

COUNCIL OF THE CITY OF PHILADELPHIA
COMMITTEE ON APPROPRIATIONS

- - -
Room 400, City Hall
Philadelphia, Pennsylvania
Thursday, December 7, 2006, 10 o'clock a.m.
- - -

Bill 060833 - Transfers in appropriations for
FY 07 from Grants Revenue Fund...

Bill 060851 - Transfers in appropriations for
FY 06 from Grants Revenue Fund, the Director
of Finance - Provision for Other Grants to the
Housing Trust Fund, the Mayor - OHCD.

Bill 060886 - Transfers in appropriations for
FY 06 within the General Fund...

Bill 060887 - Transfers in appropriations for
FY 06 within the Aviation Fund...

Bill 060888 - Transfers in appropriations for
FY 06 withing the Water Fund...

Bill 070899 - Transfers in appropriations for
FY 07 within the Community Development Fund...

COUNCILMEMBERS PRESENT:

Joan Krajewski, Chair	Donna Miller
Jannie L. Blackwell	Juan F. Ramos
Carol Ann Campbell	Frank Rizzo
Darrell L. Clarke	Daniel J. Savage
W. Wilson Goode, Jr.	Marian B. Tasco.
Jack Kelly	Anna C. Verna

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1 12/7/06 COMMITTEE ON APPROPRIATIONS

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2 COUNCILWOMAN KRAJEWSKI: Thank
3 you. Before we begin, I'd like to
4 acknowledge the Councilpeople.

5 To my left, I have Councilman
6 Rizzo, Councilman Ramos, Councilman
7 Clarke. To my left, we have Councilman
8 Goode and Councilwoman Miller.

9 I believe that we're going to
10 start with Bill 060886. Do we have
11 someone w from the Administration here
12 to testify?

13 (Witness comes forward.)

14 MS. REED: Good morning.

15 COUNCILWOMAN KRAJEWSKI: Good
16 morning.

17 MS. REED: Councilwoman
18 Krajewski and members of the
19 Appropriations Committee, I'm Dianne
20 Reed, the Budget Director, and I'm here
21 to testify on Bills 060886, 887, and
22 888.

23 Bill No. 060886 transfers
24 \$20.9 million in 31 transfers from
25 unexpended funds in various departments

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2 to other departments for purposes of --
3 to clean up the '06 budget. There are
4 17 transfers with net changes and 14
5 that only make changes among classes
6 within departments.

7 Of the \$20.9 million, the
8 largest amount, 15.4 million, is the
9 Department of Human Services excess
10 appropriating power. And among the
11 major recipient purposes that this money
12 is being transferred to are:

13 5 million for Water Department
14 bills and Department of Public Property;
15 2 million for Health;
16 3 million for Worker's Comp;
17 costs higher than expected; and
18 2 million to the First Judicial
19 District, as agreed in a prebudget
20 period memorandum that we have with
21 them.

22 So we ask for Council's
23 favorable consideration of this bill and
24 ask for suspension of the rules today so
25 that this could be put on first reading

1 12/7/06 APPROPRIATIONS - 060886, 87, 88

2 and final passage.

3 I'm also testifying on 060887,
4 and 888, which transfer money within the
5 Aviation and Water Funds from unused
6 fees to the pension contributions
7 because, as a result of the workforce
8 reduction that we went through, these
9 funds have a larger share of the pension
10 obligation, and so they need to fund
11 their share of that.

12 Would you like me to go on and
13 testify on 060851, or do you want to
14 wait? 'Cause I would like to ask for a
15 suspension of the rules on most bills.

16 COUNCILWOMAN KRAJEWSKI:

17 (Inaudible, off-mic.)

18 MS. REED: Okay. I also ask
19 for a suspension of the rules for these
20 to be put on first reading today.

21 COUNCILWOMAN KRAJEWSKI: Thank
22 you.

23 (Inaudible)... transfer for
24 Public Property for water and sewer
25 costs that were higher than expected? I

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2 think the total amount of transfer was
3 about 5 million. Is this higher than
4 issue, or is it just the normal cost of
5 doing business?

6 MS. REED: This is for the
7 water bill and it just, I think,
8 reflects the rate increase. I think
9 it's primarily rate increase.

10 COUNCILWOMAN KRAJEWSKI: Well,
11 what are the total costs of the water
12 and sewer for Public Property for FY 06?

13 MS. REED: I would have to get
14 that information back to you; I don't
15 have all of that.

16 COUNCILWOMAN KRAJEWSKI: Would
17 you see that we get that information?

18 MS. REED: Yes.

19 COUNCILWOMAN KRAJEWSKI: Thank
20 you.

21 Are there any questions from
22 members of the committee?

23 Before we continue, I would
24 like to acknowledge that we also have
25 Councilwoman Campbell and we also have

1 12/7/06 APPROPRIATIONS - 060886, 87, 88

2 Councilman Kelly with us.

3 Oh, I'm sorry, and Councilman
4 Savage as well.

5 Are there any questions?

6 Councilman Rizzo.

7 COUNCILMAN RIZZO: You
8 indicated that one of the increases is
9 the Workman's Comp; what was the
10 significance of that? It's how much
11 higher than it should be?

12 MS. REED: The Workman's Comp
13 cost is about 2 million higher than we
14 anticipated and -- actually, excuse me,
15 3 million higher than anticipated. And
16 the Risk Management Unit of the
17 Administration is looking into why our
18 Worker's Comp costs are higher.

19 It could be car accidents could
20 be one reason, but we're trying to
21 figure out what that is because it's
22 continuing to be a problem.

23 COUNCILMAN RIZZO: One of the
24 things it could be is, there's a report
25 from the Controller today saying that

1 12/7/06 APPROPRIATIONS - 060886, 87, 88

2 the condition of some of the city's
3 facilities is deplorable and has led to
4 many accidents occurring.

5 Could you provide to the Chair
6 the number of accidents that occurred in
7 our police facilities, and let's see how
8 much that has contributed to this
9 increase.

10 MS. REED: Will do, sir.

11 COUNCILMAN RIZZO: Thank you.

12 COUNCILWOMAN KRAJEWSKI: Could
13 you give me a breakdown for the cost for
14 outside legal counsel, forward me a
15 breakdown for these costs in '06 fiscal
16 year.

17 MS. REED: Yes, ma'am.

18 COUNCILWOMAN KRAJEWSKI: Thank
19 you.

20 Are there any other questions
21 from members of the committee?

22 (No questions.)

23 COUNCILWOMAN KRAJEWSKI: Thank
24 you.

25 Is there anyone else here to

1 12/7/06 APPROPRIATIONS - BILL 060851
2 testify on the bills?

3 MS. REED: We have provided
4 testimony in advance from all of the
5 departments who are addressed in the
6 Administration's bills.

7 COUNCILWOMAN KRAJEWSKI: Oh,
8 yes. We will put them in the record.

9 MS. REED: Thank you.

10 COUNCILWOMAN KRAJEWSKI: Okay,
11 thank you.

12 I believe we will hear
13 testimony on Bill 060851.

14 MS. REED: Chairwoman Krajewski
15 and members of the Appropriations
16 Committee, I'm Dianne Reed and I'm here
17 to testify on Bill 060851, which
18 transfers money from the Grants Revenue
19 Fund to Class 800 of the Housing Trust
20 Fund, which enables OHCD to use a
21 portion of the proceeds for
22 administrative costs, as permitted under
23 the HUD budget.

24 And we ask for your approval of
25 this transfer -- this is a year-end

1 12/7/06 APPROPRIATIONS - BILL 060851
2 accounting transfer -- and put it up,
3 please, on first reading today.

4 COUNCILWOMAN KRAJEWSKI: Could
5 someone explain to the committee the
6 administrative costs associated with the
7 transfer requests of \$1.7 million? What
8 kind of administrative expenditures does
9 this cover?

10 MS. REED: We have the
11 testimony -- have sent over the
12 testimony from Kevin Hannah from OHCD on
13 this. Let's see if there's anybody in
14 the house who can speak specifically on
15 this.

16 COUNCILWOMAN KRAJEWSKI: Well,
17 we received the testimony, but it didn't
18 break anything down on it.

19 (Witness comes forward.)

20 COUNCILWOMAN KRAJEWSKI: Good
21 morning.

22 MS. McCULLOUGH: Good morning.

23 COUNCILWOMAN KRAJEWSKI: Please
24 state your name for the record.

25 MS. McCULLOUGH: My name is

1 12/7/06 APPROPRIATIONS - BILL 060851

2 Deborah McCullough from the Office of
3 Housing and Community Development.

4 I'm sorry. Could you just tell
5 me again what the question is
6 specifically? This is about the Housing
7 Trust Fund transfer, correct?

8 COUNCILWOMAN KRAJEWSKI: The
9 costs associated with the transferred
10 amount of \$1.7 million. And what are
11 these administrative expenses; what does
12 it cover?

13 MS. MCCULLOUGH: Oh, it was
14 personnel costs at the Philadelphia
15 Housing Development Corporation and the
16 Redevelopment Authority for staff that
17 were working on the Housing Trust Fund.

18 COUNCILWOMAN KRAJEWSKI: Thank
19 you.

20 Are there any other questions
21 from members of the committee?

22 (No further questions.)

23 COUNCILWOMAN KRAJEWSKI: Thank
24 you.

25 COUNCILMAN CLARKE: I have a

1 12/7/06 APPROPRIATIONS - BILL 060851

2 question.

3 COUNCILWOMAN KRAJEWSKI: Oh,
4 Councilman Clarke.

5 COUNCILMAN CLARKE: Thank you.
6 Thank you, Madam Chair.

7 I just want some clarity. This
8 transfer deals solely with the Housing
9 Trust Fund, period?

10 MS. McCULLOUGH: Correct.

11 COUNCILMAN CLARKE: And it's
12 not related to any other reorganization
13 issues?

14 MS. McCULLOUGH: No. It's
15 just -- it was only Housing Trust Fund
16 costs that needed -- that were expended
17 in one fiscal year that needed to be
18 paid out.

19 COUNCILMAN CLARKE: Okay. I
20 just wanted clarity. Thank you.

21 Thank you, Madam Chair.

22 COUNCILWOMAN KRAJEWSKI: Thank
23 you.

24 Are there Any other questions?

25 (No further questions.)

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2 COUNCILWOMAN KRAJEWSKI: Thank
3 you very much.

4 Is there anyone else here to
5 testify for or against these bills?

6 (No response.)

7 COUNCILWOMAN KRAJEWSKI: I
8 believe we will hear testimony on Bill
9 060899.

10 Is there anyone from the
11 Administration to testify?

12 (No response.)

13 COUNCILWOMAN BLACKWELL: Madam
14 Chair, may I speak after that?

15 COUNCILWOMAN KRAJEWSKI: It's
16 interesting that they testified in court
17 but they have no one here to testify on
18 889. Could someone answer that for me
19 from the administration.

20 MR. HANNAH: I thought someone
21 was going to testify on behalf of 551.

22 COUNCILWOMAN KRAJEWSKI: Would
23 you speak into the mic, please.

24 MR. HANNAH: My name is Kevin
25 Hannah. I thought that there was

1 12/7/06 APPROPRIATIONS, BILL 060899
2 someone who wanted to speak on 551, the
3 Housing Trust Fund bill.

4 COUNCILWOMAN KRAJEWSKI: Well,
5 is there someone else here to testify on
6 851?

7 (Witness comes forward.)

8 MS. REED: Madam Chairwoman.

9 COUNCILWOMAN KRAJEWSKI: Do you
10 want to offer your testimony for 889?

11 MR. HANNAH: Yes. Good
12 morning, Councilwoman Krajewski. My
13 name is Kevin Hannah, and I serve as
14 Secretary of Housing for the City of
15 Philadelphia. I'm here today to testify
16 for the Administration on Bill 060889.

17 This bill makes transfers
18 within the Community Development Fund,
19 which is the fund where the Community
20 Development Block Grant is appropriated.
21 Bill 060889 makes transfers from Class
22 200 to Class 100 and Class 300.

23 The increase in Class 100 --
24 that is, Personnel -- will allow for an
25 additional 44 positions at OHCD as part

1 12/7/06 APPROPRIATIONS, BILL 060899
2 of the reorganization of the city's
3 housing agencies.

4 We anticipate that these
5 positions will be filled by laid-off
6 PHDC and RDA employees. In fact,
7 without this legislation, the OHCD will
8 not be able to hire on Monday, December
9 11th, as planned.

10 The small increase in Class
11 300 -- that is, Materials and
12 Supplies -- will fund related increased
13 expenses at OHCD to support these
14 additional employees.

15 The increased staff at OHCD is
16 necessary as functions in personnel are
17 migrating from the Redevelopment
18 Authority and the Philadelphia Housing
19 Development Corporation to the Office of
20 Housing and Community Development.

21 In addition, these transfers
22 reconcile OHCD's operating budget with
23 the city's approved Year 32 Consolidated
24 Plan, its funding application to HUD.

25 The Consolidated Plan was

1 12/7/06 APPROPRIATIONS, BILL 060899
2 adopted by City Council in June, with
3 funding levels for responsibility at
4 OHCD. This transfer ordinance is
5 consistent with Consolidated Plan that
6 Council approved earlier this year.

7 Because of the urgency of this
8 matter, I respectfully request that bill
9 be voted out of committee with a request
10 to suspend the rules of Council so that
11 first reading may take place at today's
12 session.

