

COUNCIL OF THE CITY OF PHILADELPHIA
PUBLIC MEETING - COMMITTEE ON APPROPRIATIONS

- - -

Room 400, City Hall
Philadelphia, Pennsylvania
Wednesday, March 22, 2000
3:23 p.m.

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BILL 000012 - Authorizing transfers in appropriations for FY 2000 within the Grants Revenue Fund from the Director of Finance-Provision for other Grants to the Police Department, the Department of Human Services, OESS, and the Board of Trustees of the Free Library of Philadelphia.

BILL 000013 - Authorizing transfers in appropriations for FY 2000 within the General Fund from certain or all City offices, departments, boards, and commissions to certain or all City offices, departments, boards, and commissions.

PRESENT: COUNCILWOMAN JOAN L. KRAJEWSKI
COUNCILWOMAN ANNA CIBOTTA VERNA
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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Administration Witnesses

PAGE

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Robert Dubow, Budget Director

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Stephanie Franklin-Suber.
Mayor's Chief of Staff

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Linda Seyda, Director of Personnel.

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

3 COUNCIL PRESIDENT Verna: The Committee
4 on Appropriations will now go into their public
5 meeting. And if we're doing that, I would suggest
6 that Mr. McPherson read the titles of Bill No.'s
7 12 and 13.

8 MR. MCPHERSON: Bill No., an ordinance
9 authorizing transfers in appropriations for Fiscal
10 Year 2000 within the Grants Revenue Fund Bill from
11 the Director of Finance - Provision for Other
12 Grants to the Police Department, the Department of
13 Human Services, Office of Emergency Shelter and
14 Services, and the Board of Trustees of the Free
15 Library of Philadelphia.

16 Bill No. 13, an ordinance authorizing
17 transfers in appropriations for Fiscal Year 2000
18 within the General Fund from certain or all City
19 offices, departments, boards, and commissions to
20 certain or all City offices, departments, boards,
21 and commissions.

22 COUNCIL PRESIDENT Verna: Councilwoman
23 Krajewski, your meeting is now in a public
24 meeting. I believe Bill No. 12 is to be
25 considered first.

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2 COUNCILWOMAN KRAJEWSKI: Is there an
3 amendment to Bill 12?

4 COUNCILWOMAN VERNA: No. It's to Bill
5 13, I believe.

6 Why don't we consider Bill 12 first.

7 COUNCILWOMAN KRAJEWSKI: Oh. It's late
8 in the day.

9 COUNCIL PRESIDENT VERNA: That's okay,
10 no problem.

11 COUNCILWOMAN KRAJEWSKI: Madam Chair, I
12 move that Bill No. 12 be moved out of committee
13 with a favorable recommendation and with a request
14 for the suspension of the rules so as to permit
15 first reading at our next session.

16 (Duly seconded.)

17 COUNCIL PRESIDENT VERNA: It has been
18 moved and properly seconded that Bill No. 12 be
19 reported out of committee with a favorable
20 recommendation and that the rules of Council be
21 suspended so as to permit first reading at our
22 next session of Council.

23 All in favor will signify by saying
24 aye.

25 Those opposed?

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2 The ayes have it and the motion is
3 carried.

4 It is my understanding that the
5 Administration has amendments on Bill No. 13.

6 MR. DUBOW: Yes, we do. The amendment
7 would add to the "from" section \$3,550,000 from
8 Director of Finance - Fringe Benefits, to bring
9 the total of the "from" section to \$7,285,562.

10 Now, to the "to" section, we would add
11 \$700,000 for the Mayor's Office, in Personal
12 Services, \$2,850,000 to the Director of Finance
13 Contributions, Indemnities in Taxes. And that
14 would bring the total of the two also to
15 \$7,285,562.

16 Thank you.

17 COUNCIL PRESIDENT Verna: Mr. Dubow?

18 MR. DUBOW: Yes.

19 COUNCIL PRESIDENT Verna: Are you
20 adding -- you're adding another item on 2.38,
21 Director of Finance?

22 MR. DUBOW: Yes.

23 COUNCIL PRESIDENT Verna: Contribution,
24 Indemnities and Taxes?

25 MR. DUBOW: Yes.

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2 COUNCIL PRESIDENT Verna: Is that for
3 the hepatitis C?

4 MR. DUBOW: Yes, it is.

5 COUNCIL PRESIDENT Verna: Would you
6 please explain how that will be funded?

7 MR. DUBOW: Yeah.

8 MS. FRANKLIN-SUBER: Council President
9 Verna, the purpose of the change 2.44 is to make
10 it absolutely clear that under no circumstances is
11 the Administration backing away from its
12 commitment to the firefighters to provide
13 financial support for those firefighters affected
14 by hepatitis C.

15 And the commitment was \$3 million. As
16 of today, or shortly thereafter, based on what we
17 understand to be documented costs, we are going to
18 make a transfer of \$150,000 directly to the
19 firefighters health and welfare fund to take care
20 of costs that they have already -- that
21 firefighters have already incurred and that have
22 been documented. We have been meeting with
23 members of the union and City officials, including
24 Personnel and Risk Management and Law and the
25 Mayor's Office, to work through the details of the

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2 administration of the financial support program.

