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COUNCIL OF THE CITY OF PHILADELPHIA
Capital Program & BUDGET HEARINGS
BEFORE THE COMMITTEE OF THE WHOLE

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- - -
Room 400, City Hall
Philadelphia, Pennsylvania
Wednesday, March 10, 1999
9:27 a.m.
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Bill 990021 - Adopting Capital Program for the six
fiscal years 2000 to 2005, inclusive.

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Bill 990022 - FY 2000 Capital Budget Adoption.

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Bill 990023 - FY 2000 Operating Budget Adoption.

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Bill 990024 - Re Business Privilege Taxes.

11

Bill 990025 - Re Wage and Net Profits Tax.

12

Bill 990026 - Re School Tax Authorization.

13

Bill 990027 - Re School Tax Authorization.

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Bill 990028 - Re School Tax Authorization.

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(Full text of all bills attached hereto.)

17

PRESENT: COUNCIL PRESIDENT ANNA C. VERNA, Chair

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COUNCILWOMAN AUGUSTA A. CLARK

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COUNCILWOMAN JANNIE BLACKWELL

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COUNCILMAN DAVID COHEN

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COUNCILWOMAN JOAN L. KRAJEWSKI

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COUNCILMAN JAMES F. KENNEY

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COUNCILWOMAN DONNA REED MILLER

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COUNCILMAN MICHAEL A. NUTTER

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COUNCILWOMAN MARIAN B. TASCO

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COUNCILMAN ANGEL L. ORTIZ

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COUNCILMAN FRANK DICICCO

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COUNCILMAN RICHARD T. MARIANO

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COUNCILMAN W. THACHER LONGSTRETH

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COUNCILMAN FRANK RIZZO

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CHARLES MCPHERSON,

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Chief Financial Officer

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1 3/10/99 WHOLE - 990021 Through 28, Inclusive

2 P R O C E E D I N G S

3 COUNCIL PRESIDENT Verna: Good morning.

4 This is the Committee of the Whole. And I would
5 ask the clerk to please read Bill No.'s 990024 and
6 990025.

7 MR. McPherson: Bill No. 990024, an
8 ordinance amending Chapter 19-2600 of The
9 Philadelphia Code entitled "Business Privilege
10 Taxes" by decreasing the rates of the tax based
11 upon gross receipts.

12 Bill No. 990025, an ordinance amending
13 Chapter 19-1500 of The Philadelphia Code entitled
14 "Wage and Net Profits Tax" by decreasing the
15 rates of the tax.

16 COUNCIL PRESIDENT Verna: Good morning,
17 Mr. Kaplan. Please identify yourself for the
18 record and proceed with your testimony.

19 MR. Kaplan: Thank you, Madam Chair.
20 My name is Dean Kaplan, and I'm the City's Budget
21 Director. And I'm here this morning to offer
22 brief testimony on Bill No. 990025 and very brief
23 testimony also on Bills 990024 and 26 through 28.

24 Let me speak briefly on 990025, as you
25 requested. The Administration is requesting an

1 3/10/99 WHOLE - 990021 Through 28, Inclusive
2 amendment to Bill 990025. The bill authorizes, as
3 the clerk has noted, reductions in the rate of tax
4 for both the wage tax and the net profits tax.

5 COUNCILMAN COHEN: Would you speak into
6 the microphone.

7 MR. KAPLAN: Sure. As indicated in the
8 bill, the rate reductions are to be effective on
9 July 1, 1999. And this effective date is
10 appropriate for the wage tax, but it poses a
11 problem for the net profits tax.

12 Unlike the wage tax, the net profits
13 tax is filed n an annual basis, and the tax year
14 for this tax is generally the calendar year rather
15 than the fiscal year. Therefore, we're proposing
16 that the rate changes for the net profits tax only
17 be effective for the 1999 tax year, which began on
18 January 1st of this year, 1999. And a January 1st
19 effective date is consistent with the reductions
20 in this tax that this Council has enacted in the
21 last three years -- 1996, 1997, and 1998.

22 This is one of the least complicated of
23 the City's business taxes, the net profits tax.
24 And without this amendment, it would become
25 significantly more complicated. Taxpayers would

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2 have an additional record-keeping burden since
3 they would have to determine their --

4 COUNCIL PRESIDENT VERNA: Yes, the
5 Chair recognizes Councilman Cohen.

6 COUNCILMAN COHEN: I'm having great
7 you're going much too fast for me; I'm not too
8 sure what it is you're saying. If you could go a
9 little more slowly and speak into the microphone.

10 MR. KAPLAN: Sure. The net profits tax
11 is a tax which is generally calculated by
12 corporations, by taxpayers on a calendar year
13 basis. When the bill was drafted, it was
14 mistakenly put in for a fiscal year start date --
15 July 1st rather than January 1st. And the result
16 is that if we enact it this way, we will cause a
17 record-keeping burden for the people who we're
18 trying to give a tax cut to. So what we're
19 suggesting is that we change the start date for
20 the net profits reduction -- change it from July
21 1st to January 1st to make it administratively
22 easier for the taxpayers.

23 That is also the way that we had
24 calculated the numbers in the budget, and it also
25 makes the tax much less complicated for the people

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2 who pay it. And that's also, finally, the way
3 we've done it the last three years, as a January
4 1st start date.

5 So essentially, what we're proposing is
6 to correct an error, and the bill is drafted.

7 COUNCILMAN COHEN: And does it have
8 anything to do with the rate?

9 MR. KAPLAN: It would, of course,
10 reduce the rate, as we had proposed earlier, which
11 is change the effective date of that reduction to
12 the same day and the year that we've done it the
13 last three years.

14 COUNCIL PRESIDENT VERNA: Why don't you
15 tell us how much the rate is being reduced by.

16 MR. KAPLAN: The rate was 4.6869
17 percent, and under the bill, we're proposing to
18 reduce it to 4.615 percent.

19 COUNCILMAN COHEN: Effective January
20 the 1st?

21 MR. KAPLAN: Right.

22 COUNCILMAN COHEN: And for the next six
23 months -- the first six months of the new fiscal
24 year, it would remain the same as currently. Is
25 that --

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2 MR. KAPLAN: It would be for the
3 calendar year -- for this particular tax, it would
4 be calendar year 1999 rather than Fiscal Year
5 2000. And the reason is that this is a
6 calendar-year tax, and to do it another way would
7 actually increase the burden on the taxpayers.

8 COUNCILMAN COHEN: I'm just trying to
9 find out, are you reducing the amount of the tax
10 retroactively to January the 1st, or are you
11 saying that the next reduction begins next January
12 the 1st?

13 MR. KAPLAN: No, we would be reducing
14 it retroactively to January 1st of this year.

15 COUNCILMAN COHEN: To January 1st of
16 this past year, okay.

17 COUNCIL PRESIDENT VERNA: Mr. Kaplan,
18 do you have copies of the amendments?

19 MR. KAPLAN: Yes, I do.

20 COUNCIL PRESIDENT VERNA: I would like
21 each member to see them, please.

22 MR. KAPLAN: I have a set of copies and
23 think there should be at least one for each
24 member.

25 COUNCILMAN COHEN: You were just

1 3/10/99 WHOLE - 990021 Through 28, Inclusive
2 talking about an amendment?

3 MR. KAPLAN: Right, this is just an
4 amendment to the bill.

5 COUNCIL PRESIDENT VERNA: To the bill.

6 MR. KAPLAN: To 990025.

7 COUNCIL PRESIDENT VERNA: Mr. Kaplan,
8 for the record, can you tell us if this amendment
9 adversely affects the Five-Year Plan or the
10 budget?

11 MR. KAPLAN: No, it does not. The
12 Five-Year Plan figures were calculated assuming a
13 January 1st start date, so then this bill would
14 actually match the legislation to the budget
15 figures.

16 COUNCILMAN COHEN: It assumes the
17 January 1, 1999 date?

18 MR. KAPLAN: Yes.

19 COUNCIL PRESIDENT VERNA: Yes.

20 COUNCILMAN COHEN: Okay.

21 MR. KAPLAN: And obviously, therefore,
22 I respectfully request your favorable
23 consideration of this amendment to Bill 990025.
24 And as I mentioned at the beginning of my remarks,
25 we are also requesting the committee's favorable

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2 consideration of 990024, 990026, 990027, and
3 990028, and we're requesting a suspension of the
4 rules.

