COUNCIL OF THE CITY OF PHILADELPHIA
COMMITTEE ON FINANCE

Room 400, City Hall
Philadelphia, Pennsylvania
Monday, May 23, 2011
10:15 a.m.

PRESENT:
COUNCILWOMAN MARIAN B. TASCO, CHAIR
COUNCILWOMAN JANNIE BLACKWELL
COUNCILMAN W. WILSON GOODE, JR.
COUNCILMAN BILL GREEN
COUNCILMAN WILLIAM K. GREENLEE
COUNCILMAN CURTIS JONES, JR.
COUNCILMAN JAMES KENNEY
COUNCILWOMAN BLONDELL REYNOLDS BROWN

BILLS 100754, 110206, 110244, 110297, 110342 and 110343

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COUNCILWOMAN TASCO: Good morning. We will now call the Committee on Finance to order and note that we have a quorum in the presence of Councilwoman Blondell Reynolds Brown, Councilman Greenlee, Councilman Kenney, Councilman Goode and Councilman Green.

We'll ask the Clerk to please read the bills.

THE CLERK: Bill No. 110754, an ordinance amending Chapter 19-2600 of The Philadelphia Code, entitled "Business Privilege Taxes," by providing for exclusions and certifications for hobbies and other not-for-profit activities, under certain terms and conditions.

Bill No. 110206, an ordinance amending Section 10-1001 of The Philadelphia Code relating to fees charged by the Commissioner of Records by providing that certain fees imposed for recording of deeds shall be waived with respect to a deed filed solely for the purpose of removing the name of a deceased spouse or life partner and re-titling the property in the name of the surviving spouse or life partner.

Bill No. 110244, an ordinance amending Section 19-1705 of The Philadelphia Code to increase the amount of interest and penalty on any unpaid money or claim collectible by the Department of Revenue that may be waived by the Revenue Commissioner, under certain terms and conditions.

Bill No. 110297, an ordinance authorizing the City Treasurer, on behalf of the City, to enter into an agreement with Wells Fargo Bank, N.A. for provision of payroll banking services to the City, under certain terms and conditions.

Bill No. 110342, an ordinance authorizing the Director of Commerce to enter into an Extension of the Use and Lease Agreements between the City of Philadelphia and each of the airlines servicing Philadelphia International Airport, under certain terms and conditions.

Bill No. 110343, an ordinance approving the Fiscal Year 2012 Capital Budget providing for expenditures for the capital purposes of the Philadelphia Gas Works (including the supplying of funds in connection therewith) subject to certain constraints and conditions, and acknowledging receipt of the Forecast of Capital Budgets for Fiscal Years 2013 through 2017.

COUNCILWOMAN TASCO: We are going to hear Bill 110297, payroll banking services ordinance.

(Witness approached witness table.)

COUNCILWOMAN TASCO: Good morning.

MS. WINKLER: Good morning.

Good morning, Councilwoman Tasco and members of the Committee on Finance. I am Nancy Winkler, City Treasurer for the City of Philadelphia. I am here to testify in support of Bill

No. 110297.

Bill No. 110297 will authorize the Office of the City Treasurer, on behalf of the City, to enter into an amendment agreement with Wells Fargo Bank, N.A., which was formerly known as Wachovia Bank, N.A., pursuant to which Wells Fargo shall continue to provide payroll banking services to the City. Bill No. 060387, as adopted by City Council, required the City Treasurer to conduct an RFP process to select a City payroll depository and required that no contract be executed until it had been approved by City Council by ordinance. An RFP process was conducted, and City Council approved the ordinance contract in June of 2009 pursuant to Bill No. 090352. The City and Wachovia entered into a contract for payroll banking services for an initial term of July 1, 2009 through June 30, 2010. The provisions of that contract required City Council approval of any amendment to add additional terms. Bill No. 100129 authorized the City Treasurer to amend the contract to add an additional term of July 1, 2010 to June 30, 2011. This bill, Bill No. 110297, authorizes the Office of the City Treasurer to amend the contract to add an additional term of July 1, 2011 to June 30, 2012.

This concludes my testimony, and I'm happy to answer any questions you may have at this time.

COUNCILWOMAN TASCO: Thank you very much.

The Chair recognizes Councilman Goode.

COUNCILMAN GOODE: Thank you, Madam Chair.

Good morning, Ms. Winkler.

MS. WINKLER: Good morning.

COUNCILMAN GOODE: You referenced several bills in your testimony. You did not reference Bill No. 100549, which was the last amendment to the Code, which was signed into law in

2010. Are you familiar with that ordinance?

MS. WINKLER: I don't believe I am. If you could -- perhaps if you could refresh my memory.

COUNCILMAN GOODE: We actually talked about it not too long ago. Within that ordinance, two things are called for. One, that this contract be put out to bid every four years.

MS. WINKLER: Correct.

COUNCILMAN GOODE: Are you familiar with that provision?

MS. WINKLER: Yes.

COUNCILMAN GOODE: For the record, when will that contract be put out to bid?

MS. WINKLER: It will be put out to bid this calendar year. The objective would be -- we haven't finalized the exact schedule, but the objective would be to take into account the amount of time it would take for an orderly transition of a new bank, were we to make a change, and to back up so that we would have sufficient time. So I would imagine by the end of the summer, this summer. We have a draft RFP we're working on.

COUNCILMAN GOODE: So the contract will be put out to bid?

MS. WINKLER: It will be put out to bid within the next several months.

COUNCILMAN GOODE: The ordinance also called for when there is any renewal contract, that it be approved by City Council and that an exhibit to that ordinance contain a fair lending plan. There is no fair lending plan attached to this ordinance.

MS. WINKLER: There is no fair lending plan attached to this ordinance?

COUNCILWOMAN TASCO: To the ordinance we're looking at today?

COUNCILMAN GOODE: Yes.

Therefore, if there's no fair lending plan attached, the bill would not be valid and the contract would not be valid.

Could we have the Law Department come forward.

(Witness approached witness table.)

MR. DUTCHIE: Good morning, Councilman Goode.

COUNCILMAN GOODE: Good morning. Please identify yourself for the record.

MR. DUTCHIE: Francois Dutchie, Divisional Deputy City Solicitor for Finance and Contracts.

COUNCILMAN GOODE: I'm assuming you are familiar with Bill No. 100549.

MR. DUTCHIE: I believe I was.

COUNCILMAN GOODE: Let me read to you the last part of it. "No contract with a proposed recipient of City Payroll Deposits may be executed until it has been approved by Council by ordinance. No such contract shall be approved by contract unless," and there's two provisions. The second provision says, "The contract is for a one year term plus not more than three one year renewal terms, each at the City's sole option. The contract shall further provide that the City may not exercise its option to renew the contract for any one year renewal term unless Council has expressly approved such renewal by Ordinance. No such renewal shall be approved by Council unless the proposed recipient submits an updated fair lending plan that responds to the latest annual disparity study or studies commissioned by the City relating to the performance of the proposed recipient and the performance of any other bank or any other institution that the proposed recipient has acquired, and such updated plan is attached as an exhibit to the Ordinance approving the renewal."

Is that the law?

MR. DUTCHIE: Yes, it is.