3 In the meantime, however, to give
4 comfort to those firefighters who have been
5 affected by hepatitis C, we wanted to make sure
6 that it was clear to them that we were honoring
7 our commitment.

8 So \$2,850,000 will be put aside. We,
9 at this point, believe we will put it in the fund
10 for Philadelphia, as we continue to work through
11 the specifics of the program administration, and
12 we will have the access to the funds so that if
13 there are firefighters who need assistance while
14 we're working through the details and finishing up
15 the details of the program, they will be able to
16 draw down on the monies that are in the fund for
17 Philadelphia.

18 We are still discussing the mechanics
19 of all of this, and we'd be happy to provide
20 members of Council with more detailed information
21 after we've had a chance to wrap up our
22 discussions. Our next meeting is on Friday.

23 COUNCIL PRESIDENT VERNA: Thank you.

24 The Chair recognizes Councilman Kenney.

25 COUNCILMAN KENNEY: Thank you, Madam

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2 President. Thank you, Miss Suber.

3 When was the decision made to offer
4 this transfer ordinance amendment of \$2.85 million
5 to these contributions, indemnities and taxes?

6 MS. FRANKLIN-SUBER: Well, we have been
7 meeting with the union on, I'd say, I guess, a
8 regular basis, or at least there have been a
9 number of meetings based on the reports to me.
10 Frankly, after the publicity in the Daily News
11 article the other day, we were very concerned that
12 affected firefighters would believe that the
13 Administration was somehow not fulfilling it's
14 commitment to them, so it was important to us to
15 make sure that we did that, and we made sure that
16 while we continue to have the discussions on the
17 administration of the program, that it is
18 absolutely clear to the public and to the
19 firefighters that we will honor the commitment
20 that was made previously.

21 COUNCILMAN KENNEY: What was the
22 original timeline for the \$3 million to be
23 distributed, allocated in some way -- or
24 distributed to the appropriate entity, whether
25 it's Local 22's health and welfare fund or a fund

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2 for Philadelphia or some nonprofit? What was the
3 original timeline? Since this Daily News story
4 seems to have sped it up yesterday, what was the
5 original timeline that the Administration had for
6 making the appropriation?

7 MS. FRANKLIN-SUBER: We thought that we
8 would be in a position to do it earlier than has
9 actually proven to be the case. We didn't
10 actually set a deadline for conclusion of it, but
11 as we got into the discussion, we found that there
12 were a number of issues that made the discussions
13 and the formation of the program more complicated
14 than we had originally envisioned.

15 COUNCILMAN KENNEY: Could you elaborate
16 on a couple of those issues as to what the
17 problems are?

18 MS. FRANKLIN-SUBER: Yes. There are a
19 number of issues that we have been discussing with
20 the union -- number one, the scope of eligibility.
21 So, for example, we have committed to provide
22 financial support to active firefighters. During
23 the course of the discussion, union
24 representatives wanted to explore extending the
25 coverage to spouses or dependent children and that

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2 kind of thing. So that is an issue that is being
3 discussed.

4 Another issue was the scope of the
5 costs that would be covered. When we made the
6 commitment, the intent was to provide for
7 financial support for prescriptions. We
8 understood that the cost of the prescriptions was
9 prohibitive. We have been discussing whether or
10 not the expenses should go beyond that for
11 out-of-pocket medical, for transplants. So that's
12 been under discussion.

13 Confidentiality. The administration of
14 the program, whether it's Risk Management or
15 whether we get independent physicians involved.
16 When does the coverage begin, at what point in
17 time?

18 So there have been a number of issues
19 that have been under discussion, and we hope at
20 this point, based on the progress that has been
21 made, that we would be in a position to have all
22 of these issues resolved by the end of this month.

23 COUNCILMAN KENNEY: Reports in the
24 press indicate that the Administration's position
25 is that the union and/or the members themselves,

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2 the firefighters, have not provided adequate
3 information to the Administration or to this
4 committee to determine either their eligibility or
5 their state of infection.

6 MS. FRANKLIN-SUBER: After the last
7 meeting with the unions, they offered -- we
8 requested certain information and documentation,
9 and that has -- they've been in the process of
10 putting that together and we have been waiting for
11 that documentation. And part of what we have
12 heard is that on the costs and why we're prepared
13 to transfer the 150,000 to the fund is that they
14 are in a position to document at least those
15 expenditures. And so, therefore, we're prepared
16 to go ahead and transfer that money directly to
17 the fund.

18 And as I said previously, as they
19 provide the documentation so that we know what --
20 you know, what it is we're actually paying for and
21 who's going to benefit and to make sure that, you
22 know, we are being responsible, then they would be
23 in a position to draw down on the fund in the
24 event that we end up continuing to experience
25 delay, and then the firefighters that are affected

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2 by the disease won't be impacted and will have
3 access to services, even if it takes us longer to
4 develop the program.

5 COUNCILMAN KENNEY: What type of
6 documentation is the Administration requiring from
7 affected firefighters in order to prove that their
8 infection was as a result of their employment or
9 their duties?

10 MS. FRANKLIN-SUBER: I don't -- excuse
11 me one second.

12 (Ms. Franklin-Suber confers with Linda
13 Seyda.)

