960823,
13 an Ordinance amending Title 17 of the Philadelphia
14 Code entitled "Contracts and Procurement" by
15 amending Section 17-107 entitled "Contractors, Labor
16 Management Relationships" by revising the prevailing
17 wage ordinance, including extending the prevailing
18 wage requirements to certain service contracts,
19 revising administrative and reporting requirements,
20 providing for payment to persons who file complaints
21 and prohibiting discrimination against persons who
22 file complaints, imposing costs for filing appeals,
23 providing for enforcement by withholding certain
24 sums due on contracts, providing for interest on
25 underpayments of wages, and providing for increased

1 BILL NO. 970512

2 penalties, all under certain terms and conditions.

3 Let me say at the outset that this
4 bill was introduced back on November 21, 1996, by
5 myself and Councilman Mariano, in an effort to bring
6 some level playing field and some equity to the
7 issue of contracting within the City of
8 Philadelphia.

9 We believe that union and non-union
10 companies should be on an equal level, on an equal
11 playing field, when bidding on appropriate city
12 work.

13 And we want to ensure that companies
14 that bid on projects are bidding on projects with
15 the intention of paying wages that are commensurate
16 and applicable to the particular area in which they
17 are doing work, so that people can earn a living,
18 raise their families, and pay their bills, and
19 continue to be productive citizens of the city.

20 With that as a preface, I would like
21 to have Deputy Mayor Gerald Murphy, Deputy Mayor for
22 Labor, to identify himself and proceed.

23 There have been discussions relative
24 to proposed amendments by the Administration to this
25 bill, and he will give his testimony and offer said

1 BILL NO. 960823

2 amendments.

3 Good afternoon.

4 DEPUTY MAYOR GERALD MURPHY: Good
5 afternoon, Mr. Chairman and members of the
6 committee. My name Gerald Murphy, Deputy Mayor for
7 Labor. And I am here along with Commissioner Lou
8 Applebaum from Procurement to present some testimony
9 on behalf of the Administration on Bill No. 960823.

10 We have analyzed the bill on behalf
11 of the Administration and would present the
12 following revisions and amendments.

13 And I believe you do have copies, and
14 I will read those for the record.

15 COUNCILMAN KENNEY: Hold on one
16 second Deputy Mayor. They are being handed out
17 now.

18 All right. Please proceed.

19 DEPUTY MAYOR MURPHY: Okay. If you
20 follow along with me, on Page 2, subsection --

21 COUNCILMAN KENNEY: Page 2 of the
22 pink bill?

23 DEPUTY MAYOR MURPHY: Yes, of the
24 pink bill.

25 COUNCILMAN KENNEY: Thank you.

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2 DEPUTY MAYOR MURPHY: Part 1, or
3 Section 1, Subsection B, at the bottom of the
4 paragraph we would delete from the semicolon "and
5 all other nonprofessional service contracts with the
6 city for compensation that exceeds \$2,500."

7 In the same section, we would add
8 Subsection C to the next paragraph.

9 Going further down on Page 2, at the
10 bottom of the page, in Subsection I, we would delete
11 the word after trade, "service," we would delete
12 that word.

13 Going to Page 3 --

14 COUNCILMAN KENNEY: I tell you what,
15 let me make this a little easier.

16 We all have the amendments. Why
17 don't you describe the substance and nature of each
18 of the amendments and why the Administration is
19 supporting or requesting such change.

20 DEPUTY MAYOR MURPHY: Well, we are
21 requesting the removal of the word "service
22 contract" and "service contract act" from the
23 ordinance. They are separating it from.

24 And we would like to continue and do
25 support the prevailing wage on all

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2 construction-related public works projects.

3 COUNCILMAN KENNEY: And what is the
4 Administration's position on the need for that
5 amendment?

6 DEPUTY MAYOR MURPHY: For the
7 construction part of it?

8 COUNCILMAN KENNEY: No; the need for
9 the deletion of the service contract issue.

10 DEPUTY MAYOR MURPHY: Commissioner,
11 would you like to answer that?

12 COUNCILMAN KENNEY: Commissioner,
13 please identify yourself. And feel free to step in
14 with any information to enlighten us.

15 COMMISSIONER LOUIS APPLEBAUM:
16 Procurement Commissioner Louis Applebaum.

17 We absolutely agree with the
18 amendments. We stand behind the public works part
19 of it. The problem lies with what is called
20 "service contracts."

21 And if the bill would be extended to
22 service contracts, it would impose a severe burden
23 on both the Procurement Department and the operating
24 departments making these purchases, as well as the
25 Labor Standards Unit.

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2 The bill would also diminish
3 competition and significantly increase the costs of
4 some city contracts.

5 The burden also would be placed on
6 service vendors, these are some small vendors, by
7 requiring their submission of compilation of
8 contractor listings, weekly certified payrolls,
9 including maintenance of these records for a minimum
10 of two years, coupled with the legal costs they may
11 incur from taking an appeal of a violation of the
12 ordinance, which could also significantly decrease
13 the bidders' pool.

14 Many of the city service contracts
15 would be subjected to these requirements of a
16 relatively small dollar value. We are talking about
17 extermination services, small room air-conditioner
18 repairs, equine services, horse shoeing of
19 policemen's horses.

20 COUNCILMAN KENNEY: We only have 18
21 left.

22 COMMISSIONER APPLEBAUM: But they are
23 considered service contracts. Copying machine
24 contracts.

25 And moreover, in addition to those

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2 problems, we see the small and disadvantaged
3 businesses, such as minority- and women-owned
4 businesses, may be discouraged from bidding on
5 contracts where the prevailing wage rates differ
6 substantially from their current labor wage rates.

7 That would hurt, could hurt, some of
8 our small minority contractors by developing two
9 levels of employees, employees who would be working
10 on city jobs and employees who are working on their
11 other contracts.

12 COUNCILMAN KENNEY: Let me ask you a
13 question about the issue of service contracts and
14 the complicated area we would be entering into if we
15 changed the prevailing wage to those contracts.

16 Is the issue one of the amount of the
17 contract? I mean, I could recognize in a \$2,500
18 contract, the burden of a small vendor in doing that
19 kind of reporting and having those requirements.

20 But in a contract that's 50, 75, 100,
21 200 thousand dollars for, for example, cleaning,
22 city maintenance and cleaning contracts that are
23 above a certain level, why would they be any
24 different than a company that's a general contractor
25 doing window replacement, for example?

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2 COMMISSIONER APPLEBAUM: You are
3 absolutely correct.

4 In all of our major contracts, City
5 Hall custodian, the triplex complex, triplex
6 cleaning and building maintenance, the prisons that
7 we contracted out, those major contracts already
8 contain prevailing wage requirements.

9 COUNCILMAN KENNEY: For what
10 mechanism?

11 COMMISSIONER APPLEBAUM: Through the
12 Procurement Department and the operating
13 departments, dealing directly with the Deputy Mayor
14 of Labor, who establishes the rates for those
15 contracts.

16 COUNCILMAN KENNEY: And at what level
17 of contract number? What's the contract number
18 amount that would trigger, generally, a discussion
19 of a prevailing wage issue?

20 COMMISSIONER APPLEBAUM: Generally
21 speaking, I would say contracts in excess of 200 to
22 250 thousand dollars.

23 These are serious contracts that be
24 going to be let to major vendors. And they have the
25 ability to monitor them, the ability to submit

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2 certified payrolls, because they might be doing that
3 anyway in other areas.

4 So where you hit major contracts,
5 that could be a reasonable expectation, and would
6 work. It is when we get below those, that we have
7 difficulty.

8 COUNCILMAN KENNEY: Can you tell me
9 how many service contracts we have entered into,
10 say, in the last calendar year with the city, city
11 and a private contractor? Just a rough...

12 COMMISSIONER APPLEBAUM: I am going
13 to give you a ballpark. A thousand.

14 COUNCILMAN KENNEY: A thousand
15 different contracts?

16 COMMISSIONER APPLEBAUM: Yes.

17 COUNCILMAN KENNEY: And of those
18 contracts, how many was prevailing wage negotiated
19 into the contract?

20 COMMISSIONER APPLEBAUM: Not
21 negotiated, but entered into.

22 COUNCILMAN KENNEY: Entered into.

23 COMMISSIONER APPLEBAUM: I would say,
24 again, everyone over the 200,000. And maybe there
25 are 10, 15 the most.

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2 There are a lot of small, janitorial;
3 cleaning of small areas; some security guards at
4 Vet's Stadium, just a small part, like two or three;
5 some library services.

6 There are a ton of very small vendors
7 and tons of small contracts. And that would be a
8 burden on us, as well as -- more serious of a burden
9 on the vendor.

10 COUNCILMAN KENNEY: So on the issue
11 of the level of the contract at \$200,000 or so or
12 more, that is something that you would not consider
13 to be a burden to either the vendor or the city?

14 COMMISSIONER APPLEBAUM: I think we
15 would accept that and agree to that. Because we are
16 doing that now.

17 So that would not be a change to the
18 existing program, and we would feel comfortable if
19 that was in the bill at that level.

20 COUNCILMAN KENNEY: If there are any
21 questions on this, on the issue of service contracts
22 and levels.

23 COUNCILMAN MARIANO: Commissioner or
24 Deputy Mayor Murphy, a service contract, they
25 renovate the Municipal Services Building across the

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2 street.

3 Now you need a service contractor to
4 come in maybe five years, or right away, to take
5 care of the HVAC. Now, if that's less than \$200,000
6 now --

7 COMMISSIONER APPLEBAUM: That
8 particular contract is what we call the triplex
9 contract, which was just awarded maybe less than six
10 months ago.

11 And that was awarded to Elliot Lewis,
12 and it is for three major buildings. It is for the
13 Criminal Justice Center, MSB Building, and the new
14 One Parkway.

15 Now, that's a major contract. And
16 the amount of that contract was a million dollars or
17 more. That contract --

18 COUNCILMAN MARIANO: It is a million
19 because you put all three of those together; right?

20 COMMISSIONER APPLEBAUM: Yes. And we
21 do that for economy of scale.

22 COUNCILMAN MARIANO: Correct me if I
23 am wrong -- you are the expert on this --

24 COMMISSIONER APPLEBAUM: No, I am not
25 the expert.

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2 COUNCILMAN MARIANO: Oh, you know a
3 little bit.