5 COUNCILMAN COHEN: You covered the bill
6 024? Did you say something about that
7 previously?

8 MR. KAPLAN: Bill No. 990024 would
9 reduce the gross receipts portion of the business
10 privilege tax in FY 2000 from 2.775 percent to
11 2.65 percent. And we have commented in our
12 hearings on the Five-Year Plan on February 8th and
13 on the finance-related agencies on February 16th,
14 and that is -- that amount is consistent with the
15 Five-Year Plan and with the recent original --

16 COUNCILMAN COHEN: But that does not
17 require the amendment.

18 MR. KAPLAN: The amendment is not
19 involved in that; although, obviously, we're
20 requesting passage of the bill.

21 COUNCILMAN COHEN: And that's
22 calculated on a calendar-year basis, that bill?

23 MR. KAPLAN: This is probably a good
24 point for the Revenue Commissioner to answer,
25 but. . .

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2 (Revenue Commissioner Nancy

3 Kammerdeiner comes forward.)

4 MS. KAMMERDEINER: Good morning. My
5 name is Nancy Kammerdeiner, Revenue Commissioner
6 for the City of Philadelphia.

7 Bill No. 990024 regarding the business
8 privilege tax is effective with the tax year for
9 1999, and the filing for that is April 15, 2000.
10 So it is consistent with what we're doing with the
11 net profits tax. It will cover that tax year.

12 COUNCILMAN COHEN: Does that mean it's
13 on a calendar-year basis?

14 COMMISSIONER KAMMERDEINER: The tax
15 year's on a calendar-year basis, but way the bill
16 is worded, it says "for returns filed after a
17 certain date," and therefore, it is effective
18 appropriately. It does not need an amendment in
19 order to be effective for the proper time period.

20 COUNCILMAN COHEN: I think I understand
21 but I'm not sure I do. You can't give it -- under
22 these circumstances, it's impossible to give a
23 "yes" or "no"; is that what you're saying?

24 COMMISSIONER KAMMERDEINER: I'm saying
25 that the tax year is a calendar year, but there is

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2 a situation for some businesses where they may
3 file on their fiscal year. There are some
4 adjustments or some changes in filing periods for
5 a number of businesses for the business privilege
6 tax.

7 The way the bill is worded, the
8 effective date for the change is July 1, '99 for
9 returns filed after that date based on the
10 appropriate tax filing period for the particular
11 business. In most instances, that means it will
12 be for their return filed on April 15, 2000.

13 COUNCILMAN COHEN: But for those that
14 file April 15th, is there a reduction in that tax
15 effective retroactively to January the 1st?

16 COMMISSIONER KAMMERDEINER: That's on
17 the net profits tax that it's retroactive to
18 January 1, 1999. On the business privilege tax --
19 the business privilege tax is really a tax that
20 you pay for the current year; it is not a tax paid
21 for the prior year.

22 COUNCILMAN COHEN: All right.

23 COMMISSIONER KAMMERDEINER: And so you
24 base your rate on the time period when the return
25 is filed as opposed to the business tax year.

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2 COUNCILMAN COHEN: All right, thank
3 you.

4 COUNCIL PRESIDENT VERNA: Are there any
5 other questions on the two bills that we just
6 heard testimony on?

7 (No further questions.)

8 COUNCIL PRESIDENT VERNA: Seeing none,
9 I would ask the clerk to please read the title of
10 Bill No. 990021.

11 MR. MCPHERSON: Bill No. 990021, an
12 ordinance to adopt a Capital Program for the six
13 fiscal years 2000 to 2005, inclusive.

14 COUNCIL PRESIDENT VERNA: Mr. Kaplan?

15 MR. KAPLAN: Thank you. Again, good
16 morning, members of Council. I'm Dean Kaplan, the
17 Budget Director.

18 Bills 990021 and 990022 propose to
19 establish the City's FY 2000 to 2005 Capital
20 Program and the FY 2000 Capital Budget. Today
21 we're proposing to amend the bills which were
22 introduced in January to add additional
23 appropriations necessary to carry forward all
24 unobligated funding from 1999 appropriations and
25 to include additional appropriations where there

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2 were sources that were unanticipated when the
3 bills were prepared and introduced in January.
4 This is the process we go through each year in
5 making sure that the unspent appropriations at
6 this point are available next year.

7 In the proposed amendment, all of the
8 unobligated capital appropriations have been
9 carried forward from Fiscal 1999 and from prior
10 years where applicable, with very few exceptions.
11 There are fewer than a dozen of these exceptions
12 that fall basically into --

13 COUNCIL PRESIDENT Verna: Mr. Kaplan,
14 could we have copies of the amendment?

15 MR. KAPLAN: Yes, a copy has been
16 available in the clerk's office for about a week.
17 I have a copy with me of both the budget amendment
18 and the program amendment. And we can make them
19 available to individual members as necessary.

20 Essentially, there are really two
21 categories where there are exceptions: one is
22 where there are unspent PICA or general
23 obligations where projects have been completed
24 under budget, and --

25 COUNCILMAN COHEN: Would you please

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2 speak into the microphone. All I can hear is
3 echo.

4 MR. KAPLAN: There are two categories
5 of exceptions to the general rule that all
6 appropriations are carried forward. One is a
7 small number of cases where there are unspent PICA
8 or generally obligations dollars where projects
9 have been completed under budget.

10 COUNCILMAN COHEN: What, PICA?

11 MR. KAPLAN: PICA, yes. And the second
12 category is when there are federal, state, or
13 private appropriations where we had anticipated
14 grants or contributions and they haven't
15 materialized.

16 In those cases where general obligation
17 funds haven't been carried forward, the projects
18 have been completed within budget. So normally,
19 the balance is very small, usually a few thousand
20 dollars.

21 The key issue traditionally for members
22 of Council and the Administration is that there
23 are a large number of projects in the Capital
24 Budget, as members are aware, that have been
25 included at the direct request of individual

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2 members of Council.

3 And again this year, as in the last
4 several years, I can assure members that all
5 remaining funding for these projects have been
6 included in the carry-forward amendment proposed
7 today. This recommendation doesn't include the
8 lapsing of any unencumbered funding for projects
9 that --

10 COUNCILMAN COHEN: Could you repeat
11 that last part.

12 MR. KAPLAN: Yes. The amendment that
13 we're suggesting does not lapse any unencumbered
14 funding for projects included in the budget at the
15 request of members of Council whether or not those
16 projects have been completed. And that's
17 something that you've asked us each year to state
18 clearly and unequivocally, which we're happy to do
19 again.

20 COUNCIL PRESIDENT VERNA: Councilman
21 Cohen, what is being said is that any projects
22 that the District Council people have in their
23 Capital Budget, if they have not been completed
24 for some reasons, those monies will simply be
25 carried over until next year's budget.

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2 Is that correct?

3 MR. KAPLAN: Yes, that's correct.

4 COUNCIL PRESIDENT VERNA: So there will
5 be no disruption of any of the projects.

6 MR. KAPLAN: Other than the addition of
7 the carry-forward appropriations, there are some
8 further proposed modifications to the two bills as
9 introduced. Those are summarized in the testimony
10 we had submitted prior -- mostly in the Commerce,
11 Park, Fire, Prisons, Property, and Recreation
12 Departments.

13 COUNCIL PRESIDENT VERNA: For the
14 record, would you say what they are, please.

15 MR. KAPLAN: Sure. In the Capital
16 Program for Commerce, there's an increase of
17 \$1.5 million in Line 45 for the Auto Mall
18 streetscape improvements recommended for 2001.
19 And in addition, we're recommending a change in
20 the title for the "Food Distribution Center" to
21 "Food Distribution Center and Other Relocation
22 Activities" to recognize the intent to use funding
23 there to allow for expansion of activities at the
24 Food Distribution Center.

25 There's an additional \$100,000 for

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2 State appropriation for Fairmount Park for the
3 Fairmount Park Water Works to allow us to finance
4 a State grant that was received after the budget
5 was submitted.

6 In the Fire Department, we're
7 recommending a line change for their new emergency
8 facilities and warehouse to be changed to
9 expansion and reconstruction of facilities to
10 recognize the fact that we are undertaking a
11 review of the Fire Department's space needs. And
12 that may conclude that -- although we think they
13 will need more space, we're not sure that it will
14 necessarily be in the emergency services or
15 warehousing areas.

16 In the proposed Prisons budget, we have
17 asked for a title change for "House of Correction"
18 replacement to "Women's Correction Facility" for
19 lines 99-A and B, and this reflects the latest
20 plans to construct the women's facility on the
21 northeast campus that we have discussed
22 previously, and it allows us to match other
23 funding available for that project.