13 I'll be happy to answer
14 whatever questions the committee may
15 have. Thank you for this opportunity to
16 present this testimony.

17 COUNCILWOMAN KRAJEWSKI: Thank
18 you very much.

19 A question from Councilwoman
20 Blackwell?

21 COUNCILWOMAN BLACKWELL: Thank
22 you. Thank you, Madam Chair.

23 This morning, I rise with
24 regard to Bill No. 060889. As all of
25 you know, we've been meeting. I had

1 12/7/06 APPROPRIATIONS, BILL 060899
2 meetings as late as this morning with
3 regard to some of the City workers. I
4 met with the Administration yesterday
5 with regard to this transfer.

6 Having said that, the people in
7 this room, the majority of whom fill the
8 chambers, are concerned that if we pass
9 this bill, the housing award will be
10 submitted without their issues being
11 resolved.

12 I'm, therefore, asking this
13 committee if you would consider holding
14 it up and having more clarity with
15 regard to City workers, the whole
16 housing reorganization piece, and where
17 we stand.

18 (Applause.)

19 COUNCILWOMAN BLACKWELL: And
20 unfortunately, Madam Chair, we have
21 people in this room -- some will be laid
22 off tomorrow, some were laid off, some
23 were told that their benefits are in
24 danger, some were that told their
25 positions were being done away with, and

1 12/7/06 APPROPRIATIONS, BILL 060899
2 we have copies of positions that were
3 advertised as late as yesterday, with
4 positions from where people were laid
5 off.

6 There are many issues regarding
7 the whole housing reorganization plan.
8 As Council will, see we're also
9 introducing a resolution this morning
10 with regard to the Vacant Property
11 Review Committee that Council created
12 December 14, 1973, to make sure that's
13 protected.

14 So my point is, there are more
15 questions that are raised, additional
16 questions raised, than are answered.
17 And we hope that this committee would
18 consider continuing the hearing -- we
19 could do it to a day certain -- to try
20 to force more communication on all sides
21 involved so that maybe we can get this
22 resolved.

23 (Applause.)

24 COUNCILWOMAN BLACKWELL: Thank
25 you.

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2 COUNCILWOMAN KRAJEWSKI: Thank
3 you.

4 I do believe the consensus here
5 is that, let's hear the testimony and
6 then we'll make our decision, okay?

7 COUNCILWOMAN BLACKWELL: Great.
8 Thank you.

9 COUNCILWOMAN KRAJEWSKI: Thank
10 you.

11 Are there any other questions
12 from members of the committee?

13 Councilman Rizzo?

14 (No questions from Councilman
15 Rizzo.)

16 COUNCILWOMAN KRAJEWSKI: Thank
17 you.

18 Do you want to continue?

19 MR. HANNAH: That concludes my
20 testimony on that particular bill.

21 COUNCILWOMAN KRAJEWSKI: Is
22 there anyone else in the Administration
23 or someone to testify for or against
24 this bill?

25 (Witness comes forward.)

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2 COUNCILWOMAN KRAJEWSKI: Yes,
3 sir. Good morning. Please state your
4 name for the record.

5 MR. HARRIS: Good morning my
6 name is Sherman Harris. I'm the
7 Assistant to Pete Matthews, President of
8 District Council 33. I'm here on behalf
9 of Local 1971, along with a few of our
10 board members and in the absence of our
11 president, who's out ill.

12 First of all, we would like to
13 thank Chairwoman Krajewski for allowing
14 us to speak and to the entire committee
15 for hearing us.

16 As the committee is aware,
17 Local 1971 is engaged in a hard-fought
18 fight with PHCD, OHCD, and the RDA
19 concerning contract talks as well as this
20 administration's current housing and
21 reorganization plan.

22 During the (indiscernible) of
23 these talks and negotiations, Local 1971
24 has only asked that they be treated
25 fairly. This has not happened. This

1 12/7/06 APPROPRIATIONS, BILL 060899
2 administration has shown total disregard
3 for the loyal dedicated members.

4 Local 1971 has close to 70
5 union members that have been laid off;
6 some of them have been laid off numerous
7 times. We have members who, in spite of
8 years of record service, are now either
9 unemployed or are facing unemployment.
10 This certainly is not in line with the
11 Administration's commitment that no
12 member of Local 1971 will be displaced
13 during this reorganization.

14 Local 1971's contract talks
15 have been held hostage by the
16 Administration's determined union-busting
17 plan for reorganization. This plan, no
18 matter how you look at it, how you dice
19 it, is union-busting on all sides.

20 We have union positions that
21 are being dissolved in one department
22 only to reappear in a reorganized
23 department as exempt positions, meaning
24 that union members can't apply for them.

25 Members who have done these

1 12/7/06 APPROPRIATIONS, BILL 060899
2 jobs for over 30 years now have to apply
3 for newly-created exempt positions as new
4 hires. Those going from RDA to OHCD and
5 PHDC in bargaining-unit positions will
6 lose seniority as well their current
7 level of benefits.

8 In conclusion, Local 1971 is
9 not supportive of the current
10 reorganization plan that's on the table.
11 We're asking that before any funds are
12 transferred that this committee, as well
13 as the Council as a whole, would direct
14 this administration to, first of all,
15 live up to their commitment that no
16 employee would be displaced.

17 In addition, we ask that you
18 direct this administration into earnest
19 contract negotiations. We've been
20 working without a contract for years, and
21 we can't get earnest negotiations going
22 on because they hold this reorganization
23 plan as the key.

24 Local 1971 has made -- we want
25 a concerted effort to return displaced

1 12/7/06 APPROPRIATIONS, BILL 060899
2 employees to employment status, as
3 promised. We are asking you: Please, do
4 not suspend the rules of Council to move
5 this to first reading until we can
6 address these issues in writing.

7 And we don't trust the word of
8 this administration. This administration
9 has continually danced around. We're
10 just looking for fair treatment in this
11 process, and we're not getting it, and we
12 ask that we would get this in our
13 process.

14 Along beside me, I have Tracy
15 Penson (sp?) and Anthony (indiscernible)
16 who is (indiscernible) lay-off. Anthony
17 wants to speak.

18 ANTHONY: Thank you,
19 Councilmembers, for giving me this
20 opportunity to speak to you. I'm
21 actually the face of a layoff. I
22 actually am laid off at this time. I
23 have no employment.

24 I heard Mr. Hannah say that if
25 you give them the money, they're going to

1 12/7/06 APPROPRIATIONS, BILL 060899
2 hire 44 employees from PHDC and RDA.
3 Well, I'm here to tell you: that is not
4 going to happen.

5 Let me give you an example. I
6 work for the IS Department in the RDA.
7 They put up jobs for the IS Department.
8 I did not receive a letter, a notice, or
9 anything about it. The closing date is,
10 my understanding, was November the 24th,
11 which was right after Thanksgiving. Of
12 course, I was at my family's house at
13 that time, but I was not notified in any
14 shape or form about these job
15 opportunities.

16 And I have talked to Miss
17 Califano herself about some of the
18 methods that they use to move out
19 employees who have been here quite some
20 time -- some 30 years, 35 -- and the only
21 response I get from her when I said,
22 Well, they're giving a test that nobody
23 even knows about, to go into a lower
24 position, that they can do. Some of them
25 have qualified for it.

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2 But they have to take a test
3 that no one knows what the answers are
4 to, or did you pass or fail. The union
5 doesn't know, and so we have to depend on
6 the management that we cannot trust.

7 I would like to read something
8 to you here that maybe I'm -- it could be
9 correct or not. I have a copy of this,
10 and this came from OHCD, I guess from the
11 their Public Information Office, Emily
12 Rohm, and it's dated November 13, 2006,
13 and it says (reading):

14 The layoff process was delayed
15 starting last summer, when Street decided
16 to review it. That means the savings
17 that should have been achieved beginning
18 July 1st are not in place, but the City
19 is also helping displaced housing workers
20 find new jobs. We are in the process of
21 hiring someone who will act as an
22 employment specialist, and after all of
23 the dust settles, we have 20 former
24 employees who will be helping. The City
25 has taken extraordinary steps to help the

1 12/7/06 APPROPRIATIONS, BILL 060899

2 people who have been laid off.

3 Okay, I'm one of those people
4 who have been laid off, and I haven't
5 even been contacted except for once, just
6 prior to this hearing so that they could
7 come in here to say that we are trying to
8 do something.

9 Okay, I got a letter last
10 Saturday about some meeting that was
11 supposed to be on Monday about how to
12 write a resume. They have taken no steps
13 whatsoever to help the individuals who
14 have been there for 30 years or more. It
15 appears to me that if you already had
16 someone to lay off, you could start
17 helping them right then and there if you
18 intend to help them.

19 And not only that, but my
20 position, which is a union position, if I
21 had the opportunity to go to OHCD, it
22 would be a non-union position, and that's
23 happening to a number of positions that
24 are unionized.

25 And I feel that it's just

1 12/7/06 APPROPRIATIONS, BILL 060899
2 unjust in what they've been doing, and
3 this plan is not working. In fact, I do
4 not believe they have a plan.

5 I understand what they put out,
6 but they do not have a plan. It is not
7 working. You don't all of a sudden start
8 doing something when you're just about
9 the -- your administration is over, at
10 the last minute, without any careful
11 planning.

12 I know of a number of projects
13 that they said that will work, a number
14 of systems that they say are working now,
15 computer systems that they said the
16 Administration set up (indiscernible)
17 V.P. MIS does not work. It is not
18 working, and you can ask the workers who
19 are there.

20 Okay, but at this point, all
21 I'd like to say is that I'm one of the
22 laid-off employees. I have not heard
23 really from anyone from Mr. Hannah's
24 office or anyone else at this time.

25 And I'd like to thank you for

1 12/7/06 APPROPRIATIONS, BILL 060899
2 this giving this opportunity to speak
3 you.

4 MR. HARRIS: In closing, we
5 just want to reiterate the position of
6 District Council 1971: When you take a
7 union job and dissolve it and create a
8 new office that has the same exact job,
9 taking the person who's been working the
10 job for 25, 30 years and tell 'em,
11 "You're no longer in a bargaining
12 position, and you're no longer qualified
13 for that job," that's union-busting any
14 way you look at it.

15 (Applause.)

16 MR. HARRIS: And the positions
17 that have been filled in the bargaining
18 positions, the person starting in the
19 bargaining position now has to start at
20 the bottom of the pay scale, and the
21 person that's been hired in the exempt
22 position starts at the top of the pay
23 scale. Union-busting again.

24 This is not right, this is not
25 what the was commitment we received from

1 12/7/06 APPROPRIATIONS, BILL 060899
2 the Mayor or this administration. I
3 know the issue is bargaining, but we've
4 had problems bargaining with this
5 administration. Their attitude toward
6 the workers and the members is terrible.

7 We ask that the committee
8 consider this before transferring any
9 funds. Before the funds are
10 transferred, they should be instructed
11 to correct these problems, to work with
12 us to resolve these issues. They're in
13 the benefit of all involved -- the
14 Administration as well as union.

15 COUNCILWOMAN BLACKWELL: Madam
16 President, on the question of --

17 COUNCILWOMAN KRAJEWSKI: Just a
18 minute.

19 Councilman Clarke then
20 Councilwoman Blackwell.

21 COUNCILMAN CLARKE: Thank you,
22 Madam Chair. Thank you.

23 I just want to get some
24 clarity. Mr. Harris, you can answer.

25 Transition agreement, can you

1 12/7/06 APPROPRIATIONS, BILL 060899
2 explain that to me?

3 MR. HARRIS: I personally
4 cannot. I know it's on the table; I
5 haven't seen it, and I don't know if
6 you've seen it. I know there's a letter
7 that's a part of their bargaining
8 process. I don't know if they've --

9 COUNCILMAN CLARKE: Well, let
10 me tell you what I've been told, 'cause
11 I've had some -- just a couple of issues
12 with some of them, and this is one 'em.

13 My understanding is that the
14 transition agreement needs to be entered
15 into between the Administration and the
16 union to ensure that the pay grade is
17 maintained for all individuals that are
18 transferred from department to
19 department.

20 Are you familiar with that?

21 MR. HARRIS: I'm not sure of
22 the working, but at this point -- from
23 what I've heard, it sounds familiar, but
24 I can't correctly say it's true.

25 COUNCILMAN CLARKE: We're being

1 12/7/06 APPROPRIATIONS, BILL 060899
2 toll that under the current proposal,
3 the individuals who would be
4 transferred, based on the assumption
5 that this ordinance will pass to make
6 the money available in the newly created
7 department, those individuals will not
8 be at their current pay scale because
9 there's not a transition agreement.

10 MR. HARRIS: All right. Let me
11 say this. Veronica's not here so I
12 can't speak for her.

13 If that's true, that's good.
14 But from what I've heard -- I haven't
15 seen this, but from what I've heard,
16 it's not true.

17 I will guarantee there's a
18 meeting tonight with this local that
19 this transition letter is introducing,
20 and we will get back to you on that.