14 COUNCILMAN KENNEY: And I guess the
15 second part of that question is, are there
16 individual firefighters active now with the
17 infection, with the disease, that have adequately
18 documented for the Administration before the
19 department that they have in fact been infected as
20 a result of their duties?

21 (Linda Seyda comes forward.)

22 COUNCILWOMAN KRAJEWSKI: Point of
23 order, Madam President. Would the Administration
24 be authorized to transfer that money before
25 today?

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2 MS. FRANKLIN-SUBER: That's correct, we
3 would not have be in a position to do that.

4 COUNCILMAN KENNEY: I'm sorry, I didn't
5 understand the question.

6 COUNCILWOMAN KRAJEWSKI: The question
7 is, does the Administration couldn't transfer that
8 money until today, until the appropriations bill
9 was heard today.

10 COUNCIL PRESIDENT VERNA: Right.

11 COUNCILWOMAN KRAJEWSKI: Is that true?

12 COUNCILMAN KENNEY: I don't know.

13 COUNCILWOMAN KRAJEWSKI: I don't
14 believe so. (Inaudible, off-mike.)

15 COUNCILMAN KENNEY: I didn't ask that
16 question. I asked what documentation --

17 COUNCILWOMAN KRAJEWSKI: Your question
18 is that when --

19 COUNCILMAN KENNEY: Madam Chair, I
20 asked what the documentation was that the
21 firefighters required to provide to prove that, in
22 fact, that they were infected on the job? number
23 cone one. And number two --

24 COUNCILWOMAN KRAJEWSKI: I understand
25 that.

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2 COUNCILMAN KENNEY: And, number two,
3 have any other firefighters been yet confirmed
4 through documentation that they have been infected
5 on the job?

6 COUNCILWOMAN KRAJEWSKI: (Inaudible,
7 off-mike.)

8 COUNCILMAN KENNEY: And she gave the
9 answer.

10 COUNCILWOMAN KRAJEWSKI: I just wanted
11 to make that on the record that they couldn't have
12 done that until today.

13 COUNCILMAN KENNEY: There was never
14 that dispute. I asked them when they decided --
15 as you can see, Madam President, in the amendment
16 that we have been offered, it has been written in
17 by hand a \$2.8 million item, that apparently
18 wasn't a part of the original submission. That's
19 the only reason I raised it. 'Cause it was
20 written in by hand, it must have been done prior
21 to the original development of this amendment.

22 I mean, maybe I'm wrong, maybe it just
23 is an oversight and it was put in in the last
24 minute, but it's been written in by hand.

25 COUNCILWOMAN KRAJEWSKI: Well, it's an

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2 amendment. That's all.

3 COUNCIL PRESIDENT Verna: Councilman,
4 you were asking a question?

5 COUNCILMAN KENNEY: Yes. I asked two
6 questions about documentation that's being
7 required to prove job-related infection, and
8 whether or not there's been anyone that's infected
9 that has sufficiently provided that documentation
10 to prove, in fact, that they were infected as a
11 result of their duties.

12 MS. SEYDA: Okay. Councilman, my name
13 is Linda Seyda. I'm the Personnel Director for
14 the City of Philadelphia.

15 First of all, the \$3 million that the
16 Administration committed to is to support the
17 firefighters and their families and the treatment
18 of hepatitis C -- not necessarily because it's
19 work-related. We are looking -- the documentation
20 that was requested from the Local 22 was for those
21 firefighters who were being treated for hepatitis
22 C.

23 There was no caveat that it be
24 work-related. We asked for that information at a
25 meeting that we had with them. The Local 22 has

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2 -- the health and welfare fund has experienced, I
3 think, some difficulty in getting the information
4 as quickly as, quite frankly, I thought that they
5 would be able to get it. Quite frankly, we
6 thought it would be easier for them to put the
7 information together as well.

8 COUNCILMAN KENNEY: Just let me
9 clarify. The documentation that's being requested
10 is the documentation of expenditures for
11 medication and treatment, or documentation of
12 work-related, or both?

13 MS. SEYDA: The information that we
14 asked was for treatment of hepatitis C. We are
15 not -- we did not request any information
16 concerning work-relatedness as it relates to this
17 \$3 million.

18 COUNCILMAN KENNEY: Okay. Is there
19 documentation that's being sought or requested or
20 required for individual firefighters, active or
21 retired, for documentation of the date of and
22 method of infection?

23 MS. SEYDA: That would be handled
24 through the Worker's Comp. and the Risk Management
25 process. I assume that that's the case but I

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2 don't have any direct knowledge of just what is
3 happening.

4 COUNCILMAN KENNEY: Madam Chief of
5 Staff, is there anyone here that could give me an
6 indication as to whether or not that information
7 is being requested by Risk Management?

8 MS. FRANKLIN-SUBER: No, because the
9 focus of this financial support program is to
10 provide, again, support for the firefighters who
11 are affected by hepatitis C. There's no --
12 there's no determination of job-relatedness. That
13 is, we are not saying it's job-related, we're not
14 saying it's not. Even if it's not job-related, we
15 are prepared, and made a commitment, to support
16 these firefighters. And that's the purpose of
17 this program, and that's why it's outside of the
18 scope of the labor negotiations. It is a
19 stand-alone effort and initiative, and it's --

20 COUNCILMAN KENNEY: The additional
21 \$3 million to support the costs associated with
22 the treatment of the disease has nothing to do
23 with work relation?

