COUNCIL OF THE CITY OF PHILADELPHIA

COMMITTEE OF THE WHOLE - BUDGET

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Room 400, City Hall
Philadelphia, Pennsylvania
Tuesday, March 20, 2007
11:20 a.m.

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PRESENT:
COUNCIL PRESIDENT ANNA C. VERNA
COUNCILWOMAN JANNIE BLACKWELL
COUNCILMAN DARRELL L. CLARKE
COUNCILMAN W. WILSON GOODE, JR.
COUNCILMAN WILLIAM GREENLEE
COUNCILMAN JACK KELLY
COUNCILWOMAN DONNA REED MILLER
COUNCILMAN JUAN RAMOS
COUNCILWOMAN BLONDELL REYNOLDS BROWN
COUNCILMAN FRANK RIZZO
COUNCILWOMAN MARIAN B. TASCO

BILL 070116 - An ordinance adopting the Operating Budget for Fiscal Year 2008.

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COUNCIL PRESIDENT VERNA: Good morning, everyone. This is a public hearing of the Committee of the Whole, and I would ask Mr. McPherson to please read the title of Bill No. 070116.

MR. McPHERSON: Bill No. 070116, an ordinance adopting the Operating Budget for Fiscal Year 2008.

COUNCIL PRESIDENT VERNA: Ms. Wilkerson, are you going to be testifying on this bill?

MS. WILKERSON: Thank you. My name is Joyce Wilkerson. I am Chief of Staff to Mayor Street. Thank you for this opportunity to provide testimony regarding the FY08 Operating Budget for the Office of the Mayor.

The total amount requested for the Mayor's Office from the General Fund for Fiscal Year '08 is $5,151,280, a decrease of $278,533 over Fiscal Year '07 estimated obligations.

Of this total amount, 4.9 million is for employee compensation;

purchase of services, material, supplies and equipment; and contributions. The largest portion of this request, the Class 100 appropriation, includes 4.2 million for 62 positions and represents a decrease of $78,533 from the FY07 estimated obligation. The 62 positions is the same number of positions authorized for FY07 and reflects the FY07 transfer of Empowerment Zone positions from MOCS' budget to Mayor's Office budget and the related consolidation of Empowerment Zone and NTI initiative staff under the direction of a single senior administration official in the Mayor's Office. The Empowerment Zone Grants Revenue request remains in FY08 MOCS budget. There's also a decrease of $200,000 in the Class 200 appropriation reflecting the non-recurring funding at the level of '07 for the Mayor's Education Advisory Task Force.

This is an appropriate moment to say a few words about NTI.

And I'm not going to really go into that part of my testimony. Eva will be here later on talking about the wonderful work that NTI has done.

I am also pleased to report that the City's investment in our federal and state lobbying teams continued to pay healthy dividends in an environment that places critical sources of revenue in continuing jeopardy.

Our federal team was active on many fronts, playing offense and defense in protecting the City's interests. Working with the U.S. Conference of Mayors and others, the team successfully lobbied Congress to prevent the enactment of legislation that would have unduly restrained the City's eminent domain powers; to defeat sanctuary proposals that would have imposed immigration law enforcement obligations on the Philadelphia Police Department; to stop legislation that would have relaxed federal gun control laws; to prevent the proposed elimination of CDBG; and to increase the subsidy account for public housing authorities by more than 300 million in FY07 Continuing Resolution. On our behalf, the Washington team also vigorously opposed telecommunication bills introduced in the House and Senate which would have diminished or eliminated local franchise authority and the ability of local governments to ensure that cable franchises meet the needs of the community.

The City and federal lobbyists have been working closely the last several years on the UASI program to ensure that funding for Homeland Security is allocated more on the basis of risk than population. Accordingly, we consider it a win that in the FY07 Department of Homeland Security appropriations bill, Congress mandated that DHS funding levels reflect the level of threat. Philadelphia was awarded 19.5 million by DHS for homeland security initiatives, covering police, fire, port and emergency operations, 40 percent of the federal Homeland Security funds allocated within Pennsylvania.

Working with City airport officials, our lobbyists have helped us pursue project funding from the Federal Aviation Administration in 2006 and 2007. More than 34 million has been secured for the extension of Runway 17-35 to permit greater use of narrow-body aircraft; design and construction of Runway 9R's safety area; reconstruction of the cargo apron ramp; new taxiway lighting for the Northeast Philadelphia Airport; and procurement of new aircraft rescue firefighting equipment. Looking forward, a regulatory priority is to ensure that the FAA manages the national airspace allocation system in a way that helps reduce flight delays in Philadelphia International Airport.

As you know, the political landscape in Washington underwent a tremendous upheaval this past November, as the control in Congress passed to democrats. While we hope that national priorities can be realigned more closely with urban priorities in the years ahead, in the near term, Congress froze all earmarks, including some that were headed our way. Funds previously obtained through earmarks are likely to be awarded through a more competitive process, if at all.

The struggle for federal funding and City-supportive policies continues unabated. We face serious threats. We anticipate that Congress will revisit the eminent domain issue, advance a more narrow telecom reform initiative and debate the levels of funding for CDBG, public housing, social service programs, workforce investment and homeland security, among other major initiatives. In some instances, even current appropriation levels, which are already too low, are in great jeopardy, calling for sustained coordinated effort among states and municipal authorities nationwide. Our federal lobbyists have done a fine job in positioning the City to participate and, in some cases, take the lead on these initiatives.

Our state teams advanced the City's legislative agenda in Harrisburg, developing effective working relationships with the House and Senate delegations and other key leaders in the General Assembly and County Commissions Association, among others. This effort resulted in the favorable consideration of legislation the City supported and the blocking of some legislation potentially harmful to the City's interests. Success included a new $5 million line item for the Gun Violence Task Force; the committed 7.5 million to reimburse the City for state patrol; reversing the proposed statewide reduction in TANF; a statewide increase in Human Services Development Fund that brought an additional 1.9 million to Philadelphia; the veto of legislation that would have capped the hotel tax in Philadelphia at a rate far lower than the current level; the retention of meaningful local zoning control with respect to design of gaming facilities and the prevention of cable franchise legislation that would have preempted the City's authority to require a local franchise agreement and replace it with a state franchise on terms highly unfavorable to the City; compromise on amendments to the Uniform Construction Code; and the coordination of Violence Prevention Day in Philadelphia.

The principal remaining portion of the General Fund total in our proposed FY08 Operating Budget, 200,000 in Class 500, is for City scholarships. This amount will continue the Mayor's Office scholarship program for Philadelphia students who attend classes at area colleges and universities. The program is distinct from the CORE program inaugurated with the graduating class of 2004. Funding for that program is included in the Finance Department's FY08 Class 200 budget.

The Grants Revenue request for '07 is 1.139025, representing an increase of 297,000 over 2007 estimated obligations and a decrease of 126,704 from 2007 original appropriation. The grants are principally from the federal government to support the Mayor's Commission on Aging. The grants will enable funding to assist older adults with job counseling, training and placement, and health insurance counseling. As you will recall, beginning in FY05, grant funding for the Mayor's Commission on Literacy was transferred to the Free Library.

You will be hearing from the Mayor's Office of Community Services, the Office of Housing and Community Development, the Office of Labor Relations and MOIS on their Fiscal Year

'08 budget later in these hearings.

Thank you for your support and I'll be happy to answer any questions.

COUNCIL PRESIDENT VERNA: Thank you very much. Ms. Wilkerson, before I go into the questioning, I would just ask you to please remind the Commissioners that they must produce their testimony to Council 48 hours prior to their testimony.

MS. WILKERSON: I will get a memo out.

COUNCIL PRESIDENT VERNA: We still don't have tomorrow's testimony from whoever is going to be testifying.

Ms. Wilkerson, on Page 2 of your testimony, you indicate that Philadelphia was awarded $19.5 million by the Department of Homeland Security in FY07. Can you give us a detailed breakdown of how these funds will be used? Has the City received these funds or are they included in the proposed FY08 budget that's before us?

MS. WILKERSON: I will get a breakdown of those dollars. They come a round-about method to the City and I can have that detailed for you.

COUNCIL PRESIDENT VERNA: Thank you very much.

On Page 2-16, you show an FY07 estimated obligation of $200,000 for educational summit, but the name of the contractor is to be determined. Has the summit occurred and, if so, who did you contract for $200,000 and what services were provided?

MS. WILKERSON: We contracted with -- I think the company's name is Research and Action. I'll provide that. We went through the regular procurement. We issued an RFP, I believe had two firms respond to that, and made a selection. The consultant has been working in support of the Education Task Force and have been looking at the various initiatives that were begun under the partnership agreement. So they've been looking at the performance of the schools. They've been looking at just a variety of issues. We expect to have the report of the Task Force out this week. It's chaired by Jackie Barnett and also Mr. Papadakis from Drexel University. But the consultants did the staff work, much of the staff work, on that project.

COUNCIL PRESIDENT VERNA: Also, you mention on Page 3 of your testimony the City's state legislative agenda. Can you tell us the status of the additional children and youth funding you are seeking from the state. What are the consequences if we do not receive these funds?

MS. WILKERSON: Although they'll go into it in more detail, we have received about $7 million less than last year in our Needs-Based Budget request. We will end up having to cut back on some of our prevention initiatives. We actually had increased the size of the request for this year.

So we will be very actively lobbying with the delegation and other critical members in Harrisburg to recover the $7 million reduction we faced and to try to gain additional resources so that we can be as aggressive with the curfew program, the truancy program, some of the parenting initiatives that the City has had over the years.

When the Administration looks at some of the issues of violence in our community, we think at the end of the day it's going to be these investments with our children in our neighborhoods and some of these prevention programs that are going to really yield the more significant results and so we're determined to keep as many of those dollars that we can. That's why I think our experience in the past has been that when we work closely with our delegation, we meet with some success.

I met just yesterday with some of our lobbying team and they were saying that it's not just Philadelphia experiencing shortfalls in the Needs-Based Budget area but also a lot of the counties where they rely on these dollars to not just fund -- to fund core services to protect children. So we expect to have allies in that initiative this year.

COUNCIL PRESIDENT VERNA: Great. Thank you very much.

The Chair recognizes Councilwoman Tasco.

COUNCILWOMAN TASCO: Thank you.