24 In Public Property, we're recommending
25 a --

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2 COUNCILMAN COHEN: Would you please
3 speak into the microphone.

4 MR. KAPLAN: Yes. In Public Property,
5 we are recommending an additional appropriations
6 of \$6 million for the 800 megahertz project, which
7 recognizes the amount of 911 revenue that we
8 expect to receive next year for the 800 megahertz
9 construction.

10 And, finally, in Recreation, we've
11 included an additional State-funded appropriation
12 of a million dollars in Line 120 which is a result
13 of a State grant that we were not aware of at the
14 time the budget was developed.

15 Those are the specific projects that
16 we're requesting modifications for. And,
17 obviously, I'd be happy to answer questions about
18 them or the rest of the budget.

19 COUNCIL PRESIDENT VERA: The Chair
20 recognizes Councilman Kenney.

21 COUNCILMAN KENNEY: Thank you, Madam
22 Chair.

23 Is it the Chair's intention today to
24 conduct a public meeting on these bills?

25 COUNCIL PRESIDENT VERA: Yes.

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2 COUNCILMAN KENNEY: I have to leave the
3 chamber for Council business. And if I do not
4 return by the time of the Council committee
5 meeting, I'd like to be recorded as voting aye on
6 990021, 22, 23, 24, and 25, and also approving the
7 rules suspension.

8 COUNCIL PRESIDENT VERNA: Thank you.

9 COUNCILMAN KENNEY: Thank you.

10 COUNCIL PRESIDENT VERNA: Councilman
11 Kenney, how about the amendments?

12 COUNCILMAN KENNEY: And also aye on the
13 amendments -- actually, the amendment to Bill
14 990025.

15 COUNCIL PRESIDENT VERNA: 21 and 22?

16 COUNCILMAN KENNEY: And also 21 and 22.

17 COUNCIL PRESIDENT VERNA: Thank you.

18 COUNCILMAN KENNEY: Thank you.

19 COUNCIL PRESIDENT VERNA: The Chair
20 recognizes Councilman Nutter.

21 COUNCILMAN NUTTER: Thank you, Madam
22 Chair.

23 Mr. Kaplan, there were a number of
24 items discussed on the first day of the Capital
25 Budget, and then some were subsequently discussed

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2 during the appropriate days of the Operating
3 Budget regarding the few projects with which I
4 have great interest and concern. Can you state
5 for the record today what the status is of a
6 couple projects for me.

7 You and Mr. Mifflin from Fairmount Park
8 were at the table not too long to talk about
9 capital funding for Belmont Mansion. Can you
10 briefly state where we are with that.

11 MR. KAPLAN: Yes. The Administration
12 is prepared to initiate a project to determine the
13 scope of the remaining additional improvements
14 that are needed to Belmont Mansion during the
15 remainder of this fiscal year and FY 2000 and to
16 then move forward to make those improvements. Our
17 guess is that that will probably take place
18 sometime toward the end of next year -- more
19 likely in FY '01.

20 COUNCILMAN NUTTER: I'm sorry, I didn't
21 get the tail-end of what you said.

22 MR. KAPLAN: Our assumption is that the
23 funding for the investigation and design of
24 additional improvements will probably take
25 somewhere in the range of 6 to 9 months and then

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2 be followed by the actual construction of those
3 improvements.

4 COUNCILMAN NUTTER: All right, so you
5 fully anticipate that you're going to fund the
6 engineering and design work that will determine
7 how much work actually needs to be done at Belmont
8 Mansion. And then when that determination is made
9 -- both the scope of the work and the cost of the
10 work -- the Administration today is committed to
11 then funding that work.

12 MR. KAPLAN: Yes.

13 COUNCILMAN NUTTER: To complete the
14 Belmont Mansion.

15 MR. KAPLAN: Yes.

16 COUNCILMAN NUTTER: All right, thank
17 you.

18 The 21st Ward Ice Rink Project and the
19 Wynnefield Recreation Center.

20 MR. KAPLAN: In both of these cases, we
21 have engaged in some discussions with the
22 Recreation Department -- and in certain cases,
23 with other parties.

24 For the ice rink, the Administration is
25 prepared to initiate an analysis of both the

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2 demand and need for the rink, the size of a
3 facility were it to go in the site which has been
4 proposed, and the feasibility of constructing on
5 that site, as well as an analysis of what it would
6 cost. We have also been investigating the
7 question of whether there is sufficient rink
8 capacity in the area and believe that there may be
9 some ability to leverage additional resources for
10 this.

11 And, finally, it's our understanding
12 that there is some possibility of gaining at least
13 some modicum of State funding for this project.
14 So we think that there's a, you know, a reasonable
15 amount of progress has been made, and that there's
16 a potential for putting together a funding package
17 for this -- although, as I stated before, to build
18 something of the size that has been discussed, we
19 will need, you know, some substantial assistance
20 in addition to any City funds that might be
21 appropriated. I think the potential commitment of
22 State funds would be very encouraging.

23 In terms of the --

24 COUNCILMAN NUTTER: Well, you're aware
25 that there were some recent discussions with

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2 various State legislators about the real prospect
3 of State funding to go to this particular project.
4 Let me, though, try to make sure that we are clear
5 and talking on the same page.

6 Your statement is essentially that
7 unless it can be proved that there is virtually no
8 or extremely limited usage potential for an ice
9 rink in the 21st Ward area, the Administration at
10 least supports the concept and is working on a
11 funding plan. Is that an accurate statement?

12 MR. KAPLAN: That's more or less
13 accurate, yes.

14 COUNCILWOMAN VERNA: Is it more or is
15 it less?

16 COUNCILMAN NUTTER: Right.

17 (Laughter.)

18 MR. KAPLAN: I don't know if I'd say
19 that there's virtually -- no, I think that it's
20 our -- our preliminary discussions indicate that
21 there is substantial demand for a rink in that
22 area, that there may not be the potential for a
23 continuing (unintelligible) with the private rink
24 in the area. And that assuming that that is in
25 fact the case once we're able to spend more time

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2 working on it and that State funding does in fact
3 become available, that we would supportive of the
4 general concept and would want to move forward on
5 it.

6 COUNCILMAN NUTTER: Okay, thank you.
7 Wynnefield Recreation Center.

8 MR. KAPLAN: For Wynnefield Recreation
9 Center, our discussions with the Recreation
10 Department indicate that they do believe the area
11 is in need of some additional services. We began
12 talking to them about what the nature of those
13 might be.

14 Some of their analysis of the potential
15 ideas for the site seem to be reasonably expensive
16 compared to the similar recreation centers we've
17 built in other areas, but we have committed to
18 them to try to complete those discussions in the
19 near future and decide what would be appropriate
20 for the site work with your office to do that as
21 well and then try to put together a funding
22 package that would work for that site.

23 COUNCILMAN NUTTER: All right. So the
24 only issue with regard to the Wynnefield
25 Recreation Center revolves more around cost

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2 because of the challenges of the particular site
3 versus demand issues. You don't have any question
4 that there is a need, you don't question that the
5 area is under-served from a recreation
6 standpoint.

7 And the only real issue here is: a
8 site has been identified, it is a challenging
9 site, and the economic feasibility of putting a
10 rec center at that site is really the only primary
11 issue.

12 MR. KAPLAN: The only caveat I would
13 have is that I have not actually seen the demand
14 information that Recreation has put together; I'm
15 taking that on reasonable faith based on their
16 historical performance on that, but I'm assuming
17 that that's correct, yes.

18 COUNCILMAN NUTTER: Well, it's a large
19 community that does not have a B or a C size
20 recreation center let alone an A; it has a D size
21 recreation facility in a community that has, you
22 know, probably over 10,000 households. So I mean,
23 that's the demand issue.

24 MR. KAPLAN: Right.

25 COUNCILMAN NUTTER: All right. You may

1 3/10/99 WHOLE - 990021 Through 28, Inclusive
2 not necessarily have an answer to this today but
3 I'm going to ask you as Budget Director, Miss
4 Paster, and I see Miss Bittenbender in the
5 audience. There is an outstanding issue with
6 regard to the Japanese House and unconcluded
7 discussions and negotiations around moving that
8 project forward. Dollars have been allocated for
9 this project, the group is in a fund-raising mode,
10 and as best I can figure out, they are literally
11 caught in the kind of governmental community
12 chicken-and-egg situation where if we put our
13 dollars forward, they're able to raise their
14 money, and people are always looking to try to
15 figure out what the City's is doing before
16 oftentimes they step to the plate.