24 MS. SEYDA: That is correct.

25 MS. FRANKLIN-SUBER: Correct.

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2 COUNCILMAN KENNEY: As a result of
3 Workman's Compensation claims, is there a level of
4 documentation required by individuals who are
5 applying for Workman's Compensation based on
6 infection of hepatitis C as a work-related
7 injury?

8 MS. FRANKLIN-SUBER: I can't answer
9 that question. I do not know, but I can get you
10 the answer to the question. We can ask the risk
11 manager and we can respond to you separately.

12 COUNCILMAN KENNEY: And also, has
13 anyone yet provided, who was applying for
14 Workman's Compensation through this injury and
15 work-related nature that they believe happened,
16 has anyone provided the appropriate
17 documentation?

18 MS. FRANKLIN-SUBER: Councilman Kenney,
19 we would have to have -- because you are asking
20 Worker's Compensation-related questions, we would
21 have to have Risk Management respond. I cannot
22 answer that question.

23 COUNCILMAN KENNEY: And I guess Risk
24 Management will have to respond to the following
25 question, and that is: Considering the incidence

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2 of hepatitis C amongst active firefighters within
3 a certain age group and a certain cohort, those
4 people that have been already identified as having
5 the decision, what is the reason why the City has
6 opposed their Worker's Compensation benefits?

7 My understanding is that we have
8 firefighters who are infected that have documented
9 -- now, it's my understanding that they have
10 documented that they were, in fact. Infected on
11 the job, have run out of their vacation time, have
12 run out of their sick time, and are being put to
13 bed on evening by their fellow firefighters
14 because they don't have the strength to get in bed
15 themselves but don't have the ability to take off
16 or to receive Worker's Compensation benefits
17 because the City is opposing those benefits.

18 And if the Risk Management people need
19 to answer that, that would be fine.

20 MS. FRANKLIN-SUBER: We will provide
21 responses to your questions.

22 COUNCILMAN KENNEY: Could you give me
23 some indication as to the impact of what would
24 happen if the City were to agree to approve the
25 Worker's Compensation claims of all those people

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2 that have already been identified as having
3 contracted hepatitis C but have not yet been able
4 to prove to the City's satisfaction that it was in
5 fact work-related? What would be the financial
6 impact of the City to give them the benefit of the
7 doubt, to step aside, and to allow them to obtain
8 their Workman's Compensation benefits?

9 That's something we can have answered
10 too, I guess?

11 MS. FRANKLIN-SUBER: Yes.

12 COUNCILMAN KENNEY: Okay, all right.
13 Thank you very much.

14 I have no more questions. Thank you.

15 COUNCILWOMAN VERNA: Thank you.

16 The Chair recognizes Councilman Cohen.

17 COUNCILMAN COHEN: One simple question.
18 Would -- I see the \$2.850,000 and I don't see
19 \$150,000 reflected in this amendment. Where does
20 that money come from? Or would it not be
21 reflected in the amendment?

22 MR. DUBOW: It's not reflected in the
23 amendment because it will be paid out of Class 100
24 to the Health and Welfare Fund, so it's already in
25 the right class, so we don't need to do an

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2 amendment.

3 COUNCILMAN COHEN: So it will be paid
4 out of Class 100.

5 MR. DUBOW: Exactly.

6 COUNCILMAN COHEN: And with respect to
7 the \$700,000 of personal services for the Mayor,
8 could you give me a brief explanation as to the
9 reason for that request.

10 MS. FRANKLIN-SUBER: Yes. We have -- I
11 mean, the brief explanation is that at this point,
12 we are anticipating a potential deficit. We had a
13 number of employees from the prior administration
14 in the Mayor's Office that were on the budget, and
15 the majority of the funds -- it's carry-forward
16 budget -- have been expended to deal with those
17 employees.

18 We are now in the process of
19 restructuring and shifting members of the Mayor's
20 Office, and so we are -- we need the transfer of
21 funds to enable us to go through the restructuring
22 and reshaping process in forming the Mayor's
23 Office. We've only been in office a short period
24 of time, and so it's a part of the
25 reconfiguration.

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2 COUNCILMAN COHEN: In the event there
3 were employees in the Class 100 classification who
4 left from the old administration and there was
5 some form of severance package, either accumulated
6 leave or whatever, would that money have come out
7 of Class 100?

8 MR. DUBOW: Yes.

9 COUNCILMAN COHEN: And is that what you
10 meant when indicated the funds being depleted by
11 these arrangements?

12 MS. FRANKLIN-SUBER: Yes, sir.

13 COUNCILMAN COHEN: Thank you.

14 COUNCIL PRESIDENT VERNA: Councilman
15 Nutter want to be recognized. The Chair
16 recognizes Councilman Nutter.

17 COUNCILMAN NUTTER: Thank you, Madam
18 Chair. If it's on the hepatitis issue, I'll
19 yield. My question is far afield on that.