I just have a couple of questions. On Page 2 you talk about, relative to the airport, you talk about "looking forward, a regulatory priority is to ensure that the FAA manages the national airspace allocation system in a way that helps reduce flight delays at the Philadelphia International Airport."

Is that something that we are proposing or that is something that is happening in Washington that we are supporting?

MS. WILKERSON: I don't have the details on that. When the Commerce Department testifies, Mr. Isdell can give you more information on exactly what the regulatory structure is for airspace.

We have spent considerable funds, though, in support of trying to enlarge the runways. The airport is just a huge economic engine for the City. Charlie Isdell and the people working at the airport have done a great job growing the airport. I think we're second in the country in terms of growth, passenger growth, but there are a lot of constraints that we face, some are runway driven, some are airspace driven. But Charlie Isdell will be the one that can really step you through those issues.

Just parenthetically, we'll be coming to Council shortly with proposed leases for the gates, and I think that also might be a good opportunity to talk in more detail about what's going on at the airport. There's been a lot of news recently about U.S. Air. It's our largest airline. They are not without their own challenges, and Charlie is really the expert on that rather than my venturing into an area I don't know.

COUNCILWOMAN TASCO: One other question. You say funding for the CORE program in the amount of $4 million is included in the Finance Department FY08 Class 200 budget request. The 4 million that the City puts forward, who controls the CORE funding program?

MS. WILKERSON: I forget how we ended up setting that up. That was -- I'll have to get back. I don't remember how that was resolved.

COUNCILWOMAN TASCO: What is the CORE, how much we contribute, what other entities contribute and how is the money distributed.

MS. WILKERSON: I can get you a report on that. It was four from the City. The School District was contributing four. It was a four-year obligation that we took on. There was fundraising that was going on with the private sector. But I can get you a complete list on what the utilization has been, how many kids have applied, the exact status of the program.

COUNCILWOMAN TASCO: Okay. I think that's it. Thank you.

Thank you.

COUNCIL PRESIDENT VERNA: The Chair recognizes Councilwoman Blackwell.

COUNCILWOMAN BLACKWELL: Thank you, Madam President.

Just a clarification question. Would you explain again to me, you said NTI and Empowerment Zone are all under the Mayor's Office. It was under that before, right? Is it budgeted differently now?

MS. WILKERSON: We moved the money last year. Eva can -- we moved the money last year. What we're doing this year is a continuation.

3/20/07 - WHOLE - BILL 070116

MS. GLADSTEIN: Good morning. Eva Gladstein, Director of Neighborhood Transformation.

In Fiscal Year '07 was the first year, you're correct, that our staff moved over, so that the Fiscal Year '07 and now Fiscal Year '08 budgets reflect our combined staff within the Mayor's Office.

COUNCILWOMAN BLACKWELL: Will it be that way under -- how does that affect our CDBG funding, too?

MS. GLADSTEIN: It doesn't. Our staff are primarily funded by the General Fund, with a little bit of funding coming out of the Empowerment Zone grant.

MS. WILKERSON: Some of the activities that you think of as being NTI activities, like vacant lot cleaning, are funded in the OHCD budget as opposed to putting them in the Mayor's Office budget. What we were trying to do was align the dollars in a conceptual way with working communities, but that would be, I think -- and some of the demolition monies in the L&I budget. So it's spread all over.

COUNCILWOMAN BLACKWELL: Thank you, Madam President.

COUNCIL PRESIDENT VERNA: You're welcome.

The Chair recognizes Councilman Kelly.

COUNCILMAN KELLY: Yes. Thank you, Madam President.

Ms. Wilkerson, I just want to go back to gun violence there for a minute. I know my colleague, Councilman Clarke, has, from time to time and numerous times, has been introducing legislation about gun control.

Has the Administration been working with -- as you well know, we have a new Speaker of the House. We have a new Chairman of the Judiciary Committee and we have, of course, a new Majority Leader in the House, and I'm just wondering if the Administration has been working with those people to see if they can get enactment of some gun control in the City.

MS. WILKERSON: Yes. That's at the top of the Administration's agenda. I believe there are hearings coming up within the next month on some of the gun legislation that's been proposed. We attend those. We testify in support of them. We're working with our delegation to try to get legislation enacted. That's an uphill battle, an uphill climb. There's legislation that I believe is being heard in the coming month that would provide Philadelphia with a carve-out.

COUNCILMAN KELLY: Are you optimistic of getting hearings now?

MS. WILKERSON: I'm optimistic that we'll get hearings. Whether or not we end up with legislation, I don't know, but I am optimistic that we'll be heard. We sent a delegation of representatives from Philadelphia. We've identified other mayors across the Commonwealth that are also having the same kinds of problems. This is an issue we've been in for a long time. We're going to have to be engaged over the long haul. But I think we're getting hearings now and that's a good thing.

COUNCILMAN KELLY: Also, I'd like to point out that during '07 you mentioned that 1.8 million was awarded to 29 projects across the City. And more than 65 million from the cultural and commercial corridor bond proceeds will fund the ReStore Philadelphia Corridors program. Could you give me some insight on what that's all about?

MS. WILKERSON: The ReStore Commercial Corridor program is a borrowing that the Council authorized.

NTI was about making investments in order to stimulate the development of housing, both affordable and market-rate housing. Once you begin rebuilding communities, you have to pay attention to the commercial corridors so that people in neighborhoods have not only houses to live in but some of the amenities that they expect. ReStore Commercial Corridor proposes capital investments along commercial corridors.

COUNCILMAN KELLY: So most of the money would be in the commercial end of it, the commercial corridors?

MS. WILKERSON: That's right. The commercial corridors and also some of the bond proceeds support cultural investments, and so there's money allocated for the Art Museum, there's money allocated for a pool of money in support of small cultural organizations, largely along the cultural corridors that were identified in the initiative.

COUNCILMAN KELLY: What would be the ratio of the commercial corridors versus the Cultural Fund?

MS. WILKERSON: The commercial corridors is about half and half.

COUNCILMAN KELLY: About 50 percent?

MS. WILKERSON: Yeah, 50/50.

COUNCILMAN KELLY: And the 1.8 million that was awarded to 29 projects, do you have any idea what those projects are?

MS. WILKERSON: I will get you a list of that.

COUNCILMAN KELLY: Can you get me a list of that?

MS. WILKERSON: Yeah. We're still going through some of the vetting of projects. If you want an update on the status of --

MS. GLADSTEIN: I think the projects that you're asking about were actually from some previous resources from the Neighborhood Transformation Initiative bond. We held a request for proposals process a year ago, had a number of applications and made awards, 29 awards, totalling around 1.9 million, and those were for projects on commercial corridors in neighborhoods throughout the City. Again, we'd be happy to give you a list of them, but they varied from marketing activities, signage, planting, gateway projects, beautification projects.

COUNCILMAN KELLY: Throughout the whole City?

MS. GLADSTEIN: Throughout the whole City, yes.

COUNCILMAN KELLY: All right. Thank you.

Thank you, Madam President.

COUNCIL PRESIDENT VERNA: You're welcome.

Are there any other questions or comments from members of the Committee?

The Chair recognizes Councilman Ramos.

COUNCILMAN RAMOS: Thank you, Madam President.

Ms. Wilkerson, I know this is not in your presentation today, but I got information that the amount of dollars that the City has put in, I believe, through the state -- correct me if I'm wrong -- into our summer youth program has been cut back because of the funding not being at the level that it was in the last fiscal year, and that could mean, I am told, that a thousand less of our kids will be employed this summer. And the way I'm approaching the dialogue here and the discussion about our budget is that we should -- or at least I am looking at this budget with the eyes of making sure that all programs that aid us, that helps us eliminate this crime wave, that we fund those programs so that we can have a chance to win the battle against crime and violence in our city. And to have 1,000 less kids in our city without summer employment is a very, very bad situation for our city, given that the acts of violence and homicide continue to increase as of last night.

We need to do something about

that to make sure that we -- and we should be able to address it here in City Council -- that we find a way to get the money for those other 1,000 kids and, if at all possible, bring it up and not bring it down much lower.

MS. WILKERSON: I agree with you. I think we're all going to have to engage in getting support from Harrisburg up to a more realistic level. We will -- I am not prepared to respond specifically to the summer employment. I can talk with the folk running that and get more information on that and get it to you, but I think we're all going to have to engage with the state delegation.

There's been a reduction in the TANF dollars coming into the City and, in particular, the dollars that support flexible programming at the City level, and we're all going to have to work aggressively trying to get those dollars where they need to be. It can't all just be money for cops. That's not going to get us where -- not going to get the kind of long-term success. It's not going to support kids, young adults in the way that they need to be supported.

So we're going to be working aggressively. It's been a priority. It continues to be a priority.

COUNCILMAN RAMOS: Thank you, Madam Wilkerson. This is just, I think, a very critical issue that we need to address in the next four, five weeks so that we can assure ourselves that the children in our school system, that they be able to get out of school, be part of that ten-week program and have as many of our children employed as possible, because I don't think this helps us in our fight against crime and violence and some of the disturbances in our streets.

Thank you.

MS. WILKERSON: I understand I misspoke earlier about Eva Gladstein testifying later. She's prepared to answer questions.

MS. GLADSTEIN: If I could just clarify, in terms of Operating Budget hearings, we're here today because our -- and as part of the Mayor's Office available to answer questions and with MOCS because the Empowerment Zone grant appears in the Operating Budget under the MOCS program. We'll be coming back to Council with a Fiscal Year '08 Program Statement and Budget for the NTI resources itself. We typically give that to City Council in April. So there'll be opportunity.

COUNCIL PRESIDENT VERNA: Councilman Rizzo, do you want to wait until Joyce comes back? She should be back momentarily.

COUNCILMAN RIZZO: Yes.

COUNCIL PRESIDENT VERNA: Councilwoman Miller.

COUNCILWOMAN MILLER: I'll wait for Joyce to come back.

COUNCIL PRESIDENT VERNA: Thank you.

3/20/07 - WHOLE - BILL 070116

(Pause.)

COUNCIL PRESIDENT VERNA: The Chair recognizes Councilman Rizzo.

COUNCILMAN RIZZO: Thank you, Madam President.

Chief of Staff Wilkerson, there's an issue I have an interest in and I'll have further conversations about this with the Prison Director, Prison Commissioner. It's a program that will employ the inmates that are incarcerated in the work release program. Presently there's between 50 and 75, or even maybe more, men and women that have been processed for work release. That means they can leave the jail in the morning and come back at night.