COUNCILMAN GOODE: So there

should be a fair lending plan attached to the bill before it can become law?

MR. DUTCHIE: That's correct, and we will get a fair lending plan in place. That was my oversight.

COUNCILMAN GOODE: Thank you.

Thank you, Madam Chair.

COUNCILWOMAN TASCO: Thank you very much.

Any other questions from members of the Committee?

(No response.)

COUNCILWOMAN TASCO: Thank you very much for your testimony.

Let me recognize that Councilwoman Blackwell was here. She may return, but I think she had to go to a meeting with the President.

Next we'll have Bill 110343, the Capital Budget ordinance for PGW.

(Witnesses approached witness table.)

COUNCILWOMAN TASCO: Good morning.

MS. PARRISH: Good morning, Chairwoman Tasco, members of the Committee. My name is Janet Parrish. I'm the Executive Director of the Philadelphia Gas Commission.

MR. GALLAGHER: I'm William Gallagher. I'm the Director of Budget Reporting for the Philadelphia Gas Works.

COUNCILWOMAN TASCO: Thank you. Would you proceed.

MS. PARRISH: Yes. Thank you. Thank you for the opportunity to be here and present testimony in support of this bill on behalf of the Philadelphia Gas Commission. Both the Gas Commission and PGW have submitted written testimony, which I will not read, but I would point out that attached to the testimony for your information is a copy of the Gas Commission's Resolution and Order in the matter of PGW's Fiscal Year 2012 Capital Budget, which details all of its recommendations to Council, and this Resolution and Order reflects action that was taken unanimously by the Commission at its April 27th meeting. We are urging Council to approve the bill and also we are requesting a suspension of the rules so that first reading may occur at the next session of Council.

Just to give you a little bit of the highlights, we are talking about a Capital Budget for PGW for Fiscal 2012 just shy of $81 million, $80.837 million, which is somewhat higher, $5 to $10 million higher than the typical Capital Budgets we've seen in recent years. Primarily that reflects the fact that we've budgeted some almost $7 million for two very large marketing initiatives, which would bring on new customer load from the Philadelphia Navy Yard and the Art Museum, and we do believe PGW projects that predominantly those costs would be reimbursed by the customer, but we do have to budget the gross amount for budgeting purposes.

We've also got a significant

amount of funding included for a main replacement project of a very large 30-inch diameter main. So those are some of the things that are a little bit different, otherwise I would say it's fairly much a vanilla budget that we're used to seeing year after year. PGW does have in their testimony additional detail on some these budget line items, if you care to read further.

So the budget, just to point out, does continue to reflect a continuation of the 18-mile annual cast iron main elimination program. It also does recommend continuation of the line item transfer authority that Council has delegated to PGW and the Gas Commission for a number of years now where some of the funding, if necessary, can be shifted within departments or within the budget, subject to reporting to Council at the close of the fiscal year. That program has worked very successfully to give some flexibility within the budget, and we do recommend that it no longer be considered to be a trial program.

Finally, the Gas Commission has completed its process of updating, working with PGW to update its capital eligibility guidelines, which determine the thresholds at which assets are capitalized. And so that -- we've kind of put that matter to rest and made PGW more consistent with the City's guidelines.

And in closing, let me also point to you to the disadvantaged business enterprise participation targets for the Fiscal '12 Capital Budget. They are basically on par with last year, which on the Capital Budget side is in the -- just shy of 11 percent, 11 to 15 and a half percent range. And I would point out to you, however, that PGW's overall target for Fiscal '11 was in the 17 to 21 percent range, and that is because what we don't have here in front of us yet today are the Operating Budget spending goals. PGW has not yet formulated its Fiscal '12 Operating Budget, but last year on the operating side, the participation goals were in the range of 19.6 to 24 percent. So you can see that you have to take a mix of the two, Operating and Capital, to get the whole picture. But we will continue to keep you informed on that.

In one other area I think I would note, since we were last before the Finance Committee, which I believe was several months ago, regarding PGW's gas procurement program, since that date, the City's Office of Economic Opportunity has issued the economic opportunity plan, which is really a first, applying to PGW's gas procurement program, which does call for a good and best-faith efforts to try to identify minority gas suppliers out there in the national market who perhaps can be brought into the program, and that EOP does require annual reporting by PGW to both the Gas

Commission and the City's Office of OEO, and, of course, we will continue to keep you informed on that.

So that's pretty much the package that we have in front of you today, and, of course, we'd be happy to answer any questions.

Thank you.

COUNCILWOMAN TASCO: Thank you very much. We want to say that I believe it was about a year or so ago when you were in here and heard the questions about the disadvantaged equal opportunity program, PGW and Gas Commission moved quickly to look at their equal opportunity program and to develop a program that would be more inclusive. So we want to thank PGW and certainly thank the Gas Commission for your cooperation in moving this forward.

Councilman Kenney has a question, then I'm going to come back and I'll ask you a question that I didn't tell you I was going to ask you, but I need an update.

COUNCILMAN KENNEY: Thank you, Madam Chair.

This is not related to your capital issue, but it's an opportunity since you're sitting here to perhaps get back to me with some information I've been trying to ascertain.

Ever since the tragic death of Mark Keeley in the gas explosion, I have been making inquiries both to the Administration and to other legal areas as to how we can identify these workers as first responders. Mark's tragic and heroic death -- he did not have any children, he wasn't married, but I know that hopefully going forward, we won't have to deal with this. But in situations where your workers are working side by side with firefighters and police officers and give their life in that service, I think it's only appropriate that they be considered first responders, with access to benefits and other things, scholarships for their children and the like. So I'm waiting for the Administration to kind of give me some idea where they stand on it, and I would wonder if you internally could examine what would need to be done to accomplish that goal. Hopefully we'll never have to deal with it again, but it just occurred to me that when that young man lost his life, he was right there with firefighters and police officers, and in those circumstances, your folks are in danger as much as anyone else.

So I would appreciate it if you could get back and let me know.

MS. PARRISH: Absolutely.

MR. GALLAGHER: I appreciate your comments.

COUNCILMAN KENNEY: Thank you.

COUNCILWOMAN TASCO: We have been discussing on the state level the whole issue of DSIC. Could you just briefly explain what that is. It has to do with the state's effort to require that so much be spent on additional main lines because of the tragedy here and some stuff in other parts of the country and what impact that would have as we see it on ratepayers.

MS. PARRISH: Okay. I'd be happy to do that, and Mr. Gallagher --

COUNCILWOMAN TASCO: Would you speak up a little bit. Your voice is so low.

MS. PARRISH: I'm very sorry. Here we go.

COUNCILWOMAN TASCO: We're a younger Council, but some of us have older ears.

MS. PARRISH: Okay. Madam Chairwoman, you are referencing the latest incarnation of the so-called DSIC. It's actually D-S-I-C, is the acronym. It stands for Distribution System Improvement Charge, but because it's hard to say D-S-I-C, people tend to call it DSIC.

There is presently legislation

in the state House, House Bill 1294, if you want to take a look at it, sponsored by Representative Godshall from Montgomery County and a bunch of co-sponsors, including some from Philadelphia. It has been heard before the House Consumer Affairs Committee, and that's the last that I heard.

