

Committee on Labor and Civil Service
April 27, 2015

COUNCIL OF THE CITY OF PHILADELPHIA
COMMITTEE ON LABOR AND CIVIL SERVICE

Room 400, City Hall
Philadelphia, Pennsylvania
Monday, April 27, 2015
10:53 a.m.

PRESENT:

COUNCILMAN ED NEILSON - CHAIR
COUNCILMAN W. WILSON GOODE, JR. - VICE CHAIR
COUNCILMAN MARK SQUILLA

ALSO PRESENT:

COUNCILWOMAN JANNIE L. BLACKWELL

BILLS: 150234, 150235

STREHLOW & ASSOCIATES, INC.
(215) 504-4622

Committee on Labor and Civil Service
April 27, 2015

Page 2

1 - - -

2 COUNCILMAN NEILSON: Good morning,
3 everybody. This hearing is called to order.
4 This is the Public Hearing of Labor and
5 Civil Services Committee. I'm Councilman
6 Neilson, Chairman. Quorum is present today
7 with Councilman Goode, Councilwoman
8 Blackwell and Councilman Squilla.

9 Will the clerk read both titles of the
10 bills for consideration.

11 THE CLERK: Bill No. 150234: An
12 Ordinance amending Title 22 of the
13 Philadelphia Code, entitled "Public
14 Employees Retirement Code," by amending
15 Section 22-301, entitled "Service Retirement
16 Benefits," and Section 22-401, entitled
17 "Service-Connected Disability Retirement
18 Benefits," to add new subsections requiring
19 a specified minimum monthly benefit amount
20 for certain retired Fire employee members,
21 under certain terms and conditions.

22 And Bill No. 150235: An Ordinance
23 amending Title 22 of the Philadelphia Code,
24 entitled "Public Employees Retirement Code,"

1 by amending various provisions to provide
2 for provisions for participants performing
3 qualified military service, to allow certain
4 transfer payments for purchase of service
5 and for purchase of service by certain
6 classes of employees, to allow for
7 non-spouse beneficiary rollover rights, to
8 provide certain retroactive effective dates,
9 and otherwise provide language required by
10 the Internal Revenue Code, under certain
11 terms and conditions.

12 COUNCILMAN NEILSON: Please call our
13 first witness.

14 THE CLERK: Will the first witness,
15 please, come to the podium. Mr. Rob Dubow.

16 COUNCILMAN NEILSON: Mr. Rob Dubow,
17 Director of Finance and Chair of the Board
18 of Pensions.

19 (Witness approaches table.)

20 Good morning.

21 MR. DUBOW: Morning.

22 COUNCILMAN NEILSON: Please state your
23 name and title for the record.

24 MR. DUBOW: My name is Rob Dubow. I'm

1 the City's Finance Director and I'm also
2 Chair of the Board of Pensions.

3 COUNCILMAN NEILSON: Proceed with your
4 testimony.

5 MR. DUBOW: I'm here today to testify in
6 support of Bills 12 -- 150235 and 150234.
7 I'm accompanied by Matt Whitehorn who is
8 outside counsel. I mean, he's sitting right
9 there.

10 Bill No. 150235 proposes amendments
11 required to -- required by the IRS in the
12 course of its customary review of the
13 Pension Plan. The bill would always conform
14 provisions of the Pension Plan to reflect
15 current board practice and addresses the
16 transition to the City retirement system of
17 former employees of the Fairmount Park Trust
18 who were transitioned into City employment
19 in July of 2013.

20 The amendments would make a number of
21 required changes. And we list some of them
22 in here. The bill codifies the acceptance
23 of transfers from the 457(b) Plan to
24 purchase prior City or other credible

1 service, and will provide for service credit
2 to be purchased with 401(a) Plan, 403(b)
3 Plan and IRA funds.

4 Finally, the bill creates a procedure
5 for former Fairmount Park Trust employees to
6 purchase service credit in Plan Y for their
7 years of work as Trust employees. The
8 specifics of these provisions incorporate
9 agreements between the City and District
10 Councils 33 and 47 and will allow
11 non-represented and exempt former Trust
12 employees to purchase service credit under
13 the same term -- terms.