I offered to help raise some private sector money along with money budgeted in this process. And I know the Administration favors that because the Mayor has the reentry program that's a top priority, and I just want for the record to make sure that the monies, at least the seed money to get it going until we work with some private sector folks -- I'm more concerned that the program is going to move forward, because we have commitments from Fairmount Park Commission that will employ these individuals and also the Zoo is looking very seriously at employing some of the people that are processed in the work release program. But the important thing is that this isn't volunteer work. We want to pay them some dollars so when they do leave incarceration, that hopefully they won't return to that facility, because they have some training at that point and maybe they will be employable. So I just want to make sure that somewhere in this budget that that very minimum amount of money is programmed so we can launch this program in the near future.

MS. WILKERSON: I hear you.

COUNCILMAN RIZZO: Thank you. Thank you, Madam President.

COUNCIL PRESIDENT VERNA: You're welcome.

Are there any other questions or comments?

The Chair recognizes Councilwoman Miller.

COUNCILWOMAN MILLER: Thank you. Thank you, Madam President.

Good morning, Ms. Wilkerson.

MS. WILKERSON: Good morning.

COUNCILWOMAN MILLER: I just have one question. This new 5 million line item for Gun Violence Task Force, that's money that will come directly to Philadelphia?

MS. WILKERSON: Yes.

COUNCILWOMAN MILLER: It's on Page 3 in the third paragraph. And how does that money get used?

MS. WILKERSON: I don't have the details on that. I'll have to get you that information.

COUNCILWOMAN MILLER: Because I just want to state for the record I want to advocate for the Prison Society and Impact Services, who will lose their funding in June because the Jackson Hendricks dollars are all used up. And certainly both of those groups have an excellent record with recidivism percentages down as low as 17 percent, and we all know that recidivism is about 70 percent. I want to advocate for them to get some dollars, because their programs are successful.

MS. WILKERSON: I believe the Police Department testifies tomorrow, and I'll make sure they're prepared to respond to that.

COUNCILWOMAN MILLER: All right. Thank you.

COUNCIL PRESIDENT VERNA: Are there any other questions or comments from members of the Committee of Ms. Wilkerson?

(No response.)

COUNCIL PRESIDENT VERNA: Seeing none, I thank you.

MS. WILKERSON: Thank you.

MR. McPHERSON: Our next department is the Mayor's Office of Labor Relations, Mr. Tolan.

COUNCIL PRESIDENT VERNA: Good morning. Please identify yourself for the record and proceed with your testimony.

MR. TOLAN: Good morning, President Verna and members of City Council. My name is Joseph Tolan and I'm the Director of the Office of Labor Relations. I'm here this morning with my deputies, Delia Gorman and Rene Vargas, to present our budget request for Fiscal Year 2008.

The Office of Labor Relations coordinates labor relations programs for civil service employees who are represented by four major bargaining units: The FOP Lodge 5, the International Association of Firefighters, and District Council 33 and 47 of AFSCME. We engage in all aspects of labor relations, including contract negotiation, contract administration, dispute resolution and labor management cooperation.

We're requesting $549,350 in the Fiscal Year '08 General Fund budget. This represents a decrease of 36,915 from our Fiscal Year '07 estimated obligation. Our Operating Budget request includes $511,000 in Class 100 to support seven filled positions, 21,000 in Class 200 for the purchase of services and 16,000 in Classes 300 and 400 for materials, supplies and equipment.

The only thing I think that I would highlight above the written testimony that we've presented is that in Fiscal Year '08 we expect to be focusing our efforts on collective bargaining, as the contracts with all four major unions expire at the end of the fiscal year.

We are available to answer any questions.

COUNCIL PRESIDENT VERNA: Thank

you very much.

Mr. Tolan, on Page 2 of your testimony, you mention that the Administration is appealing the health and welfare awards for both Police and Fire. What is the status of these appeals and can you tell us if the Administration were to lose its appeal, what would the impact to the proposed Five-Year Plan be?

MR. TOLAN: The status of the FOP appeal, there was a reopener that covered Fiscal Year '06 and '07. The award was issued. The City appealed it as being in excess of the amounts included in the then-current Five-Year Plan and being in violation of the PICA statute.

The appeal has gone up and down in the courts. Originally Common Pleas remanded it to the panel to be rewritten. It was then returned to Common Pleas. We appealed again. Common Pleas denied our appeal. We appealed to Common Pleas -- I mean Commonwealth. Commonwealth then found that the award applied the inappropriate standard to the award of the panel. It was returned to Common Pleas, and recently it was ordered out of Common Pleas and the FOP prevailed at that level.

The appeal is again returned to Commonwealth Court for review. So we're back at Commonwealth Court to determine whether or not the original arbitration award was appropriate or if it exceeded the terms of the then-current Five-Year Plan.

If the City loses, then the terms of that award would be reinstated and the City would be required to pay the amounts called for in that award. And I'm not exactly certain of the amounts. I'm sure we can get that for you, because we have had negotiations with the FOP, for example, and have provided some advance payments when they've indicated that they were experiencing certain problems.

COUNCIL PRESIDENT VERNA: I would appreciate it if you could provide us with that information.

MR. TOLAN: Yes.

COUNCIL PRESIDENT VERNA: Also, you state on Page 2 that you have not been able to conclude your negotiations with DC 33 and 47 with regards to their health and welfare reopeners. Can you tell us why this is taking so long and what is the status of these negotiations?

MR. TOLAN: Normally we don't publicly comment in detail about negotiations that are ongoing. There have been meetings with both District Councils. There have been discussions about it. And, in fact, when they have experienced cash flow problems, we've worked out interim solutions to provide payments to them.

I think that, in part, the parties are waiting until the litigation over the FOP reopener is resolved to help set some boundaries and parameters for the other discussions.

COUNCIL PRESIDENT VERNA: On Page 3 and 4 of the detail you are requesting to move funds from Classes 200, 300 and 400 to Class 100 for reverse internal realignment of image server project in FY07. Can you explain what this means?

MR. TOLAN: Yes. For a number of years, the Office of Labor Relations has engaged in a process to scan the documents that come through our office all the time and to maintain an electronic library of them. For us, grievance documents, for example, never really become out of date and so we may need to look at something that's 20 years old, and they degrade. So we've been in this process for a number of years.

What we found out is that the library that we were building up on the City's main frame was causing a problem for the City's main frame and it was necessary for us to move to a different system, and this is the reason why we were entering into this technology project and moving money back and forth, to accommodate this movement.

COUNCIL PRESIDENT VERNA: How much money are we talking about?

MS. GORMAN: The project is approximately $35,000.

COUNCIL PRESIDENT VERNA: Okay. Thank you.

The Chair recognizes Councilwoman Blackwell.

COUNCILWOMAN BLACKWELL: Thank you, Madam President.

Good morning, Mr. Tolan.

MR. TOLAN: Good morning.

COUNCILWOMAN BLACKWELL: It has come to my attention that in the past few years there have been unresolved payoffs, one with a gentleman named William White in '88, other contracts that deal with -- where there have been lawsuits that haven't been resolved with regard to contract violations, like work and overtime, transfers, productivity standards and so on and so forth. And then the officers complain about loss of overtime wages due to the length of time many of these are taking. And in addition to William White, I understand that case goes back to '88 and it was settled in '06, but there still hasn't been a payout.

Can you respond to these issues and let us know where we are and how the City is dealing with this issue?

MR. TOLAN: I think that the cases you're talking about are primarily with the FOP. The process with the FOP is a little bit different than for the civilian unions. The grievances are handled through the Commissioner's level, and typically after that, if the union is not satisfied, they file for arbitration. Because of the arbitration caseload, which is extensive, it can take a year to two years to get an answer from an arbitrator. Once that answer is given, it's really under the auspices of the Law Department and the Police Department to determine whether or not they want to appeal it and to implement the terms of it. We try to provide tracking for back-pay issues to make sure that everybody gets the necessary documents and that things are processed, but in terms of a specific case or why it's held up, we'd have to go and research it for you to find out what problems may have arisen with it.

COUNCILWOMAN BLACKWELL: Yes, because I understand that started in 1988 and was settled in '06.

What training, if any, do you give to members of the Police Department in contract administration in order to avoid these kinds of issues?

MR. TOLAN: We offer regular management training to new supervisors and managers across the City. We don't have any specific targeted program for the Police management, but they are able to come to any of our sessions where we review contracts and where we go through general principles concerning things like just cause, discipline, contract interpretation, the role of stewards.

Upon request from a department, we will meet with their management to try to develop some additional training if they've identified specific problems that they want, but we haven't had a conversation like that with the Police Department.

COUNCILWOMAN BLACKWELL: Madam President, we would ask that with regard to that case and then the overall length of time it takes for payout -- he mentioned two years if you're appealing -- that he get back to us on the length of time it takes to resolve issues and with millions of dollars being paid out and those not being honored once they win a case.

If you'll get that information,

research that and get that back to the President, she'll get it to all of us.

MR. TOLAN: Yes, I will. And as I said, most of that information resides with the Police Department and the Law Department, because they actually implement those awards. But we'll pull that together.

COUNCIL PRESIDENT VERNA: Fine. Thank you very much.

Are there any other questions or comments from members of the Committee?

(No response.)

COUNCIL PRESIDENT VERNA: Thank you very much for your testimony.

MR. TOLAN: Thank you.

COUNCIL PRESIDENT VERNA: The Committee will stand in recess until 12:45.

(Short recess.)

COUNCIL PRESIDENT VERNA: The Committee of the Whole is now back in session.

3/20/07 - WHOLE - BILL 070116

The next department that we'll hear from?

MR. McPHERSON: Is the Mayor's Office of Information Services.

COUNCIL PRESIDENT VERNA: Good afternoon. Please identify yourself for the record and proceed with your testimony.

MR. PHILLIS: Good afternoon, Council President Verna and members of City Council. I am Terry Phillis, the Chief Information Officer in the Mayor's Office of Information Services. On behalf of the entire staff of the Mayor's Office of Information Services, I'm pleased to provide this testimony on our proposed Fiscal 2008 Operating Budget. With me this afternoon is Mr. Joe James, my Deputy CIO and Director of Operations.

The Mayor's Office of Information System works in partnership with City agencies to implement and manage information systems that support and enhance City government operations.

