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COUNCIL OF THE CITY OF PHILADELPHIA

3

STATED MEETING

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- - -

Tuesday, January 26, 1999

5

10:00 a.m.

Room 400, City Hall

6

Philadelphia, Pennsylvania

- - -

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PRESENT: COUNCIL PRESIDENT ANNA C. VERNA
COUNCILWOMAN AUGUSTA A. CLARK
COUNCILWOMAN JANNIE BLACKWELL
COUNCILMAN DAVID COHEN
COUNCILWOMAN JOAN L. KRAJEWSKI
COUNCILMAN JAMES F. KENNEY
COUNCILWOMAN DONNA REED MILLER
COUNCILMAN MICHAEL A. NUTTER
COUNCILWOMAN MARIAN B. TASCO
COUNCILMAN ANGEL L. ORTIZ
COUNCILMAN FRANK DICICCO
COUNCILMAN BRIAN J. O'NEILL
COUNCILMAN RICHARD T. MARIANO
COUNCILMAN W. THACHER LONGSTRETH
COUNCILMAN FRANK RIZZO

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18

PATRICIA RAFFERTY (For Chief Clerk
Marie Hauser)

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1 1/26/99 STATED MEETING - Approval of 1/14/99 Journal
2 you to bow your heads in prayer, each in your own
3 way as we look forward to the great future of
4 Philadelphia.

5 (Moment of silence.)

6 COUNCILMAN LONGSTRETH: God bless you
7 and thank you.

8 COUNCIL PRESIDENT Verna: Thank you,
9 Councilman.

10 - - -

11 COUNCIL PRESIDENT Verna: The next
12 order of business is the approval of the journal
13 of the meeting of Thursday, January 14, 1999. The
14 Chair recognizes Councilwoman Clark.

15 COUNCILWOMAN CLARK: Madam President, I
16 move the approval of the journal of that date.

17 COUNCIL PRESIDENT Verna: Is there a
18 second?

19 (Duly seconded.)

20 COUNCIL PRESIDENT Verna: It's been
21 properly moved and seconded that the journal of
22 Thursday, January 14, 1999, stands approved.

23 All in favor will signify by saying
24 aye.

25 Those opposed?

1 1/26/99 STATED MEETING - Leaves of Absence

2 The ayes have it, the motion carries.

3 The journal of Thursday, January 14, 1999, stands
4 approved.

5 - - -

6 COUNCIL PRESIDENT Verna: The next
7 order of business is leaves of absence. The Chair
8 recognizes Councilwoman Clark.

9 COUNCILWOMAN CLARK: Madame Chair, I'm
10 aware of no requests for leaves of absence on the
11 part of the Democrats.

12 COUNCIL PRESIDENT Verna: The Chair
13 thanks the Councilwoman.

14 The Chair recognizes Councilman Rizzo.

15 COUNCILMAN RIZZO: No requests for
16 leaves of absence, Madame Chair.

17 COUNCIL PRESIDENT Verna: The Chair
18 thanks the Councilman.

19 - - -

20 COUNCIL PRESIDENT Verna: The Chair
21 will dispense with the regular order of business
22 to recognize visitors.

23 To all of our visitors and guests with
24 us this morning, the Chair welcome you here today
25 and applauds your interest in the legislative

1 1/26/99 STATED MEETING - Visitor Recognition
2 affairs of our City, and we invite you to come
3 again.

4 We have a very -- we have very special
5 visitors with us today. As most of you know,
6 later, during this Council session, Mayor Rendell
7 will join us to deliver the budget message. As is
8 the custom, also joining us in the chambers are
9 the women and men of the administration and
10 agencies of the city who play crucial roles in the
11 operation of the city government.

12 At this time, City Council wants to
13 recognize you and thank you for your good and
14 dedicated work. As I call your name, please
15 stand, and I would suggest that we refrain from
16 applauding until we have recognized all of our
17 guests.

18 Joseph Certaine, Managing Director;
19 Greg Rost, Chief of Staff;
20 Stephanie Franklin-Suber, City
21 Solicitor;
22 Stephen Mullin, Commerce Director;
23 Ben Hayllar, Finance Director;
24 John Kromer, Director of Office and
25 Housing Community Development;

1 1/26/99 STATED MEETING - Visitor Recognition
2 Michael DiBerardinis, Recreation
3 Commissioner;
4 Frances Egan, Commissioner of Licenses
5 and Inspections;
6 Police Commissioner John Timoney;
7 Joan Reeves, Commissioner of Human
8 Services;
9 Joan Decker, Records Commissioner;
10 Harold Hairston, Fire Commissioner;
11 William Mifflin, Executive Director of
12 Fairmount Park;
13 Nancy Kammerdeiner, Revenue
14 Commissioner;
15 Estelle Richman, Health Commissioner;
16 Thomas Costello, Prisons Commissioner;
17 Kumar Kishinchand, Water Commissioner;
18 Lawrence Moy, Streets Commissioner.
19 Andreas Perez, Commissioner of Public
20 Property;
21 Linda Seyda, Director of Personnel;
22 James Roundtree, Head of MBEC;
23 Dr. Richard Tyler, Director of the
24 Historic Commission;
25 Kevin Vaughan, Director of Human

1 1/26/99 STATED MEETING - Visitor Recognition
2 Relations Commission;
3 Louis Applebaum, Procurement
4 Commissioner;
5 David Hornbeck, Superintendent of the
6 Philadelphia School District;
7 Carl Greene, Executive Director of the
8 Philadelphia Housing Authority;
9 Rina Cutler, Executive Director of the
10 Parking Authority;
11 Noel Eisenstat, Executive Director of
12 the Redevelopment Authority;
13 Nicholas DiPiero, Chairman of the Civil
14 Service Commission;
15 Barbara Kaplan, Executive Director of
16 the Planning Commission.
17 Ladies and gentlemen, we applaud you.
18 Thank you all very much. Thank you.
19 (Applause.)
20 COUNCIL PRESIDENT Verna: I believe we
21 have other elected officials joining us this
22 morning:
23 Jonathon Saidel, City Controller;
24 Lynne Abraham, District Attorney;
25 Ronald Donatucci, Register of Wills;

1 1/26/99 STATED MEETING - Communications

2 Vivian Miller, Clerk of Quarter

3 Sessions;

4 Sheriff John Green;

5 Judge Alex BonavitaCola, President

6 Judge of the Court of Common Pleas;

7 Judge Louis Presenza, President Judge

8 of the Municipal Court;

9 Judge Frank Little, President Judge of
10 Traffic Court.

11 Are they here? May we recognize them.

12 (Applause.)

13 COUNCIL PRESIDENT VERNA: Thank you.

14 - - -

15 COUNCIL PRESIDENT VERNA: The next
16 order of business is communications.

17 The Chair recognizes the sergeant-at-
18 arms for the purpose of delivering the messages
19 from the mayor to the chief clerk. The chief
20 clerk will read the messages from the mayor.

21 THE CLERK: To the President and
22 Members of the Council of the City of
23 Philadelphia, I am transmitting herewith for the
24 consideration of your honorable body the following
25 ordinances:

1 1/26/99 STATED MEETING - Communications

2 An ordinance amending Chapter 19-1500
3 of The Philadelphia Code entitled "Wage and Net
4 Profits Tax" by decreasing the rates of tax.

5 An ordinance amending Chapter 19-2600
6 of The Philadelphia Code entitled "Business
7 Privilege Taxes" by decreasing the rates of tax
8 based upon gross receipts.

9 An ordinance amending Chapter 19-1800
10 of The Philadelphia Code entitled "School Tax
11 Authorization" by amending Section 19-1801 to
12 further authorize the Board of Education of the
13 School District of Philadelphia to impose a tax on
14 real estate within the City of Philadelphia.

15 An ordinance amending Chapter 19-1800
16 of The Philadelphia Code entitled "School Tax
17 Authorization" by amending Section 19-1806 to
18 further authorize the Board of Education of the
19 School District of Philadelphia to impose a tax on
20 the use of occupancy of real estate within the
21 School District of Philadelphia.

22 An ordinance amending Chapter 19-1800
23 of The Philadelphia Code entitled "School Tax
24 Authorization" by amending Section 19-1804 to
25 further authorize the Board of Education of the

1 1/26/99 STATED MEETING - Communications

2 School District of Philadelphia to impose a tax on
3 net income from real property, intangible and
4 intangible real property of the residents of the
5 School District of Philadelphia.

6 An ordinance adopting an operating
7 budget for fiscal year 2000.

8 An ordinance to adopt a capital program
9 for the six fiscal years 2000 to 2005, inclusive.

10 And an ordinance to adopt a fiscal year
11 2000 capital budget.

12 And an ordinance amending Section 1 of
13 the ordinance approved June 25, 1998, Bill No.
14 980452, which is an ordinance authorizing the
15 Commissioner of Public Property, the Director of
16 Commerce, Director of Aviation, and other
17 officials of the City to acquire real estate and
18 enter into certain leases or other agreements with
19 the Philadelphia Authority for Industrial
20 Development.

