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COUNCIL OF THE CITY OF PHILADELPHIA

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COUNCIL OF THE WHOLE

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Room 400, City Hall
Philadelphia, Pennsylvania
Tuesday, March 28, 2006
10:25 a.m.

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PRESENT:

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COUNCILWOMAN JANNIE BLACKWELL

COUNCILMAN DARRELL L. CLARKE

11

COUNCILMAN MICHAEL A. NUTTER

COUNCILWOMAN BLONDELL REYNOLDS BROWN

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COUNCILMAN FRANK RIZZO

13

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BILLS 060001, 060002, 060003, 060004, 060006,
060007, 060008, 060014, 060089 and 060090.

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RESOLUTIONS 060019, 060099, 060100 and 060119.

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COUNCILWOMAN BLACKWELL: Good

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morning. We will begin our recessed

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hearing this morning, our hearing on the

5

budget. We'll begin with testimony from

6

the District Attorney.

7

Good morning, Madam DA.

8

MS. ABRAHAM: Good morning,

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Madam Chairwoman. My name is Lynne,

10

L-Y-N-N-E, Abraham, A-B-R-A-H-A-M. I'm

11

the District Attorney of Philadelphia.

12

I have previously submitted to

13

Council my remarks for today's hearing,

14

plus the attachments, and I would move

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that the remarks and the attachments be

16

delineated or marked as an Exhibit A and

17

entered into the record of City Council.

18

May that be done?

19

COUNCILWOMAN BLACKWELL: Yes,

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it can, and we will include it in detail

21

as if you had read it into the record.

22

MS. ABRAHAM: Thank you very

23

much. That will dispense with my having

24

to read it.

25

COUNCILWOMAN BLACKWELL: Thank

1 3/28/06 - WHOLE - BILL 060001, ETC.

2 you.

3 MS. ABRAHAM: Would you like me
4 to proceed, Madam Chairwoman?

5 COUNCILWOMAN BLACKWELL: Yes.

6 MS. ABRAHAM: I'm pleased to be
7 before the Council once again,
8 Councilwoman Blackwell, to speak about
9 some important issues that I have
10 outlined in my remarks, and essentially
11 they are interconnected and in many
12 respects mutually interdependent.

13 First we want to speak about
14 witness relocation. My remarks indicate
15 that as far back as 1994, 12 years ago, I
16 brought to Council my deep concerns about
17 witness -- we called it witness
18 protection at that time. I think the
19 more apt phrase is "witness relocation"
20 and the need as an essential part of our
21 crime-fighting program to have people
22 removed or put in a safe place or put at
23 ease, to the maximum extent that we could
24 make them feel at ease, when they testify
25 in difficult and frequently emotionally

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2 charged cases, such as homicides and
3 major felonies. Unfortunately, for the
4 past 12 years, we have not received any
5 positive response from City Council.

6 I pointed out in my earlier
7 remarks that back in the '60s very few,
8 if any, cases were unsolved. Today we
9 have about 178 cases from last year's
10 homicides alone that are unsolved. The
11 year before we have about 130 cases of
12 that 2004's homicide total that are
13 unsolved.

14 So over the years, the number
15 of unsolved cases has grown, not because
16 people don't know what happened, not
17 because there aren't witnesses out there
18 who saw and heard and know who the
19 perpetrators are, but over the years,
20 there's been a steady erosion of people's
21 confidence in law enforcement to protect
22 them if they come forward, and we have
23 seen this played out to its horrible
24 extent in the few-week-ago trial of
25 Faheem Thomas Childs where two people who

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2 were arrested, Johnson and Spady, were
3 not arrested because of any cooperation
4 by local citizenry. Even in the face of
5 marches by thousands, prayer meetings,
6 vigils, corner rallies that you and I and
7 others in Council attended, every one of
8 them, but because the Alcohol, Tobacco
9 and Firearms division of the federal
10 government developed a tip from a source.
11 Absent that, that case would still be
12 unsolved, and it really is partially
13 unsolved to this day because the other
14 side of the shooting parties has not been
15 identified and/or arrested and
16 prosecuted.

17 In the Faheem Thomas Childs
18 case, in the initial investigative
19 stages, at least a half dozen people gave
20 testimony to the police about what they
21 saw and who they saw and who did what to
22 whom. By the time the trial came on, as
23 you saw in the press and we saw in the
24 courtroom, every one of those witnesses
25 denied making any of the statements to

1 3/28/06 - WHOLE - BILL 060001, ETC.

2 the police, claimed that they didn't
3 remember anything, and that if they did
4 say anything, they only said it because
5 they were allegedly coerced by the
6 police.

7 In today's Daily News, there is
8 another story of a case on trial before
9 the Honorable Sheila Woods-Skipper where
10 the witnesses are similarly
11 disremembering what they told the police
12 in their statements after the crimes were
13 perpetrated.

14 This City can't really tolerate
15 the kind of activities that we've seen of
16 recent date where it is a badge of pride
17 and honor for young people to walk around
18 with T-shirts that say "stop snitchin"
19 and that the culture of the street is
20 that snitching is bad or telling -- I
21 like to say telling the truth is bad and
22 being a good sport and keeping your mouth
23 shut on pain of something terrible
24 happening to you is the way to go.
25 Morally it's indefensible. And as a city

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2 and as a country, we can't tolerate
3 witness intimidation and witness fright
4 to this level.

5 Make no mistake about it. It
6 is real. It is palpable. People feel
7 it. They are terribly concerned that
8 they're going to be killed, that their
9 house will be burned down, that their
10 children will be harmed, and that's why
11 we have been championing a Witness
12 Relocation Program for these 12 years.
13 Fortunately, we were able to get some
14 money from the Attorney General's funds
15 funded by the state, of course, which has
16 been \$1 million that has been transferred
17 from the state budget into the Attorney
18 General's fund, which has been shared by
19 20 counties, including Philadelphia. And
20 that money has helped us dramatically in
21 the way we can relocate a person in an
22 instant, literally take a whole family
23 out of a house overnight and move them
24 someplace else.

25 In addition to that, we have

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2 really no funds at all, because the small
3 federal grant that we had has run out.
4 It was just a small amount of money for a
5 few years.

6 This year, we're faced with an
7 additional dilemma, that the Governor has
8 threatened to zero out of the Attorney
9 General's money the million dollars that
10 the state traditionally puts in his
11 budget, and we have been holding news
12 conferences and importuning the
13 legislature not to allow the Governor to
14 do this and not to put money in the
15 Pennsylvania Commission on Crime and
16 Delinquency, which would require cities
17 like us to lay money out first and then
18 make an application for a grant every
19 time we need something to the state. Not
20 only will it be difficult and dangerous
21 to our victims and witnesses, because we
22 have no money at all to put anybody any
23 place, but we also have to reveal to a
24 non-law enforcement agency information
25 which we cannot reveal, and that is

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2 secret information that only one law
3 enforcement agency can share with
4 another. And we are moving in the
5 legislature to try to get that back in
6 the Attorney General's budget, but the
7 future is, as of today, uncertain.

8 That makes it all the more
9 imperative that Council step up to the
10 plate and the Mayor step up to the plate
11 and take ownership of this problem. It
12 is just a terrible fear that people live
13 under when they know that they don't have
14 City dollars and the City's pledge to
15 help them if they are in difficulty
16 becoming a witness.

17 The other thing I wanted to
18 talk about briefly, but importantly, is,
19 with regard to witness relocation, it is
20 not necessary that this Council put money
21 in the District Attorney's budget for
22 this purpose. Councilman Kenney has
23 suggested in his letter establishing a
24 fund, and that would be, of course,
25 satisfactory so long as the fund -- we

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2 have no objection to telling Council what
3 we're going to use the money for, but
4 this has to be confidential information
5 kept within law enforcement, which we
6 cannot share with the City. In other
7 words, we can't say, We moved Jannie
8 Blackwell from this address to that
9 address. We did this and we put her
10 there and we're moving her here or her
11 children are being taken there or so
12 forth.

13 So it has to be crafted in such
14 a way that law enforcement-sensitive
15 information is kept within our office.
16 And this takes some leap of faith, but I
17 can guarantee to the Council that if
18 Councilman Kenney's proposal is talked
19 about and made real by July the 1st, I
20 believe that Council will be well
21 satisfied with our explanations, and we
22 will use the money wisely and strictly in
23 accordance with what the proposals are
24 for witness relocation.

25 The other thing I want to speak

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2 about briefly is the Blueprint for a
3 Safer Philadelphia. Out of the same
4 tragedy of Faheem Thomas Childs came not
5 only the crystallization of witness
6 relocation issues, but also a program, a
7 10-point 10-year program, which my office
8 crafted as a result of input from a
9 variety of agencies. I'm not asking for
10 specific money in my budget for these
11 programs. However, this 10-point program
12 does take funding. State Representative
13 Dwight Evans has really led the charge
14 over this past 18 months to put money in
15 the budget, including money for a gun
16 court, which my office does receive
17 something of. However, all the other
18 monies have been given by the state to
19 the other facets of the program, so we're
20 not receiving any of that.

21 It is, I think, important for
22 the City, since this is a 10-point
23 Blueprint for a Safer Philadelphia, not a
24 safer Allentown or a safer Allegheny
25 County, but a safer Philadelphia, that

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2 City Council, the Mayor, Representative
3 Evans, a representative of my office talk
4 with you about funding of the programs
5 covered by the Blueprint. I put that in
6 my message because I think the fact of
7 witness relocation and the Blueprint
8 cannot go unmentioned.

9 In addition to that, the need
10 for additional funding for the
11 prosecutor's office has become really
12 critical. The Mayor has put in a
13 zero-based budget for this year. A
14 zero-based budget, in our view, is really
15 a step backward, because we lost \$1.2
16 million last year and about a million the
17 year before. So we're down about two and
18 a half million dollars over the past two
19 years at a time when while some crime is
20 declining, other crime is increasing,
21 particularly, but not limited to, crimes
22 such as public nuisance bars and
23 stop-and-go's, with which I know you're
24 intimately familiar, homicides and a
25 burgeoning economic crime problem, which

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2 has suffered greatly.

3 Our Public Nuisance Task Force
4 has lost three people, economic Crimes
5 has lost three people, and the Homicide
6 Division has lost people, and it is
7 absolutely at the stretched-out point.
8 Our homicide attorneys are working just
9 to the bone. These homicide trials are
10 stressful, they're difficult, they're
11 long term, and we frequently have to try
12 a defendant's case three or four
13 different times because of multiple
14 defendants in the court has elected to
15 separate all of them. And so, therefore,
16 we are asking for \$300,000 for four
17 homicide prosecutors, which will enable
18 us to move prosecutors up from our other
19 divisions into the homicide program and
20 make the needed adjustments to our
21 homicide program that are essential by
22 the number of homicides.

23 This year we're only slightly
24 behind last year at this time. In
25 January, we're a little bit ahead of

1 3/28/06 - WHOLE - BILL 060001, ETC.

2 where we were in 2004. We had 29
3 homicides as opposed to 27 in 2004.
4 We've tailed off a little bit, but
5 there's nothing to be comfortable about,
6 since last weekend we had six homicides.
7 We had three homicides during the week
8 and we've had two more or three more over
9 the weekend, and last night a body was
10 found. Over the weekend at least one
11 young man of 16 was found dead in a
12 school yard, and another man was found
13 dead in an arson fire, which was
14 apparently a covered-up homicide.

15 So we are really entreating
16 Council to recognize that we just can't
17 do this on the budget that we have and
18 that we do need these four new homicide
19 prosecutors in our Homicide Division.

20 Finally, the money that we have
21 asked for are two other categories. A
22 half million dollars for salary parity.
23 We have attached to our remarks and our
24 statement charts showing that if you have
25 before you, for example, Attachment 2A,

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2 in 1996, the difference between major law
3 firms and our office was roughly half.
4 In other words, if you started off at
5 roughly 30,000 in our office, in major
6 law firms it was roughly 60,000. If you
7 look at the chart over the course from
8 1996 to 2006, you can see that the
9 difference between salaries of law firms
10 and salaries in the DA's office have
11 dramatically widened in the gap between
12 the two. There's virtually no movement
13 in the District Attorney's office between
14 1996 and 2006. Not none, just not a lot.

15 So essentially, we've gone to
16 maybe from 35,000, we've gone up in ten
17 years \$15,000. That's hardly an
18 appropriate figure. At the same time,
19 college tuition and law school tuitions
20 have dramatically escalated. Our DAs
21 come frequently married with family
22 members, and the law school and the
23 undergraduate school loans are dramatic.
24 At the same time, the major law firms in
25 Philadelphia, and there are several

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2 articles attached, their salaries have
3 grown from roughly 60,000 to between
4 125,000 and 135,000, meaning that the gap
5 between what we're getting and the gap
6 they're getting for talent in our office
7 that is no less good than talent at the
8 law firms; in other words, any of our
9 lawyers can go to any of these law
10 firms -- and frequently after they stay
11 with us for a brief period of time,
12 that's exactly where they go, but the
13 spread between our salary at start and
14 theirs has shifted from roughly 50/50 to
15 now our salary is one-third the salary of
16 law firms.

17 In addition to that, our
18 lawyers, our young lawyers, are leaving
19 after about three years. It used to be
20 that the young classes stayed in for a
21 much more lengthy period of service. But
22 the lure of high salaries, the ability to
23 pay your bills, the ability to raise your
24 children, put them through school and do
25 all the things that you want to do, when

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2 measured by the outside world, is too
3 great for them to resist the tug. And
4 so, therefore, just when they're
5 beginning to start to learn what it's
6 like to be an attorney trying difficult
7 and complicated cases, they generally
8 leave.

9 Now, this is not to say that
10 the people remaining are not wonderful
11 and they're not working hard and it's not
12 to say that we don't have seasoned
13 prosecutors. Mr. Toczydlowski has been
14 in the office for 30 years. But it's not
15 about him. It's about the new crop
16 that's coming in to replace the crop that
17 is getting to the point where they're
18 looking to retiring, phasing down, doing
19 something else.

20 So the half million dollars for
21 salary parity will not only try to edge
22 up our starting salary, not nearly to the
23 level of what law firms get, because that
24 wouldn't be possible in public service,
25 but it does mean that we should raise our

1 3/28/06 - WHOLE - BILL 060001, ETC.
2 starting salary to, for example, the City
3 Solicitors' starting salary, and they
4 have a much greater salary leeway than we
5 do. So the City Solicitors just got a
6 salary raise. And when our DAs look at
7 the raises the Administration got, that
8 they look at the raises that the City
9 Solicitor has gotten and the fact that
10 the City Solicitor's office doesn't keep
11 in-house all of its business -- for
12 millions of dollars, the City contracts
13 out to law firms, major law firms, a lot
14 of work of the City Solicitors. And I'm
15 not saying that's good, bad or
16 indifferent. It is what it is. What it
17 means is that our DAs are starting below
18 the City Solicitors, and the people who
19 need merit raises aren't getting them.
20 So that's, of course,
21 important, salary parity at least with
22 the City Solicitor's office. So it will
23 enable us to give merit raises. It will
24 enable us to start our starting salary a
25 little bit higher.

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2 And, finally, we've asked for
3 \$405,000 for our Economic Crime Unit for
4 prosecutors, detectives and a paralegal.
5 Our Economic Crimes Unit handles a
6 variety of cases, and as I mentioned
7 before, they are down three attorneys.
8 We have had to raise, as I said we would
9 last year when I came before Council, our
10 threshold amount from initially it was
11 \$10,000. Any economic crime case such as
12 economic crimes, embezzlements;
13 counterfeit check schemes; identity
14 theft; home improvement schemes; scans
15 against the elderly; abuse of powers of
16 attorney; forgery of official documents;
17 forged deeds cases, some called house
18 dealing cases; mortgage fraud and a whole
19 budget of other economic crimes. We've
20 had to raise that threshold amount from
21 \$10,000 to \$25,000. And if things don't
22 improve this year, we're going to raise
23 it to \$50,000. In other words, we won't
24 even look at a case that doesn't have a
25 cash value of \$50,000 in losses. To me,

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2 it's the worst dream imaginable as a
3 District Attorney and it's even worse
4 from a victim's point of view to do what
5 we've been doing. We've been telling
6 forged deed cases, Go to the police and
7 report your case to the police. We don't
8 have the manpower or the money to
9 investigate. And the police tell the
10 victims, It's not a crime, go file a
11 civil lawsuit. And it's not the Police
12 Department's fault. It's the victims who
13 get to suffer.

14 So the 405,000 that we have
15 asked Council to supplement our zero
16 budget this year will help us with three
17 detectives, three district attorneys and
18 one paralegal.

19 These are deeply investigated,
20 very complex cases. This involves, for
21 example, stealing a bank's computer with
22 your information on it and identity theft
23 of all kinds, scams and frauds of all
24 kinds, lawyer abuse and so forth. These
25 are difficult cases. And when it becomes

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2 a case involving elderly, it's more
3 difficult, because frequently we're
4 dealing with infirm, put upon and in
5 difficult mental situations, many of our
6 elder victims who come to us looking for
7 help. We want to be able to help them.
8 We want to at least be able to initiate
9 investigations to tell them whether a
10 crime has been committed or not. And if
11 it is a crime, we want to vigorously
12 prosecute.

13 So the total figures we have
14 asked City Council for are about a
15 million 200,000. It's a million 205,000
16 to be exact: 500,000 for salary
17 adjustments, 300,000 for four homicide
18 prosecutors, 405,000 for our Economic
19 Crime Unit.

20 And I thank the Chair.

21 COUNCILWOMAN BLACKWELL: Thank
22 you very much.

23 You mentioned the Protection
24 Pilot Program, Witness Protection
25 Program, and Jim Kenney's proposal. What

1 3/28/06 - WHOLE - BILL 060001, ETC.

2 would your office like to see included in
3 the budget for this?

4 MS. ABRAHAM: Well, I think
5 initially the Councilman asked for like
6 \$5 million in a revolving account. I
7 think that's a little bit on the heavy
8 side. I don't believe that kind of money
9 will be needed, but I'm not prepared to
10 say at this moment how much will.

11 I think the first way to look
12 at it is to -- I think that at least a
13 million dollars should be put in that
14 fund, that that fund should be used as
15 needed, and that fund, I also should
16 mention, would be to supplant, not to
17 replace, state funding. The state
18 funding only enables us to do so much. A
19 half million dollars doesn't really go
20 all that far. I know it sounds like a
21 lot, and I'm not denigrating a half
22 million dollars, but, first of all, we
23 have no guarantee that's what we're going
24 to get, and we don't even know what we're
25 going to get this year. We're hopeful

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2 we'll get the half million dollars we got
3 last year from the state.

4 So I think a million dollars to
5 start off with in that fund. And then
6 we'll use it to supplement really what
7 we're getting from the state, and we'll
8 see how it goes after the first year or
9 so of the program, whether we're
10 optimistic or pessimistic about witness
11 relocation.

12 COUNCILWOMAN BLACKWELL: Do
13 other cities have dollars coming in that
14 we don't in this area, for example?

15 MS. ABRAHAM: Well, other
16 cities have the same thing that we have.
17 In other words, the million dollars, we
18 are the lucky ones in that because our
19 homicide and serious caseload is so
20 dramatic, we get half of the \$1 million
21 that has traditionally been set aside for
22 witness relocation. Nineteen other
23 counties get money for witness
24 relocation, but there's no more federal
25 money, if that's what you're asking. The

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2 federal government has zeroed out almost
3 all programs. As you well know, the Bush
4 Administration has really cut all kinds
5 of helpful programs to communities and
6 children and law enforcement down to
7 almost nothing.

8 So we're not getting any
9 federal money. So the answer is, as far
10 as I'm aware, there's no money coming in
11 for witness relocation.

12 COUNCILWOMAN BLACKWELL: Have
13 you made this request of the
14 Administration for this 1.2 or are they
15 aware of it?

16 MS. ABRAHAM: Well, as I do
17 every year before I come to Council, I
18 always speak with the Mayor and tell the
19 Mayor what our needs are, where we are
20 and what our absolute essential requests
21 are. So I did that this year as well.

22 COUNCILWOMAN BLACKWELL: Thank
23 you very much.

24 You know I'm always concerned
25 about this issue, although it's

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2 technically not your arena, where we have
3 witnesses in front of, especially in CJC
4 where we have both folks in court
5 together. Is that any better or are we
6 still having those same problems?

7 MS. ABRAHAM: When you say
8 "both folks together" --

9 COUNCILWOMAN BLACKWELL: Where
10 the perpetrators and the potential
11 victims are in court together.

12 MS. ABRAHAM: Well, we've only
13 been able to do one thing regarding that,
14 and that was, we authored a
15 constitutional amendment for children of
16 tender years. So if a little child sees
17 his mother, father or somebody close to
18 them, even somebody out in the street,
19 not close emotionally but close
20 physically, murdered or seriously injured
21 and the judge makes a finding that the
22 child of tender years would be so
23 traumatized if confronted with the
24 person, the perpetrator, the child is
25 permitted -- and it has to be a child of

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2 tender years and it has to be a finding
3 by a Court after a hearing and findings
4 of fact -- the child can do his or her
5 testimony on closed-circuit TV with the
6 defendant in another room and the
7 defendant's lawyer in with the child and
8 the prosecutor and the judge.

9 Aside from that, there is no
10 way that our Constitution in Pennsylvania
11 or our Constitution in the United States
12 allows people to testify when the
13 defendant is someplace else or the
14 witness is someplace else. As a matter
15 of fact, our Supreme Court has made the
16 determination that confrontation and
17 cross-examination in Pennsylvania means
18 eyeball to eyeball. And so that's why we
19 were able to get, with much difficulty,
20 and it took us almost ten years to do it,
21 the small child, the child of tender
22 years, exception to the confrontation
23 clause of the Pennsylvania Constitution.

24 But, similarly, Madam Chair,
25 you have to understand that most victims

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2 and witnesses come from the same
3 neighborhood. It's not like some
4 stranger sees something, although many
5 times it is a total stranger, but
6 frequently when you get these feelings of
7 threat and intimidation, it comes from
8 people who know each other.

9 I am not suggesting that people
10 who don't know each other aren't
11 threatened. A man approached me at the
12 Reading Terminal last weekend and said, I
13 was hit by a drunken driver and somehow
14 his lawyer got my name and address, and
15 I've been getting phone calls about
16 coming to court. They want to talk to
17 me. And I'm worried I'm going to be
18 intimidated, so don't expect me to show
19 up.

20 I mean, it was a drunk driving
21 case. It's gone down to drunk driving
22 cases where witnesses are fearful of
23 coming to court.

24 So I think there's nothing you
25 can do to avoid being in the same room.

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2 We do have witness rooms. We do have
3 rooms adjacent to court where witnesses
4 may wait so they don't have this
5 business. And I don't mean to suggest
6 that thousands of witnesses don't come
7 into court every week and testify,
8 because they do. I'm just saying there's
9 this undercurrent, this immediacy of
10 witness relocation money that needs to be
11 given to us so that we can take care of
12 the worst of the worst cases and find out
13 how deep and how serious this problem is.

14 COUNCILWOMAN BLACKWELL: Thank
15 you, Madam DA.

16 Councilman Nutter.

17 COUNCILMAN NUTTER: Thank you,
18 Madam Chair.

19 Good morning, Madam District
20 Attorney.

21 MS. ABRAHAM: Good morning.

22 COUNCILMAN NUTTER: Madam
23 Chair, I actually do not have so much a
24 question for our District Attorney. I
25 want to raise the issue with regard to

1 3/28/06 - WHOLE - BILL 060001, ETC.

2 the additional budget request that has
3 been laid out. I've had an extensive
4 conversation with District Attorney
5 Abraham on these topics and some other
6 matters, and so what I'd like to do in
7 the appropriate forum -- and I know that
8 there are a couple different ways to do
9 this, but for the moment, we're in this
10 particular forum. I don't know if it's
11 been circulated. I know that there is in
12 the document, the testimony, that lays
13 out the three items there is a document
14 on my desk, although I'm not exactly sure
15 where it came from, that lays out the
16 \$500,000 for salary parity, \$300,000 for
17 four homicide prosecutors and \$405,000
18 for Economic Crime, which is three
19 prosecutors, three detectives, one
20 paralegal.

21 It's been mentioned a couple
22 times. Councilman Kenney has already
23 introduced a proposed amendment to the
24 FY07 budget dealing with the issue of
25 witness protection or witness relocation.

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2 So this would not interfere with that
3 particular matter at all, but what I'd
4 like to do, Madam Chair, but with your
5 guidance, is either put forward a
6 proposed amendment that is in concert
7 with what the District Attorney has laid
8 out either in the public hearing or in a
9 more formal fashion. If we could go into
10 a public meeting, I could offer it and
11 then it becomes a part of this particular
12 process, and then we'll just deal with it
13 with all the other amendments as a part
14 of the budget process.

15 So I'd rely on your judgment
16 and ruling with regard to that, but I'd
17 like to address this particular matter.

18 COUNCILWOMAN BLACKWELL:

19 Absolutely. It seems to me, Councilman,
20 that you can put that in at any time and
21 then we can consider it at the
22 appropriate time, but any time you come
23 in and you submit it, circulate it and
24 submit it, then it's on our agenda to be
25 considered and voted on.

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2 COUNCILMAN NUTTER: Okay.

3 Thank you, Madam Chair. Then what I'd
4 like to do is, if I could have access to
5 one of our Sergeant-At-Arms, is at least
6 put this forward, just hand it up. We'll
7 make sure that copies are made available
8 and placed on all the members' desks, as
9 well as a copy to the stenographer, but
10 I'd at least like to get it in this
11 process to ensure that it's considered at
12 the same time as all the other measures.