17 I'd like to get a resolution to the
18 Japanese House situation.

19 MR. KAPLAN: I think that, as you will
20 recall, the Japanese House issue was held up for
21 some time as a result of the need for time to
22 fashion the actual pieces of the roof, the
23 specialized wood in Japan.

24 COUNCILMAN NUTTER: Right.

25 MR. KAPLAN: In the interim, the

1 3/10/99 WHOLE - 990021 Through 28, Inclusive
2 appropriations for the Japanese House roof were
3 required for another project, which I think you're
4 also aware of. And in the FY 2000 budget, as I
5 recall, we reappropriated the funding for that.
6 I'm looking --

7 COUNCILMAN NUTTER: Right, but where
8 are they? I'm aware of those particulars. But, I
9 mean, you have kind of two or three dynamics going
10 on: One, you have a currently leaking roof; two,
11 the bark that is going to be used for this is
12 currently being harvested in Japan for this
13 particular project. Three, the group has various
14 outstanding pledges committed to this project, but
15 as often happens in these cases, they're also
16 trying to figure out where the City's commitment
17 is, and often we have to be the first in.

18 So you've got some funding in place,
19 outstanding pledges, and a contractor coming from
20 the other side of the world to do a project that
21 we have to put our money up on the table to get it
22 concluded. And I don't mean in any way, shape, or
23 form to make it seem as simple as just outlined,
24 but we have a treasured facility out in the park,
25 the roof is leaking -- this is not just, you know,

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2 where you call a roofer somewhere and put another
3 roof on; it's a very complicated project.

4 But I can't have the building further
5 deteriorate as a result of, you know, what it is
6 that we're doing in-house.

7 MS. PASTER: My name is Cathy Paster,
8 I'm Deputy Budget Director.

9 Councilman, we recently had a meeting
10 with your staff and the Park to discuss that issue
11 in particular, and one of the issues -- you're
12 correct that the City does have \$250,000 in place,
13 and we're prepared to obviously fund that project;
14 that's what that money's there for.

15 COUNCILMAN NUTTER: Right.

16 MS. PASTER: But there was an issue in
17 terms of the private fund-raising, and we were
18 concerned that they hadn't come very far along in
19 terms of their actual dollars received and
20 pledges.

21 COUNCILMAN NUTTER: Right.

22 MS. PASTER: I'm not even sure at this
23 point that they have sufficient pledges to
24 complete the project, the total scope of the
25 project.

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2 We did meet, like I said, with your
3 staff and the Park, and we discussed the issue,
4 and we had asked for additional information from
5 the Japanese House representative in terms of, you
6 know, what their financing situation was. We do
7 have that information; I guess it was received a
8 week or so ago, and I think Julia on your staff
9 has it and I have it.

10 And we're committed to reviewing that
11 information and trying to work out some kind of
12 plan with them so that we can move the project
13 forward.

14 COUNCILMAN NUTTER: I understand, but I
15 mean, my final statement on that will be,
16 notwithstanding what another group is doing in
17 their best efforts in trying to raise money, we
18 own the building.

19 MS. PASTER: That's correct.

20 COUNCILMAN NUTTER: It is owned by the
21 City of Philadelphia. The roof is leaking, and we
22 need to move the project forward. Notwithstanding
23 what anybody else is doing, we own the building,
24 and I think that has to be the driving message
25 here about getting this project completed.

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2 I believe that if we go in and do what
3 it is that we can do and put our dollars on the
4 table, it will tremendously help the other side as
5 they are totally committed to raising their
6 dollars and getting their pledges in, but
7 somebody's got to take a step here, and I believe
8 that we ultimately have the obligation and the
9 responsibility to make that step and push this
10 thing along.

11 MR. KAPLAN: I have to admit that I'm
12 not specifically familiar with this; I haven't
13 been briefed on this specific problem. And I'm
14 not quite sure exactly what, other than
15 appropriating our share of the funds and
16 committing to spend it, exactly what step you want
17 us to take.

18 COUNCILMAN NUTTER: There's a contract
19 issue, and I believe that the Friends of the
20 Japanese House have essentially been told that the
21 City will not put its money in the project because
22 they have not raised the portion of the funds that
23 they are supposed to raise. Some of our money is,
24 in fact, being used for the purchase of the
25 items. But before you can get to the purchase of

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2 the items, the craftsmen and workmen literally
3 have to come from Japan, get on the ground here,
4 be housed wherever they're going to be housed, and
5 so there's also an issue of how our early money is
6 being used and whether it's for labor or whether
7 it's for goods.

8 I mean, that's the -- I mean, it's a
9 part of the conundrum of this particular project.
10 I mean, as we dot every i and cross every t -- and
11 everyone is doing their job, but if we continue
12 along that path, the only thing that's going to
13 happen is more water is going to go into the
14 Japanese House as we make sure that we're, you
15 know, covering all of our respective bases.
16 That's the problem.

17 And we don't need to -- I mean, we'll
18 have more discussion about it. Let's just -- it's
19 on the record, let's finish it.

20 Street trees and flashing lights. Last
21 year, Mr. Kaplan, through some inadvertent
22 situation, there was no money in the budget for
23 street tree removal and replacement. We are not
24 going to be faced with that again this year; is
25 that correct?

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2 MR. KAPLAN: That's correct.

3 COUNCILMAN NUTTER: How much money is
4 there for street trees this year?

5 MR. KAPLAN: I believe there's \$300,000
6 in capital, but I'm going to have to find the
7 right page here.

8 COUNCILMAN NUTTER: And does the Park
9 currently have capital funding for street trees?

10 MR. KAPLAN: Yes.

11 COUNCILMAN NUTTER: For FY '99?

12 MR. KAPLAN: Yes.

13 COUNCILMAN NUTTER: Has all the money
14 that's been appropriated to them actually been
15 given to them, or is any being held?

16 MR. KAPLAN: I believe that all of the
17 funding that we have promised them is available.

18 COUNCILMAN NUTTER: All right. The
19 reason I ask the question is because I had a
20 request just the other day, and the response that
21 came back to me was that the money has essentially
22 come to them, in somewhat inarticulate terms, "in
23 descriptions and drabs." There's 100,000 here,
24 you spend that, you get another 100,000. I mean,
25 it's kind of like, you know, if you have pencils,

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2 you can't get another one until you bring back the
3 one with no eraser left on it.

4 I mean, you know, I can't deal with
5 them on a tree-by-tree basis. I have to know that
6 the money is there and the requests come in,
7 'cause I don't control, you know, how we get
8 requests. I could get ten requests in a day, then
9 I might not get another one for another couple of
10 weeks.

11 MR. KAPLAN: I think that the issue has
12 been in terms of cash availability. We wanted
13 them to pick up the pencil before we gave them a
14 second pencil, and that's historically been the
15 issue with the Park.

16 The amount for FY 2000 in the future
17 years for capital park and street trees is 300,000
18 throughout the plan.

19 COUNCILMAN NUTTER: All right. Is it
20 my understanding that this upcoming fiscal year,
21 we will have money in the budget for the school
22 flashing light program?

23 MR. KAPLAN: Yes.

24 COUNCILMAN NUTTER: How much?

25 MR. KAPLAN: I believe the Mayor has

1 3/10/99 WHOLE - 990021 Through 28, Inclusive
2 made a commitment to spend up to \$750,000 in
3 FY 2000 for flashing lights at schools.

4 COUNCILMAN NUTTER: All right. And has
5 the Streets Department been notified about that,
6 and can they begin to crank up their operation
7 even at this point, in March, anticipating that
8 July 1, they will have those dollars and be able
9 to fulfill a number of yearlong -- over-a-year
10 outstanding requests, and that they might actually
11 be able to get some of those lights in place for
12 the September 1999 school year?

13 MR. KAPLAN: I believe that they're
14 aware of the commitment. I don't think we've had
15 time to discuss it with them in detail, but I do
16 know that they are the holders of the list of
17 outstanding requests, which are approximately 39.

18 COUNCILMAN NUTTER: Yes.

19 MR. KAPLAN: And our assumption is that
20 those would be the first ones that they would work
21 on. I don't have a very good sense of the timing
22 for each -- it depends on how big the
23 intersections are.

24 COUNCILMAN NUTTER: Right.

25 MR. KAPLAN: But, obviously, our goal

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2 would be to have them operational by the fall.