21 And a resolution providing for the
22 approval by the Council of the City of
23 Philadelphia of a revised five-year financial plan
24 for the City of Philadelphia covering fiscal years
25 2000 through 2004; and incorporating proposed

1 1/26/99 STATED MEETING - Communications
2 changes with respect to fiscal year 1999, which is
3 to be submitted by the mayor to the Pennsylvania
4 Intergovernmental Corporation Authority ("The
5 Authority") pursuant to the Intergovernmental
6 Corporation Agreement authorized by an ordinance
7 of this Council approved by the Mayor, on January
8 3, 1992, Bill No. 1563-A, by and between the City
9 and the Authority.

10 COUNCIL PRESIDENT VERNA: The messages
11 will be printed in the journal.

12 The chief clerk will please read any
13 other communications in her possession.

14 THE CLERK: That's all I have, Madame
15 President.

16 COUNCIL PRESIDENT VERNA: Thank you.

17 - - -

18 COUNCIL PRESIDENT VERNA: The next
19 order of business is the introduction of bills and
20 resolutions.

21 The Chair recognizes Councilwoman Clark
22 for the purpose of moving that the rules of
23 Council be suspended to permit immediate
24 consideration of resolutions.

25 COUNCILWOMAN CLARK: Madame Chair, I

1 1/26/99 STATED MEETING - Communications
2 move that the rules of Council be suspended so as
3 to permit immediate resolution of all resolutions
4 -- for immediate consideration of all resolutions.
5 COUNCIL PRESIDENT VERNA: Do I hear a
6 second?
7 (Duly seconded.)
8 COUNCIL PRESIDENT VERNA: All in favor
9 of the motion to suspend the rules to permit
10 immediate consideration of the resolution at the
11 time of introduction will say aye.
12 Those opposed, nay?
13 The ayes have it, the motion is so
14 carried.
15 The Chair recognizes Councilwoman Clark
16 for the purpose of introduction of bills and
17 resolutions.
18 COUNCILWOMAN CLARK: Thank you, Madame
19 President. Today, I have no bills or resolutions.
20 COUNCIL PRESIDENT VERNA: The Chair
21 thanks the Councilwoman.
22 The Chair recognizes Councilwoman
23 Blackwell.
24 COUNCILWOMAN BLACKWELL: Madame Chair,
25 this morning, I have eleven bills and two

1 1/26/99 STATED MEETING - Introduction of Bills, Resolutions
2 resolutions.

3 COUNCIL PRESIDENT VERNA: Thank you.

4 The chief clerk will please read the title of all
5 of the resolutions, please, first.

6 THE CLERK: A resolution honoring
7 Jonathon Mayor.

8 An ordinance granting permission to the
9 West Philadelphia Fire House Associates located at
10 701 South 50th Street, in Philadelphia, PA.

11 COUNCIL PRESIDENT VERNA: I'm sorry.
12 Is that a resolution?

13 THE CLERK: No, that's an ordinance.

14 COUNCIL PRESIDENT VERNA: The bill will
15 be referred to the appropriate committee.

16 THE CLERK: There are others.

17 COUNCIL PRESIDENT VERNA: Bills first.

18 THE CLERK: An ordinance authorizing
19 Sheraton University City, 3501 Chestnut Street,
20 Philadelphia, operator of the property located at
21 3501 Chestnut Street, Philadelphia, to construct
22 and maintain various encroachments onto and under
23 the north footway of Chestnut Street.

24 COUNCIL PRESIDENT VERNA: This bill
25 will be referred to the appropriate committee.

1 1/26/99 STATED MEETING - Introduction of Bills, Resolutions

2 THE CLERK: And an ordinance
3 authorizing Sheraton University City, 3501
4 Chestnut Street, Philadelphia, operator of the
5 property located at 3501 Chestnut Street,
6 Philadelphia, to construct and maintain an
7 electrified marquee attached to the property at
8 3501 Chestnut Street.

9 COUNCIL PRESIDENT VERNA: This bill
10 will be referred to the appropriate committee.

11 THE CLERK: And an ordinance amending
12 Chapter amending 19-1500 of The Philadelphia Code,
13 entitled "Wage and Net Profit Tax" by decreasing
14 the rates of the tax.

15 And an ordinance amending Chapter
16 19-2600 of The Philadelphia Code entitled
17 "Business Privilege Taxes" by decreasing the
18 rates of the tax based upon the gross receipts.

19 And an ordinance amending Chapter
20 19-1800 of The Philadelphia School Code entitled
21 "School Tax Authorization" by amending Section
22 19-1804 to further authorize the Board of
23 Education of the School District of Philadelphia
24 to impose to impose a tax on the net income from
25 real property and tangible and intangible personal

1 1/26/99 STATED MEETING - Introduction of Bills, Resolutions

2 property of the residents of the School District
3 of Philadelphia.

4 And an ordinance amending Chapter
5 19-1800 of The Philadelphia Code entitled "School
6 Tax Authorization" by amending Section 19-1806 to
7 further authorize the Board of Education of the
8 School District of Philadelphia to impose a tax on
9 the use or occupancy of real estate within the
10 School District of Philadelphia.

11 And an ordinance Chapter 19-1800 of The
12 Philadelphia Code entitled "School Tax
13 Authorization" by amending Section 19-1801 to
14 further authorize the Board of Education of the
15 School District of Philadelphia to impose a tax on
16 real estate within the City of Philadelphia.

17 And an ordinance adopting the operating
18 budget for fiscal year 2000.

19 And an ordinance to adopt a capital
20 program for the six fiscal years 2000 to 2005,
21 inclusive.

22 And an ordinance to adopt a fiscal 2000
23 capital budget.

24 COUNCIL PRESIDENT VERNA: Excuse me,
25 are they all the bills?

1 1/26/99 STATED MEETING - Introduction of Bills, Resolutions

2 THE CLERK: That's all the bills.

3 COUNCIL PRESIDENT Verna: All of the
4 bills will be referred to the appropriate
5 committees.

6 THE CLERK: And a resolution providing
7 for the approval by the Council of the City of
8 Philadelphia of a revised five-year financial plan
9 for the City of Philadelphia covering fiscal years
10 2020 through 2004; and incorporating proposed
11 changes with respect to fiscal year 1999, which is
12 to be submitted by the Mayor to the Pennsylvania
13 Intergovernmental Cooperation Authority ("The
14 Authority") pursuant to the Intergovernmental
15 Cooperation agreement, authorized by an ordinance
16 of this Council approved by the Mayor on January
17 3, 1992.

18 COUNCIL PRESIDENT Verna: The
19 resolution will be referred to the appropriate
20 committee.

21 The Chair recognizes Councilman Cohen.

22 COUNCILMAN COHEN: Madame President, I
23 have no bills or resolutions.

24 COUNCIL PRESIDENT Verna: The Chair
25 thanks gentleman.

1 1/26/99 STATED MEETING - Introduction of Bills, Resolutions

2 The Chair recognizes Councilwoman

3 Krajewski.

4 COUNCILWOMAN KRAJEWSKI: Madame

5 President, I have four bills and one resolution.

6 COUNCIL PRESIDENT VERNA: Thank you.

7 The chief clerk will please read the bills.

8 THE CLERK: An ordinance authorizing

9 transfers and appropriation for fiscal year 1999

10 within the Grants Revenue Fund from the Director

11 of Finance Provision for Other Grants to the First

12 Judicial District of Pennsylvania.

13 And an ordinance authorizing transfers

14 and appropriations appropriation for fiscal year

15 1999 within the Grants Revenue Fund from the

16 Director of Finance Provision for Other Grants to

17 the Board of Trustees of the Free Library of

18 Philadelphia.

19 And an ordinance authorizing transfers

20 and appropriation for fiscal year 1999 within the

21 General Fund from certain or all City offices,

22 departments, boards, and commissions to certain or

23 all city offices.

24 And an ordinance authorizing the

25 revision of lines and grades on a portion of City

1 1/26/99 STATED MEETING - Introduction of Bills, Resolutions

2 Plan No. 187 from the City Plan and vacating the
3 legally open portion of Belgrade Street.

4 And a resolution designating February
5 1, 1999 through February 5, 1999 as "Catholic
6 Schools Week" within the City of Philadelphia.

7 COUNCIL PRESIDENT Verna: The four
8 bills will be referred to the appropriate
9 committees.

10 The Chair recognizes Councilwoman
11 Krajewski regarding the resolution.

12 COUNCILWOMAN KRAJEWSKI: Madame
13 President, I move for the adoption of the
14 resolution.

15 (Duly seconded.)

16 (Duly seconded.)

17 COUNCIL PRESIDENT Verna: All those in
18 favor will signify by saying aye.

19 Those opposed?

20 The ayes have it. The motion is
21 carried.

22 The Chair recognizes Councilman Kenney.

23 COUNCILMAN KENNEY: Thank you, Madame
24 President. I offer two bills on your behalf, one
25 resolution on your behalf, and one resolution on

1 1/26/99 STATED MEETING - Introduction of Bills, Resolutions

2 my behalf which I seek to be assigned to the
3 appropriate committee.