21 COUNCILMAN CLARKE: So if there
22 could be an appropriate transition
23 agreement --

24 MR. HARRIS: We're happy.

25 COUNCILMAN CLARKE: -- and the

1 12/7/06 APPROPRIATIONS, BILL 060899
2 individuals that are going to the newly
3 created department are paid at the same
4 scale --

5 MR. HARRIS: That's right.

6 COUNCILMAN CLARKE: -- that's
7 one issue.

8 MR. HARRIS: And that would
9 make us happy.

10 COUNCILMAN CLARKE: Okay,
11 that's one issue.

12 The second issue. With
13 respects to -- I did not know that.
14 Does OHCD currently have any union
15 employees?

16 MS. PENSON: Yes.

17 COUNCILMAN CLARKE: They do?

18 MS. PENSON: Yes.

19 COUNCILMAN CLARKE: So why
20 would the individuals who were
21 transferred from, say, RDA or PHDC, that
22 would go to the newly created OH --
23 whatever -- I forget the term that's
24 used -- why would they not be allowed to
25 be in that union?

1 12/7/06 APPROPRIATIONS, BILL 060899

2 MS. PENSON: My name is Tracy
3 Penson.

4 Because of the table of
5 organization, certain positions are not
6 held at OHCD that's held at the
7 Redevelopment Authority, so they can't
8 go at that same paid rate.

9 COUNCILMAN CLARKE: But they
10 could be in the union?

11 MR. HARRIS: Yes.

12 MS. PENSON: No.

13 MR. HARRIS: Some jobs do.

14 COUNCILMAN CLARKE: Some jobs
15 is the question.

16 MS. PENSON: Some jobs. So,
17 for instance, the Redevelopment
18 Authority has land-acquisition
19 specialists. The OHCD does not.

20 COUNCILMAN CLARKE: The
21 position -- all right, so -- all right,
22 'cause this is very confusing to some
23 respect, and I'm sure it is to you.

24 MS. PENSON: It is. It's very
25 confusing.

1 12/7/06 APPROPRIATIONS, BILL 060899

2 COUNCILMAN CLARKE: The land-
3 acquisition specialist -- and I'm
4 assuming that maybe some of these
5 questions can maybe be answered by the
6 Housing people.

7 MS. PENSON: Mm-hm.

8 COUNCILMAN CLARKE: Currently,
9 Land Acquisition is housed in the
10 Redevelopment Authority; am I correct?

11 MS. PENSON: Yes.

12 COUNCILMAN CLARKE: Is that one
13 of the departments that's being
14 transferred to OH --

15 MS. PENSON: Yes, the Real
16 Estate Division is being transferred.

17 COUNCILMAN CLARKE: And you're
18 saying that because right now, there's
19 no particular title in the OH so that
20 there will not be a union position.

21 MS. PENSON: Yes. For
22 instance, we have a Real Estate
23 Specialist III that's been laid off.
24 They only have a Real Estate Specialist
25 II opening at the Department of Housing,

1 12/7/06 APPROPRIATIONS, BILL 060899

2 so it is a pay decrease.

3 COUNCILMAN CLARKE: But is
4 there anything that prohibits that
5 position from being unionized?

6 MR. HARRIS: From our side, no.
7 You would have to talk to the
8 Administration about that.

9 COUNCILMAN CLARKE: All right.
10 And that's --

11 MR. HARRIS: That's one of the
12 issues we have here. They've been
13 making these positions exempt when they
14 were always union positions.

15 COUNCILMAN CLARKE: All right.
16 So if they transfer of the employee to
17 this newly created organization and
18 title, that position can be unionized;
19 and based on the transition agreement,
20 the pay rate will stay the same of that
21 individual that was transferred. Is
22 that something that's acceptable?

23 MR. HARRIS: On the face, yes,
24 sir. Yes, sir.

25 COUNCILMAN CLARKE: Okay.

1 12/7/06 APPROPRIATIONS, BILL 060899

2 MS. PENSON: Yes, that's
3 acceptable.

4 MR. HARRIS: Yes, sir.

5 COUNCILMAN CLARKE: All right.

6 And the other issue is -- what's the
7 other key point?

8 MR. HARRIS: For us?

9 COUNCILMAN CLARKE: Yes.

10 MR. HARRIS: Those who are laid
11 off that are out of work that need to be
12 brought back.

13 And also, if you have --
14 basically, it comes to the same thing.
15 They're eliminating union jobs in the
16 transfer. We're saying just what you're
17 saying: Bring the union jobs back.
18 That resolves a whole lot of the issues.

19 And the pay scale should be the
20 same. Don't start my union members at
21 the bottom of the scale and start
22 non-union members at the top of the
23 scale. That's unfair.

24 COUNCILMAN CLARKE: So the
25 union issue, the pay-scale issue, and

1 12/7/06 APPROPRIATIONS, BILL 060899
2 essentially the individuals that are
3 laid off or are projected to be laid off
4 and then maybe -- may end up being laid
5 off regardless of whether or not all of
6 those positions are filled.

7 MR. HARRIS: Right.

8 COUNCILMAN CLARKE: Is it the
9 position of the union -- and I'm being
10 told that at the end of the day, there
11 will be about 10 between -- 10 and 12,
12 13 individuals that may not have slots
13 in the newly created agency or one of
14 the other agencies.

15 If those individuals will be
16 offered opportunities within government
17 generally, not just Housing, but in any
18 other part of government, is that
19 something that's --

20 MS. PENSON: We just want our
21 members made whole.

22 COUNCILMAN CLARKE: Well, yeah,
23 and I'm saying whole is relative. Some
24 people might not --

25 MS. PENSON: Some people, if

1 12/7/06 APPROPRIATIONS, BILL 060899
2 they were accepted at other housing
3 agencies, other City agencies, they just
4 want to be made whole.

5 As of today, they have not
6 heard anything from the Administration
7 as far as any job opportunities.

8 COUNCILMAN CLARKE: Okay.

9 MR. HARRIS: May I say this,
10 sir? In reference to your question, we
11 do understand that maybe we'll lose a
12 few jobs. Of course, we would love to
13 have them placed anywhere, 'cause we
14 don't want nobody unemployed.

15 But we also believe that this
16 has to be reached through fair
17 collective bargaining, and that's not
18 happening. We cannot get fair
19 collective bargaining because they're
20 holding the reorganization over our
21 heads and are saying, "If you don't sign
22 our letters on this, we won't talk to
23 you about that."

24 That has to stop. Bargaining
25 has to go on, and these issues can be

1 12/7/06 APPROPRIATIONS, BILL 060899
2 resolved.

3 And we are fair, we are
4 sensible. We know that government is
5 changing and downsizing, but you have to
6 be fair and don't just say, Well, I'm
7 going to drop everybody and, like it or
8 not, that's what you have to do.

9 Let's talk this over, let's
10 minimize the impact together as a
11 partnership and resolve these issues.
12 Somebody's going to be lost in the
13 shuffle; we understand that.

14

15 COUNCILMAN CLARKE: Okay.
16 Okay, thank you.

17 Thank you, Madam Chair.

18 COUNCILWOMAN KRAJEWSKI:
19 Councilwoman and then Councilman Kelly.

20 COUNCILWOMAN BLACKWELL: Thank
21 you very much, Madam Chair.

22 And my questions are -- and
23 we'll agree to those that Councilman
24 Clarke just raised.

25 For example, I met with one

1 12/7/06 APPROPRIATIONS, BILL 060899
2 young lady whose salary was cut by
3 \$16,000. I met with people today, one
4 of -- we're talking about a network
5 administrator who would be cut to a land
6 administrator, who would have to do
7 three times more work but get less of a
8 salary. So those are the issues we talk
9 about.

10 What I have here today is -- we
11 have a person who's a Real Estate
12 Specialist who's being asked to become a
13 receptionist, from a Real Estate
14 Specialist to a receptionist.

15 Now, all jobs are good. We
16 have a person here who was vice
17 president of the union -- I don't mean
18 to embarrass him, because, you know,
19 after a while, these union people were
20 told they have to sign out, and they
21 were harassed for coming to Council
22 every week -- who was forced to retire
23 or lose out.

24 And now after he was forced to
25 retire about a month ago, I have in

1 12/7/06 APPROPRIATIONS, BILL 060899
2 front of me his title, and this is a
3 degreed person; we're not talking about
4 people who are not qualified. These are
5 people who have worked for our city
6 years and years. Chief financial
7 officer. He was laid off, and now they
8 posted it yesterday.

9 It's not fair, it's not right,
10 and people should be given -- people --
11 this Council cannot support
12 union-busting, and certainly this
13 Council cannot support people being
14 told -- people who live and work in our
15 city, that after all their years of
16 service, they can be cut back, be made
17 to do three and four times the work they
18 did before for less money.

19 That's not right. That's not
20 right, Madam Chair, and that's why I am
21 asking that we hold up this legislation
22 and force some real negotiations.

23 It's complicated because of the
24 fact that you have OHCD that they were
25 talking about making OHMP; there's some

1 12/7/06 APPROPRIATIONS, BILL 060899
2 question about letters going out with
3 both titles. And then you have
4 Redevelopment Authority, you have Vacant
5 Property Review Committee, and you have
6 Philadelphia Housing Development
7 Corporation. And with the unions
8 involved in various aspects and not
9 various aspects, it's all been
10 manipulated against the workers.

11 It's not fair. We know we have
12 four agencies, but we know we have to
13 treat people fairly; it's what we stand
14 for. These are our neighbors, these are
15 our voters, these are people who have
16 sacrificed 36 and 38 years to work in
17 the City, and I would hope that we can
18 make sure that they're given fairness
19 when it comes to their futures.

20 It's not fair for them to have
21 to come here every week and beg and
22 look, and you could see this is a
23 holiday for them coming too. And you
24 can see the pleading and longing in
25 their eyes and looking to us for some

1 12/7/06 APPROPRIATIONS, BILL 060899
2 hope to make sure that they get treated
3 fairly.

4 It's just not fair, Madam
5 Chair.

6 (Applause.)

7 COUNCILWOMAN KRAJEWSKI:
8 Councilwoman, as I have stated, I would
9 prefer that we hear all of the testimony
10 today, and we can vote this bill out but
11 hold it up until we can come to some
12 agreement. That way, you're not
13 bringing them back and forth and --

14 COUNCILWOMAN BLACKWELL: Well,
15 Madam Chair, we trust you. If you say
16 it will be held up until some result
17 happens, then we trust that that will
18 happen.

19 COUNCILWOMAN KRAJEWSKI: Thank
20 you very much.

21 (Applause.)

22 COUNCILWOMAN KRAJEWSKI: Are
23 there any other questions from members
24 of the committee?

25 (No further questions.)

1 12/7/06 APPROPRIATIONS, BILL 060899

2 (Witnesses leave witness
3 table.)

4 COUNCIL PRESIDENT VERNA: You
5 forgot to call on Councilman Kelly.

6 COUNCILWOMAN KRAJEWSKI: I'm
7 sorry. Please come back. I forgot
8 Councilman Kelly. You should be over
9 here.

10 COUNCILMAN KELLY: I know, but
11 there wasn't enough seats. Thank you,
12 Madam Chair.

13 I just have a question. The
14 transfer agreement that Councilman
15 Clarke mentioned or alluded to, is
16 anything of that in writing by the
17 Administration? Is there anything
18 that's written about a transfer
19 agreement?

20 MR. HARRIS: I'm not sure, but
21 what we're willing to do in this whole
22 process is to report back to Council. I
23 will get the letter and I will find out
24 and I will report back to you.

25 I'm not sure myself. Veronica

1 12/7/06 APPROPRIATIONS, BILL 060899
2 is sick, and she's been talking with the
3 Administration; I can't speak for her.

4 COUNCILMAN KELLY: All right.
5 The only thing I would like to mention
6 is that in this Council, I know that
7 Councilwoman Blackwell has been speaking
8 on this issue for many, many months. It
9 seems like every week she, makes a very
10 eloquent speech in here, in these
11 chambers.

12 And I don't think it's too much
13 to ask for, for our committee, Madam
14 Chair, if you would hold it up until
15 this issue is resolved.

16 (Applause.)

17 COUNCILWOMAN KRAJEWSKI: Thank
18 you.

19 Are there any other questions
20 from members of the committee?

21 (No further questions.)

22 COUNCILWOMAN KRAJEWSKI: Is
23 there anyone here to testify for or
24 against this bill?

25 (No response.)

1 12/7/06 APPROPRIATIONS - BILL 060833

2 COUNCILWOMAN KRAJEWSKI: Then
3 we'll go into Bill 060833.

4 (Witness comes forward.)

5 COUNCILWOMAN KRAJEWSKI: Good
6 morning again. Please state your name
7 for the record.

8 MS. REED: I'm Dianne Reed,
9 Budget Director for the City of
10 Philadelphia, and I'm here this morning
11 to testify only on Bill 060833.

12 Bill 060833 makes a Fiscal 07
13 budget appropriation transfer from the
14 Grants Revenue Fund to the General Fund
15 to provide \$3 million as a payment to
16 other funds.

17 While the Administration agrees
18 that capital improvements and aggressive
19 maintenance improvements are needed in
20 police and fire facilities in the City,
21 the Administration does not support Bill
22 060833.

23 The Administration does not
24 support the bill because the Fiscal 07
25 to 11 Five-Year Fiscal Plan cannot

1 12/7/06 APPROPRIATIONS - BILL 060833
2 afford a \$30 million unbudgeted payment
3 to other funds for several reasons.