20 COUNCILMAN KENNEY: One follow-up,
21 Madam Chair.

22 COUNCIL PRESIDENT VERNA: The Chair
23 recognizes Councilman Kenney.

24 COUNCILMAN KENNEY: Thank you, Madam
25 Chair. I'm sorry I forgot to ask one follow-up

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2 question on the hep C issue.

3 You, I understand, are developing some
4 criteria as to the disbursement of funds from the
5 fund for Philadelphia to either the union or
6 directly to those firefighters infected. Could
7 you tell me when that criteria and process will in
8 place or when you think it might be?

9 MS. FRANKLIN-SUBER: I think I would be
10 able to answer that question after we sit down and
11 meet with the union maybe on Friday. I don't
12 know. I think we have to talk through a process
13 that we think will work. I am assuming that the
14 union would provide reasonable documentation. We
15 would need to talk with them about whether or not,
16 for example, to draw down on the monies. It would
17 -- it should be kind of a joint process. And,
18 also, whether or not the money would then be
19 disbursed to the union or to the individuals.

20 So these are some of the questions that
21 we have to work through but we don't think it's
22 going to be a problem.

23 COUNCILMAN KENNEY: Do we know when
24 approximately? Can you give us a ballpark as to
25 when the date is we may be able to see it or when

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2 the Council President's office may be able to see
3 the specific process and criteria for that
4 spend-down?

5 MS. FRANKLIN-SUBER: As I said before,
6 our goal is to have everything formulated by the
7 end of the month, so that would include the
8 process for drawing down fund for Philadelphia.
9 It may be that the program could be jointly
10 administered through the fund for Philadelphia, or
11 we may come up with some other approach.

12 But we think that all of the mechanics
13 will be completed by the end of this month, and
14 we'll provide that information.

15 COUNCILMAN KENNEY: The Friday meeting
16 that you referenced, was that a long-standing
17 meeting or was that something that had just been
18 scheduled?

19 MS. FRANKLIN-SUBER: I believe it was
20 -- there have been a number of meetings. We were
21 waiting for the documentation. I believe the
22 meeting was scheduled after we got concerned about
23 the publicity. We wanted to make sure that if --

24 You know, as I said before, we have
25 been involved in discussions with the union. The

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2 discussions have been over legitimate issues, and
3 I think that everyone has approached them in good
4 faith and in the spirit of cooperation. We want
5 to put the program together and make it work.

6 Now, we had an article that implied
7 that the Administration was not meeting its
8 commitment. In our communications with the union,
9 it's my understanding from the President that
10 while the discussions may have been taking longer
11 than had been anticipated -- we agree with that,
12 given the number of issues that have come up, but
13 that we're proceeding.

14 We just felt that in light of the
15 publicity, we don't want anyone to get concerned
16 -- especially the firefighters and the families
17 that are affected. They're not in the room with
18 us. We want them to understand that we are
19 standing by our commitment. We're going to put
20 this program in place.

21 And to the extent that we might have
22 had a meeting and were expected to schedule it in
23 the following week, it made sense to do it as
24 quickly as possible.

25 COUNCILMAN KENNEY: Thank you.

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2 Thank you, Madam President.

3 COUNCIL PRESIDENT Verna: You're
4 welcome.

5 Councilman Cohen, is your questioning
6 regarding hepatitis C?

7 COUNCILMAN COHEN: Yes. I have a
8 follow-up.

9 COUNCIL PRESIDENT Verna: A follow-up,
10 okay.

11 COUNCILMAN COHEN: I just wanted the
12 Chief of Staff and the Personnel Director and
13 others from the City to understand that Councilman
14 Kenney speaks for many of us on this issue, and we
15 think those questions are extremely important,
16 that when the City asks people to put their lives
17 at stake, that the City ought to be able to
18 respond very quickly, and there ought not to be a
19 basis, you know, for the (unintelligible). And I
20 take his questions to mean he feels it urgent that
21 this matter be dealt with properly, and I think he
22 has very, very strong support.

23 We all feel that that ought to happen.
24 We think the delay that occurred was, you know,
25 regrettable. But at this stage, I think it's a

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2 good thing that you acted so responsibly.

3 And I want thank the press -- I rarely
4 every thank them, but I think it was very
5 important that they brought this point up and that
6 it was tended to so promptly.

7 (Applause.)

8 COUNCIL PRESIDENT VERNA: Are you
9 finished, Councilman?

10 COUNCILMAN COHEN: Yes.

11 COUNCIL PRESIDENT VERNA: Thank you.
12 The Chair now recognizes Councilman
13 Nutter.

14 COUNCILMAN NUTTER: Thank you, Madam
15 Chair.

16 I think this is primarily a Mr. Dubow
17 question. I'm just going to miss the opportunity
18 to ask you these questions, Mr. Dubow.

19 MR. DUBOW: You can call me in
20 Washington.

21 COUNCILMAN NUTTER: Actually, I had
22 planned to.

23 There was discussion earlier in the
24 operating budget call-back with L&I and the
25 Managing Director about the fencing program -- or,

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2 quite honestly, the lack thereof at the moment.