4 COUNCIL PRESIDENT VERNA: The clerk
5 will please read the titles of the bills.

6 THE CLERK: An ordinance amending
7 Chapter 10-800 of The Philadelphia Code entitled
8 "Safety" by adding a new section prohibiting the
9 ownership, use, possession, or sale within the
10 City of Philadelphia of any motor vehicle that
11 uses tinted glass, all under certain terms and
12 conditions.

13 And an ordinance amending Section 1 of
14 the ordinance approved June 25, 1998 entitled an
15 ordinance authorizing the Commissioner of Public
16 Property, Director of Commerce, Director of
17 Aviation, and other officials of the City to
18 acquire real estate and enter into certain leases
19 and other agreements with the Philadelphia
20 Authority for Industrial Development.

21 And a resolution recognizing February
22 14, 1999 as "Firefighters Recognition Day" in the
23 City of Philadelphia.

24 And a resolution authorizing the City
25 Council Committee on Education to hold public

1 1/26/99 STATED MEETING - Introduction of Bills, Resolutions

2 hearings on a proposal to require the School
3 District of the City of Philadelphia to educate
4 elementary and secondary-school-aged about the
5 historical events surrounding the Great Irish
6 Famine in 1845 to 1850.

7 COUNCIL PRESIDENT VERNA: The bills
8 will be referred to the appropriate committee.
9 Also, the last resolution reads will be referred
10 to the appropriate committee.

11 The Chair now recognizes Councilman
12 Kenney for the purpose of a motion on the other
13 resolution.

14 COUNCILMAN KENNEY: Madame President, I
15 move that the resolution be adopted.

16 (Duly seconded.)

17 COUNCIL PRESIDENT VERNA: All those in
18 favor will signify by saying aye.

19 Those opposed?

20 The ayes have it. The motion is
21 carried.

22 The Chair recognizes Councilwoman
23 Miller.

24 COUNCILWOMAN MILLER: Thank you, Madame
25 Chair. I have no bills or resolutions today.

1 1/26/99 STATED MEETING - Introduction of Bills, Resolutions

2 COUNCIL PRESIDENT VERNA: The Chair

3 thanks the Councilwoman.

4 The Chair recognizes Councilman Nutter.

5 COUNCILMAN NUTTER: Madame President, I

6 have nothing today.

7 COUNCIL PRESIDENT VERNA: Thank you.

8 The Chair recognizes Councilwoman

9 Tasco.

10 COUNCILWOMAN TASCO: Madame President,

11 I have no bills or resolutions today.

12 COUNCIL PRESIDENT VERNA: Thank you.

13 The Chair recognizes Councilman Ortiz.

14 COUNCILMAN ORTIZ: Madame President, I

15 have no bills or resolutions today.

16 COUNCIL PRESIDENT VERNA: Thank you.

17 The Chair recognizes Councilman

18 DiCicco.

19 COUNCILMAN DICICCO: Thank you, Madame

20 President. I have no bills or resolutions today.

21 COUNCIL PRESIDENT VERNA: Thank you.

22 The Chair recognizes Councilman

23 O'Neill.

24 COUNCILMAN O'NEILL: Madame Chair, I

25 have no bills or resolutions today.

1 1/26/99 STATED MEETING - Introduction of Bills, Resolutions

2 COUNCIL PRESIDENT Verna: The Chair

3 thanks the gentleman.

4 The Chair recognizes Councilman

5 Mariano.

6 COUNCILMAN MARIANO: I have no bills or

7 resolutions today.

8 COUNCIL PRESIDENT Verna: Councilman

9 Longstreth.

10 COUNCILMAN LONGSTRETH: Madame

11 President, I have no bills or resolutions.

12 COUNCIL PRESIDENT Verna: The chair

13 thanks you.

14 The Chair recognizes Councilman Rizzo.

15 COUNCILMAN RIZZO: Madame President, no

16 bills or resolutions today.

17 COUNCIL PRESIDENT Verna: Thank you.

18 - - -

19 COUNCIL PRESIDENT Verna: The next

20 orders of business is reports from committees.

21 (Councilwoman Blackwell addresses the

22 Chair off-mike.)

23 COUNCIL PRESIDENT Verna: It is my

24 understanding that Councilwoman Blackwell's

25 resolution has to be adopted.

1 1/26/99 STATED MEETING - Committee Reports

2 THE CLERK: A resolution honoring

3 Jonathon Moore.

4 COUNCILWOMAN BLACKWELL: Madame

5 President, I move the adoption of the resolution.

6 (Duly seconded.)

7 COUNCIL PRESIDENT Verna: All those in

8 favor will signify by saying aye.

9 Those opposed?

10 The ayes have it. The motion is

11 carried.

12 - - -

13 COUNCIL PRESIDENT Verna: The Chair

14 recognizes Councilman Kenney for a report of the

15 Rules Committee.

16 COUNCILMAN KENNEY: Madame President,

17 the Council Committee on Rules reports out one

18 bill with a favorable recommendation.

19 COUNCIL PRESIDENT Verna: The clerk

20 will please read the report.

21 THE CLERK: To the President and

22 Members of the Council of the City of

23 Philadelphia: The Committee on Rules, to which

24 was referred Bill No. 9900002 --

25 An ordinance declaring it is desirable

1 1/26/99 STATED MEETING - Committee Reports
2 for the health, safety, and welfare of the people
3 in the area served by Chestnut Hill College, a
4 nonprofit corporation organized under the laws of
5 the Commonwealth of Pennsylvania, which operates
6 facilities located at 96901 Germantown Avenue, in
7 Philadelphia, Pennsylvania, for the Hospitals and
8 Higher Education Facilities Authority of
9 Philadelphia, to undertake a project for Chestnut
10 Hill College, and approving the buildings and
11 facilities included in such project --

12 respectfully reports that it has
13 considered the same and returns the attached bill
14 to Council with a favorable recommendation.

15 COUNCIL PRESIDENT Verna: The Chair
16 recognizes Councilman Kenney.

17 COUNCILMAN KENNEY: Madame President, I
18 move that the rules of Council be suspended so as
19 to permit first reading of Bill No. 990002 today.

20 (Duly seconded.)

21 COUNCIL PRESIDENT Verna: It's been
22 properly moved and seconded that the rules of
23 Council be suspended so as to permit first reading
24 of Bill No. 990002 on today's calendar. All those
25 in favor will signify by saying aye.

1 1/26/99 STATED MEETING - First Reading - Bill 990002

2 Those opposed?

3 The ayes have it. The motion is so
4 carried.

5 - - -

6 COUNCIL PRESIDENT VERNA: The next
7 order of business is the consideration of the
8 calendar. The chief clerk will please read the
9 one bill on the first-reading calendar, please.

10 THE CLERK: Bill No. 990002, an
11 ordinance declaring it is desirable for the
12 health, safety, and welfare of the people in the
13 area served by Chestnut Hill College, a nonprofit
14 corporation organized under the laws of the
15 Commonwealth of Pennsylvania, which operates
16 facilities located at 96901 Germantown Avenue in
17 Philadelphia, Pennsylvania.

18 COUNCIL PRESIDENT VERNA: The Chair
19 agrees. This bill will be placed on the
20 second-reading and final-passage calendar for next
21 week

22 - - -

23 COUNCIL PRESIDENT VERNA: The Chair now
24 recognizes Councilwoman Clark for the purpose of
25 calling up bills on the second-reading and

1 1/26/99 STATED MEETING - Final Reading - Bill 980657-A
2 final-passage calendar.

3 COUNCILWOMAN CLARK: Madame Chair, all
4 bills on the second- and final-passage calendar
5 are being called up except Bill No. 960633,
6 960629, 970272, 980227, 980464, 980239, and
7 980716.

8 COUNCIL PRESIDENT VERA: Thank you,
9 Councilwoman.

10 The first bill to be called up for
11 consideration is Bill No. 980657-A. The chief
12 clerk will please read the title of the bill.

13 THE CLERK: An ordinance amending Title
14 9 (Entitled "Regulation of Business, Trades, and
15 Professions") of The Philadelphia Code by
16 prohibiting the sale of laser pointing devices to
17 minors, and regulating the display of laser
18 pointing devices for sale.

19 COUNCIL PRESIDENT VERA: This bill
20 having been read on two different occasions, the
21 question now is, shall the bill pass finally?