4 The Fiscal 07 to 11 Five-Year
5 Plan, as approved by PICA June 2006, was
6 balanced on the basis of the Fiscal 06
7 \$201 million surplus. For the last
8 three years, PICA has required the City
9 to provide a \$45 million cushion in
10 Fiscal 09 and every year thereafter in
11 case PGW does not repay the Fiscal 01
12 loan it received from the City of
13 \$45 million. The '06 fund balance in
14 the PICA-approved plan, the 201 million,
15 was required to achieve that goal.

16 While the Fiscal '06 fund
17 balance was final \$53 million higher
18 than anticipated in the PICA-approved
19 plan, as a recent report by PICA claims,
20 happy days are not here again.

21 The first quarter of Fiscal 07
22 is showing us strains of higher costs in
23 several areas. Criminal justice and
24 social services costs are climbing
25 particularly as a result of higher

1 12/7/06 APPROPRIATIONS - BILL 060833

2 prison censuses in prisons and in
3 homeless shelters.

4 Also looming are higher
5 benefits costs for uniformed and
6 non-uniformed workers than were assumed
7 in the plan as well as fiscal
8 non-contract negotiations for wage
9 increases also not assumed in the plan
10 after Fiscal 08.

11 The city's criminal justice
12 costs are expected to continue to
13 increase substantially in Fiscal 07 as
14 they did in '06.

15 Together Police, Prisons, the
16 Sheriff's Office, the District
17 Attorney's Office, and the Defenders
18 Association costs are projected to
19 exceed planned spending by 14 million in
20 07 based on first-quarter results.

21 Much of the overage is due to
22 the growth in Philadelphia Prison
23 System's inmate census. The plan
24 assumed containment of the census at
25 8500 inmates, but the census persists in

1 12/7/06 APPROPRIATIONS - BILL 060833
2 the 8800 range at a time of year when
3 the population has customarily abated.

4 The growth in the prison
5 population has forced the City to seek
6 housing by contracting with other county
7 governments and with private providers
8 for additional inmate space. These new
9 contracts alone total not only
10 \$50 million over five years. Including
11 adequate costs for food, health care,
12 personnel, and overtime not total
13 Prisons' expenses not assumed in the
14 improved plan rise to nearly
15 \$100 million.

16 The Administration, working in
17 collaboration with our criminal justice
18 partners, has developed strategies to
19 reverse this trend. However, they have
20 not yet yielded results.

21 The Office of Supported
22 Housing, serving The City's increasing
23 homeless population, will require at
24 least \$35 million in additional
25 resources in the plan.

1 12/7/06 APPROPRIATIONS - BILL 060833

2 Rapid increases in the cost of
3 health and welfare benefits are expected
4 to continue over the next five years.
5 The FY 07 to 11 Five-Year Financial Plan
6 projects that health-care costs will
7 grow no higher than 9 percent per year.

8 Unfortunately, the plan's
9 projections may be too optimistic. The
10 City has lost initial appeals and
11 arbitration awards for both police and
12 firefighters, which grant increases
13 higher in the city's growth assumptions.
14 These have been appealed further by the
15 Administration. Meanwhile, the
16 Administration is currently in
17 negotiation with District Councils 43
18 and 47 for benefits reopeners.

19 Unsuccessful outcome in these
20 appeals and negotiations could add an
21 additional \$100 million in retroactive
22 and future benefits costs above funded
23 levels.

24 In addition to health and
25 welfare costs, the city's pension costs

1 12/7/06 APPROPRIATIONS - BILL 060833
2 continue to rise at a rapid pace.
3 Pension costs have gone up for a number
4 of reasons -- lagging economic
5 performance, poor stock-market returns,
6 record low interest rates, and because
7 employees can end retirement status
8 earlier and live longer.

9 By Fiscal 09, fiscal costs are
10 projected to equal over 12 percent of
11 the city's budget. As recently as
12 Fiscal 01, they were less than 7 percent
13 of the budget. Clearly, the increase in
14 pension costs is squeezing out other
15 parts of the City budget.

16 Not only is the additional
17 Fiscal 06 \$53 million in fund balance
18 needed to offset these significant cost
19 increases, the Fiscal 12 plan, which we
20 are now working on to put together, is
21 further at risk and may require budget
22 cuts, delays in tax reductions, or tax
23 increases to achieve PICA's \$45 million
24 fund balance goal.

25 As a result, a \$30 million

1 12/7/06 APPROPRIATIONS - BILL 060833
2 unbudgeted Fiscal 07 payment to other
3 funds may well precipitate an unplanned
4 round of layoffs in Fiscal 07 in order
5 to make sure the plan balances. And as
6 a result, the Administration does not
7 support Bill 060833.

8 This concludes my testimony.
9 I'd be happy to answer any questions you
10 may have.

11 COUNCILWOMAN KRAJEWSKI: Thank
12 you very much.

13 I would like to call on a
14 colleague, Councilwoman Tasco, to give
15 us a brief overall of this bill to
16 explain to our colleagues who are on
17 this committee.

18 COUNCILWOMAN TASCO: You know,
19 Councilwoman and members of the
20 committee, you saw the paper this
21 morning where the Controller cited the
22 conditions of the police facilities
23 where our policemen have to work.

24 When we were talking about the
25 \$150 million, I raised the issue about

1 12/7/06 APPROPRIATIONS - BILL 060833
2 the infrastructure -- the city's own
3 infrastructure. The lack of money
4 appropriated for the Recreation
5 Department, we don't have the 2007
6 budget approved for that yet.

7 We talk about the fire stations
8 and how I visited the fire stations, and
9 they have serious needs of repairs --
10 not improvements, just maintenance --
11 and as well as the Fire Departments.

12 So I -- the annual report came
13 in. It's called the Quarterly City
14 Manager's Report, and the City has
15 counted on a \$201 million surplus. They
16 got a \$257 million fund balance.

17 And of that, I put in a bill
18 asking that we take \$30 million of
19 surplus to appropriate to \$10 million
20 for the Recreation Department,
21 10 million for the Fire Department, and
22 10 million for the Police Department so
23 that those facilities can get some
24 attention and provide a safe environment
25 for our employees, the policemen, the

1 12/7/06 APPROPRIATIONS - BILL 060833
2 firemen, and for improvement to our
3 recreation centers.

4 And so that is why I am asking
5 this committee to give that serious
6 consideration, because this is money
7 that they did not expect; the money is
8 from increasing business-privilege
9 taxes, the wage taxes and transfer
10 realty taxes. Those taxes were up.

11 And the 57 million is not a
12 part of the Five-Year Plan, okay? The
13 \$201 million is part of the surplus fund
14 balance that they wanted -- they had
15 reported to us that they were going to
16 have. That's in the Five-Year Plan. So
17 this is what I originally asked for.

18 I have a question I'd like to
19 ask Miss -- the budget chair. What I
20 would like you to do is tell me, in the
21 adopted budget that we passed last
22 spring, the balance, fund balance was
23 \$140 million. The adopted budget was
24 \$140 million, okay? Right here in this
25 little book right here.

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2 But when you -- when we got the
3 report from PICA, the fund balance was
4 201.

5 Now, if you change the
6 difference in the fund balance of the
7 budget balance, the adopted budget, the
8 adopted budget we passed was
9 \$140 million. There is a difference in
10 the fund balance of 140 that you told us
11 we would have and the fund balance in
12 the PICA report.

13 You report one balance for the
14 City, for our adopted budget, which was
15 \$140 million; and in the report just
16 sent to us by PICA, it's \$201 million.

17 Aren't you supposed to tell us
18 that there's a change, and why weren't
19 we notified?

20 MS. REED: Councilwoman, the
21 fund balance from Fiscal 06 was
22 \$183.6 million. If you look at your
23 budgeting brief, the most recent
24 budgeting brief as passed by the Council
25 on the 25th, that amount is 183.

1 12/7/06 APPROPRIATIONS - BILL 060833

2 The 140 amount is just kind of
3 in an accounting category that we're
4 kind of eliminating from our
5 presentation of the Quarterly City
6 Manager Report in the future.

7 COUNCILWOMAN TASC0: I'm
8 looking at the Quarterly City Manager's
9 Report where, in fiscal year 2007, the
10 adopted budget has a year-end fund
11 balance of \$140,541,000.

12 MS. REED: You may be looking
13 at the Fiscal 07 category. The Fiscal
14 06 is 183,660,000.

15 COUNCILWOMAN TASC0: I'm
16 looking on Page -- what page are you
17 looking at?

18 MS. REED: I'm looking at the
19 Budget in Brief.

20 COUNCILWOMAN TASC0: Go to the
21 Quarterly Manager's Report.

22 MS. REED: The Quarterly City
23 Manager's Report that I have with me is
24 the most recent one; I don't have the
25 other one with me.

1 12/7/06 APPROPRIATIONS - BILL 060833

2 But I -- I can tell you about
3 why the fund balance went up to 2001 in
4 the PICA-approved plan.

5 COUNCILWOMAN TASC0: But
6 weren't you supposed to tell us if there
7 was any adjustment?

8 MS. REED: Well, the adjustment
9 is shown in the document.

10 COUNCILWOMAN TASC0: No, but --
11 no, it's not. It's shown in the
12 Five-Year Plan submitted by the PICA
13 Board of 166 million estimated fund
14 balance at the end of the year, and what
15 we reported was \$140 million in the
16 quarterly report that you just issued.

17 MS. REED: The quarterly report
18 that we just issued shows the '06 fund
19 balance of 254.5 million.

20 COUNCILWOMAN TASC0: You're you
21 talking about FY 07?

22 MS. REED: Yeah. Okay. Well,
23 you're comparing the '07 fund balance.
24 You're comparing the 140 to 156. I
25 thought you were talking about the '06

1 12/7/06 APPROPRIATIONS - BILL 060833
2 fund balance.

3 COUNCILWOMAN TASC0: In the
4 Fiscal Year 2007, the adopted budget was
5 \$140 million, and that's what you just
6 gave us in your quarterly report.

7 The report received from PICA
8 shows an estimated fund balance of
9 166,056,000. You did not -- did you
10 come back and tell us that the fund
11 balance estimated budget had changed?

12 MS. REED: I thought you were
13 asking me about the Fiscal 06 fund
14 balance. You asked me about the
15 201 million.

16 COUNCILWOMAN TASC0: We'll come
17 back to that, but I want to ask you
18 about this.

19 MS. REED: What is your
20 question?

21 COUNCILWOMAN TASC0: My
22 question is: Why is it that the adopted
23 budget had a fund balance of
24 \$140,541,000, and in the report for
25 PICA, you have a fund balance of

1 12/7/06 APPROPRIATIONS - BILL 060833

2 \$166 million? And how do they differ?

3 MS. REED: The fund balance for
4 2007 was increased as a result of the
5 fact that our -- some of our taxes have
6 come in more strongly than we
7 anticipated at the end of the year.

8 COUNCILWOMAN TASC0: Did you
9 issue a report to City Council to let us
10 know that?

11 MS. REED: Yes, we did. You
12 got the Budget in Brief, I believe, the
13 revised Budget in Brief.

14 And you also have the revised
15 PICA-approved Five-Year Plan, which
16 contains this information.

17 COUNCILWOMAN TASC0: How do you
18 change it without coming back to Council
19 to let us know?

20 MS. REED: Well, the plan --
21 what we're giving you is the most
22 current estimate of what the fund
23 balance will be. That keeps changing as
24 we get new information about revenue and
25 expenditures.

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2 COUNCILWOMAN TASC0: Okay.

3 Let's go back to the --

4 MS. REED: So that, you know,
5 for the current Quarterly City Manager's
6 Report, the '07 fund balance is 198. So
7 it just keeps changing as we get
8 information on revenues, especially when
9 we do or do not hire people at the rate
10 that was contained in the Mayor's
11 January budget proposal.

12 COUNCILWOMAN TASC0: Could I
13 ask our budget finance technical staff,
14 Madam Chair, to clarify the questions
15 for me, please, since he's the finance
16 guy. Call Charlie as a witness.

17 (Witness comes forward.)

18 MR. MCPHERSON: I'm Charles
19 McPherson, Chief Financial Officer for
20 City Council.

21 The issue is that in the
22 Quarterly Manager's Report that was for
23 September, it shows an adopted budget
24 with a fund balance of 140 million for
25 '07. The first year of the Five-Year

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2 Plan, I was always under the assumption,
3 needed to agree with the Council-adopted
4 budget.

5 The Five-Year Plan for '07 is
6 projecting a fund balance of
7 166 million, which is approximately
8 26 million higher than the adopted
9 budget that we did.

10 And the issue becomes -- I'm
11 not aware of any formal notification or
12 how the first year of the plan can
13 differ with the budget that we adopted,
14 based on the appropriations side as well
15 as on the fund balance side.

16 And so if that could get
17 clarified.

18 MS. REED: The Quarterly City
19 Manager's Report reflects our current
20 information.

21 MR. MCPHERSON: It says
22 "Adopted Budget" on the heading. The
23 adopted budget is the adopted budget.
24 You're comparing this 140 to the 166,
25 which is the adopted PICA report, which

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2 at that point in time, you did not
3 year-end revenues because it was
4 approved by PICA July 5th.

5 And I don't believe Council got
6 copies of it until about three, four
7 weeks ago.

8 (Witness comes forward.)