It would actually make significant changes in the ratemaking authority of the state Public Utility Commission that goes beyond but includes the establishment of an infrastructure surcharge. The main purpose of that charge or the main argument in favor of it is that it would allow utilities to gather revenues to support additional capital work, capital improvement work, at the cheapest possible way, because they wouldn't have to go out and borrow money. As in PGW's case, there would be associated interest costs and debt service coverage requirements, et cetera. So the most cost-effective way if you're going to raise money is to charge the customer directly through a surcharge.

That being said, the stated purpose of this, as you alluded to, is to create additional money to start accelerating the pace of cast iron main elimination in the State of Pennsylvania. The bill actually has no requirements that any utility do one inch more of cast iron main replacement, but that is the stated purpose, is to provide a mechanism where funds could be raised to support such an acceleration. That really is a matter that will be determined in the first instance by the state Public Utility Commission, whether or not it will mandate the regulated gas utilities to do additional work and how much. I think those matters are in discussion now before by the PUC with each utility, including PGW, on an individual basis, and we are participating in those conversations with PGW. I think the jury is out right now, notwithstanding the tragic incident with Mark Keeley, whether or not PGW's program would be made, quote/unquote, safer by requiring it to replace more than 18 miles a year of cast iron main.

PGW, for your information, has had its program evaluated periodically by an outside consultant, most recently in 2008, and uses a computer prioritization model to help it identify the most high risk main and target those segments for replacement. It also has a pretty robust leak detection program, because it's not just about getting the main out, it's about detecting the leaks as they occur. And I do know that PGW has also amplified its procedures in the wake of the January incident, although, by the way, there are no final reports yet in that matter and, of course, that will be shared with Council.

So that's maybe a little bit more than you wanted to know, but that's the gist of it. We're waiting to see what happens on the state level with that legislation.

COUNCILWOMAN TASCO: Thank you very much, and I must say that the Gas Commission and PGW did make an effort to meet with some of the local state representatives to discuss this issue and to, at the end of the day, see what it would cost to ratepayers and how --

MS. PARRISH: And that all depends on how much replacement is mandated. What we looked at is for PGW, in their case it costs about a million and a half to a million point eight dollars for every additional mile of cast iron main replacement. So you can do the math. They're doing 18 miles a year now. If you double that or you did another ten miles, you're talking $20 million roughly.

COUNCILWOMAN TASCO: Okay. Thank you very much.

Councilwoman Brown.

COUNCILWOMAN BROWN: Good

morning.

MS. PARRISH: Good morning.

COUNCILWOMAN BROWN: Thank you for the announcement of the goals you've made regarding the EOP plan. Can you share with us if you had to make any internal systemic organizational changes regarding staff to ensure that the goals established are indeed achieved going forward?

MS. PARRISH: I'm going to ask Jo Ann Muniz, who is the Vice-President of Supply Chain at PGW, to join me. She can answer that more directly.

COUNCILWOMAN BROWN: And that's Vice-President of?

MS. PARRISH: Supply Chain.

(Witness approached witness table.)

COUNCILWOMAN BROWN: Good morning.

MS. MUNIZ: Good morning. Jo Muniz, Vice-President of Supply Chain.

We went through a Supply Chain

initiative which ended in December of last year, and what we did realize is, we did not have enough personnel to carry that through. So what we did do is, we did hire a contracts manager. We did hire someone to do our analytics. We did reshuffle the deck a little bit. We integrated our Procurement and our Materials Management so one hand knew what the other one was doing. So we did add an additional four people to the staff, plus integrate, and it did make a big difference, because we were able to concentrate our efforts in specialties.

COUNCILWOMAN BROWN: Okay. So then can we assume then that those four persons will be involved in the look-see for national minority gas suppliers?

MS. MUNIZ: Yes.

COUNCILWOMAN BROWN: That duty will fall to them?

MS. MUNIZ: Well, one of the things we did do is, we isolated a director to do diversity only, Ken

Williams. He concentrates his effort just on diversity and communication to the organization. He pulls everything together. He centralizes the information. That way we have total concentration on that avenue alone and let the Supply Chain do what they do, purchase and get the materials in for the company.

MS. PARRISH: Just to add to that, Councilwoman, PGW did also retain an outside consultant to do part of the targeted search for DBE suppliers in the gas industry. I don't believe their report is available yet. And also PGW's working through the trade industry associations, the American Gas Association, to help identify, really comb the boondocks of who is out there. So that's important for you to know.

COUNCILWOMAN BROWN: Okay. With the minority gas supplier aside, does or is there a process in place whereby the local Chambers are aware of your need and reach for disadvantaged businesses, the African American Chamber, the Hispanic Chamber and the Asian American Chamber?

MS. MUNIZ: Yes. We are part of the Chambers, and we do reach out to them, along with other organizations. We also have a vendor that we have that we have on retainer at this point in time to reach out to organizations nationally, not just locally.

COUNCILWOMAN BROWN: Okay.

MS. MUNIZ: And what we also do is, we go item per item on our budgets and we try to identify any opportunities at that point in time in advance of them spending.

COUNCILWOMAN BROWN: Okay.

MS. PARRISH: And not to belabor this, we've also been meeting quarterly approximately with Angela Dowd-Burton and other folks from the OEO. In fact, we have a meeting coming up. And it's been interesting to watch, because PGW has been able to give OEO some vendors and some contacts and vice versa. So they are also trying to do a sharing.

COUNCILWOMAN BROWN: That's the beauty of sitting down to talk across systems, so that you can gather information that benefits the bottom line of the overall goal.

The last question is -- and this may be premature because it sounds like these new personnels are recently in place. Is that accurate?

MS. MUNIZ: That's correct.

COUNCILWOMAN BROWN: So then is there some process in place where you'll be able to monitor progress based on the new investment in personnel and how that impacts the overall goal of increasing disadvantaged business participation?

MS. MUNIZ: Yes. We do have a savings track holder and a DBE tracker. So what we do, as people put on or bring in opportunity to a minority vendor, DBE, what we do is we track it, the amount of dollars then went out, whether or not we used them before or whether or not they're new suppliers. Each individual is tracked, and we look at that monthly.

COUNCILWOMAN BROWN: Okay. Well, let me say thank you for hearing us and then -- I won't say reacting, but responding in such a way that honors what the continued mission continues to be, and, that is, create a stronger, level playing field for disadvantaged businesses. Thank you.

MS. MUNIZ: You're welcome.

COUNCILWOMAN BROWN: Thank you, Madam Chair.

COUNCILWOMAN TASCO: Thank you very much.

Are there any other questions or comments?

(No response.)

COUNCILWOMAN TASCO: Thank you very much for your testimony.

MS. PARRISH: Thank you.

COUNCILWOMAN TASCO: The next bill will be Bill 110342, the Use and Lease Agreement Extension ordinance.

(Witnesses approached witness table.)

COUNCILWOMAN TASCO: Good morning.

MR. GALE: Good morning.

COUNCILWOMAN TASCO: Would you state your name for the record and present your testimony, please.