4 Say you wanted to do the opposite.
5 Like say you wanted to revamp all the ballasts in
6 the fluorescent lights at MSB. And you said, let's
7 pretend it is another Administration, and Mr. Murphy
8 doesn't work here, and we can't really contact you
9 people about what's going on, but, anyhow, they say,
10 well, there are 16 floors in the MSB building.
11 Let's give every contractor a floor. Now it is
12 below that window of \$200,000 to replace the
13 ballast.

14 That's where I am coming from on this
15 thing.

16 COMMISSIONER APPLEBAUM: Let me
17 comment that if in the event some future
18 Administration would want to deal that way and issue
19 16 contracts to do 16 floors, we can't do anything
20 to --

21 COUNCILMAN MARIANO: Climates change
22 and mayors change, and Councilpeople stay.

23 COMMISSIONER APPLEBAUM: Successes of
24 the contracts that we have to, such as Elliot Lewis
25 at the triplex, such as Hallifax at the prison, they

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2 are very successful, very cost effective.

3 No reason to believe that anyone who
4 has any brains would change that.

5 COUNCILMAN MARIANO: The problem here
6 is the word "service contract." Right?

7 When I think of service, I think of
8 Elliot Lewis.

9 COMMISSIONER APPLEBAUM: Elliott
10 Lewis, generally speaking, every contract that they
11 have with us is a major contract, and the prevailing
12 wage or wages are stipulated in the contract.

13 This building right here, we have
14 Collin Care is the janitorial company that handles
15 this building.

16 That contract, that bid, had a
17 requirement of the dollars paid for janitorial
18 services, and also for their health benefits were in
19 there. So that was covered without this
20 legislation. It is in there. And every contract of
21 that type will have it.

22 But let's assume you have a small
23 cleaning contract for a half a dozen rec centers,
24 and maybe Donna Ali at Team Clean wants to bid on
25 that.

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2 She is not equipped to monitor and
3 submit certified payrolls, to have that kind of
4 extra burden on top of her other burdens. I am
5 talking about a minority, the janitorial
6 contractor.

7 COUNCILMAN MARIANO: But if it was a
8 minority electrical contract, they would have to do
9 that.

10 COMMISSIONER APPLEBAUM: Not if it is
11 a small service contract.

12 Your electrical contractors who go
13 after and bid on the major projects in Public
14 Works --

15 COUNCILMAN MARIANO: I am not talking
16 about a major project. A little rec center job,
17 maybe two rec centers.

18 COMMISSIONER APPLEBAUM: If they are
19 Public Works contracts, it is prevailing wage.
20 Every Public Works contract is a prevailing wage.
21 No problem.

22 COUNCILMAN KENNEY: Let me make one
23 suggestion in the interest of time.

24 We are going to have some discussion
25 while you guys are testifying. If we could leave

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2 the service contract part of it out right now, and
3 if Deputy Mayor Murphy could talk about the other
4 additional amendments that are not service-contract
5 related, we may wind up with some compromise we
6 could all live with.

7 DEPUTY MAYOR MURPHY: The
8 Administration, as we discussed, supports the other
9 part of the bill. And a lot of the amendments in
10 there are just clarifying apprenticeship.

11 A lot of the problems that come up
12 with the Labor Standards Unit, which it falls under
13 my responsibility, we tried to clarify a lot of the
14 problems that that unit has with contractors coming
15 in with violations, as far as apprentices, what is
16 an apprentice, how is it an approved program, how is
17 he paid, what is the correct wage for him. So we
18 are putting amendments in for that.

19 We are also trying to strengthen the
20 system as far as the process, due process hearing,
21 which is required, is implemented in there, as
22 well.

23 Which, when we first came into this
24 Administration, the Courts had sent a debarment back
25 to my office because there was no due process

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2 hearing. So we implemented that process to follow
3 all the legal procedures that we should be
4 following.

5 In addition, we are implementing
6 fines and penalties. Under the past years on this
7 ordinance, there have been no penalties other than
8 debarment.

9 And we have a lot of minor small
10 penalties that contractors have, and they just walk
11 away with a slap on the wrist. And the corrections
12 are made, but there are no penalties or fines.

13 So we are implementing penalties and
14 fines which will also generate a nice, pleasant
15 revenue back to the city, and also put more teeth
16 into the amendment and into the ordinance, as well.

17 The other thing is that we are
18 putting the debarment proceedings under the
19 Procurement Commissioner to make it uniform.

20 In the past it fell under each
21 operating commissioner. And it is difficult keeping
22 all of them up to date on what the investigation on
23 the Labor Standards Unit is.

24 And since the responsibility for
25 defaulting a contract falls under the Procurement

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2 Commissioner, we are putting this debarment
3 proceeding also under the Procurement Commissioner.

4 And they are basically most of the
5 amendments we are making in there.

6 And the Administration does support
7 the bill as written.

8 COUNCILMAN KENNEY: Okay.
9 Commissioner Applebaum, do you want to add anything,
10 while we have this ongoing answer and discussion of
11 service contracts?

12 COMMISSIONER APPLEBAUM: I think it
13 is important to realize, for the panel to realize,
14 that service indicates an awful lot of things, in
15 addition to the trades that you might be focusing in
16 on.

17 We have service contracts to maintain
18 and repair Xerox machines, copying machines. We
19 have service contracts to take care of computers.
20 We have service contracts throughout the city in
21 many, many areas that do not lend itself to a
22 prevailing-wage-type factor. But these are all
23 small.

24 Again, I think if we focus in on the
25 size, we will be able to handle something in a

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2 respectable manner that makes sense.

3 Because our goal is to increase
4 competition, bring more bidders to the table, to get
5 better service and better prices.

6 Every time we throw in new rules,
7 prevailing wage on a copying contract, what this
8 does is, scares people away.

9 And we have been trying for the last
10 five years not to scare people away, but to be user
11 friendly, to bring them to us, to get more bidders.
12 And this is one area where I am afraid we could hurt
13 ourselves by eliminating the pool.

14 COUNCILMAN KENNEY: And I want you to
15 understand, with all due respect, my goal and the
16 goals of other Council members who have expressed
17 that opinion, is that while we do want to ensure the
18 maximum number of bidders and the best price for the
19 taxpayer, in the end, if the company that wins the
20 bid based on their low level of wages are from an
21 area outside of the city or outside of the state or
22 outside of the region, and the workers who do that
23 job are also workers from outside of the area,
24 state, or region, there is no additional multiplier
25 benefit to the city in the area of wage tax and

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2 business taxes and buying power and tuition and
3 mortgage paying, and none of those other things.

4 So, again, while the taxpayer
5 deserves and should have the best price possible, if
6 that money is being plowed back into a community in
7 Florida, it doesn't help us much. So there is
8 somehow a balance there.

9 When the taxpayer gets the best
10 price, but all the economic multiplier benefit is
11 going to North Carolina, that's nice, but it is not
12 as nice as if we get the best price possible and the
13 ancillary multiplier benefit goes into Philadelphia
14 County.

15 COMMISSIONER APPLEBAUM: You are
16 absolutely correct. We have spoken about this many
17 times. And would like to use the --

18 COUNCILMAN KENNEY: More times than
19 you probably want to hear.

20 COMMISSIONER APPLEBAUM: We would
21 love to be able to use the concept of local
22 business, but we can't do that.

23 COUNCILWOMAN CLARK: You do have a
24 commerce clause to the Constitution that says you
25 can't put up walls on the Philadelphia boundaries

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2 and say that --

3 COMMISSIONER APPLEBAUM: If what we
4 are trying to do here would help solve that problem,
5 I would be all for it.

6 But there is no relationship between
7 this prevailing wage on small service contracts.
8 And I am going to make it be Philadelphia versus
9 Camden.

10 COUNCILMAN KENNEY: But remember that
11 on the larger public works contracts and the larger
12 service contracts, the thing that concerns us, an
13 anecdotal example, is that if we have a contractor
14 in the city, outside the city, or outside the state,
15 who wins the contract based on the lowest bid, and
16 the workers that they hire to do plumbing or
17 electrical or other types of work are not qualified
18 mechanical people to do that work, they are getting
19 paid a very lower wage, 7, 10 dollars an hour, and
20 the work that they are doing may not be up to the
21 standard that we would expect as taxpayers.

22 So in some ways we have to ensure
23 that the bidding contractor who wins the bid is
24 paying people who are qualified to do the work, so
25 that we get the best work possible for the lowest

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2 price possible, while at the same time not fooling
3 us into hiring college kids -- nothing against
4 college kids -- to do work that they are willing to
5 accept the 7, 10, 11 dollar an hour wage, that they
6 are not feeding a family with, that they are just
7 getting money to get their way through school, and
8 that contractor portrays themselves as a qualified
9 contractor doing qualified work. I don't want that
10 person doing the electrical work on my house.

11 COMMISSIONER APPLEBAUM: We agree
12 with you.

13 In fact, if I may bring an anecdotal
14 comment, you are aware of the major federal lawsuit
15 that was filed by an electrical contractor from
16 outside the city, major suit against the Mayor,
17 David Cohen, Louis Applebaum, and the City of
18 Philadelphia, and Deputy Mayor Murphy.

19 And we spent three, four, five, six
20 days at the federal court testifying on that
21 particular case.

22 And I believe you probably have heard
23 that the judge, his Order came down just the other
24 day, and they found for the city.

25 So we take very seriously --

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2 COUNCILMAN KENNEY: Congratulations
3 on your testimony.

4 COMMISSIONER APPLEBAUM: --
5 prevailing wages.

6 And that case was a prevailing wage
7 case that we threw that bidder, the low bidder, off
8 the job because he wasn't paying prevailing wages.

9 We had three or four violations that
10 were brought to us through the Deputy Mayor's
11 Office. And we successfully defended that case. A
12 lot of nervous people.