9 MS. VANBELLE: Good morning.
10 I'm Peggy Vanbelle, Deputy Budget
11 Director.

12 I think the issue is, Council
13 adopted the FY 07 budget. The budget we
14 adopted, you adopted, assumed a fund
15 balance of 140 million.

16 When we met with PICA
17 concerning the Five-Year Plan that had
18 that adopted budget as its first year,
19 they had some concerns about some of our
20 revenue estimates and some of our
21 expense items.

22 And so in negotiations with
23 PICA, we revised some of our revenue
24 estimates and expenses in order to
25 accommodate their concerns, and that led

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2 to a revised projection of \$156 million
3 FY 07 fund balance.

4 But the adopted budget remains
5 140 million, and we consider this to be
6 what we call "technical modifications"
7 to the plan.

8 MR. MCPHERSON: And the Law
9 Department concurs? 'Cause I thought
10 that the first year of the Five-Year
11 Plan had to agree with the budget as
12 adopted by City Council.

13 So, in essence, the
14 Administration can then change with PICA
15 the budget as it was adopted by City
16 Council without having to come back to
17 City Council.

18 MS. VANBELLE: No, we did not
19 change the adopted budget; the adopted
20 budget remains the same.

21 We make technical modifications
22 post-adoption that resulted in a revised
23 projection.

24 MR. MCPHERSON: And the Law
25 Department is satisfied that the -- what

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2 PICA adopts does not have to agree with
3 what Council adopted?

4 MS. VANBELLE: I can't speak
5 for the Law Department.

6 COUNCIL PRESIDENT VERNA: Then
7 I think we ought to get the Law
8 Department, then.

9 COUNCILWOMAN TASC0: Could
10 someone from the Law Department come and
11 let us know if they changed their
12 position on the plan -- on the first
13 year of the Five-Year Plan agreeing with
14 the adopted budget.

15 MS. REED: Okay.

16 COUNCILWOMAN TASC0: Let me
17 just ask you -- I want to ask you a
18 question.

19 You talked about the -- you do
20 not support the \$30 million because the
21 Five-Year Plan cannot support a
22 30 million unbudgeted payment to other
23 funds for several reasons, but the
24 \$30 million is not part of the Five-Year
25 Plan.

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2 MS. REED: If we were to add
3 that expense to the plan, we would
4 un-budget the plan beyond the degree
5 that we're looking at now, which
6 includes \$100 million in unplanned costs
7 for Prisons and homeless census above
8 what we anticipated.

9 We were hoping that through
10 several options that the criminal
11 justice partners are working on to try
12 to contain the prison census at about
13 8500; it's been running at 8900, and is
14 down around just over 8800 at this
15 point. And that is very expensive.

16 The Prisons Commissioner has
17 scrambling around, finding out-of-county
18 housing because, as you know, there's a
19 lawsuit about this, and we were hoping
20 to save some money on health-care costs
21 we're working on that.

22 COUNCILWOMAN TASC0: Let me ask
23 you a question.

24 MS. REED: We also have funded
25 a higher level of spending for the

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2 Sheriff's Department to bring prisoners
3 to the court's building so that there is
4 no reason based on prisoner availability
5 to cause trials to be continued.

6 And the FJD is trying to
7 discharge a backlog of about 7700 felony
8 cases. They've managed to work through
9 700 as a result of that, but we're
10 spending a great deal of money on
11 Sheriff's overtime to ensure that, and
12 that's another thing that we need to
13 work on.

14 We're working on all kinds of
15 things. We funded a couple of extra
16 paralegals over at the Defenders
17 Association because they thought they
18 could increase the number of petitions
19 for early release. There for just a
20 tremendous number of people who are in
21 the prison system for pretrial reasons.

22 And we are, all of us, working
23 -- D.A, Defenders Association, First
24 Judicial District. We are all working
25 together to try to explore options to

1 12/7/06 APPROPRIATIONS - BILL 060833
2 contain this cost because it is really
3 eating the budget.

4 COUNCILWOMAN TASC0: Well,
5 suppose you hadn't gotten the extra
6 \$57 million; wouldn't you still have
7 these same problems? And what would you
8 do about them?

9 MS. REED: Yes, we would. We
10 would be looking at some severe freezes
11 and do layoffs again.

12 COUNCILWOMAN TASC0: Um --

13 MS. REED: Because the budget
14 is really tight at this point 'cause
15 we've already gone through freezes and
16 layoffs, as you know, so that we --

17 (Indiscernible; parties talking
18 over each other.)

19 COUNCILWOMAN TASC0: But you're
20 assuming that the surplus will be
21 ongoing because the costs and expenses
22 you're talking about are recurring and
23 will continue to occur, and you need a
24 definite funding for those costs.

25 This is an unplanned surplus.

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2 You hit the lottery you have.

3 (Indiscernible; parties talking
4 over each other.)

5 MS. REED: We have already
6 consumed that \$53 million more than we
7 expected. At the moment, I'm looking at
8 a Fiscal 11 plan that is not balanced so
9 that we have to take --

10 COUNCILWOMAN TASC0: Well, why
11 --

12 (Indiscernible; parties talking
13 over each other.)

14 MS. REED: -- actions in order
15 to bring that plan in, 'cause the only
16 year that really counts is Fiscal 11.
17 Fiscal 06 balances Fiscal 11. It all is
18 a plan that has to work together.

19 COUNCILWOMAN TASC0: Well, you
20 had a plan, but you got a \$57 million
21 surplus over what you had planned for.
22 You had calculated those costs in your
23 budget, and you projected a \$201 million
24 surplus of fund balance. And then you
25 got \$57 million.

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2 Why is the Administration so
3 opposed to providing money to the Fire
4 Department, the Police Department, and
5 the Recreation Department? Why are they
6 opposed to that?

7 MS. REED: Councilwoman, our
8 Fiscal 11 fund balance was going to be
9 63 million, because we have agreed with
10 PICA, and part of the agreement that the
11 Deputy Budget Director spoke to has to
12 do with ensuring that the City has a
13 cushion in case, for some reason, PGW
14 does not repay its \$45 million loan.

15 We have to have that level of
16 fund balance. Because of these runaway
17 costs, we are in danger of not having
18 that fund balance.

19 (Indiscernible; parties talking
20 over each other.)

21 MS. REED: -- a negative fund
22 balance.

23 COUNCILWOMAN TASC0: You
24 calculated the 45 million in your 201
25 fund balance when you did your budget.

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2 That's in there.

3 MS. REED: Well, no, that's --

4 COUNCILWOMAN TASCO: It's in
5 the 201 fund balance. I'm talking about
6 the --

7 (Indiscernible; parties talking
8 over each other.)

9 MS. REED: No, the repayment
10 occurs in Fiscal 09.

11 COUNCILWOMAN KRAJEWSKI: Excuse
12 me, one minute, please.

13 COUNCILMAN GOODE: I have a
14 question for Councilwoman Tasco.

15 Where within the bill before
16 the Appropriations Committee does it say
17 that this money is going towards Police
18 and Fire and Recreation?

19 COUNCILWOMAN TASCO: The money
20 would go to the -- there are two other
21 bills that are in Finance that would --

22 (Indiscernible; parties talking
23 over each other.)

24 COUNCILMAN GOODE: There are
25 not two bills in Appropriations right

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2 now.

3 Where within the bill in front
4 of the Appropriations Committee does it
5 say that any money is going toward
6 Police, Fire, Recreation, or toward
7 capital needs or infrastructure?

8 COUNCILWOMAN TASC0: What we
9 said is that we're asking the committee
10 to transfer the \$30 million to the
11 Council budget until we can amend the
12 Capital Program and the Capital Budget.

13 We tried to get both bills
14 listed at the same time. That's why our
15 testimony list the other two bills. The
16 money would be transferred through the
17 amendments to the Capital Program and to
18 the Capital Budget.

19 COUNCILMAN GOODE: So, in fact,
20 in the only bill that's actually before
21 us, we would be transferring \$30 million
22 from the fund balance to City Council,
23 which City Council could spend on
24 anything it wants.

25 COUNCILWOMAN TASC0: City

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2 Council's not going to -- we have a
3 companion bill. The bill would go --

4 COUNCILMAN GOODE: Let's stay
5 with what's before us.

6 COUNCILWOMAN TASC0: Well, we
7 have to deal with the --

8 (Indiscernible; parties talking
9 over each other.)

10 COUNCILMAN GOODE: It transfers
11 \$30 million.

12 COUNCILWOMAN TASC0: Right.

13 COUNCILMAN GOODE: From the
14 fund balance to City Council.

15 COUNCILWOMAN TASC0: Right.

16 COUNCILMAN GOODE: To the
17 General Fund.

18 COUNCILWOMAN TASC0: Right.

19 COUNCILMAN GOODE: It doesn't
20 say anything about Police.

21 COUNCILWOMAN TASC0: Right.

22 COUNCILMAN GOODE: It doesn't
23 say anything about Fire.

24 COUNCILWOMAN TASC0: Right.

25 COUNCILMAN GOODE: It doesn't

1 12/7/06 APPROPRIATIONS - BILL 060833
2 say anything about capital needs, it
3 doesn't say anything about
4 infrastructure.

5 COUNCILWOMAN TASC0: Well,
6 because --

7 COUNCILMAN GOODE: And it does
8 not limit City Council from spending
9 that \$30 million on anything that it
10 wants.

11 COUNCILWOMAN TASC0: City
12 Council does not have the intention,
13 because we introduced a companion bill
14 to amend the Capital Program and to
15 amend the Capital Budget.

16 (Indiscernible; parties talking
17 over each other.)

18 COUNCILWOMAN TASC0: Well,
19 they're not before us right now, but
20 they will come, and we have some
21 integrity --

22 COUNCILMAN GOODE: So --

23 COUNCILWOMAN TASC0: -- because
24 the issue here is to support the Fire
25 Department, the Police Department, and

1 12/7/06 APPROPRIATIONS - BILL 060833
2 the Recreation Department.

3 COUNCILMAN GOODE: I am a
4 member of this Council, and I don't
5 trust us to transfer \$30 million from
6 the fund balance into City Council.

7 COUNCILWOMAN TASC0: It's in
8 Class 800, and there's no other way we
9 can spend it.

10 COUNCILMAN GOODE: That's
11 ridiculous. We can spend anything Class
12 800 expenses allow.

13 COUNCIL PRESIDENT VERNA: You
14 know, it's just a shame that there were
15 three bills that were introduced, and I
16 had asked that they all be listed at the
17 same time.

18 And it's sad to say
19 Councilwoman Krajewski did, in fact,
20 agree to have the Appropriations bill
21 listed. However, the two finance bills
22 are still outstanding and pending.

23 COUNCILWOMAN TASC0: And we
24 do -- and Councilwoman Blackwell has
25 agreed to schedule a hearing for those

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2 bills on January the 27th.

3 COUNCILWOMAN BLACKWELL: On the
4 31st.

5 COUNCILWOMAN TASC0: The 31st,
6 okay.

7 Well, I think it's very
8 important for us to look out for and
9 protect the infrastructure of our
10 city-owned facilities. It just goes to
11 the lack of -- I think the Council
12 President has a question.

13 COUNCILWOMAN KRAJEWSKI:
14 Council President Verna.

15 COUNCIL PRESIDENT VERNA: Yes,
16 thank you. I'm going to continue with
17 my line of questioning and follow what
18 the Councilwoman has indicated is of
19 great importance to each and every one
20 of us.

21 May I ask you, Ms. Reed -- I
22 don't know whether you're with me --
23 since you are opposed to using capital
24 pay as you go to fund a portion of our
25 capital infrastructure needs, and we

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2 don't have sufficient debt capacity to
3 fund our needs in what I call "a
4 meaningful manner," how do you propose
5 that the City address the -- that the
6 City address its ongoing capital
7 requirements?

8 MS. REED: We have, um, some
9 studies by the Capital Program Office,
10 which shows us which properties are the
11 most important to receive work from a
12 life-safety point of view.

13 The administrative pro -- the
14 Administration process of reviewing
15 Capital Budget proposals for the next
16 fiscal year has just concluded its
17 interviewing process with departments.

18 They were given the opportunity
19 this year to ask for about \$80 million
20 of funding requests to give the
21 Administration a larger amount of need
22 to consider in terms of determining what
23 action will be in the \$59 million
24 available Capital Budget that we're
25 going to have for the next year.

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2 We have been using carry-
3 forward funding; we're running out.

4 You know, we hope that the
5 Council will authorize the '06, '07 and
6 '08 loan authorizations because we're
7 rapidly running out of money.

8 COUNCIL PRESIDENT VERNA: Well,
9 hasn't City planning said we would need
10 a minimum of \$185 million?

11 MS. REED: We have a high level
12 of general need. The projects that are
13 life safety are about 64, so they're
14 about in the range of what is available,
15 and --

16 COUNCIL PRESIDENT VERNA:
17 Ms. Reed, I would assume that you've had
18 an opportunity to read the City
19 Controller's report issued on, I guess
20 the -- in November of '06 regarding the
21 deplorable conditions of the police
22 facilities that we have throughout the
23 City?

24 MS. REED: No, I have not
25 specifically read it. I --

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2 COUNCIL PRESIDENT VERNA: Well,
3 I think you should read it, my dear,
4 because it is absolutely horrible.

5 And I would venture to say that
6 the fire stations are equally in
7 deplorable condition, and I don't even
8 want to go to some of the conditions of
9 our recreation centers.