13 COUNCILWOMAN BLACKWELL: That
14 will be fine, Councilman.

15 COUNCILMAN NUTTER: I'd offer
16 this amendment to the proposed FY07
17 budget related to the District Attorney's
18 office.

19 MS. ABRAHAM: I thank the
20 Councilman.

21 COUNCILWOMAN BLACKWELL: The
22 Sergeant-At-Arms will make copies and
23 distribute it and then we'll call on you
24 again to present it.

25 COUNCILMAN NUTTER: That's

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2 fine. Thank you, Madam Chair.

3 COUNCILWOMAN BLACKWELL: Thank
4 you.

5 Councilman Rizzo.

6 COUNCILMAN RIZZO: Thank you,
7 Madam Chair.

8 District Attorney Abraham, how
9 are you today?

10 MS. ABRAHAM: Very well. Thank
11 you, Councilman. How are you?

12 COUNCILMAN RIZZO: Good.

13 Maybe you can explain. A
14 police officer that works in your office
15 could be a police officer that's referred
16 to as a county detective or -- it's a
17 different category.

18 MS. ABRAHAM: It's a different
19 category, but, yes, they're all
20 considered county detectives.

21 COUNCILMAN RIZZO: They're
22 compensated at a higher rate than a
23 police officer?

24 MS. ABRAHAM: Let
25 Mr. Toczydlowski tell you about the

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2 compensation package for police officers.

3 MR. TOCZYDLOWSKI: Good
4 morning. My name is Albert Toczydlowski,
5 T-O-C-Z-Y-D-L-O-W-S-K-I, Deputy District
6 Attorney.

7 Councilman, at one point in
8 time, we had all county detectives
9 assigned to the District Attorney's
10 office. Several years ago when the DA
11 was elected, she came to an agreement
12 with the Police Commissioner. In lieu of
13 hiring county detectives, officers or
14 detectives will be detailed from the
15 Police Department. In the beginning,
16 they were all detectives, so they were
17 all paid the same as county detectives.
18 We then had some police officers
19 detailed.

20 We just recently had, frankly,
21 a labor arbitration concerning this very
22 issue about what county detectives and
23 police officers would make, and that's
24 been resolved, as far as I know. So that
25 we have county detectives 1 and 2. Now

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2 all we have left are county detective
3 2's. The detectives that come from the
4 Police Department are paid the same as
5 our county detectives. The police
6 officers that come over are paid as
7 police officers, because they're detailed
8 from the Police Department.

9 COUNCILMAN RIZZO: This is
10 where I'm heading with the question: As
11 you know, the Mayor has authorized \$10
12 million in overtime. There's just one
13 more part of my question. The police
14 officers that are detailed out -- and I
15 won't ask you a number, but I assume
16 there's a few -- are they paid for by the
17 Police Department or does that
18 compensation come from the DA back to the
19 Police Department?

20 MR. TOCZYDLOWSKI: It comes
21 from the DA back to the Police
22 Department. We pay for those officers.

23 COUNCILMAN RIZZO: So you're
24 not going to get a little slice of the 10
25 million?

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2 MS. ABRAHAM: We're not going
3 to get any of the 10 million.

4 COUNCILMAN RIZZO: I was
5 trying, District Attorney.

6 MS. ABRAHAM: Trust me, if we
7 were getting any of the 10 million, I
8 would have told you, that that would not
9 be a secret.

10 Also, you should know that
11 police officers can come and go as they
12 pretty much choose. In other words, when
13 they're detailed, they have the right to
14 go back to the Police Department. They
15 can take promotional exams and go back to
16 the Police Department.

17 The point of it, frankly, is to
18 better train police officers and
19 detectives in the realities of trying a
20 case. Making an arrest on the street is
21 one thing. That's just the beginning.
22 But getting a case ready to go to trial
23 is something else. So when we have
24 police officers and detectives
25 investigating and getting cases ready for

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2 trial, it's a much different and much
3 more intense police level that we're
4 approaching. So when these officers know
5 what it's like not only to just put your
6 hand on somebody and say, You're
7 arrested, but from the arrest to the
8 successful prosecution, that's a training
9 mechanism that we use. It enhances the
10 ability of officers to make intelligent
11 judgments when they're back on the
12 street. It also gives our district
13 attorneys assistance, the needed
14 investigative and follow-up help that
15 they need, and it's better for law
16 enforcement in general when police and
17 prosecutors work in tandem.

18 COUNCILMAN RIZZO: Thank you
19 for that.

20 The other question I have, when
21 you hire, and we'll use the expression, a
22 young assistant district attorney, does
23 your office incur expenses associated
24 with the training of that individual?

25 MS. ABRAHAM: Well, we have a

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2 training program, so we do have assistant
3 DAs who are in our training program. So
4 there is always an expense for that. For
5 example, the person who is in charge of
6 training is an assistant district
7 attorney, former homicide prosecutor. So
8 there's time, expense, money, of course,
9 and there's also on-the-job training,
10 learning as you go.

11 So there's always an expense.
12 You never just sort of come out fully
13 formed. You have to learn.

14 COUNCILMAN RIZZ0: The point of
15 the question is, in conversation with
16 Chief Burrelli of the Delaware River Port
17 Authority, he pointed out something that
18 was very interesting to me. Many young
19 officers would come to his department and
20 use it as a stepping stone, because they
21 didn't particularly like the environment
22 of patrolling the bridges. They wanted
23 to get involved in different type of
24 policing, and they were using the
25 training that they received at the

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2 Delaware River Port Authority to move on
3 after a short period of time, after a
4 significant amount of money for the
5 academy, et cetera, was spent.

6 He's implemented something that
7 I think is very unique, is a commitment.
8 You have to work there X number of years
9 before -- I guess like the West Point, I
10 guess. You go to West Point or
11 Annapolis, you have to stay in the
12 military. But if they decide to leave
13 before, they have to reimburse the
14 Delaware River Port Authority for their
15 training that they utilized as a stepping
16 stone.

17 MS. ABRAHAM: Well, Councilman,
18 that sounds very intriguing. However,
19 these are lawyers, and we ask for a
20 three-year commitment, because, as I
21 mentioned to the Chair, when you're
22 taking a raw lawyer out of school and
23 you're training him or her to be a
24 litigator, it takes time, it takes
25 expense, it takes a tremendous amount of

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2 effort. We not only have full-time
3 trainers, but the chiefs of the units,
4 the Juvenile Unit, the Municipal Court
5 Unit, the Waivers Unit, all of our units
6 are trainers as well. So you're getting
7 on-the-job trainers training you from the
8 moment you walk into the office all the
9 way through.

10 The problem is that after the
11 three years -- they give us a three-year
12 commitment. They're just about getting
13 to the point where they're really
14 starting to show a return on our initial
15 investment and they say, Well, gotta go,
16 I've been offered a job at twice or three
17 times the salary, and they go. Frankly,
18 most people keep their commitments, but
19 legally there's nothing we can do to an
20 attorney who says we --

21 COUNCILMAN RIZZO: You answered
22 my question. You do have a commitment.
23 At least you get them for three years and
24 not a year.

25 MS. ABRAHAM: Well, but some

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2 leave before, but most of them, I have to
3 say, are honest and honorable and they
4 keep their commitment. But after the
5 three years, they say, I did my three
6 years, good-bye. And that's not good for
7 the people of Philadelphia. It's not
8 good for us either, because we have to
9 start the whole process all over again.
10 We would like to encourage our lawyers,
11 and we can do this with more money, to
12 stay a year, two or three or more longer.

13 COUNCILMAN RIZZO: There's
14 nothing like experience, I'm sure. Well,
15 thank you and I appreciate all of your
16 good work and the people that work with
17 you.

18 MS. ABRAHAM: I thank the
19 Councilman.

20 COUNCILMAN RIZZO: Thank you,
21 Madam Chair.

22 COUNCILWOMAN BLACKWELL: Thank
23 you.

24 Before I call on Councilwoman
25 Brown, Councilman Nutter, you referred to

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2 an FY07 budget request. Has this now
3 been circulated?

4 COUNCILMAN NUTTER: Yes, Madam
5 Chair, that's my understanding.

6 COUNCILWOMAN BLACKWELL: All
7 right. And would you read the additional
8 request you're making?

9 COUNCILMAN NUTTER: Absolutely.
10 Madam Chair, I think in light of the
11 testimony and, even more specifically,
12 given what has been going on in
13 Philadelphia in recent times, I know
14 you're aware I put forward a proposed
15 amendment to the budget with regard to
16 the Police Department as well, but I
17 think the District Attorney's testimony,
18 both written and oral, lays out a
19 compelling case for consideration of this
20 kind of request, especially at this time.

21 Having said that, the proposed
22 amendment is an additional funding to the
23 FY07 budget of \$500,000 for salary
24 parity, \$300,000 for four homicide
25 prosecutors, \$405,000 for Economic Crime,

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2 which involves three prosecutors, three
3 detectives and one paralegal. The total,
4 Madam Chair, is \$1,205,000 in total, and
5 I would ask that this amendment be
6 offered at this time for consideration
7 during the rest of our budget process.

8 COUNCILWOMAN BLACKWELL: Thank
9 you very much. It is so noted. It has
10 been distributed and it will be
11 considered at the appropriate time.
12 Thank you, Councilman.

13 COUNCILMAN NUTTER: Thank you,
14 Madam Chair.

15 COUNCILWOMAN BLACKWELL:
16 Certainly.

17 Councilwoman Reynolds Brown.

18 COUNCILWOMAN BROWN: Thank you.
19 Good morning, Ms. Chairman.

20 COUNCILWOMAN BLACKWELL: Good
21 morning.

22 COUNCILWOMAN BROWN: Good
23 morning.

24 MS. ABRAHAM: Good morning.

25 COUNCILWOMAN BROWN: A few

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2 questions. Let me start with the
3 Community Education Involvement Program
4 that --

5 MS. ABRAHAM: You're talking
6 about the Blueprint, Councilwoman?

7 COUNCILWOMAN BROWN: Yes, yes,
8 yes.

9 MS. ABRAHAM: Okay.

10 COUNCILWOMAN BROWN: If you
11 would, just elaborate, if you would, on
12 the advertising. Also, has the Community
13 Education Involvement Program been
14 extended to include after-school
15 programming? Give us a sense of the
16 scope of it and its locations.

17 MS. ABRAHAM: Well, the
18 importance of the Blueprint, it was felt
19 by the core group and by Representative
20 Evans, that we educate the community on
21 the need to be participant in
22 crime-fighting efforts. And so the money
23 was put aside. It was about a half
24 million dollars to go to Men United for a
25 Safer Philadelphia, Mothers in Charge and

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2 other similar groups. It did not come to
3 me. I didn't get any of it. It's for
4 those groups who advocate at those vigils
5 and at speeches and at community events,
6 and this cuts across all the activities
7 that groups like Men United and Mothers
8 in charge engage in as part of their
9 activities. It also includes billboard
10 campaigns and the anti-stop snitching
11 programs and --

12 COUNCILWOMAN BROWN: So a
13 collage of different measures, if you
14 will.

15 MS. ABRAHAM: Correct. And
16 advocating for passage of gun legislation
17 in Harrisburg that is more attune to
18 Philadelphia's needs and so forth. So
19 it's for them. That's where this money
20 goes.

21 COUNCILWOMAN BROWN: Just as a
22 follow-up to your answer, give me your
23 gut take, reality take on how successful
24 we may or may not be with regards to the
25 measures that have been put forth by

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2 members of the Philadelphia delegation
3 around additional gun restriction
4 measures.

5 MS. ABRAHAM: Well, you know
6 Councilman Clarke and I have been going
7 around this path for a long time. I want
8 to be optimistic, but I'm always
9 cautious, and I'm going to give you a
10 reason for my caution.

11 At the very same time that the
12 legislature is considering bills put
13 forth by Dwight Evans at the behest of
14 either Councilman Clarke and/or others,
15 including me, I signed onto all of them,
16 is the "shoot first" bill that's pending
17 now in our legislature. There's a bill
18 actually introduced that will change the
19 laws of self-defense in this Commonwealth
20 for all times. Ever since ancient
21 English common law, which we adopted, a
22 person had to respond to force with force
23 of about equal level. So if I punch you
24 in the nose, you can't go out and get a
25 machine gun and kill me. However, today

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2 if this bill is passed as it's presently
3 constituted, if you feel as an individual
4 that I'm going to hurt you, you can pull
5 out your gun and shoot me and ask
6 questions later. It's the "shoot first
7 and ask questions later" bill that's
8 pending in our legislature.

9 So I want to be careful when I
10 say that while I do want Philadelphia to
11 have the gun laws which we used to have
12 in 1995 and '96 where we regulate gun
13 licensure, where we say what's legal in
14 Philadelphia, a City of the first class
15 or not, and I want that to happen, I'm
16 worried when the NRA is targeting
17 Pennsylvania as one of the states to put
18 in this, I call it, "shoot first and ask
19 questions later" bill, because that will
20 mean that anybody with a gun, even an
21 illegal gun, can say, Well, I thought he
22 or she was going to hit me with his car,
23 so I had to kill him to prevent that from
24 happening, or I had to shoot this person
25 because I was somehow in my mind fearful.

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2 So there's no more -- there's
3 not going to be any more retreat. In
4 other words, if I was coming at you and I
5 threatened to punch you, you might think
6 better of it. Instead of standing up to
7 me toe to toe, you'd say, Well, I don't
8 think it's worth it, I'll back off, I
9 don't want a punch in the nose, I don't
10 want to have a fight with Lynne Abraham.
11 Now you can pull out your gun and shoot
12 me, if this bill passes, and say, Well,
13 she was going to hurt me, so I had to
14 protect myself against who knows what she
15 was capable of doing.

16 That is really, really
17 worrisome. So I think we have to not
18 keep our eye on this ball. We have to
19 keep our eye on all the balls that are up
20 in the air in Harrisburg vis-a-vis gun
21 laws, and "we," that means the
22 Philadelphia delegation.

23 COUNCILWOMAN BROWN: Sure. So
24 are there organized efforts with members
25 of the Philadelphia delegation and/or

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2 others who are doing as you just
3 suggested, keeping an eye on the ball and
4 looking for ways to --

5 MS. ABRAHAM: Well, I know
6 that, for example, the Brady -- oh,
7 what's it called? The Brady group, the
8 Jim Brady group.

9 COUNCILWOMAN BROWN: Yes, yes,
10 yes.

11 MS. ABRAHAM: I can't remember
12 the name of the organization. It slipped
13 my mind for the moment. But they're on
14 top of this, and all of the good
15 government groups who are interested in
16 gun safety are on this. But the NRA is a
17 powerful force, as you know, and we're a
18 rural state, which doesn't have the
19 problems that Philadelphia has, and those
20 gun owners think that we in Philadelphia,
21 we have a problem, they don't.

22 So I'm not sure what's going to
23 happen with any of these bills. I want
24 to be optimistic. Senator Fumo now says
25 he's in favor of changing laws back to

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2 where they were before the committee he
3 chaired took them all away from us in
4 1996, and he's a lifetime member of the
5 NRA, but I don't know what their fate
6 will be in the legislature. I want to be
7 optimistic, but I'm cautious.

8 COUNCILWOMAN BROWN: Okay.

9 Could you please talk a little bit more
10 about this revolving fund and to a more
11 specific question --

12 MS. ABRAHAM: It's really not a
13 revolving fund, but a specified set
14 amount of money that's set aside. And
15 what happens is, it will be used as
16 needed and replenished so that the money
17 never falls below, let's say, the figure
18 I picked, a million dollars.

19 COUNCILWOMAN BROWN: Okay.

20 Another question. The Witness Protection
21 Program, somewhere in the testimony
22 there's a discussion of \$250,000.

23 MS. ABRAHAM: Yes. That was my
24 quoted remarks in 1996, Councilwoman. I
25 think if you'll find the page -- and I

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2 have a different version, a wider-spaced
3 version than you do and mine is single
4 paged, not double paged. If you will
5 look at that quote, it's to point out
6 that around 1994 I started talking about
7 witness relocation, and in 1996, I asked
8 Council for \$250,000 to start a Witness
9 Relocation Program. That was merely to
10 highlight the fact that I've been asking
11 for this program for 12 years and it has
12 yet been funded -- it is yet to be funded
13 by Council.

14 COUNCILWOMAN BROWN: I see. So
15 what criteria do you use when making
16 determinations about how those dollars
17 would be spent? Is it the level of the
18 crime or the amount of people involved in
19 testifying?

20 MS. ABRAHAM: Well, it can
21 probably be a combination of both things,
22 but usually the people have the most of
23 fear and express their fear most in the
24 most serious kinds of cases, the assaults
25 with intent to kill, aggravated assault

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2 and especially homicide. When they go to
3 the police station and give information
4 to the Police Department, they say right
5 now, You know, I know this guy, and if he
6 knows I'm going to testify against him,
7 which is going to be within about five or
8 six or ten working days, he's going to
9 kill me or kill my family or so forth, or
10 it's out on the street that anybody who
11 testifies against this group will be
12 killed.

13 So the Police Department at
14 that very moment, the detective at that
15 very moment will say, We'll make
16 arrangements for you to be moved. They
17 and we together coordinate our efforts
18 and get that person out of his house, if
19 necessary, that very night.

20 COUNCILWOMAN BROWN: I see.

21 MS. ABRAHAM: So they're put up
22 at a hotel.

23 Now, again, that takes money.
24 We don't have any money for that. So
25 since we have this Attorney General

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2 money, we can put that person -- you
3 can't move a person at 4 o'clock in the
4 morning. They have to have all their
5 kids and everybody in their household.
6 And it depends on what the nature of the
7 threat is. So if it's just personal to
8 you or to a person, then it's that
9 person. If it's the whole family that
10 the person is worried about, we have to
11 move the whole family, and that includes
12 several generations and lots of people.
13 It could be eight, ten, 12 people living
14 in a household.

15 COUNCILWOMAN BROWN: Is it fair
16 to say it's too early yet to tell if
17 having these additional dollars in place
18 which assist in witness protection, that
19 that is indeed having an impact in terms
20 of the level of convictions? Is it too
21 early to tell?

22 MS. ABRAHAM: Well, let me say
23 it this way: The best measure I can say
24 is that in our Witness Relocation
25 Program -- we don't call it witness

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2 protection, because I think that conjures
3 up a bad image. It conjures up sitting
4 around a pool with drinks and fancy
5 hotels in Florida and having a good old
6 time and a changed identity.

7 This program is not for that
8 purpose. It's merely to remove you from
9 harm's way for a finite period of time
10 and to make sure that you come back to
11 Philadelphia. In other words, if we ship
12 you to another state, which we sometimes
13 do, we have to fly you in or have you
14 take a train in or whatever mode of
15 transportation. We have to put you up at
16 a hotel. That will be covered by witness
17 relocation.

18 Nobody in our program who has
19 been in witness relocation and who has
20 come and testified has ever, cross our
21 fingers, to date ever been harmed. So
22 that means -- and this is over about four
23 or five years. That shows that the
24 program does work.

25 COUNCILWOMAN BROWN: It speaks

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2 to the value, indeed.

3 MS. ABRAHAM: It does have
4 value if you follow the rules of the
5 program and abide by the requirements of
6 the program.

7 COUNCILWOMAN BROWN: Sure.

8 MS. ABRAHAM: There are people
9 who don't want to be protected. They
10 just want to challenge -- they say, Well,
11 I don't care, I'm fine, he knows I'm
12 going to testify against him. And that
13 happened a few weeks ago where a person
14 testified against another person whom he
15 knew and he knew that he was in danger,
16 and he was murdered, but he didn't want
17 our help.

18 COUNCILWOMAN BROWN: Okay. My
19 final question, I want to hear your
20 philosophical perspective on this. First
21 tell me how many young people last year,
22 or as last you can recall, under the age
23 of 17 have committed heinous crimes and
24 have been tried as adults.

25 MS. ABRAHAM: I don't have that

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2 figure for you, but I can get it. It's
3 relatively small. Excuse me. Let me
4 just consult with my Deputy for the
5 Juvenile Division.

6 I was just checking with George
7 Mosee, the Deputy for our Juvenile
8 Division. We don't have that number
9 available to us, but we'll get it to you.

10 COUNCILWOMAN BROWN: So as you
11 move to secure that information for the
12 Chair --

13 MS. ABRAHAM: You're talking
14 about homicides and --

15 COUNCILWOMAN BROWN: Please.

16 MS. ABRAHAM: -- armed
17 robberies, rapes?

18 COUNCILWOMAN BROWN: Most
19 importantly, murders, if you will, for
20 young people under the age of 17 and
21 then, further, for young people under the
22 age of 12. And then give me your
23 perspective on decisions and judgments
24 that are reached to try young people as
25 adults. Often times high school

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2 drop-outs can't read, come from
3 disturbing backgrounds, et cetera, et
4 cetera, that leads them down the road of
5 crime. What is your philosophical
6 perspective?

7 MS. ABRAHAM: You're asking me
8 to answer that now?

9 COUNCILWOMAN BROWN: Please.

10 MS. ABRAHAM: Oh, sure. Well,
11 first of all, it's not a matter of
12 philosophy. It's a matter of state law,
13 and state law mandates that all juveniles
14 who commit murder are initially to be
15 tried as adults. And that means that at
16 the defendant's lawyer's request, the
17 lawyer for the defense can request that
18 the case be sent back to Juvenile Court
19 and there has been a hearing, where
20 evidence is put forth why the defense
21 lawyer wants the child sent back to
22 Juvenile Court and why we may either
23 agree with the defense attorney, in which
24 case there's not a whole lot to argue
25 about, or we believe that the person is

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2 best tried as an adult because the person
3 is incapable of being habilitated or
4 rehabilitated in the brief time that he
5 or she may be in juvenile custody. They
6 may have mental or emotional disorders
7 that can't be addressed on a short-term
8 basis. And, of course, it depends on the
9 juvenile's record, his background. I'm
10 saying his. It's usually his, but it's
11 sometimes her. His prior criminal
12 record, his previous incarcerations, what
13 kind of weapon, how many were there and
14 so forth.

15 COUNCILWOMAN BROWN: All those
16 factors.

17 MS. ABRAHAM: There's a whole
18 myriad of factors.

19 COUNCILWOMAN BROWN: Okay.

20 MS. ABRAHAM: And we can put
21 forth some of those factors in our letter
22 to you so that you'll know.

23 COUNCILWOMAN BROWN: I'd
24 appreciate that.

25 Finally, the truancy court, the

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2 status of that, where it is and --

3 MS. ABRAHAM: We don't have
4 truancy. Remember, Councilwoman, we
5 started a truancy program, but when
6 Council and the Mayor cut our budget, we
7 said that we'd have to cut truancy. We
8 had several people working on truancy,
9 which I believe is one of the major
10 markers. It's not a predictor.

11 COUNCILWOMAN BROWN: I agree.

12 MS. ABRAHAM: But it's a
13 marker, as you know. You were a teacher.
14 It's a major marker in predicting the
15 possibility of future delinquency. And
16 when we lost our money, we lost our
17 truancy effort. That doesn't mean we
18 don't have in Juvenile Court -- really,
19 it's dependency court. When kids are not
20 attending school, the state does have the
21 authority and the judges do have the
22 authority to declare that person a
23 dependent child and take them out of the
24 home. It doesn't necessarily answer the
25 question, because many of our kids live

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2 in their homes, their parents walk them
3 up to the school yard, the kid goes in
4 the door and out the back door. And you
5 may have read the other day that one of
6 the offenders in an almost homicide had
7 failed to attend school almost every day
8 this year and a huge number of days last
9 year. They don't call that -- they call
10 that person a non-attender. We call it a
11 truant. It's not a drop-out, but for all
12 intents and purposes, he is not there.

13 COUNCILWOMAN BROWN: So now
14 when young people land at a place where
15 they have X number of truants, there is
16 no, for lack of a better word, hammer in
17 place?

18 MS. ABRAHAM: Well, the police
19 pick them up. They take them to their
20 police station. They call their parents
21 and say, Come down and pick up your kid.
22 They do arrange with the schools to take
23 them to the nearest school to the police
24 station, so they're not sitting in police
25 custody. But it's a major problem.

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2 COUNCILWOMAN BROWN: And how
3 much was that program, District Attorney?

4 MS. ABRAHAM: Our truancy
5 program, we had one full-time assistant
6 DA, with the help of others in the
7 office, and that was Lynne Nichols, who
8 went around. And it was only, you
9 remember, in a cluster. It was in one of
10 the, I think, 13 clusters of
11 Philadelphia. And I thought she was
12 making great progress, because what she
13 was doing is, she was having face-to-face
14 meetings with parents and really using
15 the carrot and stick approach. You must
16 get your kids to school. Where was your
17 child last Wednesday? If you do not
18 bring your child to school, we will go to
19 the Department of Human Services and see
20 the possibility of maybe taking your
21 child from you. We'd rather not do that.
22 And more often than not, after she got
23 their attention, they really --

24 COUNCILWOMAN BROWN: Got it.

25 MS. ABRAHAM: They got it, yes.

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2 The light went on and they got it. Who
3 wants to have their kid taken away from
4 them? So they really got it. We thought
5 we were making great strides, but then
6 our funding went and that was the end of
7 that.

8 COUNCILWOMAN BROWN: This past
9 fiscal year was the first time that those
10 dollars stopped, correct?

11 MS. ABRAHAM: Oh, no. No.
12 That stopped three or four years ago. We
13 haven't been doing that.

14 COUNCILWOMAN BROWN: Okay. All
15 right, then. Thank you for your
16 testimony.

17 MS. ABRAHAM: Thank you, Madam.

18 COUNCILWOMAN BROWN: Madam
19 Chair, one follow-up.

20 Could you please forward to the
21 Chair what that bottom-line cost was and
22 what that paid for?

23 MS. ABRAHAM: Sure. We can
24 also put down what's happening in truancy
25 matters now for you.

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2 COUNCILWOMAN BROWN: I would
3 appreciate that.