22 The clerk will please call a roll.

23 THE CLERK: Councilwoman Blackwell?

24 COUNCILWOMAN BLACKWELL: Aye.

25 THE CLERK: Councilwoman Clark?

1 1/26/99 STATED MEETING - Final Reading - Bill 980657-A
2 COUNCILWOMAN CLARK: Aye.
3 CHIEF CLERK HAUSER: Councilman Cohen?
4 COUNCILMAN COHEN: Aye.
5 CHIEF CLERK HAUSER: Councilman
6 DiCicco?
7 COUNCILMAN DICICCO: Aye.
8 THE CLERK: Councilman Kenney?
9 COUNCILMAN KENNEY: Aye.
10 THE CLERK: Councilwoman Krajewski?
11 COUNCILWOMAN KRAJEWSKI: Aye.
12 THE CLERK: Councilman Longstreth?
13 COUNCILMAN LONGSTRETH: Aye.
14 CHIEF CLERK HAUSER: Councilman
15 Mariano?
16 COUNCILMAN MARIANO: Aye.
17 THE CLERK: Councilwoman Miller?
18 COUNCILWOMAN MILLER: Aye.
19 THE CLERK: Councilman Nutter?
20 COUNCILMAN NUTTER: Aye.
21 THE CLERK: Councilman O'Neill?
22 COUNCILMAN O'NEILL: Aye.
23 THE CLERK: Councilman Ortiz?
24 COUNCILMAN ORTIZ: Aye.
25 THE CLERK: Councilman Rizzo?

1 1/26/99 STATED MEETING - Final Reading - Bill 980799-A

2 COUNCILMAN RIZZO: Aye.

3 THE CLERK: Councilwoman Tasco?

4 COUNCILWOMAN TASCO: Aye.

5 THE CLERK: Council President Verna?

6 COUNCIL PRESIDENT VERNA: Aye. The

7 ayes are 15, the nays are 0. The bill has passed
8 finally.

9 The clerk will now please read the
10 title of Bill No. 980799-A.

11 THE CLERK: An ordinance creating the
12 West Philadelphia Retail Tax Increment Financing
13 District and approving the project plan of the
14 Philadelphia Authority for Industrial Development
15 ("PAID") for the redevelopment of the West
16 Philadelphia Retail Tax Increment Financing
17 District.

18 COUNCIL PRESIDENT VERNA: This bill
19 having been read on two different occasions, the
20 question now is, shall the bill pass finally?

21 The clerk will please call a roll.

22 THE CLERK: Councilwoman Blackwell?

23 COUNCILWOMAN BLACKWELL: Aye.

24 THE CLERK: Councilwoman Clark?

25 COUNCILWOMAN CLARK: Aye.

1 1/26/99 STATED MEETING - Final Reading - Bill 980799-A
2 CHIEF CLERK HAUSER: Councilman Cohen?
3 COUNCILMAN COHEN: Aye.
4 CHIEF CLERK HAUSER: Councilman
5 DiCicco?
6 COUNCILMAN DICICCO: Aye.
7 THE CLERK: Councilman Kenney?
8 COUNCILMAN KENNEY: Aye.
9 THE CLERK: Councilwoman Krajewski?
10 COUNCILWOMAN KRAJEWSKI: Aye.
11 THE CLERK: Councilman Longstreth?
12 COUNCILMAN LONGSTRETH: Aye.
13 CHIEF CLERK HAUSER: Councilman
14 Mariano?
15 COUNCILMAN MARIANO: Aye.
16 THE CLERK: Councilwoman Miller?
17 COUNCILWOMAN MILLER: Aye.
18 THE CLERK: Councilman Nutter?
19 COUNCILMAN NUTTER: Aye.
20 THE CLERK: Councilman O'Neill?
21 COUNCILMAN O'NEILL: Aye.
22 THE CLERK: Councilman Ortiz?
23 COUNCILMAN ORTIZ: Aye.
24 THE CLERK: Councilman Rizzo?
25 COUNCILMAN RIZZO: Aye.

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 THE CLERK: Councilwoman Tasco?

3 COUNCILWOMAN TASCO: Aye.

4 THE CLERK: Council President Verna?

5 COUNCIL PRESIDENT VERNA: Aye.

6 The ayes are 15 nays are 0. A majority
7 of all members of Council having voted in the
8 affirmative, the bill passes.

9 - - -

10 COUNCIL PRESIDENT VERNA: Ladies and
11 gentlemen, the time has come for us to consider
12 the Mayor's presentation of his annual budget
13 message.

14 Section 4-1101 b. and d. of the
15 Philadelphia Home Rule Charter states: "The Mayor
16 shall submit to Council, not later than 90 days
17 before the end of the fiscal year, his operating
18 budget message and proposed annual operating
19 budget ordinance for the ensuing fiscal year. At
20 the same time he submits to Council the proposed
21 operating budget for the ensuing fiscal year, he
22 also submits to Council the recommended capital
23 program and recommended capital budget as received
24 from the Planning Commission to the extent
25 approved by the Mayor."

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 I now appoint the following committee
3 to escort the Mayor into the Council chamber:
4 Councilwoman Clark, Councilman O'Neill, Councilman
5 Cohen, and Councilwoman Krajewski. Please
6 proceed, ladies and gentlemen.

7 (Above-named Councilmembers come
8 forward.)

9 COUNCIL PRESIDENT VERNA: Councilman
10 Nutter, do you wish to be recognized? Your
11 light's on.

12 COUNCILMAN NUTTER: No, Madame
13 President, I don't wish to be recognize.

14 COUNCIL PRESIDENT VERNA: Thank you.
15 It is my understanding the Mayor's on
16 his way.

17 SERGEANT-AT-ARMS: Madame President,
18 the Mayor has arrived.

19 (Mayor Rendell enters Council
20 chambers.)

21 (Applause.)

22 MAYOR RENDELL: Thank you very much.
23 Thank you all very much.

24 Councilman O'Neill just said that the
25 thundering applause is probably because this is --

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 given the length of my speeches because this is my
3 last one. And Councilwoman Clark said if I'm
4 short, I will get double the applause.

5 (Laughter.)

6 MAYOR RENDELL: Before I begin, I just
7 want to mention -- most of you know, but the young
8 man who just miked me, Joe Marrone, is someone who
9 takes care of the sounds systems both on the
10 second floor and up here.

11 Joe is in his mid-80s and has worked
12 for the City for decades and decades and decades,
13 and Joe has no intention of retiring, so he told
14 me he doesn't care about the pension bill.

15 (Applause.)

16 MAYOR RENDELL: Good morning,
17 President Verna, members of this City Council and
18 distinguished guests. I am proud to be here to
19 present my proposed fiscal year 2000 Operating and
20 Capital Budgets and also to submit to Council for
21 its consideration my Five-Year Financial Plan for
22 fiscal years two thousand through 2004.

23 This is my eighth and final budget
24 address as Mayor. Over the years, I've come to
25 you in times of crisis to talk about the shared

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 sacrifices and difficult fiscal decisions we've
3 had to make for our city's future. I've come to
4 you in times of recovery to seek your support for
5 the historic changes needed to turn around decades
6 of decline by bringing down our taxes for the
7 first time in half a century, investing in the
8 growth of our economy to create jobs for
9 Philadelphians, and restructuring our government
10 to improve our services even as we've lowered
11 costs. And last year, as we began to reap the
12 rewards of our hard work and discipline -- with
13 3,000 new jobs, \$2 billion in new construction
14 projects in the pipeline (a half a billion dollars
15 of which are now underway), and the announcement
16 of a landmark project to bring the Philadelphia
17 Naval Shipyard back to life -- last year I came to
18 ask for your continued partnership in staying the
19 course.

20 Each year as I've stood at this podium,
21 I've also talked about the enormity of the fiscal
22 crisis that confronted us when we first took
23 office: a \$200 million budget deficit; junk bond
24 credit ratings; streets and playgrounds crumbling;
25 public pools locked and dry during summer heat

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 waves; fear of shutting down fire houses; and
3 missing payrolls. You remember as well as do --
4 we were truly a city on the brink.

5 Today, however, it is a measure of how
6 far we have come together, that people are now
7 talking about Philadelphia's future, not its past.
8 Of course, we still face daunting challenges, and
9 many problems are yet to be overcome -- along with
10 the tremendous number of critical tasks to be
11 completed even before this year is out.

12 But over these past seven years, this
13 City Council has displayed extraordinary
14 responsibility, creativity, and dedication in the
15 face of every single challenge. Indeed, when the
16 history of 20th century Philadelphia is written,
17 your courage and productivity will be remembered
18 as the high-water mark of legislative leadership.
19 Moreover, under the able direction of President
20 Verna, there is no doubt that this standard of
21 excellence will continue. And because of this
22 unprecedented cooperation that we have forged
23 together, Philadelphia is now positioned to talk
24 about its bright days ahead.

25 So in this final budget address, I come

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 to you with a full agenda for the next eleven
3 months we have remaining to work together -- and
4 also with a vision for our great city in the early
5 years of next millennium.

6 Let's imagine for a moment Philadelphia
7 as it will look over its next five years.

8 Starting off this new era, thousands of
9 new hotel rooms and our world-class convention
10 venues will fill up with national media delegates
11 for the 2,000 Republican National Convention,
12 heralding Philadelphia's arrival as one of
13 America's premiere destination cities.

14 (Applause.)

15 MAYOR RENDELL: Market Street East will
16 be as diverse and exciting as any street in the
17 nation -- with the Entertainment Center at Penn's
18 Landing, the DisneyQuest indoor theme park, a
19 fully renovated Reading Terminal Headhouse, and
20 first-class department stores joining Lord &
21 Taylor and others already on the street.