13 So we take it very serious.

14 COUNCILMAN KENNEY: But I also want
15 you to recognize, in the story that you are telling
16 us, you don't want to send a business-unfriendly
17 message to the regional and national bidders for
18 work for us.

19 But you also want to send a message
20 that you are not going to come here and snucker us
21 into paying you money.

22 Because what happens is, that low
23 bidder who pays those unqualified workers a lower
24 wage takes the balance of the money and puts it in
25 his pocket.

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2 He doesn't put it back into the
3 economy, so we are really not gaining at all.

4 COMMISSIONER APPLEBAUM: That bidder
5 spent a ton of money on legal fees.

6 COUNCILMAN KENNEY: Good. Every
7 dime, he deserves to spend.

8 COMMISSIONER APPLEBAUM: And, in
9 fact, the judge ordered the loser, what do you call,
10 the plaintiff --

11 COUNCILMAN KENNEY: The loser.

12 COMMISSIONER APPLEBAUM: -- to pay
13 our costs.

14 COUNCILMAN KENNEY: Good. He
15 probably won't be able to get a new boat this
16 summer. What are you going to do?

17 COMMISSIONER APPLEBAUM: Just the
18 point I am trying to make is, we take very serious
19 prevailing wage rates, prevailing wage regulations,
20 and we monitor them very, very closely.

21 And we just want to make sure that we
22 don't put a hamper on ourselves, where we get lost
23 in the forest and lose the big picture.

24 The big picture, major contracts,
25 major service contracts, public works contracts, and

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2 not the little guys that we don't --

3 COUNCILWOMAN CLARK: Mr. Applebaum,
4 this might be a good time for us to discuss that is
5 not simply the lowest bidder. There is a little R
6 word in there, the lowest responsible bidder.

7 And nobody is relieved of the
8 obligation to make sure that the city gets what it
9 bargained for.

10 Now, if we are bargaining for a
11 competent service, then whether we pay prevailing
12 wages or prevailing wages plus a bonus, or not, we
13 should not be accepting work that is less than we
14 expect.

15 And I certainly hope that nothing
16 about the size of the contract impacts on the
17 fidelity with which you check to see whether the
18 city is getting what it is paying for.

19 COMMISSIONER APPLEBAUM: You are
20 absolutely correct. The bidders must be the lowest
21 responsible bidder.

22 Very often we disqualify people. We
23 are in the process now, we disqualified a company
24 that was doing rodent control and pest control.
25 They weren't providing a good service; they are

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2 out. We continually go through this process.

3 We have a construction, a demolition
4 company, that was found to be taking our debris and
5 off-loading it into illegal places. They have been
6 found that they were doing that. We have taken them
7 off the bid list, and they are not allowed to bid.

8 So we do monitor.

9 COUNCILWOMAN CLARK: Mr. Applebaum,
10 what reason would a contractor have for paying less
11 than prevailing wages?

12 COMMISSIONER APPLEBAUM: The reason
13 to pay less than prevailing wages is for the
14 contractor, or the service provider, to make more
15 money.

16 COUNCILWOMAN CLARK: Or to be able to
17 hire a staff so that he doesn't do the work at all.

18 There are some jobs that are so low,
19 the cost of them is so low, that he couldn't afford
20 to hire the people to do it if he had to pay
21 prevailing wages in every instance.

22 COMMISSIONER APPLEBAUM: Well, we do
23 monitor our bids.

24 And when bids come in, just as some
25 of them are ridiculously high, we investigate them.

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2 If they are ridiculously low, we do the same thing.

3 We must take the lowest responsible
4 bid. But when a bidder comes in and the bid is
5 outlandish, we won't accept it.

6 COUNCILWOMAN CLARK: Because that's
7 not really a savings, because you are still going to
8 have to pay money to come in and finish the work at
9 a level that we can accept.

10 COMMISSIONER APPLEBAUM: Exactly
11 right. Exactly.

12 COUNCILMAN KENNEY: Just one other
13 addendum to your story on the contractor who lost in
14 federal court.

15 That individual was awarded the bid
16 initially as the lowest responsible bidder;
17 correct?

18 COMMISSIONER APPLEBAUM: Yes.

19 COUNCILMAN KENNEY: Correct.

20 And at some point in time during the
21 course of that contract, he snuckered us.

22 How did we catch him? How did we
23 catch that individual to bar him or to remove him
24 from the contract and wind up in federal court in
25 the first place?

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2 If we followed the process of the
3 lowest responsible bidder, he would have never got
4 the job in the first place.

5 COMMISSIONER APPLEBAUM: Well, no.

6 DEPUTY MAYOR MURPHY: That was
7 brought to my attention by -- Local 98 submitted a
8 document to my office with some allegations against
9 the contractor which we weren't aware of before. In
10 fact, his violations were in Jersey.

11 And my office had investigated and
12 found those allegations to be true. And then we
13 took them to Commissioner Applebaum's office.

14 COUNCILMAN KENNEY: And the
15 violations in Jersey were committed after the award
16 of the contract, during the course of the work.

17 COMMISSIONER APPLEBAUM: The
18 violations were actually --

19 COUNCILMAN KENNEY: In New Jersey.

20 COMMISSIONER APPLEBAUM: -- they were
21 prior.

22 COUNCILMAN KENNEY: No. You are
23 missing my point.

24 The violations in New Jersey that
25 were brought to your attention, were they or were

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2 they not violations that were done during the course
3 of the contract, the Jersey contract?

4 DEPUTY MAYOR MURPHY: Yes. Yes.

5 COUNCILMAN KENNEY: Yes. That's my
6 point.

7 My point is that the individual who
8 got the New Jersey bid, one, he is the lowest
9 responsible bidder, then began to do the bid, then
10 began to do the work.

11 COMMISSIONER APPLEBAUM: No. No.
12 The contractor never was awarded the contract.

13 COUNCILMAN KENNEY: In the City of
14 Philadelphia, it was never awarded the contract.

15 COMMISSIONER APPLEBAUM: Right.

16 COUNCILMAN KENNEY: In New Jersey,
17 where he did the violations he did, whatever
18 violations he did, he did in the course of a
19 contract that he was duly awarded.

20 DEPUTY MAYOR MURPHY: Right.

21 COUNCILMAN KENNEY: So he was, in
22 that case in New Jersey, the lowest responsible
23 bidder who turned out not to be a very responsible
24 contractor because he didn't pay prevailing wages
25 and he did other things to falsify records and other

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2 things to show that he was being a prevailing wage
3 rate payer. Okay?

4 COMMISSIONER APPLEBAUM: Correct.

5 COUNCILMAN KENNEY: So now he comes
6 to Philadelphia and he bids, and he is the lowest
7 responsible bidder again.

8 Now, without those violations that we
9 became aware of from New Jersey, we would have wound
10 up awarding him that contract.

11 COMMISSIONER APPLEBAUM: You are
12 correct.

13 COUNCILMAN KENNEY: And it is
14 possible -- not definite, but possible -- he would
15 have continued his practice in Philadelphia of
16 falsifying records, paying people below prevailing
17 wage, and pocketing the money.

18 DEPUTY MAYOR MURPHY: It is possible,
19 yes.

20 COMMISSIONER APPLEBAUM: Correct.

21 COUNCILMAN KENNEY: And I guess
22 that's what we are trying to avoid by strengthening
23 this legislation to ensure that individuals like
24 that do not get contracts with the city, and we
25 don't have to wind up in federal court in the first

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2 place.

3 COMMISSIONER APPLEBAUM: That's why
4 we all support this ordinance, with the adjustments
5 and amendments that we are suggesting to.

6 COUNCILMAN KENNEY: What I want to do
7 is -- again, and I appreciate your patience with me,
8 Commissioner, because we had these long discussions
9 on the telephone about these issues which I raised
10 earlier.

11 This is -- I think you agree because
12 you are supporting the bill -- extremely important,
13 to ensure that not only do we get the best value --
14 I won't say that -- the best value for our dollar,
15 but also people get a wage they can raise their
16 families on.

17 COMMISSIONER APPLEBAUM: You are
18 correct.

19 COUNCILMAN KENNEY: Thank you very
20 much.

21 Any questions for these witnesses?

22 Thank you very much.

23 DEPUTY MAYOR MURPHY: Thank you.

24 Mr. Gillespie. And if Mr. Shields
25 would like to come up, too, if he is here, or

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2 Mr. Harris.

3 Could you please identify yourself
4 for the record and proceed.

5 MR. PAT GILLESPIE: My name is Pat
6 Gillespie. I am the Business Manager of the
7 Philadelphia Building Trades Council.

8 And I am here to, firstly, applaud
9 you, Councilmen and women, in endeavoring to correct
10 and improve on an Ordinance that will, hopefully,
11 prevent the city from being bottom feeders when it
12 comes to contracting services and contracting work
13 out.

14 The object, and the stated object, of
15 the prevailing wage law is to see to it that a
16 standard is followed, that wages and fringe benefits
17 are paid, and that the work that you are contracting
18 out to have performed are performed by men and women
19 who are trained and qualified to do that work.

20 So the impact of these curative steps
21 in the Ordinance that will help the city's
22 prevailing wage procedures, we applaud and we
23 support.

24 Also, I would like to encourage you
25 to pursue the service work. Because by merely

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2 saying, well, it is hard to administer, or that it
3 is going to cost more money, kind of flies in the
4 face of an ethical approach to running government.

5 Again, on a smaller project where --
6 and smaller work, where you have people doing
7 janitorial service, which I guess the hourly wage
8 rate may be 9 or 10 dollars an hour, it is kind of
9 difficult to pay the mortgage and pay the tuition
10 payments and pay other things on 9 and 10 dollars an
11 hour.

12 But what the city is saying by saying
13 they can't, that would be too expensive for them to
14 pay for those janitorial services, they are saying,
15 well, then, these folks, we have to pay them less.

16 I mean, I always laugh at the
17 objection -- the standard objections initially by
18 the procurement officer was that it would hinder
19 utilization of minority contractors.

20 I mean, that's been stated against
21 Davis Bacon since Davis Bacon was enacted. And we
22 have proven that that is not a fact.