4 MS. ABRAHAM: Yes. Mr. Mosee
5 will handle that for you as well in his
6 letter --

7 COUNCILWOMAN BROWN: Thank you.

8 MS. ABRAHAM: -- what's
9 happening with truants.

10 COUNCILWOMAN BROWN: Okay.

11 Thank you, Madam Chair.

12 COUNCILWOMAN BLACKWELL: You're
13 welcome.

14 Thank you very much.

15 Are there any further questions
16 for the DA?

17 (No response.)

18 COUNCILWOMAN BLACKWELL: Thank
19 you very much.

20 MS. ABRAHAM: I thank you.

21 MR. McPHERSON: Our next
22 department is the Defender's Association.

23 COUNCILWOMAN BLACKWELL: Good
24 morning. Feel free to identify yourself
25 for the record and begin your testimony.

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2 MS. GREENLEE: Good morning,
3 Councilwoman Blackwell.

4 COUNCILWOMAN BLACKWELL: Good
5 morning.

6 MS. GREENLEE: I'm Ellen
7 Greenlee, Chief Defender of the Defender
8 Association. On my left is the First
9 Assistant Defender, Charles Cunningham,
10 and on my right is the Controller, Selim
11 Tawadros.

12 COUNCILWOMAN BLACKWELL: Thank
13 you. Would you pull your microphone up
14 closer.

15 MS. GREENLEE: Yes, I will.

16 COUNCILWOMAN BLACKWELL: Thank
17 you.

18 MS. GREENLEE: I have a little
19 less voice than usual. I've been ill for
20 a few days.

21 COUNCILWOMAN BLACKWELL: Thank
22 you. We welcome you, and feel free to
23 begin your testimony.

24 MS. GREENLEE: Thank you,
25 Councilwoman, for the opportunity to

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2 appear before Council today to present
3 our appropriation request on behalf of
4 the Defender Association and also to
5 thank you and the other members of City
6 Council and the Administration for the
7 continuing support of the work of the
8 Defender Association.

9 For almost four decades, we've
10 provided legal representation to
11 Philadelphia's poorest citizens who are
12 charged with crimes, to those who are
13 mentally ill, and children who are
14 dependent and/or neglected, among others.
15 It has been a successful collaboration, I
16 think, and we have continuously striven
17 to provide effective representation not
18 based on one's ability to pay for
19 counsel.

20 There are myriad ways in which
21 our work saves the City millions of
22 dollars annually. For instance, our work
23 in homicide representation over the past
24 13 years where we have represented close
25 to 1,200 clients, with no client having

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2 received the death penalty, has received
3 national recognition and has resulted in
4 huge savings in perfunctory death penalty
5 appeals and post conviction costs.

6 Also, our Probation, Parole and
7 Alternative Sentencing Unit, working with
8 Adult Social Services, have placed
9 thousands of those incarcerated into
10 community placements and therapeutic
11 environments in lieu of remaining in
12 prison.

13 Also, our specialists in the
14 Juvenile Unit and Juvenile Special
15 Defense Unit have kept countless young
16 people from becoming embroiled in a
17 system of placements outside Philadelphia
18 and away from their homes.

19 But none of this is really
20 free, as you know only so well. We are
21 experiencing increasing demands for
22 services in the Adult Trial Units, in our
23 Appeals Unit, in Juvenile and in Major
24 Trials with the opening of a number of
25 new courtrooms in the past two years. We

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2 have a very substantial additional
3 appropriation request first to avoid a
4 deficit position as we conclude Fiscal
5 Year '06 and, secondly, to put us in
6 solid financial shape for Fiscal Year
7 '07. The particulars of our requests are
8 as follows: In terms of attorney
9 salaries -- and I join with the District
10 Attorney in asking for a comprehensive
11 study of the salaries, especially among
12 the three largest public interest law
13 firms or public service law firms, the
14 District Attorney, the City Solicitor and
15 the Defender Association, to reach an
16 equitable level in terms of salaries.

17 We have been playing catch-up
18 for a number of years. We have never
19 caught up. We remain hopeful that at
20 some point in the not too distant future
21 we will catch up with the salaries of our
22 peers in the public interest section.

23 In 2002, Mayor Street's plan to
24 increase our starting salaries and to
25 make them a little better resulted in a

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2 salary at that point in time of \$42,000.
3 We lost momentum after that, with no
4 funding in 2004 or 2005 for salaries.
5 However, in September 2005, we did raise
6 our starting salary to \$45,000, though
7 still below the District Attorneys'
8 salaries and now considerably below the
9 salary of Assistant City Solicitors.

10 In Fiscal Year '07, we must add
11 three percent to that, and the City has
12 offered three percent in salary increases
13 so that we can raise our starting salary
14 to \$46,350, which is still below our
15 peers and still, as you know, so far
16 below what is almost a living wage in
17 terms of one who is an attorney.

18 We also have, in terms of
19 increases in level of services and
20 demands for our services, we have an
21 authorized number for several years of
22 216 attorneys, but we have received
23 funding for only 209, with the City
24 allowing for attrition. With the
25 increase in our starting salary to 42,000

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2 in 2002, our levels of attrition have
3 dropped, so that we really need to be
4 funded at the 216 level for the entire
5 year and not 209. What that means right
6 now is that we have seven basically
7 unfunded positions in terms of salary and
8 benefits. So we're asking that these
9 seven positions, additional positions,
10 need to be funded to bring us at that
11 point to where we should be at 216.

12 However, due to our increased
13 workload and the opening of new
14 courtrooms in Municipal Court, Family
15 Court and Major Trials and more required
16 appeals for our Appeals Unit, we need to
17 add 13 attorney positions in addition to
18 bringing up the 209 to 216. That's our
19 request in terms of attorney staffing.

20 One of the continuing problems
21 we have had and one of our most
22 troublesome areas in terms of funding is
23 that over the past three years, we have
24 received no funding for benefits, despite
25 the fact that we are not part of the

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2 City's plans, obviously, since we are a
3 private association and we must pay fully
4 for all benefits. We have done an
5 excellent job through the good efforts of
6 our Controller, Assistant Controllers and
7 Business Manager to contain our costs and
8 to share the burden with our staff, but
9 we must have funding to meet these
10 constantly increasing costs. It goes
11 without saying that we cannot have
12 anything in the way of salary increases
13 if we do not have a concurrent increase
14 in the benefits costs, which continue to
15 rise each year.

16 The only other additional
17 staffing that we need to request of the
18 Administration is that we need to add in
19 our IT Department two positions. We need
20 a support technician to help service the
21 almost 500 employees, all of whom have
22 computers at their disposal, and we need
23 to add a programmer as we try to meet the
24 demands created by the expansion of
25 technology and the new statewide Common

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2 Pleas Case Management System, which we
3 finally know as CPCMS, which is to go
4 into existence shortly, we understand.

5 We have one other significant
6 financial problem that has arisen, and,
7 that is, a very large threefold increase
8 in our malpractice insurance. As you're
9 probably aware, our present carrier, CNA,
10 has decided not to renew our coverage
11 following settlement in a child advocate
12 case, the first sizeable settlement in
13 the history of the Defender Association.
14 Two additional complaints have been filed
15 in the child advocate area, so our
16 insurer has bailed out, and we are
17 presently looking for an insurance
18 carrier. It appears that our costs will
19 triple to \$300,000 for the year.

20 We have, of course, discussed
21 this situation with the Administration's
22 Risk Management people, and we are, as we
23 are in all of this, on our own to try to
24 find appropriate insurance.

25 I would be much happier today

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2 to be able to simply regale you with
3 success stories and some of the
4 accomplishments mentioned in our written
5 testimony, but our financial situation
6 remains perilous unless we are able to
7 reach an agreement on these articulated
8 financial needs of the Association.

9 I thank you for your time and
10 attention. We are justifiably proud of
11 our staff and the service they provide to
12 Philadelphia citizens. I'll certainly be
13 happy to answer any questions or any
14 concerns that you may have or any of the
15 members of City Council. Thank you.

16 COUNCILWOMAN BLACKWELL: Thank
17 you very much.

18 Have you made the
19 Administration aware of the \$475,000
20 deficit you have and requested that you
21 get the dollars you need?

22 MS. GREENLEE: We have done
23 that in writing only about ten days ago
24 and have not had any opportunity to meet
25 with the Budget Director around that

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2 issue or these other issues mentioned
3 here today.

4 COUNCILWOMAN BLACKWELL: So
5 you've made them aware. Have they had
6 any response as of this date?

7 MS. GREENLEE: Not yet, no.
8 We're hopeful. We remain ever hopeful of
9 a response.

10 COUNCILWOMAN BLACKWELL: All
11 right. Is our Finance Department here
12 and are they in sync with the Defender
13 Association needing these dollars? Can
14 you let us know what the Administration's
15 position is and especially with regard to
16 the Common Pleas Management System?

17 MS. REED: Dianne Reed, Budget
18 Director.

19 We received this request
20 yesterday in our office, and we held the
21 Defender's Association harmless last
22 year. They did not get the cut; they did
23 not get the raise. They are scheduled
24 for the three percent and the four
25 percent raise.

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2 The CPCMS study is not
3 completed, and the Administration is
4 recommending holding off on all requests
5 relating to that until the GAAP analysis
6 remediation part of this is completed.

7 We would have to look at the
8 insurance issue.

9 COUNCILWOMAN BLACKWELL: When
10 will that be, this analysis you just
11 referred to?

12 MS. REED: Hopefully very soon,
13 because the system is supposed to go live
14 at the end of May.

15 COUNCILWOMAN BLACKWELL: Well,
16 we need you to let us know about that.
17 Certainly we don't have that information.

18 MS. REED: Right. The person
19 in MOIS who is the Project Manager for
20 this thinks that all justice partners
21 should be in pretty good shape, except
22 for the fact that when other counties
23 have gone live with this in the state,
24 the AOPC, which is the state organization
25 that has requested this change, has

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2 really not given them any data to test in
3 advance, and so it's kind of been a
4 last-minute, seat-of-the-pants type of
5 deal. However, Philadelphia is 40
6 percent of the caseload and there is a
7 fervent plea in to try to get some of
8 that, some testing material up front, and
9 that's kind of where the gap in
10 information lies.

11 COUNCILWOMAN BLACKWELL: Well,
12 certainly we would need this information
13 before we complete our budget process.

14 MS. REED: It would be nice if
15 we could get it.

16 COUNCILWOMAN BLACKWELL: Well,
17 that's going to be important, because our
18 colleagues are going to be concerned
19 about passing a budget with the pending
20 information, and we would like to get
21 this done in the Administration's
22 interest, but when you're waiting for
23 information, my colleagues are really --
24 the Council will have issues if we don't
25 have that information prior to the

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2 expected passage.

3 MS. REED: I share your

4 concern. We have an inquiry in.

5 COUNCILWOMAN BLACKWELL:

6 Councilwoman Reynolds Brown.

7 COUNCILWOMAN BROWN: Thank you,

8 Madam Chair.

9 Good morning. A couple

10 questions. The Mobile Outreach Program

11 that is an extension of the Child

12 Advocacy Unit, first, congratulations on

13 that innovation, if you will. How

14 successful has it been? How many young

15 people are in the program? And what's

16 the process used to recruit or enroll

17 young people with the Mobile Outreach?

18 MS. GREENLEE: I can get you

19 the specific numbers, Councilwoman, but

20 the program has been quite successful.

21 It's actually been operating just over

22 the last year, and we've had teams of

23 attorneys and social workers who have

24 visited the youngsters for the most part

25 in their placements. I don't know --

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2 COUNCILWOMAN BROWN: You say in
3 their placements?

4 MS. GREENLEE: In their
5 placements, where they're, say, at
6 Northern Homes or in some type of
7 placement like that.

8 COUNCILWOMAN BROWN: Okay.

9 MS. GREENLEE: I can get you
10 the specific information as to numbers.
11 I know that they have seen hundreds of
12 children. They have prepared a wonderful
13 booklet that they give to them about
14 their rights, and they are working
15 individually with the young people to try
16 to get them ready for the transition into
17 adulthood.

18 I'll get you some more
19 information about that. I'd be happy to
20 send that along.

21 COUNCILWOMAN BROWN: Please.
22 I'd be curious to know as well, is there
23 any tie-in, connect, linkage with the
24 Managing Director's office of Juvenile --
25 it's a recent initiative that targets

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2 certain police districts where there's
3 high juvenile delinquent activity. I
4 cannot recall the name of that program,
5 launched by the Mayor and the Managing
6 Director about two months ago.

7 MS. GREENLEE: Safe -- I wanted
8 to say stop --

9 COUNCILWOMAN BROWN: I'm just
10 curious to know if there's any linkage
11 with this. I cannot remember what it is.

12 MS. GREENLEE: I don't think
13 there's any specific linkage to that,
14 that I'm aware of.

15 COUNCILWOMAN BROWN: So this is
16 principally for young people who are
17 currently housed in group facilities?

18 MS. GREENLEE: For the most
19 part, and for other individual clients
20 that we have who are at that 15, 16 age
21 who need this kind of assistance. But I
22 think the bulk of the people and the
23 reason that it's called Mobile is that
24 we're sending teams out to visit them in
25 placements. But we're also providing the

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2 same kind of effort for clients who are
3 in their home but are clients of ours.

4 COUNCILWOMAN BROWN: Okay. So
5 there would be good sense in having a
6 tie-in with this initiative that is
7 designed to capture young people who
8 appear to be on the brink of headed down
9 the wrong path and juveniles between the
10 age of 12 and 16. And it's run out of
11 the Managing Director's office. I'm
12 going to get the name of it for you.

13 MS. GREENLEE: But I think
14 they're older. I think they're young
15 adults pretty much who are the target of
16 that program.

17 Aren't they, Charlie?

18 MR. CUNNINGHAM: They may be,
19 yes.

20 COUNCILWOMAN BROWN: Young
21 adults?

22 MS. GREENLEE: Young adults.
23 They're like between 18 and 22, are more
24 the focus of that program. We're looking
25 at the youngsters who before they're 18.

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2 15, 16 and maybe 17.

3 COUNCILWOMAN BROWN: Sure.

4 MS. GREENLEE: So we're a step
5 before that so they don't get to that
6 point.

7 COUNCILWOMAN BROWN: Exactly.

8 You talk on Page 3 of your
9 testimony about activities to improve
10 relations between minority youth and law
11 enforcement. The District Attorney has
12 just spoken to innovative ways they have
13 of bringing to young people what they
14 need to know about law enforcement. Is
15 your department doing anything along
16 those lines, just the education, helping
17 young people understand the consequence
18 of conduct, that kind of thing?

19 MS. GREENLEE: Well, I think
20 through the disproportionate minority
21 group, the Chief of our unit, Bob
22 Listenbee, has been very actively
23 involved in several forums that they have
24 had here in Philadelphia where they bring
25 representatives of law enforcement,

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2 school police, sheriffs, police officers,
3 and they have panel meetings with young
4 people. And I was at the first one that
5 they had, and it's a very fascinating,
6 honest kind of dialogue that they have
7 about respect and how one's comments are
8 perceived. It seems to be having a very
9 positive effect in terms of the
10 youngsters. The last forum was very well
11 attended. It was at one of the -- no.
12 It was down at 6th and Walnut Streets, I
13 believe.

14 COUNCILWOMAN BROWN: So is that
15 an ongoing prescribed program that
16 happens X number of weeks at designated
17 sites around the City?

18 MS. GREENLEE: No, I don't
19 think so. I don't think it's really
20 something that's funded from Philadelphia
21 and has any -- it's a statewide program,
22 the one that I'm talking about where
23 we've had the youth forums here. It's
24 been run through the state. It's not
25 Philadelphia based.

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2 COUNCILWOMAN BROWN: Okay. So
3 you do have information on that?

4 MS. GREENLEE: We do.

5 COUNCILWOMAN BROWN: Could you
6 please forward that to the Chair?

7 MS. GREENLEE: Certainly will.

8 COUNCILWOMAN BROWN: Okay. I
9 just have one final question. I just
10 want to be clear in my context here.

11 It's what one would call a
12 detail. Culturally speaking, there
13 really is a difference between African
14 and African-American. So in your
15 Exhibit-B at the top, most of us might
16 know that that means African-American,
17 but some of us might not. So just for
18 clarity purposes, I would like to suggest
19 that you may want to change that to
20 African-American. I mean, there may come
21 a time when you then have to draw a
22 distinction between African immigrants
23 and African-Americans.

24 MS. GREENLEE: I think this is
25 supposed to be African-American as I look

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2 at it.

3 COUNCILWOMAN BROWN: Exhibit-B,
4 in your EEO Report.

5 MS. GREENLEE: I think that's a
6 typo, Councilwoman. That's intended to
7 be African-American.

8 COUNCILWOMAN BROWN: Very well.
9 Okay, then. Thank you very much.

10 MS. GREENLEE: Thank you for
11 pointing that out. I didn't notice that.

12 COUNCILWOMAN BROWN: I would
13 have to thank Joe Meade.

14 Thank you very much.

15 MS. GREENLEE: Thank you.

16 COUNCILWOMAN BLACKWELL: Thank
17 you, Councilwoman.

18 Councilman Nutter.

19 COUNCILMAN NUTTER: Thank you,
20 Madam Chair.

21 Good morning, Madam Defender
22 and Mr. Cunningham and --

23 MS. GREENLEE: Mr. Tawadros.

24 COUNCILMAN NUTTER: Yes. Good
25 morning to you, too.

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2 MR. TAWADROS: Good morning.

3 COUNCILMAN NUTTER: Madam

4 Chair, I'd like to go back to where you
5 were and see if we can get Ms. Reed back
6 up at the table. You had asked a series
7 of questions.

8 COUNCILWOMAN BLACKWELL:

9 Ms. Reed.

10 Thank you.

11 COUNCILMAN NUTTER: Thank you,
12 Madam Chair.

13 Good morning, Ms. Reed.

14 Ms. Reed, I'm looking at the Defender's
15 first page of testimony. The Chair asked
16 you earlier about items related to this
17 CPCMS, which I don't exactly know what
18 that is, but the third paragraph of the
19 testimony makes reference to an
20 anticipated \$475,000 deficit by the end
21 of the current fiscal year, and what I'd
22 like to know is what, if any, plans does
23 the Administration have to deal with that
24 particular issue, one? Second, was this
25 anticipated at a time when you were at

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2 the table not too long ago and we had an
3 extended conversation last week with
4 regard to the mid-year transfer? Why
5 wasn't this issue dealt with as a part of
6 the mid-year transfer?

7 MS. REED: Dianne Reed, Budget
8 Director.

9 The Defender's Association is a
10 Class 200 contract. They are not a City
11 department.

12 COUNCILMAN NUTTER: I
13 understand that.

14 MS. REED: And as I said, we
15 only just received this information. We
16 didn't have their budget detail. There
17 was no submission, that I'm aware of.
18 And so we'll have to see what we have to
19 do about '06. A discussion needs to take
20 place.

21 COUNCILMAN NUTTER: Okay. But
22 you are now aware of this \$475,000
23 anticipated FY06 deficit?

24 MS. REED: Yes. I can see it
25 on the page.

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2 COUNCILMAN NUTTER: Okay. But
3 you have not had any discussion about it?

4 MS. REED: No.

5 COUNCILMAN NUTTER: Now, with
6 regard to FY07, the testimony seems to
7 indicate the prospect of a \$2.5 million
8 deficit for FY07. Is this consistent
9 with the information you seem to indicate
10 you received somewhere in the past couple
11 days?

12 MS. REED: Correct.

13 COUNCILMAN NUTTER: And what is
14 CPCMS?

15 MS. REED: That is Common Pleas
16 Court Management System.

17 COUNCILMAN NUTTER: I know what
18 it stands for. What is it?

19 MS. REED: What it is, is a new
20 database that the AOPC is setting up and
21 all county justice systems need to put
22 their data into that system in the format
23 that the AOPC has dictated. In the case
24 of Philadelphia and several areas, that
25 actually entails kind of a dumbing down

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2 from our system. And there have been
3 extensive conversations going on for
4 months about what kind of accommodations
5 could be made for Philadelphia so that we
6 could continue to enter data into our
7 systems and have it update this state
8 system in a manner that will allow us to
9 complete our business on a timely basis.
10 I mean, one of the tests that --

11 COUNCILMAN NUTTER: I --

12 MS. REED: Let me just finish.
13 This is really interesting.

14 One of the tests that the
15 Police Department did was that under our
16 current system, it takes them about 11
17 seconds to enter data with the kind of
18 codes that we use. Using the drop-down
19 menus that are in the AOPC system, it
20 takes three minutes, three to four
21 minutes per data entry. And, of course,
22 there are hundreds, especially if in fact
23 there's a conspiracy type of situation
24 where multiple people need to report.
25 And so the DA has actually gone to the

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2 Rules Committee of the Supreme Court to
3 try to get some consideration for
4 Philadelphia. So this is all kind of
5 working its way through, and it's very
6 complex.

7 COUNCILMAN NUTTER: Is there a
8 software incompatibility issue or is our
9 software, it sounds like, slightly more
10 sophisticated than the AOPC?

11 MS. REED: As I understand it,
12 our software is more sophisticated. Our
13 codes are slightly different. Although
14 there are ways that these things can be
15 patched together apparently.

16 COUNCILMAN NUTTER: Okay. Was
17 any funding provided by AOPC for
18 implementation or integration?

19 MS. REED: No. The First
20 Judicial District has kind of -- was
21 managing this for justice partners. We
22 became concerned. In fact, starting with
23 the conversation that we had with the
24 Defender's Association when they came to
25 us last January, they were concerned, and

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2 so we actually have paid from the
3 Administration for a GAAP analysis study
4 and then a remediation study to look at
5 all the justice partners who work with
6 the FJD to try to make sure that we could
7 get an enterprise solution that would
8 work for everybody rather than having
9 each of those agencies go by itself and
10 try to come up with a silo solution that
11 may not be compatible and might cost a
12 lot more money.

13 COUNCILMAN NUTTER: Is there
14 any opportunity here -- I don't know if
15 it is within the guidelines. Is this
16 something that we should be looking at
17 from a Productivity Bank loan standpoint
18 to bridge the financial gap?

19 MS. REED: Not clear yet.

20 COUNCILMAN RIZZO: Point of
21 information.

22 COUNCILWOMAN BLACKWELL: Point
23 of information. Councilman Rizzo.

24 COUNCILMAN RIZZO: Thank you.

25 Budget Director, this isn't

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2 part of Project OCEAN, is it?

3 MS. REED: No.

4 COUNCILMAN RIZZ0: Thank you.

5 COUNCILMAN NUTTER: I can hear
6 the waves crashing in the background.

7 Okay. Thank you. So you're
8 going to get back to us based on your
9 dialogue with the Chair and my questions
10 as to the FY06 potential deficit, as well
11 as the outstanding questions on the CPCMS
12 system and then any financial impact from
13 that or other components of the FY07
14 budget that might result in a deficit?

15 MS. REED: Yes, sir.

16 COUNCILMAN NUTTER: Okay.

17 Madam Defender Greenlee, I read
18 through the testimony. You made obvious
19 references not only to the deficits that
20 you might anticipate, but I know I heard
21 somewhere in the course of this a
22 discussion about salaries and parity and
23 those kinds of issues. Is it possible to
24 provide to the Chair in a kind of
25 one-page document an outline of -- it

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2 seems that you're making a bit of a
3 budget request supplement or an
4 enhancement to your budget. If you could
5 lay out for us what the categories are
6 and what the dollar amounts are just on
7 one sheet of paper and then give us a
8 total, that would be helpful.

9 MS. GREENLEE: Certainly.

10 COUNCILMAN NUTTER: If you
11 could forward that to the Chair, then we
12 would know exactly what the request is.

13 MS. GREENLEE: We'll do that.
14 Certainly.

15 COUNCILMAN NUTTER: Thank you.

16 Thank you, Madam Chair.

17 COUNCILWOMAN BLACKWELL: Thank
18 you, Councilman.

19 Are there any other questions
20 for the Defender's Association?

21 (No response.)

22 COUNCILWOMAN BLACKWELL: Thank
23 you very much.

24 MS. GREENLEE: Thank you,
25 Councilwoman.

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2 COUNCILWOMAN BLACKWELL:

3 Certainly.

4 MR. McPHERSON: The next
5 department is the City Commissioners.

6 COUNCILWOMAN BLACKWELL: Good
7 morning and welcome. Please identify
8 yourself for the record and begin your
9 testimony.

10 MR. LEE: My name is Bob Lee.
11 I'm the Voter Registration Administrator
12 for the City Commissioners Office. I'm
13 here for the Commissioners to present the
14 budget.

15 COUNCILWOMAN BLACKWELL: Thank
16 you.

17 MR. LEE: Madam President,
18 members of City Council, good afternoon.

19 COUNCILWOMAN BLACKWELL: Good
20 afternoon.

21 MR. LEE: I would like to thank
22 you for this opportunity to present our
23 Fiscal Year 2007 operating budget.

24 The City Commissioners'
25 proposed budget as laid down by the

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2 Administration is Class 100, \$4,737,354;
3 Class 200, \$2,786,964; Class 300,
4 \$551,652; and Class 400, \$50,145. This
5 operating budget class of 100 represents
6 an additional \$99,924 over our FY06
7 estimated obligations, which provide the
8 funds for a three percent wage increase.
9 However, it does not provide any funding
10 to replace employees lost to attrition.
11 It does not provide any additional
12 funding as requested to bring our
13 employment levels up to 101 employees.