22 Along the way, the National
23 Constitution Center will be the centerpiece for an
24 engaging and dynamic Independence Park experience,
25 together with a brand-new Visitors Center, a new

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 Liberty Bell Pavilion, and an exciting sound and
3 light show. While on the Avenue of the Arts, our
4 breathtakingly beautiful new Regional Performing
5 Arts Center will open to international acclaim.

6 At the Philadelphia International
7 Airport, over 5,000 additional people will be
8 employed at the new International and Commuter
9 Terminals, adding to the tremendous development
10 that has already made this airport the fastest
11 growing in the nation and a powerful economic
12 engine for our city.

13 Not far away, at the Philadelphia Naval
14 Business Center in South Philadelphia, 900 workers
15 at the state-of-the-art Kvaerner Shipyard will
16 launch a new era in American shipbuilding, with
17 thousands more jobs emerging to support this
18 reborn industry.

19 In West Philadelphia, a new
20 2,000-employee medical center on the site of the
21 old Civic Center will pioneer the newest cancer
22 treatment technologies such as proton therapy,
23 while projects like the University of Pennsylvania
24 Sansom Commons and Sundance Cinemas will spark a
25 new partnership with dynamic energy. Along with

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 the University City Science Center Keystone
3 Opportunity Zone -- which will teem with exciting
4 high-tech start-up businesses -- these projects
5 will help us retain our graduates to generate new
6 enterprise right here.

7 Along North Broad Street, in a
8 community that lost more than two-thirds of its
9 population from 1960 through the 1990s, families
10 will be moving back to the revitalized Cecil B.
11 Moore area -- surrounded by reinvestment in
12 commercial projects not seen in decades, such as
13 Apollo of Temple, the North Philadelphia Train
14 Station shopping complex, and Jump Street, USA.
15 These developments will highlight the
16 transformation already hailed by the New York
17 Times as creating new -- and I quote -- "stability
18 and optimism" in North Philadelphia.

19 On the site of the former Schuylkill
20 Falls and Martin Luther King public housing
21 high-rise towers, smaller-scale and more liveable
22 homes will be developed as decent places to raise
23 a family. And at the same time, the success for
24 Empowerment Zones and Keystone Opportunity Zones
25 will have brought new investment and, more

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 importantly, hope to some of our most distressed
3 communities.

4 And throughout our city of
5 neighborhoods, crime will keep coming down, test
6 scores in our public schools will keep going up,
7 and the public will truly take pride in the new
8 Philadelphia.

9 Seven years ago, these dreams would
10 have been unobtainable. But today, they are real,
11 and we have only to look back to know what we can
12 accomplish when we work together.

13 We have completed six consecutive years
14 with a balanced budget, regained investment-grade
15 credit, and ended fiscal year 1998 with a record
16 \$169 million surplus. And at the same time, we've
17 not only kept our fire houses open, but we've also
18 increased EMS crews by 40 percent and achieved a
19 50-year low in fire deaths. We have not only
20 opened our pools on time, we have reclaimed
21 once-abandoned pools and playgrounds; expanded
22 after-school programs; more than tripled
23 recreational baseball leagues; increased
24 basketball league participation fivefold; and
25 extended our ice rink season by nearly a month.

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 We have also increased street repaving
3 by City crews from 44 miles in FY '96 to 158 miles
4 in FY '98. We've created five neighborhood Youth
5 Access Centers and 18 Family Centers. We upgraded
6 our libraries and health centers with expanded
7 hours of service. And by adding 753 crime bill
8 officers and using innovative deployment
9 strategies, we have 1,000 more police on the
10 streets than we had at the start of this decade.

11 (Applause.)

12 MAYOR RENDELL: Perhaps most
13 importantly of all, we have begun to turn around
14 the absolutely devastating loss of jobs that was
15 draining Philadelphia of life and opportunity.
16 From 1987 to 1992, we lost over 100,000 jobs --
17 hemorrhaging at the peak rate of more than 2700
18 jobs a month in 1991. Now, however, preliminary
19 numbers indicate that we ended 1998 with our third
20 consecutive year of job growth -- adding nearly
21 5,000 new jobs on top of the 3,000 gained in 1997
22 and the 100 when we first turned the corner in
23 1996.

24 We have done this not only by restoring
25 credibility and stability to City government and

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 services, but also by beginning to bring down the
3 crushing City taxes that have made Philadelphia
4 one of the least competitive cities in the nation.
5 Since 1996, we have cut our wage and business
6 taxes four consecutive years -- while taxes have
7 been going up in our surrounding suburban
8 counties. In addition, through our unprecedented
9 six-year \$6.5 billion Economic Stimulus Program,
10 we have helped launch major project after major
11 project, helping us build a new Philadelphia.

12 Thankfully, it is now a measure of the
13 city's progress that a recitation of its 1992
14 financial crisis is viewed as "ancient history."
15 But make no mistake, unless we continue to rise to
16 the challenges before us, our city's progress
17 could easily be threatened again.

18 And so today, I want to focus on four
19 major challenges that we must continue to address
20 if we are to fulfill Philadelphia's promise in the
21 new century ahead:

22 First, we must continue to exercise the
23 discipline required to keep our fiscal house in
24 order.

25 Second, we must seize every opportunity

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 to rebuild Philadelphia's economy by investing in
3 new development and continuing to cut the taxes
4 that undermine our ability to compete for
5 residents, jobs, and businesses.

6 Third, we must continue to improve the
7 City services essential to quality of life, making
8 our streets safer and our municipal services
9 better.

10 And, fourth, we must continue to
11 support the progress in our public schools and
12 work for more equitable State education funding.

13 Now, none of these four challenges will
14 be easy, but the budget and Five-Year fiscal Plan
15 that I present to you today outlines our plan for
16 meeting them. And if our experience of the past
17 seven years has proven anything, it has shown us
18 that working together, there is no challenge that
19 we cannot overcome.

20 Looking first at budgetary balance,
21 while our successes have been undeniable,
22 considerable threats still remain.

23 First, there is welfare reform.
24 Already, 43,000 single adults have lost their
25 State-funded medical assistance. That means that

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 the number of uninsured visiting our health
3 centers has increased dramatically. In FY '95, 44
4 percent of the patients at our health centers were
5 uninsured. By contrast, in FY '98, that number
6 had jumped to 68 percent -- 68 percent were
7 uninsured. As a result, last year, we provided an
8 additional \$1 million in the operating budget, and
9 we are maintaining that level again.

10 But the real trouble starts this
11 spring, when an estimated 32,000 more Philadelphia
12 families will lose their welfare benefits between
13 March and June -- flooding a labor market that
14 does not have enough jobs for all of them. That
15 is the challenge, and it is a formidable one:
16 32,000 families without benefits, without a job,
17 without hope. In terms of the personal
18 devastation, the cost is limitless.

19 In terms of the General Fund impact,
20 the costs are also severe. During the first
21 quarter of FY '99, shelter requests were up 61
22 percent over the same period in FY '98, even
23 before the colder winter months had begun. As a
24 result, the FY 2002 operating budget proposes to
25 spend an additional \$2.25 million for shelter

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 services over and above the \$18 million in the
3 General Fund, which is already being spent as part
4 of our \$63 million homeless service budget. In
5 addition, the City will spend \$5.6 million on
6 intensified services and specialized placements
7 for chronically homeless individuals as part of
8 the new sidewalk behavior law enacted by City
9 Council last spring. These funds, primarily from
10 the Community Behavioral Health reinvestment
11 dollars mark an unprecedented level of public
12 support for homeless services.

13 In addition to bearing these increased
14 costs, our challenges as a city is to find
15 meaningful employment for those coming off the
16 welfare rolls. To help people transition from
17 welfare to work, the City created the Greater
18 Philadelphia Works Program last spring. It
19 combines public subsidies for private employers,
20 public sector employment, job training and
21 readiness programs, and transportation to help get
22 workers out to suburban job locations. Greater
23 Philadelphia Works is a remarkable effort headed
24 by our own Deputy Mayor Donna Cooper and is one
25 that makes maximum use of the City's \$56 million

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 in federal Welfare-to-Work funds. It is a
3 remarkable effort, but the truth is, it's not
4 enough.

5 What's more, meeting this challenge is
6 of critical importance to Philadelphia's economy.
7 All told, the combined direct and indirect effect
8 of welfare reform is expected to take \$3.2 billion
9 out of the City's economy by FY '2003.

10 And welfare reform is not only a strain
11 on our finances. Also in its years ahead, the
12 City must assume the full cost of the 753 police
13 hired under the federal Crime Bill. Remember, the
14 Crime Bill only provides a partial and temporary
15 three-year subsidy for these new officers. The
16 City must also pay a rising share of the cost
17 until the federal subsidy completely phases out in
18 FY 2002, when we will pay over \$44 million per
19 year for these new officers. As a result, the FY
20 2000 operating budget for the Police Department
21 includes \$34.6 million in local funds to cover our
22 share of the Crime Bill officers, an increase of
23 \$8.5 million over the last year.