3 And it was a financial issue. We're in the

4 process of considering transfer ordinance for FY

5 2000, and I think we've seen through this process

6 that things happen in the course of the year. The

7 Administration, based on just the earlier

8 questions, has been very responsive on a very

9 serious issue, and the issue I raise pales in

10 comparison to that particular issue. And I'll say

11 that at the outset.

12 But for many people out in the

13 community, the fencing program -- or not having a

14 fencing program is a somewhat serious issue, so I

15 do need to ask you a couple of questions.

16 I had asked the Managing Director and

17 the representative from L&I about the City's

18 fiscal situation, and I'm looking at the Five-Year

19 Plan. Is it correct that the estimate presently,

20 or at the time of the Five-Year Plan was put

21 together, it's estimated that the fund balance

22 will be in excess of \$150 million; is that

23 correct?

24 MR. DUBOW: That's correct.

25 COUNCILMAN NUTTER: And in the course

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2 of that discussion, it was estimated that it would
3 cost approximately \$1 million to do about 500
4 fences, if anybody decided that that was a good
5 number. It could be a smaller number, but the
6 general estimate was that it would cost about
7 \$1 million.

8 Now, what I'd like to explore with you
9 is the possibility of addressing this particular
10 issue at this time in an FY 2000 budget transfer,
11 given the fact that we're showing, at least in the
12 documents and on paper, a \$150 million surplus,
13 and we're essentially talking about something
14 that's around about, close to \$1 million, and see
15 whether we might be able to wrap all of this up
16 through this transfer ordinance and provide some
17 additional funding to L&I to address this
18 particular problem in the City, and do it by way
19 of some level of a combination and agreement.
20 There is, I think, a number of things we're all
21 trying to get done in the FY 2000 transfer
22 ordinance, and I'd like to explore that with you.

23 MR. DUBOW: Okay. I mean, I have a
24 couple of responses to that. The first is that
25 while we end this year with \$150 million, we end

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2 the whole Five-Year Plan with about \$5 million.
3 So over the course of the plan, we don't have a
4 whole lot of room.

5 That said, typically, at the end of the
6 fiscal year, we'll look at where our
7 appropriations compared to where we thought they
8 would be, and one of the things usually do is give
9 extra funding to L&I for demolition; it's
10 typically in the range of 2 to \$3 million. And
11 it's likely that we'll be in that situation again
12 this year.

13 COUNCILMAN NUTTER: Well, I understand
14 that and I appreciate that. I mean, the problem
15 is that it's March, that probably won't happen
16 until June, and they continue to claim that they
17 don't have any funding for this.

18 If you're going to do a transfer
19 ordinance later on, why don't you allow them to
20 make some expenditures presently out of their
21 current funding and make up the shortfall through
22 what you now articulated you anticipate doing in a
23 transfer ordinance anyway?

24 MR. DUBOW: The other concern is that
25 -- their testimony was that if they actually had

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2 extra funding, their priority is demolition.

3 COUNCILMAN NUTTER: Okay, I understand
4 that but -- I mean, that's their problem. I mean,
5 we all have our various priorities and we all have
6 our needs. And in the government, you know, we
7 don't all get to do what we want to do just the
8 way we want to do it all of the time. I mean, you
9 know, this recent process here has probably been
10 one of the best examples of that. I mean, that's
11 really not the way it works.

12 I mean, we're talking about a million
13 dollars. And a \$2.8 billion budget, and you've
14 got a \$150 million surplus.

15 MR. DUBOW: I'm going to go back to the
16 other part of the answer, which is that in the
17 long term, the way they're going to handle this is
18 through the blight program. In the short term,
19 the Administration's priority is demolition.

20 COUNCILMAN NUTTER: Mr. Dubow, I can't
21 talk to Miss Parker about the long term -- or Miss
22 Smith or Mr. Jones or anybody else. The long term
23 started when you demolished the house next door to
24 them last year.

25 MR. DUBOW: Yeah. I think L&I said

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2 they were going to look into Miss Parker's
3 situation.

4 COUNCILMAN NUTTER: I mean, she becomes
5 a symbol for a whole host of other people. I
6 would not insult you or the other folks at the
7 table just to talk about one other person. As Bob
8 Solvibile testified, there are hundreds of people
9 out there in this particular situation.

10 I am talking about trying to rather
11 immediately solve a rather narrow problem and get
12 us through the time to the big program and all the
13 ramifications thereof. We don't get to live in
14 the future. We need to do something now.

15 And if you're telling me that you're
16 going to come back and reconcile with L&I anyway,
17 then you either authorize them to spend some
18 funding, which you're going to make up later on,
19 or we can give it to them now, with a designated
20 purpose and some level of agreement, you know, in
21 the spirit of cooperation and peace and happiness
22 that we're trying to engender around here.

23 MR. DUBOW: I mean, we can authorize
24 them to spend some of the money on fencing now and
25 then take a look at the issue, you know, as we go

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2 forward.

3 COUNCILMAN NUTTER: How much would you
4 offer us?

5 MR. DUBOW: I think we'd have to talk
6 to them and see what they think is an appropriate
7 level.

8 COUNCILMAN NUTTER: How about some
9 discussion with the Councilmembers about the
10 issues that get raised out of the neighborhoods
11 and what we have to deal with?