MR. GALE: Good morning, Madam Chairperson Tasco and members of the Committee on Finance. My name is Mark Gale. I am the Chief Executive Officer at Philadelphia International Airport. With me today to my right is James Tyrrell, Deputy Director of Aviation for our Properties and Business Development area, and Tom Becker, our Assistant Director of Aviation for Budget and Central Services. I'm pleased to testify in support of Bill 110342, an ordinance authorizing the Director of Commerce to enter into an Extension of the Use and Lease Agreement between the City of Philadelphia and the airlines servicing Philadelphia International Airport.

On March 10, 2011, a briefing was provided to the full City Council on the Airport's Capacity Enhancement Program. The Use and Lease Agreement Extension was included as part of that presentation.

The relationship between the airlines and the Airport is largely governed by a Use and Lease Agreement. This agreement, along with other pertinent regulatory directives, governs the use and operation of the Airport. The agreement gives the Airport the ability to set operational parameters and reasonable rates and charges, fund financial reserves in order to maintain creditworthiness, provide a mechanism for financing capital improvements and recover all costs associated with operating the Airport. In return, the airlines receive a relative cost certainty and the ability to continue their operation. As you know, the Airport is self-sufficient and does not use any local tax dollars.

The Airport has operated in this manner since 1974 when it entered into a 32-year-long agreement that expired in 2006. In 2007, the Airport changed that agreement to move away from exclusive area agreements with the airlines and into preferential and/or common-use arrangements which promote competition and better facility utilization. The legislation before you today will extend the term of that Agreement, which is set to expire on June 30th of this year, for an additional two years, which will then expire June of 2013.

The current Use and Lease Agreement has served the Airport well, and the Extension will act as a bridge to what we expect will be a much longer-term agreement, providing the framework to move forward with our airlines on the Airport's Capacity Enhancement Program.

As part of the Use and Lease Agreement Extension, the airlines have approved $250 million for Airport capital improvements, which will permit the Airport to proceed with enabling projects associated with the Capacity Enhancement Program. I am pleased to advise you that the Use and Lease Agreement Extension has already been approved by our hub carrier, U.S. Airways, and pending City Council approval, we are prepared to implement the agreement.

Philadelphia International Airport is critical to the region's economy. The Airport contributes more than $14 billion annually to the local economy and accounts for more than 141,000 jobs in the region. Airport expansion is necessary in creating jobs and allowing the region to be strategically positioned for future growth and competition. The Capacity Enhancement Program will enable the Airport to accommodate more than 20 million additional passengers annually by the year 2030, which will in turn generate more jobs and purchases of goods and services in the region. During the 2015 to 2025 period, the CEP is projected to preserve an economic output of more than $20 billion and preserve annual tax revenues projected to reach 100 million by the year 2025. Additionally, over the 12-year period, the CEP is projected to generate 100,000 jobs for the region.

I would ask for a suspension of the rules with respect to the second reading of the bill and greatly appreciate the opportunity to speak with you today in support of Bill 110342. Myself and my staff are all here and would be happy to answer any questions that you may have.

Thank you.

COUNCILWOMAN TASCO: Are there

any questions?

Councilwoman Brown.

COUNCILWOMAN BROWN: Good morning, gentlemen.

MR. GALE: Good morning, Councilwoman.

COUNCILWOMAN BROWN: This is unrelated but related to the bill before us today. Can you simply give us an update, a summary statement, if you will, on the first outreach you engaged in for awareness to disadvantaged businesses about this enormous economic opportunity coming to the Airport region.

MR. GALE: Gladly, Councilwoman. Last month, the Airport, in conjunction with moving forward with the Airport's Capacity Enhancement Program and knowing that there is going to be a lot of work at the Airport, many contracts, we held what I considered to be the first of several outreach opportunities or forums that we hold in connection with that work that's coming forward at the Airport, whether it be on a professional service side, architectural and engineering or in the upcoming stages on construction work, working with the Office of Economic Opportunity to make sure that we maximize opportunities for diversity and inclusion in these programs.

That forum was extremely well received. We had over 350 registered attendees, over 200 firms. I think the number was 208 firms that actually attended the forum, 75 percent of which were registered DBE certified firms that were there. So we believe obviously from the turnout and from the comments and the feedback that we got, the folks appreciated the opportunity to come and learn more about opportunities at the Airport, and for those reasons, as long as it was just the right thing to do, we expect to have many more of those in the coming days.

COUNCILWOMAN BROWN: Thank you

for that information. Know that I got the information, wanted to be there, but it conflicted with demands here at this table. So we'll continue to pay attention that way. Keep us informed about those efforts and give us the numbers, because numbers ultimately matter. The fact that 300 registered and 208 actually attended, then I will be curious to know how many were Philly residents, because ultimately we want to do all we can to get Philadelphia-based companies opportunity for all the reasons that we hear about all the time, so they can feed their families, et cetera. So keep us informed of those future efforts, and that's all for now on this topic.

Thank you.

MR. GALE: Thank you, Councilwoman, and we very much appreciate your support in that area.

COUNCILWOMAN TASCO: Councilman Green.

COUNCILMAN GREEN: Thank you

for your testimony. I just have a couple of quick questions about this.

Does this at all relate to concessions in the Airport?

MR. GALE: The agreement that governs the concessions at the Airport is a separate contract, which is still in place and expires in June of 2013.

COUNCILMAN GREEN: Okay. Does this at all relate to approval of new concessions, old concessions, extension thereof in any way?

MR. GALE: No, sir.

COUNCILMAN GREEN: Does this at all relate to any agreements with the Parking Authority or the FAA over parking or any of the parking lots that are on City-owned property at the Airport?

MR. GALE: No, sir. This extension is just to keep the agreement that we have in place running and keep the existing framework in place.

COUNCILMAN GREEN: So obviously I didn't -- I mean, I heard what you said, that it's with airlines, but what does that mean? Does that mean it's terminal leases essentially?

MR. GALE: Correct.

COUNCILMAN GREEN: And that's all it is, where they can park their planes, what it costs for them to take off and land?

MR. GALE: What their lending fees are, what their space rentals are. We essentially operate as the landlord for those things, yes.

COUNCILMAN GREEN: So it doesn't deal with concessions and it doesn't deal with the parking at the Airport at all?

MR. GALE: The concessions -- or the Parking Authority are signatory to this agreement.

COUNCILMAN GREEN: Thank you very much.

MR. GALE: Thank you.

COUNCILWOMAN TASCO: Any other questions?

(No response.)

COUNCILWOMAN TASCO: Thank you very much.

MR. GALE: Thank you, Councilwoman.

COUNCILWOMAN TASCO: Do you want a suspension of the rules?

MR. GALE: Yes, please, Councilwoman.

COUNCILWOMAN TASCO: Next we will have Bill No. 110206, fee waiver ordinance for estate properties.

(Witness approached witness table.)

COMMISSIONER DECKER: Good morning, Councilwoman Tasco and members of the Finance Committee. My name is Joan Decker. I serve as the Records Commissioner, and I'm here today to testify on behalf of Bill No. 110206, which was introduced by Councilman Kenney on March 17th, 2011.

I will just summarize the testimony, if that's okay.