14 We've lost two employees since
15 December. We were at 89 in December. We
16 lost two employees since. We're losing
17 another one in May. We requested 25 new
18 positions back in FY01, which would have
19 taken us to 109. That never happened.
20 Budgetary constraints have prevented us
21 from even reaching the 101 level that we
22 think is the minimum needed to properly
23 staff the office.

24 We made every effort to reduce
25 our expenditures where it's possible, and

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2 we've been successful in obtaining more
3 than \$20 million in federal Help American
4 grants. In fact, it's \$22 million.
5 We'll continue to try to effect cost
6 savings as we go about our work, but our
7 problem is that recent changes in federal
8 and state law is putting a massive
9 workload on the department.

10 It was interesting listening to
11 the previous testifiers talk about a
12 statewide system, because little or no
13 people know that the voter registration
14 office is now on a statewide voter
15 registration system that we went on in
16 December 27th, 2005. We attempted to
17 avoid going on that system at all costs
18 until the very last minute where we had
19 to go on by federal law, and the reason
20 we attempted to avoid it is because the
21 system is slow, it's cumbersome and the
22 laws and the system processes require
23 numerous additional steps in processing a
24 single voter registration application.

25 We believe this new system is

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2 going to substantially increase our
3 workload and require that we have
4 additional employees and additional
5 funding at least up to the 101 level of
6 full-time employees. We've been using it
7 for four months. We've learned its
8 handicaps.

9 We also had to implement a new
10 electronic voting system, which we did
11 successfully in 2002, and we've been
12 using it since. However, recent federal
13 law and a court agreement settlement in
14 federal court required that we upgrade
15 the voting machines so that they would
16 provide an audio device that would allow
17 those visually impaired voters the
18 opportunity to vote independently and in
19 private. Both the court agreement and
20 the federal HAVA Act required that that
21 be completed by January 1 of '06, and I'm
22 proud to say that Philadelphia County is
23 probably one of two or three in the state
24 that met that deadline, thereby ensuring
25 our qualification for our \$22 million in

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2 federal funds.

3 We recently conducted a special
4 election on March 14th in the 174th
5 District for state rep, and all of the
6 precincts in that district had at least
7 one machine that was audio equipped for
8 visually impaired voters to vote
9 independently.

10 These new systems naturally
11 bring new expenses. The voting system
12 has an annual software maintenance fee of
13 \$100,000. The absentee system has a
14 software maintenance fee of \$38,000.
15 None of those items are included in our
16 budget. We requested the money for that
17 and it's not in the budget.

18 We requested additional funding
19 to cover increased postage costs that
20 we're going to be incurring because of
21 mandated mailings and notices that are
22 required to be mailed out of the new SURE
23 system, and that has not been included.

24 We requested additional funding
25 to bring the employee levels up to 101,

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2 and that has not been approved or put
3 into the budget.

4 Our budget is basically static.
5 It's not changed. It's not increased to
6 allow us to meet these increasing
7 workloads.

8 Thank you for the opportunity.
9 I'll answer any questions you may have.

10 COUNCILWOMAN BLACKWELL: Thank
11 you very much.

12 You're requesting 16.5 million
13 in the Grants Revenue for '07. Can you
14 tell us who the grantor is and how these
15 funds will be spent?

16 MR. LEE: The grantor is the
17 federal government. Under the Help
18 America Vote Act of 2002, Congress set
19 aside a certain amount of money to
20 implement election reform changes after
21 the Florida election in 2000. The way
22 the grants work is, the money is sent to
23 the Commonwealth. The Commonwealth has
24 to submit a Commonwealth state plan to
25 get the funds. They did that, and

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2 they've been awarded the funds. Each
3 county has to submit a county plan as to
4 how they intend to spend their
5 allocations under the grants.
6 Philadelphia County did that, and we've
7 been awarded approximately \$22 million in
8 grants.

9 Some of the funds are earmarked
10 for specific purposes by the federal
11 government and also by the state
12 government. Some of the other funds are
13 discretionary in our use. And we use
14 quite a bit of that money. The
15 discretionary money in 2004, we probably
16 ran one of the most extensive voter
17 education programs on our voting system
18 than was done anywhere in the
19 Commonwealth. We spent over \$500,000
20 placing advertisements in newspapers,
21 telling people how to vote, the new ID
22 requirements, the availability of
23 provisional ballots, and we also mailed
24 to every voter in the City a postcard
25 giving them information on the new law,

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2 listing their name and address as it was
3 in the records, telling them where their
4 polling place was, and if they needed to
5 bring ID, we informed them of that fact
6 to bring ID to the polls. And in
7 November '04, we had a very high turnout
8 in Philadelphia. And considering the new
9 laws -- this is the first presidential
10 election that a lot of voters were voting
11 on our new system -- everything went very
12 well.

13 COUNCILWOMAN BLACKWELL: Thank
14 you.

15 You're requesting 12.3 million
16 in payments to other funds as part of
17 your grant request. Can you tell us what
18 funds you will be paying and if there are
19 restrictions placed on any use of these
20 funds?

21 MR. LEE: Those other funds are
22 not determined by the City Commissioners
23 Office. This is basically a
24 reimbursement or money that has been
25 allocated to Philadelphia because it

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2 replaced its lever voting machines after
3 the November 2000 election. Back in
4 April of 2001, Commissioner Tartaglione
5 testified before a Congressional panel
6 and asked that any funds be made
7 retroactive back to November 2000, and
8 fortunately for us, we signed our
9 contract for our voting system in March
10 of 2001. So that's basically what
11 qualified us for these funds.

12 COUNCILWOMAN BLACKWELL: Thank
13 you.

14 We'd like to ask our Budget
15 Director how these funds will be used.

16 MS. REED: Dianne Reed, Budget
17 Director.

18 The payment from the Grants
19 Revenue Fund of 12 million 3 reimburses
20 the capital expenditures for the voting
21 machines, and this is the amount that we
22 estimate will be required in '07. We had
23 an appropriation of about 18 million for
24 this in '06 and we haven't actually
25 received the amount that we expected by

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2 this point. So the '07 appropriation
3 includes receiving that perhaps in '07 if
4 it doesn't come in in time for '06.

5 COUNCILWOMAN BLACKWELL: But if
6 it's not shown, how do we reconcile?

7 MS. REED: If what's not shown?

8 COUNCILWOMAN BLACKWELL: If
9 it's not in your '07 budget request.

10 MS. REED: It is in the '07
11 budget request. That 12 million 3 would
12 cover getting the money in '07. We also
13 have an appropriation in '06. So
14 whichever year the money comes in, we'll
15 be able to make the reimbursement to the
16 Capital Fund.

17 COUNCILWOMAN BLACKWELL: Where
18 is the payment reflected to another fund
19 then? We don't see it in the capital
20 budget.

21 MS. REED: I don't know where
22 it is in the capital budget. I will try
23 to find that out for you.

24 COUNCILWOMAN BLACKWELL: Thank
25 you. We would like to know where that is

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2 and what that is, and ask that you get
3 back to us so that we may distribute that
4 information.

5 MS. REED: We will do that.

6 COUNCILWOMAN BLACKWELL: Thank
7 you.

8 Councilman Clarke.

9 COUNCILMAN CLARKE: Thank you,
10 Madam Chair.

11 A couple of quick questions.

12 One, what do we pay the temporary
13 workers, the 90-day workers?

14 MR. LEE: \$5.15 an hour right
15 now.

16 COUNCILMAN CLARKE: 5.15?

17 MR. LEE: It's been like that
18 since 1980.

19 COUNCILMAN CLARKE: Ms. Reed,
20 Council passed a law recently requiring
21 an increase in the minimum wage locally
22 for companies that contract with the City
23 of Philadelphia. I think Councilman
24 Goode sponsored that bill.

25 MS. REED: Right.

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2 COUNCILMAN CLARKE: Do you
3 recall that number?

4 MS. REED: That was 150 percent
5 of the minimum wage, whatever it is, the
6 living wage bill. I think that most City
7 contractors are above that amount
8 already, so that will only be like 8
9 something an hour, since the minimum wage
10 for PA right now is only 5.15.

11 COUNCILMAN CLARKE: So we
12 passed a bill in Council requiring any
13 contractor/vendors to pay more than \$6 an
14 hour?

15 MS. REED: Mm-hmm.

16 COUNCILMAN CLARKE: So how can
17 we, the City of Philadelphia, only pay
18 people that are working for us 5.15?

19 MS. REED: I don't know. I
20 have to see what the story is with that.

21 COUNCILMAN CLARKE: From your
22 perspective, do you think that's somewhat
23 inconsistent?

24 MS. REED: It could be
25 inconsistent, but there were a lot of

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2 clauses in that, so it may be in an
3 excluded class. On the face of it, it
4 doesn't look like it's consistent.

5 COUNCILMAN CLARKE: The people
6 that work for us are different. So if
7 you're a public employee, you can make
8 less than the required amount.

9 At a minimum, I think that the
10 Commissioners Office should probably
11 bring that to the table. And I'm not
12 attempting to tell an independently
13 elected official what to do, but I think
14 that there should probably be some
15 reference to our requirement; i.e.,
16 legislation that was passed by this
17 Council, signed by the Mayor, and what
18 individuals are being paid who work for
19 the City. It probably should be
20 referenced to the Council President and
21 members of Council.

22 Would you agree, sir?

23 MR. LEE: Yes, I do.

24 COUNCILMAN CLARKE: You made
25 another statement. You made reference to

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2 the maintenance of the machines, the new
3 machines, and that money wasn't allocated
4 for that long-term maintenance.

5 MR. LEE: The machine
6 maintenance, let's say when we signed the
7 contract --

8 COUNCILMAN CLARKE: Software?

9 MR. LEE: Software maintenance
10 is the key element, yeah. There's a
11 \$100,000 software maintenance fee and
12 support fee for the voting system and
13 there's \$38,000 for the optical scan
14 absentee voting system that we have.
15 Those are not included in our budget.

16 COUNCILMAN CLARKE: What was
17 the cost associated with the old
18 machines?

19 MR. LEE: Well, there were
20 different costs. There was no software
21 maintenance fee obviously because they
22 were mechanical machines, but you had
23 different costs with bringing in outside
24 mechanics and technicians to work on
25 those machines. There was more extensive

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2 printing costs in printing ballot strips
3 and things like that. So the costs with
4 the system are different. We no longer
5 use the outside technicians, except for
6 Election Day. We use them to provide
7 coverage of one technician per ward
8 throughout the City, but we don't use
9 them for preparing and maintaining our
10 machines and setting up for election.
11 That's done by all City employees now.
12 The only time we would use outsiders if
13 we had to is under the result of a court
14 order where we were made to do a change
15 at the last minute.

16 COUNCILMAN CLARKE: Shouldn't
17 the elimination of that cost associated
18 with the old machines, the physical
19 maintenance of those old machines, offset
20 the costs associated with the new
21 machines?

22 MR. LEE: You would think so,
23 but there's some issues that -- I mean,
24 because these are electronic machines and
25 the issues that are out in the election

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2 world, we do an awful lot of testing. I
3 mean, we test these machines twice
4 between each election and then we test it
5 with the actual election ballot on there
6 before they are shipped, every single
7 machine. And then when they come back,
8 they're tested and audited again.

9 So what we may have saved in
10 time and labor expenses on using
11 mechanical machines, we're eating up in
12 doing a lot of testing just to make sure
13 the machines are consistently and
14 accurately recording what's cast on the
15 machines.

16 I don't know what you save on
17 the outside mechanics or the printing.

18 COUNCILMAN CLARKE: You don't
19 have to do it now, but through the Chair,
20 can you get some numbers on the cost of
21 maintaining the old machines that we no
22 longer have the responsibility and
23 compare that with the cost of the new
24 software maintenance?

25 MR. LEE: Yeah. Robin, our

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2 Budget Officer, says we anticipate saving
3 approximately 175,000.

4 COUNCILMAN CLARKE: From the
5 old --

6 MR. LEE: Off of the old ones,
7 yeah.

8 COUNCILMAN CLARKE: And the
9 cost with the new machines, the
10 maintenance?

11 MR. LEE: The software
12 maintenance alone is 100,000.

13 COUNCILMAN CLARKE: All right.
14 If you could just break that down,
15 forward it to the Chair, the elimination
16 of the cost of the old machines versus
17 the requirements on the new machines as
18 it relates to maintenance.

19 MR. LEE: Okay. We'll do that.

20 COUNCILMAN CLARKE: Thank you.

21 Madam Chair, I'm done. Thank
22 you.

23 COUNCILWOMAN BLACKWELL: Thank
24 you.

25 Councilman Nutter.

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2 COUNCILMAN NUTTER: Thank you,
3 Madam Chair.

4 Madam Chair, can I have the
5 Budget Director back? I want to finish
6 up in the area where you were just a
7 second ago.

8 COUNCILWOMAN BLACKWELL:
9 Please, Madam Budget Director.

10 COUNCILMAN NUTTER: In response
11 to the Chair's question with regard to
12 the capital budget item, the total amount
13 that we're anticipating from this HAVA
14 reimbursement is 12.38 million; is that
15 right?

16 MS. REED: Right.

17 COUNCILMAN NUTTER: And you
18 indicated that it's in the Grants Revenue
19 Fund. These were obviously capital
20 dollars. My recollection is, the total
21 cost of the machines was \$21, \$22
22 million?

23 MS. REED: Right. We have been
24 receiving the money over a few years and
25 we expect it to be ending at this point

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2 when we get these final payments in.

3 COUNCILMAN NUTTER: What do you
4 mean?

5 MS. REED: They will have been
6 paid for.

7 COUNCILMAN NUTTER: You've been
8 getting reimbursement for the previous
9 expenditures?

10 MS. REED: Yes, I think.

11 COUNCILMAN NUTTER: How much?

12 MS. REED: Well, the total was
13 about 20 million.

14 COUNCILMAN NUTTER: My
15 recollection was we spent \$21, \$22
16 million on new voting machines, right?
17 What money are you talking about?

18 MS. REED: The outstanding
19 reimbursement that we're waiting for, the
20 money that has been spent. So this is a
21 reimbursement from the federal
22 government, which goes in the Grants
23 Revenue Fund, and then the Grants Revenue
24 Fund reimburses whatever capital account
25 this is coming out of.

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2 COUNCILMAN NUTTER: You're
3 saying we have received previous
4 reimbursement already?

5 MS. REED: I think so, yes.

6 COUNCILMAN NUTTER: How much?

7 MS. REED: Well, I guess it
8 must be about 6 to 8 million.

9 COUNCILMAN NUTTER: Where did
10 it go?

11 MS. REED: I don't know. I'd
12 have to find that out for you.

13 COUNCILMAN NUTTER: When did we
14 receive it?

15 MS. REED: I don't have those
16 records with me.

17 COUNCILMAN NUTTER: What's the
18 total amount that we're going to get
19 reimbursed?

20 MS. REED: About 20 to 21
21 million.

22 COUNCILMAN NUTTER: Well, who
23 would know? When did these payments
24 start?

25 MS. REED: I don't have those

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2 records with me, but we can get that
3 information back to you.

4 COUNCILMAN NUTTER: Okay.

5 Well, the 12.38 million, where is that
6 going?

7 MS. REED: That will go to pay
8 off whatever capital account the
9 expenditure was actually made from to pay
10 for the voting machines.

11 COUNCILMAN NUTTER: So you're
12 saying the department that paid for it,
13 they get the money back?

14 MS. REED: Well, it may just be
15 an account that the City uses. We have
16 equipment accounts.

17 COUNCILMAN NUTTER: Equipment
18 accounts?

19 MS. REED: Mm-hmm. It could be
20 from there.

21 COUNCILMAN NUTTER: But it
22 wouldn't have to go there? I mean, these
23 are capital dollars. They are ours. I
24 mean, we can use them essentially however
25 we want for any --

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2 MS. REED: No, I doubt it.

3 Since this is a federal grant, federal
4 grants require strict accounting, because
5 that's one of the conditions of federal
6 grants. You cannot supplement or use
7 those funds in any other way. So, no.

8 COUNCILMAN NUTTER: What are
9 the restrictions? I mean, they're
10 reimbursing us for something that we
11 spent and we could have spent those
12 dollars on anything. So how can they
13 tell us how we can spend a reimbursement?
14 I mean, it was ours to start with.

15 MS. REED: The receipts have to
16 match the grant amount. So you cannot
17 use this money in any sort of a
18 supplemental way.

19 COUNCILMAN NUTTER: Well, what
20 can we use it for?

21 MS. REED: Only to pay the cost
22 of the eligible expenditure.

23 COUNCILMAN NUTTER: But we paid
24 for them already. We bought our voting
25 machines before this mess ever started.

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2 We passed a bill. The voters approved
3 it. We bought our machines. The last
4 days of the Rendell Administration into
5 the Street Administration, we cobbled
6 together dollars to buy these machines.
7 Then Florida happens. The Congress, they
8 do whatever they do, and then they decide
9 everybody has got to upgrade and they
10 want to give people money back. We had
11 already started before the hanging chad
12 situation ever happened.

13 MS. REED: But I don't think
14 this comes from any GO-supported capital
15 account. This is some other kind of
16 capital account that I will have to get
17 you information on.

18 COUNCILMAN NUTTER: Okay.

19 Mr. Lee, I'm assuming you've
20 been working with this for a little
21 while. What's your understanding of this
22 situation?

23 MR. LEE: Well, there's
24 approximately \$22 million that's going to
25 be provided to Philadelphia County. Of

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2 that, Congress specifically earmarked in
3 the HAVA Act that each precinct be
4 reimbursed to the level of \$4,000.

5 COUNCILMAN NUTTER: Each what?

6 MR. LEE: Each division, \$4,000
7 per division. They then funded that at a
8 level of about \$3,200 a division. So
9 whatever money came to Philadelphia
10 immediately as a strict reimbursement for
11 the replacement of lever machines, there
12 was \$5,366,121.87. That's a definite
13 reimbursement.

14 COUNCILMAN NUTTER: 5 million
15 what?

16 MR. LEE: \$5,366,121.87.

17 COUNCILMAN NUTTER: 87 cents.

18 MR. LEE: That's mandated by
19 Congress. That's in the Commonwealth's
20 state plan.

21 In addition to that --

22 COUNCILMAN NUTTER: Hold on for
23 a second. So we received that already?

24 MR. LEE: No. You didn't get
25 it yet. It's still in the state bank

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2 account.

3 COUNCILMAN NUTTER: Okay.

4 MR. LEE: In addition to that,
5 when the Commonwealth broke the money out
6 and they did the state plan, they also
7 allotted another amount for voting
8 systems to Philadelphia, and I can give
9 you that amount in a second. I think it
10 was 8 million and 80 thousand or
11 something like that. Of that amount, the
12 Commission was permitted to use ten
13 percent for other than voting system
14 expenditures, which we have opted to do.

15 It was \$8,081,878.18. The
16 Commission has opted to use ten percent
17 of that funds for other than voting
18 system expenditures.

19 COUNCILMAN NUTTER: So about
20 \$800,000.

21 MR. LEE: Yeah. So the balance
22 of that, plus the \$5,366,000 will be
23 coming to the City of Philadelphia as a
24 reimbursement towards that \$21 million
25 expenditure.

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2 COUNCILMAN NUTTER: Okay.

3 MR. LEE: Other funds in the
4 grant, \$1,457,000 we just got notified
5 was approved. We got the confirmation of
6 that today. That money can only be used
7 for modifying polling places and making
8 polling places accessible for people with
9 disabilities.

10 COUNCILMAN NUTTER: What money
11 is this?

12 MR. LEE: It's called HAVA
13 Section 251 money. There's \$1.4 million.
14 It's specifically for polling place
15 accessibility, nothing else.

16 COUNCILMAN NUTTER: So this has
17 nothing to do with the machine
18 replacement?

19 MR. LEE: No, but it's out of
20 that \$22 million grant from Harrisburg.

21 COUNCILMAN NUTTER: Now, you
22 said that there's 5,366,121.87 sitting in
23 a state account right now?

24 MR. LEE: Yes.

25 COUNCILMAN NUTTER: What do we

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2 have to do to get it? I mean, what are
3 they waiting for?

4 MR. LEE: Well, that money will
5 be released to us when we put in a
6 request for them to send it here as
7 working capital. However, we're not
8 permitted to do that until we are fully
9 HAVA compliant, and that means not only
10 voting systems, but every other HAVA
11 requirement.

12 It's our position that we are
13 fully HAVA compliant. I would expect
14 that sometime after the use of the
15 machines in the first election for
16 federal office, which will be May 16th,
17 that we can put in an application to get
18 both the Section 102 money, which is the
19 5,366,000, and the other Title 2 voting
20 system money, which is the 8 million less
21 800,000. So I would expect that the
22 Commissioners will be signing a funding
23 request for those funds shortly after we
24 certify the returns for the primary, and
25 our position will be that we qualify for

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2 them because we are HAVA compliant and
3 we've conducted an election with a
4 HAVA-compliant system.

5 COUNCILMAN NUTTER: Okay. Now,
6 the earlier testimony was that we had
7 received some reimbursement funds related
8 to the voting machines. Do you have any
9 information about that?

10 MR. LEE: The City
11 Commissioners was awarded other funds
12 under this grant. I believe 1.9 million
13 was for Title 3 requirements, not voting
14 systems. They could be used for voting
15 systems, but they're earmarked for Title
16 3 requirements. We spent about --

17 COUNCILMAN NUTTER: What are
18 Title 3 requirements?

19 MR. LEE: Implementing
20 provisional voting, voter education, poll
21 education. That's what I alluded to
22 earlier where we spent more than \$550,000
23 before the November '04 general election,
24 educating voters and sent out a voter
25 notice of where to go to vote and about

1 3/28/06 - WHOLE - BILL 060001, ETC.

2 the new laws.

3 So the funds that we spent --
4 and we spent those out of our '04
5 operating budget, hoping that the grant
6 money would be here. It wasn't here. We
7 went into default on the budget, had to
8 use '06 money. It eventually got put
9 back in there through a year-end
10 transfer. It was a real long process.
11 It delayed paying the poll workers for
12 May of '05. But those reimbursements
13 were not for voting systems.

14 COUNCILMAN NUTTER: Now,
15 Ms. Reed, the \$12.3 million that's been
16 the topic of discussion this morning, if
17 it is a pure reimbursement and eligible
18 for capital use, wouldn't you be able to
19 add that \$12 million to the now
20 anticipated \$52 million FY07 capital
21 budget?

22 MS. REED: No. That's a
23 GO-funded budget. This is an index code
24 in the Finance Department for a capital
25 account. It's not the same at all.

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2 COUNCILMAN NUTTER: Well, what
3 can you use these dollars for?

4 MS. REED: We need to replenish
5 the account.

6 COUNCILMAN NUTTER: What
7 account?

8 MS. REED: Wherever the capital
9 account in Finance, which probably was a
10 transfer from another account. So it's
11 an accounting transaction.

12 COUNCILMAN NUTTER: And then do
13 what with it?

14 MS. REED: Cancel out the
15 liability that's in the account.

16 COUNCILMAN NUTTER: No, but you
17 have cash. What are you going to do with
18 the cash when the check comes in? What
19 are you going to do with it?

20 MS. REED: Complete the
21 accounting transaction. This is an
22 accounting matter. We'll have to get --

23 COUNCILMAN NUTTER: Debits,
24 credits, cancel out, whatever. You have
25 \$12.38 million that someone has dropped

1 3/28/06 - WHOLE - BILL 060001, ETC.

2 in your lap for a cost that you paid four
3 years ago. What are you going to do with
4 the \$12 million?

5 MS. REED: It's an accounting
6 transaction that will go in to replenish
7 whatever account that came out of. So
8 that is a cash transaction. This is not
9 a capital budget transaction.

10 COUNCILMAN NUTTER: Okay.
11 Fine. You replenish the account. Now
12 that you have satisfied that need to
13 replenish the account and make all the
14 accountants happy, what are you going to
15 do with the \$12 million that they sent
16 us?

17 MS. REED: The transaction is
18 completed. There's nothing else to do.
19 I mean, we'll have to get some
20 information from the Finance Accounting
21 Department for you on this, but it's not
22 like this is GO money that you can add to
23 the GO capital budget.

24 COUNCILMAN NUTTER: Okay. If I
25 didn't have a speaking engagement

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2 tonight, I would probably just bang my
3 head right on this table right now.

4 Okay. You'll get an answer to
5 the Chair?

6 MS. REED: Yes.

7 COUNCILMAN NUTTER: All right.
8 Thank you.

9 Thank you, Madam Chair.

10 COUNCILWOMAN BLACKWELL: Thank
11 you very much.

12 All right. If there are no
13 further questions, we will recess until
14 1:15 when we will hear from the Law
15 Department and the City Rep and Director
16 of Commerce. Thank you all.

17 (Luncheon recess.)

18 COUNCILWOMAN BLACKWELL: Our
19 hearing will resume. We now have the Law
20 Department. Thank you.

21 Welcome. Please identify
22 yourself for the record and begin your
23 testimony. Good afternoon.

24 MR. DIAZ: Good afternoon,
25 Councilwoman.

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2 COUNCILWOMAN BLACKWELL: Thank
3 you, Mr. Diaz.

4 MR. DIAZ: I'm Romulo Diaz,
5 City Solicitor. Thank you for the
6 opportunity to testify today in support
7 of the Law Department's budget request
8 for Fiscal Year 2007.

9 I'm accompanied today by Donna
10 Mouzayck, First Deputy City Solicitor;
11 Don Marino, Chair of Litigation; Barbara
12 Ash, Chair of Social Services; Dan
13 Cantu-Hertzler, Acting Chair of Corporate
14 and Tax, as well as Chris Lane, Director
15 of Administration.