10 So I just don't understand.

11 And then it's my understanding
12 that the -- it is said that the Office
13 of Budget and Program Evaluation and
14 their response to the Controller stated
15 that City Council introduced to them an
16 amendment that would add \$10 million in
17 operating revenue to the FY 07 Capital
18 Budget for spending on improvements to
19 existing police facilities. The fate of
20 that legislation is unknown at this
21 point in time.

22 Can you tell me what that
23 means?

24 MS. REED: (Addressing a
25 colleague.) Could you come up, please?

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2 (Witness comes forward.)

3 MR. TUSTIN: Good morning, City
4 Council. My name is Rick Tustin. I'm
5 the Director of the City's Capital
6 Program Office.

7 I did not write that section of
8 the response, but my interpretation,
9 when I read that response -- 'cause I
10 did read the report several times now,
11 once in draft form and in final form --
12 was that that language that was used was
13 meant to interpret the outcome of this
14 particular Council hearing.

15 COUNCIL PRESIDENT VERNA: Well,
16 who made that report? If you didn't
17 make that remark, who did?

18 (Witnesses confer privately
19 among themselves.)

20 MS. REED: As a result of the
21 fact that we didn't know what the
22 outcome of this bill would be, we
23 thought that this amount might be
24 appropriate, but it's all prospective.

25 COUNCIL PRESIDENT VERNA:

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2 Ms. Reed, let's continue on, because I
3 know we're going to have an extremely
4 long day.

5 Can you tell me how long you
6 have been aware of these risks and
7 uncertainties that you mentioned in your
8 testimony?

9 If you feel that the City needs
10 to be conserving its resources as a
11 hedge against these risks, why didn't
12 you mention this during the hearings on
13 the arts and cultural borrowing of
14 \$150 million?

15 If that proposal were held till
16 these risks were dealt with, we would
17 have had an additional \$54 million over
18 the life of the current plan; would you
19 not agree?

20 And can you explain why you
21 withheld these concerns from us during
22 those hearings on the bond issue so that
23 we could have certainly been concerned
24 of these risks in our deliberations as
25 to the merits of the borrowing?

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2 We think nothing of going out
3 and borrowing \$150 million, and yet
4 we're looking -- our infrastructures are
5 in the most deplorable condition that
6 anybody could ever imagine, and we're
7 bickering over \$30 million that is
8 possibly available.

9 I find it absolutely ridiculous
10 that we would even have to be having
11 these hearings

12 (Applause.)

13 COUNCILWOMAN KRAJEWSKI: I have
14 to agree with you, Councilwoman.

15 I was up to the 15th District
16 just about a month ago, and I don't know
17 how many policemen and -women work under
18 the conditions in the Fire Department or
19 the Police Department.

20 We're not taking care of them.
21 They're there 24 hours a day, yet we're
22 putting \$3 million, from what I hear,
23 into the prison that's 110 years old,
24 that's filled with asbestos. It's out
25 of date. And yet we're not taking care

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2 of our Police, Fire or Recreation
3 Centers.

4 MS. REED: To answer the
5 Council President's question first, the
6 debt service for the \$150 million
7 borrowing was passed in the budget. The
8 hearings about the use of that and, you
9 know --

10 COUNCIL PRESIDENT VERNA:
11 (Inaudible, off-mic.) -- we're still
12 borrowing.

13 MS. REED: And to approve the
14 borrowing had to do with the fact that
15 that is an important economic stimulus
16 initiative that will enable us to have a
17 lot of revenue in the future to help pay
18 for general operating costs.

19 You know, because, I think it's
20 pretty clear that the NTI investment
21 helped to raise the values of
22 neighborhoods whose property values were
23 on the market. You know all the boats
24 rose in the last housing boom as a
25 result of that. Abandoned cars taken

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2 away, the vacant were lots cleaned.

3 And this is similar to that --

4 COUNCIL PRESIDENT VERNA:

5 (Inaudible, off-mic.)

6 MS. REED: Well, I'm going to
7 get back to the other part of this.

8 We keep a list that we revise
9 every day of expenditures that are
10 likely to come in higher than what we
11 had in the plan, and we are not
12 concealing this.

13 In fact, we hope to present,
14 you know, a lot of detail on this to the
15 Council. The Mayor has asked for a
16 briefing the week after next where we
17 can go through here what the plan is
18 likely to be for Fiscal 12 based on the
19 new information that we have.

20 We are trying --

21 COUNCIL PRESIDENT VERNA: Madam
22 Chair, Madam Chair, we are really
23 running late, and I think we're dealing
24 with a budget hearing at this point in
25 time.

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2 I have asked a question and I
3 don't think I have gotten a response to
4 it, and that would be the last question
5 that I would ask.

6 I think I asked you why you did
7 not bring up these issues when you came
8 before us to ask for a \$150 million
9 borrowing issue?

10 MS. REED: I personally was not
11 at that hearing.

12 COUNCIL PRESIDENT VERNA: Well,
13 Ms. Reed, I'm assuming you're here for
14 the Administration.

15 MS. REED: That was never
16 mentioned.

17 COUNCIL PRESIDENT VERNA: I
18 don't care who came in to testify.

19 All of the concerns that you
20 are now mentioning today were never
21 indicated to us at the hearing on the
22 borrowing of \$150 million.

23 Now, what do we pay over the
24 lifetime of that borrowing --

25 MS. REED: I think --

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2 COUNCIL PRESIDENT VERNA: What
3 do we pay at the end of that borrowing?

4 MS. REED: Well, there's going
5 to be a great deal more, but it's only
6 6-and-a-half-million in this year's
7 budget 'cause it's --

8 (Indiscernible; parties talking
9 over each other.)

10 COUNCIL PRESIDENT VERNA: --
11 and it becomes a federal case.

12 MS. REED: All of this is being
13 done in good faith, Council President.

14 COUNCIL PRESIDENT VERNA: I
15 hope so.

16 MS. REED: You know, we were
17 hoping that we would be able to contain
18 the --

19 COUNCIL PRESIDENT VERNA:
20 (Inaudible; off mic.) -- our police and
21 fire stations and recreation centers,
22 and then I'll believe you.

23 MS. REED: Well, we are working
24 on that as well.

25 COUNCILWOMAN TASC0: Madam

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2 Chair, I just have one comment to make
3 and then I'm done with this.

4 COUNCILWOMAN KRAJEWSKI: The
5 Chair recognizes Councilman Rizzo.

6 COUNCILWOMAN TASC0: Oh, go
7 ahead. He's a member of the committee.

8 MS. REED: Chairwoman
9 Krajewski, can I answer your question
10 about the investment being made at the
11 Holmesburg?

12 As part of the Prison's attempt
13 to try to figure out what to do about
14 the excess population, to try to
15 decrease the amount of time people
16 spend, you know, in initial holding and
17 in triple celling, they were hoping that
18 they might be able to convert some space
19 in Holmesburg on a temporary basis.

20 That turned out to be way more
21 expensive than anybody ever thought it
22 was going be, and that has been taken
23 off the table. That's not going to
24 happen.

25 Now, that was from some

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2 abatement money that was spent, but
3 that's not going to go forward.

4 COUNCILWOMAN KRAJEWSKI: You're
5 telling me that there is no more money
6 going into Holmesburg?

7 MS. REED: No.

8 COUNCILWOMAN KRAJEWSKI: Are
9 you telling me that they're going to be
10 completely out of there as far as
11 workmanship?

12 MS. REED: I think that there
13 are a few beds being used there but
14 there is not going to be any conversion
15 of additional beds, and I think that
16 it's --

17 COUNCILWOMAN KRAJEWSKI: I
18 understand what the process is.

19 MS. REED: You know,
20 opportunities are opening up for other
21 out-of-county placement, you know, so
22 we're going to try to, you know, make
23 this as good as possible for the
24 inmates.

25 COUNCILWOMAN KRAJEWSKI: Are

1 12/7/06 APPROPRIATIONS - BILL 060833

2 the 80 people still there?

3 MS. REED: I think that the 80
4 people are still there.

5 COUNCILWOMAN KRAJEWSKI: What
6 are we doing with the 80 people?

7 MS. REED: We're looking for
8 other placements for them, and, you
9 know, one of the things that should have
10 happening by now is that the census
11 should have gone down.

12 It usually starts going down in
13 October, and it's at it lowest in
14 December. And it's about, you know, a
15 good 300 people above where it usually
16 is, so --

17 COUNCILWOMAN KRAJEWSKI: Well,
18 they're also deplorable conditions too
19 since we're on the subject.

20 Councilwoman?

21 COUNCILWOMAN TASC0: I think
22 it's his turn (indicating Councilman
23 Rizzo.)

24 COUNCILWOMAN KRAJEWSKI:
25 Councilman Rizzo.

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2 COUNCILMAN RIZZO: Thank you,
3 Madam Chair.

4 I'm pleased to support a
5 transfer of \$30 million to the Council
6 budget for the reason that, for years,
7 I've sat here and talked exactly and get
8 yessed to death from the Department of
9 Public Property, from the Police
10 Department about exactly what the City
11 Controller is talking about.

12 For example, for years, we've
13 been talking -- and, Mr. Tustin, if you
14 could come to the table.

15 (Witness comes forward.)

16 COUNCILMAN RIZZO: For years,
17 we've been talking about a program that
18 the Administration has assured me was on
19 track -- and I'll apologize if I'm wrong
20 here.

21 It has to do with the Fire
22 Department, and we all know that the
23 ingesting of diesel fumes is an issue.
24 When the firefighters start cold,
25 there's a lot of particulate inside of

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2 the fire houses.

3 You, the Administration,
4 assured me that this program was on
5 track, and I'm finding -- and I just
6 can't believe what I've heard -- that
7 it's not been completed. Many of the
8 firehouses do not have the ventilating
9 equipment.

10 You personally assured me that
11 this was going to fast-track, that this
12 was going to happen. What happened?

13 MR. TUSTIN: Rick Tustin,
14 again, Capital Program Office. I'd be
15 pleased to answer that question.

16 Councilman, we were on fast
17 track. We completed the first four
18 phases. There was a total of seven
19 phases to get the work done; we actually
20 completed five of those seven phases up
21 until, I guess, maybe even a year ago,
22 when we were asked to stop doing the
23 work on it because there was an issue
24 that had been brought up by the
25 Firefighters Union concerning the

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2 contractual obligations between the City
3 and them on the type of system that was
4 being installed.

5 We were told to stop by both
6 the City and the Firefighters Union.

7 We put that project on hold,
8 the last phase of that project. It was
9 bid at the time. The contractor was
10 ready to start working at the time. We
11 had to tell 'em, Don't start work; just
12 hold off until the issue gets resolved
13 between the Firefighters Union and the
14 City Administration.

15 And we are still ready to go to
16 finish that last phase of -- I think
17 there's 15 stations in that last phase.
18 We're ready to go and complete it once
19 we're given the approval to move forward
20 with the project.

21 COUNCILMAN RIZZO: Well, I'd
22 like you to send some information to the
23 Chair because that's not how I
24 understand it, and I'm not going to
25 debate that 'cause time is of the

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2 essence right now.

3 But these are the issues. We
4 talk about the deplorable conditions in
5 the police stations.

6 I went to a police station
7 recently. The tile on the floor was
8 broken. You know why nobody pays
9 attention? Because the majority of the
10 citizens don't have to go to a police
11 station.

12 And for a police officer to
13 have to work under that condition --
14 there isn't one person in Capital Budget
15 that would tolerate working in that
16 condition for five minutes; they'd be
17 screaming loud.

18 And that's why I'm going to be
19 supportive, because I believe if we have
20 some control over that money, some stuff
21 will happen because we're being
22 conceived deceived here.

23 I've been talking about this
24 issue. The custodial services that the
25 police department, by the way, is

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2 responsible for -- you pull up to a
3 police station, it looks like a
4 landfill. There's so much dirt and
5 debris in them. And because the
6 majority of the people don't have to go
7 into that facility, it's put on the back
8 burner.

9 Thank you, Madam Chair.

10 MR. TUSTIN: May I answer that
11 question, Councilwoman?

12 COUNCILWOMAN KRAJEWSKI: (Nods
13 head.)

14 MR. TUSTIN: I've read this
15 report several times now, and I don't
16 disagree with it, quite frankly,
17 Councilman. I think you're absolutely
18 right. I think the condition of the
19 police stations are in very bad shape.

20 And if you look at and read the
21 37-page report from the Controller's
22 Office, approximately 35-and-a-half
23 pages of that report go to janitorial
24 and maintenance -- replacing ceiling
25 tiles, capping wires off that are being

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2 held -- that are not properly sealed
3 off. They're maintenance-related
4 issues.

5 When we come to you each year
6 and ask for capital funds, we ask for
7 money to do more -- it's more than
8 maintenance, because we can't spend
9 capital money on maintenance.

10 We ask to put new air-
11 conditioning systems in, we ask to put
12 new roofs on, we ask to put new windows
13 and doors on. These are not
14 maintenance. And 35-and-a-half pages of
15 the 37-page report does not focus on
16 capital issues.

17 There are three items in this
18 report that focus on capital issues:

19 The 97th Police District, which
20 we've written a response to. We've done
21 an engineering report as long as ten
22 years ago on the condition of that.
23 We've spent substantial money
24 reinforcing the stairs and other areas
25 within the building that need to be

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2 reinforced.