3 COUNCILMAN NUTTER: Well, there is some
4 preliminary work that they have to do. My
5 experience, though, with them -- and this may come
6 from direction from the top, but the departments
7 often are reluctant to even begin their
8 preliminary work, not in expenditure of any money,
9 but they don't generally like to do anything until
10 they've gotten the secret nod, wink, handshake,
11 and a letter signed in triplicate telling them
12 that they can go forward on things.

13 This is the kind of project that does
14 have some lead time that is built into it. There
15 are many things that they can do that virtually
16 require no expenditure of money so that on July 1,
17 I mean, they can now start telling their
18 contractors, We're going to be in the ground in
19 July and August, anticipating the September school
20 opening. And if you could communicate that
21 message to them, I'd greatly appreciate that.

22 MR. KAPLAN: We can certainly do that,
23 and we can ask them to begin immediately working
24 on the -- certainly the outstanding 39 requests.

25 COUNCILMAN NUTTER: Okay. Last two

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issues, they're both tied together. I have two outstanding projects, money allocated for them. They are somewhere in a pipeline that is clearly somewhat clogged. Many a bike path has ISETEA grant money that is old and is apparently nowhere near being spent or on its way to completion -- that is over in Fairmount Park now. And the Manayunk bank stabilization project has FY '99 money, which you and I had a half dozen, at times, blow-out conversations about this, and that project is nowhere near any water moving anywhere up there.

14 And I would ask somewhere between you,
15 Mr. Kaplan, Cathy Paster, and Emily Bittenbender
16 over at CPO that a serious fire -- if not dynamite
17 -- needs to be placed strategically to get these
18 projects moving. I mean, it is unacceptable where
19 things are now with these projects, given the age
20 of money, inability to apparently spend ISETEA
21 money, which -- I mean, you know, we're into
22 almost a third round now of ISTE. I mean, you
23 know, we're two acronyms gone on ISTE, and
24 nothing has gone on with these projects.

25 MR. KAPLAN: I'm not familiar with the

1 3/10/99 WHOLE - 990021 Through 28, Inclusive
2 bike path timing, but I'll be happy to look into
3 that and get back to you as soon as possible on
4 that.

5 COUNCILMAN NUTTER: Okay.

6 MR. KAPLAN: On the Manayunk bank
7 stabilization, my understanding is that that
8 project is supposed to be bid next month, so I'll
9 investigate it and find out if that is, in fact,
10 the case, but that's the most recent word I heard.

11 COUNCILMAN NUTTER: All right. And
12 will someone get back to me with timetables on
13 both of these? And who is actually going to be
14 responsible for these projects?

15 MR. KAPLAN: Sure.

16 COUNCILMAN NUTTER: Is it Fairmount
17 Park, is it CP0? 'Cause, I mean, I'll need to
18 know where to place the next call.

19 MR. KAPLAN: You can call me, but we'll
20 try to call you before that happens and give you
21 that information.

22 COUNCILMAN NUTTER: That would be nice,
23 all right. Thank you.

24 Thank you, Madam Chair.

25 COUNCIL PRESIDENT VERNA: Thank you.

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2 The Chair recognizes Councilman Cohen.

3 COUNCILMAN COHEN: Mr. Kaplan, the
4 Capital Program, isn't it really basically a
5 combination of a wish list and a plan for the
6 future? It is not an operational ordinance like
7 the Capital Budget, right? When we appropriate
8 money, it's got to be in the Capital Budget when
9 we move ahead; isn't that true?

10 MR. KAPLAN: Yes. The Capital Budget
11 is a specific budget appropriation for the next
12 fiscal year. The plan -- program, I'm sorry, is a
13 six-year Capital Plan, which is required by the
14 Charter and is developed by the City Planning
15 Commission. It is not specifically a wish list
16 but is an attempt to put together a rational,
17 thoughtful program for the scheduling of upcoming
18 replacement of City assets and construction of new
19 assets.

20 COUNCILMAN COHEN: But until an item
21 gets into the Capital Budget, it is not subject to
22 having an appropriation bill passed relying on it;
23 isn't that correct?

24 MR. KAPLAN: I think that's correct.
25 However, over the past several years, we have made

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2 a fairly strong attempt to make sure that the
3 things that are in the program are, first of all,
4 things that there's some consensus that are needed
5 and then try to make sure that the program is not,
6 as you suggested, a wish list, but rather, that
7 most of those projects, in fact, when the funding
8 is available and assuming the timing works out,
9 actually are funded in subsequent capital budgets.

10 COUNCILMAN COHEN: Now, the amendments
11 that you introduced with respect to the Capital
12 Program, are they for years other than Capital
13 Budget Year 2000?

14 MR. KAPLAN: I believe the only one
15 that's for a year other than 2000 is the
16 streetscape project for the Auto Mall, and the
17 reason that that is a 2001 appropriation was that
18 in the time between when it was originally
19 proposed and now, some additional review work has
20 been done by the Streets Department, and they've
21 identified what they think the actual project
22 scheduling will be, and have suggested that there
23 would be additional funding needed in FY '01.

24 So other than that, I believe all the
25 changes are to FY 2000.

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2 COUNCILMAN KENNEY: So that these
3 amendments are also going to be made in the
4 Capital Budget Ordinance for Fiscal 2000?

5 MR. KAPLAN: Right. In fact, most of
6 the changes are really to the budget. And
7 inherently, obviously, the budget year is always
8 included in the program.

9 COUNCILMAN COHEN: But it's a separate
10 ordinance for the Capital Budget.

11 MR. KAPLAN: Right, there are two
12 separate -- we have to amend both documents, but
13 the --

14 (Interruption by PA sound equipment
15 malfunction.)

16 MR. KAPLAN: But most of the changes
17 are to the Capital Budget year.

18 COUNCILMAN NUTTER: So the amendments
19 are going to be duplicated, the amendments to the
20 bill 021 are going to also go into capital -- into
21 the 2000 Capital Budget, with the exception of the
22 one you referred to.

23 MR. KAPLAN: Right.

24 COUNCILMAN COHEN: All right, thank
25 you.

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2 COUNCIL PRESIDENT Verna: Thank you.

3 The Chair recognizes Councilwoman

4 Tasco.

5 COUNCILWOMAN TASC0: Thank you very

6 much.

7 I had a list here of projects that were
8 sponsored by me from '95, '96, '97, and '98. How
9 do I know that, if the money wasn't expended, it's
10 carried over? Would you be able to tell me that?

11 MR. KAPLAN: Obviously, not off the top
12 of my head but, yes, if you could give us a copy
13 of the list, we'd be happy to do that.

14 And members will frequently ask us that
15 question and we're happy to provide you with an
16 update whenever you would like it.

17 COUNCILWOMAN TASC0: Okay. Because
18 it's confusing the way it's presented, so you
19 never really know whether your projects are
20 carried over or not.

21 MR. KAPLAN: As a general rule, all of
22 the Council-sponsored projects are always carried
23 over; I can't think of a time in the last few
24 years when there wasn't one, one that was not
25 carried over -- unless, you know, obviously, when

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2 that's completed, it is not carried over.

3 But if you would like to, you know, sit
4 down with me and my staff, we'd be happy to go
5 through that.

6 I believe we presented a list
7 recently. Sometimes the budget presentation is a
8 little different. But if you'd like to go back,
9 we can actually provide you a list of everything
10 that we believe is currently outstanding from all
11 prior years and the current year and go through
12 that with you and make sure that we're in
13 agreement.

14 COUNCILWOMAN TASC0: Okay.

15 COUNCIL PRESIDENT VERNA: You know, I
16 don't see any reason why we shouldn't be getting
17 quarterly reports on the status of our projects.
18 I think that that would be extremely helpful to
19 all of us.

20 COUNCILWOMAN TASC0: They were doing
21 that -- at least the Recreation Department was
22 doing it.

23 COUNCIL PRESIDENT VERNA: The
24 Recreation Department was doing that; I don't know
25 if they're still doing that. You know, we ask for

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2 something, and maybe for the first three months or
3 six months, we do get the information we're
4 seeking, and then everybody forgets about it. But
5 I think that's very important because we're also
6 getting calls from our constituents wanting to
7 know the status of a particular project.

8 COUNCILWOMAN TASC0: That would be
9 helpful, and I'd like to get a report by project
10 and not by year.

11 COUNCIL PRESIDENT Verna: Oh,
12 definitely.

13 COUNCILWOMAN TASC0: Because if I know
14 that I'm doing -- improvement work's being done on
15 a specific recreation center, for me, it's easier
16 to know that. And then it could be by category,
17 by project, and then the year the money was
18 appropriated. Then you have the total amount of
19 money that was appropriated through the years for
20 that project.