MOIS coordinates the City's information technology activities by providing centralized planning, IT standards, IT project management, computer training and desktop support. MOIS also operates the City's central data center, the metropolitan wide-area network, known as CityNet, and the operations support center. This year the voice and data communications responsibilities of the Department of Public Property have been moved to MOIS, along with the staff and funding to support this critical City function. I am very pleased that Joe James, who is pretty well known by all of you, has agreed to become my Deputy CIO and Director of Operations at MOIS. I believe that this realignment of responsibilities presents a significant opportunity to improve services through the synergy of combining network and communication activities in one organization. I will discuss these opportunities later in the testimony.

With this merger, that has shown an increase of 55 full-time positions. This represents a transfer of 26 positions from the Communications Division of Public Property to MOIS and 29 positions that were unfilled at the end of December. The 29 positions that were unfilled at the end of December have now been filled and one-third is left remaining at this point.

At this point, what I'd like to do is talk a little bit about what has happened at MOIS during the past year and what is coming up in the future.

In the coming year, MOIS will strive to improve our ability to meet the information technology needs of the City by strengthening and expanding our internal core capabilities to deliver service to the departments and agencies who actually are our customers. We are striving to deliver services that meet the specific needs of our customers in a professional, reliable, sustainable and consistent and cost-efficient manner. We want departments and agencies to choose to use our services because they have concluded that it represents the best value for them to meet their technology needs.

Some of our current accomplishments are, we have enhanced the City's e-mail capability and brought everyone within the City to the same version of e-mail under Lotus Notes. This affects over 16,000 employees. We are just completing that project as we speak.

MOIS created during the past year a security team which will address not only the security needs within MOIS but also the IT security needs within the entire City. We have hired a Chief Information Security Officer and staffed his organization with four additional people. That has now been done.

We have taken the use of ePayPhilly or the electronic payments that the City has now availed people of to pay their water bills, et cetera, and our projections for the end of this year are that we will exceed 83,000 transactions, and the opportunity to use this in the future is even greater than that. We have just begun to utilize the potential of this service.

We've updated the City's GIS data and other applications to integrate spacial data with business needs. We are in the current process of updating our central computer technology infrastructure over at 1234 Market Street in the SEPTA building. Our computer operations there is on the 15th floor. We are in the process of rebuilding that infrastructure to give us a two- to five-year capacity to be able to meet the City's needs while we begin to look for a better opportunity to place a structure that will meet the needs of the City in the future.

We have deployed an imaging

system as an enterprise opportunity for the City. At this point, we have 12 departments and 50 million documents captured on that system.

We have taken a tool known as Metastorm eworks and it gives us the opportunity to automate internal workflows that have eliminated many of the swivel-chair arrangements that are costly and inefficient in today's environment.

We deployed a new web content management solution to support the growing needs of the public usage of Phila.gov. Overall, we are meeting with each one of the departments in the City to make sure that our website lives up to the standards and the technology of today's environment.

Also, last year, we established a Project Management Office within MOIS. The Project Management has the responsibility to coordinate with the City's departments and agencies on their technology needs and to assist in developing and managing technology products designed to meet those needs.

The PMO, or Project Management Office, in financial year '08 will continue to be a focal point for interaction between the departments and MOIS. Currently, our PMO is directing and managing several very large enterprise technology projects. Let me mention a couple of those for you.

Project Ocean. We are in the process of being able to say that Project Ocean is back on track and is expected to be completed before the end of this year.

HRIS, which is a replacement for our HR system, we expect this also to be completed by the end of the year, and MOIS is the principal project management leading both of these projects. Both Project Ocean and HRIS are a result of the investment we made in the Oracle E-Business Suite several years ago.

We are in the process of

deploying a wireless solution with Wireless Philadelphia. This will give City workers in the field access to the needed systems and data that they need to do their job. This should provide efficiencies and a much better way for them to do their jobs in the future.

We're developing and leading the project known as Citywide Video Surveillance, which is part of Mayor Street's Safe Streets initiative. We have just completed our initial draft of an RFP that will be issued shortly for this project.

With our merger with Public Property and the Communications Division coming over to MOIS, this reorganization of responsibilities and resources will eliminate the divided responsibility for planning, developing and maintaining the City's communications and data networks. It will provide a much stronger technical organization.

By combining the networking

strengths of Public Property and MOIS into a single organization, the City will be in a far better position to leverage new and emerging technology that the City must embrace if it is to meet the future demands in a cost-efficient manner. In that light, the City has begun planning and development of the next generation of networking to support the City's technology needs.

It is both operationally critical and fiscally necessary for the City to migrate towards a single integrated data and communications network providing integrated interoperability that can be shared among City users.

Madam President, this concludes my testimony. I want to thank you and City Council for your ongoing support, and I'll be glad to answer any questions in regards to MOIS or the projects that we're dealing with.

COUNCIL PRESIDENT VERNA: Thank

you very much.

On Page 3 of your testimony, you mention NTI of $2,482,000 for the completion of a Unified Land Records System, Virtual Management Information System. What is the total of these systems and can you tell us what was the total amount of NTI funds budgeted for these projects?

MR. BALDINGER: My name is David Baldinger. I'm Director of Strategic Planning for MOIS.

Over the five-year period, I believe there were $5.3 million that were budgeted for technology associated with NTI. That included the Vacant Property Management Information System and the Unified Land Records System.

COUNCIL PRESIDENT VERNA: Was it $5.3 million? Was that the total amount of the NTI funds budgeted for these projects?

MR. BALDINGER: Yes, ma'am. Over the various years of the NTI program, yes.

COUNCIL PRESIDENT VERNA: Thank you.

On Page 5 you mention deployment of imaging and document management solution. Can you explain what that is?

MR. PHILLIS: It was a project that was originally started with Fleet Management to be able to image all of their documents that dealt with the service of vehicles, et cetera. It has since been expanded to deal with 12 other departments. And what this amounts to is anybody who has documents that used to be stored in a paper format now has the ability to have those scanned and put into a system that allows retrieval at any time.

COUNCIL PRESIDENT VERNA: What other departments have access to the system?

MR. PHILLIS: Revenue, Pensions. I can get you a more inclusive list, if you'd like.

COUNCIL PRESIDENT VERNA: Please.

You also mention automation of business processes using a Metastorm eworks tool. Can you explain that in layman's terms? What is it?

MR. PHILLIS: Metastorm is the manufacturer; eworks is the name of the specific tool. And what it amounts to is, in a lot of the Legacy systems you have what's known as swivel-chair arrangements where somebody retrieves data from one particular application, turns around and reenters it into another application. Eworks allows you to link these together in such a way that it no longer has to come out of the system but instead allows you to integrate those swivel-chair arrangements.

COUNCIL PRESIDENT VERNA: You state that additional departments and projects are proposed for the coming year. Again, can you give us any more information on that?

MR. PHILLIS: In regards to the eworks?

COUNCIL PRESIDENT VERNA: Yes.

MR. PHILLIS: Yes. MOIS -- we have stood this up initially as a trial. We then had to take and industrialize it and get it to the point that we have the appropriate platform to operate it on and be able to build the right kind of expertise within the organization so that we can go out to the other agencies and say, Here's what we can do for you, what do you have that might be a candidate for this enterprise tool. We haven't done that yet because we're just finishing setting up that environment.

COUNCIL PRESIDENT VERNA: Very well. On Page 7 you mention public safety video surveillance cameras. Can you tell us how many cameras you will be installing in FY08 and, further, can you also tell us what funding has been included in the proposed budget for this initiative?

MR. PHILLIS: Okay. Right now we are looking at during FY08 -- and this is preliminary at this point, but we're looking at the installation of 250 cameras during the FY08. The number of cameras, though, is just a portion of the answer, because the infrastructure and the network transport to be able to deliver it as well as all the policy decisions that have to be made has to be done to support even one camera.

So we're expecting to be able to get 250 cameras prior to the end of '08. And at this point right now, I believe the total is -- we have $5 million that was appropriated for FY07 and we have 1.5 million that was appropriated for FY08.

COUNCIL PRESIDENT VERNA: I'm sorry. How much was appropriated in '08?

MR. PHILLIS: Five million was appropriated for FY07 and 1.5 million was appropriated for FY08. So that's 6.5 all together.

COUNCIL PRESIDENT VERNA: On Page 8-4 of the detail you are moving $540,000 from Class 200 to your payroll account. Will you please explain this transfer request?

MR. PHILLIS: Where's that at, Madam President?

COUNCIL PRESIDENT VERNA: Page 8-4.

MR. PHILLIS: Not in the testimony, but in the budget itself.

COUNCIL PRESIDENT VERNA: Yes.

COUNCILWOMAN BLACKWELL: Madam President, while they're looking that up, may I follow up on one of your questions about the cameras.

And, that is, the state has been involved in that. We were supposed to get cameras and Leon was here and we talked about getting them in my area, for example, in Mill Creek. How does that fit with what the City is doing? And I know there was a question about ownership and maintenance. Have we worked that out?

MR. PHILLIS: That's the process that we're working for, but, yes, the multi-faceted question. The first part of that was how does the 250 cameras, I think, relate to what you would request for your district. We have that in this preliminary list, which hasn't been vetted out amongst Council, the Mayor, et cetera. Right now it represents a public safety view of where 250 cameras would go or basically the first 120 locations. And we haven't published that. We haven't vetted it out with anybody to make sure that that is the appropriate 120 locations.

We have a meeting this afternoon as an executive Steering Committee to decide how we're going to do that, but what it -- out of that 120 locations right now, there is an allocation of a minimum of five cameras per each Council district.

3/20/07 - WHOLE - BILL 070116

COUNCILWOMAN BLACKWELL: What about those that the state came in all ready? For example, I don't know, last summer at the Lucien E. Blackwell Mill Creek Homes in that area, the state Attorney General came in, they already made a commitment and all of that. Is that part of this or is that separate?

MR. PHILLIS: Those are the PHA cameras?

COUNCILWOMAN BLACKWELL: Yes.

MR. PHILLIS: They are not part of that 120 locations. Part of our project is to figure out how we would assimilate these cameras that were brought in from other organizations, because we are getting requests from multiple organizations that have video surveillance cameras that have been installed and they would like to kind of transfer those to the City to be utilized in a complete way with all the other cameras. We have not figured out how to do that yet, but the intention is to do that.

COUNCILWOMAN BLACKWELL: Thank you.

MR. PHILLIS: We have an answer for you on transfer.