3 The building is in a flood area
4 along the creek, and every time we have
5 a heavy rain and a flood, we have flood
6 damage; it's not a good location for a
7 police facility. The City recognizes
8 that, and we're looking for a place to
9 relocate that facility to so that it
10 doesn't continue.

11 The 15th District, which was
12 also in the report. In fact, I'd like
13 to read our comments to the report on
14 that if you would you will allow me.

15 On the 15th District, we
16 visited the facility several times.
17 This had to do with some cracking in the
18 walls on the first floor. We visited
19 the facility several times, and we noted
20 the condition.

21 The building is over 50 years
22 old, and the first floor was built on
23 what's called "a floating slab." It's a
24 construction technique that we used at
25 the time. The floor slab isn't

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2 connected to the foundation walls, and
3 that's why it's called "a floating
4 slab."

5 Okay. As such, that slab does
6 move, and why it's called "floating."
7 And as such, it will create cracks in
8 non-load bearing walls. It has no
9 effect on the structure.

10 Is it a maintenance issue
11 ongoing? Yeah. We have to go in and
12 we're going to have to fill some cracks
13 in the walls, and we're going to have to
14 adjust doors that will get wrecked or
15 out of position.

16 That's the way the building was
17 built 50 years ago.

18 We make it a point of going in
19 and doing what we have to do to address
20 those issues when they occur. But
21 there's nothing that we can do about the
22 way the building was built.

23 But we have addressed those
24 capital issues, and we have stated that
25 in the report.

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2 The third issue in the report
3 had to do with emergency generators, and
4 although they said there were nine,
5 there's actually only seven in their
6 matrix, where they're referred to.

7 Out of those seven, I believe
8 five of them are in construction right
9 now to replace those five or to add five
10 to those facilities. The other two will
11 be in our next phase of work.

12 So out of the three capital
13 issues in this report each one of them
14 has been addressed.

15 The issue here is janitorial,
16 the issue is maintenance. And I think
17 moving money from Operating to Capital
18 defeats the purpose because capital
19 money cannot be used for maintenance.
20 It needs to stay with Operating so that
21 some of that could be used to do the
22 cleaning, to do the replacement of the
23 ceiling tiles, which are Operating
24 Budget issues not Capital.

25 COUNCILMAN RIZZO: Madam Chair,

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2 Mr. Tustin, I asked Capital Programs to
3 look at the 92nd District. I even gave
4 you a location to look at. I told you
5 that while the New Gustine Lake was
6 under construction -- and I believe that
7 there were some Recreation Department
8 facilities. I asked the police
9 department and I asked you.

10 As a member of Council, we're
11 supposed to be the conduit to you to
12 give you opportunities, ideas to be able
13 to consider alternatives.

14 The 92nd District could have,
15 if somebody took it seriously, been
16 possibly located or at least office
17 facilities at that site that was just
18 recently constructed, ribbons cut, but
19 if nobody is creative enough to think
20 about that, there's a lot of places the
21 92nd District could be relocated to.

22 I even gave you the suggestion
23 that if the police moved out of there, a
24 private venue could have probably taken
25 it over to do the reconstruction and

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2 spend thousands of dollars that are
3 needed there, but nobody did it.

4 The Police Department -- I went
5 as high as the Deputy Commissioner,
6 asking them to explore the opportunity
7 to re locate the 92nd District.

8 Again, if you don't care,
9 nothing happens.

10 MR. TUSTIN: Councilman, it's
11 not that we don't care because the
12 information you've provided was actually
13 passed on and the fact that a committee
14 has been put together to look at all
15 police department facilities citywide
16 and how they can strategically be
17 relocated to better suit their
18 operational needs.

19 And one of the major issues in
20 there is the 92nd District and the areas
21 that could be considered for relocating
22 that. Several areas have already been
23 identified. The full report on the
24 strategic plan for the Police Department
25 has not yet been completed and presented

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2 to the Mayor, but it has not been
3 ignored.

4 COUNCILMAN RIZZO: There was a
5 golden opportunity during that
6 construction project at Gustine Lake to
7 find a space that could accommodate the
8 92nd District, which is a small, small
9 operation.

10 You missed the opportunity, and
11 now you will spend ten times as much
12 money with a study and looking for a
13 location to build a stand-alone
14 district.

15 My point is that we are very
16 frustrated here because we assume when
17 we get yessed to death here that the
18 Police Department shakes their head,
19 "Oh, yeah, we'll take care of it."

20 You pull up to a fuel pump at a
21 police station -- trash all over the
22 place, soda bottles, debris, paper. I'd
23 be embarrassed to bring a visitor from
24 another police department to one of our
25 police facilities.

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2 COUNCILWOMAN KRAJEWSKI: the
3 hour is getting late.

4 COUNCILMAN RIZZO: Got it.

5 COUNCILWOMAN KRAJEWSKI: So, k
6 therefore, I recognize Councilwoman
7 Tasco.

8 COUNCILMAN DICICCO: Just a
9 point of order.

10 Mr. Tustin, when do you expect
11 that report to be complete?

12 MR. TUSTIN: I know a draft of
13 that report has already been written by
14 the Philadelphia City Planning
15 Commission. They're a part of the
16 committee.

17 The committee consists of the
18 City Planning Commission, the Police
19 Department, the Department of Public
20 Property, the Capital Program Office.
21 We've all met to put together a plan.

22 The City Planning Commission is
23 taking the lead on drafting the report
24 and has already completed the draft of
25 that.

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2 COUNCILMAN DICICCO: Is it safe
3 to say that we would have that in time
4 for the next budget round? 'Cause I
5 think that would be the most appropriate
6 time.

7 Like the Council President
8 said, I feel like we've been in a budget
9 hearing all day.

10 MR. TUSTIN: I can't sit there
11 and promise that. We're not taking the
12 lead on it, but to me, it would make
13 sense that if a draft is already
14 complete, there should be something
15 available.

16 COUNCILMAN DICICCO: Thank you.

17 COUNCILWOMAN KRAJEWSKI: Thank
18 you, Councilman.

19 Councilwoman Tasco?

20 COUNCILWOMAN TASCO: Madam
21 Chair, I'd just like to note that we do
22 have one other person to testify, but I
23 also want to submit the Police
24 Commissioner's testimony, which he
25 delivered to me.

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2 He was here this morning, but
3 whether he was to testify or not, he did
4 submit testimony for this as well as
5 Officer (indiscernible) on this matter,
6 and we have someone here to talk about
7 the Recreation Department.

8 COUNCILWOMAN KRAJEWSKI: I
9 would just like to add one thing here.

10 I would like the Administration
11 to forward to the Chair a breakdown of
12 capital funding expenditures by Council
13 District relating to Recreation, Police
14 and Fire facilities over the past five
15 years, not including the capital
16 allocation as it relates to 1.2 million
17 for each Councilperson received in '05.

18 MR. TUSTIN: Not a problem.

19 COUNCILWOMAN KRAJEWSKI: You
20 will submit that?

21 MR. TUSTIN: I'll be happy to.

22 COUNCILWOMAN KRAJEWSKI: Okay.
23 Now, that's each Council District.

24 MR. TUSTIN: Broken down by the
25 ten Council Districts.

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2 COUNCILWOMAN KRAJEWSKI: Thank
3 you.

4 MR. TUSTIN: You're welcome.

5 COUNCILWOMAN KRAJEWSKI: I
6 believe that we have Mike McCrea here,
7 Philadelphia Recreation Advisory, and
8 Rob Dubow from PICA.

9 (Witnesses come forward.)

10 COUNCILWOMAN KRAJEWSKI: Good
11 morning, Rob. You look familiar there.

12 MR. DUBOW: I feel familiar
13 here.

14 COUNCILWOMAN KRAJEWSKI: Good
15 morning. Please state your name for the
16 record.

17 MR. MCCREA: Good morning. I'm
18 Mike McCrea, and I'm President of the
19 Philadelphia Recreational Advisory
20 Council, and I am very pleased to be
21 given the opportunity to testify in
22 favor of Bill 060883.

23 Contained in that bill plus the
24 other two accompanying bills of City
25 budget surplus is 10 million for Police,

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2 10 million for Fire, 10 million for
3 Recreation. While the amount for
4 Recreation doesn't match our needs, it
5 will certainly meet some of our crucial
6 requirements.

7 We appreciate the support of
8 City Council. Even though these bills
9 serve as a reminder of why we're in such
10 desperate needs for Capital funding.
11 The Mayor's refusal to accept at least a
12 reasonable compromise has left us
13 without any capital budget for the last
14 two fiscal years.

15 This has caused the Recreation
16 Department to spend some of its
17 under-funded operating budget on items
18 that should be paid for with capital
19 dollars. We all know, or should know,
20 that these operating-budget dollars
21 could be much better spent on
22 vitally-needed programming and services.

23 The need for capital investment
24 was laid out almost a year ago when the
25 recreation facility assessment was

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2 erased by the Capital Program Office.
3 The report ranked each item in the
4 degree of urgency from replacing them
5 immediately to replacing them within a
6 year to replacing them anywhere from one
7 to five years.

8 Just the items ranked for
9 replacement immediately, the total cost
10 was \$4.7 million a year ago. Adding the
11 items that were ranked to be replaced
12 within one year, the cost would soar to
13 \$17.1 million. But remembering the
14 report is already one year old, so the
15 original time line has to be
16 accelerated. Adding additional costs
17 for other inflationary and other
18 materials, the amount increased to more
19 than \$18 million, and that is our
20 immediate need by the City's own report.

21 From the same report, we find
22 that another \$13.5 million that we
23 needed next year and another over
24 \$10 million a year after that.

25 And A particularly disturbing

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2 element of this is that list does not
3 even include pools or ice rinks.

4 Last month, these issues came
5 up in a debate on Bill 060692, and the
6 Philadelphia Recreation Advisory Council
7 contacted all members of City Council,
8 voicing our opposition. This bill
9 authorizes the City to borrow
10 \$150 million in capital funds strictly
11 for commercial corridors and cultural
12 institutions.

13 Our communities, along with
14 public recreation, once again, were left
15 out of the mix.

16 After two years of no Capital
17 Budget, we were offended that Council
18 could see its way clear to pass this
19 without any thought of the city's
20 existing infrastructure.

21 We would, however, like to
22 thank those who voted against this bill,
23 specifically: Council President Verna,
24 Councilwoman Tasco, and Councilman
25 O'Neill, all of whom are now sponsoring

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2 this bill.

3 As volunteers, we've watched
4 our children and young people in every
5 neighborhood cut down and caught in the
6 current wave of violence being
7 unreleased on such an unprecedented
8 scale.

9 We continue to support our
10 youngsters in every community across the
11 city. As we have always done, Public
12 Recreation stands on the front lines of
13 these crisis of violence, and all we've
14 ever asked for was the support of this
15 administration.

16 Unfortunately, the Street
17 Administration has made it abundantly
18 clear that it has more important
19 priorities than the children and young
20 adults that we serve and provide for.

21 The Administration has
22 consistently cut the Recreation
23 Department's operating budget, frozen
24 hiring of additional staff that have
25 left some of our facilities unmanned,

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2 cut programming, attempted to close
3 recreation centers, playgrounds, and
4 swimming pools, and has allowed the
5 deterioration of facilities that have
6 managed to stay open.

7 Any way you look at it, it's a
8 very sad record.

9 The one bright spot has always
10 been City Council and its effort to put
11 the children and youth of our city on at
12 least the same level (indiscernible) and
13 smoke and mirror and gimmicks handed to
14 our communities by the Street
15 Administration.

16 These bills, though not the
17 entire solution, are a clear step in the
18 direction of shifting our priorities
19 back to where they belong. We urge that
20 these bills not just be passed, but
21 passed with a veto-proof majority.

22 Thank you.

23 COUNCILWOMAN KRAJEWSKI: Thank
24 you.

25 MR. McCREA: Thank you.

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2 COUNCILWOMAN KRAJEWSKI: Okay,
3 Mr. Dubow?

4 MR. DUBOW: Good morning
5 Councilwoman Krajewski and members of
6 the Committee. My name is Rob Dubow.
7 I'm the Executive Director of PICA, and
8 with me is today Uri Munson PICA's
9 Deputy Executive Director. I'm here
10 testify in support of the bill, which
11 would transfer \$30 million to be used
12 for pay-as-you-go capital projects.

13 Last month, PICA released a
14 paper on the city's higher-than-
15 anticipated FY 06 fund balance. After
16 showing the fund balance was about
17 53 million higher than that included in
18 the '07-to-11 Five-Year Plan, the paper
19 said that so long as the City is able to
20 balance the next plan that it's doing,
21 it should use its larger-than-
22 anticipated fund balance to address the
23 key long-term financial issues facing
24 the City.

25 One of those issues is its

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2 crumbling core infrastructure. The City
3 Planning Commission has said the City
4 should be investing \$185 million
5 annually in its infrastructure.
6 Instead, the City plans to invest no
7 more than 71 million in any capital
8 budget for the next six years.

9 It's clear that the City needs
10 to increase its investment in its
11 infrastructure. It's also clear that
12 the City can't afford to keep adding to
13 its fixed, costs for the Sinking Fund,
14 for unfunded pension liability have both
15 increased dramatically.