16 I will summarize my prepared
17 statement, in the interest of time.

18 COUNCILWOMAN BLACKWELL: Thank
19 you. We will submit it for the record in
20 its entirety.

21 MR. DIAZ: Thank you,
22 Councilwoman.

23 In FY2007, we will continue
24 critical reforms and initiatives,
25 including collection of delinquent tax

1 3/28/06 - WHOLE - BILL 060001, ETC.
2 and non-tax revenues owed to the City;
3 implementation of contract reform
4 legislation authorized by voters last
5 November; and planning for new financial
6 assistance requirements effective July 1;
7 preparation for local gaming facilities;
8 development of Wireless Philadelphia,
9 which will help bridge the digital
10 divide, promote economic development and
11 tourism and reduce costs of government;
12 and removal of barriers to the permanent
13 placement of children and emphasis on
14 programs that will allow more families to
15 stay together.

16 Overall, the Law Department
17 requests \$15,155,824 in the General Fund
18 for FY2007, a net increase of \$1,108,081
19 from estimated obligations for FY2006.
20 The Department will also increase its
21 General Fund staffing levels from 185 in
22 FY2006 to 197 in FY2007. I refer
23 Councilmembers to my written testimony
24 for our request in connection with other
25 City funding sources.

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2 I am proud of the Department's
3 many accomplishments in FY2006 and will
4 mention only a few of them.

5 With your help, we established
6 financial hardship agreement guidelines
7 and a Conditional Forgiveness Program
8 providing payment options and relief to
9 eligible homeowners who owe delinquent
10 real estate taxes and, thus, could be
11 threatened with the loss of their homes.
12 Older delinquent real estate tax accounts
13 were referred to outside counsel working
14 for a statutory legal fee at no cost to
15 the City and with excellent results.

16 For the first half of FY2006,
17 the results for all collection efforts by
18 the Law Department, including outside
19 counsel, were the best in six fiscal
20 years. We project non-tax fines
21 involving Air Management, Building,
22 Electrical, Fire Prevention, Health and
23 Property Maintenance codes will reach
24 \$14.7 million, nearly equal to the Law
25 Department's entire General Fund

1 3/28/06 - WHOLE - BILL 060001, ETC.
2 operating budget.

3 Despite potential liabilities
4 of \$14 to \$17 million, we achieved a
5 major victory in reaching a no-cost
6 settlement of the 25-year-old Metal Bank
7 Superfund case. The Law Department
8 played a key role in negotiating a
9 federal, state, local settlement with a
10 major Philadelphia employer, yielding
11 \$500,000 in fines and tens of millions of
12 dollars in air quality improvements that
13 will benefit Philadelphia residents for
14 years to come.

15 Finally, I am proud of our
16 commitment to diversity contracting,
17 which resulted in nearly 43 percent of
18 our contracts being awarded to minority
19 and women contractors in FY2005. In
20 addition, the Law Department continues to
21 place a high priority on maintaining a
22 diverse workforce.

23 Of the total Law Department
24 staff in February 2006, 68 percent were
25 women and nearly 50 percent were minority

1 3/28/06 - WHOLE - BILL 060001, ETC.

2 and disabled. In short, the Law
3 Department reflects the people we serve
4 through our commitment to diversity and
5 opportunity.

6 That concludes my oral summary,
7 and I appreciate your direction that my
8 formal written statement will be entered
9 into the record. I would be pleased to
10 respond to any questions that you may
11 have at this time.

12 COUNCILWOMAN BLACKWELL: Thank
13 you very much. I have just two
14 questions, and may I note we think that
15 you're a good City Solicitor and
16 appreciate the job you're doing for us.

17 MR. DIAZ: Thank you,
18 Councilwoman.

19 COUNCILWOMAN BLACKWELL: On
20 Page 2 of your testimony, you state that
21 older delinquent real estate accounts
22 have been referred to outside counsel
23 working for a statutory legal fee at no
24 cost to the City but with great results.
25 Results for the first half of Fiscal Year

1 3/28/06 - WHOLE - BILL 060001, ETC.

2 '06 were the best in six fiscal years.

3 Both the Revenue Department and
4 now Law mention how good delinquent
5 collections are doing, yet the revenue
6 estimates in Fiscal Year '06 for prior
7 real estate is being reduced from 48 to
8 38 million. Maybe the Administration can
9 respond to this anomaly. Are collections
10 improving or are they deteriorating, or
11 how is the money being logged and, if so,
12 where? How are these --

13 MR. DIAZ: Our collections are
14 definitely improving, Councilwoman
15 Blackwell. Through January, I believe,
16 of this year, we had collected in all of
17 the Law Department collections on taxes,
18 I believe it was \$74 million. And so I'm
19 not sure where the numbers that you're
20 referring to might be coming from. If I
21 could have just a moment.

22 COUNCILWOMAN BLACKWELL: The
23 budget and brief, our green book, Page 26
24 where the revenue and the prior No. 2.

25 MR. DIAZ: I understand that

1 3/28/06 - WHOLE - BILL 060001, ETC.

2 there may be a coding error in the
3 Finance Department designation of certain
4 collections, and I understand that the
5 Finance Department will be getting back
6 to you for the record on that. We will
7 make that request, but that's what
8 Mr. Lane advises me.

9 COUNCILWOMAN BLACKWELL: Does
10 that mean we may have more money
11 available than is listed?

12 MR. DIAZ: I understand the
13 Finance Department is going to be issuing
14 a letter. The numbers that -- the reason
15 for my hesitation, Councilwoman
16 Blackwell, is that the numbers that
17 you're referring to are not reflected, I
18 believe, in the Law Department budget
19 submission, but I'm advised by our
20 administration budget officials; that is,
21 from the Law Department administration,
22 that a letter will be forthcoming from
23 the Finance Department clarifying that
24 particular situation.

25 COUNCILWOMAN BLACKWELL: Thank

1 3/28/06 - WHOLE - BILL 060001, ETC.

2 you very much.

3 MR. DIAZ: Thank you.

4 COUNCILWOMAN BLACKWELL: My
5 last question is, you mention your NTI
6 Regulatory Affairs Unit has contributed
7 to City collections through their high
8 rate of closing matters and collecting
9 fines involving Air Management, Building,
10 Electrical, Fire Prevention, Health and
11 Property Maintenance codes. It does not
12 appear that these additional collections
13 are included in the revenue estimates.
14 As an example, Health Department revenues
15 in, quote, "other category" are being
16 reduced from 2.8 million in Fiscal Year
17 '06 to 600,000.

18 Are collections improving or is
19 the Administration not recording or
20 listing these revenues?

21 MR. DIAZ: I can only speak,
22 Councilwoman, for the Law Department.
23 Our collections in those areas are
24 definitely improving, but as this issue
25 has come up previously and I checked into

1 3/28/06 - WHOLE - BILL 060001, ETC.

2 it, the collections are reflected in the
3 budget submissions for the individual
4 department or departments to whom those
5 revenues are credited. For a collection
6 on behalf of a Health Department fine,
7 for example, those collections would be
8 credited to the Health Department revenue
9 sources and not reflected in the Law
10 Department. So I think that may be the
11 background on that particular issue.

12 COUNCILWOMAN BLACKWELL: Thank
13 you, Mr. City Solicitor.

14 Are there other questions?

15 (No response.)

16 COUNCILWOMAN BLACKWELL: Thank
17 you very much. Thank you.

18 MR. DIAZ: Thank you very much.

19 COUNCILWOMAN BLACKWELL:
20 Councilman Nutter, you have a question?

21 COUNCILMAN NUTTER: Yes.

22 COUNCILWOMAN BLACKWELL: Thank
23 you.

24 Almost.

25 COUNCILMAN NUTTER: Sorry.

1 3/28/06 - WHOLE - BILL 060001, ETC.

2 COUNCILWOMAN BLACKWELL:

3 Councilman Nutter. It's okay.

4 COUNCILMAN NUTTER: Thank you.

5 Good afternoon, Mr. Solicitor.

6 MR. DIAZ: Good afternoon,
7 Councilman Nutter.

8 COUNCILMAN NUTTER: Just a
9 couple of questions.

10 I received a response as a part
11 of the overall responses. I guess you
12 were here for Five-Year Plan hearings a
13 couple weeks back, and I requested the
14 legal costs for the federal corruption
15 investigation, and I guess it's possible
16 that my question was too narrow. It
17 seems that I may have just asked for FY06
18 and FY07, which is what you responded to.

19 Can you go back to, I guess,
20 what would have been FY04 and FY05 for
21 those costs and then we could have a
22 complete, up-to-date total?

23 MR. DIAZ: Sure. We actually
24 had a very small expenditure for the
25 federal investigation in FY03. And if

1 3/28/06 - WHOLE - BILL 060001, ETC.
2 you were to add all of those costs, FY03
3 through our projected expenditures in
4 FY06, we're talking about a total
5 expenditure of about \$4.2 million,
6 including all funding streams to the Law
7 Department. Most of that is for the
8 General Fund, and of that amount, we
9 estimate about 2.85 million of the 4.2
10 million is associated with the cost for
11 cooperating with the federal
12 investigation. For example, we have had,
13 through the Law Department and outside
14 counsel, to review some nearly 500,000
15 document pages, 700,000 e-mails, 60
16 gigabytes of computer data, 75 current
17 and former City employees interviewed.
18 We covered five trials and responded to
19 some 130 subpoenas for document requests.
20 So most of that 4.2 million --
21 as I indicated, about 2.85 million -- was
22 associated for the cost of the City
23 cooperation with the federal authorities.
24 COUNCILMAN NUTTER: And what
25 was the other approximately 1.35 for?

1 3/28/06 - WHOLE - BILL 060001, ETC.

2 MR. DIAZ: That was in
3 connection with representation of
4 individuals, either because they were the
5 subject of a representation requirement,
6 most often through a conflict issue where
7 it was thought inappropriate by the
8 federal authorities that our outside
9 counsel representing the City as a whole,
10 in their view, should not be representing
11 particular individuals.

12 COUNCILMAN NUTTER: So in kind
13 of shorthand, is it fair to say that the
14 1.35 was for actual legal expenses, legal
15 representation expenses?

16 MR. DIAZ: I think that's
17 probably a fair summary. I'd have to go
18 back and review the individual items, and
19 I could provide that for the record, but
20 I think for purposes of this line of
21 questioning, that's a fair summary.

22 COUNCILMAN NUTTER: And so
23 let's then go back. The 2.85 in a
24 category of cooperating with the federal
25 investigation, again, what exactly does

1 3/28/06 - WHOLE - BILL 060001, ETC.

2 that mean and how is that distinct from
3 the 1.35?

4 MR. DIAZ: Much of the work
5 that's being done in connection with the
6 federal investigation is, in a very
7 straightforward way, investigation and
8 it's responding and reviewing documents
9 and the kinds of materials I mentioned
10 before, the nearly half a million pages
11 worth of documents, the 700,000 e-mails,
12 things of that nature that we review
13 through outside counsel to determine
14 whether the information might be relevant
15 and, if relevant, if it's potentially
16 covered by some type of confidentiality
17 or other privilege.

18 COUNCILMAN NUTTER: So you're
19 suggesting that from FY03 through FY06,
20 you're estimating \$4.2 million, and then
21 the response from that Five-Year Plan
22 hearing seems to indicate, and the budget
23 book reflects as well, you're
24 anticipating for FY07 \$537,424 at the
25 moment?

1 3/28/06 - WHOLE - BILL 060001, ETC.

2 MR. DIAZ: I believe that's
3 correct for the General Fund, but the
4 total amount in '07 is an additional
5 50,000. So that the amount that we have
6 requested in FY07 budget authority is
7 \$587,424, which reflects both the General
8 Fund and Aviation Fund requests, which
9 are reflected in the document before you.

10 COUNCILMAN NUTTER: The \$50,000
11 is a charge to the Aviation Fund?

12 MR. DIAZ: That's correct,
13 Councilman.

14 COUNCILMAN NUTTER: Because of
15 ongoing investigation out at the Airport?

16 MR. DIAZ: Related to Aviation
17 Fund issues. I don't know that I would
18 restrict it to the Airport.

19 COUNCILMAN NUTTER: I
20 understand. So through FY07, the
21 anticipated expenditure is approximately
22 \$4.7 million?

23 MR. DIAZ: That's
24 approximately -- that's correct.

25 COUNCILMAN NUTTER: Now, let me

1 3/28/06 - WHOLE - BILL 060001, ETC.
2 move into another area and then I'll come
3 back to some other things.

4 MR. DIAZ: And if I may,
5 Councilman, given the experience that
6 we've had to date, the cooperation number
7 that I gave you earlier, the \$2.85
8 million for the general cooperation
9 expenses, review of documents, electronic
10 data, et cetera, we would expect that to
11 also apply to about two-thirds of the
12 expenditures that we anticipate for FY07.
13 I gave you a number earlier of 2.85
14 million. So if one were to add about --

15 COUNCILMAN NUTTER: So a
16 one-thirds/two-thirds split on the
17 587,424.

18 MR. DIAZ: That would be my
19 expectation, Councilman.

20 COUNCILMAN NUTTER: You made
21 reference proudly, and it's certainly
22 something to be proud about, your record
23 with regard to what's generally referred
24 to as MBE/WBE contracts in the Law
25 Department. Does that come mostly from

1 3/28/06 - WHOLE - BILL 060001, ETC.
2 the Class 250 category in the budget
3 book?

4 MR. DIAZ: I don't know if I
5 would say that they're reflective of just
6 that category. In fact, the --

7 COUNCILMAN NUTTER: I'm looking
8 at Pages 16 and 17.

9 MR. DIAZ: But definitely Class
10 200. These are professional services.
11 And the MBEC reporting requirements now
12 have expanded the contracts against which
13 we measure performance to include
14 contracts which we manage. For example,
15 like the Lexus-Nexus electronic research
16 capability is now counted toward our
17 performance even though it's not funded
18 out of the Law Department.

19 COUNCILMAN NUTTER: Could you
20 provide to the Chair by contract and I
21 guess by contractor a list which would
22 indicate how you arrived at the numbers,
23 the percentages, with detailed
24 information for each contractor related
25 to race, gender and geography. What I

1 3/28/06 - WHOLE - BILL 060001, ETC.

2 mean by geography is --

3 MR. DIAZ: Philadelphia.

4 COUNCILMAN NUTTER: --

5 Philadelphia versus the rest of the -- in
6 the City, outside the City.

7 MR. DIAZ: I'd be pleased to do
8 it, consistent with the longstanding
9 discussion that you and I have had about
10 privileges associated with the federal
11 investigation.

12 COUNCILMAN NUTTER: Okay. I
13 understand that. I mean, this shouldn't
14 interfere too much with that.

15 MR. DIAZ: I think I heard you
16 talk about a request for contract
17 details, and to the extent that those
18 contract details might divulge
19 confidential information about the
20 federal investigation, I would have to
21 demur on that, but obviously with respect
22 to how we count the dollars for MBEC
23 performance results, I'm more than happy
24 to give you that information.

25 COUNCILMAN NUTTER: I

1 3/28/06 - WHOLE - BILL 060001, ETC.

2 understand.

3 On Page 17, I'd take a guess
4 that if you go to a lot of these lines,
5 253 representations, bottom of 16 into
6 17, I'm assuming that the abbreviations
7 here are investigation cooperating/client
8 representation?

9 MR. DIAZ: That's correct.

10 COUNCILMAN NUTTER: Most of
11 those are -- not most. Some of those are
12 going to be the federal corruption
13 investigation?

14 MR. DIAZ: That's correct,
15 Councilman.

16 COUNCILMAN NUTTER: I assume
17 that's how you'll continue to designate
18 them. Okay.

19 There's been a fair amount of
20 discussion back and forth in the news
21 media about the campaign finance
22 ordinances that have been passed. Some
23 are related to contract reform. I don't
24 think they've been the subject of much
25 discussion or controversy so far, but the

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2 other bill that was passed -- there have
3 been two of them, one in 2003 authored by
4 Councilman Goode and then a subsequent
5 amendment to that bill primarily done by
6 Councilman O'Neill, which added offices
7 that are covered, as well as increased
8 the contribution limits.

9 My recollection is, there's
10 been some correspondence from groups and
11 organizations, as well as possibly news
12 media accounts about this, and then I saw
13 a response from you indicating that there
14 basically was nothing else to do from an
15 enforcement standpoint.

16 Could you better detail, I
17 guess, for us how you arrived at that
18 conclusion in terms of who has to comply
19 or who doesn't have to comply, what the
20 role of the Solicitor's office is
21 specific to enforcement and if there is
22 anything else that needs to be done in
23 this particular regard?

24 MR. DIAZ: The campaign finance
25 legislation that has been enacted in the

1 3/28/06 - WHOLE - BILL 060001, ETC.

2 City imposes limits on contributions to
3 persons who have announced intentions to
4 run for City elective office. The
5 contribution limits are \$2,500 by
6 individuals and \$10,000 for businesses.

7 The legislation does not limit
8 contributions to persons who merely
9 indicate a willingness or availability to
10 run, and the reason for that second point
11 and the interpretation that the Law
12 Department has provided on campaign
13 finance is that we believe that is
14 required by settled case law interpreting
15 other city laws and with how courts would
16 enforce the law.

17 COUNCILMAN NUTTER: With how
18 what? I'm sorry.

19 MR. DIAZ: And how courts would
20 enforce campaign finance law enacted by
21 the City.

22 As to your last question,
23 should anything more be done or is needed
24 in this regard, I've indicated to the
25 Committee of Seventy and others that I

1 3/28/06 - WHOLE - BILL 060001, ETC.
2 believe that's a policy question that is
3 not within the scope of my
4 responsibilities, that I have focused on
5 what I believe the law to be and how a
6 court would likely interpret the existing
7 campaign finance law adopted by City
8 Council.

9 COUNCILMAN NUTTER: So is the
10 main issue here either the Court's
11 interpretation or what the present
12 definition of "candidate" is or may be?
13 I mean, is that the central issue?

14 MR. DIAZ: Well, the issue
15 related to candidate is how courts,
16 through settled case law, have
17 interpreted that phrase, and it has been
18 interpreted not to include those who have
19 announced merely an intention to run or
20 availability to run for an elective
21 office in the City.

22 COUNCILMAN NUTTER: Right.
23 Well, I understand that, but for certain
24 narrowly defined purposes, we can have,
25 in accordance with the code provision, I

1 3/28/06 - WHOLE - BILL 060001, ETC.

2 think we're allowed to have definitions
3 that apply to certain situations; is that
4 correct?

5 MR. DIAZ: Certainly the City
6 Council consistent with the law can
7 interpret and define particular terms,
8 but what I am referring to in terms of
9 settled case law is what I believe not
10 only Pennsylvania courts but also federal
11 courts, including the United States
12 Supreme Court, have indicated were within
13 the scope of campaign finance
14 restrictions, which would otherwise be
15 interpreted by some as a potential
16 abridgement of First Amendment rights.

17 And so I think there is a fine
18 line that needs to be drawn as between
19 what is an acceptable level of campaign
20 finance regulation and that which runs
21 afoul First Amendment privileges as
22 interpreted by the United States Supreme
23 Court.

24 COUNCILMAN NUTTER: Right. I
25 understand.

1 3/28/06 - WHOLE - BILL 060001, ETC.

2 Let me go back to the budget
3 book for a second. On Page 33, there is
4 a line item involving \$85,000. All of
5 these expenses seem to be related to the
6 Aviation Fund or the aviation section at
7 least, \$85,000 for a category called
8 "airline bankruptcies."

9 Are we in the middle of
10 litigation? Are we anticipating some?
11 What are we paying for?

12 MR. DIAZ: I think there's no
13 surprise that the airline industry has
14 been under tremendous economic pressures
15 of the last few years. We were very
16 directly involved most recently in a very
17 substantial way in the second bankruptcy
18 of U.S. Airways. We've also been
19 involved in national airlines, United and
20 other aviation industry bankruptcies. So
21 we have prudently, I think, listed and
22 expected a line item reflecting ongoing
23 lower level of interest types of
24 bankruptcies in which we are continuing
25 to be engaged, and 85,000 we thought was

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2 an appropriate level of expenditure for
3 the coming year.

4 COUNCILMAN NUTTER: Subject to
5 something actually happening, or are you
6 just -- I mean, are we constantly doing
7 research? This is to anticipate
8 something that may happen and you just
9 have it designated for that particular
10 use?

11 MR. DIAZ: We have some ongoing
12 bankruptcy involvement I believe with
13 national airlines. I'd have to provide
14 for the record, Councilman, exactly what
15 the ongoing level of bankruptcy
16 involvement is. We have closed out, for
17 example, the second U.S. Airways
18 bankruptcy, but there was a deadline of,
19 I believe, yesterday for U.S. Airways to
20 accept or reject all of the leases
21 relating to its locations. So even after
22 the bankruptcy proceeding was officially
23 terminated at least insofar as the
24 bankruptcy court appearances, we still
25 had ongoing activities, and I wouldn't be

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2 surprised if either in U.S. Airways or in
3 other ongoing bankruptcies we would have
4 some expenses. But I'm not focused on a
5 particular airline or a particular new
6 level of work when we projected the
7 85,000.

8 COUNCILMAN NUTTER: Okay. Two
9 last areas. Concern has been expressed
10 to me -- it may have also been expressed
11 to other members -- regarding a
12 particular enforcement issue, and it
13 revolves around billboards and apparently
14 some enforcement matters that have gone
15 through the state court system and
16 apparently a few that have even made
17 their way into the federal court system
18 up to and including the United States
19 Supreme Court.

20 The issue seems to revolve
21 around what happens after someone loses
22 in these matters and whether or not the
23 City then requires the removal of the
24 billboard or payment of overdue fees, and
25 in many instances they either languish --

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2 or a concern is that they languish in the
3 courts or we get to the point of making
4 settlements or extended continuances.
5 Five particular cases have been pointed
6 out to me and I just wanted to better
7 understand what was going on. Should I
8 tell you what the cases are or are you
9 already familiar with these cases, or how
10 do you want to proceed?

11 MR. DIAZ: I'm more than happy
12 to give you a summary of where I think we
13 are in the billboard litigation area, and
14 if you have particular follow-on
15 questions, I'd be happy to respond to
16 those.

17 I can tell you it has been an
18 extremely difficult and frustrating
19 effort to enforce the City's billboard
20 requirements.

21 COUNCILMAN NUTTER: Why is
22 that?

23 MR. DIAZ: In fact, it has been
24 characterized to me by representatives of
25 the billboard industry that they are

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2 engaged in a full-scale billboard war in
3 Philadelphia.

4 COUNCILMAN NUTTER: I'm sorry.
5 Say that again.

6 MR. DIAZ: "They" being the
7 billboard industry.

8 Every step in the enforcement
9 process has led to new litigation. So
10 we're not talking about finality with
11 respect to any of these matters that you
12 referred to, even for those where the
13 United States Supreme Court has denied
14 certiorari.

15 What we have, I think, in the
16 main are the following ongoing litigation
17 matters involving the billboard industry,
18 and I think it's, from my perspective,
19 more helpful to give you a summary than
20 to worry about the onesies and twosies,
21 because we've not significant numbers out
22 there of billboards that need to be
23 regulated effectively.

24 We have about 2,800 billboards
25 that the Licenses and Inspections

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2 Department considers to be legal. With
3 respect to those legal billboards, you
4 may recall that the effort by the City
5 previously to set a billboard licensing
6 fee was the subject of litigation and was
7 struck down in terms of the City's
8 authority to enforce its license fee.

9 Last June, I believe it was
10 June, of 2005 as part of the budget
11 process, the City Council enacted a
12 billboard license fee. That fee has been
13 the subject of litigation by the
14 billboard industry. Although it is
15 currently on a voluntary basis continuing
16 to pay much of that fee.

17 COUNCILMAN NUTTER: So they
18 like to litigate.

19 MR. DIAZ: They like to
20 litigate.

21 COUNCILMAN NUTTER: That's
22 their thing.

23 MR. DIAZ: They've litigated in
24 connection with the seven percent excise
25 tax, which was also enacted last June as

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2 part of the process related to the
3 budget. There has been an effort by the
4 City to enforce against what we consider
5 to be the illegal so-called eight-sheet
6 billboards, which are located frequently
7 in neighborhoods on the sides of
8 residential and commercial structures and
9 the subject often of inappropriate
10 advertising given the locations,
11 involving alcohol, tobacco and other
12 products that one would assume shouldn't
13 be near schools and in neighborhoods.
14 The billboard industry has litigated our
15 efforts to enforce against those 800 to
16 900 illegal signs.

17 We also have seen efforts by
18 City Council to legislate with respect to
19 the proximity of certain advertising,
20 like alcohol, near schools and faith
21 institutions, and all of those efforts
22 are currently the subject of litigation
23 against the City of Philadelphia.

24 And so if you look at it as a
25 whole, it is clear to me anyway that we

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2 need a much more comprehensive approach
3 than five individual billboard cases
4 might provide, and I have been, through
5 my office, engaged in attempting a
6 comprehensive settlement. It hasn't been
7 reached, but I am hopeful that it might
8 be. And I think if we were successful in
9 reaching such a settlement, it would
10 allow us to legitimize those billboards
11 that can be legitimized, remove those
12 that are illegal, hopefully at no cost to
13 the City, and provide a revenue stream
14 consistent with the requirements of the
15 Five-Year Plan.

16 That is my hope, and as soon as
17 I'm in a position to report further, I'd
18 be happy to do so publicly, but I would
19 also offer to do so privately, if that
20 would be helpful to you or other members
21 of City Council.

22 COUNCILMAN NUTTER: Well, thank
23 you. It would certainly be helpful to
24 me. I guess the one thing I didn't
25 completely understand, once we have won

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2 or the other side has lost, why don't we
3 just go and take the billboard down
4 ourselves?