COUNCIL PRESIDENT VERNA: Just a minute. Getting back to the cameras. Are you working with the Police Commissioner to ascertain where he feels the best locations would be for the installation of the cameras?

MR. PHILLIS: Yes. Those 120 locations were actually supplied by the Police Deputy Chief Gaittens as to his view of what would be the most appropriate and prioritized list.

COUNCIL PRESIDENT VERNA: And along with that, I understood you to say that each Councilmember would also give five locations where they feel they should be installed?

MR. PHILLIS: Well, we haven't figured out when you say "they feel." The list that we have right now is based on where the Police feel the best five locations --

COUNCIL PRESIDENT VERNA: But didn't I understand you to say that each Councilmember would have, I guess, a choice of five locations?

MR. PHILLIS: No. That isn't what I said.

COUNCIL PRESIDENT VERNA: Then I probably misunderstood you.

MR. PHILLIS: That's okay. What I said is that we've allocated five cameras per Councilmanic district, but those five that we have on the list were supplied by the Police as to what they thought were the most appropriate in each one of the Council districts. But as I said, we haven't really vetted that out as to decide whether that's appropriate or not.

COUNCIL PRESIDENT VERNA: I'm sorry. I guess I'm a little confused.

MR. PHILLIS: Can I help --

COUNCIL PRESIDENT VERNA: If

it's five per Council district, where do the others go?

MR. PHILLIS: The way the list is developed today was that the Police looked at the most problematic areas for public safety where they would like to see cameras placed. Once that was done, they also took the opportunity to say, Okay, let's just not concentrate the cameras in one area, let's look at all the Councilmanic districts and make sure that we have at least five dedicated to each district even if they weren't in the most critical areas.

Now, whether the Councilmember would like to address whether that's in a different place or not, we haven't got to that point yet. This is still a very preliminary list that was supplied entirely by the Police.

COUNCIL PRESIDENT VERNA: But how about the $5 million that was appropriated for '07? Is that part of the 125 that you're referring to?

MR. PHILLIS: The $5 million that was appropriated for '07 was given to us to try and get this project on track and moving forward. It included engineering services and some other consultation that we had to rent to complete where we're at.

COUNCIL PRESIDENT VERNA: So how much of the $5 million has been spent?

MR. PHILLIS: I don't think we've actually invoiced and spent any of it yet. That's what -- our RFP that's going out will address that.

COUNCIL PRESIDENT VERNA: I think you said you had an answer for me?

MR. PHILLIS: Yes.

MR. BALDINGER: Yes, ma'am. David Baldinger.

Again, last year at MOIS we had a significant number of vacancies on our staff and, as a result, we had transferred -- there was money that was not needed in Class 100 that was moved to

200 in order to do staff augmentation.

In the coming year, we're looking to actually fill all of those positions. So, therefore, in order to get us back to the level at which we needed in Class 100 to fill all of the vacancies that we had, they had to add another half a million dollars back into Class 100.

COUNCIL PRESIDENT VERNA: Thank you.

I don't know how anybody else feels, but -- I know you're next. Is everybody clear on the video surveillance cameras? Because I think it's been made very unclear to me.

We have $5 million in '07 and $1.5 million in '08 and we're going to be installing 125 of these cameras. I don't know exactly where we are.

MR. PHILLIS: Okay. First of all, it's not 125 cameras. We have 120 locations.

COUNCIL PRESIDENT VERNA:

Locations, okay.

MR. PHILLIS: That could be a combination of one camera versus four or five cameras, depending on what is necessary to cover a location. So we're talking about we hope to be able to place 250 cameras within the '08 budget year. We have right now a list of 120 locations that have not been vetted out to say everyone is in agreement with these camera placements. What we have right now is 120 locations that were developed by the Police Department as to what they felt were the most critical areas to place cameras. Also what they did was say that there should be at least a minimum of five cameras in this early placement in each Council district. So they looked at what was the best, to their view, public safety locations in each district where they could also place a camera. That's where we have the 120 locations. It's the combination of those two things.

3/20/07 - WHOLE - BILL 070116

COUNCIL PRESIDENT VERNA: Do you feel that the $5 million will all be spent in '07?

MR. PHILLIS: No.

COUNCIL PRESIDENT VERNA: So it will roll over to '08?

MR. PHILLIS: Yes.

COUNCIL PRESIDENT VERNA: Mr. McPherson is telling me that you can't carry it over because it's not in the budget.

Is Ms. Reed here?

MR. PHILLIS: It really wasn't in the budget.

COUNCIL PRESIDENT VERNA: I beg your pardon?

MR. PHILLIS: I don't believe it's in the budget.

MS. REED: Dianne Reed, Budget Director.

We probably can't spend $5 million in the remaining months. I'm a member of the Steering Committee for the camera surveillance project, so I've been in the discussions.

We put a million and a half in the budget for '08 as a placeholder. When we get the RFPs back from -- I mean the responses back from the RFPs, it will kind of give us a better idea of what the costs will be. I know one of the things we've been talking about -- and we're having a meeting today to further clarify this -- is to make sure that we would have the opportunity to deploy cameras everywhere throughout the City, but that we probably will prioritize the areas where we would get the biggest bang for the buck in terms of fighting crime and violence, as required by the City referendum that passed in the fall. And this is going to end up probably naturally distributing itself across Councilmanic districts, I would think, because it's likely to be commercial areas, where there's foot traffic, which is where nuisance crimes occur and aggravated assaults and all kinds of things, including even up to the homicide level.

So that right now we've got the million and a half dollars. There's a placeholder. But, yes, I totally agree with Charlie that that money is not going to roll over automatically. So we'll have to see what kind of accommodation we can get to when we finally do the budget later in the year.

COUNCIL PRESIDENT VERNA: Did you want to be recognized, Councilman?

COUNCILMAN CLARKE: Yes, Madam President. I wanted to follow up on some of the questions with respect to this issue since we have been intimately involved early on in the process, if it's okay with you.

COUNCIL PRESIDENT VERNA: Sure. Please do.

COUNCILMAN CLARKE: First of all, with respect to the $5 million, that was a transfer ordinance that we sponsored earlier this year. The basis for that at the time, it was told to me that there was no money budgeted for any additional purchases of cameras. In the earlier pilot phase, I know there were a number of locations. Between 16 to 20 cameras have been selected and placed in various areas, not necessarily a part of any real strategy; i.e., policing and movement. So we did that to make sure that there was in fact money available whether or not the issue with respect to the ability to roll it over, because it wasn't a budget bill. It's hopefully something which can be resolved, because I do know that we're going to need 5 million and more ultimately if this system gets built out. And I didn't hear all your earlier testimony. I knew there was probably going to have to be a facility built to accommodate the cameras, the monitors and the cameras that need to be monitored, because my understanding is the Police Department is not capable of handling that level of work that will be needed to be done on a citywide basis.

The other question -- and you talked about specific locations having been identified based on Comstats and other issues relating around law enforcement. It's my understanding that there's probably going to be a strong likelihood -- and we've already seen some levels of that -- where private individuals or companies or entities would like to be in a position to pay for their own cameras themselves and be able to be linked into the City's system, and in terms of our buildout, are we looking at the possibility of being able to do that? I know on a number of the commercial corridors we've already had expressions of interest. Some people have actually already put cameras up, anticipated that they would ultimately be able to tie into our systems.

One, I want to know have you all taken into account that there's a strong likelihood that a number of these people or companies or associations would like to be in a position to purchase their cameras and tie into the City system? And during the course of the negotiations with whomever ends up being the respondent in the ultimate selection of a company, are they taking into account that beyond the City's cameras, there will be the need to be able to access other cameras?

MS. REED: Councilman, in discussions in the Steering Committee for the project, we have talked about independent purchasers of cameras and what the City's responsibility for that should be. The Port Richmond Business People's Association has put cameras in place and they are recording the data at their own expense, which they would make available to the Police Department if a crime -- if there's knowledge of a crime and, therefore, you have a record of, assuming it was in the camera area, of who was there.

We have talked about what is the best policy the City should develop relating to these, because there are public housing situations where this might be appropriate, and we're trying to make sure we come up with something that is appropriate, because to some degree, there may need to be a community-based monitoring project that goes along with this, because for the City to take on the responsibility for all kinds of private investments, because the back end of the staffing of the monitoring can be a very, very expensive part. So we're trying to be careful in what we end up committing the City to in being responsible for other people's systems. If it's not -- we're trying to put together a policy statement that makes sure we achieve our priorities with what we can afford, and if other people have priorities, how we might prioritize including them within what we do.

COUNCILMAN CLARKE: And I understand that, because there is a pretty high cost associated with not only the equipment but the person power associated with that. What I'm concerned is that we do not have a concurrent process where we essentially put out a bid solicitation, we select the contractor, the contractor puts up the necessary camera system, be it a hybrid -- I guess it's ultimately going to be some wireless, some fiberoptics on hard wire -- and then we realize that there are a number of people who would like to be able to participate in this surveillance program; i.e., private purchaser of cameras, then we have to start this process all over of addressing our ability to entertain that.

We know, I believe, that there are going to be people, particularly the Philadelphia school system, the Public Housing Authority, who has already expressed an interest in tying into it.

Shouldn't that as a part of this process be in the discussion so we know that they will be able to accommodate those?

And I agree with you with respect to the actual monitoring. When we looked at Baltimore, there was a citizens component, and I think there needs to be one in this also. But what I don't want to have happen, frankly speaking, because this should have been done a long time ago, is, we had a discussion, we had a couple of public hearings, we did a referendum on the ballot, then we did another public hearing and then we did a couple of site visits to convince people that we needed to do this, and all this took the space of two years and we finally decided to do that. Now we say, Okay, let's go out and do a bid solicitation two years down the line, when I'm sure it was clear to everybody involved that this was probably something that we were going to end up doing.

So during the course of that two years, we should have been working on all of the nuances of ultimately implementing that so we would be in a position to have these cameras up now, and I'm just concerned about continuing that pattern where we do one thing -- and not to mention the fact that early on in the process, we didn't -- and I'll take responsibility, as much blame for this as anybody else, because I was involved in it to some degree, that we were doing EarthLink and talking about putting up the Internet service across the City of Philadelphia, but we weren't discussing with them at the same time their ability to accommodate ultimately camera systems. And had we had those conversations at the same time, we wouldn't now have to be in those discussions that I'm understanding we're currently in.