We are fully in support of this bill, but we are requesting two changes to it, and that would be to enable us to require some documentation to be filed by those who are requesting the fee waiver just to prove eligibility for the fee waiver, and we're also asking for an effective date of 60 days after the bill becomes law, and this is to enable us some time to change the fee tables, provide for some reporting within the system and tracking capability, and also to provide information about the eligibility rules so that they are very clear to those who need to file this fee waiver and also it's very clear to the staff and can be applied consistently.

Anyway, thank you for the opportunity to testify today on behalf of this bill, and I'm happy to answer any questions you may have. And I also have copies of proposed amendments to the bill.

COUNCILMAN KENNEY: We have

them.

COUNCILWOMAN TASCO: Thank you very much.

The Chair recognizes Councilman Kenney.

COUNCILMAN KENNEY: Thank you, Madam Chair.

I just want to give a little background on this bill and how it came about. I was walking out the northeast entrance to City Hall one afternoon and saw an elderly woman on the sidewalk with a big folder full of paper, looking somewhat bewildered as to what was going on. So I engaged her and asked her what her problem was, and she said that her husband had just passed away about a month ago and she was trying to get the deed changed into her name and had to get the gas changed and the water changed. And so I took her back upstairs and sat her with Ms. Moore on my staff, and through the course of her working through these problems, it came clear that you had to pay a fee of almost $200 to get your spouse's name off the deed. Now, I know that that particular individual, her capability of paying that really was difficult, to pay almost $200 to have something done that's administratively done. So what we decided to do was to ask the Administration -- and you guys gratefully have agreed to do it -- to allow a person who has lost their spouse or their civil partner to be able to file for this fee waiver and to save the accompanying fee.

So we want to thank you for agreeing to do that. And the amendments were basically technical in nature and didn't change the aspect of the bill. So thank you.

COMMISSIONER DECKER: Thank you. Thank you very much. We recognize the need for this. Thank you very much.

COUNCILWOMAN TASCO: Could you just explain to me the process for having a deed -- this process to go through?

Does the person have -- do you issue a new deed or do they have to go to someone and ask them to do a new deed? I want to know that.

COMMISSIONER DECKER: Yes.

COUNCILWOMAN TASCO: What's the process?

COMMISSIONER DECKER: Yes. The Records Department does not prepare deeds, so the filer would have to have a deed prepared. But I do want to state that many spouses, there is language in the deed, which is Tenants in Entirety, and that means that the full ownership will go to the deceased spouse upon the passage of the other spouse. So there technically isn't a need to file a new deed. However, if that person needs to do that for other reasons, they do need to have a new deed prepared.

The Records Department -- that would represent a conflict for us, to prepare deeds and also to record them, because that would open the door for whatever. It's just something that would not appear to be good in all cases.

So we do not prepare the deed. The individual would have to have the deed prepared for them and then bring it into the Department to be recorded.

COUNCILMAN KENNEY: But I believe the preponderance of this particular situation is Tenants of the Entirety, not necessarily different circumstances which require the deed.

COMMISSIONER DECKER: Right. The benefit of filing a deed, though, from your perspective of the changes, we do push out changes in ownership, the names, to other City agencies, so there is a benefit in doing that.

COUNCILWOMAN TASCO: Thank you.

COMMISSIONER DECKER: Having a deed filed, so that is on the record in just the one person's name.

COUNCILWOMAN TASCO: Any other questions?

Councilwoman Brown.

COUNCILWOMAN BROWN: Thank you for that description of the process. So how does the process differ in a divorce situation, or does it?

COMMISSIONER DECKER: It's still the same. The same process occurs. The individual would have to have a deed prepared and then bring it into the Department to have it recorded.

COUNCILWOMAN BROWN: Thank you very much.

COMMISSIONER DECKER: Okay.

COUNCILWOMAN BROWN: Thank you, Madam Chair.

COUNCILWOMAN TASCO: So if the lady's husband, the title went directly to her as in this case with Councilman Kenney, it was a deed in the entirety?

COUNCILMAN KENNEY: Tenants in Entirety.

COUNCILWOMAN TASCO: Tenants in the Entirety. Automatically the house or the property goes to her?

COMMISSIONER DECKER: That's

correct.

COUNCILWOMAN TASCO: She goes to your office and files to remove his name. So now we have income guidelines?

COMMISSIONER DECKER: We have no income guideline. We will just really request that a copy, certified copy, of the marriage license and a certified copy of the death certificate of either the surviving spouse or the life partner be presented to the Department, and we'll require an affidavit form that will be recorded with the document.

COUNCILWOMAN TASCO: All right. And that's when the fee is waived?

COMMISSIONER DECKER: Yes. That's correct.

COUNCILWOMAN TASCO: Thank you very much.

COMMISSIONER DECKER: Thank you.

COUNCILWOMAN TASCO: Next we will have Bill 110244, Mr. Richardson.

(Witness approached witness

table.)

COMMISSIONER RICHARDSON: Good morning. Keith J. Richardson, the Revenue Commissioner for the City of Philadelphia.

Good morning, Councilwoman Tasco and members of City Council Committee on Finance. Again, my name is Keith J. Richardson. I'm the Revenue Commissioner for the City of Philadelphia Department of Revenue. I'm here today to testify in support of Bill No. 110244, which amends Section 19-1705 of The Philadelphia Code by increasing the amount of interest and penalty and any unpaid money or claim collectible by the Department of Revenue that may be waived by the Revenue Commissioner or his designee, under certain terms and conditions.

This bill proposes to increase the amount the Revenue Commissioner could waive up to 15,000 in interest or 35,000 in penalty or both. In addition, this bill provides that the person who files the petition for such waiver should agree to pay the remaining balance owed without further appeal to the Tax Review Board. This bill will provide a long overdue increase in the Revenue Commissioner's authority that has been eroded over time by inflation. It also will eliminate duplication of work by reducing the number of cases on which the Department of Revenue must consult with the Law Department's Tax Unit. While the two departments are creating a closer worker relationship, in the vast majority of cases, there is no benefit to requiring a second review. This bill will allow the Revenue Commissioner to use his settlement authority on cases where very large amounts of interest and penalty are owed but only a minor adjustment is necessary.

The Code currently authorizes the Revenue Commissioner or his designee to waive up to $10,000 of outstanding balances of interest and/or penalty charges upon any unpaid City or School District money collectible by the Department of Revenue. This power delegated to the Revenue Commissioner is limited only to abating the amount of interest and penalty reflected on the first billing sent to the taxpayer and the taxpayer must file the petition for waiver within 60 days of the date noted on the first bill. Over the years, this authority has allowed the Department of Revenue to collect unpaid money expeditiously and encourages taxpayers to settle their tax liability without going through a lengthy appeal process. However, we have learned from experience that limiting the total amount the Department of Revenue can waive to only $10,000 highly restricts the number of collection cases our department could resolve using this important but limited discretionary power.

Many of the Department's audit

cases that end up in additional tax assessments involve three years worth of unpaid or underpaid tax liability. The interest and penalty accruing over the three-year period on the tax liability is many cases more than 10,000 threshold. Taxpayers receiving the first billing notice from our department with more than 10,000 outstanding balance of interest and penalty have no choice but to pay in full or file a petition with the Tax Review Board. When taxpayers file petitions with the Tax Review Board, they usually request a review on the merits, which is deemed to include a request for waiver of interest and penalty as well. As a result, our revenue examiners and attorneys from the Law Tax Unit spend a considerable amount of time defending their cases through the appeal process.