14 The bill requires these employees to pay
15 the employer and employee contributions for
16 the purchase under the current actuarial
17 evaluation. The City will bear the cost of
18 interest on the purchase in order to protect
19 the Pension Fund.

20 Bill No. 150234 implements the terms of
21 an interest arbitration award between Local
22 22 of the IAFF and the City by amending
23 Section 301 of the Retirement Code to
24 provide a minimum monthly benefit of \$1,000

1 for uniform Fire employees with 20 years of
2 credited service at the time of retirement.

3 Also amends Section 401 to provide same
4 minimum benefit for any uniformed Fire
5 employee receiving Service-Connected
6 Disability.

7 The Administration supports both of
8 these bills. Also add a technical amendment
9 to Bill No. 150235. That's been distributed
10 to the Committee, and I ask for its
11 adoption. In closing, I request that
12 Committee report both bills as amended out
13 with a favorable recommendation, and that
14 the Rules of Council be suspended so as to
15 permit first reading at the next Council
16 session.

17 That concludes my testimony, and I'd be
18 happy to answer any questions.

19 COUNCILMAN NEILSON: Anyone have any
20 questions for this witness?

21 (No further questions.)

22 Thank you.

23 Are there anyone else here to testify on
24 Bills No. 150234, 150235?

Committee on Labor and Civil Service
April 27, 2015

Page 7

1 Seeing none, this now concludes the
2 Public Hearing of Labor and Civil Services
3 Committee. We will now go into our Public
4 Meeting.

5 - - -
6 (Public Hearing adjourns and Public
7 Meeting commences.)

8 - - -
9 COUNCILMAN NEILSON: Public Meeting of
10 Labor and Civil Service is now open.

11 Chair recognizes Councilman Goode for a
12 motion.

13 COUNCILMAN GOODE: Thanks, Chair.

14 I move Bill 150234 be reported out of
15 this Committee with a favorable
16 recommendation and Rules of Council be
17 suspended so as to permit first reading at
18 our next session of Council.

19 COUNCILMAN SQUILLA: Second.

20 COUNCILMAN O'NEILL: It has been moved
21 and properly seconded that Bill No. 150234
22 be reported from this Committee with a
23 favorable recommendation; and further move
24 that the rules has been suspended to permit

Committee on Labor and Civil Service
April 27, 2015

Page 8

1 first reading of this bill at next session
2 of City Council.

3 All those in favor of the motion will
4 signify by saying "aye."

5 (Chorus of Ayes)

6 Those opposed?

7 (No opposition.)

8 Motion carried.

9 Chair recognizes Councilman Goode for a
10 motion.

11 COUNCILMAN GOODE: Thank you,
12 Mr. Chairman.

13 I move that the amendment to Bill 150235
14 as circulated to Members of the Committee be
15 approved.

16 COUNCILWOMAN BLACKWELL: Second.

17 COUNCILMAN NEILSON: It's been moved and
18 properly seconded that the amendment to Bill
19 No. 150235 be adopted.

20 All those in favor?

21 (Chorus of Ayes)

22 Opposed?

23 (No opposition.)

24 Amendment adopted.

Committee on Labor and Civil Service
April 27, 2015

Page 9

1 Chair recognizes Councilman Goode for a
2 motion.

3 COUNCILMAN GOODE: Thank you,
4 Mr. Chairman.

5 I move that Bill 150235 as amended be
6 reported out of this Committee with a
7 favorable recommendation and Rules of
8 Council be suspended so as to permit first
9 reading at our next Council session.

10 COUNCILMAN SQUILLA: Second.

11 COUNCILMAN NEILSON: The bill has been
12 properly moved and seconded that Bill No.
13 150235 be reported from this Committee with
14 a favorable recommendation; and further move
15 that the Rules of City Council be suspended
16 to permit first reading of this bill at next
17 session of City Council.

18 All those in favor of this motion, by
19 saying "aye."

20 (Chorus of Ayes)

21 Those opposed?

22 (No opposition.)