So as we move ahead, I really would like to see all of these things happen on a parallel track so we can get these things up as soon as possible.

MR. PHILLIS: First of all, let me say I'm in violent agreement with everything you just said, because it's absolutely true. The RFP that's going out does provide for the assimilation of other camera systems into what we're asking for. We're not far enough along where we can identify the specifics to give to the respondent at this point which ones, but the RFP does say that at the City's request, we are looking for them to assimilate these other systems. So we are looking to do that.

COUNCILMAN CLARKE: Okay. In the citizens process, if we're talking about possibly summer understanding the first cameras may go up, who in the Administration is working on the citizens component in terms of assisting on monitoring? And in addition to which, I want to know -- you may have mentioned this -- to what degree we've had conversations with the contractual relationship. Because I know there's some thought about having some private workforce monitor cameras, the Police or District Council 33 employees. I know that conversation has been going on. So are we having those concurrent conversations on all of those other ancillary issues?

MR. PHILLIS: There are subcommittees that are working on each one of those issues. Getting the RFP out there is to be able to decide on the camera installation, the maintenance, the moves, adds and changes that would be associated with cameras, the transport layer that would bring the video image back to the City's network, be able to take it to a monitoring station where we would decide how to monitor it with our employees, whether they're the Police or District 33 or whoever it might be. There are committees that are working on each aspect of this concurrently with getting the RFP out.

3/20/07 - WHOLE - BILL 070116

COUNCILMAN CLARKE: On the employee side.

MR. PHILLIS: Yes.

COUNCILMAN CLARKE: And that's a committee within government?

MR. PHILLIS: Yes.

COUNCILMAN CLARKE: Are the various unions associated with the City's component involved in that discussion?

MR. PHILLIS: They're not at this point, but they will be.

COUNCILMAN CLARKE: Ultimately?

MR. PHILLIS: Yes.

COUNCILMAN CLARKE: In terms of the citizens component; i.e., Town Watch or any other support groups, is somebody working on that?

MR. PHILLIS: I believe the Managing Director's Office is actually working on that piece of it.

COUNCILMAN CLARKE: I'm asking these questions, I actually probably know the answer to most of them, but I just want them for the record.

Is there anyone from the Managing Director's Office that can speak about that particular aspect?

MR. PHILLIS: No, but they'll be here tomorrow and I'll be here with them.

COUNCILMAN CLARKE: Okay. Thank you. Thank you.

Thank you, Madam President.

COUNCILMAN RIZZO: Point of information.

COUNCIL PRESIDENT VERNA: The Chair recognizes Councilman Rizzo.

COUNCILMAN RIZZO: Thank you, Councilman Clarke, for bringing up that issue.

As a result of a Streets and Service Committee hearing, Wachovia was in here getting approval to move forward a kiosk that was located at Kensington and Allegheny. And knowing that the video surveillance camera program was moving forward, I approached the representative of Wachovia that day, and they expressed interest in becoming part of the surveillance camera program, and that leads me to what Councilman Clarke brought up is a very important issue, because our banking community certainly has ATM machines spread throughout the area, that we could probably accomplish a lot. We could do the big picture, plus also be focused on the activity at their technology, and I think that would be good for them because they would certainly communicate to their customers, Feel comfortable coming here, it's a location that's under surveillance.

So that partnership, I think, is something that we really have to develop, because I'm sure once Wachovia moves forward, then the Commerces and the Citizens Bank, many of them will want to partner in this program. So that component is important on how we as a city partner with these organizations so they're willing to participate in the program. From what I understand, some of those institutions even have their own monitoring areas that possibly could be utilized to monitor that location. So that component is, I think, going to be very important, because I think it's going to be very popular once it gets moving and that community, especially the banking community, will be, I think, very interested in involving themselves in the program.

MR. PHILLIS: You're absolutely right. The interoperability of all these different systems that are out there or suggestions on the systems that should be out there, we have to deal with the interoperability of that as to whether they may have a monitoring site that would call over to our monitoring site or however that would work.

We haven't dug into the operational aspects of all that yet. Once we get this RFP out, we have the opportunity to go in a concurrent path to work on some of these other initiatives while the RFP is taking its own course.

COUNCILMAN RIZZO: Terrific. Thank you.

Thank you, Madam President.

COUNCIL PRESIDENT VERNA: You're welcome.

I really don't want to belabor this issue, but can you tell us when it's anticipated that these cameras will be installed?

MR. PHILLIS: Well, since we don't have -- we haven't even issued the RFP yet.

COUNCIL PRESIDENT VERNA: Oh, you haven't issued it yet?

MR. PHILLIS: No.

COUNCIL PRESIDENT VERNA: Let's go through the process of that, please.

MR. PHILLIS: Okay. We are hoping to issue the RFP within the next, I would say, maybe 48 hours.

COUNCIL PRESIDENT VERNA: Very well.

MR. PHILLIS: We have given the

respondents approximately a month to respond to this, because we're not looking for respondents that could build a network, we're looking for respondents that have the facilities to be able to provide this for the City. So we feel that four weeks is sufficient to do that.

As soon as we get that back, we expect to spend about four or five days going through the qualification of those responses and being able to award the contract to the respondent that we choose at that point.

If this all goes as planned, then, of course, we have a rather significant contract that has to be negotiated with quality of service, service level agreements. There's many, many aspects into what will end up being a very complicated contract.

Our goal is to be able to install some cameras starting in June, with the eventual roll-out of 250 cameras during the financial year of '08. I can't give you a better date than that because we still have questions about locations, and until we get a response back from people that can provide the service, I'd just be giving you dates that won't mean anything.

COUNCIL PRESIDENT VERNA: And you also indicated that we would have employees to be monitoring?

MR. PHILLIS: Yes.

COUNCIL PRESIDENT VERNA: And that would be in '08, I assume?

MR. PHILLIS: Yes.

COUNCIL PRESIDENT VERNA: Does it appear anywhere in the budget as to how many employees we will have and how much it will cost?

MR. PHILLIS: No, it doesn't, because the number of employees will be dependent on which way we choose to monitor, how much smart camera technology we use, how we set up the monitoring stations. We're dealing with a number right now that it's very iffy as to what that would be. But to your answer, no, we have not anticipated that, other than the 5 million and the 1.5 that has been appropriated at this point.

COUNCIL PRESIDENT VERNA: So we go back to 5 million for '07.

MR. PHILLIS: Yes.

COUNCIL PRESIDENT VERNA: And you said that you have not spent any of the $5 million.

MR. PHILLIS: No, not at this point.

COUNCIL PRESIDENT VERNA: So how much do you expect to spend in '07?

MR. PHILLIS: We actually estimated that we might spend as much as 1.5 million in the '07 with our response coming back from our RFP. But we have 5 million that has been allocated to '07, but we only expect to spend up to 1.5.

COUNCIL PRESIDENT VERNA: So in total then for '07 you would have like $3 million, 3.5?

MR. PHILLIS: No; for --

3/20/07 - WHOLE - BILL 070116

COUNCIL PRESIDENT VERNA: Between '07 and '08?

MR. PHILLIS: For '07 we expect to spend 1.5 out of the 5 million, and right now we have allocated the 1.5 for '08. So that would give us a total of 3 million at this point if none of that money rolls over and there's no other funding associated with this, that that's all there would be for this camera project for '07 and '08, you're correct.

COUNCIL PRESIDENT VERNA: I don't know how you pay employees if you don't have them budgeted. I'm going to leave this alone.

The Chair recognizes Councilman Greenlee.

COUNCILMAN GREENLEE: Thank you.

COUNCILMAN RIZZO: Madam President.

COUNCIL PRESIDENT VERNA: Oh, I'm sorry. Your light went off because you asked for a point of information.

The Chair recognizes Councilman Rizzo. I'm sorry.

COUNCILMAN RIZZO: No disrespect, Councilman.

First I'd like to comment on the imaging that Fleet Management kind of launched. I understand that's been so successful that they've been able to coordinate -- and I know Joe James and Frank Punzo and your organization really pulled all of this together, but they tell me they've consolidated and are able to do the invoicing, the billing. It's really made Fleet Management especially, because they're the ones that really pushed for -- that Jim Muller and Bobby Fox over there -- that they tell me that this has really been a very, very successful program, that imaging program, because they had to fax every document to the Clerk at the central location and now all the various shops spread around the City, they're doing it like a business now and it really, from what I hear, has been very, very effective. So congratulations on that home run.

MR. PHILLIS: Thank you.

COUNCILMAN RIZZO: The other issue is -- and I'm not sure whether your shop handles this or communications will handle it. You mentioned about how important it is to stay with this emerging technology, and I agree with that totally, but I've been hearing about GPS in our government now, global positioning, for our Sanitation Department so they know where there's a truck closest to the problem. If there's a street pothole or a cave-in, they can just look almost instantly and see what closest unit is near there. Is your department responsible? Because I asked the Streets Commissioner where the money stood that was in her budget about GPS and she said something to me, the answer was -- and it was in passing -- that there's going to be a citywide program on GPS. Could either you or Commissioner

James -- what are you, the Deputy Director now? Is that your title?

MR. JAMES: Joe is just fine.

COUNCILMAN RIZZO: Joe is good enough. Commissioner I'll call you. I'm used to that.

So where are we with GPS and is that something that you are going to do?

MR. PHILLIS: As far as I know at this point, this is strictly a project contained within Streets. We have not been involved in this from MOIS.

COUNCILMAN RIZZO: So there is no citywide program that we know of?

MR. PHILLIS: Not that I'm aware of. The project has been strictly within Streets. We haven't been involved at all.

COUNCILMAN RIZZO: Isn't that kind of strange that the Streets Department would take over a technology issue of that significance? Don't you think that's something maybe you ought to reel in?

3/20/07 - WHOLE - BILL 070116

MR. PHILLIS: It might be one of those opportunities that we go and talk to them about.

COUNCILMAN RIZZO: I'd be curious, because I don't know -- could the Budget Director tell us how much money is in the budget -- and it's been there for years -- GPS for the Streets Department?

Mr. Phillis, I see so many applications, especially in law enforcement and so many areas, where GPS can be helpful if it's utilized properly.

MS. REED: Dianne Reed, Budget Director.

Councilman, we'll have to get back to you on that, because we have to look and see which contracts that would pertain to.