21 That is what -- 'cause, see, I have to
22 look and see, in 1995, there was \$100,000 for a
23 project. Well, was that done, was all the money
24 spent, is there a carry-over? I see here I put in
25 -- there's some money for paving of the street.

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2 Well, I shouldn't be paving the streets out of my
3 capital appropriations; that should be something
4 out of the Streets Department, unless there was
5 some unusual circumstance which we'll go back and
6 look at.

7 So if I could get the report by
8 project, then I'm better able to track what's
9 going on in my district.

10 MR. KAPLAN: I believe that District
11 Councilmembers should have each received within
12 the last week or so a copy of the report detailing
13 the progress through the first half of FY '99 on
14 projects in their district. If you don't have a
15 copy of that, please let me know, and I'll be
16 happy to make sure that you have it.

17 And I would be the first to say that,
18 obviously, the Capital Project system is built to
19 be an accounting system, and even for budget
20 people, it's not always completely clear. But if
21 you look at the lines in that, the carry-forward
22 lines from each year, there usually is a pretty
23 clear indication that there's prior-year funding
24 involved and what year it comes from and what the
25 total available is.

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2 And when we sit down to go over your
3 projects, I'll be happy to go through that with
4 you to make sure that it makes sense.

5 COUNCILWOMAN TASC0: All right, thank
6 you.

7 Thank you, Madam President.

8 COUNCIL PRESIDENT Verna: Thank you.

9 Are there any other questions or
10 comments?

11 (No further questions or comments at
12 this time.)

13 COUNCIL PRESIDENT Verna: Is there
14 anyone else to testify on the bills that have just
15 been hears?

16 (No response.)

17 COUNCIL PRESIDENT Verna: Seeing none,
18 this will conclude our -- before we conclude our
19 public hearing, I would just like to announce that
20 on last Wednesday, we had hearings on the School
21 District, and we were extremely concerned about
22 children being in the audience saying that they
23 did not have books. So we asked the School
24 District to give us a report on how the
25 \$21 million appropriated for this year to purchase

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2 books were spent. They are working on that
3 report.

4 Therefore, I am recessing Bill No.'s
5 990026, 990027, and 990028 until March the 17th,
6 1999, at 1 p.m.

7 The Chair recognizes Councilwoman
8 Blackwell.

9 COUNCILWOMAN BLACKWELL: Madam
10 President, I will leave my vote. That day, I know
11 already that I can't be here that day, or I'll be
12 here but that I may not be here for that meeting.
13 I have two important engagements.

14 But I wanted to say also, do not forget
15 that they were also supposed to give us a form on
16 health emergencies to be distributed to each
17 school that we've been asking from them for two
18 years, and they're supposed to have that form
19 ready.

20 COUNCIL PRESIDENT Verna: Okay.

21 COUNCILWOMAN BLACKWELL: It's for
22 health emergencies, whether it be a shooting, or
23 whether it be a disease like meningitis where we
24 had a child die. They were supposed to give us
25 this form, and we've been asking for it years, and

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2 I still find it unconscionable that the School
3 District does not have one uniform policy for
4 health emergencies in public schools today. So
5 they agreed to do that as well.

6 COUNCIL PRESIDENT VERNA: Fine, we will
7 notify them to be prepared with that information,
8 also.

9 COUNCILWOMAN BLACKWELL: Thank you.

10 COUNCIL PRESIDENT VERNA: This
11 concludes the public hearing.

12 - - -

13 COUNCIL PRESIDENT VERNA: We will now
14 go into our public meeting.

15 At this time, the Chair recognizes
16 Councilwoman Clark.

17 COUNCILWOMAN CLARK: Madam Chair, I
18 move that Bill No.'s 990021, 99002 --

19 COUNCIL PRESIDENT VERNA: No, no,
20 excuse me, Councilwoman. Can we do them
21 individually because --

22 COUNCILWOMAN CLARK: Individually?

23 COUNCIL PRESIDENT VERNA: Yes.

24 COUNCILWOMAN CLARK: All right, I move
25 that we suspend the rules so as to permit --

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2 COUNCIL PRESIDENT Verna: Councilwoman,
3 I'm sorry, can we move for the adoption of the
4 amendment first, please.

5 COUNCILWOMAN CLARK: Oh, all right. I
6 move that the amendments. . .

7 COUNCIL PRESIDENT Verna: The
8 amendments as read by Mr. Kaplan be adopted.

9 COUNCILWOMAN CLARK: So ordered, so
10 moved.

11 (Laughter.)

12 COUNCILWOMAN CLARK: You really should
13 pay attention here, shouldn't you?

14 I move that the amendments as adopted
15 by Mr. Kaplan 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 Clark.

24 COUNCILWOMAN CLARK: Madam Chair, I
25 move that Bill No. 990021, as amended, be reported

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2 out, and that the rules of Council be suspended so
3 as to permit consideration at our next stated
4 meeting.

5 (Duly seconded.)

6 COUNCIL PRESIDENT VERNA: It has been
7 properly moved and seconded that Bill No. 990021
8 be reported out of committee with a favorable
9 recommendation, as amended, and that the rules of
10 Council be suspended so as to permit first reading
11 at our next session of Council.

12 All in favor will signify by saying
13 aye.

14 Those opposed?

15 The ayes have it, the motion is
16 carried.

17 The Chair recognizes Councilwoman
18 Clark.

19 COUNCILWOMAN CLARK: Madam Chair, I
20 move that Bill No. 990022 --

21 COUNCIL PRESIDENT VERNA: No, no,
22 Councilwoman, sorry. The amendment has to be
23 adopted first.

24 COUNCILWOMAN CLARK: Okay, I move that
25 the amendment be adopted to Bill No. 990022.

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2 (Duly seconded.)

3 COUNCIL PRESIDENT Verna: It's been
4 properly moved and seconded that the amendment to
5 Bill No. 990022, as read by Mr. Kaplan, be
6 adopted.

7 All in favor will signify by saying
8 aye.

9 Those opposed?

10 The ayes have it, the motion is
11 carried.

12 The Chair recognizes Councilwoman
13 Clark.

14 COUNCILWOMAN CLARK: Madam Chair, I
15 move that the amendment to Bill No. 990023 be
16 adopted.

17 (Duly seconded.)

18 COUNCIL PRESIDENT Verna: No,
19 Councilwoman, we're still on Bill No. 990022; we
20 have to report the bill out with a favorable
21 recommendation as amended.

22 COUNCILWOMAN CLARK: Oh, I really need
23 to pay attention, don't I? Okay, then this time,
24 I'll --

25 (Laughter.)

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2 COUNCILWOMAN VERNA: We all have days
3 like that, Gussie.

4 COUNCILWOMAN CLARK: Madam Chair, I
5 move that Bill No. 990022, as amended, be reported
6 out with a favorable recommendation and that the
7 rules of Council be suspended so as to permit
8 first consideration at our next stated meeting.

9 COUNCILMAN NUTTER: Second.

10 COUNCIL PRESIDENT VERNA: It's been
11 properly moved and seconded that Bill No. 990022
12 be reported out of committee with a favorable
13 recommendation, as amended, and that the rules of
14 Council be suspended so as to permit first reading
15 at our next session of Council.

16 All in favor will signify by saying
17 aye.

18 Those opposed?

19 The ayes have it, the motion is
20 carried.

21 The Chair recognizes Councilwoman Clark
22 regarding Bill No. 990023.

23 COUNCILWOMAN CLARK: Madam Chair, I
24 move that amendment to Bill No. --

25 COUNCIL PRESIDENT VERNA: There are no

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2 amendments to it.

3 COUNCILWOMAN CLARK: There are no
4 amendments to it, wouldn't you know it.

5 COUNCIL PRESIDENT VERNA: I'm sorry,
6 I'm sorry, I see. I'm sorry, go ahead.

7 COUNCILWOMAN CLARK: I move that Bill
8 No. 990023 --

9 COUNCIL PRESIDENT VERNA: 24 -- oh, 23,
10 I'm sorry. Now I'm getting confused.

11 (Laughter.)

12 COUNCILWOMAN CLARK: -- be reported out
13 with a favorable recommendation, and that the
14 rules of Council be suspended so as to permit
15 first reading.