23 Motion carried.

24 This concludes the Public Meeting of

Committee on Labor and Civil Service
April 27, 2015

Page 10

1 Labor and Civil Services Committee. We will
2 now -- no, we're done. This concludes our
3 Public Meeting.

4 Thank you.

5 (Public Meeting of Labor and Civil
6 Services adjourns at 10:59 a.m.)

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

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

ANGELA M. KING, RPR
Court Reporter - Notary Public

(The foregoing certification of this transcript does not apply to any reproduction of the same by any means, unless under the direct control and/or supervision of the certifying reporter.)

Committee on Labor and Civil Service
April 27, 2015

Page 1

A	beneficiary 3:7 benefit 2:19 5:24 6:4 benefits 2:16 2:18 bill 2:11,22 4:10,13,22 5:4,14,20 6:9 7:14,21 8:1,13,18 9:5,11,12 9:16 bills 1:16 2:10 4:6 6:8,12 6:24 blackwell 1:13 2:8 8:16 board 3:17 4:2,15	10:5 classes 3:6 clerk 2:9,11 3:14 closing 6:11 code 2:13,14 2:23,24 3:10 5:23 codifies 4:22 come 3:15 commences 7:7 committee 1:2 2:5 6:10 6:12 7:3,15 7:22 8:14 9:6,13 10:1 concludes 6:17 7:1 9:24 10:2 conditions 2:21 3:11 conform 4:13 consideration 2:10 contained 11:5 contributions 5:15 control 11:18 correct 11:8 cost 5:17 council 1:1 6:14,15 7:16,18 8:2 9:8,9,15,17 councilman 1:9,9,10 2:2 2:5,7,8 3:12 3:16,22 4:3 6:19 7:9,11 7:13,19,20 8:9,11,17 9:1,3,10,11 councils 5:10 councilwom... 1:13 2:7 8:16 counsel 4:8 course 4:12 court 11:12 creates 5:4 credible 4:24	credit 5:1,6 5:12 credited 6:2 current 4:15 5:16 customary 4:12	D dates 3:8 direct 11:18 director 3:17 4:1 disability 2:17 6:6 distributed 6:9 district 5:9 dubow 3:15 3:16,21,24 3:24 4:5	E e 11:1 ed 1:9 effective 3:8 employee 2:20 5:15 6:5 employees 2:14,24 3:6 4:17 5:5,7 5:12,14 6:1 employer 5:15 employment 4:18 entitled 2:13 2:15,16,24 evaluation 5:17 everybody 2:3 evidence 11:4 exempt 5:11	F f 11:1 fairmount 4:17 5:5 favor 8:3,20 9:18 favorable 6:13 7:15	7:23 9:7,14 finally 5:4 finance 3:17 4:1 fire 2:20 6:1,4 first 3:13,14 6:15 7:17 8:1 9:8,16 foregoing 11:7,15 former 4:17 5:5,11 fully 11:5 fund 5:19 funds 5:3 further 6:21 7:23 9:14	G go 7:3 good 2:2 3:20 goode 1:9 2:7 7:11,13 8:9 8:11 9:1,3	H hall 1:5 happy 6:18 hearing 2:3,4 7:2,6 hes 4:8	I iaff 5:22 id 6:17 im 2:5 3:24 4:1,5,7 implements 5:20 incorporate 5:8 interest 5:18 5:21 internal 3:10 ira 5:3 irs 4:11	J jannie 1:13 jr 1:9 july 4:19	K king 11:11	L l 1:13 labor 1:2 2:4 7:2,10 10:1 10:5 language 3:9 list 4:21 local 5:21	M m 1:6 10:6 11:11 mark 1:10 matt 4:7 matter 11:7 mean 4:8 means 11:17 meeting 7:4,7 7:9 9:24 10:3,5 members 2:20 8:14 military 3:3 minimum 2:19 5:24 6:4 monday 1:6 monthly 2:19 5:24 morning 2:2 3:20,21 motion 7:12 8:3,8,10 9:2 9:18,23 move 7:14,23 8:13 9:5,14 moved 7:20 8:17 9:12	N n 11:1 name 3:23,24 neilson 1:9 2:2,6 3:12 3:16,22 4:3 6:19 7:9 8:17 9:11 new 2:18 nonreprese... 5:11 nonspouse 3:7 notary 11:12	noted 11:4 notes 11:6 number 4:20	O o 11:1 oneill 7:20 open 7:10 opposed 8:6 8:22 9:21 opposition 8:7,23 9:22 order 2:3 5:18 ordinance 2:12,22 outside 4:8	P park 4:17 5:5 participants 3:2 pay 5:14 payments 3:4 pennsylvania 1:5 pension 4:13 4:14 5:19 pensions 3:18 4:2 performing 3:2 permit 6:15 7:17,24 9:8 9:16 philadelphia 1:1,5 2:13 2:23 plan 4:13,14 4:23 5:2,3,6 please 3:12 3:15,22 podium 3:15 practice 4:15 present 1:8 1:12 2:6 prior 4:24 procedure 5:4 proceed 4:3 proceedings 11:4 properly 7:21 8:18 9:12	proposes 4:10 protect 5:18 provide 3:1,8 3:9 5:1,24 6:3 provisions 3:1,2 4:14 5:8 public 2:4,13 2:24 7:2,3,6 7:6,9 9:24 10:3,5 11:12 purchase 3:4 3:5 4:24 5:6 5:12,16,18 purchased 5:2	Q qualified 3:3 questions 6:18,20,21 quorum 2:6	R r 11:1 read 2:9 reading 6:15 7:17 8:1 9:9 9:16 receiving 6:5 recognizes 7:11 8:9 9:1 recommend... 6:13 7:16 7:23 9:7,14 record 3:23 reflect 4:14 report 6:12 reported 7:14 7:22 9:6,13 reporter 11:12,19 reproduction 11:17 request 6:11 required 3:9 4:11,11,21 requires 5:14 requiring 2:18 retired 2:20 retirement
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Committee on Labor and Civil Service
April 27, 2015