24 In addition, the City must manager over
25 \$100 million in new costs from last year's police

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 contract, and also identify funding for 4 percent
3 raises in the existing labor agreements for all
4 City workers -- even before absorbing any
5 increases that might be negotiated in next year's
6 collective bargaining.

7 And in dealing with these costs, we can
8 no longer rely on the approximately \$17 million
9 per year that we once derived from the personal
10 property tax, while we still carry the burden of
11 over \$100 million in court costs that the State
12 continues to refuse to assume.

13 Probably the most important budgetary
14 challenge, however, will be the difficulty of just
15 saying no. In a city where our needs are so great
16 and where our resources remain so limited, it is
17 an absolutely critical part of our jobs to reject
18 countless legitimate and worthy demands for public
19 funds.

20 Across the full five years of the
21 Financial Plan presented to you, we have
22 maintained fiscal balance -- but only so long as
23 we continue to resist the temptation to spend our
24 hard-earned surplus several times over. Even when
25 the balconies of this chamber are packed with

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 vocal advocates for a noble and underfunded cause
3 -- and they will be, time and time again -- we
4 must continue to make the right long-term
5 decisions for Philadelphia.

6 Moreover, in an unanticipated national
7 recession, all of our fledgling progress could
8 quickly spiral downward . For while the City's
9 near-term progress has been real and encouraging,
10 our long-term trend lines have only barely begun
11 to shift.

12 For just this reason, it is critical to
13 continue the battle to grow Philadelphia's
14 economy, the second key challenge on which our
15 future depends. After all, we must remember that
16 the tremendous progress of the past half-decade
17 follows a decline of more than half a century.
18 Over the past 50 years, Philadelphia went from
19 being city of 2.1 million people to less than 1.5
20 million people. Think of it this way: if the
21 population we've lost since 1950 were its own
22 city, it would be among the 20 largest in the
23 nation -- bigger than Boston, Atlanta, Cleveland,
24 or Washington D.C. To reverse this devastating
25 trend, it will take sustained long-term action.

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 And if we do not reverse this decline,
3 our recent gains will prove to be nothing more
4 than a hollow victory. In this fiscal year, more
5 than three-quarters of our budget comes from
6 locally generated revenue. Unless this revenue
7 base grows, the resources available for critical
8 services will inevitably decline. And at the same
9 time, the best thing we can do to make our
10 neighborhoods safer, our families stronger, and
11 our schools better, is to create more jobs and
12 more opportunity for all Philadelphians.
13 Consequently, we must put aside some of our
14 savings now in investments for future growth.
15 Without a growing economy, establishing budgets
16 for future mayors and City Council will always be
17 about how to divide an ever-shrinking pie to serve
18 a city with ever-more pressing needs.

19 To meet this challenge, we must
20 redouble our efforts to complete those major
21 projects that are now on the table and that are so
22 critical to reshaping our city and creating jobs
23 for people from all of our neighborhoods -- the
24 National Constitution Center, the Regional
25 Performing Arts Center, the Entertainment Center

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 at Penn's Landing, our 15 new hotels, DisneyQuest,
3 Jump Street, USA, the West Parkside retail
4 complex, the Amtrak Service Center, and, by
5 putting State financing in place, hopefully in the
6 near future, new stadiums.

7 Looking at our tax structure, it is
8 equally clear that Philadelphia can never fully
9 compete for new jobs and economic activity without
10 first closing the gap between the City's high tax
11 burden and the cost of living and doing business
12 elsewhere.

13 The crushing impact of the City's tax
14 structure is beyond question. People in
15 businesses consistently point to the wage tax as a
16 primary motivation for fleeing the City. And our
17 taxes have absolutely devastated our jobs base.
18 According to just one study, the City's wage tax
19 alone was responsible for an estimated 60 percent
20 of Philadelphia's job loss between 1965 and 1985
21 -- all told, nearly 100,000 jobs.

22 Quite simply, without local tax relief,
23 all of our economic development initiatives are
24 destined to fail -- which is why continuing the
25 multi-year full-time program of incremental tax

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 reduction that we began four years ago remains so
3 critical to restoring Philadelphia's
4 competitiveness.

5 From January 1, 1996 -- when the first
6 cut in the City's wage tax in 50 years took effect
7 -- the City has been committed to reducing our
8 taxpayers' burden. Since then, the resident wage
9 tax has been cut for four consecutive fiscal
10 years, from 4.96 percent down to 4.68 percent
11 today, while the nonresident wage tax has been
12 reduced by an equal percentage. In addition, the
13 gross receipts portion of the business privilege
14 tax has been reduced from 3.25 mills to 2.77 mills
15 -- while key changes have been made to the
16 apportionment and active present standard of these
17 taxes that have helped level the playing field for
18 businesses based in the City.

19 In total, these four rounds of tax cuts
20 have already saved Philadelphia taxpayers and
21 employers a cumulative \$207 million. Just as
22 importantly, these first cuts have sent a critical
23 message to businesses and residents throughout the
24 region: for the first time in more than a
25 generation, Philadelphia is reducing, not raising,

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 local taxes.

3 (Applause.)

4 MAYOR RENDELL: In contrast, in our
5 surrounding suburbs, the loss of the personal
6 property tax -- absorbed in Philadelphia through
7 management initiative -- has led to major real
8 estate tax increases. As a result, the City's
9 competitive gap is starting to close. While the
10 average local taxes went up in Delaware, Bucks,
11 Montgomery, and Chester counties between 1994 and
12 1997, Philadelphia tax burdens are coming down.

13 To continue to close this gap, I am
14 proposing a fifth round of tax cuts that, with
15 Council's approval, will take effect on July 1,
16 1999. Let's cut the resident wage tax once again
17 from 4.68 to 4.61 percent, and the nonresident
18 portion of the wage tax from 4.07 to 4.01 percent.
19 And at the same time, I propose to again cut the
20 gross receipts portion of the business privilege
21 tax from 2.77 mills to 2.65 mills. All told,
22 these cuts will save City taxpayers another
23 \$23.5 million in FY 2000 alone. For a
24 Philadelphia taxpayer making \$30,000 per year,
25 that means over \$100 more in their annual

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 take-home pay as a result of these five rounds of
3 tax cuts.

4 But let's not stop there. Within the
5 next few weeks, I plan to appoint a new select
6 Committee on City Taxes -- to be chaired by
7 Michael Nutter and tax expert and attorney Sheldon
8 Bonovitz -- to evaluate still further changes that
9 we can make to improve our competitiveness. Among
10 these potential changes, the Committee will
11 evaluate possible reductions to our real estate
12 transfer tax, creative new ideas for tax
13 abatements proposed by Councilman Frank DiCicco,
14 and further adjustments to the business privilege
15 tax.

16 In addition, I am also proposing both
17 to extend our existing wage and business tax
18 reduction program yet again into a ninth year and
19 to stabilize and institutionalize the incremental
20 cuts in the wage tax beginning in FY 2003.
21 Assuming that the City continues to implement
22 these reductions as projected, five years from
23 now, City residents will pay less than 4.50
24 percent in wage tax, and nonresidents will pay
25 less than 3.9 percent.

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 Now, some people have said that our tax
3 cuts are nothing more than symbolic. But it's
4 much more than that. The Inquirer said recently,
5 we're making progress -- and I quote -- "in
6 closing the tax gap between Philadelphia and its
7 competitors. Not only as [the City] chipped away
8 at corporate and wage taxes in town, but suburban
9 taxes have edged up, making it a bit less enticing
10 for families and businesses to flee." And if we
11 adhere to the tax reduction plan that I've
12 outlined today, by FY 2004, Philadelphia taxpayers
13 will have saved a cumulative total of more than
14 \$1 billion.

15 (Applause.)

16 MAYOR RENDELL: As important as taxes
17 are to business and residential location
18 decisions, however for most Philadelphians, City
19 government is just as much about municipal
20 services that establish the quality of life in our
21 neighborhoods. Therefore, we have consistently
22 rejected major service cuts as a strategy for
23 budgetary balance -- recognizing that such cuts
24 would ultimately be counterproductive by driving
25 out the City's tax base and eroding its sense of

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 community. Instead, the third key challenge for
3 our future is to continue making the most of our
4 resources to sustain and enhance basic services.

5 Among these municipal services, public
6 safety is paramount. Crime continues to be the
7 number one issue for our citizens, and there is no
8 question that we must do more to preserve the
9 safety and security of our neighborhoods.

10 The good news, as I said is, thanks in
11 part to President Clinton's Crime Bill, the City
12 of Philadelphia now has almost 7,000 officers in
13 the Police Department -- more than at any time
14 since 1984. The addition of these officers has
15 made a tremendous difference because they have
16 provided the manpower to aggressively attack crime
17 in every neighborhood. The new officers have
18 allowed the Department to triple the size of its
19 Narcotics Strike Force, from 50 to 150 officers;
20 and to create an elite 100-member Rapid Response
21 Crime Team from among the very best of our highway
22 patrol.