16 COUNCILMAN NUTTER: Second.

17 COUNCIL PRESIDENT VERNA: It's been
18 properly moved and second that Bill No. 990023 be
19 reported -- I think Councilman Nutter has his
20 light on too? Councilman Nutter?

21 COUNCILWOMAN CLARK: After I got it
22 right?

23 COUNCILMAN NUTTER: You did get it
24 right, Councilwoman Clark.

25 Madam Chair, my only question on Bill

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2 No. 990023 is the matter of the \$15 million for
3 the School District and whether or not those
4 dollars are presently accounted for in the FY 2000
5 budget; or is the plan to come back and do a
6 transfer ordinance subsequently?

7 COUNCIL PRESIDENT VERNA: It is our
8 plan to do a transfer ordinance. The \$15 million
9 is not included in this bill for the School
10 District.

11 Maybe Mr. Kaplan would like to add to
12 that.

13 MR. KAPLAN: No, I believe the Council
14 President has accurately characterized the
15 situation.

16 COUNCILMAN NUTTER: Okay. Thank you
17 very much.

18 COUNCIL PRESIDENT VERNA: Councilman
19 Cohen, do you still want to be recognized?

20 COUNCILMAN COHEN: Yes. As a matter of
21 procedure, prior to the time that the presidency
22 was assumed by President Street, the procedure
23 before operating -- before enacting a budget, the
24 Operating Budget, there was always a Democratic
25 caucus and a Republican caucus, and then if

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2 necessary, a caucus of all the parties so that
3 there could be informal discussion going over the
4 budget.

5 I think that such a procedure would be
6 very helpful so that all of us are very clear and
7 if we have any questions, instead of engaging in
8 debates at the time of the adoption of the budget,
9 we could discuss these things as party caucuses
10 do. I don't -- except for our procedure the last
11 number of years, I know of no other legislative
12 body that doesn't have a caucus of the parties to
13 see whether or not the budget ought to be altered,
14 you know, whether any recommendations come out of
15 the those caucuses.

16 So I would like to urge that before we
17 act on 990023, that we have such party caucuses.
18 We have time, there is absolutely no requirement
19 for the budget to be adopted prior to the end of
20 May, and we're only at the beginning period of
21 March.

22 Sometimes when there are proposals, the
23 Administration agrees or agrees to talk about it,
24 and then we arrive at an agreement. Sometimes the
25 Administration opposes it.

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2 And it seems to me that Council, as an
3 independent legislative body, ought to take its
4 position first, seek agreement with the Mayor, but
5 be prepared to act if there is no agreement on any
6 matters we deem important.

7 Therefore, I would like to suggest that
8 we not act on 990023 today until after the
9 caucuses. There's absolutely no time urgency with
10 respect to the adoption of that bill.

11 COUNCIL PRESIDENT VERNA: The Chair
12 recognizes Councilman Nutter.

13 COUNCILMAN NUTTER: Thank you, Madam
14 Chair.

15 Madam Chair, may I propose a question
16 to Councilman Cohen, or will Councilman Cohen
17 accept a question?

18 COUNCIL PRESIDENT VERNA: Councilman
19 Cohen, would you accept a question?

20 COUNCILMAN COHEN: Yes.

21 COUNCILMAN NUTTER: Councilman, I fully
22 understand what you just laid out. Could you
23 share with us, I guess, from a timing standpoint
24 what your sense of the proposal is to have a
25 caucus of Democrats and a caucus of Republicans.

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2 And then, I guess, the caucuses would come back in
3 the same forum and setting, back in the Committee
4 of the Whole.

5 I mean, are this still outstanding
6 questions about the budget which you would rather
7 pose in a caucus forum? And, I mean, is this a
8 matter of days, weeks, months?

9 COUNCILMAN COHEN: No, just a matter of
10 maybe week or two, but to give everybody a chance
11 to go through everything carefully in their mind
12 and decide whether they want to suggest -- for
13 example, take the amount of money for the School
14 District, should it be 15 million?

15 As far as I know, this Council has
16 never actually made such a decision. We were told
17 at one point several years ago that it had been
18 decided by the Mayor and the then-Council
19 President that there would be an additional
20 15 million.

21 COUNCIL PRESIDENT VERNA: But,
22 Councilman, the \$15 million is not in this budget
23 bill; it would be in a transfer bill.

24 COUNCILMAN COHEN: Yeah, well, I'm just
25 referring to that, that it would give us --

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2 COUNCIL PRESIDENT VERNA: And I would
3 just like to add that I have personally spoken to
4 several of the Councilmembers, and I thought I
5 would speak to each one individually. Because of
6 the time constraints, you made a suggestion that
7 you wanted to meet, and I told you that
8 immediately after today's hearing, I would meet
9 with you and any other Councilmember that felt
10 that they wanted to discuss the budget.

11 COUNCILMAN COHEN: Well, Madam
12 President, I think it's --

13 COUNCIL PRESIDENT VERNA: I don't know
14 why we can't report this out, and if we have to
15 hold it on a second reading, we will do so.

16 COUNCILMAN COHEN: Well, it just, as a
17 matter of fact, when it comes up on second
18 reading, there is always the additional argument
19 that, Well, we can't pass the bill if we amend it
20 and, therefore --

21 COUNCIL PRESIDENT VERNA: Why can't we
22 pass the bill if we amend it?

23 COUNCILMAN COHEN: Huh?

24 COUNCIL PRESIDENT VERNA: Why can't we
25 pass the bill and amend it?

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2 COUNCILMAN COHEN: Well, you can't --
3 you mean, pass it out of committee. I'm just
4 saying that it just seems to me best to have these
5 caucuses so we can informally discuss a budget,
6 and I would like to see that.

7 It's not only the School; there may be
8 other things that other members may want to
9 raise. I may want to raise public access, I may
10 want to raise additional facilities for the Health
11 Department. I'm extremely concerned as to what
12 plans the City has as a result of the welfare
13 legislation coming up. What arrangements do we
14 have in the budget to deal with emergencies.

15 There are all sorts of things that I
16 think ought to be discussed at a caucus so that we
17 can have an exchange of opinions informally before
18 we go through the process and act.

19 COUNCIL PRESIDENT VERNA: The Chair
20 recognizes Councilwoman Clark.

21 COUNCILWOMAN CLARK: Madam Chair, I
22 would say that Mr. Cohen is correct, that members
23 need to have an opportunity to discuss what's in
24 the budget, but that does not in any way conflict
25 with putting it on first reading, because that

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2 period between first reading and final passage is
3 an adequate opportunity for us to put our stamp on
4 the budget and to make whatever changes as would
5 be necessary; that's what our amendatory process
6 permits us.

7 If this were second and final passage,
8 I could see the urgency for his comment; I don't
9 see it and, therefore, would respectfully ask him
10 to permit us to pass this bill out, make whatever
11 changes are appropriate and necessary between now
12 and second and final passage.

13 COUNCIL PRESIDENT Verna: The Chair
14 recognizes Councilman Ortiz.

15 COUNCILWOMAN Clark: But --

16 COUNCIL PRESIDENT Verna: Oh, I'm
17 sorry.

18 COUNCILWOMAN Clark: I should ask if
19 Mr. Cohen would permit himself to be interrogated.

20 COUNCILMAN Cohen: Yes.

21 COUNCILWOMAN Clark: David, permit us
22 to --

23 COUNCILMAN Cohen: I'm always ready to
24 be interrogated.

25 (Laughter.)

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2 COUNCILWOMAN CLARK: David, what
3 prevents us from making the changes that you
4 recommend or that you might see as a result of an
5 in-depth search of it between now and second and
6 final?

7 COUNCILMAN COHEN: Well, there's sort
8 of an automatic process. Once it gets reported
9 out --

10 COUNCILWOMAN CLARK: David, nothing is
11 automatic with you.

12 COUNCILMAN COHEN: What's that?

13 COUNCILWOMAN CLARK: You know nothing
14 is automatic with you.

15 COUNCILMAN COHEN: Well, it is with the
16 body. Once it's passed, everybody feels it's gone
17 out of committee, we ought to just enact it. And
18 I don't see why we go through -- you know, I don't
19 understand why we don't have these discussions.
20 They were very helpful, we always arrived at
21 agreement in the caucuses, every member felt he
22 fully participated. I'm just suggesting that --

23 COUNCILWOMAN CLARK: But there's
24 nothing magic about having them before first
25 reading, so this is between first reading and

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2 second and final passage. Nothing is to prohibit
3 whatever changes would be necessary to adjust this
4 budget so that the final one that's passed out
5 represents your best interests. I would think you
6 need to have it before us in order to get a true
7 attention of people who might otherwise be opposed
8 to your thoughts.