12 MR. DUBOW: I think that would be a
13 good course to take, to include the Councilmembers
14 in that discussion.

15 COUNCILMAN NUTTER: Mr. Dubow, you're
16 going to do well in Washington.

17 MR. DUBOW: I don't think that was a
18 compliment.

19 COUNCILMAN NUTTER: No, actually, it
20 was.

21 Okay, we'll, I think, just deal with
22 this in the committee process.

23 MR. DUBOW: Okay.

24 COUNCILMAN NUTTER: Thank you.

25 COUNCILWOMAN VERNA: Thank you.

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2 The Chair recognizes Councilman Cohen.

3 COUNCILMAN COHEN: I need to ask one
4 simple question, which seems not to get a simple
5 answer. We've been building surpluses of an
6 increasing size, and suddenly, when Mayor Rendell
7 ends his term in December of Fiscal Year 200,
8 we're told that we're operating at a deficit and
9 we're going to be -- and we have an operating
10 deficit now.

11 Did Mayor Rendell arrange that or is
12 there some -- what's explanation for the sudden
13 stoppage in the accumulation of surpluses and the
14 development of what some people call a "systemic
15 deficit," whatever that means?

16 MR. DUBOW: In the plan and in our
17 written response, what we discussed was that that
18 surplus was built up over a number of years, with
19 the anticipation that there were a series of costs
20 that we would have to incur that would wind up
21 eating into the surplus. And one of the best
22 examples is the annualized costs of the labor
23 agreements that we've already entered into. I
24 mean, we're just feeling this year the full impact
25 of those years of increases.

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2 Another example is the crime bill cops
3 each year.

4 COUNCILMAN COHEN: What?

5 MR. DUBOW: The crime bill cops, who
6 were funded by the federal government at declining
7 percentages over the years. Each year, we fund a
8 higher and higher percent of those costs, so the
9 General Fund eats more of that.

10 There are a whole series of those, and
11 I think we laid out in one of the responses for
12 you that made it clear to us as we were going
13 forward that this wasn't actually going to
14 happen. And, actually, if you look at even last
15 year's plan --

16 COUNCILMAN COHEN: Couldn't steps have
17 been taken in advance to plan for this, to avoid
18 it?

19 MR. DUBOW: Well, that was what
20 building up of the surplus was, and that was one
21 of the ways we planned for it.

22 And the other way is, we, you know,
23 look at our expenditures all the time and try to
24 manage them and hold them down. And we look at,
25 you know, economic development strategies to try

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2 to bring more businesses into the City to increase
3 our taxes.

4 So, really, I mean, everything we do
5 with budget is trying to combat that deficit.

6 COUNCILMAN COHEN: All right, thank
7 you.

8 COUNCIL PRESIDENT Verna: Okay. Are
9 there any other questions from Members of
10 Council?

11 (No further questions.)

12 COUNCIL PRESIDENT Verna: Seeing none,
13 the Chair recognizes Councilwoman Krajewski for a
14 motion on Bill No. 13.

15 COUNCILWOMAN KRAJEWSKI: Madam Chair, I
16 move that Bill No. 13 be reported out with --

17 COUNCIL PRESIDENT Verna: I'm sorry,
18 the Chair recognizes Councilman Nutter.

19 COUNCILMAN NUTTER: Thank you, Madam
20 President.

21 While the Administration has put
22 forward some amendments -- and we're in the public
23 meeting right now; is that correct?

24 COUNCIL PRESIDENT Verna: Mm-hmm.

25 COUNCILMAN NUTTER: Given the

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2 discussion about the fencing issue, I would like
3 to put forward an amendment to this appropriations
4 bill to deal with that particular issue.

5 And I would put forward an amendment
6 that increases the line item 2.39, Director of
7 Finance - Fringe Benefits, Personal Services,
8 Employee Benefits, to increase it from the dollar
9 amount of \$3,550,000 to \$4.550,000, and that the
10 total of that line would be \$4.550,000, which
11 would increase the "from" section to \$8,285,562.

12 And further, that the "to" section
13 would be amended with a new section, 2.32,
14 Department of L&I - Purchase of services,
15 \$1 million. And the total line of \$1 million and
16 the total "to" section would then read \$8,285,562.

17 COUNCILMAN ORTIZ: Is that an
18 amendment?

19 COUNCILMAN NUTTER: That's an amendment
20 -- to be spent for the fencing program.

21 Madam Chair, this is a proposed
22 amendment to deal with the issue of the lack of a
23 fencing program to go into L&I's budget, with the
24 understanding that that's what these dollars are
25 for. As Mr. Dubow testified earlier, they plan --

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2 COUNCIL PRESIDENT Verna: What figure
3 are you using, Councilman?

4 COUNCILMAN Nutter: It's a \$1 million
5 figure, based on the testimony in the Operating
6 Budget earlier today.

7 COUNCILWOMAN KRAJEWSKI: Do I
8 understand that we have two amendments, Madam
9 Chair?

10 COUNCIL PRESIDENT Verna: Yes.

11 COUNCILWOMAN KRAJEWSKI: (Inaudible,
12 off-mike.)

13 COUNCILMAN Nutter: Yes. I was
14 proposing to amend the Administration's amendment.

15 COUNCILWOMAN KRAJEWSKI: All those in
16 favor of Councilman Nutter's amendment?

17 COUNCIL PRESIDENT Verna: No, you move
18 to accept the Administration's amendment.

19 COUNCILMAN Nutter: I'm sorry.

20 It was not written, Madam Chair. It
21 was based on -- the Administration put forward an
22 amendment in the "from" section for Section 2.39,
23 that the Director of Finance be \$3,550,000.