23 Without a doubt, the best example of
24 this new proactive policing is proactive Operation
25 Sunrise, an unprecedented effort to crack down on

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 drugs and violent crime in neighborhoods like
3 Fairhill and portions of Kensington and Hunting
4 Park. The results have been impressive:
5 narcotics arrests in 1998 rose more than 60
6 percent over the preceding year. Better still,
7 the numbers of homicides in 1998 fell by nearly 19
8 percent -- a sure indicator that we've chosen the
9 right course in combatting violent crime.

10 We are improving our crime-fighting
11 efforts in other ways too. Whether by introducing
12 sophisticated COMPSTAT crime mapping techniques or
13 by giving district commanders the tools to fight
14 crime in their neighborhoods -- and then holding
15 them accountable for doing so -- the Police
16 Department, under Commissioner John Timoney, is
17 making remarkable progress.

18 We must support this effort to
19 aggressively battle crime in every neighborhood by
20 providing the resources necessary to get the job
21 done. That is why, over the past 7 years, we have
22 placed more than 750 new radio patrol cars and
23 patrol wagons into service -- improving our
24 vehicle availability by over 40 percent. In
25 addition, last November, we completed installation

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 of mobile data terminals -- or "MDTs," as they're
3 known -- in each of our 550 district patrol
4 vehicles, and we are now installing MDTs in 250
5 tactical unit vehicles as well. These portable
6 computers are a tremendous crime-fighting tool
7 that provide on-the-spot access to emergency
8 dispatch assignments, data bases for vehicle
9 checks and "wanted person" files.

10 Last year, we also completed a \$4.1
11 million upgrade to our 911 technology and
12 implemented a comprehensive incident reporting
13 system that will help us to track arrests. And we
14 are now moving forward with major new computer
15 systems to improve the Department's internal
16 affairs and personnel functions.

17 In addition, thanks to the leadership
18 of State Senator Vincent Fumo, Philadelphia's
19 first two police helicopters have taken flight.
20 And we've initiated and expanded our popular bike
21 patrol program, equipped all of our police
22 officers with lifesaving new ballistic vests, and
23 given our officers modern semiautomatic Glock
24 pistols.

25 All told, our proposed Police

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 Department operating budget for FY 2000 totals
3 \$388 million, an increase of almost \$90 million
4 over just the past six years. Think about that.
5 If I had told you on January 6, 1992 that we were
6 going to have the capability to increase our
7 Police Department budget alone by \$90 million, you
8 would have thought that it was a dream. But it is
9 not a dream; it's a reality.

10 In addition, in our capital budget,
11 we've now invested more than \$22 million over the
12 past 7 years in upgrading our police districts --
13 after the City's capital spending on police
14 districts had dropped to just \$105,000 in FY '92.
15 And I am proposing today to invest another
16 \$13.5 million for police facilities in our FY 2000
17 capital budget, including a new forensic library.

18 Along with public safety, many other
19 services make a real difference in people's lives,
20 and my proposed budget includes a number of key
21 enhancements, many of which you have talked to me
22 about in the past several months.

23 In our Free Library system, we are
24 proposing an additional \$1.3 million to hire 54
25 more full-time and 29 more part-time employees to

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 fully staff 10 branch libraries soon to reopen
3 after major renovations, as well as to staff a new
4 library branch for Washington Square West. In
5 addition, we are adding more than \$275,000 for
6 expanded five-day-a-week after-school programs in
7 the library system projected to reach 12,000 more
8 children.

9 (Applause.)

10 MAYOR RENDELL: When combined with the
11 Recreation Department's great after-school program
12 and the work that our school system is doing with
13 after-school programs in the schools itself, we
14 are beginning to make a serious dent in having
15 available to kids safe places to go and have fun
16 and to learn during those critical 3-to-6 p.m.
17 hours.

18 In the Recreation Department, we are
19 requesting an increase of \$2 million to fully
20 staff all maintenance and custodial positions in
21 our Class B and C recreation centers -- creating
22 84 new positions to keep all of our centers clean
23 and in good condition. And you'll recall several
24 years ago, we were able to do that for Class A
25 centers, but not for B and C centers. This is a

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 dramatic step forward in helping to protect our
3 Recreation Department inventory and to help make
4 sure that the places that our kids play and have
5 fun in are clean and safe. In addition, we are
6 requesting over \$250,000 more to increase summer
7 pool salaries so that they can be more competitive
8 with other job opportunities.

9 In other initiatives, we propose to
10 make permanent the half million dollar increase
11 made in each of the past two fiscal years for the
12 demolition of approximately 200 imminently
13 dangerous buildings in Partners for Progress zones
14 (on top of the more than \$10 million budgeted per
15 year in our general demolition program). We plan
16 to add over \$125,000 to our successful
17 anti-graffiti and mural arts efforts. And we are
18 proposing that over \$800,000 in the Streets
19 Department budget be dedicated towards pilot
20 programs for improving street cleaning and weekly
21 recycling.

22 Further, the proposed new operating
23 budget includes a \$21 million investment in
24 support of our Economic Stimulus Program, a
25 six-year \$6.5 billion initiative that has already

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 created or retained more than 65,000 jobs in
3 Philadelphia.

4 In addition to these operating
5 improvements, the FY 2000 Capital Budget I
6 submitted today continues our commitment to
7 rebuilding our capital infrastructure.

8 Where in FY '92, the City's
9 contribution to its Capital Program had dropped to
10 only \$5 million, I am proposing in FY 2000 to
11 invest \$124.9 million in new City funding -- the
12 eighth consecutive year in which we will have
13 invested more than \$100 million. In addition, I
14 will seek approval from PICA to reallocate
15 \$48.0 million in added capital funds. This extra
16 funding is available from projects completed under
17 budget and from interest earned on PICA
18 borrowings, and it's needed to continue the
19 incredible momentum we have already achieved.

20 So think of that. We will be spending
21 well over \$173 million on capital programs this
22 year. That could have only seemed like a dream
23 years ago.

24 (Applause.)

25 MAYOR RENDELL: Once again, the lion's

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 share of capital funding will be directed towards

3 neighborhood quality of life, including:

4 \$14.8 million for Recreation Department

5 facilities all across Philadelphia;

6 \$6.3 million for the Free Library,

7 including funding to renovate an additional 9

8 branches and to open the new Washington Square

9 West branch;

10 \$9.5 million for Fairmount Park, more

11 than double last year's funding;

12 \$3.4 million for the Zoo;

13 \$17.7 million for increased street

14 resurfacing;

15 \$4.5 million for SEPTA;

16 \$4.2 million for traffic control;

17 \$800,000 for street lighting;

18 \$100,000 for the very successful

19 bicycle network plan, which will leverage another

20 \$400,000 in federal funding;

21 \$7.5 million for housing projects

22 citywide, predominantly for Philadelphia Housing

23 Authority renewal;

24 Over \$3.6 million for our health

25 centers and the Riverview Home;

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 And the second of two \$1.25 million
3 contributions towards a new Community College
4 satellite campus in the Germantown/Oak Lane area.

5 In addition, the FY 2000 Capital Budget
6 includes important new investment in economic
7 development:

8 \$3.5 million for neighborhood
9 commercial corridors, more than twice the amount
10 budgeted last year and nearly five times the
11 commitment of just the year before;

12 \$6 million for further defense
13 conversation;

14 \$5 million for the National
15 Constitution Center;

16 \$7.6 million for further improvements
17 to Independence Park;

18 \$2.8 million for the Avenue of the Arts
19 North and South;

20 \$10 million for the additional
21 Convention Center and Market Street improvements;

22 \$225,000 to restore the Chinatown
23 Gateway;

24 \$7.2 million for renovations and safety
25 improvements for the Art Museum;

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 \$875,000 for City cultural and
3 recreational facilities, including the Betsy Ross
4 House, Fort Mifflin, and the Robin Hood Dell East.

5 Finally, the Capital Budget also
6 includes investments to improve the responsiveness
7 and efficiency of government operations. These
8 initiatives include:

9 \$2 million for Fire Department
10 facilities and \$1 million for a new fire boat;
11 \$2.4 million for lighting and energy
12 efficiency improvements projected to generate
13 long-term cost savings;

14 \$3.5 million for continuing renovations
15 at Family Court;

16 \$2.1 million for Fleet Management
17 facilities;

18 And nearly \$1.3 million to renovate two
19 family shelters.

20 Even with all this investment, however,
21 no strategy to improve our economy and
22 neighborhoods can reach its full potential unless
23 we meet the challenge of educating our children to
24 compete in the 21st century. Unless we do so,
25 Philadelphia cannot achieve the promise of its

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 future.

3 Thankfully, our schools are making
4 progress. And while that progress may not be as
5 fast as any of us would like, it is undeniable.
6 In some circles, it may be fashionable to
7 criticize the School District's agenda, but I
8 issue the challenge to those who would do so:
9 What specifically would you do differently?

10 Just look at the changes in the
11 Philadelphia public schools since 1994:

12 On the management side, the School
13 District has nearly 350 fewer administrators than
14 it did when I ran for mayor in 1991, a reduction
15 of almost 25 percent. And the district has
16 already achieved nearly \$30 million in savings
17 recommended by the Private Sector Task Force on
18 Management and Productivity.