9 COUNCILMAN COHEN: Well, I don't have
10 any strong feeling that there has to be a caucus
11 prior to committee action; I just think it would
12 be appropriate to do it before committee action.
13 But if we're going to have these caucuses between
14 first and second reading, I would say that's fine,
15 too.

16 COUNCILWOMAN CLARK: But I think that's
17 what the President is saying in her comments.

18 COUNCILMAN COHEN: I'm just looking for
19 a way in which Councilmembers can get together and
20 discuss these issues other than in a formal
21 procedure or a one on one with the Council
22 President.

23 I welcome what Council President Verna
24 said about her willingness to meet, but I don't
25 think it's a substitute for a caucus meeting; I

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2 think it's a very fine addition to a caucus
3 meeting.

4 COUNCILWOMAN CLARK: Well, one of the
5 things that arose with respect to the caucus is
6 the Sunshine Law, and so we got ourselves into a
7 situation where we were meeting in groups of less
8 than nine in order that we would not be
9 automatically subject to the Sunshine Law.

10 COUNCILMAN COHEN: No, Councilwoman, I
11 have to disagree with you on that. I think -- I
12 just think it is unconstitutional to say that a
13 political party -- that the membership of a
14 political party within a legislative body has to
15 be open; it is not true anywhere else in the
16 United States. And that was an interpretation
17 that I think is a faulty legal interpretation.

18 We use ruses to avoid it. We go down
19 and we have briefings in the mayor's office
20 because technically, you know, it's a meeting by
21 the mayor, but I think we ought to openly have
22 party caucuses.

23 It would be unconstitutional for us not
24 to be able to meet unless we agreed to turn over
25 some seats to the Republicans so that we only have

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2 eight Democrats. Under that ruling that, you
3 know, we say existed -- and there never was such a
4 ruling, there's never been a ruling that we don't
5 have the power to meet as a party caucus; we've
6 done that sometimes. You know, when we felt it
7 really urgent, we did it, and nobody brought suit;
8 and if they did, I'm confident that we'd win.

9 We've got to have the ability as a
10 party to meet, and that's what I'm trying to
11 reestablish.

12 COUNCILMAN ORTIZ: Madam Chair, may I
13 say --

14 COUNCIL PRESIDENT VERNA: And, again,
15 Councilman, I am saying that any interested
16 Councilmember can meet in my office immediately
17 after this hearing.

18 COUNCILMAN COHEN: All right. I'm just
19 pointing out, Madam President, that that's
20 different from --

21 COUNCIL PRESIDENT VERNA: And to be
22 very honest with you, I don't remember in recent
23 years every being called to a caucus --

24 COUNCILMAN COHEN: Only since President
25 Street has been --

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2 COUNCIL PRESIDENT VERNA: -- to discuss
3 anything on the budget.

4 COUNCILMAN COHEN: Only since President
5 Street became president. Till he became
6 president, we regularly had caucus meeting on the
7 budget.

8 COUNCILMAN ORTIZ: Madam Chair, if I
9 may --

10 COUNCIL PRESIDENT VERNA: I am willing,
11 as I said, to meet with any and all Councilmembers
12 who are interested in coming to the meeting
13 immediately after this hearing.

14 COUNCILMAN ORTIZ: Madam Chair.

15 COUNCIL PRESIDENT VERNA: The Chair
16 recognizes Councilman Ortiz.

17 COUNCILMAN ORTIZ: I think from the
18 conversations that we've had and from what you
19 stated and what Councilwoman Clark stated is that
20 we're going to have the intervening period, and
21 during this intervening period, we can meet as a
22 caucus, we can meet and discuss the budget and
23 whatever amendments we might decide to bring up
24 before second and final reading.

25 Is that right?

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2 COUNCILWOMAN VERNA: Sure.

3 COUNCILMAN ORTIZ: That's what we're
4 talking about, right? So that we can set up
5 through you those meetings so that we can begin
6 discussing before final passage, because final
7 passage does not have to follow --

8 COUNCIL PRESIDENT VERNA: Well, why
9 can't we start today? I mean, at least we would
10 know what each other is thinking.

11 COUNCILMAN ORTIZ: Right.

12 COUNCIL PRESIDENT VERNA: And possibly
13 start to work on that.

14 COUNCILMAN ORTIZ: Dave, I think, you
15 know, we have a new era in Council of
16 participation and cooperation. And I think this
17 process can take place, you know, during the
18 intervening period, okay? I think it can take
19 place during the intervening period.

20 So I see no problem in moving the
21 legislation out of committee and then going
22 forward with that, okay?

23 COUNCILWOMAN CLARK: I think the
24 process is the same process, but if somebody wants
25 to call it new, that's fine.

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2 COUNCIL PRESIDENT VERNA: So what are
3 we doing?

4 (Duly seconded.)

5 COUNCIL PRESIDENT VERNA: It has been
6 properly moved and second that Bill No. 990023 be
7 reported out of committee with a favorable
8 recommendation; also a recommendation that the
9 rules of Council be suspended so as to permit
10 first reading at our next session of Council.

11 All in favor will signify by saying
12 aye.

13 Those opposed?

14 The ayes have it, the motion is
15 carried.

16 The Chair recognizes Councilwoman Clark
17 regarding Bill No. 990024.

18 COUNCILWOMAN CLARK: Madam Chair, I
19 move that Bill No. 990024 be reported out of
20 committee with a favorable recommendation, and
21 that the rules of Council be suspended so as to
22 permit first reading at the next stated session of
23 Council.

24 (Duly seconded.)

25 COUNCIL PRESIDENT VERNA: It's been

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2 properly moved and seconded that Bill No. 990024
3 be reported out of committee with a favorable
4 recommendation, and that the rules of Council be
5 suspended so as to permit first reading at our
6 next session of Council.

7 All those in favor will signify by
8 saying aye.

9 Any opposed?

10 The ayes have it, the motion is
11 carried.

12 The Chair recognizes Councilwoman Clark
13 regarding Bill No. 990025.

14 COUNCILWOMAN CLARK: Madam Chair, I
15 move that --

16 COUNCIL PRESIDENT Verna: Councilwoman,
17 I'm sorry, there's an amendment that has to be
18 approved first.

19 COUNCILWOMAN CLARK: Madam Chair, I
20 move that the amendment to Bill No. 990025 be
21 approved.

22 (Duly seconded.)

23 COUNCIL PRESIDENT Verna: It has been
24 properly moved and seconded that the amendment to
25 Bill No. 990025, as proposed by Mr. Kaplan, be

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2 approved.

3 All in favor will signify by saying
4 aye.

5 Those opposed?

6 The ayes have it, the amendment has
7 been adopted.

8 The Chair recognizes Councilwoman
9 Clark.

10 COUNCILWOMAN CLARK: Madam Chair, I
11 move that Bill No. 990025, as amended, be reported
12 out of this committee with a favorable
13 recommendation. And do we need a rules
14 suspension?

15 COUNCIL PRESIDENT VERNA: Yes.

16 COUNCILWOMAN CLARK: And that the rules
17 of Council be suspended so as to permit first
18 reading at our next stated session of Council.

19 (Duly seconded.)

20 COUNCIL PRESIDENT VERNA: It has been
21 properly moved and seconded that Bill No. 990025
22 be reported out of committee with a favorable
23 recommendation as amended, and that the rules of
24 Council be suspended so as to permit first reading
25 at our next session of Council.

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2 All in favor will signify by saying
3 aye.

4 Those opposed?

5 The ayes have it, the motion is
6 carried.

7 Again, I would like to repeat, we are
8 recessing the public hearings on Bill No. 990026,
9 the 990027, and 990028 until St. Patty's Day,
10 March the 17th, at 1 p.m.

11 I just want to thank all of my
12 colleagues for their patience and for all of their
13 interests in the budget hearings this year. I
14 think that they went very smoothly and you were
15 all great in being here and asking some very, very
16 pointed questions.

17 And I'd also like to thank Mr. Kaplan
18 for being available to answer the many questions
19 that we had. Thank you.

20 This concludes it all.

21 (Adjourned at 11:46 a.m.)

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C E R T I F I C A T E

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RE: COUNCIL COMMITTEE OF THE WHOLE

14

BUDGET HEARINGS

15

BILL NO. 990021, 22, 23, 24, 25, 26, 27, 28

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JOSEPHINE CARDILLO,

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