23 As a matter of fact, especially in
24 the service sector of industry in Philadelphia, I
25 would think that it would do more to -- how would

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2 you say? -- raise everyone's boat if we start
3 looking after folks who tend to our services, like
4 the janitorial things.

5 So I applaud you for doing that.
6 And, if need be, I am willing to be interrogated.

7 COUNCILMAN KENNEY: Thank you for
8 your testimony.

9 Councilwoman Clark.

10 COUNCILWOMAN CLARK: Hey, Pat. I am
11 struck by some of your language.

12 MR. GILLESPIE: I didn't curse, did
13 I?

14 COUNCILMAN MARIANO: Not this time.

15 COUNCILWOMAN CLARK: "Ethical
16 approach to running government." "Hinder
17 utilization of minority contractors."

18 Would you say that there is absolute
19 equality among qualified workers to membership in
20 the building trades?

21 MR. GILLESPIE: I am sorry; I didn't
22 hear it.

23 COUNCILWOMAN CLARK: Is there any bar
24 based on race or gender to people being
25 card-carrying union members in building trades?

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2 MR. GILLESPIE: I am not hearing you,
3 I guess. Would you ask the question again.

4 COUNCILWOMAN CLARK: Do you
5 understand my question?

6 COUNCILMAN MARIANO: Maybe I can
7 speak for Mr. Gillespie when I answer this
8 question.

9 I carry a card in Local 98, which is
10 the electricians union. When you are busy working
11 on the job, it don't matter if the guy next to you
12 or woman next to you is black, white, or Puerto
13 Rican. You have to do the work, and you do it, and
14 you get done.

15 COUNCILWOMAN CLARK: But you have
16 that luxury.

17 I want to talk to Mr. Gillespie. And
18 he has building trades, and he has an idea of who
19 constitutes the membership of the various
20 constituent unions.

21 And now, Mr. Gillespie, I ask you
22 whether, in your estimation, minorities and women
23 are fairly represented in the constituent unions of
24 the building trades.

25 MR. GILLESPIE: Yes.

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2 COUNCILWOMAN CLARK: Are there any
3 bars and barriers still up that prevent their free
4 interaction into the unions?

5 MR. GILLESPIE: Not that I am aware
6 of.

7 We made great strides in including
8 people into the building trades unions.

9 COUNCILWOMAN CLARK: This is
10 relatively new, or has it always been like that?

11 MR. GILLESPIE: No, it is not
12 relatively new.

13 I have been working at this since
14 1982. And the percentage makeup of the Philadelphia
15 Building Trades right now is, there are 42 percent
16 African-Americans in the Philadelphia Building
17 Trades membership.

18 COUNCILWOMAN CLARK: Where are they
19 in this room to? Where are they? Out there
20 working?

21 So are you going to say to me --

22 MR. GILLESPIE: Well, excuse me a
23 minute. Is your point that -- because I am hearing
24 a tone in your voice, Councilwoman.

25 And if the tone is that the building

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2 trades is just a bunch of white guys from the
3 suburbs, that is not correct.

4 COUNCILWOMAN CLARK: Oh,
5 Mr. Gillespie, please don't --

6 MR. GILLESPIE: If your point is
7 that --

8 COUNCILWOMAN CLARK: Let me help you
9 before you put too much on this record and attribute
10 it to me. Okay?

11 You better work on what I say, not
12 what my tone seems to say. I need help on a lot of
13 things, fighting, running, and things physical; not
14 thinking and not talking. So I can make you
15 understand me.

16 I am asking you whether you have
17 minorities and women represented in your union in
18 the same rates as they participate in the work
19 force? What we in affirmative action call work
20 force utilization data.

21 MR. GILLESPIE: Yes. As a matter of
22 fact, I think we have a pretty good -- I am kind of
23 taken back by the question because of all the
24 strides that we have made in this regard, as I
25 stated for the record.

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2 COUNCILWOMAN CLARK: The impact, this
3 gives you an opportunity to brag a little bit.

4 Put upon the public record where we
5 were and where we are now, and you can take credit
6 for the games.

7 MR. GILLESPIE: There are an awful
8 lot of people who require credit --

9 COUNCILWOMAN CLARK: Of course.

10 MR. GILLESPIE: -- for inclusion.

11 COUNCILWOMAN CLARK: There is always
12 credit and blame enough to go around. Don't worry
13 about that.

14 MR. GILLESPIE: Well, the blame gets
15 put upon the Business Manager of the building trades
16 when things go on.

17 I have to include the credit to the
18 various Business Managers in the trades who have
19 their apprentice coordinators going out weekly in
20 the evenings to various schools to let children know
21 what this is they have to study --

22 COUNCILWOMAN CLARK: Will you share
23 with us --

24 MR. GILLESPIE: -- in order to be
25 candidates for apprenticeship.

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2 COUNCILWOMAN CLARK: Will you share
3 with us, perhaps at a later date, a written record
4 of where you were ten years ago, where you were five
5 years ago --

6 MR. GILLESPIE: I would be happy to
7 do that.

8 COUNCILWOMAN CLARK: -- and where
9 you are now? Then that way we won't have your
10 opinion versus my opinion; we will be working with
11 some facts.

12 MR. GILLESPIE: Fine. I would be
13 happy to do that.

14 Also, just for your edification, you
15 can look to our program with the Philadelphia
16 Housing Authority that we instituted.

17 It was an initiative of the
18 Philadelphia Building Trades Council member unions
19 that has put through a training program a number of
20 residents, most of whom are women, to familiarize
21 themselves with the construction industry, as they
22 help repair apartments and make them habitable for
23 other tenants.

24 COUNCILWOMAN CLARK: And I am aware
25 of that, and I applaud you for it. It is the kind

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2 of thing, in fact it is the exact kind of thing,
3 that I think needs to be talked about, put upon the
4 public record so that it can be replicated.

5 Now, I don't want you to interpret my
6 tone. You interpret my words.

7 Calm yourself down. This is not a
8 fight. You and I may be on the same side of this
9 issue.

10 But I am going to ask the question,
11 and then I am going to listen to your answer. But I
12 am going to ask the question.

13 MR. GILLESPIE: Well, the other
14 project I could point to, where the building trades
15 made commitments for inclusion, especially
16 neighborhood inclusion -- which is a little more
17 difficult because you have to select members who not
18 only are of a certain gender or race, but who then
19 live in a certain zip code.

20 And we are down to that kind of
21 sophistication, without jeopardizing other members'
22 rights to a job.

23 COUNCILWOMAN CLARK: Now, we raised
24 this issue years ago -- it might have been me who
25 raised it -- about how offensive it is to be an

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2 unemployed resident of public housing, and watch
3 some guy get out of a raggedy car, with a Jersey
4 tag, and carry 5 gallons of tar to the top of a
5 two-story public housing development.

6 So we are not -- and that has been as
7 recently as in the last few years that I have said
8 that.

9 MR. GILLESPIE: Well, more than
10 likely it was a non-union roofing contractor, too,
11 if he was getting out of a raggedy car.

12 COUNCILWOMAN CLARK: Well, that may
13 be, or he may be thrifty.

14 MR. GILLESPIE: They are probably
15 cheating him.

16 The other project I would like to
17 point to, of course, is the Convention Center, where
18 we received national acclaim for our inclusion
19 program, and it is used as a model.

20 The CoreStates Center, the --

21 COUNCILWOMAN CLARK: Wait a minute.
22 Let's talk about the Convention Center. Because the
23 Convention Center was slowed down as we fought over
24 participation of race from this Council.

25 I do not say, I do not say, that

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2 gains have not been made. These gains have always
3 been hard fought and bitterly won, and we have miles
4 to go before we sleep.

5 This work is not yet completely
6 done.

7 MR. GILLESPIE: Well, the point of
8 this ordinance that we're discussing --

9 COUNCILWOMAN CLARK: Before us to.

10 MR. GILLESPIE: Yes. The proposal
11 will be to ensure that the policing of the
12 prevailing wage statutes is done more efficiently,
13 and will, hopefully, prevent -- at the risk of
14 offending gypsies -- the gypsy-type contractor who
15 doesn't have a root or any kind of substance in our
16 communities. And that's why we embraced this.

17 Quite frankly, there is a whole
18 school of thought -- and I don't want to get into
19 this -- that one of the problems that organized
20 labor is having is that we are becoming victims of
21 our own success.

22 Because we come before governing
23 bodies and say, look, everyone, regardless of
24 collective bargaining, should be paid a fair wage.
25 That's, in effect, what we are saying here.

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2 Now, there is a school of thought
3 saying, you know, maybe we should just go out and
4 organize them, and then demand it from someone else
5 and make everyone union. And I know there are a lot
6 of people who subscribe to that.

7 But insofar as inclusion into the
8 building trades of multi-cultural work force, it is
9 there, and it has been there for quite some time.
10 And it is something that I am proud of.

11 COUNCILWOMAN CLARK: I am proud of
12 the effort that we have begun. I assure you that
13 there is much work that remains to be done.

14 And this record is an opportunity for
15 us to again publicly commit to the ideal of
16 inclusion and removing barriers which do still
17 exist, which have historically existed, and which
18 have kept people out of labor unions.

19 I wish it were otherwise. I wish it
20 were otherwise. But it is not so, and it will not
21 be different because we sit here and revise
22 history.

23 MR. GILLESPIE: Well, Councilwoman, I
24 am not revising history; I am just stating the facts
25 of what we are and who we are, and what we do to

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2 accommodate that problem that you stated.

3 COUNCILWOMAN CLARK: All right.

4 COUNCILMAN KENNEY: Thank you very

5 much.

6 Any other questions for Mr.

7 Gillespie?

8 Mr. Harris.

9 Mr. Gillespie, the request was made
10 that you send any written documentation reports to
11 the Chair.

12 MR. GILLESPIE: I will.

13 COUNCILMAN KENNEY: Thank you very

14 much.

15 COUNCILMAN KENNEY: Good afternoon.

16 Please identify yourself for the record.

17 MR. ROBERT HARRIS: Good afternoon,

18 Mr. Chairman and members of the committee.

19 My name is Robert Harris. I am the
20 Assistant to the President of Service Employees
21 International Union, Local 36.