19 In the classroom, improvements abound.
20 Philadelphia now has full-day kindergarten for all
21 of our five-year-olds. There is a computer for
22 every 10 students today, compared to 1 for every
23 30 students just 4 years ago. Books are available
24 for every child in every core subject. Over
25 14,000 new volunteers have offered their services

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 to the schools. And the District has raised \$152
3 million in private donations, the largest amount
4 of private dollars raised anywhere in the nation
5 for urban public education.

6 But the best news about public
7 education is that the reforms set in motion are
8 starting to work. In 1998, citywide Stanford
9 Achievement Test results in reading, math, and
10 science showed substantial improvement for the
11 second year in a row. More recently, over half
12 the public schools in Philadelphia met their
13 two-year improvement goals, with nearly every
14 school showing some improvement. Even the
15 Commonwealth of Pennsylvania has noticed. Last
16 fall, the State Education Department awarded
17 nearly \$1 million in performance incentive grants
18 to 60 achievement schools in honor of, and I quote
19 "achievement and effort."

20 Let me be clear. No one believes that
21 the problems of our public schools have been
22 solved. Dropout rates are still far too high; far
23 too many students fail to receive kind of
24 education they'll need to compete in today's tough
25 marketplace; and the District must continue to

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 work for significant improvement in student
3 performance.

4 As serious as these problems are, there
5 is little hope for addressing them without
6 adequate funding from Harrisburg.

7 Let's look at the facts. During the
8 last 6 years, enrollment in Philadelphia public
9 schools has increased by 12.5 percent, or 24,000
10 new students. By itself, this increased
11 number -- just those 244,000 kids -- would be the
12 third largest school district in Pennsylvania.
13 Yet during that period, the value of the State's
14 education subsidy for Philadelphia has dropped by
15 almost 6 percent in real inflation-adjusted terms.

16 As a result, the gap between what
17 suburban and City schools spend is \$2,000 per
18 child, an explosive growth of more than 100
19 percent in that gap in just 3 years. In a
20 classroom of 30 students, this gap translates to
21 60,000 per classroom, 60,000 per classroom. Just
22 think what an extra 60,000 could do for our kids:
23 more computers, better student-to-teacher ratios,
24 or even helping to restore summer school for our
25 children who desperately need it.

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 Moreover, the City shoulders a
3 disproportionate share of the financial burden for
4 the public schools. The current School District
5 budget includes \$563 million in locally generated
6 revenues, including a special \$15 million
7 supplemental appropriation that the City, thanks
8 to this Council, has made in each of the last 3
9 fiscal years. In addition, the City provides a
10 wide range of special services, including almost
11 1,000 school crossing guards and discounts on
12 water/sewer and gas bills -- that saved the
13 District over \$70 million each year.

14 The FY 2000 operating budget submitted
15 today reaffirms the City's support for public
16 education. And although City taxpayers are
17 already doing all of this for our public schools,
18 today I am proposing that we do even more. In FY
19 2000, for the fourth year in a row, I propose that
20 the City provide another special supplemental
21 appropriation of \$15 million to the School
22 District. That means that in addition to half a
23 billion in local annual support, we will have
24 provided an extra \$60 million in supplemental
25 appropriations during the past four years. What's

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 more, I urge my successor to continue to provide
3 School District with \$15 million each year and
4 every year until the school funding issue is
5 resolved.

6 And remember, Philadelphia's finances
7 are severely constrained because we are the only
8 jurisdiction in the Commonwealth that is both a
9 city and a county. As a result, City residents
10 already shoulder the burden of county service --
11 such child welfare, prisons and the courts -- that
12 no other city in Pennsylvania must fund by itself.
13 In Philadelphia, county costs alone total more
14 than \$160 million per year.

15 A recent study undertaken by Greater
16 Philadelphia First demonstrates this point with
17 startling clarity. In Pittsburgh, which is a part
18 of Allegheny County, these costs are shared by the
19 city and its suburban neighbors. If
20 Philadelphia's tax burden for county services were
21 equal to that of Pittsburgh, then the district's
22 total per-pupil expenditure would rise from \$6,860
23 to \$9,110, a \$2,250 increase that would completely
24 eliminate the per-pupil spending gap between
25 suburban and Philadelphia schools.

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 As a result of these startling
3 statistics, I want to make a pledge: If the
4 Commonwealth at long last honors the Supreme Court
5 order to assume the cost of running the courts or
6 if the Supreme Court aggressively moves to enforce
7 that order this year, I will direct that the
8 \$160 million in local savings to be plowed back
9 into funding, I will direct that that \$160 million
10 be plowed back into funding for public education.

11 (Applause.)

12 MAYOR RENDELL: Not one dollar -- not
13 one dollar of the savings for court costs would go
14 into our General Fund. Every single dollar we
15 save will go into public education. I think that
16 every jurisdiction in this Commonwealth would be
17 willing to do the same. It is a fair and
18 appropriate way to help us along in that funding
19 gap.

20 And by itself, this \$160 million would
21 eliminate the School District's deficit for its
22 next fiscal year, which could reach to \$150
23 million according to the experts, including the
24 outside order to hire by the State legislature to
25 review district spending. But whatever means we

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 employ, this much is clear: Philadelphia schools
3 need more equitable treatment from the State.

4 The four challenges I have set forth
5 today -- maintaining fiscal discipline, rebuilding
6 our economy, enhancing the delivery of City
7 services, and improving public schools -- all have
8 one basic future in common: each is a challenge to
9 make Philadelphia more competitive in the battle
10 to attract investment, jobs, and opportunity.

11 If we fail to address these challenges,
12 all the progress we've made together will come to
13 a screeching halt. We have worked too long,
14 shared too many sacrifices, and come too far in
15 the past seven years to risk a return to the days
16 when Philadelphia lived beyond its means and
17 lurched from crisis to crisis. For my part, I
18 pledge to work through the very last minute of my
19 administration to keep Philadelphia moving
20 forward.

21 And there is no need to fear the
22 challenges ahead. Working together, we've made
23 the tough decisions every time we've needed to do
24 so, time and time again. We've brought
25 Philadelphia back from the brink, we have begun to

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 restore our competitiveness. And today,
3 Philadelphia stands ready to fulfill its promise
4 as a world-class city.

5 As a result, our work together as
6 generated tremendous enthusiasm about our city
7 from all around the country and the world. Last
8 November, the New York Times hailed Philadelphia's
9 comeback, and I quote, "out of financial chaos and
10 into a vibrant metropolis with new restaurants,
11 museums, hotels, a convention center, and perhaps
12 most strikingly, a sense of pride."

13 Just this month, the London Economist
14 featured an article on "the better streets of
15 Philadelphia." And in December, the Associated
16 Press remarked that once "a mere pit stop between
17 Washington D.C. and New York, Philadelphia is
18 coming into own as a premier place in which to
19 visit, live, and do business."

20 No less important, our work together
21 has generated tremendous enthusiasm within the
22 City -- which may be our most enduring legacy over
23 these past seven years. Philadelphians believe in
24 their city's future once again. And more than
25 anything else, that faith and confidence will live

1 1/26/99 STATED MEETING - Mayor Rendell's Budget Presentation

2 to see us through.

3 Although this is my last budget that I
4 will present to City Council, I remain confident
5 that our momentum will not slow down. The things
6 we have accomplished will benefit our citizens for
7 generations to come.

8 Philadelphia's progress does not end
9 with the start of this new century; it just
10 begins.

11 Thank you.

12 (Standing ovation.)

13 COUNCIL PRESIDENT VERNA: Thank you.

14 - - -

15 COUNCIL PRESIDENT VERNA: Are there any
16 speeches on the part of the Minority?

17 (No speeches on the part of the
18 Minority.)

19 COUNCIL PRESIDENT VERNA: Are there any
20 speeches on the part of majority?

21 (No speeches on the part of the
22 majority.)

23 COUNCIL PRESIDENT VERNA: There being
24 none the Chair recognizes Councilwoman Blackwell
25 for the purpose of making a motion to adjourn.

1 1/26/99 STATED MEETING - Adjournment

2 COUNCILWOMAN BLACKWELL: Madame

3 President, I move that this Council be adjourned
4 until Thursday, February 4th.

5 COUNCIL PRESIDENT Verna: Is there a
6 second?

7 (Duly seconded.)

8 COUNCIL PRESIDENT Verna: All in favor,
9 signify by saying aye.

10 Those opposed?

11 The ayes have it. Council will stand
12 adjourned until Thursday, February 4, 1999, at 10
13 a.m.

14 Thank you.

15 (Adjourned at 11:21 a.m.)

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C E R T I F I C A T E

I HEREBY CERTIFY that the foregoing
proceedings of the Council of the City of
Philadelphia of Tuesday, January 26, 1999, were
reported fully and accurately by me, and that this
is a correct transcript of same.

RE: STATED MEETING

_____,
JOSEPHINE CARDILLO,
Registered Professional Reporter