16 But the combination of
17 increasing fixed costs and
18 underinvestment of infrastructure means
19 the City must find a way to increase its
20 infrastructure investment without taking
21 on new debt.

22 This bill that's being
23 considered today would be an important
24 step towards doing just that. By making
25 repairs to police, Fire, and Recreation

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2 facilities, the City will start to make
3 desperately needed improvements and will
4 not be incurring any long-term
5 obligations.

6 There are, however, some
7 caveats to our support of the bill. As
8 we said in our report on the '06 fund
9 balance, the first step the City should
10 take in considering how to respond to
11 having a larger-than-anticipated fund
12 balance is to assure that the next plan
13 will be balanced.

14 The quarterly report that the
15 City submitted to PICA on November 15th
16 shows that the City is forecasting an
17 ending fund balance for this year that
18 is \$32 million higher than the amount
19 included in the approved plan.

20 While an increased balance of
21 \$32 million would make it appear that
22 the City should be able to afford a
23 one-time expenditure of \$30 million,
24 there are a number of substantial risks
25 included in the plan, including

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2 assumptions that:

3 PGW will repay its \$45 million
4 loan;

5 That the State will assume its
6 full financial responsibility for the
7 Convention Center beginning in Fiscal
8 Year 2010;

9 That the City reduces its
10 number of police officers, beginning
11 this fiscal year if the State assumes
12 responsibility for patrolling State
13 highways in Philadelphia;

14 That City employees won't
15 receive salary increases after the
16 expiration of their current collective
17 bargaining agreements;

18 That the City will be
19 successful in its appeal of arbitration
20 awards to the Police and Fire unions;

21 That the prison costs will not
22 grow, or will grow slowly, despite rapid
23 increases in the census;

24 That the net cost to the City
25 Department of Human Services will not

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2 increase, despite the continued threat
3 of reductions in federal funding; and.

4 That the City will be able to
5 slow the growth of its health insurance
6 cost.

7 Clearly, that's a long list of
8 risks, and the plan already assumes that
9 the General Fund's balance will drop by
10 \$130 million over the next three years.

11 If any of the risks mentioned
12 above increase the City's obligations or
13 reduce its revenues, the plan will face
14 even more pressure, and the City's task
15 in balancing the next plan will be even
16 more daunting.

17 But because investing in the
18 City's core infrastructure is so
19 important, all of those risks do not
20 necessarily mean that this ordinance
21 should not be passed.

22 The risks do mean, however,
23 that the Administration should
24 demonstrate how it can balance a
25 Five-Year Plan that includes this

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2 \$30 million. It is crucial that the
3 City take this opportunity to make this
4 essential investment a priority and that
5 the investment will be included in the
6 FY-08-to-FY 12 plan.

7 That concludes my testimony,
8 and I'd be happy to answer any
9 questions.

10 COUNCILWOMAN KRAJEWSKI: Thank
11 you. Are there any questions from
12 members of the committee?

13 Councilman Goode.

14 COUNCILMAN GOODE: Thank you,
15 Madam Chair.

16 Mr. Dubow, it was mentioned
17 before that this bill doesn't say
18 anything about Police, Fire, or
19 Recreation; is that correct?

20 MR. DUBOW: That's correct.

21 COUNCILMAN GOODE: And you give
22 a long list of risks within the
23 Five-Year Plan, assumptions among them
24 that PGW will pay back the \$45 million,
25 which we know will not happen; that

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2 health insurance costs will not rise,
3 which we know will not happen. We know
4 already that there's no salary increases
5 built into this plan for the municipal
6 unions after their deals are gone, and a
7 whole host of other things.

8 In fact, you mentioned that the
9 fund balance will drop \$130 million in
10 the next three years.

11 Do you think it is wise that we
12 pass this bill without the companion
13 bills and literally give City Council
14 \$30 million in Class 800 funds; is that
15 sound fiscal policy?

16 MR. DUBOW: Well, I trust that
17 Council actually would spend their
18 monies in the way the bills indicate
19 that they would be spent.

20 So from my perspective, the
21 fact that just one bill is being heard
22 now and the other two will be heard
23 January 31st don't necessarily cause a
24 problem.

25 COUNCILMAN GOODE: But the

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2 assumption here is that we would pass
3 this bill out of committee and that the
4 bill will have final consideration next
5 week.

6 MR. DUBOW: That's correct.
7 The money will be put in Classes 800,
8 meaning that it can only be used for
9 expenditures that will go to other
10 funds; and in this case, capital funds.
11 So there are really restrictions on
12 where the money could go.

13 And, again, I trust that the
14 intention of the bill is --

15 COUNCILMAN GOODE: If something
16 happened to the other two bills, then
17 the money would be stuck; is that
18 correct?

19 MR. DUBOW: And the money
20 wouldn't be spent and would stay in the
21 fund balance.

22 COUNCILMAN GOODE: The money
23 would stay in the fund balance?

24 MR. DUBOW: Yes. It wouldn't
25 be spent if the other bills didn't pass.

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2 There wouldn't be a vehicle for --

3 COUNCILMAN GOODE: We're
4 transferring it from the fund balance to
5 Council.

6 MR. DUBOW: Yeah, but it
7 wouldn't get spent. At the end of the
8 year --

9 COUNCILMAN GOODE: It would be
10 stuck.

11 MR. DUBOW: Yes. And not be
12 spent. And at the end of the fiscal
13 year, it would be part of the fund
14 balance. The expenditures, in essence
15 were coming in under projection, and the
16 fund balance would be higher than --

17 COUNCILMAN GOODE: But the
18 money would be stuck.

19 MR. DUBOW: It would be stuck
20 and it would not be spent.

21 COUNCILMAN GOODE: Thank you.

22 COUNCILWOMAN KRAJEWSKI: Thank
23 you.

24 Are there any other questions
25 from members of the committee?

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2 Councilwoman Tasco.

3 COUNCILWOMAN TASCO: And the
4 money could be transferred back to
5 the...

6 MR. DUBOW: Yes, it could.

7 COUNCILWOMAN TASCO: Okay,
8 thank you.

9 Madam Chair, I'd just like to
10 say that when we discussed the
11 \$150 million for the Cultural Fund and
12 when it proposed the debt service for
13 the funding of the Cultural Funds,
14 Capital Program Projects, we were told
15 that everything was fine and that there
16 were no problems.

17 I think the Administration
18 selectively gives us the doom and gloom
19 when they don't want to fund something
20 and the great picture when they don't
21 want to fund something.

22 I just ask the committee --
23 'cause most of us were in the room
24 during the testimony of the \$150 million
25 and were told that there was plenty of

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2 money around to take care of our
3 infrastructure. And in Ms. Reed's
4 comments, she talked about the
5 recreation centers.

6 So there's some inconsistency
7 in the testimony, and I would hope that
8 this committee would vote this bill out
9 because it is an appropriation bill.
10 And in order for us to have the
11 discussion on the other two bills, we
12 have to have the appropriation power,
13 and that's why we asked you to list this
14 bill today, so that we could have
15 discussion.

16 It would have been very good if
17 we could have both bills at the same
18 time; it would have been quite helpful.
19 But since that did not happen, we will
20 have the hearing at the end of January
21 to make the final decision on whether we
22 amend the Capital Program or amend the
23 Capital Budget, that we will have the
24 appropriation power to do so.

25 So that's why this is

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2 important.

3 COUNCILWOMAN KRAJEWSKI: Thank
4 you.

5 Councilman Clarke.

6 COUNCILMAN CLARKE: Thank you.
7 Thank you, Madam Chair.

8 Mr. Dubow, is it your
9 understanding that regardless of what
10 category or what class we put this money
11 in, that if the Administration chooses
12 not to spend the money, it can't be
13 spent?

14 MR. DUBOW: I understand that
15 if it goes into Council, you could move
16 it over to the Capital Budget, but if
17 the Administration chooses not to spend
18 it in capital, it would not be spent,
19 that's correct.

20 COUNCILMAN CLARKE: Thank you.
21 Thank you.

22 COUNCILWOMAN TASC0: And that's
23 the problem we have now, why those
24 facilities are crumbling, and I think we
25 have a Charter responsibility to correct

1 12/7/06 APPROPRIATIONS - BILL 060833
2 protect the health and welfare of the
3 people who work for the City of
4 Philadelphia.

5 COUNCILWOMAN KRAJEWSKI: All
6 right. Thank you.

7 I believe that ends our public
8 hearing.

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1 12/7/06 APPROPRIATIONS - PUBLIC MEETING

2 COUNCILWOMAN KRAJEWSKI: Now we
3 will go into our public meeting.

4 The Chair recognizes Councilman
5 Clarke for Bill No. 060833.

6 COUNCILMAN CLARKE: Thank you,
7 Madam Chair.

8 Madam Chair, I move that Bill
9 060833 be reported out of committee with
10 a favorable recommendation and a request
11 for a rules suspension so as to allow
12 reading at our next session of Council.

13 (Motion seconded.)

14 COUNCILWOMAN KRAJEWSKI: All
15 those in favor?

16 Opposed?

17 COUNCILMAN GOODE: Nay.

18 COUNCILWOMAN KRAJEWSKI: The
19 Chair recognizes Councilman Goode as
20 voting nay.

21 Therefore, Bill No.060833 will
22 be reported out of this committee with a
23 favorable recommendation and that the
24 rules of Council be suspended so as to
25 speak permit first reading at our next

1 12/7/06 APPROPRIATIONS - PUBLIC MEETING

2 session of Council.

3 The Chair recognizes Councilman
4 Clarke for Bill 060851.

5 COUNCILMAN CLARKE: Thank you,
6 Madam Chair.

7 Madam Chair, I move that Bill
8 No. 060851 be reported out of committee
9 with a favorable recommendation and a
10 request for rules suspension so as to
11 allow for first reading at our next
12 session of Council.

13 (Motion seconded.)

14 COUNCILWOMAN KRAJEWSKI: All
15 those in favor?

16 Opposed?

17 Therefore, Bill 060851 will be
18 reported out of this committee with a
19 favorable recommendation and that the
20 rules of Council be suspended so as to
21 permit first reading at our next session
22 of Council.

23 The Chair recognizes
24 Councilwoman Miller for a motion on Bill
25 No. 060886.

1 12/7/06 APPROPRIATIONS - PUBLIC MEETING

2 COUNCILWOMAN REED-MILLER:

3 Thank you, Madam Chair.

4 I move that Bill 060886 be
5 reported out of this committee with a
6 favorable recommendation and I further
7 move --

8 COUNCILWOMAN KRAJEWSKI: All
9 those in favor?

10 Opposed?

11 Therefore, Bill 060887 will be
12 reported out of this committee -- 886,
13 I'm sorry, will be reported out of this
14 committee with a favorable
15 recommendation so that the rules of
16 Council be suspended so as to permit
17 first reading at the next of session
18 Council.

19 The Chair recognizes Councilman
20 Ramos for a motion on Bill 060887.

21 COUNCILMAN RAMOS: Madam Chair,
22 I move that Bill 060887 be reported out
23 of Council with a favorable
24 recommendation and I further move that
25 the rules of Council be suspended to

1 12/7/06 APPROPRIATIONS - PUBLIC MEETING

2 permit first reading of this bill at our
3 next Council hearing.

4 (Motion seconded.)

5 COUNCILWOMAN KRAJEWSKI: All
6 those in favor?

7 Opposed?

8 Therefore, Bill 060887 will be
9 reported out of this committee with a
10 favorable recommendation and the rules
11 of Council be suspended so as to permit
12 first reading at our next session of
13 Council.

14 The Chair recognizes Councilman
15 Goode for Bill 060888.

16 COUNCILMAN GOODE: Thank you,
17 Madam Chair.

18 I move that Bill 060888 be
19 reported out of committee with a
20 favorable recommendation and that the
21 rules be suspended so as to permit first
22 reading at our next Council session.

23 (Motion seconded.)

24 COUNCILWOMAN KRAJEWSKI: All
25 those in favor?

1 12/7/06 APPROPRIATIONS - PUBLIC MEETING

2 Opposed?

3 Therefore, Bill No. 060888 will
4 be reported out of this committee with a
5 favorable recommendation and the rules
6 of Council be suspended so as to permit
7 first reading at the next session of
8 Council.

9 The Chair recognizes Councilman
10 Rizzo on Bill 060889.

11 COUNCILMAN RIZZO: Thank you,
12 Madam Chair.

13 Madam Chair, I would like to
14 report out favorably Bill No. 060889 and
15 suspend the rules.

16 (Motion seconded.)

17 COUNCILWOMAN KRAJEWSKI: Thank
18 you all.

19 All those in favor?

20 Opposed?

21 (Applause.)

22 COUNCILWOMAN KRAJEWSKI:

23 Therefore, Bill No 060889 will be
24 reported out of this committee with a
25 favorable recommendation and the rules

1 12/7/06 APPROPRIATIONS - PUBLIC MEETING

2 of Council will be suspended so to speak
3 permit first reading at our next session
4 of Council.

5 That concludes our Committee on
6 Appropriations. And thank you all very
7 much for your attendance.

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C E R T I F I C A T E

I HEREBY CERTIFY that the proceedings of the City of Philadelphia Council Committee on Appropriations are contained fully and accurately in the stenographic notes taken by me on Thursday, December 7, 2006, and that this is a true and correct statement of same.

JOSEPHINE CARDILLO
Registered Professional Reporter

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