22 We are the union in Center City that
23 cleans all the office buildings. And, actually, we
24 clean City Hall, the Municipal Service Building.

25 COUNCILMAN KENNEY: You do a very

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2 good job, too, I must say. Thank you.

3 MR. HARRIS: Thank you very much.

4 Those are our members.

5 I have with us one of our organizers.

6 MR. JOE SHIELDS: My name is Joe
7 Shields. I am an organizer with SCIU, Local 36.

8 MR. HARRIS: Mr. Chairman, I would
9 love to see a perfect world, and I would love to see
10 this ordinance passed in its original state.

11 But I know that's not the real world,
12 and I know there are amendments and things that
13 happen during the course of the political process.

14 I would just like to refute some of
15 the things that were said by Mr. Appleman.

16 COUNCILMAN KENNEY: Applebaum.

17 MR. HARRIS: I'm sorry,
18 Mr. Applebaum. I really don't know the gentleman.
19 And I believe that he is not totally representing
20 the people who really need the representation, and
21 those are the people in the service industry.

22 These are the people who can least
23 afford not to have a prevailing wage or not to have
24 a living wage.

25 I feel that this bill, or this

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2 Ordinance, should pass in its original state, and
3 have the service portion of this Ordinance intact.

4 We represent about 4,500 members
5 throughout the Center City and surrounding area.

6 And once Mayor Rendell took over and put into his --
7 into place privatization, we picked up City Hall, we
8 picked up the Municipal Services Building, and some
9 of the other city services that were privatized.

10 And, fortunately, we do have a
11 prevailing wage set in the City of Philadelphia that
12 provides our members with a living wage and
13 benefits.

14 I can't see having an Ordinance
15 passed that would jeopardize that type of activity
16 that we already have in place.

17 So we're asking that the committee
18 look into putting this bill through in its original
19 state.

20 And, Councilwoman Clark, on behalf of
21 Brother Gillespie, Service Employees International
22 Union, Local 36, we are part of the building
23 trades.

24 Our membership is about 65 percent
25 black. And out of that 65 percent, maybe 70 percent

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2 are female.

3 So on behalf of our Brother
4 Gillespie, yes, the building trades do have a block
5 of minority participants that participate in the
6 building trades.

7 So I just wanted to put that on the
8 record in support of our brother.

9 COUNCILMAN KENNEY: Before I
10 recognize Councilwoman Clark, what I would like to
11 talk about, obviously the perfect world of having
12 this bill passed intact is in jeopardy. So one of
13 the issues that we have been discussing is the issue
14 of threshold.

15 The Commissioner and Deputy Mayor
16 Murphy indicated a number of about \$200,000
17 threshold.

18 Could you comment on and recommend,
19 if you feel a need to, another threshold, or discuss
20 the issue of thresholds in general?

21 MR. HARRIS: Well, we feel that
22 \$200,000 is a little steep.

23 We could probably agree to support a
24 bill where that number may be cut in half. That's
25 stretching it.

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2 But in a nonperfect world, we would
3 probably have to lick our wounds and keep getting
4 up. I just think \$200,000 is a little steep,
5 especially in the service industry.

6 They spoke about a company called
7 Team Clean, Donna Ali. You know, \$200,000, you
8 know, would probably put Donna Ali out of the
9 ballpark.

10 COUNCILMAN KENNEY: Councilwoman
11 Verna is suggesting, would like to know, of your
12 4,000 members, how many work under current city
13 contracts, and what are those contract levels?

14 Are they all within the prevailing
15 wage, \$200,000 or more?

16 MR. HARRIS: All of our contracts --
17 to answer your question, Councilwoman, we have
18 about, I would say, upwards numbers of 200 to 250
19 people who are members who work under city
20 privatized contracts.

21 All of those contracts are over that
22 number of 200,000.

23 COUNCILMAN KENNEY: Councilwoman
24 Clark.

25 COUNCILWOMAN CLARK: Mr. Harris, how

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2 does your union compare to sheet metal workers?

3 Do you think the sheet metal workers
4 are 65 percent black and 70 percent female?

5 MR. HARRIS: No.

6 COUNCILWOMAN CLARK: Does the fact
7 that your members are concentrated in janitorial
8 services suggest anything to you?

9 MR. HARRIS: It does not suggest
10 anything to me.

11 COUNCILWOMAN CLARK: Then I have
12 nothing further to say.

13 MR. HARRIS: I would just like to say
14 that unions in the Pennsylvania area are made up of
15 a lot of different organizations.

16 The building trades, the actual
17 trades, the sheet metal, the glaziers, those kinds
18 of trades, are predominantly in areas where females
19 may not be a part of that.

20 COUNCILWOMAN CLARK: How about
21 minorities? How about black men sheet metal
22 workers?

23 MR. HARRIS: I don't represent the
24 sheet metal workers.

25 COUNCILWOMAN CLARK: Then you really

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2 don't have an informed opinion, do you, Mr. Harris?

3 MR. HARRIS: My opinion is that I
4 know my membership of 4,500 members are
5 predominantly --

6 COUNCILWOMAN CLARK: I can get you a
7 better number than that. 1199C is probably 95
8 percent black and 97 percent female.

9 But I am talking about building
10 trades.

11 MR. HARRIS: I don't know if 1199C is
12 a part of the building trades.

13 COUNCILWOMAN CLARK: Well, they are
14 not. Neither are you.

15 MR. HARRIS: We are --

16 COUNCILWOMAN CLARK: You are a
17 service.

18 MR. HARRIS: We are affiliated with
19 the building trades, and I would not be on record in
20 telling you something that's not true.

21 COUNCILWOMAN CLARK: Okay. Well,
22 lets you and I discontinue this conversation.
23 Because we are just spreading opinions; we are not
24 spreading facts. We are spreading opinions.

25 And I am not likely to persuade you,

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2 and you are not likely to persuade me. You will go
3 away thinking what you think, and you have not told
4 me one thing that causes me to think otherwise.

5 MR. HARRIS: I wasn't trying to
6 change your opinion.

7 COUNCILWOMAN CLARK: Sure you were.
8 Sure you were. You addressed the comment to me.
9 You were trying to change my opinion.

10 MR. HARRIS: No. No. I was trying
11 to state to you that Local 36 is part of the
12 building trades, and that we have about --

13 COUNCILWOMAN CLARK: And that you are
14 65 percent black. And of the 65 percent who are
15 black, 70 percent of them are women.

16 So --

17 MR. HARRIS: Not 7; about 70.

18 COUNCILWOMAN CLARK: You said 70
19 percent of your -- 65 percent of your membership is
20 black. That's what you said to me.

21 MR. HARRIS: Right.

22 COUNCILWOMAN CLARK: And of my
23 membership, 70 percent are women.

24 MR. HARRIS: Right.

25 COUNCILWOMAN CLARK: So how is that

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2 different than what I said? Why are you saying no?

3 MR. HARRIS: I don't believe I said
4 no.

5 If you want to run the tape or the
6 record back, you will see that I did not say no.

7 COUNCILWOMAN CLARK: So your union is
8 comprised of large numbers of black men and women
9 who clean buildings.

10 MR. HARRIS: Yes.

11 COUNCILWOMAN CLARK: And who do an
12 outstanding job of cleaning this building, which is
13 the only one that I can speak to.

14 MR. HARRIS: Okay.

15 COUNCILWOMAN CLARK: And I think that
16 is admirable. And I am certainly glad you are
17 making a living wage.

18 Nothing about whatever we do to this
19 is going to require anybody to roll you back to less
20 than what you are making. Nothing about anything we
21 do to this bill will require any employer to roll
22 back your wages. Nothing.

23 Did you think so?

24 MR. HARRIS: It is always a
25 possibility.

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2 COUNCILWOMAN CLARK: Is that what's
3 keeping you up? Are you afraid that that's about to
4 happen to you?

5 MR. HARRIS: I am not afraid of
6 anything on that line.

7 It is just a matter of making sure
8 that you protect the interests of your membership;
9 that's what I'm here to do.

10 COUNCILWOMAN CLARK: Okay.

11 COUNCILMAN KENNEY: Thank you,
12 Councilwoman Clark.

13 Do you have anything, sir, to add?

14 MR. SHIELDS: No.

15 COUNCILMAN KENNEY: Thank you very
16 much.

17 Mr. Steve Lashinski.

18 MR. LASHINSKI: Thank you very much.

19 COUNCILMAN KENNEY: Please identify
20 yourself for the record.

21 MR. STEVE LASHINSKI: My name is
22 Steve Lashinski. I am an organizer at ACORN. It is
23 always tough being the guy at 4 o'clock, so I will
24 try to go quick.

25 I am from an organization called

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2 ACORN. It is a 5,000-member, community-based
3 organization a lot of people are familiar with.

4 We have been working at this issue of
5 wages for a long time. We have organized the
6 Philadelphia Jobs and Living Wage Coalitions, a
7 coalition of over 30 organizations of union,
8 religious, community-based, and other
9 organizations.

10 So on behalf of ACORN, we definitely
11 want to congratulate this committee for bringing
12 this issue forward. I think it is a great issue,
13 and one to be raised, and a really important one,
14 especially now at this time.

15 We want to just sort of touch on
16 briefly, since the issue has been raised, an
17 opportunity to talk about the issue of wages, and as
18 it relates to neighborhoods, neighborhood
19 development, and the relationship it has to issues
20 of city assistance, contracts that are given out,
21 both, you know, service contracts as well as
22 professional contracts in general.

23 And to do that, I am going to
24 submit -- I am not sure how to do this -- a report
25 that many of you have seen, called Left Behind: The

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2 Minimum Wage and the Real Cost of Living in
3 Philadelphia.

4 And the point of it is to point out,
5 to take a typical family and look at what kind of
6 wages they would need to make in order to pay for
7 things in Philadelphia, like health care and housing
8 and transportation. And we give three examples.

9 For a family the size of a one parent
10 and one child, in order to pay for things in
11 Philadelphia, like food and clothing, they really
12 would need to be making almost \$10 an hour.
13 Anything less than that shows that they would not be
14 able to afford just basic necessities.