COUNCILMAN RIZZO: I believe it's just money in the budget for this. It's been in there for years. It's been sitting in the Streets Department budget, and I don't know if it moves each year, how exactly that works.

MS. REED: Well, I would imagine if it's GPS, it's Class 200.

MR. PHILLIS: Let me just say one thing. The opportunity to do exactly what you're asking does exist. We have an IT Governing Board which requires departments to come there with any significant IT expenditures so that we can look for this synergy between other departments so that we don't have one department running out to do something in a silo that could be an enterprise project in nature for the whole City.

I have not had this one come before me in that committee since I've been here. That doesn't mean it didn't come before I was there.

COUNCILMAN RIZZO: But to the Budget Director, though, that should be an easy question. Can't you look in the Streets Department budget and see if there's a line for GPS?

MS. REED: I don't have all my

detail with me. I only brought the departments for today.

COUNCILMAN RIZZO: Could you make a phone call? Because I'm curious. Before you leave here today, I want to really know the answer.

MS. REED: I'll do that.

COUNCILMAN RIZZO: I appreciate it. Because I have some more questions and you could follow up with me.

Also, in the area of technology that we are fortunate enough to have that makes at least my life a lot easier, sometimes I think we're left with a device that has so much capability, but we really don't use all the capability or really understand because we're all not versed in technology. Like I use my BlackBerry for e-mail, I use it to make telephone calls, but I really don't know how to set up a program to use for my schedule or how I can have a staffer put the information here. We're kind of left, I think, without the guidance to squeeze every little bit out that these devices do. I know we have to ask. If we ask and if -- people from the Kimmel group, by the way, are just so good. They're excellent, have tried to be helpful, but I think it's more than just me, to have me carrying this device around and it's only doing 40 percent of what it can do. And, you know, every time I learn something different, I'll say, Why didn't I know that last week, when one of the younger guys shows me when I'm doing something wrong how to do it right.

But I would love it if you could within your department make sure that all the users really are getting the bang for their buck and using all of the technology to make us more efficient.

MR. PHILLIS: Sure. I think we can do that based on requests for technology tools such as that. We can put together a training type seminar that people could come to that you can learn what the capabilities of things are.

I think we all run into this. You go out and you buy a new cell phone that takes pictures and movies and everything else, but all you use it for is to make your telephone calls. So we all have this opportunity, but until somebody actually shows you what's possible, you don't know the answer without somebody showing you that. They can give you an instruction book this thick, but you have to sit down and understand what you want to solve before you look at the book.

So we'll take an action item to do something, especially with the BlackBerry, to put together a series of mini seminars that says where people can come in, kind of like a brown bag lunch type thing, where we can show different days how to do different things with the technology.

COUNCILMAN RIZZO: Scheduling would be really helpful, because I've never even used that menu in the BlackBerry until -- like just the other day one of the young guys showed me. I was like reeling through every e-mail, like 200 e-mails, and I wanted to get to the bottom, and he said, Just hit B and it takes you to the bottom. I went, Oh, and I felt really --

MR. PHILLIS: It's one of those things that once you have a BlackBerry and you use it for a while, then you go to a seminar, you ask a lot more intelligent questions, you ask things that you've run into that you look for a solution for. You become a much better student at that kind of a thing once you've had it for a while.

COUNCILMAN RIZZO: Initially I think we had an issue because the two programs weren't compatible. The scheduling part that's on the desktop couldn't communicate with the BlackBerry.

But enough for this now, but that would be very helpful if --

MR. PHILLIS: We will take an action item to do that.

COUNCILMAN RIZZO: That would be terrific. And later the Budget Director could come back, please, if we're still at it here and come back with that GPS figure. And I would appreciate if there is significant money or there is an intent to introduce GPS to the Streets Department, that maybe that Governing Board should take a look at that to see if that's a centralized project.

MR. PHILLIS: It may be a very minimal amount of money being used as a pilot to look at what the capabilities are.

COUNCILMAN RIZZO: It's been there for years.

MR. PHILLIS: I don't know. We'll find out.

COUNCILMAN RIZZO: It's been there for years. I don't know how much it is, but I don't believe there's any activity at all.

MR. PHILLIS: We will check into that.

COUNCILMAN RIZZO: Thank you, Madam President.

COUNCIL PRESIDENT VERNA: You're welcome, sir.

The Chair recognizes Councilman Greenlee.

COUNCILMAN GREENLEE: Thank you, Madam President.

Real quick, Mr. Phillis, on Page 4, you talk about further use of ePayPhilly for electronic bill payments. What are most of the electronic bill payments now? Are they water, taxes, that kind of thing?

MR. PHILLIS: Water and taxes is primarily the heaviest users, but I think the potential for the City is just enormous. I mean, we're at a very low percentage of what the capabilities are. We are just in the process now of actually organizing a steering committee to contract with ePayPhilly or -- IBM or

Tier is the one who supplies the service today. That contract is going to be up shortly, so we're going to be going out to do a new bid. Part of that is how we're going to decide how to make better use of that facility for all the departments within the City. And I think it's a real winner for the City.

COUNCILMAN GREENLEE: I'm sure it will save a lot of time. How about L&I? Is that in this yet, like for licenses, permits?

MR. PHILLIS: Yes, it is.

COUNCILMAN GREENLEE: You can do that? Okay. Good. Thank you.

MR. PHILLIS: We actually have statistics, if you would like them. We'll make a copy available to you as to the number of transactions by month by department within the City.

COUNCILMAN GREENLEE: That would be great. Thank you very much.

MR. PHILLIS: Sure.

COUNCILMAN GREENLEE: Thank

you, Madam President.

COUNCIL PRESIDENT VERNA: Thank you.

Are there any other questions or comments from members of the Committee?

(No response.)

COUNCIL PRESIDENT VERNA: Thank you very much.

MR. PHILLIS: Thank you.

MR. McPHERSON: The next department is the Mayor's Office of Community Services.

COUNCIL PRESIDENT VERNA: Good afternoon. Please identify yourself for the record.

MR. BLAKNEY: Good afternoon, President Verna. I'm Ralph Preston Blakney, the Executive Director of the Mayor's Office of Community Services.

COUNCIL PRESIDENT VERNA: Please proceed with your testimony.

MR. BLAKNEY: I am here to provide a brief description of the work of the agency and present its proposed Operating Budget for FY2008.

Philadelphia is one of the greatest cities in the state and the world. We at the Mayor's Office of Community Services believe this City and region offer a multitude of jobs, job training and educational opportunities to its citizens, many of whom are not aware of these opportunities and/or not readily able to avail themselves of such opportunities. Illiteracy, criminal history, lack of skills, lack of transportation and other factors keep a massive number of Philadelphians from taking advantage of these opportunities. Thus, the staff and administrative board of the Mayor's Office of Community Services is committed to helping Philadelphians move toward self-sufficiency and out of poverty through the provision of information and referrals, career assessment and counseling, program development and facilitation, job training and placement, collaboration and partnerships.

The Mayor's Office of Community Services, hereafter referred to as MOCS, requests an FY2008 appropriation of $23,069,700, all from the Grants Revenue Fund. The funding remains at the FY2007 estimated obligations level.

In FY2006, the MOCS provided services to 92,404 people. The agency expects to provide services to 87,169 people in FY2007. The decline in the number of people to be served is due to the transfer of two programs to other City entities and the termination of one program. The Safe Schools, Safer Communities program was moved to the Mayor's Office of Reentry and the Latino Rites of Passage program was folded into the Adolescent Violence Reduction Program within DHS. The EARN program was terminated.

The MOCS continues to support mayoral initiatives in FY2007 with the planning and facilitation of career fairs. The most recent career fair held at Community College on February 8th of this year drew in excess of 2,000 participants, according to the Philadelphia Inquirer. Activities involving organizational skills and corporate networking such as this afford MOCS an opportunity to demonstrate it is a leader and serious when it comes to helping Philadelphians in poverty and who are unemployed.

Other examples of the MOCS involvement in mayoral initiatives include a $200,000 grant to PGW to assist up to 800 low-income people with gas restoration, while the agency's Community Engagement Unit facilitated weatherization workshops and distributed weatherization kits. To date, 222 households received the PGW grants, and 4,300 people participated in the workshops and received the kits. MOCS also has a Memorandum of Understanding through which it is providing critical support to three departments: $500,000 at the Office of Adult Services to provide case management services to 1,700 individuals; $500,000 at Recreation to enhance the services provided to approximately 3,500 low-income seniors in six senior citizen centers; and $489,000 with Public Health to assist approximately 500 people with limited income in addressing obesity among youth, lead poisoning in homes, and poor nutrition. Further, $225,000 is supporting the expanding efforts of the Mayor's Office of Reentry, aiding ex-offenders readjust into their communities and breaking the cycle of recidivism.

In FY2007, the MOCS has collaborated with local, regional and national partners to welcome national organizations and their respective conferences to our City. These organizations and conferences enhance the economy of our City and provide an opportunity for the MOCS professionals to share the agency's experiences, successes and challenges with other anti-poverty professionals and clients from across America. Recently, on February 8th through the 10th, the MOCS co-sponsored and co-chaired a regional conference entitled "Moving Forward: Raising the Bar on Fatherhood." On June 20th through the 22nd of this year, the City will reap educational and economic benefits from the Community Action Partnership LAW Conference. This organization and conference seeks to provide effective legal education and assistance that enables community action agencies to enhance their capacity to operate legally sound organizations.

MOCS continues to provide a variety of direct services to low-income individuals. The following is a list of other programs that MOCS will administer in FY2008: Supported work program,

$1,462,700 from the Commonwealth's Department of Community and Economic Development, case management, job readiness activities and employment placement for 1,253 TANF recipients; the Foster Grandparent program, $532,000 from the federal Corporation of National Community Service, a volunteer opportunities program for over 110 senior citizens at 45 host agencies to impact 11,000 children with special needs, such as those who are mentally challenged, abused and neglected, hearing and visually impaired; and, lastly, the Fatherhood Initiative program, $350,000 from the Commonwealth's Act 148 child welfare award to DHS, a program to support upwards of 859 fathers who are behind in child support through workshops and other programs.

President Verna, I would be happy to answer any further questions you might have of me. Thank you.

COUNCIL PRESIDENT VERNA: Thank

you very much.

I believe you have relocated one of your offices from Broad and Reed.

MR. BLAKNEY: Yes.

COUNCIL PRESIDENT VERNA: Where did they move to?