24 What I propose is that that be amended
25 to be \$4.550,000, and that in the "to" section,

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2 there would be a new Section 2.32, which is
3 Department of L&I - Purchase of Services, which is
4 where the \$1 million would go. That naturally
5 increases the "to" and "from" amounts to
6 \$8,285,562.

7 COUNCILWOMAN KRAJEWSKI: Madam Chair
8 since still in appropriations I understand that
9 members of the appropriations can vote on the
10 amendments that's correct?

11 (Councilmembers confer off the record.)

12 MR. MCPHERSON: Would you like to take
13 a roll-call vote, then I can go down with the
14 members on the committee?

15 Councilman Nutter will offer his
16 amendment.

17 COUNCILMAN NUTTER: Thank you.

18 Madam Chair, I move that the -- in the
19 "from" section of Bill No. 13, Line Item No.
20 2.39, Director of Finance - Fringe Benefits,
21 Personal Services-Employee Benefits, that it be
22 increased by \$1 million, and that the total for
23 that line item is \$1 million and, therefore, the
24 corresponding section in the "to" section of the
25 bill, a new category, Line Item No. 2.32,

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2 Department of Licenses and Inspections- Purchase
3 of Services, \$1 million, the total of which for
4 that line would be \$1 million.

5 (Duly seconded.)

6 MR. MCPHERSON: Do you want me to do a
7 roll-call vote?

8 COUNCIL PRESIDENT VERNA: Please.

9 MR. MCPHERSON: Councilwoman
10 Krajewski?

11 COUNCILWOMAN KRAJEWSKI: No.

12 MR. MCPHERSON: Councilman Nutter?

13 COUNCILMAN NUTTER: Aye.

14 MR. MCPHERSON: Councilman Clarke?

15 COUNCILMAN CLARKE: No.

16 MR. MCPHERSON: Councilman Mariano?

17 COUNCILMAN MARIANO: No.

18 MR. MCPHERSON: Councilwoman Miller?

19 COUNCILWOMAN MILLER: Aye.

20 MR. MCPHERSON: Councilman Ortiz?

21 COUNCILMAN ORTIZ: Aye.

22 MR. MCPHERSON: Councilman O'Neill?

23 COUNCILMAN O'NEILL: No.

24 MR. MCPHERSON: The nays are 4 and the
25 ayes are 3, so it does not carry.

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2 COUNCILWOMAN KRAJEWSKI: Therefore, the
3 amendment fails.

4 Now we'll go on with the second
5 amendment.

6 All those in favor of the second
7 administration by the Administration?

8 COUNCILMAN NUTTER: Do you want me to
9 read them in or move them?

10 MR. MCPHERSON: Just move them.

11 COUNCILMAN NUTTER: Okay. Madam Chair,
12 I move that Bill No. 13 be amended in Section
13 2.39, Director of Finance - Fringe Benefits -
14 Personal Services, Employee Benefits, in the
15 amount of \$3,550,000, which in -- the total for
16 that line is \$3,550,000. And the total in the
17 "from" section is \$7,285,562.

18 And a corresponding change in the "to"
19 section of the bill -- I'm sorry. The
20 corresponding change in the "to" section of the
21 bill, Line Item No. 2.2, Office of the Mayor -
22 Personal Services, \$700,000. The total of that
23 line is \$700,000.

24 And a new line item, 2.38, Director of
25 Finance - Contributions, Indemnities, and Taxes,

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2 the amount is \$2,850,000. The total of that line
3 is \$2,850,000. The total of the "to" section
4 shall read \$7,285,562.

5 (Duly seconded.)

6 COUNCILWOMAN KRAJEWSKI: All in favor?
7 All those in favor?

8 Those opposed?

9 Therefore the amendment passes.

10 COUNCILMAN NUTTER: Those are the
11 amendments. Now we want to move the bill as
12 amended?

13 COUNCILWOMAN KRAJEWSKI: Madam
14 Chairwoman, I move that Bill 13 be voted out of
15 committee -- as amended, be voted out of committee
16 with a favorable recommendation and with a
17 suspension of the rules so as to permit first
18 reading at the next session of Council.

19 (Duly seconded.)

20 COUNCIL PRESIDENT Verna: It's been
21 properly moved and seconded that Bill No. 13 be
22 reported out of committee with a favorable
23 recommendation, as amended, and further, that the
24 rules of Council be suspended so as to permit
25 first reading at our next session of Council.

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2 All those in favor will signify by
3 saying aye.

4 Those opposed?

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

7 (Adjourned at 4:17 p.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 Wednesday, March 22, 2000, were
reported fully and accurately by me, and that this
is a correct transcript of same.

RE: COUNCIL COMMITTEE ON APPROPRIATIONS
BILL NO.'S 000012, 000013

JOSEPHINE CARDILLO,
Registered Professional Reporter