15 And this doesn't take into account
16 movies, going on vacation. It doesn't take into
17 account like a sick day that you don't get paid
18 for. This is just five days a week.

19 For a family size of three, a parent
20 and two children, that's 13.30 an hour. And for a
21 family size of four, it is 16.59 an hour.

22 And the reason to bring that up is to
23 really talk about the perspective of what happens
24 with wages in community, and what happens when
25 people don't have, don't make those kind of wages.

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2 Which is why the issue of service
3 contracts and service work is really, really
4 important and really fundamental in what you are
5 talking to.

6 So we believe that the service
7 contracts have to be included in prevailing wage,
8 especially with the transition our economy has been
9 making from, unfortunately, white collar, maybe
10 building-trade-type jobs, as you have seen, to a
11 very high service-based industry that's happening in
12 Philadelphia.

13 COUNCILMAN KENNEY: I am sorry.

14 MR. LASHINSKI: That's okay. I know
15 you are working hard.

16 COUNCILMAN KENNEY: Please proceed.
17 I am sorry.

18 MR. LASHINSKI: Okay. Really, we
19 know that there has been a lot of discussion about
20 where this bill is going. And, frankly, the
21 testimony that I submit may or may not have anything
22 to do with what finally happens.

23 The only thing we want to raise is
24 the point about thresholds, and what that is.
25 Because the question that's being asked is, well, at

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2 what point do you want to trigger this in? And I
3 think that takes further examination.

4 I think you really want to look at
5 how many contracts are given out for that trigger at
6 5,000, 10,000, 50,000 dollars.

7 We appreciate SCIU being here to and
8 representing their membership. We would like to
9 speak on behalf of the people who may not be part of
10 that membership, but are still doing service work
11 and part of this.

12 And what you are doing when you allow
13 a company to come in and pay somebody 7, 8 bucks, 9
14 dollars an hour, what that person is going to do --
15 you all know, with Welfare Reform, people are
16 required to take these jobs. That's why employers
17 can offer work cleaning toilets at \$6 an hour,
18 because people have to take it. So they take it.

19 And yet what they also do in order to
20 survive is, they go on Food Stamps and they get
21 medical assistance. And who pays for that? Well,
22 we do, because we are taxpayers.

23 So not only are we paying taxes to
24 give to the company to have the contract, but then
25 we end up subsidizing their employees through these

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2 tax breaks.

3 And not only in terms of receiving
4 medical assistance or Food Stamps, but people who
5 don't pay utility bills, and we have to subsidize
6 them.

7 And nobody would want their gas cut
8 off in November, but a parent has to make a choice.

9 We would like you to look at this
10 report to see what happens when a parent ends up at
11 the end of the month making that kind of choice.

12 So we subsidize not only publicly
13 through Public Assistance, but we subsidize
14 privately by paying into these other areas.

15 And so that what you are considering
16 is very, very important. And we really advocate
17 taking a really hard look at thresholds, and who you
18 leave behind and who ends up paying for that.

19 At a further time we would love to
20 talk about the earlier testimony you heard from the
21 Mayor's Office. And maybe to quote Councilwoman
22 Clark, is to compare facts, not opinions.

23 A bill similar to this that passed in
24 Baltimore did have requirements with contracts. And
25 they did a study to see what happened to those

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2 contracts.

3 So, in fact, the position that the
4 Mayor is taking is false with regards to the effect
5 of the contracts driving those businesses away.

6 And we would really encourage members
7 of the Council to take a look at that study. We
8 would be happy to provide that.

9 The last thing we would like to do,
10 besides wishing you luck on the League of Cities
11 this week -- and we know that you will make
12 Philadelphia proud -- is continue to work with you
13 on Bill 970586, which was submitted two months ago.
14 And that makes reference to a living wage.

15 Because, really, the question -- and
16 I think, Councilwoman Verna, you have asked this
17 before -- is, well, how many workers is this all
18 affecting? And the number compared to the overall
19 work force is small.

20 With the living wage ordinance you
21 have an opportunity to impact a tremendous number of
22 workers.

23 And what those workers do when they
24 get paid a dollar, 2, 3 dollars an hour more is,
25 they go home to our districts, to their

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2 neighborhoods, and they buy more food at local
3 grocery stores, and they take their children to
4 movies in our neighborhoods, and they build up our
5 neighborhoods.

6 Really the strength of the city's
7 economy is its workers. And you have an excellent
8 opportunity to help that work force by passing this
9 and other related ordinances.

10 So we thank you for your time,
11 putting up with that speech that I promised I
12 wouldn't make.

13 I am open to questions, or I just
14 want to thank the committee.

15 COUNCILMAN KENNEY: Thank you very
16 much. Thank you for your testimony.

17 MR. LASHINSKI: You got it.

18 So where should I bring these?

19 COUNCILWOMAN VERNA: They will get
20 those. If you leave them on the table, they will
21 circulate them for you.

22 MR. LASHINSKI: Circulate them? Oh,
23 yeah? I am probably going to find them in the waste
24 basket.

25 All right. Thanks a lot.

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2 COUNCILMAN KENNEY: Thank you very
3 much.

4 Is there anyone else in the room to
5 testify on this bill?

6 Commissioner, come on up.

7 COMMISSIONER APPLEBAUM: Procurement
8 Commissioner Louis Applebaum.

9 I would just like to comment on the
10 testimony of Mr. Harris of the service industry as
11 it relates to Donna Ali and Team Clean.

12 My comments and thoughts were to
13 assist Donna Ali, who is a minority owned -- owns a
14 minority-owned company called Team Clean, to not
15 have her go to the extent of maintaining the records
16 and the administrations of a prevailing wage such as
17 certified payrolls, monthly audits, submitting
18 documents.

19 And I know Donna Ali very well. She
20 is doing a very good job. And that type of a
21 requirement upon her company would be hurtful, and
22 not helpful, and that's why I mentioned that.

23 So my comment was to assist Donna
24 Ali, and not to hurt her at all. Thank you.

25 COUNCILMAN KENNEY: Could you explain

1 BILL NO. 960823

2 Donna Ali's contract with the city.

3 COMMISSIONER APPLEBAUM: Donna Ali is
4 a minority subcontractor to Collin on this
5 particular building.

6 And her employees, as they relate on
7 this building, are paid the rates that we have
8 indicated in our contracts. So there are no
9 problems there.

10 But if Donna Ali goes out and gets a
11 smaller contract, a direct bidder with the City of
12 Philadelphia under a smaller contract, if this
13 Ordinance was passed as it is to, she would have to
14 maintain and submit to us certified payrolls, be
15 audited by the Deputy Mayor's Labor Standards
16 Department, and it would put a major burden on her
17 company that she really doesn't need.

18 COUNCILMAN KENNEY: What's the level,
19 if you know, of Donna Ali's contract now as a
20 subcontract with the city, if you know?

21 COMMISSIONER APPLEBAUM: Well, she is
22 part of the contract here and also -- well, she had
23 the MSB Building of last.

24 All of those contracts that she had
25 as a subcontractor were all in excess of 200,000.

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2 COUNCILMAN KENNEY: As part of the
3 general contract?

4 COMMISSIONER APPLEBAUM: Right.

5 We are not talking about carving hers
6 out; we are looking at that as one.

7 COUNCILMAN KENNEY: So if she came
8 in, her or any other minority or nonminority
9 contractor, came in as a sub to a contract above
10 \$200,000 --

11 COMMISSIONER APPLEBAUM: They must
12 comply to the prevailing wage.

13 It is only when they are direct
14 bidders, not part of a big contract, that we are
15 talking about.

16 COUNCILMAN KENNEY: Okay.
17 Councilman.

18 COUNCILMAN MARIANO: Commissioner,
19 just one question. Maybe I am asking this for both
20 of us.

21 If she is a sub to Collin, he has to
22 fill out the things anyhow; right?

23 COMMISSIONER APPLEBAUM: Collin is a
24 million-dollar company who has all of the
25 accountants --

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2 COUNCILMAN MARIANO: But he fills
3 them out for her employees; correct?

4 COMMISSIONER APPLEBAUM: He maintains
5 the record in his house, under his computer. Donna
6 Ali doesn't do that; it is his responsibility to
7 submit the information.

8 He is responsible for it. He does
9 it. He pays the payroll for her.

10 DEPUTY MAYOR MURPHY: I think I can
11 clarify that.

12 The responsibility of filling out the
13 certified payroll is the subcontractor. And the
14 prime's responsibility is to submit those, make sure
15 they are correct, and then submit them to our
16 office.

17 COUNCILMAN MARIANO: But she doesn't
18 have to do that now.

19 DEPUTY MAYOR MURPHY: No; she still
20 has to fill out those payrolls.

21 COUNCILMAN KENNEY: But what you are
22 saying is that the level of her contract makes it
23 appropriate for her to do that.

24 COMMISSIONER APPLEBAUM: Right.

25 COUNCILMAN KENNEY: Because of the

1 BILL NO. 960823

2 amount of money involved.

3 COMMISSIONER APPLEBAUM: Right. But
4 under where she would go direct, under smaller
5 contracts, she would not have that obligation.

6 COUNCILMAN KENNEY: But under the
7 current bill, with the \$2,500 threshold, she would
8 have a problem?

9 COMMISSIONER APPLEBAUM: Every job
10 that she would get direct with the city, she would
11 have to go through hoops. We are trying to prevent
12 her from going through the hoops.

13 DEPUTY MAYOR MURPHY: Plus, in
14 addition, if I can, in response to Mr. Harris, since
15 this Administration has been in, almost all of the
16 contracts that his companies have been awarded have
17 had prevailing wage included, even without it being
18 required by law.

19 Along with the Procurement
20 Department, we have come up with a wage for that and
21 a benefit package.

22 So all of them do require that, even
23 without it being required by the Ordinance.

24 COUNCILMAN KENNEY: Thank you very
25 much.

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2 Is there anyone else?

3 It is the consensus of the committee,
4 we would like to apologize to Miss Ali for putting
5 all her business information on the record.