5 MR. DIAZ: Well, the normal
6 requirement is that you get a judgment in
7 your favor and then you seek to enforce
8 through a judicial process that judgment.
9 At every step when the enforcement is
10 contemplated, there is additional
11 litigation and appeal.

12 We have considered the
13 possibility, in the example of the
14 eight-sheets that we believe to be
15 wholesale illegal, the possibility of
16 removing those at the City's cost, but it
17 seems to me that we would certainly have
18 the liabilities associated with that. We
19 would have the costs associated with that
20 to the extent that we didn't get
21 compensated for our expenditures.

22 COUNCILMAN NUTTER: Can't we
23 charge it back to them at some point?

24 MR. DIAZ: That would probably
25 lead to one more piece of litigation with

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2 respect to whether that was an
3 appropriate chargeback.

4 In short, it seems to me that
5 trying to remove these at an individual
6 level, putting aside the liability and
7 putting aside the cost and putting aside
8 future litigation, it seems to me at
9 least that trying to seek a comprehensive
10 settlement with regard to how these ought
11 to be removed and how they ought to be
12 assumed as to the costs by the billboard
13 industry is a much more effective way to
14 proceed, and that's the reason we have
15 been moving in that direction.

16 COUNCILMAN NUTTER: Well, I
17 look forward to the briefing, but do you
18 have a sense of the timetable?

19 MR. DIAZ: I'm sorry. Sense as
20 to?

21 COUNCILMAN NUTTER: Timetable
22 for action, resolution.

23 MR. DIAZ: I'm hoping,
24 Councilman, that it is imminent, but I
25 can't give you an exact date, and I'm

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2 happy to provide, as I suggested earlier,
3 more details for you privately.

4 COUNCILMAN NUTTER: You
5 indicated that you had a list of, I guess
6 it was, billboards that are legal?

7 MR. DIAZ: That are illegal?

8 COUNCILMAN NUTTER: That are
9 legal.

10 MR. DIAZ: The Department of
11 Licenses and Inspections does. We may
12 have it in the Law Department, but I'm
13 sure if you were interested in a list, I
14 could seek it for the record.

15 COUNCILMAN NUTTER: And then
16 there's a much larger list, I assume, of
17 illegal?

18 MR. DIAZ: Well, the ones that
19 I'm aware of that -- the list that's been
20 used for estimating revenues for both
21 excise tax purposes and license fee
22 purposes indicates about 2,800 sign faces
23 as they're normally termed in the
24 billboard industry, that there are about
25 2,800 sign faces that the Licenses and

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2 Inspections Department considers to be
3 legal. I am told that there are an
4 estimated 800 to 900 eight-sheets that
5 are considered illegal. And then there
6 are the individual signs that you
7 indicated have been the subject of
8 litigation. I suspect that we're talking
9 about a relatively small number. So it
10 would appear that the legal sign faces
11 are probably outnumbering the illegal
12 ones at this point.

13 COUNCILMAN NUTTER: And are we
14 collecting revenue from these?

15 MR. DIAZ: We are collecting.
16 I've been checking with the Revenue
17 Commissioner and the budget department,
18 and it's my understanding that we
19 anticipate receiving both excise taxes,
20 the seven percent excise tax adopted June
21 of last year, as well as billboard fees
22 for the current fiscal year. And I
23 believe we're projecting about 1.5
24 million in the way of a license -- I'm
25 sorry; 1.5 million in connection with the

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2 excise tax and a significant sum, I don't
3 have the exact number before me, in
4 connection with the billboard license
5 fee.

6 COUNCILMAN NUTTER: If you
7 could provide that information to the
8 Chair, that would be helpful.

9 MR. DIAZ: I'd be happy to do
10 that.

11 COUNCILMAN NUTTER: Speaking of
12 imminent, I remember getting last year
13 either an opinion or a part of a veto
14 message document. It's hard to keep
15 track of the veto messages I get. I get
16 a fair number of them, so I can't always
17 keep track of the veto messages. But in
18 one of the documents, there was mention
19 made -- this is with regard to bond
20 financings and the issue of competitive
21 bidding and qualified teams and those
22 matters, and one of the answers to either
23 an issue or a question, you had laid out
24 that you didn't really need to address a
25 particular issue because an Executive

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2 Order was imminent in terms of addressing
3 that issue. My recollection is that was,
4 I believe, sometime in December of 2005
5 tied to a particular piece of
6 legislation.

7 Can you tell me what the status
8 is of the Executive Order that was
9 referenced in the December 2005 letter?

10 MR. DIAZ: My recollection of
11 the Acting Finance Director's testimony
12 before City Council two or three weeks
13 ago suggested that it was still being
14 worked; that is, the draft Executive
15 Order. It has been a difficult process,
16 not only because there was a desire to
17 craft an Executive Order that, as much as
18 possible, paralleled the contract reform
19 legislation not applicable to some or all
20 bond transactions, but there was also a
21 desire to ensure that the City remained
22 competitive and was not in fact put in an
23 uncompetitive position relative to other
24 bond issuers.

25 I'd be pleased to ask the

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2 Finance Director to provide a more
3 detailed response for the record, if that
4 is your desire.

5 COUNCILMAN NUTTER: Well, I'd
6 appreciate that, but, I mean, I always
7 make the general assumption that any
8 Executive Order, no matter what
9 department it affects, ultimately is
10 either being worked on directly by the
11 Law Department or finds its way back to
12 the Law Department even if someone else
13 came up with the idea.

14 From a Law Department
15 standpoint, what do you think the timing
16 is for the issuance of this particular
17 Executive Order?

18 MR. DIAZ: Well, I would hope
19 it would be soon, but I'd have to request
20 that timing estimate from the client,
21 because we are in this regard the
22 drafters as opposed to the client. I
23 would hope it would be soon, but as you
24 suggest, it has been less timely in its
25 completion than I think anybody in the

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2 Administration would have liked to see.

3 COUNCILMAN NUTTER: Okay.

4 Well, I mean, I think it certainly passed
5 the expiration date of the term

6 "imminent" from December of last year. I
7 mean, it's outside of that range. So now
8 we're into "soon"?

9 MR. DIAZ: Well, all I can tell
10 you is what I just said, which is that it
11 has been less timely than anyone would
12 have desired. I can get a time estimate
13 from the client. I am not the client in
14 this matter. But I understand your
15 desire for something sooner rather than
16 later, and I think that coincides with
17 the client's desire as well.

18 COUNCILMAN NUTTER: The client
19 in this particular matter is whom?

20 MR. DIAZ: Well, the client is
21 certainly the Finance Department and
22 obviously insofar as Executive Orders are
23 approved and signed by the Mayor, I would
24 certainly count the Mayor as a client as
25 well. But we've been working directly

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2 with the Finance Department on this
3 draft.

4 COUNCILMAN NUTTER: So this is
5 primarily a Finance Department issue and
6 they're moving the issue? I mean, are
7 they the generator, instigator, creator
8 of ideas and policy in this particular
9 regard?

10 MR. DIAZ: I suspect everybody
11 has ideas on this Executive Order, but
12 they are the principal client with whom
13 we work on a day-to-day basis with regard
14 to bond transactions.

15 COUNCILMAN NUTTER: Okay. Last
16 question.

17 And thank you, Madam Chair.

18 Solicitor, this is a
19 particularly delicate discussion, which
20 in no way, shape or form reflects any
21 view or opinion on my part, but it is an
22 attempt to get to the heart of a question
23 and, if not, a criticism of the
24 government in general and this Council in
25 particular. So now I ask as our attorney

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2 to try to give some response.

3 I will not make reference to
4 any particular individual in this
5 discussion, and speak in more general
6 fashion, if not, slightly hypothetically.
7 Of course, the reality is, there is a
8 live situation.

9 I make reference to in the past
10 week or so, at least three major
11 newspapers, and I'm not sure what one of
12 them has said in particular on their
13 editorial pages, but the Philadelphia
14 Inquirer, the Philadelphia Daily News and
15 the Philadelphia Tribune have made
16 particular commentaries, editorial
17 comment, with regard to lack of action by
18 City Council in regard to a matter which
19 just occurred with regard to a member on
20 March 17, 2006.

21 You have written to us,
22 provided advice to the Council President
23 in a letter dated March 20th in response
24 to a letter from the President dated
25 March 16th, giving advice with regard to

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2 the issue of the ability of a member to
3 hold office following action in criminal
4 legal proceedings.

5 On Sunday, the 26th, the
6 Philadelphia Inquirer gave their opinion
7 for the second time, made reference to,
8 and I quote, responding to the point
9 that's been raised with regard to a
10 nuance in criminal law, "that a person
11 isn't technically," quote/unquote,
12 "convicted of a crime until formal
13 sentencing. Here's a thought: Council
14 should come up with a new policy. Upon a
15 guilty felony verdict by judge or jury, a
16 member of Council must resign or be
17 expelled."

18 Philadelphia Daily News on
19 Wednesday, March 22nd gave their opinion
20 and decried the fact that a member could
21 still pull a City paycheck while a
22 convicted felon.

23 Today the Philadelphia Tribune
24 on their editorial page criticized City
25 Council as adding further insult to

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2 taxpayers by having them continue to pay
3 the salary of a member in this particular
4 situation and that the City Council
5 should take action to prevent a member
6 from attending or participating in
7 Council business.

8 My question to you is, based on
9 your analysis of the law as you have laid
10 out to us in the letter dated March 20th,
11 is there any action that could be taken
12 by City Council? And I'm only aware of,
13 I believe, four different types of
14 legislative action that this body
15 primarily can take on any set of matters.
16 We can pass a bill, we can pass a
17 resolution, we can amend City Council
18 rules, or we can change the Home Rule
19 Charter.

20 Are you aware of any other
21 legislative action that this body can
22 take in any regard, not specific to this
23 particular matter?

24 MR. DIAZ: Understood. I'm
25 just trying to think about legislative

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2 authorities that are authorized for City
3 Council, and I, off the top of my head,
4 don't consider -- I don't think of
5 another category. That's correct.

6 COUNCILMAN NUTTER: Okay. So
7 our powers under the Home Rule Charter,
8 if not the state enabling act for a city
9 of the first class, are limited to
10 passing bills, passing resolutions,
11 amending or creating our own rules for
12 this body and amending the Home Rule
13 Charter; is that right?

14 MR. DIAZ: I believe that's
15 correct.

16 COUNCILMAN NUTTER: Okay. In
17 your legal opinion as the City Solicitor
18 and our attorney, given the critique and
19 the criticism as laid out by three major
20 daily newspapers within the last eight to
21 ten days and what they think we should do
22 within our powers, is there any bill,
23 resolution, amendment to our own rules or
24 change in the Home Rule Charter that
25 could be taken that would cause any

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2 different result than the opinion that
3 you laid out and the requirements of the
4 Constitution of the Commonwealth or any
5 other case law related to this type of
6 matter?

7 MR. DIAZ: I will give you a
8 response, but let me just predicate that
9 response briefly.

10 I believe you and the members
11 of City Council are put unfairly in a
12 very difficult position by the media,
13 because it is my legal judgment that you
14 have no authority to effectuate the
15 result that has been requested of City
16 Council under the law. And despite one
17 of the characterizations in the editorial
18 that you read to me a moment ago, we're
19 dealing with an official who has not been
20 convicted of any crime. He has been
21 found guilty in terms of a jury verdict,
22 which is not conviction under
23 Pennsylvania law, and, therefore, he is
24 not subject to removal from office under
25 Pennsylvania law, except upon conviction,

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2 which is understood to mean a judgment of
3 sentence upon a guilty verdict. That has
4 not occurred. It may occur on July 6th,
5 is my understanding, of this year, but
6 until that date, City Council has no
7 authority to effectuate the results that
8 have been demanded of it by the media
9 through the mechanisms that you have
10 noticed or summarized in your question to
11 me.

12 COUNCILMAN NUTTER: If we
13 remove ourselves from the present
14 circumstance, is there any other
15 circumstance or condition under which
16 City Council -- let's put aside the
17 current matter. Another member, another
18 situation, anything else that happens.
19 Is there any bill, any resolution, any
20 change to our rules of Council or any
21 Home Rule Charter amendment that somehow
22 could be crafted or created that would
23 allow City Council to expel a member from
24 this body or force a member to resign for
25 any reason?

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2 MR. DIAZ: With respect to a
3 criminal matter, and that's all that I am
4 going to consider right now, with respect
5 to a criminal matter, I believe the
6 answer is unequivocally no with regard to
7 expulsion prior to conviction, which upon
8 conviction is automatic in terms of
9 removal from office, in my judgment. And
10 so there may be some internal leadership
11 issues that could be addressed by Council
12 rules that it has the authority to adopt,
13 not unlike those that have been adopted
14 by the federal Congress, but with regard
15 to expulsion or removal --

16 COUNCILMAN NUTTER: Are you
17 specifically speaking about if someone
18 were in a leadership post to which
19 they've probably either been elected or
20 appointed by the members and some action
21 that under that circumstance those same
22 members, to the extent that someone can
23 either be appointed or elected to
24 something, they can usually be unelected
25 or de-appointed in that particular

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2 circumstance, but that's an internal
3 matter that has, I think, still nothing
4 to do with whether the person serves in
5 the body; is that correct?

6 MR. DIAZ: That's correct.

7 We're dealing with leadership posts that
8 I understand both the Majority party and
9 the Minority party and the United States
10 Congress have adopted for the regulation
11 of their members as to their leadership
12 post, but not to elective office as
13 elected to positions of responsibility by
14 the voters.

15 COUNCILMAN NUTTER: So for me
16 to finally understand this, it sounds
17 like the only way an individual under
18 whatever circumstance, and not speaking
19 to the current matter at all, the only
20 circumstance under which a person who has
21 been elected by the voters to be removed
22 from office is either upon final
23 conviction, which means sentencing, or
24 some proceeding which may possibly
25 involve impeachment under rules by the

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2 General Assembly; is that correct?

3 MR. DIAZ: Certainly upon
4 conviction, but it's not clear to me that
5 there is authority at the General
6 Assembly either to do something in
7 connection with impeachment. In fact,
8 the case law that I have seen has
9 suggested that even with regard to a
10 recall procedure by the voters, that it
11 must be based upon cause, and there is
12 case law describing what cause is, and it
13 is certainly more than inconvenience.

14 So it is not clear to me what
15 the General Assembly authority would be
16 in this connection, but in the opinion
17 that I wrote dated March 20 that you
18 alluded to earlier, I did note that there
19 is a procedure for officials not
20 employing the convicted individual to
21 seek removal from office. It is called a
22 quo warranto proceeding. It can be
23 brought by a District Attorney of the
24 county involved or the Attorney General
25 of the Commonwealth, but only upon

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2 conviction of the individual involved.
3 And I moreover stated in my opinion that
4 I believe that upon conviction, removal
5 is automatic and that the City would have
6 the authority to stop the paycheck of a
7 convicted official without having to go
8 to a third-party proceeding to seek
9 removal.

10 COUNCILMAN NUTTER: Lastly,
11 could you forward your direct opinion
12 with regard to the authority and powers
13 of City Council, not specific to any
14 particular person, but to the general
15 question of either the body's ability to
16 force a resignation or expel a member
17 given the at least four forms of
18 legislative action that we can take? If
19 you could forward to the Chair your
20 formal opinion with regard to that power
21 or lack thereof, I would greatly
22 appreciate it.

23 MR. DIAZ: I will do so as
24 quickly as I can, Councilman.

25 COUNCILMAN NUTTER: Thank you.

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2 MR. DIAZ: And, again, I would
3 simply indicate that I don't believe that
4 any of the proposed actions, those
5 proposed by the media, are within
6 Council's authority, but I will provide a
7 formal opinion for the record through the
8 Chair as quickly as possible.

9 COUNCILMAN NUTTER: And if you
10 would add to that -- I'm sorry.

11 COUNCILWOMAN BLACKWELL: Our
12 time is up, Councilman.

13 COUNCILMAN NUTTER: I
14 understand.

15 -- (continued) your opinion
16 with regard to any actions that the
17 Council Committee on Ethics could or
18 could not take in that particular
19 context, that would be helpful as well.

20 MR. DIAZ: I will do so.

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

23 COUNCILWOMAN BLACKWELL: Thank
24 you.

25 Councilwoman Reynolds Brown.

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2 COUNCILWOMAN BROWN: Thank you,
3 Madam Chair.

4 Good afternoon, everyone.

5 MR. DIAZ: Good afternoon,
6 Councilwoman.

7 COUNCILWOMAN BROWN: I
8 understand that there has already been
9 discussion and dialogue around the
10 Conditional Tax Forgiveness Program.

11 MR. DIAZ: We have not actually
12 talked about it.

13 COUNCILWOMAN BROWN: Well,
14 first let me commend the leadership and
15 you and your staff for doing what I call
16 "taking it to the trenches" to talk radio
17 where persons who are and will be most
18 adversely affected get to hear it from
19 your mouth to their ears about the why
20 and where kind of information. I think
21 it's out-of-the-box thinking. Because we
22 all get the mail and the printed
23 material, but to hear it and then to hear
24 the instructions I think makes an
25 enormous difference. So I think that's a

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2 practice you should continue.

3 Speak to how is the program
4 going since it is relatively new in terms
5 of approach to citizens, what has been
6 the impact or the effect of the level of
7 complaints, and has doing the way you do
8 it, has this neutralized the negative
9 feedback, the mystique, the confusion,
10 the misinformation that came with the
11 initial delivery of the program.

12 MR. DIAZ: Thank you,
13 Councilwoman. With the help of members
14 of City Council and their staffs and
15 other stakeholders, immediately upon
16 becoming City Solicitor in April of last
17 year, I sought some effort to come up
18 with a program that would reduce the
19 likelihood that people might lose their
20 homes through sheriff sales because of
21 delinquent real estate taxes. Just
22 before I had become City Solicitor, some
23 61,000 delinquent tax accounts had been
24 referred by the City for collection to
25 Linebarger, our collection agent on this

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2 matter.

3 COUNCILWOMAN BROWN: Yes.

4 MR. DIAZ: Through a process
5 involving a number of stakeholders, we
6 formulated a program that had two parts.
7 One was to work out a repayment option
8 for folks that were at the 150 percent of
9 federal poverty level or below to make
10 the repayment option possible, and for
11 those that are on the lowest economic
12 circumstances, such as Social Security
13 income, we're prepared to have a minimum
14 payment of \$25 a month to allow people to
15 become tax compliant and take whatever
16 time it takes to repay their obligations
17 to the City and stay in their homes.

18 COUNCILWOMAN BROWN: Sure.

19 MR. DIAZ: But I also wanted to
20 make sure that in addition to that we
21 incentivize people to stay on these what
22 could be some long repayment plans. We
23 didn't want to see a repeat of the
24 circumstances that some of us have heard
25 about and dealt with in connection with

1 3/28/06 - WHOLE - BILL 060001, ETC.
2 repayment of the PGW bills, for example.
3 So as part of an effort to incentivize
4 people to pay up or to stay current on
5 their repayment plans, we came up with
6 what we ultimately termed the Conditional
7 Forgiveness Tax Program.

8 If you're up to 250 percent of
9 federal poverty guidelines, for a family
10 of four, that's approximately \$48,000
11 income a year, and I think that would
12 scoop up a very large percentage of City
13 residents, but if you're at 250 percent
14 of the federal poverty level and you sign
15 up for this program by May 1st or you
16 repay the amount of your delinquency by
17 May 1st, we will forgive all of the
18 interest and penalties associated with
19 that account. We believe that could save
20 the average taxpayer about 40 percent on
21 their entire tax bill. We believe that
22 as many as 20,000 taxpayers may reside in
23 their homes and could be eligible for the
24 program, assuming they meet the economic
25 guidelines. And we believe that those

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2 accounts would provide the City
3 potentially with up to \$100 million worth
4 of tax collections.

5 Now, if we forgive the interest
6 and penalties and that's about 40
7 percent, that means that the City could
8 collect about \$60 million, that people
9 could be forgiven about 40 million of it,
10 they would become tax compliant, they
11 would be into the system. And as I think
12 we all understand, when you deal with
13 people who are newly non-paying taxpayers
14 or newly delinquent, we have a much
15 better opportunity to collect those
16 dollars owed to the City. In this
17 instance, we're dealing with taxpayers
18 who on average have been delinquent more
19 than five years.

20 So we really needed to come up
21 with some new tools to bring them into
22 the system, and I'm very hopeful that in
23 fact this process will allow us to do
24 that. As of last Friday, which is the
25 last information that I have, we've had

1 3/28/06 - WHOLE - BILL 060001, ETC.
2 about a thousand taxpayers contact
3 Linebarger about this program. We're
4 still far short of the 20,000 that we
5 think potentially could qualify, which is
6 why I've been beating the bushes, been on
7 radio, television, talking to the news
8 media. We really want to get the word
9 out, and I've gone on as long as I have
10 because I'm trying to get the word out
11 through this Council proceeding for media
12 who may be here that this is a real
13 opportunity and we hope people will take
14 advantage of it by the deadline of May
15 1st.

16 COUNCILWOMAN BROWN: It is an
17 opportunity. My personal opinion is I
18 think it's government at its best in
19 trying to find out-of-the-box, innovative
20 ways of helping citizens honor up in many
21 instances where they want to. So I would
22 imagine tracking is certainly in place if
23 already you know you're at the 1,000
24 benchmark.

25 Are there any linkages with

1 3/28/06 - WHOLE - BILL 060001, ETC.
2 CDCs around the City and/or Department of
3 License and Inspection for landlords or
4 homeowners who deal with L&I, just in
5 terms of different layers and tentacles
6 to get the messages out?

7 MR. DIAZ: Well, we've been
8 working directly with housing counselors.
9 I've offered if there are Councilmembers,
10 and I make the offer again today, who
11 would like to have a community meeting,
12 who would like to have participation by
13 myself or others from the Law Department
14 and the law firm of Linebarger, which is
15 handling this collection effort for us,
16 we want to be able to assist in getting
17 the word out in every mechanism and
18 proceeding that we can find.

19 COUNCILWOMAN BROWN: Okay.
20 Another resource you may want to consider
21 are transition to work programs that
22 service folks of that particular
23 population who would benefit from this as
24 well. And are you familiar with the
25 Benefit Bank?

1 3/28/06 - WHOLE - BILL 060001, ETC.

2 MR. DIAZ: I am not, but I will
3 find out after this.

4 COUNCILWOMAN BROWN: Okay.
5 That's another avenue that has been put
6 in place by the Mayor's office of
7 faith-based initiatives for citizens who
8 meet income criteria as you just defined,
9 and it's a one-stop-shop for all the
10 breadth of services one can benefit from
11 if you are of a certain income level.
12 And so this program would neatly fit into
13 the Benefit Bank as well.

14 MR. DIAZ: Well, thank you. I
15 appreciate the suggestion.

16 COUNCILWOMAN BROWN: Sure.

17 DHS. On Page 3 of your
18 testimony, you give discussion to the
19 continued work with DHS in the
20 development of programs to remove
21 barriers for permanent placement of
22 children. So give us an update on where
23 that is, how you're assisting, why and
24 how it's working and where the progress
25 has been.

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2 MR. DIAZ: I want to ask
3 Barbara Ash, our Chair for Social
4 Services, to join me, but if I could very
5 briefly indicate that this clearly is
6 important to our families and children,
7 and it's one that I have been directly
8 involved in.

9 One of the things that I'm
10 trying to accomplish is to work directly
11 with the Family Court. We've had
12 numerous conversations with the new
13 Administrative Judge, Dougherty, and I
14 continue to have those conversations,
15 expect to meet with him again soon.

16 But essentially what we're
17 trying to accomplish is really focus on
18 prevention. We want to intervene at a
19 much earlier stage in the cycle for two
20 primary reasons. First, it seems to me
21 that's when you can be most effective and
22 that's when you can be, frankly, most
23 efficient from a cost perspective.

24 Once we get people into the
25 system, it takes a long time and it costs

1 3/28/06 - WHOLE - BILL 060001, ETC.

2 a lot of money to get results that may or
3 may not be equivalent to effective
4 prevention services. So as part of the
5 DHS budget for FY07 and the request that
6 has been made to the Department of Public
7 Welfare for the Commonwealth, we have
8 begun to essentially steer toward
9 prevention services and funding for those
10 programs as opposed to the judicial
11 system, which obviously still needs to
12 operate and we want to support it, but it
13 is always better to do the prevention.

14 And I'm going to ask Barbara,
15 if you would, just talk for a moment
16 about what kind of successes we've had to
17 date.

18 COUNCILWOMAN BROWN: Good
19 afternoon.

20 MS. ASH: Good afternoon.
21 Some of the successes that
22 we've had to date --

23 COUNCILWOMAN BLACKWELL: Excuse
24 me. Identify yourself for the record,
25 please, and talk directly into the mike.

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2 MS. ASH: I'm sorry. Barbara
3 Ash, Chair, Social Services, Division of
4 the Law Department.

5 As the Solicitor has said, one
6 of the biggest things that we have been
7 doing is, prior to, I guess, about three
8 years now we used to run what we call
9 lists in the courtroom.

10 COUNCILWOMAN BROWN: Called
11 what?

12 MS. ASH: Lists, where a
13 Solicitor would be assigned to a
14 different courtroom and not follow a case
15 from inception.

16 With the Mayor's system of now
17 trying to -- with the Mayor's program of
18 trying to make sure that children are
19 adequately represented, we have hired
20 approximately another 14 attorneys, where
21 we now have attorneys assigned to a case
22 from its inception. So, therefore, the
23 attorneys work with the DHS social worker
24 very closely, and we are targeting cases
25 to leave the system. A lot of cases that

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2 are in the system have been in the system
3 a long time, and prior to that, the
4 attorneys did not know the cases very
5 well. The social workers were not well
6 versed in what they need to do legally
7 for the children to exit the system.