We believe that this bill shall help the collection efforts of our department a great deal, will give more taxpayers the opportunity to come forward upon receiving their first billing notice to take advantage of this opportunity and shall save the City and taxpayers the time, effort and money otherwise expended in the lengthy appeal process.

This concludes my testimony. We also would ask for a suspension of the rules. Thank you for giving me the opportunity to testify, and I'm available to answer any questions.

COUNCILWOMAN TASCO: Are there any questions?

(No response.)

COUNCILWOMAN TASCO: Thank you very much.

Councilman Green.

COUNCILMAN GREEN: Just out of curiosity, how did you pick the 50,000, and could you describe the public policy rationale not to give you discretion with approval without having to go to Law and slow things up? And then I guess, finally -- and if you don't remember all these questions, I'll get back to it --

how long does it take to get the settlement back that could have been done in Revenue from Law typically when you have to refer things out because it's over the limit?

COMMISSIONER RICHARDSON: I'll go to your first question hopefully first. With regards to the $50,000 that we agreed upon, we thought right now as we were transitioning in the Tax Unit to Revenue, we would take increment steps on what the Revenue Commissioner's authority would be. Again, after my $50,000 authority, it can go to the corporate chair in the Law Department who has, I think, over to a quarter of a million. Anything above that will go to the City Solicitor for write-off process.

COUNCILMAN GREEN: And how many cases fall into this 10,000 to 50,000 category that you'll be able to address more --

COMMISSIONER RICHARDSON: I can get back to you with the amount on cases.

We're still looking at that right now, but, again, for customer services and for our purposes, it will stop a lot of going back and forth with the Tax Unit to look at a case and be more about results and efficiency.

COUNCILMAN GREEN: I was just curious if you looked at any data in order to figure out what a good number would be for you to have authority over in terms of the --

COMMISSIONER RICHARDSON: It's probably several hundred to a thousand or more cases. Just alone in the Water Department, I have 48,000 cases that we look at. So it's a good number. And, again, at the state level, I had an authority of about $50,000 for write-off, and we right now just think that's a good stepping stone.

COUNCILMAN GREEN: Thank you.

COUNCILWOMAN TASCO: Thank you very much.

COMMISSIONER RICHARDSON:

You're welcome.

COUNCILWOMAN TASCO: Next we have -- you might as well stay. I believe you're on this one -- Bill 110297 -- I'm sorry; 100754. I'm sorry.

Councilman Green would like to make a comment, please.

(Witness approached witness table.)

COUNCILMAN GREEN: Thank you, Madam Chairman. I wanted to take a moment to explain the purpose of this bill and respond to the testimony we're about to hear.

As people may recall, the City got a black eye in the local and national press last year over the so-called blogger tax. That is, we all know that there is no special tax for bloggers, but there was a great deal of confusion in the public about this issue.

The purpose of this legislation is to make clear that people who are engaged in hobby or not-for-profit activity - blogging, knitting, gardening, whatever it might be - are not subject to the business privilege tax or BPT, do not have to file a return and do not need to get a business privilege license, which can cost $50 a year or $300 for a lifetime.

In defining what is a hobby or other not-for-profit activity, we used the same approach that applies under federal tax law. Following introduction, we worked with the Revenue Department on an amendment that spells out many of the factors considered under federal law, and I thank the Revenue Department for their input and cooperation on this.

The Administration has raised a concern about the final section of the bill, which provides a mechanism for people engaged in hobby or not-for-profit activity to respond to an enforcement action by the Revenue Department by at least initially filling out a certification in a form determined by the

Department. This form is entirely up to the Department to create.

The bill further provides that if the total amount of receipts is less than $3,000, the certification shall be presumptive proof of no business income. A presumption, of course, is not conclusive and can be rebutted. Nothing in the bill would prevent the Revenue Department from pursuing additional enforcement action against someone the Department thought was actually engaged in the business activity. And we note that claiming a deduction on your federal tax returns would probably be pretty conclusive evidence of that and the form could require certification that they did not claim a deduction on their federal tax return.

We've proposed an amendment to the bill to address the specific concerns of the Revenue Department; namely, people who take a deduction on their federal taxes and then claim that such activity was a hobby or not-for-profit. Our amendment makes clear that the Revenue Department may require as part of the certification that people provide documentation for not having taken a business loss deduction on their federal taxes. What the Administration is proposing in its amendment is, we think, more confusing to taxpayers.

In summary, to require a hobbyist with incidental income to get a $50 or $300 license, fill out a business tax return and pay nominal tax makes absolutely no sense. This bill makes clear that the City is not nickel and diming bloggers or anyone else who is pursuing a hobby or other not-for-profit activity. I encourage the Committee members to support this bill, and I'm happy to answer any questions about it.

Thank you.

COUNCILWOMAN TASCO: Thank you.

Would you identify yourself for the record, please.

MR. AFESSA: Good morning, Councilwoman Tasco and members of the Committee on Finance. My name is Tilahun Afessa and I'm the Director of Policy, Planning and Outreach for the Department of Revenue. I am here today to testify in support of the general purpose of Bill No. 100754, although we recommend some amendments to the bill.

Bill No. 100754 proposes to amend Chapter 19-2600 of The Philadelphia Code, entitled "Business Privilege Taxes," by clarifying that income from a hobby is not included as taxable business income under the Code.

The Philadelphia Code defines Business as "carrying on or exercising for gain or profit" any business within the City of Philadelphia and provides specific exclusions from the definition of Business for certain activities. Bill No. 100754 proposes to make explicit that the definition of Business does not include any hobby or other not-for-profit activity as defined under the Code of Federal Regulations, so that it would be clear that persons engaged in such activities would not be required to procure or maintain a business privilege license and to file a business privilege tax return.

Although the bill references the relevant provision of the Code of Federal Regulations, we recommend that the bill be amended to spell out the nine relevant, non-exclusive factors set forth in this particular section of the Code of Federal Regulation that must be considered to determine whether an activity is genuinely a hobby.

The bill, as introduced, also provides that in response to an enforcement action, an individual that earns less than $3,000 can simply certify that the money was earned in a hobby activity and that the Department must accept that certification as presumptive proof of no business income. We believe this provision does not serve any purpose, as small earners may claim the hobby exemption even when they are engaged in true business activity. Such an exemption undermines the use of objective standards set forth under the federal regulations. It also has the potential to confuse taxpayers by making them believe that if they earn below this threshold, they are not required to obtain a business privilege license and to file a business privilege tax return regardless of the source of their income. This will create unnecessary problems for the taxpayers as well as for the Department.

We have a draft amendment at hand that will eliminate this particular language from the bill, with no effect to its true intent, which is to exclude from the definition of Business activities carried primarily as a hobby. This amendment has been shared with the bill sponsor and that I am prepared to offer it now.

If, however, this Committee is determined to maintain language providing special treatment for small earners in the bill, we have an alternative amendment that proposes to change the presumptive proof language to a general presumption language our department can overcome by any basic evidence. This has also been provided to the sponsor, and I am prepared to offer that now as well.