6 We could use Miss Smith or Miss
7 Jones. But she does do good work here in City
8 Hall.

9 Identify yourself.

10 MR. HARRY FOY: Yes. My name is
11 Harry Foy. I am the President of the Electricians
12 Union, Local 98.

13 And just in respect to the minority
14 issue -- and I just want to clear the record so that
15 we have an understanding of the way we actually
16 access people into our local union -- we have two
17 methods of coming in.

18 And that's through the normal
19 channel, which is the apprentice training facility,
20 which is always open every year, and which we are
21 more than willing and we always do accept a great
22 number of minorities.

23 But we also attack that on another
24 avenue, and that is through organization. And just
25 to point out, in this last year, Local 98, just as

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2 of about three weeks ago -- and I don't know where
3 the situation stands right now -- offered
4 memberships to Bell Atlantic technicians.

5 I believe there was 47 people
6 involved in that organization. 42 of them, I
7 believe, were African-American men.

8 As well as that, we have had an
9 active campaign to organize -- we have organized
10 Chism Electric, an African-American-owned company,
11 all African-American employees. I believe I swore
12 in seven gentlemen about a month ago.

13 Towns Electric, another
14 African-American contractor, with all
15 African-American employees, on an active campaign to
16 organize that entire shop and give all those men
17 representation at the collective bargaining table.

18 So we do make a very honest attempt
19 to make sure that every walk of life is represented
20 in Local 98. And I feel the same matter is true of
21 the building trades.

22 COUNCILMAN KENNEY: Could you just
23 add one other thing that I happen to be aware of --
24 because I have a close contact with your union, and
25 I do recommend a lot of people over there. And you

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2 guys have helped a lot of community issues and
3 community improvement projects.

4 Your apprenticeship, your formal
5 apprenticeship program, I believe when Mr. Dougherty
6 took over as Business Agent and your Administration
7 came in, was it the minority apprenticeship -- or
8 the minority membership was about 7 percent, 8
9 percent.

10 MR. FOY: That's probably true.

11 COUNCILMAN KENNEY: How long have you
12 guys been in office now?

13 MR. FOY: We are in office just over
14 three and a half years.

15 COUNCILMAN KENNEY: And the level now
16 is at about 15 or 16 percent?

17 MR. FOY: Yes.

18 COUNCILWOMAN CLARK: It is a 200
19 percent increase.

20 MR. FOY: We are on a constant mode
21 to make sure that all walks of life are represented
22 in our local union and represented under our
23 collective bargaining agreements.

24 COUNCILMAN KENNEY: Councilwoman
25 Clark.

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2 COUNCILWOMAN CLARK: Is your name
3 Foy, sir?

4 MR. FOY: Yes, Councilwoman.

5 COUNCILWOMAN CLARK: Mr. Foy, I thank
6 you for coming to the table and for putting numbers
7 on the table.

8 Three years ago your membership was 7
9 percent, and now you are 14 percent. That's a 200
10 percent increase.

11 MR. FOY: That's correct.

12 COUNCILWOMAN CLARK: That is exactly
13 the kind of hard measurement that we need to do.

14 Now, I don't want you to get angry,
15 and I don't want to be angry with you, because
16 that's not going to solve our problem.

17 But between us, if we are well
18 motivated, we can increase those numbers even
19 further, can't we?

20 MR. FOY: That's not a problem,
21 Councilwoman.

22 COUNCILWOMAN CLARK: It is not a
23 problem.

24 We are on the same side of the
25 issue. What you want to do is recruit and work

1 BILL NO. 960823

2 people who are skilled electricians.

3 MR. FOY: Train them, educate them.

4 COUNCILWOMAN CLARK: And pay them a
5 living wage.

6 MR. FOY: That's absolutely what this
7 is all about.

8 COUNCILWOMAN CLARK: Now, let me give
9 you a personal story. My daddy was a member of the
10 United Mine Workers. And in our house John L. Lewis
11 was pretty close to God.

12 When my father worked in the coal
13 mines, he worked 39 years sometimes up to his waist
14 in water. And 15 minutes were spent when he came
15 top side just coughing up dust. So I know the
16 difference that union labor makes on a family's
17 outlook.

18 I am not against paying a living
19 wage. I would be stuck in the woods of West
20 Virginia, trying to get to the hard road, but for
21 the living wage that United Mine Workers paid my
22 father. I am absolutely for it.

23 But I am equally certain that it is
24 not as easy to be a union card-carrying member if
25 you are a minority.

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2 And until that playing field gets
3 level, we are always going to have to ask these
4 questions, how are you doing toward reaching the
5 ideal.

6 MR. FOY: And I can respect that,
7 Councilwoman.

8 COUNCILWOMAN CLARK: And it will not
9 change the legitimacy of the question.

10 COUNCILMAN KENNEY: Thank you,
11 Councilwoman.

12 Thank you, Mr. Foy, for your
13 testimony.

14 That will conclude our group of
15 witnesses for this bill.

16 What I would like to do now is to
17 formally offer the amendments that Deputy Mayor
18 Murphy had made in his statement, and recognize
19 Councilman Mariano for two amendments that he would
20 like to add to this bill.

21 COUNCILMAN MARIANO: Thank you,
22 Councilman. The first part is include, the first
23 amendment is include, "service contracts above the
24 threshold of \$100,000."

25 And the second --

1 BILL NO. 960823

2 COUNCILMAN KENNEY: So the record is
3 clear, the suggestion is being made that all of the
4 amendments that Deputy Mayor Murphy offered to the
5 bill, with the exception of the exclusion, which is
6 now going to be included, the issue of service
7 contracts at a threshold of \$100,000.

8 And do you have a comment on that?

9 COUNCILWOMAN CLARK: I would like to
10 see that number fixed at 200,000.

11 COUNCILMAN KENNEY: Councilmember
12 Clark has made the record clear that she would like
13 to see it fixed at 200,000. And in the public
14 meeting we will have that vote.

15 And the second amendment deals with
16 Page 2, Section E of the bill. And Councilmember
17 Mariano would like to offer that amendment, also.

18 COUNCILMAN MARIANO: Page 2, Section
19 E, Contractor Contracts. "The contractor contracts
20 on the performance of city work entered into by the
21 city with any contractors and all contracts entered
22 in and between such contractors and subcontractors
23 for such work."

24 COUNCILMAN KENNEY: That's the way it
25 reads now. The amendment will be added to include

1 BILL NO. 960823

2 the following language.

3 COUNCILMAN MARIANO: This is the
4 amended part. "Including contracts or subcontracts
5 requiring the off-site fabrication and/or
6 manufacture of nonstandard items produced
7 specifically for city work and work performed at
8 fabrication plants, barrow pits, job headquarters,
9 tool yards, et cetera, which shall be deemed city
10 work for coverage purposes of this ordinance; the
11 fabrication of sheet metal ducts or similar products
12 for heating, ventilating, and air conditioning
13 systems shall be deemed to be work directly upon
14 city work whenever they are custom fabricated for a
15 specific city work project over such fabrications
16 within the scope of work covered by prevailing
17 working conditions."

18 COUNCILMAN KENNEY: Those are two
19 amendments that are being offered at the hearing
20 level.

21 I would like to give an opportunity
22 for the Administration to put on the record what I
23 suspect will be opposition.

24 But in fairness to the
25 Administration, we would like to have that record

1 BILL NO. 960823

2 clear, if you are willing to or if you are
3 interested in offering rebuttal to the amendment.

4 DEPUTY MAYOR MURPHY: This issue was
5 brought to --

6 COUNCILMAN KENNEY: Could you
7 reidentify yourself.

8 DEPUTY MAYOR MURPHY: I am sorry. I
9 am Gerald Murphy, Deputy Mayor for Labor, City of
10 Philadelphia.

11 That issue was brought to our
12 attention earlier and reviewed by the City
13 Solicitor's Department, and found that it is not
14 applicable under Davis Bacon to enforce -- do any
15 enforcement off the construction site, fabrication
16 or any supply.

17 It would technically be considered a
18 supply or service, because it is materials. And
19 Davis Bacon doesn't govern materials; it only
20 governs the construction work on site, not away from
21 the site.

22 And since this is off site, one,
23 Davis Bacon wouldn't be applicable. Two, it would
24 basically be a material contract and a supply
25 contract, not a construction contract.

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2 Three, we wouldn't be able to enforce
3 it because it is away from the site. So my
4 inspectors couldn't go out and do the enforcement of
5 the site, especially if it is located outside of the
6 city or outside of the state.

7 And, four, there would be a
8 difficulty for us to determine a wage for that. We
9 would have to revert back to the Service Contract
10 Act.

11 And if you look at the Service
12 Contract Act, the total package per hour for that
13 job would be about \$21, including benefits, which is
14 about \$19 lower per hour than what the local sheet
15 metal union pays their employees here.

16 So we have a problem with that
17 amendment to the bill.

18 COUNCILMAN KENNEY: So the record is
19 clear, the rationale for, at least my support for,
20 that particular amendment is that on specific public
21 work sites, when you are dealing with other trades,
22 carpentry, plumbing, wiring, electrical work, the
23 raw material is brought to the site and actually
24 fabricated there. The shelves are built, the walls
25 are built, the pipe is laid, the wires are laid.

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2 The problem that we find with the
3 particular sheet metal issue is that almost 100
4 percent of the product to be installed arrives on
5 the site pre-prepared.

6 And that, I think, makes it a
7 different situation than the raw material lumber
8 being delivered and having the carpenters build the
9 shelving, as opposed to the finished duct work
10 product arriving by truck and being installed.

11 And that's where we believe there is
12 a bit of a difference for this particular trade.

13 DEPUTY MAYOR MURPHY: Well, the
14 plumbing, there is plumbing that is fabricated away
15 from the site and brought to the site, and there are
16 union shops for plumbers.

17 So you would have a lot of unions or
18 different suppliers coming by and saying, "Ours is
19 customized, as well." So that is not necessarily
20 true, that they are the only trade doing that.