8 One of the things that we have
9 been working on was working with getting
10 older children out of the system. A lot
11 of older children who are no longer
12 considered to be good candidates for
13 adoptions have been lingering in foster
14 care for long periods of time. One of
15 the things we've instituted is permanent
16 legal custodianship. We are one of the
17 first jurisdictions to use this system so
18 effectively, and since its inception in
19 early 2004, 1,185 children have been
20 placed with their family members without
21 DHS's involvement. Prior to that,
22 children would have to stay in care with
23 their kin, continue to stay committed to
24 the department. And now we have freed
25 them, so those kids can go with their

1 3/28/06 - WHOLE - BILL 060001, ETC.

2 caregiver, and their caregiver could make
3 decisions about them without having to be
4 court involved.

5 COUNCILWOMAN BROWN: So clearly
6 that's an approach that works.

7 MS. ASH: Yes.

8 COUNCILWOMAN BROWN: And
9 hopefully captures those children so that
10 they don't have to age out the system.

11 MS. ASH: That's right. And
12 what that does is, that gives them a
13 family when they get past 18. A lot of
14 times children who remain in foster care,
15 once they leave at age 18, they lose ties
16 with their foster parents and caretakers.
17 But now they are family members. They
18 are more engaged in the community. And
19 these children do do well.

20 COUNCILWOMAN BROWN: So the
21 funding is there for those 14 attorneys
22 to continue to be assigned to a child and
23 then stay with that child throughout
24 their connection with Family Court. Is
25 that what I'm hearing?

1 3/28/06 - WHOLE - BILL 060001, ETC.

2 MS. ASH: That's what you're
3 hearing. All of our attorneys are
4 assigned to cases. It's dedicated
5 caseloads. And they remain with those
6 caseloads until that child exits the
7 system.

8 COUNCILWOMAN BROWN: Excellent.

9 MR. DIAZ: If I could add just
10 one more item, in connection with the
11 attorneys staying with the children and
12 being assigned to a particular courtroom
13 as part of a team effort, one of the
14 issues we've had to address, particularly
15 in Barbara's area, in Social Services, is
16 a high attrition rate. This is a very
17 difficult area of legal practice, and one
18 of the things that we have focused on --
19 and I say "we," because it's really been
20 an effort involving myself and Donna
21 Mouzayck, the First Deputy, and Barbara
22 and the folks who work in the Social
23 Services group. We've really tried to
24 focus on supporting them and letting them
25 know that not only do I and all of us

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2 consider this to be important work, but
3 we want to be there to support their
4 ongoing effort so that we can cut down on
5 the high level of attrition rate. And so
6 far in the last few months, I can say,
7 thank goodness, that attrition seems to
8 be slowing down and we've been able to
9 hire and get the authority to hire the
10 attorneys that we need to staff up
11 completely in Social Services.

12 So I think we're in a good
13 place now. We're not out of the woods,
14 but we're working hard to make sure that
15 we've got an effective Law Department
16 partner as part of this DHS effort to
17 support our children and our families.

18 COUNCILWOMAN BROWN: Very good.
19 What do you think has been a factor for
20 the trend and fewer and fewer levels of
21 attrition?

22 MR. DIAZ: I'm sorry,
23 Councilwoman. Could you --

24 COUNCILWOMAN BROWN: What do
25 you believe has been the factor? You say

1 3/28/06 - WHOLE - BILL 060001, ETC.

2 the attrition rate is beginning to take a
3 downward trend. So what do you think is
4 an attributing factor to that? More
5 staff that are able to just keep their
6 arms around these cases, or what?

7 MR. DIAZ: I have my view, but
8 I think Barbara wants to say something,
9 so I'll let Barbara say it and then I'll
10 add if I need to.

11 Go ahead.

12 MS. ASH: Well, traditionally,
13 Social Services has not been viewed upon
14 very positively in a lot of fields. For
15 instance, we did not have a lot of
16 support from prior administrators. With
17 Mayor Street, with the Solicitors that
18 have come along, children have been put
19 at a priority by the City and the Law
20 Department.

21 We have actively engaged to
22 interview attorneys who not only say they
23 want a job with the City to get a job,
24 but attorneys who have had some
25 experience in the social services field,

1 3/28/06 - WHOLE - BILL 060001, ETC.

2 attorneys who are dedicated. And just
3 today an attorney showed me a letter
4 that --

5 COUNCILWOMAN BROWN: Attorneys
6 who care about kids.

7 MS. ASH: Yes. Just today an
8 attorney showed me a letter that he got
9 from a law firm that offered him \$100,000
10 salary to come to work for them, and he
11 said no, he liked working in his unit
12 because he now sees that the
13 Administration is positive towards
14 children, is giving us the support we
15 need. And we have a very close working
16 relationship with the Department of Human
17 Services, and whenever our attorneys now
18 say that they need something, it's not
19 like, That's too much money. We have
20 total support of the Solicitor. He is
21 very involved in my shop, and he
22 continues to stay involved, and he wants
23 to know. And when it starts from your
24 leadership down, then people are proud of
25 their work.

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2 We also now are reducing the
3 caseloads and we're seeing results.
4 We're seeing children come up to us and
5 say, Thank you for giving us a family.
6 And there's nothing that -- when I went
7 to law school, I did not expect that I
8 could be rewarded with the work that I'm
9 doing, and I think that that's the most
10 important thing. We don't bring any
11 money into the City, yes. We spend the
12 money, but we're saving lives.

13 COUNCILWOMAN BROWN: Saving
14 lives indeed. And departments are
15 talking to each other, particularly those
16 departments that are intimately involved
17 with children at different junctures of
18 their lives. So that's been a change. I
19 worked in Family Court for a few years,
20 and this kind of program was simply not
21 in place. So I think it's enormous
22 progress.

23 Final question. Is there a
24 link between what you're doing and the
25 work of the Managing Director's office,

1 3/28/06 - WHOLE - BILL 060001, ETC.
2 this newly announced program that focuses
3 on police districts, where they're
4 beginning to see -- they sort of capture
5 children early who are becoming entangled
6 with the juvenile justice system? So
7 they capture them in a
8 preventive/intervention kind of way so
9 that they don't end up where we don't
10 want them to be? I can't recall the name
11 of that program.

12 MR. DIAZ: It's Adolescent
13 Youth Violence Reduction.

14 COUNCILWOMAN BROWN: Thank you.

15 MR. DIAZ: Or Adolescent
16 Violence Reduction. And, yes, we are
17 very directly engaged. The Mayor has had
18 numerous meetings, at which both the
19 Managing Director and I have
20 participated, along with Barbara and the
21 DHS Director, et cetera.

22 We believe, again, the more
23 focus we make earlier in the child's life
24 to intervene and really steer them into a
25 positive direction, the more likely that

1 3/28/06 - WHOLE - BILL 060001, ETC.

2 we're going to be able to keep them in
3 that positive direction.

4 We've gotten some preliminary
5 support from the state in connection with
6 the budget for Fiscal '07, but we haven't
7 gotten all that we wanted. So just
8 before coming over here, I authorized an
9 appeal to protect our needs in connection
10 with the youth program, such as the one
11 that you just mentioned, the AVRP
12 program, and we're going to continue
13 moving in that direction.

14 COUNCILWOMAN BROWN: Okay. Any
15 connection, link with the Achievement
16 Independence Center at 7th and Market?

17 MS. ASH: It's funny that you
18 ask. Ellen Walker, who is the Acting
19 Deputy for Prevention, is coming to speak
20 to my attorneys. Because a lot of times
21 in court, we want to refer the
22 families -- I understand that we want to
23 get more families to be involved in
24 Achieving Independence Youth Center, and
25 so my attorneys are referring families to

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2 that, especially those families that the
3 children are not committed to us but
4 we're just offering services to those
5 families.

6 So, yes, we are doing that, and
7 she is going to be speaking to my
8 attorneys to do it periodically so
9 they'll know what's been happening and
10 what is new at the center.

11 COUNCILWOMAN BROWN: And what
12 opportunities exist across systems to
13 better serve children.

14 MS. ASH: Precisely.

15 COUNCILWOMAN BROWN: Okay. I
16 want to put on the record how much I
17 appreciated the good work of Donna, and
18 I'm going to spell it, because I'll
19 butcher it otherwise, M-O-U-Z-A-Y-C-K,
20 who was helpful with the City employee
21 adoptive benefits, some might call it,
22 challenge and helpful in the way that we
23 were able to settle that and in a
24 wonderful way for that City employee. So
25 thank you very, very much for the

1 3/28/06 - WHOLE - BILL 060001, ETC.

2 important work.

3 MS. MOUZAYCK: You're welcome.

4 COUNCILWOMAN BROWN: Thank you,
5 City Solicitor.

6 MR. DIAZ: Thank you,
7 Councilwoman.

8 COUNCILWOMAN BROWN: Thank you,
9 Madam Chair.

10 COUNCILWOMAN BLACKWELL:
11 Councilman Rizzo. This is the final
12 Councilman questioning so we can move on
13 to the Commerce Department. Thank you.

14 COUNCILMAN RIZZO: Thank you,
15 Madam Chair.

16 City Solicitor, could you tell
17 me what the Law Department's involvement
18 is in a project called Project OCEAN, an
19 IT project?

20 MR. DIAZ: The Law Department's
21 involvement is through our Intellectual
22 Property Division. We have served as
23 legal counsel to the folks who have
24 responsibility on both the program side
25 in the Water Revenue Bureau as well as

1 3/28/06 - WHOLE - BILL 060001, ETC.

2 the technical side in the Mayor's Office
3 of Information Services.

4 COUNCILMAN RIZZ0: From what I
5 understand, we have a project that's
6 tagged Project OCEAN, who this project
7 was supposed to develop, like you
8 mentioned, a Water Revenue billing
9 program, and to date, we've spent almost
10 \$20 million on this program, with
11 licensing, et cetera, which is going
12 to -- that was probably a good
13 investment, the licensing, because it's
14 going to be needed for whenever this
15 project gets developed. But can you tell
16 for the record, has the company that was
17 contracted with, Oracle, have they
18 abandoned this project? Could you just
19 fill us in a little bit on what the
20 problem is with this project and is it
21 going to be litigated or what exactly is
22 going to occur here? Because we're
23 talking a significant amount of money, as
24 you would agree.

25 MR. DIAZ: We, "we" being the

1 3/28/06 - WHOLE - BILL 060001, ETC.
2 so-called Information Technology
3 Governing Board, have been very much
4 engaged with this effort trying to come
5 to a conclusion that would meet our
6 requirements in the most cost-effective
7 way. I participate as a member of the
8 ITGB so-called, and we have come up with
9 an approach that we think, with Oracle's
10 support, can work.

11 The next step in that process
12 is to meet at a very senior level of the
13 Oracle Corporation, because we think it's
14 in both their interest and ours to come
15 to a mutually satisfactory resolution
16 that protects not only our reputations on
17 the Oracle side but also the requirements
18 and the costs on the City side.

19 So I am very hopeful that we're
20 going to have the high-level meeting at a
21 senior corporate level that will
22 integrate the three operating divisions
23 that have had some piece of this project
24 in the past. We will be participating
25 through the divisional deputy who heads

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2 our Intellectual Property Division,
3 Michael Athay, and I'd be happy to
4 schedule a private briefing for you to
5 bring you up to date and let you know
6 where we're going. And I think you can
7 probably appreciate that in a public
8 forum, I'd prefer not to say more than I
9 have said. But it's very clearly on my
10 radar screen and we are very much
11 involved in trying to get a satisfactory
12 resolution for the City.

13 COUNCILMAN RIZZ0: I'll respect
14 that comment.

15 There's another issue that has
16 been dragging on and it probably needs
17 your attention. It's an issue of,
18 legislation was passed here, a bill was
19 passed here in this Council, to establish
20 a rotational towing program where an
21 effort to try to bring under control the
22 wreck chasing that we have in the City of
23 Philadelphia where people are, through
24 the Procurement Department, placed on a
25 rotation. If there's an accident on the

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2 Expressway, company A comes, B, C until
3 you rotate back around. Well, it's been
4 a really long time, and this is an
5 important issue to our City. This is a
6 practice that needs to be brought under
7 control, this wreck chasing, and I would
8 appreciate whatever you could do to get
9 this on track, because there's apparently
10 a lot of people involved, the Police
11 Department, Procurement. Procurement
12 seems like they've been moving forward.
13 And whoever the attorney in your shop is
14 that is working with the Police
15 Department, I think it would be greatly
16 appreciated, because I get people
17 constantly asking me when will this
18 rotational system be established to make
19 it a better situation than it is
20 currently.

21 So I don't know what you can
22 do, but I'd appreciate whatever you could
23 do to get this thing moving for us.

24 MR. DIAZ: I'd be happy,
25 Councilman, to check into it as soon as I

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2 return to the office and provide a
3 response for the record. I'll let you
4 know not only where we are, but when
5 we're going to get to the goal line on
6 this effort.

7 COUNCILMAN RIZZO: Again, it's
8 a situation that has been here for many,
9 many years, and I think that this is an
10 opportunity, and we've said to the people
11 that are involved in this practice of
12 wreck chasing that, We want to bring you
13 in, but there's a right way to do it and
14 racing to the scene of an accident,
15 getting a person at their worst time when
16 they're involved in an accident, having
17 them sign a document that the fine print
18 is scary, it really is, and then try to
19 get your vehicle back if you decide to
20 not do business with one of these
21 individuals is not a very pleasant
22 situation.

23 So I think the quicker we can
24 get this, like you said, to the goal line
25 would be greatly appreciated.

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2 MR. DIAZ: All right. You have
3 my commitment to work with you in trying
4 to get that objective.

5 COUNCILMAN RIZZO: Great.
6 Thank you. Thank you for all of your
7 good work. I know you have some tough
8 times over there.

9 MR. DIAZ: Thank you,
10 Councilman.

11 COUNCILMAN RIZZO: Thank you.

12 COUNCILWOMAN BLACKWELL: Thank
13 you very much.

14 MR. MCPHERSON: The next
15 department is the City Rep and the
16 Director of Commerce.

17 COUNCILWOMAN BLACKWELL: Thank
18 you very much. Please identify yourself
19 for the record and begin your testimony.

20 MR. BUMB: Good afternoon,
21 Councilwoman Blackwell. My name is Duane
22 Bumb, Senior Deputy Director of Commerce.
23 I'm here for City Representative and
24 Director of Commerce Stephanie Naidoff,
25 who is ill and unable to join us today.

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2 Here with me today are Mjenzi Traylor,
3 First Deputy Director --

4 COUNCILWOMAN BLACKWELL: Excuse
5 me.

6 Could we have a little quiet.
7 Thank you.

8 MR. BUMB: Here with me today
9 are Mjenzi Traylor, First Deputy Director
10 of Commerce; Charles Isdell, Director of
11 Aviation; Janis Pierce, Deputy City
12 Representative, and actually a whole host
13 of other heads of related agencies in
14 support of our efforts.

15 I'm here today to provide
16 testimony on behalf of the Department's
17 FY2007 operating budget requesting \$267.5
18 million, an increase of \$30.9 million
19 over the FY2006 estimated obligations.

20 And if I have your permission,
21 Councilwoman, I'd like to condense some
22 of the testimony that we have provided,
23 and then we'll be happy to answer any
24 questions you may have after that.

25 COUNCILWOMAN BLACKWELL:

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2 Absolutely, and it will be presented as
3 if it were read in entirety.

4 MR. BUMB: Thank you.

5 COUNCILWOMAN BLACKWELL: Thank
6 you.

7 MR. DUMB: But I'll finish this
8 first part.

9 The FY2007 operating budget
10 request of \$267.5 million includes the
11 General Fund at \$47.2 million, the Grants
12 Fund at \$10.2 million, the Hotel Tax Fund
13 at \$43.1 million, the Aviation Fund at
14 \$146.3 million and the Community
15 Development Fund at \$20.7 million.

16 I'm going to skip over -- we
17 give some description of various
18 departments. The Office of the City
19 Representative, one of the highlights
20 this past year, as you all know, would
21 have been our participation in the Live 8
22 and Elton John concerts. Within
23 Commerce, where we administer
24 international business development,
25 Keystone Opportunity Zone, the Mayor's

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2 Business Action Team and a whole series
3 of other services to the business
4 community. I want to focus some
5 discussion, though, on some of the new
6 initiatives that we are proposing in the
7 current budget.

8 Over the past year, the
9 departmental activities have centered on
10 the objectives, strategies and tactics
11 outlined in the City's Economic
12 Development Blueprint, which serves as a
13 strategic plan for economic development
14 in the City. Among the priority listed
15 in the Blueprint is the New River City
16 Initiative. Already the Administration's
17 commitment to public investment,
18 planning, site assemblage and
19 infrastructure improvements have helped
20 to stimulate widespread private
21 investment along the waterfront. The
22 City has committed to providing \$125
23 million from unlocked water and sewer
24 bond reserve funds and will leverage
25 state and federal funds to address the

1 3/28/06 - WHOLE - BILL 060001, ETC.

2 standard public responsibilities of
3 planning, land assembly, environmental
4 remediation, demolition and
5 infrastructure. The investment will
6 create opportunities for private
7 developers to commit significantly
8 greater levels of capital in anticipation
9 of market-rate returns. This measure was
10 introduced in City Council in January,
11 and we will be briefing Councilmembers
12 shortly to move this exciting initiative
13 forward.

14 Another initiative concerns the
15 use of \$150 million in bond proceeds to
16 fund improvements in neighborhood and
17 cultural corridors. The idea for this
18 initiative was born out of a broad
19 strategic thinking in two distinct areas.
20 On the commercial corridor side,
21 beginning in FY06, the City broadened the
22 scope of NTI to focus attention and
23 resources on neighborhood commercial
24 corridors. The initial phase of NTI
25 acknowledged the need for focused

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2 attention on neighborhood commercial
3 corridors but, for the most part, did not
4 attempt to tackle this issue.

5 On a parallel track, during
6 2005, the Mayor met with many cultural
7 and civic leaders and Councilmembers to
8 discuss the growing needs of
9 Philadelphia's cultural community. In
10 addition, the Mayor's Arts Funding Task
11 Force has convened over the past year to
12 discuss sustainable funding for arts and
13 culture. With the guidance of the Task
14 Force, the Mayor has been able to
15 identify a number of significant projects
16 that, with support of the City of
17 Philadelphia and other funders, will have
18 major impact on Philadelphia's arts and
19 cultural community.

20 Today, we are fortunate enough
21 to be in a position to act and invest
22 strategically in our neighborhood and
23 retail corridors, as well as in our
24 cultural corridors. A portion of the
25 \$150 million proceeds will be used to

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2 advocate for and grow Philadelphia's
3 commercial amenities, including those
4 found in some of our cultural corridors
5 like the Ben Franklin Parkway and the
6 Avenue of the Arts.

7 A second target use of the bond
8 proceeds will be to implement the ReStore
9 Philadelphia Corridor Program under the
10 direction of NTI. The goal is to restore
11 the historic role of neighborhood
12 commercial corridors as central places to
13 shop, to work and to meet neighbors.
14 Potential uses of the bond proceeds may
15 include streetscape and lighting
16 improvements, acquisition and renovation
17 of select commercial buildings, and a
18 loan reserve pool to increase access to
19 capital for small businesses.

20 Philadelphia generates a
21 significant amount of funding to support
22 its vibrant hospitality and tourism
23 sector. The Greater Philadelphia Tourism
24 and Marketing Corporation, or GPTMC, is
25 partially funded through the tourism tax

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2 and is a national model for the support
3 of the hospitality and tourism industry.
4 GPTMC continues to utilize its portion of
5 the tax applied to hotel bills to
6 advertise and market the region's tourism
7 assets, including arts and cultural
8 destinations. These promotional efforts
9 as well as the efforts of the
10 Philadelphia Convention and Visitors
11 Bureau, or PCVB, to attract conventions,
12 meetings and international tourists are
13 paying dividends. Philadelphia has
14 received positive recognition in national
15 and international publications, including
16 being named "America's next great city"
17 by National Geographic Traveler Magazine
18 in 2005, as well as being one of four
19 cities in the world to watch by Time
20 Magazine in 2006.

21 Rather than stand back and
22 enjoy the accolades, however, we plan to
23 capitalize on this recent positive
24 interest in the City. The \$2.5 million
25 line item for promoting Philadelphia will

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2 be used to broaden existing marketing
3 efforts by GPTMC and PCVB to elevate the
4 national and international profile of
5 Philadelphia, increase visitor trips,
6 respond to mounting competition from
7 other cities, and ultimately encourage
8 both businesses and employees to make
9 Philadelphia their home.

10 On the knowledge industry
11 front, Philadelphia has a competitive
12 advantage in the knowledge industry. Our
13 outstanding universities, research
14 facilities and highly skilled workforce
15 make Philadelphia a valuable location for
16 21st century business. This advantage
17 was recognized in the Economic
18 Development Blueprint, and growth of the
19 City's knowledge industry is one of the
20 Administration's key objectives. Through
21 a combination of student retention
22 initiatives, the knowledge industrial
23 partnership, workforce development
24 programs and targeted incentive programs,
25 Philadelphia can grow the knowledge

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2 industry jobs necessary to expand our
3 residential population and our economy.

4 Building on these activities,
5 over the coming year Innovation
6 Philadelphia will expand its investments
7 targeting Philadelphia start-up
8 companies, launch an innovative new
9 intellectual property donation program,
10 refine and implement a strategy to grow
11 the City's creative economy, and
12 spearhead an effort to attract the key 25
13 to 34-year-old knowledge worker
14 demographic that is so important to the
15 City's future success.

16 The City has earmarked \$2.5
17 million in the FY07 budget to support
18 Innovation Philadelphia and continue
19 those crucial efforts to grow the City's
20 innovation economy.

21 Our testimony cites several
22 examples of major developments in the
23 City which are indicators of the positive
24 growth momentum we're experiencing right
25 now. Some of that extends to our

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2 neighborhoods, and we've got other
3 examples across neighborhoods across the
4 City.

5 I want to turn to the third
6 division of our department and the most
7 substantial, Aviation. The Division of
8 Aviation oversees the various planning,
9 operational and development activities
10 associated with Philadelphia
11 International Airport and Northeast
12 Philadelphia Airport. The Division of
13 Aviation is submitting an FY2007
14 operating budget of \$146.3 million, an
15 increase of \$27 million over the FY2006
16 estimated obligation of \$119.2 million.

17 The additional funding is
18 required due to increases in existing
19 operational, security and maintenance
20 requirements, as well as increased
21 funding for capital projects on a
22 pay-as-you-go basis. The overall FY2007
23 Aviation Fund request is \$337.2 million,
24 including appropriations in the Police,
25 Fire, Fleet Management, Public Property,

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2 Law and Finance Departments, as well as
3 debt service appropriations within the
4 Sinking Fund Commission, which will be
5 fully funded by non-tax revenues from
6 airport operations.

7 There have been a number of
8 successes over the past year and I'm
9 going to leave that to the Aviation
10 Director to detail for you in the Q and
11 A. And with that, I will submit this
12 testimony, and we're happy to respond to
13 any questions you might have.

14 COUNCILWOMAN BLACKWELL: Thank
15 you very much.

16 On Page 3 of your testimony
17 under the New River City Initiative, you
18 state that the City has committed to
19 provide \$125 million. Can you explain
20 how the City has committed these funds,
21 what the benefits to the City are of
22 spending them, when we'll begin receiving
23 these benefits and whether or not they're
24 included in the Five-Year Plan?

25 MR. BUMB: I can't actually

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2 answer that last question. It is in the
3 Five-Year Plan, I believe.

4 The New River City Initiative
5 would be authorized under a bill that was
6 introduced in City Council two months
7 ago, and we will have a hearing on that.
8 We'll have a public hearing on that to
9 give much more detail.

10 But to answer your questions,
11 we have at least \$125 million currently
12 in Water Revenue reserve funds, which can
13 be released by putting in place a surety
14 bond. Those \$125 million of bond
15 proceeds can then be applied to
16 appropriate capital-eligible expenditures
17 for water and sewer investments across
18 the City. We are focusing them in four
19 areas: To encourage private development
20 along our waterfronts. A good example of
21 that would be some of the major housing
22 developments that are being considered
23 both along the North Delaware, the
24 Central Waterfront and along the lower
25 Schuylkill. Some of the public

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2 infrastructure along those same
3 waterways, including public parks and
4 trails that can also act as amenities for
5 the private investment; some public
6 investments throughout the City in what
7 we call the Green City strategy, which
8 would provide primarily storm water
9 relief in neighborhoods as part of larger
10 housing developments. One example of
11 that might be the large Mill Creek
12 development in West Philadelphia, which
13 will provide us with an opportunity to
14 create some new and innovative storm
15 sewer relief strategies to relieve
16 overflow in that neighborhood.

17 Again, all of these
18 investments -- I'm sorry. The fourth
19 category would be funding within the Navy
20 Yard, a fully publicly owned facility to
21 upgrade the level of water and sewer
22 infrastructure so that it is standardized
23 with the City's other infrastructure
24 throughout the City as we integrate that
25 1,200-acre parcel into the City's

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2 City-wide system.

3 All of those developments that
4 are being proposed are being targeted
5 strategically to increase the City -- to
6 be consistent with the master plan that's
7 been undertaken for all the waterfront
8 areas and also to leverage maximum
9 investment by the private sector.

10 COUNCILWOMAN BLACKWELL: All
11 right. We are certainly interested in
12 where these projects are, but we believe
13 if the Administration wants to push
14 forward to considering this for '06, that
15 we really need details immediately, or
16 Council may want to consider pushing it
17 forward to the '07 budget so that we have
18 plenty of time to consider them.