MR. BLAKNEY: It wasn't actually relocated. That program had been terminated, I believe it was, FY05. Prior to the termination of that program, there was a lot of discussion and we learned that the services that were being offered at that site were actually available at other facilities.

COUNCIL PRESIDENT VERNA: So what facilities do you have in South Philadelphia?

MR. BLAKNEY: I would have to get back to you with that information. I know that the Dixon House is one of the agencies in South Philadelphia that offers several of the services that were available at the Family Development Center in South Philadelphia.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair recognizes Councilman Greenlee.

COUNCILMAN GREENLEE: Thank you, Madam President.

Mr. Blakney, the Mayor's Office of Reentry obviously deals with a very important issue in the City these days with ex-offenders. Any statistics on the success rate of people that are in that program yet, or could you get that to us, if possible?

MR. BLAKNEY: Being that the program, I can say, just opened a new facility in Southwest Philadelphia. As you probably know, there are 650,000 ex-offenders released from incarceration throughout the County of Philadelphia and they end up in our communities.

COUNCILMAN GREENLEE: Right.

MR. BLAKNEY: Of that number, 3,500 people are released on an annual basis.

COUNCILWOMAN BLACKWELL: You're not sending them all to me in Southwest, are you? I'm trying to do my part.

MR. BLAKNEY: No. I don't think they're all going to Southwest, but we would like to make all of those who leave aware of the resources that we have in Philadelphia, so they are being made aware of that particular site.

In addition to that 3,500, there is an additional 4,800 ex-offenders being released from state facilities.

That particular program is being referred to as part of the Positive Reentry Initiative, and that initiative is designed to provide 8,500 ex-offenders with social services that has been determined that they need for reentry into the community. As a result, services to 800 participants should result in employment. That's the plan. One hundred, the plan, is that they will obtain affordable housing and 5,000 will receive mental health/substance abuse screenings. An additional 500 will receive full mental health/substance abuse assessments.

So that's basically where we are with that new initiative at this time.

COUNCILMAN GREENLEE: Okay. Thank you, sir.

Thank you, Madam President.

COUNCIL PRESIDENT VERNA: You're welcome.

Are there any other questions or comments from members of the Committee?

(No response.)

COUNCIL PRESIDENT VERNA: Seeing none, I thank you, Mr. Blakney.

MR. BLAKNEY: Thank you.

COUNCIL PRESIDENT VERNA: Has Mr. Hanna arrived as yet?

(No response.)

COUNCIL PRESIDENT VERNA: Can we make a call to find out if Mr. Hanna is --

MS. ORTIZ: He's on his way.

(Pause.)

COUNCILMAN RIZZO: Madam President, what's our status now?

COUNCIL PRESIDENT VERNA: We're waiting for Mr. Hanna.

COUNCILMAN RIZZO: Oh, okay. Could I make a statement for the record?

COUNCIL PRESIDENT VERNA: Go ahead.

COUNCILMAN RIZZO: In reference to my question to the Budget Director, I don't want her to be distracted by trying to find the information, so what I'd ask is that you provide to the Chair the answer to my questions at a later date in reference to the GPS program that had funding in the Streets Department budget. I'd like to know when that was first in their budget, what they did with the money that was in the budget for the GPS program and some information about if they did have a pilot, was it successful, not successful, where are we heading with the issue which is current technology in most big fleets that's called GPS. So if she could get back to us through the Chair, it would be greatly appreciated. And she's shaking her head and indicating yes.

COUNCIL PRESIDENT VERNA: Ms. Reed, do you have all of the questions that the Councilman would like to have answered?

MS. REED: Dianne Reed, Budget Director.

Council President, I do. Thanks.

COUNCIL PRESIDENT VERNA: Fine.

COUNCILMAN RIZZO: Thank you. I figured so she wouldn't be distracted from the rest of the proceeding.

COUNCIL PRESIDENT VERNA: Thank you.

COUNCILMAN RIZZO: Thank you.

(Pause.)

COUNCIL PRESIDENT VERNA: Mr. Hanna, we've been waiting for you, so if you would approach the witness table, identify yourself and proceed with your testimony, we'd appreciate it.

MR. HANNA: Good afternoon, Council President Verna.

COUNCIL PRESIDENT VERNA: Good afternoon.

MR. HANNA: My name is Kevin Hanna. I serve as the Secretary of Housing for the City of Philadelphia. I am here today to present testimony on the Office of Housing and Community Development's proposed Operating Budget for Fiscal Year 2008. The proposed Operating Budget under the Community Development Fund, Grants Revenue Fund and General Fund also will be presented in the spring to the Finance Committee in its hearings on a Council bill on the Consolidated Plan authorizing the Community Development Block Grant, CDBG, and other housing programs for Fiscal Year 2008. That is CDBG Year 33. With me today is Deborah McColloch.

3/20/07 - WHOLE - BILL 070116

My testimony, Councilwoman, is slightly different from the one that's been submitted to Council. I will explain in a minute why that is, but I brought copies of the revised version for distribution.

Ideally, the Consolidated Plan hearing should occur prior to the consideration of the Operating Budget by City Council. However, as in the past 14 years, the hearings have been reversed. Should the results of the Consolidated Plan hearing require adjustments to OHCD's Operating Budget as adopted by Council, there will still be time subsequent to the adoption of the Consolidated Plan to amend the Operating Budget. The complete Fiscal Year 2008 proposed budget would be presented as part of the Consolidated Plan hearing.

Recall that in the current fiscal year, the City of Philadelphia incurred a $6 million cut in its CDBG award. Subsequent to the submission of our Fiscal Year 2008 budget and the written testimony for this hearing, the City did in fact receive the Year 33 funding allocation from HUD, which showed a nominal decrease of approximately $600,000, or less than one percent. The new allocation of $75,772,000 will be presented to Council as part of our testimony relating to the approval of the HUD Consolidated Plan for Fiscal Year 2008.

And, in fact, that is the slight change/modification from the testimony that had been submitted before, the fact that we did not know the number before.

In the interim, our estimated totals based on last year's funding are used in the Operating Budget submitted. The total proposed Operating Budget for OHCD is 198 and a half million dollars in Fiscal Year 2008, of which $98.8 million will be in the Grants Revenue Fund, $73.8 million in the Community Development

Fund, 21.8 million in the Housing Trust Fund and 4 million in the General Fund.

This Operating Budget represents costs for all housing programs, as well as salaries for all OHCD, RDA and PHDC employees, as well as rents, materials and supplies.

The only General Fund allocation OHCD expects to receive in Fiscal Year '08 is $4 million to support citywide greening activities. OHCD will contract with the Pennsylvania Horticultural Society, PHS, for vacant lot stabilization and maintenance, street tree plantings and maintenance, and technical assistance and education programs to support community stewardship of vacant land.

PHS has conducted a highly successful vacant land management and greening program for many years and this General Fund support will allow the program to continue and expand. Our Class 100; that is, monies for OHCD's salaries, request of $8.2 million reflects an increase of $3.1 million as compared to our Fiscal Year 2007 estimated obligations and will support the funding of 110 requested positions. This increase is primarily due to a staff expansion of 50 positions resulting from the ongoing reorganization of the three housing agencies.

In Class 200, our Fiscal Year 2008 request is $189.9 million. This includes a CDBG decrease of 20.6 million, primarily the result of a decrease of $19 million from the 2007 reserve provision for the housing reorganization, an increase of 3.6 million in program services, a decrease in support of nine and a half million dollars for delegate agencies, and an increase of four and a half million dollars to allow for the carryover of prior years' entitlement; a grants decrease of 17.3 million resulting from a decrease of 26 and a half million in programs -- this net change is due primarily to no additional funds budgeted for NTI and Shelter Plus Care but those millions of dollars in programs -- and an increase of 9.2 million in allowing for the carryover of prior years' entitlement; a Housing Trust Fund increase of $1.8 million resulting from an increase allowing for the carryover of our prior years' entitlement. These adjustments result in an overall decrease of $37.7 million as compared to our Fiscal Year 2007 estimated obligations level.

In Class 300, our Fiscal Year 2008 request is $270,500, the result of a CDBG increase of $104,500 due to OHCD's expansion resulting from the ongoing housing reorganization.

In Class 400, our Fiscal Year 2008 request is $80,000, the result of a CDBG increase of $45,000 due to OHCD's expansion resulting from the ongoing housing reorganization.

Included in the Grants Revenue

Fund is authorization for up to 15 and a half million dollars from the federal HOME, H-O-M-E, program, $7.1 million from the federal HOPWA grant, and six and a half million dollars from the state. Appropriations are also being requested to provide funding for Interim Construction Assistance and Bridge Loan program in the amount of $15 million. Although the latter source may not become available, OHCD is requesting authority so we will be in a position to administer the funds if received in 2008.

In summary, the proposed Fiscal Year 2008, CDBG Year 33, Operating Budget will allow OHCD to continue to provide housing programs such as the Basic Systems Repair program, subsidy for rehabilitation and new construction, housing counseling and other core programs. The City's proposed plan for spending the Community Development Block Grant as well as other monies is to be detailed at length in the Finance

Committee's hearing on the Consolidated Plan later this year.

However, I will be happy to answer whatever questions that Council or the Committee may have of me on this particular testimony.

COUNCIL PRESIDENT VERNA: Are there any questions from members of the Committee?

Councilwoman Miller, it looks as though -- your light is not on.

COUNCILWOMAN MILLER: No. I have no questions.

COUNCIL PRESIDENT VERNA: Okay. I don't believe there are any questions, Mr. Hanna.

MR. HANNA: Council President, I apologize for my tardiness, but I was in and out after I saw the MOCS guy come up. He went a little quicker than I thought he would.

COUNCIL PRESIDENT VERNA: Very well. Thank you.

MR. HANNA: Thank you.

3/20/07 - WHOLE - BILL 070116

COUNCIL PRESIDENT VERNA: The Committee will stand in recess until tomorrow, Wednesday, March the 21st, first day of spring, at 10:00 a.m. Thank you very much.

(Committee of the Whole adjourned at 2:35 p.m.)

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CERTIFICATE

I HEREBY CERTIFY that the proceedings, evidence and objections are contained fully and accurately in the stenographic notes taken by me upon the foregoing matter on March 20, 2007, and that this is a true and correct transcript of same.

____

MICHELE L. MURPHY
RPR-Notary Public

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