Page 2

2:14,15,17 2:24 4:16 5:23 6:2 retroactive 3:8 revenue 3:10 review 4:12 right 4:8 rights 3:7 rob 3:15,16 3:24 rollover 3:7 room 1:5 rpr 11:11 rules 6:14 7:16,24 9:7 9:15 S saying 8:4 9:19 second 7:19 8:16 9:10 seconded 7:21 8:18 9:12 section 2:15 2:16 5:23 6:3 seeing 7:1 service 1:2 2:15 3:3,4,5 5:1,1,6,12 6:2 7:10 serviceconn... 2:17 6:5 services 2:5 7:2 10:1,6 session 6:16 7:18 8:1 9:9 9:17 signify 8:4 sitting 4:8 specifics 5:8 specified 2:19 squilla 1:10 2:8 7:19 9:10 state 3:22 stenographic 11:6 subsections 2:18 supervision	11:19 support 4:6 supports 6:7 suspended 6:14 7:17 7:24 9:8,15 system 4:16 T t 11:1,1 table 3:19 taken 11:6 technical 6:8 term 5:13 terms 2:21 3:11 5:13 5:20 testify 4:5 6:23 testimony 4:4 6:17 thank 6:22 8:11 9:3 10:4 thanks 7:13 thats 6:9 time 6:2 title 2:12,23 3:23 titles 2:9 today 2:6 4:5 transcript 11:8,16 transfer 3:4 transfers 4:23 transition 4:16 transitioned 4:18 trust 4:17 5:5 5:7,11 U uniform 6:1 uniformed 6:4 V various 3:1 vice 1:9 W w 1:9	whitehorn 4:7 wilson 1:9 witness 3:13 3:14,19 6:20 work 5:7 X Y y 5:6 years 5:7 6:1 Z 0 000 5:24 1 1 5:24 10 1:6 10:6 12 4:6 150234 1:16 2:11 4:6 5:20 6:24 7:14,21 150235 1:16 2:22 4:6,10 6:9,24 8:13 8:19 9:5,13 2 20 6:1 2013 4:19 2015 1:6 22 2:12,23 5:22 22301 2:15 22401 2:16 27 1:6 3 301 5:23 33 5:10 4 400 1:5 401 5:2 6:3 403 5:2 457 4:23 47 5:10 5	53 1:6 59 10:6 6 7 8 9				
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