19 On Page 4 of your testimony,
20 you state, quote, "Today we are fortunate
21 enough to be in a position to act and
22 invest strategically in our neighborhood
23 retail corridors, as well as our cultural
24 corridors."

25 Based on PICA's testimony that

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2 identifies almost 500 million of
3 speculative items and risks, is now the
4 best time for us to borrow and create new
5 debt?

6 MR. BUMB: Again, we'll have
7 much more detail for you when we
8 introduce legislation that would
9 authorize the \$150 million bond issue,
10 but I can tell you that from our
11 perspective, yes, we -- again, of the
12 \$150 million, it is for capital-eligible
13 activities. Most of those investments
14 are for City-owned facilities. And I
15 know there's been some discussion here
16 about the need to increase the amount of
17 investment in deferred maintenance,
18 whether that be for streetscape
19 improvements, which is the commercial
20 corridor component of that initiative, or
21 in some of the major cultural
22 institutions, like the Art Museum, which
23 in fact is a City responsibility.

24 COUNCILWOMAN BLACKWELL: Thank
25 you.

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2 The Planning Commission
3 testified that the City should be
4 spending \$185 million a year on
5 maintaining our infrastructure, yet our
6 capital budget is for nearly 52 million
7 as opposed to 185 million. How do you
8 reconcile the differences in those
9 figures in terms of what's best or what's
10 prudent at this time?

11 MR. BUMB: I can't address
12 directly the discrepancy that they are
13 citing in the number you're stating. I
14 can tell you that part of the challenge
15 in the City capital budget is funding
16 within the bond cap under the City's
17 general capacity for debt. The \$150
18 million, which would be proposed to be
19 issued through the Philadelphia Authority
20 for Industrial Development, would
21 accomplish much of that by, again,
22 investing in City-owned resources to take
23 the burden off of the capital bill and
24 also not to increase the City's debt
25 capacity.

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2 COUNCILWOMAN BLACKWELL: You're
3 requesting a \$2 million increase in
4 economic stimulus funds for '07. How do
5 you intend on spending them and how did
6 you spend the '05 and '06 economic
7 stimulus funds?

8 MR. BUMB: The economic
9 stimulus funds are probably our most
10 flexible funding source. We use them for
11 a whole variety of our financial
12 incentive tools. We provide some
13 staffing oversight. The Mayor's Business
14 Action Team, for example, is funded
15 through that funding source. We use them
16 as part of our very successful business
17 retention efforts. I think we are citing
18 within, for example, our office retention
19 efforts having successfully retained 96
20 of 98 major companies in the Central
21 Business District, some of those of which
22 we were required to provide incentives in
23 order to keep Philadelphia as a
24 competitive location. So the economic
25 stimulus fund was part of that.

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2 Sometimes it leveraged state resources or
3 other non-City resources as part of a
4 total incentive package.

5 We also use those funds to
6 support initiatives like Select Greater
7 Philadelphia, which is the regional
8 marketing effort. We have in the past
9 used those funds in part to support the
10 activities of Innovation Philadelphia.
11 We are here today to talk about a
12 separate line item for Innovation
13 Philadelphia, but to answer your question
14 about how we used them in the last two
15 years, the funds have been used to
16 support that effort.

17 We use those funds to support
18 several non-profit organizations that
19 provide technical assistance to the City.
20 Those organizations can range from groups
21 like the African-American Chamber of
22 Commerce, the Hispanic Chamber of
23 Commerce, the Philadelphia Development
24 Partnership, Women's Opportunity Resource
25 Center. There are a whole series of

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2 those. We use those funds to provide
3 incentives like facade grants along
4 commercial corridors where we provide
5 matching grant money to small businesses
6 to improve the fronts of their buildings.

7 We use those funds to provide
8 festival grants through neighborhoods in
9 the City and planning grants to
10 non-profit community organization.

11 Those are just some of the
12 examples of the sort of activities we
13 fund. We find that we never have enough
14 money to do all the things we want to do
15 on a City-wide basis and, hence, our
16 request to increase the funding source.

17 COUNCILWOMAN BLACKWELL: Thank
18 you.

19 Would you submit to the Chair a
20 list that we can make available to our
21 colleagues of how these funds were used
22 in the last three years and what you plan
23 for '07?

24 MR. BUMB: Yes, I can.

25 COUNCILWOMAN BLACKWELL: Thank

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2 you.

3 Can you explain why you zeroed
4 out the Convention Center subsidy payment
5 in year FY09 to '11? Does not the City
6 have a legal obligation to budget this
7 payment per the Use and Lease Agreement?

8 MR. BUMB: I think, if I could,
9 if the Budget Director is still here, I
10 would like to defer that to her.

11 COUNCILWOMAN BLACKWELL:
12 Certainly.

13 MS. REED: Dianne Reed, Budget
14 Director.

15 There has been dialogue between
16 the Administration and the Governor
17 regarding how some of the gaming funds
18 would be disposed, and the money that
19 could be used to relieve Philadelphia of
20 its obligations for the Convention Center
21 comes from this funding, which is
22 disbursed by DCED. The City remains
23 hopeful that the Governor and the
24 administration in Harrisburg will allow
25 us to use those funds in this way.

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2 COUNCILWOMAN BLACKWELL: Do you
3 have a legal opinion stating that the
4 City obligation to pay the subsidy is no
5 longer valid?

6 MS. REED: I am not aware of
7 one, but we will get back to you on that.

8 COUNCILWOMAN BLACKWELL: It
9 certainly seems to us that without this
10 opinion, then we have a real issue about
11 how we budget these dollars. So we would
12 like you to submit that to the Chair, if
13 you would.

14 MS. REED: We will. Thank you.

15 COUNCILWOMAN BLACKWELL: Thank
16 you very much.

17 Councilwoman Brown, and then
18 I'll come back. We have some questions
19 for Mjenzi Traylor.

20 COUNCILWOMAN BROWN: Thank you,
21 Madam Chair.

22 COUNCILWOMAN BLACKWELL: But,
23 Councilwoman Brown, I'll yield to you
24 first.

25 COUNCILWOMAN BROWN: Thank you.

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2 Good afternoon, everyone.

3 MR. BUMB: Good afternoon.

4 COUNCILWOMAN BROWN: I want to
5 make sure I heard you correctly with
6 regards to the 150 million for the
7 capital infrastructure to support
8 Philadelphia's anchor cultural
9 institutions. So did I not hear you say
10 that those dollars will be targeted for
11 the institutions owned by the City?

12 MR. BUMB: I said that, but in
13 fact, that is only part of how we would
14 use that. It is a much more
15 comprehensive sort of effort than just
16 that. I think that a substantial
17 portion -- let me back up just a second.

18 Of the \$150 million -- and,
19 again, we have not presented you the
20 legislation, so you have not had any
21 briefing on this.

22 COUNCILWOMAN BROWN: Sure.

23 MR. BUMB: The two major
24 components of it are this ReStore
25 Program, which is a commercial corridor

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2 effort, and the other part of it, sort of
3 just under half of it, we think is for
4 the commercial -- or the cultural
5 corridor effort.

6 The cultural corridor effort I
7 think are sort of -- the sense of it
8 right now is that it would be primarily
9 for capital infrastructure or capital
10 investments. Much of that would be in
11 City-owned facilities. And, again, I
12 would use the example of the Art Museum.

13 COUNCILWOMAN BROWN: But not
14 purely limited to.

15 MR. BUMB: But there are in
16 fact a whole series of smaller cultural
17 organizations that have capital needs,
18 whether those be like roof repairs or ADA
19 accessibility or other sorts of things
20 that we would intend to sort of make a
21 part of that funding available for those
22 sorts of organizations that could
23 demonstrate that had some planning in
24 place for that improvement and some
25 capacity to match some of that funding.

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2 And we also want to build in some
3 capacity building when we are providing
4 assistance to non-profits, smaller
5 cultural organizations, partly because we
6 believe that although the dollars
7 wouldn't indicate, we think that the
8 technical assistance that can be provided
9 to provide capacity building and board
10 development and other sorts of aspects of
11 capacity building are just as important
12 in the long run as helping them to sort
13 of make some of the physical improvements
14 they need to make to their institutions.

15 COUNCILWOMAN BROWN: Sure.

16 It's no secret that there are a lot of us
17 anxious to know what those details will
18 be. Are you at liberty to say when the
19 roll-out will happen?

20 MR. BUMB: We're hoping to have
21 a full proposal ready for the Mayor's
22 office to review within the next three
23 weeks.

24 COUNCILWOMAN BROWN: Okay. And
25 I guess the same would apply for the

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2 ReStore Philadelphia Corridor Program,
3 the neighborhood corridors. We'll get
4 that detail around the same time?

5 MR. BUMB: That's right.

6 They'll come together as the same package
7 to you for review.

8 COUNCILWOMAN BROWN: All right,
9 then.

10 Different topic. Councilman
11 Clarke and I have introduced a bill to
12 consolidate Philadelphia Fairmount Park
13 and the Rec Department based on a
14 strategic plan recommendation and the
15 fact that we're the only city out of the
16 top ten that haven't moved in that
17 direction, and one discovery that he and
18 I have learned is that there is a lot of
19 art in the Philadelphia Fairmount Park
20 historic mansions. So to GPTMC, I'm
21 curious to know with the promoting
22 Philadelphia piece, if you or a member of
23 your team are aware or have had
24 discussions about that potential
25 opportunity as an revenue generator for

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2 GPTMC.

3 MR. BUMB: I know Meryl Levitz
4 is here, I think. So I don't really want
5 to --

6 COUNCILWOMAN BROWN: Is she?
7 All right.

8 Madam Chair, could we ask Meryl
9 Levitz, the leadership at GPTMC, to come
10 to the witness table.

11 COUNCILWOMAN BLACKWELL:
12 Absolutely.

13 Would you come forward.

14 Thank you. Please identify
15 yourself to the record and respond to the
16 Councilwoman's question.

17 MS. LEVITZ: Thank you. Meryl
18 Levitz, President and CEO, GPTMC.

19 COUNCILWOMAN BROWN: Allow me
20 to restate it.

21 MS. LEVITZ: Thanks.

22 COUNCILWOMAN BROWN: We've
23 discovered in our doing the homework
24 around Philadelphia Fairmount Park and
25 the Rec Department that in the Fairmount

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2 Park mansions, there's a lot of artwork
3 that's decades and decades years old, and
4 there's a concern that that may be an
5 opportunity for one of our City's
6 marketing entities to seize the moment
7 and capture that artwork as a potential
8 to market it in such a way so that it
9 generates revenue for the Park. And in
10 my discussions with a number of
11 individuals, the Philadelphia Visitors
12 and Convention Bureau and/or GPTMC, they
13 need to be aware of it, because you may
14 not be, but then, B, look to see if there
15 is an opportunity there.

16 And so to the question, this
17 \$2.5 million line item for promoting
18 Philadelphia, had anyone approached you
19 about that reality that exists right now
20 in the Fairmount Park mansions?

21 MS. LEVITZ: No, but it's
22 intriguing, and in the past when we've
23 looked at the Fairmount Park houses, we
24 realized that there's a tourism
25 opportunity there, but we're not aware of

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2 who owns what and how things are
3 catalogued and what permission might be
4 needed. But we would be interested in
5 looking at and adding on to the
6 neighborhood tourism network program and
7 the building of the Park itself.

8 COUNCILWOMAN BROWN: Okay. So
9 I want to put that on the record, and I'd
10 be remiss not to acknowledge Councilman
11 Frank Rizzo's staff person, who actually
12 brought it to my attention in my visit
13 with Councilmembers.

14 Councilman Frank Rizzo, point
15 of information, was that not Stewart --
16 help me out. Stewart Graham?

17 COUNCILMAN RIZZO: Yes.

18 Madam Chair, may I speak?

19 COUNCILWOMAN BLACKWELL: Yes.

20 COUNCILMAN RIZZO: Yes, it was
21 Stewart Graham, and Stewart brought out
22 the point to Councilman Blondell Reynolds
23 Brown that we have the real deal here,
24 Williamsburg. If this thing was packaged
25 properly, we could probably really

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2 attract a lot of people to the mansions.

3 MS. LEVITZ: It has always
4 seemed just out of our reach.

5 And, Councilwoman Blondell
6 Reynolds Brown, we have talked about it.
7 We've talked about it with Councilman
8 Clarke, and it's something that just
9 needs to be studied in a comprehensive
10 way before we could make it visitor
11 ready.

12 COUNCILMAN RIZZO: Especially
13 before we turn more and more over to the
14 non-profit sector. We'll be out of
15 mansions soon. So it's unfortunate, but
16 we had an opportunity. And not that
17 that's bad what we did to preserve some
18 of those, but it's something that we
19 should really study.

20 Thank you.

21 MS. LEVITZ: They're just a
22 little out of reach as yet.

23 COUNCILWOMAN BROWN: Okay.

24 Thank you. Thank you, Meryl Levitz.

25 My final question, Madam Chair,

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2 goes to testimony on Page 2, which speaks
3 to MBE/WBE participation in the local
4 economy. Under New Initiatives, it says,
5 and I quote, "Make Philadelphia a
6 national model for MBE/WBE participation
7 in the local economy."

8 What steps are you putting in
9 place, plan to put in place that move you
10 towards this goal?

11 MR. BUMB: We've been working
12 closely with the MBEC office on this.
13 What I skipped over in my testimony, and
14 maybe I should sort of point to it, on
15 Page 3, which is these ten sort of
16 components of our Blueprint. We are just
17 finalizing a progress report for City
18 Council that will be out next month for
19 you and, in fact, will detail very
20 specifically the progress we've made on
21 that and all the other sort of
22 components.

23 COUNCILWOMAN BROWN: Okay,
24 then. Thank you for your testimony.

25 Thank you, Madam Chair.

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2 COUNCILWOMAN BLACKWELL: You're
3 welcome.

4 Councilman Rizzo.

5 COUNCILMAN RIZZO: That was a
6 point of information.

7 COUNCILWOMAN BLACKWELL: Thank
8 you very much.

9 We have questions for Mjenzi
10 Traylor and Curtis Jones. Would you come
11 forward.

12 Councilwoman Miller has asked
13 that we ask you about the international
14 trade mission. And certainly I want to
15 commend you on the work you're doing, the
16 Job Fair Plan for the Mayor's Commission
17 on African and Caribbean Immigrant
18 Affairs. You're doing a wonderful job
19 there and are doing a lot to bring our
20 community together with people from all
21 over the world.

22 She specifically asks that you
23 give a report on international trade and
24 the activities you're involved with,
25 associated therein. And also, the second

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2 part of her question is how much is the
3 budget for your activities.

4 MR. TRAYLOR: Thank you, Madam
5 Chairman. I'm Mjenzi Traylor, First
6 Deputy Director of the Commerce
7 Department.

8 And the International Division
9 of the Commerce Department has been quite
10 busy in a number of initiatives, one of
11 our primary ones being the establishment
12 of the Greater Philadelphia Global
13 Partnership, or GP-2. And under GP-2,
14 there are a number of things that are
15 going on, including a work that we're
16 doing in connection with the airport
17 around direct flights between
18 Philadelphia and foreign locations. The
19 first one of these projects to be focused
20 on is establishing charter flights to
21 China from Philadelphia that would go to
22 Fujian province and to our sister city,
23 Tianjin. And this is important because
24 it's through these charter flights that
25 we will be able to establish whether or

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2 not there is sufficient demand for
3 regular direct flights to that location.

4 Since we've begun this work, we
5 have also a strong interest from people
6 who want to look at this problem or this
7 issue in connection with India as well as
8 with Australia.

9 Another subcommittee in GP-2 is
10 working on the dredging issue. They will
11 be holding a press conference early next
12 month to weigh in on the question of what
13 can be done to move the dredging of the
14 Delaware River, and this is being carried
15 out by some of the strongest users of our
16 port. That would be Australia, Chile and
17 Canada.

18 And, also, the Councilwoman
19 will remember that we did a trade mission
20 to Korea in '01, at which time we visited
21 a train production company. And it has
22 taken five years, but, finally, that
23 company has won the bid to build the
24 SEPTA trains, and that work will be done
25 at the Philadelphia Navy Yard, and the

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2 company already has space there for the
3 assembly operations, as well as office
4 space now at the Navy Yard.

5 We feel very, very encouraged
6 that there will be a lot of this kind of
7 activity. I did a ribbon-cutting
8 recently for a Swedish company that is
9 located in our new Cira Building here,
10 and we think that we would like to be
11 able to work in bringing more companies
12 into Philadelphia, and we think that
13 there's a great potential for doing that.

14 These are just some of the
15 efforts that we have been underway with
16 the -- in mentioning the Mayor's
17 Commission on African and Caribbean
18 Immigrant Affairs, the work that we're
19 doing right now is to take on the problem
20 that a lot of these businesses are faced
21 with, being new to doing business in the
22 City. We are getting ready to conduct a
23 big workshop, as you know, that will help
24 them with L&I and Health Department
25 issues, get them more familiar with the

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2 incentives that are involved in a number
3 of the City's programs, as well as
4 helping them with financing and tax
5 issues.

6 So the workshop that's being
7 planned in connection with that will be
8 held on April the 24th, and we think that
9 this will go a long way to help solve
10 some of the problems that that community
11 is faced with.

12 COUNCILWOMAN BLACKWELL: It
13 absolutely will. Having many of the
14 immigrants in my district, in Southwest
15 Philadelphia, and having our citizens
16 feel that they're inundated by people who
17 complain to L&I and always call because
18 they're strangers and they feel that
19 they're being harassed is a big concern
20 and has been for several years, and we
21 believe that the conference you're
22 planning on the 24th will go a long way
23 to give them the confidence they need and
24 equip them with information they need
25 from the inside out so that they don't

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2 have to feel -- that they'll be able to
3 respond to people who complain, as well
4 as us responding, contacting agencies to
5 say that these people are being unfairly
6 targeted.

7 But we thank you for all of
8 that. Her final question is how much is
9 the international trade budget?

10 MR. TRAYLOR: We have a budget
11 of \$160,000 for Fiscal Year '07, except
12 that we are not certain at this time
13 whether or not that funding will be made
14 available.

15 COUNCILWOMAN BLACKWELL: And I
16 suppose that's why she asked the
17 question. And we who asked the Mayor to
18 establish the Mayor's Commission on
19 African and Caribbean Immigrant Affairs
20 hope that the Mayor will consider that we
21 need some funding as well. Everything
22 costs money, and we certainly need it for
23 this important work that links us around
24 the globe, and certainly we hope that the
25 City will be able to -- the

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2 Administration will consider giving us a
3 little funds. We try to do what we can
4 to raise it, but we need the City to
5 contribute as well.

6 Thank you, Mr. Traylor.

7 Mr. Jones, SEPTA, my favorite
8 subject, the subject I love to hate. We
9 are really concerned. As you know, SEPTA
10 is saying they will complete the Market
11 Street Elevated Project in December '08.
12 Because they know it won't be December
13 '08, that will take them into '09 and
14 then they can say they can't finish it.

15 But we mention every year our
16 concern for programs, not only to try to
17 fund businesses -- and we thank
18 Congressman Fattah for his work in trying
19 to help us, as well as the Administration
20 for the little bit of money we try to
21 find, which we still need. We have
22 businesses who write us every day for a
23 stipend, a thousand dollar stipend.

24 But what I want to bring to
25 attention again and ask if there are

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2 plans afoot yet with regard to facade. I
3 mention this every year because we
4 really, really -- and we try to involve
5 the university, the University of
6 Pennsylvania in this effort, their design
7 class, but we really want to work to
8 create not only a facade program, we're
9 going to deal with vending, we'll finally
10 do vending carts and all of that and
11 regulation, size and space. We'll have
12 to deal with all of that once this
13 project is completed, because, as you
14 know, we can't do anything now because
15 they keep going over the same area, and
16 people are moved in and out and
17 businesses open and close. That's the
18 issue.

19 But we wanted to know if you've
20 been involved at this point in any plans
21 with regard to the whole Market Street
22 project in terms of facade, in terms of
23 streets, in terms of any of that that is
24 in fact affected by the SEPTA project.

25 MR. JONES: Absolutely. And I

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2 want to thank you for your past and
3 present commitment to some of those small
4 merchants, family-owned businesses, that
5 have suffered out in West Philadelphia.
6 As you are well aware, we have lost
7 upwards of 30 businesses since the
8 construction has started. There have
9 been numerous efforts that have involved
10 a number of elected officials and
11 appointed officials from this
12 Administration. You indeed were
13 responsible for closing in on a million
14 dollars with relief, small bites, to
15 those companies and facilitated it
16 through the Commerce Department and PCDC.
17 Congressman Fattah, along with Senator
18 Hughes, have also stepped up to the plate
19 and put up \$1.2 million in funding.

20 Now, that's the good news. The
21 bad news is that we're waiting for the
22 federal government to actually write us a
23 check. We're waiting for the state to
24 actually release funds. So what we've
25 done thus far is rely on certain lines of

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2 credit that we have to put some funds out
3 to the most needy.

4 We have received a number of
5 requests, and we are categorizing them.
6 We are processing them. And the second
7 batch of checks should go out before the
8 new fiscal year. So we're talking about
9 within the next couple of weeks,
10 actually, so we can issue some more
11 relief.

12 In reference to capital
13 improvements along that corridor, Market
14 Street, 46th Street, 52nd Street, 56th
15 Street and 63rd Street, I had a
16 conversation with Eva Gladstein of NTI,
17 and she's well aware of all of the
18 corridor situations but, in particular,
19 those. Eventually, believe it or not,
20 and I know it's hard for some people to
21 believe, that construction will indeed
22 end, and at that point, it will be a
23 joyous occasion, but what we have to do
24 is be prepared, for those businesses that
25 have managed to struggle through it, to

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2 create a nice, neat corridor for people
3 to work and shop.

4 So we're looking hard at 52nd
5 Street in particular, the second and
6 third floors, who have not received a
7 painting and a fix-up since the last time
8 we did it, which was over closing in on a
9 dozen years ago. So we're looking at
10 that.

11 We've been working with
12 Ms. Snead, who has now left City
13 government and gone out into the
14 non-profit world and is working with
15 them, to design some things for 60th
16 Street.

17 In a prior Council hearing, and
18 it was in reference to Councilman
19 Clarke's camera component, we've tried to
20 implement a number of things on the
21 corridor. We're talking about the
22 possibility of a demonstration project,
23 particularly on 60th Street to do
24 security cameras, those kind of cameras
25 that are crime prevention and we like to

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2 call it safe corridor components.

3 In addition to that, we're
4 talking about a grant that we received
5 for customized bus shelters, similar to
6 the ones that were constructed for the
7 Republican Convention some years ago,
8 stained glass, nice use of metal,
9 aesthetically pleasing but also germane
10 to the communities that they live in. So
11 that means if we're talking about Mill
12 Creek or Cobbs Creek, we're talking about
13 areas that have a historical relevance
14 and that may have a symbol that kind of
15 represents their community group and
16 incorporating that into the design of
17 those shelters.

18 So what we're talking about is
19 facade treatments, we're talking about
20 security cameras, and we're talking about
21 bus shelters, two of which we have
22 procured some money for. And we're
23 working on working out the details of
24 what the proceeds of some of the corridor
25 assistance that you've heard about from

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2 Mr. Bumb and how that will be applied to
3 what corridors. So we are engaged in
4 conversations about that.

5 COUNCILWOMAN BLACKWELL: Yes.
6 I knew we were. I wanted to make sure
7 that, as always, we maintain our linkage,
8 because we're always dealing with the
9 universities and others to assist us in
10 what we try to do for -- we believe it's
11 time. Lucien Blackwell was involved in
12 the corridor as it looks now on 52nd
13 Street, but it's time, since everything
14 will be new, for a new look, and I
15 envision sidewalks that have cut-ins or
16 cut-outs, however they're described, for
17 buses and that we do everything since it
18 will finally end that we have the
19 opportunity to have a whole new corridor
20 and hopefully attract businesses.

21 And as you say -- I have people
22 coming to me now who still want to open
23 businesses and who are looking for areas
24 in West Philadelphia, because they're
25 excited about the development they see,

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2 but whenever it comes to SEPTA, we're
3 really afraid to encourage anybody to go
4 there, because this project continues to
5 be pushed out years and years and years.
6 So we're really afraid when we deal with
7 SEPTA to ask people to invest in
8 businesses. But it's been a real, real
9 nightmare and a real hardship. But we're
10 hoping that in short order -- we're
11 already in '06. We'll be in '07 shortly.
12 And certainly I assume that in '09, we
13 will be able to begin working on new
14 businesses, new facades, new streets, new
15 curbs and everything that will finally
16 bring this area back. And we are just
17 praying that we don't lose more
18 businesses. It's devastating when
19 somebody 75 comes to you and says, I have
20 to go find a job and work for someone
21 else because I can't sustain myself in my
22 business.

23 So it's very, very frustrating
24 and painful to watch people suffer and be
25 victims of work that they didn't ask for.

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2 And I've said many times, and I'll say it
3 again, if I had it to do again, I'd never
4 support a whole new elevated system as it
5 was organized. It's been the worst
6 project of my 30-year career.

7 Having said that, we'll move
8 forward. We look forward to continuing
9 the partnership that we share with you,
10 all the elected officials. As you know,
11 we've had all the members of Congress,
12 the State House, we've had everybody
13 involved in this when we've had issues to
14 try to move forward. So we will continue
15 to hang in there. We thank you.

16 We thank you, Mr. Traylor.

17 And at this time, I will ask if
18 there are more questions.

19 (No response.)

20 COUNCILWOMAN BLACKWELL: Seeing
21 none, this Committee will be recessed
22 until tomorrow at 2:30 where we will hear
23 public testimony on the operating budget.

24 Thank you very much.

25 (Committee of the Whole

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2 adjourned at 3:45 p.m.)
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