21 COUNCILMAN KENNEY: I don't want to
22 make the record unclear. I am not saying that is
23 the only trade.

24 This particular trade expressed this
25 specific serious concern that they feel is part of

1 BILL NO. 960823

2 what their problem is.

3 And we can, again, have discussion,
4 as long as the record is clear. And if you want to
5 make comment on the threshold level, that's --

6 DEPUTY MAYOR MURPHY: It is one we
7 just basically couldn't enforce, because it is not
8 applicable under Davis Bacon.

9 COUNCILMAN KENNEY: The service
10 threshold.

11 DEPUTY MAYOR MURPHY: The service,
12 again, as Commissioner Applebaum said, the 200,000
13 is where we currently do it, even without anything
14 requiring us to do so.

15 And anything with service included,
16 obviously, the Administration would like the record
17 to read that they would like deleted anything
18 referring to service.

19 COUNCILMAN KENNEY: Thank you very
20 much.

21 The Chair recognizes Councilman
22 Mariano for a motion to amend Bill No. 970591.

23 Or at least not to make the formal
24 motion, but to read into the record what the
25 amendment will be to that bill.

1 BILL NO. 960823

2 COUNCILMAN MARIANO: This is the gas
3 station.

4 Section 1, 970951. What we are
5 changing, pursuant to Section 14-103 of the
6 Philadelphia Code, the Philadelphia Zoning Maps are
7 hereby amended by changing the zoning designation of
8 certain areas of land located between the block
9 bounded by Roosevelt Boulevard, Ramona Avenue, Adams
10 Avenue, from the existing partly Class R-15
11 residential and partly Class C-2 commercial, as
12 indicated in Map A set forth below, the single
13 designation of Class R-5 residential, as indicated
14 on Map B set forth below. This Ordinance shall take
15 effect immediately." That's it.

16 COUNCILMAN KENNEY: Thank you very
17 much. That will be formally voted on in our Public
18 Meeting. That will now conclude our Public
19 Hearing.

20 (Public Hearing adjourned.)

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COUNCIL OF THE CITY OF PHILADELPHIA

PUBLIC MEETING

of the

COMMITTEE ON RULES

- - -

Wednesday, December 3 1997

- - -

Public Meeting conducted by the Committee
on Rules, held in Room 400, City Hall, Philadelphia,
Pennsylvania, on the above date, to consider action
on the following:

BILLS 970740, 970670 970591, 960512,
960823

- - -

PRESENT:

COUNCILMAN JAMES F. KENNEY, Vice-Chair

COUNCILWOMAN AUGUSTA A. CLARK
COUNCILWOMAN ANNA C. VERNA
COUNCILMAN RICHARD T. MARIANO

- - -

1 PUBLIC MEETING

2 COUNCILMAN KENNEY: The Chair
3 recognizes Councilwoman Clark for a motion to
4 approve Bill No. 970740, the North Philadelphia
5 Health System Ordinance.

6 COUNCILWOMAN CLARK: So moved.
7 (Duly seconded.)

8 COUNCILWOMAN CLARK: Mr. Chair, I
9 move that we report this bill out with a favorable
10 recommendation and that the Rules of Council be
11 suspended so as to permit first consideration at our
12 next Stated Meeting of Council.

13 (Duly seconded.)

14 COUNCILMAN KENNEY: Moved and
15 seconded.

16 All in favor.

17 There are none opposed.

18 Bill No. 970740 will be reported out
19 of this committee with a favorable recommendation,
20 and a request will be made for Rules suspension to
21 allow for first reading at our next Council
22 session.

23 The Chair recognizes Councilwoman
24 Clark for a motion on Bill 960512, with a Rules
25 suspension.

1 PUBLIC MEETING

2 COUNCILWOMAN CLARK: Mr. Chairman, I
3 move that Bill No. 960512 be reported out of this
4 committee with a favorable recommendation, and that
5 the Rules of Council be suspended so as to permit
6 first reading at the next Stated Meeting of
7 Council.

8 (Duly seconded.)

9 COUNCILMAN KENNEY: Moved and
10 seconded.

11 All in favor.

12 There are none opposed.

13 Bill No. 960512 will be reported out
14 of this committee with a favorable recommendation,
15 and a request will be made for Rules suspension to
16 allow for first reading at our next Council
17 session.

18 The Chair recognizes Councilman
19 Mariano to approve the amendment to Bill 970591 as
20 offered by him.

21 COUNCILMAN MARIANO: Mr. Chairman, I
22 offer the amendment to 970591 as amended.

23 I offer 970951 as amended.

24 COUNCILMAN KENNEY: You want to
25 approve the amendment to 970591.

1 PUBLIC MEETING

2 Do I have a second for that motion?

3 (Duly seconded.)

4 COUNCILMAN KENNEY: Moved and

5 seconded.

6 All in favor.

7 There are none opposed.

8 Bill No. 970591 will be amended

9 accordingly.

10 The Chair recognizes Councilman
11 Mariano for a motion to approve the amended Bill
12 970591, with a Rules suspension.

13 COUNCILMAN MARIANO: Mr. Chairman, I
14 make the amendment to approve 970951 with the
15 amendment, and with a suspension of the Rules.

16 (Duly seconded.)

17 COUNCILMAN KENNEY: Moved and

18 seconded.

19 All in favor.

20 There are none opposed.

21 Bill No. 970591 is amended and will
22 be reported out of this committee with a favorable
23 recommendation, and a request will be made for Rules
24 suspension to allow for first reading at our next
25 Council session.

1 PUBLIC MEETING

2 The Chair recognizes Councilwoman
3 Verna for a motion to approve Bill No. 970670, with
4 a Rules suspension.

5 COUNCILWOMAN VERNA: Mr. Chairman, I
6 move that Bill No. 970670 be reported out of
7 committee with a favorable recommendation, also a
8 recommendation that the Rules of Council be
9 suspended so as to permit consideration at our next
10 session of Council.

11 (Duly seconded.)

12 COUNCILMAN KENNEY: Moved and
13 seconded.

14 All in favor.

15 There are none opposed.

16 Bill No 970670 will be reported out
17 of this committee with a favorable recommendation
18 and a request will be made for Rules suspension to
19 allow for first reading at our next Council
20 session.

21 The Chair recognizes Councilman
22 Mariano to approve the amendments to Bill No.
23 960823, which includes, in this particular motion,
24 the inclusion of "service contracts" in the bill,
25 with a threshold of \$100,000, plus the amendment to

1 PUBLIC MEETING

2 Page 2, Section E, which includes "fabrication of
3 sheet metal products off the work site."

4 I will ask for a motion on that.

5 COUNCILMAN MARIANO: Mr. Chairman, I
6 make a motion to approve the amendments as read to
7 960823.

8 (Duly seconded.)

9 COUNCILMAN KENNEY: Moved and
10 seconded.

11 So we understand what we are voting
12 on, this is a motion on all Deputy Mayor Murphy's
13 amendments, with the exception of the service
14 contract exclusion, with a threshold level of
15 \$100,000, including a provision for fabricated sheet
16 metal products off site.

17 Do I have a second?

18 (Duly seconded.)

19 COUNCILMAN KENNEY: This motion now
20 is a motion to approve the amendments offered by
21 Councilman Mariano only for Deputy Mayor Murphy's
22 proposed amendments, with the exception of the
23 exclusion of the service contracts at a threshold
24 level of \$100,000.

25 It has been seconded by Councilwoman

1 PUBLIC MEETING

2 Verna.

3 And all in favor signify by saying
4 aye.

5 (Councilman Kenney, Councilman
6 Mariano and Councilwoman Verna vote aye.)

7 COUNCILMAN KENNEY: Those opposed.

8 (Councilwoman Clark votes nay.)

9 COUNCILMAN KENNEY: There are three
10 ayes. Councilwoman Clark votes nay, opposes that.

11 COUNCILWOMAN CLARK: And she wishes
12 that exclusion to be raised to 200,000.

13 COUNCILMAN KENNEY: Let the record
14 reflect that Councilmember Clark is voting against
15 that because she requests a \$200,000 threshold.

16 So that motion to approve those
17 particular amendments is approved.

18 Now I recognize Councilman Mariano to
19 offer an amendment to Page 2, Section E, relative to
20 sheet metal fabricated products off work site.

21 COUNCILMAN MARIANO: I am going to
22 make a motion to pass Bill No. 960823 as amended.

23 COUNCILMAN KENNEY: You make a motion
24 to approve the amendment to Page 2, Section E.

25 Councilman Mariano moves the

1 PUBLIC MEETING

2 amendment to Page 2, Section E, as previously read.

3 (Duly seconded.)

4 COUNCILMAN KENNEY: It has been

5 seconded.

6 All in favor.

7 There are none opposed.

8 Now the Chair recognizes Councilwoman

9 Verna for a motion to approve Bill No. 960823 as

10 amended.

11 COUNCILWOMAN VERNA: Thank you,

12 Mr. Chairman.

13 I move that Bill No. 960823 be

14 reported out of committee with a favorable

15 recommendation as amended, and further that the

16 Rules of Council be suspended so as to permit first

17 reading at our next session of Council.

18 (Duly seconded.)

19 COUNCILMAN KENNEY: Moved and

20 seconded.

21 All in favor.

22 There are none opposed.

23 Bill No. 960823 as amended will be

24 reported out of this committee with a favorable

25 recommendation, and a request will be made for Rules

1 PUBLIC MEETING

2 suspension to allow for first reading at our next
3 Council session.

4 Let it be clear for the record that
5 an entire, completed, amended copy of this bill will
6 be available for Councilmembers tomorrow before
7 first reading of this bill, so that all the
8 amendments will be clear, newly marked and clear, on
9 what the amendments are for tomorrow's first
10 reading.

11 That concludes the business of the
12 Rules Committee. Thank you for your attendance.

13 (Public Meeting adjourned at 4:15
14 p.m.)

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

I HEREBY CERTIFY that the foregoing
proceedings of the Council of the City of
Philadelphia of Wednesday, December 3, 1997, were
reported fully and accurately by me, and that this
is a correct transcript of same.

RE: COMMITTEE ON RULES

DEBRA A. WHITEHEAD, RPR