

COUNCIL OF THE CITY OF PHILADELPHIA
COMMITTEE ON LABOR AND CIVIL SERVICE

Room 400, City Hall
Philadelphia, Pennsylvania
Wednesday, December 5, 2012
3:11 p.m.

PRESENT:

COUNCIL PRESIDENT DARRELL L. CLARKE
COUNCILMAN JAMES F. KENNEY, CHAIR
COUNCILMAN W. WILSON GOODE, JR., VICE-CHAIR
COUNCILMAN BOBBY HENON
COUNCILMAN BRIAN J. O'NEILL
COUNCILMAN MARK SQUILLA

BILLS: 120915

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2 COUNCILMAN KENNEY: Good afternoon. This
3 is the Council Committee on Labor and Civil
4 Service with a quorum including Council President
5 Clarke, Councilmembers Henon, Goode and myself,
6 Councilman Kenney as the Chair. We're here to
7 listen to testimony and vote on -- consider a
8 bill, just one bill, which is an ordinance
9 amending Title 22 of the Philadelphia Code
10 entitled "Public Employees Retirement Code," to
11 provide an exception to membership in the
12 Retirement System for participants in certain
13 grant-funded programs, all under certain terms and
14 conditions.

15 This is going to be a record speed. Also,
16 let the record show that Councilman O'Neill is
17 also present.

18 MS. HERNANDEZ-VELEZ: Good afternoon.

19 COUNCILMAN KENNEY: Good afternoon. Please
20 identify yourself.

21 MS. HERNANDEZ-VELEZ: I am Lydia
22 Hernandez-Velez, Deputy Managing Director for
23 Aging. And I'm here to testify in support of Bill
24 No. 120915, which would exempt participants in the

1 federally funded senior community service
2 employment program from making contribution to the
3 City's pension system.

4 Pursuant to the federally funded program,
5 the City places a number of seniors in government
6 and non-profit agencies to gain skills that their
7 prior work experience did not provide. Then we
8 assist them in obtaining unsubsidized employment.
9 The program subsidized the wages while they are in
10 the training placement.

11 For various reasons, the program
12 participants are treated as City employees insofar
13 as paying their subsidized wages. And as such,
14 pursuant to the current requirements of the
15 Philadelphia Code, the City has routinely taken
16 pension contributions from the pay of all
17 participants. Such contributions are returned to
18 the participants when they leave the program.

19 The Philadelphia Corporation for Aging
20 overseas the program on behalf of the State and
21 Federal Government has presented the city with an
22 audit finding that the City's deduction of pension
23 contributions from the paychecks of the senior
24 community service employment participants violates

1 federal regulations, which forbids the use of
2 program funds for pension contributions.

3 The fact that the CSEP participants are
4 treated as City employees creates a conflict
5 between the pension code, which requires pension
6 contributions from all pay of all city employees,
7 and the federal regulations concerning the senior
8 community service employment program which forbids
9 the use of program funds for pension
10 contributions. Although the Law Department has
11 approved temporary suspension contributions by
12 program participants while they work to fix the
13 Philadelphia Code, it is necessary to formally
14 amend the Code to exempt the program participants
15 from having to make the pension contributions in
16 order for the program to satisfy requirements of
17 federal law.

18 Although, we are not aware of any similar
19 situation in any other area of city government,
20 the bill would also provide for an exemption under
21 any similar circumstance where pension
22 contributions from people paid through federal
23 funds is prohibited by federal law.

24 We ask for a favorable recommendation

1 regarding the bill. And a suspension of the rules
2 to allow first reading at the next Council
3 meeting.

4 Thank you for your consideration of this
5 matter. And I'm available to answer any questions
6 you might have.

7 COUNCILMAN KENNEY: Thank you for your
8 testimony.

9 Let the record reflect Councilman Squilla
10 is also in existing -- also in attendance.

11 And is there any questions for this
12 witness?

13 Seeing none, is there anyone else to
14 testify on this bill?

15 Seeing none, then I'll conclude our public
16 hearing and we'll now enter our public meeting.

17 Chair recognizes Councilmember Goode for
18 motion on Bill No. 120915.

19 COUNCILMAN GOODE: Thank you, Mr. Chairman.
20 I move that Bill No. 120915 be reported out of
21 this Committee with favorable recommendation and
22 rules of Council be suspended so as to permit
23 first reading at our next Council session.

24 COUNCILMAN HENON: Second.

1 COUNCILMAN KENNEY: Moved and seconded.

2 All in favor?

3 (Ayes)

4 COUNCILMAN KENNEY: There are none opposed.

5 Bill No. 120915 reported out of this Committee

6 favorably. And a request made for all suspension

7 to allow for first reading at our next Council

8 session.

9 Thank you very much for your attendance.

10 (Committee Meeting on Labor and Civil

11 Service adjourned at 3:14 p.m.)

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