Thank you again for giving me the opportunity to testify today. I am ready to answer any questions you may have regarding this bill and regarding our recommendations to make amendments to the bill.

COUNCILWOMAN TASCO: Thank you very much.

Councilman Greenlee.

COUNCILMAN GREENLEE: Thank you, Madam Chair.

Good morning, sir. In your testimony, at the bottom of the first page, you say that the bill has the potential to confuse taxpayers by making them believe if they're below the threshold, and further as you say there. But as I see in the bill, it says a person exclusively engaged in a hobby or other non-profit activity. It says it right there.

So why is that -- I guess I don't understand why that would confuse anybody. Under Returns, at the end of the bill, 19-2606, Returns, it says, A person exclusively engaged in a hobby or other non-profit activity shall not be required. Why would that be confusing to somebody who -- if you're not engaged in a hobby or non-profit activity, why would you think you would not be eligible for the license?

MR. AFESSA: What is confusing is the last sentence, which is only (unintelligible).

COUNCILMAN GREENLEE: Is only what? I'm sorry.

MR. AFESSA: The last sentence in that particular paragraph, and if you read the whole paragraph, the message says that if your income or your gross receipt is less than $3,000, the City has to accept any certification by the person who is making $3,000 or less as proof that the taxpayer is not engaged in business. So that is -- from enforcement point of view, I believe that is confusing.

COUNCILMAN GREENLEE: But it says to the extent the person's total receipts derived from hobby or other non-profit activity are less than 3,000.

MR. AFESSA: Yeah, but that certification is if the person says that, that is -- I'm engaged in a hobby. I don't have any other way of disproving because of the language of this particular section.

COUNCILMAN GREENLEE: But there are amendments being put in by the sponsor to outline those nine points that you talk about in your testimony. So that is in there, right?

MR. AFESSA: If I'm not -- you can correct me on this. If I'm not mistaken, I can't even look at the nine factors if the person who makes $3,000 or less says so. That is basically what it is. The certification is that I am engaged in a hobby or activities which are not business and this is what I'm filing for the federal government and that's it. I can't go and look at the nine factors, which are objective factors given by the federal regulation, which applies to everybody. And I cannot go to those factors and look at them, based on our reading of it. If it's not the case, then we can clarify that by our regulation, but that's how our reading of this particular section.

COUNCILMAN GREENLEE: I think Councilman Green might have an answer to this all.

COUNCILMAN GREEN: Well, I

think there's two fundamental problems here. First of all, you're conflating the issue of the certification and the $3,000. The certification doesn't have to have any dollar number on it. The certification under your amendments would only be received from people with under $3,000.

What we're saying is, in the bill as proposed, the certification can be filled out by anybody upon receipt of a request for payment from you, whether they have $100,000 or $3,000 or $1. It is what -- then if they're under 3,000 -- so that's the way we've proposed it. There's a certification form potentially for everybody. It is your form. You can put it together. Obviously they can't certify they didn't pay federal taxes if you put that on the form, and we think that that fully addresses your concern, because obviously if someone claims a business deduction or business income on their federal taxes, they can't so certify or they'd be subject to perjury and all sorts of other penalties and problems. Also, it's only a presumption. It is not something that you can't rebut, but it does shift the burden of proof to the Revenue Department from the taxpayer if it's under 3,000.

Three thousand is not on the form. The certification goes to everybody as we've proposed it. Your amendments doesn't have the certification go to everybody.

So those two issues are not linked and you're linking them unnecessarily in your amendments, and I think that's creating confusion. But we have -- as you expressed it, you want it to be, is exactly how we think the bill reads. You have -- everybody does a certification, not just under 3,000, is what we're proposing. And then if it's under 3,000, the burden of proof to show that it's business income is on the Revenue Department, not the taxpayer.

That's what this bill says.

MR. AFESSA: If it is exactly the way you've explained it, we understand that part of it, but we've read this particular section. It doesn't read that way. The last --

COUNCILMAN GREEN: That's exactly what it reads. You're confusing certification with the 3,000. They're not at all linked in this bill.

MR. AFESSA: The whole idea is, I mean, if this particular section is not there, we're using the same criteria, people are making less than $3,000. As long as they're engaged in a hobby or recreation or sport or whatever the federal regulation says which is not business, that's fine. There's no problem. We don't even ask any certification.

COUNCILMAN GREEN: We completely agree. All we're doing is shifting the burden of proof if it's under 3,000 from the taxpayer to the

Revenue Department, and I think that that makes some sense. It's not conclusive. It's presumptive.

MR. AFESSA: Okay. So if that is the case, then by regulation we make sure based on this understanding of today's testimony, we can spell that out in our regulation, and as long as we can make it clear --

COUNCILMAN GREEN: It's not just based on today's testimony. It's actually how the bill reads. The amendments created separate things for the certification and the 3,000. It's one certification form that has no dollar amount on it, if you want to put it out that way, so the taxpayers can't be confused. It's just if it's under 3,000, for you to go after them, the burden of proof shifts to you instead of them, so that we -- you'll think about it before you go pursue $8.

MR. AFESSA: Okay. I think we will do the same thing for everybody. I don't think we have any problem accepting individuals' certification that they are engaged in a hobby unless we believe that the particular activity doesn't lend itself to be considered a hobby or recreation or business. But as we say, if you want the $3,000 or less provision included in it, as long as, of course, the presumption passes to us, we'll do that, and actually we have a clarifying amendment which will make it sufficiently clear if --

COUNCILMAN GREEN: Your amendment doesn't clarify. It conflates the issues of the certification and the $3,000.

COUNCILWOMAN TASCO: Could I make a suggestion? That you all kind of get together on this.

COUNCILMAN GREEN: We've been doing it for two months.

COUNCILWOMAN TASCO: You've been round and round and round?

MR. AFESSA: That's fine.

We'll work it out based on --

COUNCILMAN GREEN: So you're in favor of the bill as it now stands?

MR. AFESSA: Based on your explanation, yes.

COUNCILMAN GREEN: Thank you.

COUNCILWOMAN TASCO: Are you all right? You know you can always amend it later. You still have time. I think what you might want to do is talk to Sophie and you all kind of walk through this, since she's been sort of like the point person on working with you on it, and so that you are clear on what we're passing here today. I think that would be helpful. If you find any problem with it, I'm sure the Councilman would be open to suggestions. Whether he accepts them or not is another thing, but he would be open to some further discussion. All right? Is that okay?

MR. AFESSA: Thank you.

COUNCILWOMAN TASCO: So you're going to accept this amendment?

COUNCILMAN GREEN: No. We have our own amendment.

COUNCILWOMAN TASCO: You have an amendment right here. Didn't you pass this out?

COUNCILMAN GREEN: Make sure that's our amendment, Sophie.

COUNCILWOMAN TASCO: So I suggest that you all have further discussion about that, and if there's any other -- there's a problem, that we know -- because I don't really want to give up any money that we can collect, because we need the dollars -- we need the revenue in the City of Philadelphia.

MR. AFESSA: We also would like to submit our amendment in case -- this is what we proposed anyway in our hearing and --

COUNCILWOMAN TASCO: So you want to submit yours?

MR. AFESSA: Yeah.

COUNCILWOMAN TASCO: Okay. Thank you very much.

Is there any other testimony on this bill?

(No response.)

COUNCILWOMAN TASCO: Okay. That concludes our hearing. We will now go into our public meeting, and the Chair recognizes Councilman Green for the amendment to Bill 100754.

COUNCILMAN GREEN: Madam Chair, I move an amendment to Bill 100754 --

(Duly seconded.)

COUNCILMAN GREEN: -- that's been circulated to the Committee.

COUNCILWOMAN TASCO: It has been moved and seconded that we accept the amendment to Bill 100754.

All in favor will say aye.

(Aye.)

COUNCILWOMAN TASCO: Is there opposition?

(No response.)

COUNCILWOMAN TASCO: The Chair recognizes Councilman Green.

COUNCILMAN GREEN: Thank you,

Madam Chair. I move that Bill 100754 be recommended by this Committee, with a suspension of the rules so it can be read at our next reading of Council.

(Duly seconded.)

COUNCILWOMAN TASCO: It's been moved and seconded Bill 100754, as amended, be reported out of Committee with a favorable recommendation and that the rules of Council be suspended so this bill can be heard at Council's next session.

All in favor will say aye.

(Aye.)

COUNCILWOMAN TASCO: Is there any opposition?

(No response.)

COUNCILWOMAN TASCO: There being none, the motion is carried.

The Chair recognizes Councilman Kenney for Bill 110206.

COUNCILMAN KENNEY: Thank you, Madam Chair. I move that Bill No. 110206 be amended accordingly as was circulated earlier in the hearing.

(Duly seconded.)

COUNCILWOMAN TASCO: It has been moved and seconded that the amendment to Bill 110206 be adopted as presented.

All in favor will say aye.

(Aye.)

COUNCILWOMAN TASCO: Is there any opposition?

(No response.)

COUNCILWOMAN TASCO: There being none, the amendment is adopted.

The Chair recognizes Councilman Kenney.

COUNCILMAN KENNEY: Thank you, Madam Chair. I move that Bill 110206, as amended, be reported out of this Committee with a favorable recommendation and a request made for rules suspension to allow first reading at our next Council session.

(Duly seconded.)

COUNCILWOMAN TASCO: It has

been moved and seconded that Bill 110206, as amended, be reported out of Committee with a favorable recommendation and that the rules of Council be suspended so that this bill can be heard at Council's next session.

All in favor will say aye.

(Aye.)

COUNCILWOMAN TASCO: There being no opposition, the motion is carried.

The Chair recognizes Councilman Kenney.

COUNCILMAN KENNEY: Thank you, Madam Chair. I move that Bill No. 110244 be reported out of this Committee with a favorable recommendation and a rules suspension request for reading at our next Council session.

(Duly seconded.)

COUNCILWOMAN TASCO: It has been moved that Bill 110244 be reported out of Committee with a favorable recommendation and that the rules of

Council be suspended so this bill can be heard at Council's next session.

All in favor will say aye.

(Aye.)

COUNCILWOMAN TASCO: Is there any opposition?

(No response.)

COUNCILWOMAN TASCO: There being none, the motion is carried.

The Chair recognizes Councilwoman Blackwell for Bill No. 110342, report out of Committee with a favorable recommendation.

COUNCILWOMAN BLACKWELL: Thank you, Madam Chairman. I move that Bill No. 110342 be reported out of Committee with a favorable recommendation and also for a suspension of the rules so that it may be considered at our next session of Council.

(Duly seconded.)

COUNCILWOMAN TASCO: It has been moved and seconded that Bill 110342 be reported out of Committee with a favorable recommendation and that the rules of Council be suspended so that this bill can be heard at Council's next session.

All in favor will say aye.

(Aye.)

COUNCILWOMAN TASCO: Is there any opposition?

(No response.)

COUNCILWOMAN TASCO: There being none, this motion is carried.

The Chair recognizes Councilwoman Blackwell for Bill 110343.

COUNCILWOMAN BLACKWELL: Thank you, Madam Chairman. I move that Bill No. 110343 be reported out of Committee with a favorable recommendation and also a suspension of the rules so that it may be considered at our next session of Council.

(Duly seconded.)

COUNCILWOMAN TASCO: It has been moved and seconded that Bill 110343 be reported out of Committee with a favorable recommendation and that the rules of Council be suspended so this bill can be heard at Council's next session.

All in favor will say aye.

(Aye.)

COUNCILWOMAN TASCO: Any opposition?

(No response.)

COUNCILWOMAN TASCO: There being none, this motion is carried.

Hold on a moment, please.

COUNCILWOMAN TASCO: Councilwoman Blackwell.

COUNCILWOMAN BLACKWELL: Madam Chair, I would like to be recorded as voting aye on all bills in the event because I stepped out for a few moments.

COUNCILWOMAN TASCO: Sure.

COUNCILWOMAN BLACKWELL: Thank you.

COUNCILWOMAN TASCO: Thank you. Don't go yet. We still have one more.

(Pause.)

COUNCILWOMAN TASCO: We believe that Bill 110297, the amendment is being worked on by the Law Department. Do you have any idea how long it's going to take?

UNIDENTIFIED SPEAKER: I thought he was going to be back pretty immediately.

COUNCILWOMAN TASCO: What we can do is recess this until June the 6th and bring it back, and it will give you time to work on it and work with the sponsor.

COUNCILMAN GREENLEE: Could I just put something on the record, please?

COUNCILWOMAN TASCO: Sure.

COUNCILMAN GREENLEE: I guess I just don't understand why this wasn't ready today. I mean, in all fairness, I mean, every time the issue comes up before the Finance Committee, members, particularly Councilman Goode, raise this question, and I just want to put on record it's just kind of frustrating that we have witnesses look at us like, Geez, you know, is that what you want?

I just put that on record. The reason I think it should be continued, they should have been ready at 10 o'clock today, not trying to scramble at 11:30. Just my opinion.

Thank you, Madam Chair.

COUNCILWOMAN TASCO: Thank you.

The Chair recognizes Councilman Green.

COUNCILMAN GREEN: I'm sorry. My light is on from before, but I would agree with Councilman Greenlee. It seems to me that we can't -- we couldn't pass it with a suspension anyway because it has to be amended to include that material or it would not be legal. So there's no time pressure here, because without it being amended on the floor of Council, even if we were to pass it today, it would not be a legal bill without that attachment.

COUNCILWOMAN TASCO: So we hope

that the Law Department understands and reads the legislation that we pass and be prepared to present with the sponsor of the bill to move things forward.

So you've heard the will of the Committee. I hope that you all are ready.

This Committee will stand in recess until June the 6th at 1:00 p.m.

Thank you.

(Committee on Finance recessed at 11:30 a.m.)

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CERTIFICATE

I HEREBY CERTIFY that the proceedings, evidence and objections are contained fully and accurately in the stenographic notes taken by me upon the foregoing matter on May 23, 2011, and that this is a true and correct transcript of same.

MICHELE L. MURPHY

RPR-Notary Public

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