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COUNCIL OF THE CITY OF PHILADELPHIA

3

COMMITTEE OF THE WHOLE

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Room 400, City Hall
Philadelphia, Pennsylvania
Tuesday, June 15, 2010
2:35 p.m.

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PRESENT:

10

COUNCIL PRESIDENT ANNA C. VERNA

11

COUNCILWOMAN JANNIE BLACKWELL

COUNCILMAN DARRELL CLARKE

12

COUNCILMAN FRANK DiCICCO

COUNCILMAN W. WILSON GOODE, JR.

13

COUNCILMAN BILL GREEN

COUNCILMAN WILLIAM K. GREENLEE

14

COUNCILMAN JAMES KENNEY

COUNCILWOMAN DONNA REED MILLER

15

COUNCILWOMAN BLONDELL REYNOLDS BROWN

COUNCILWOMAN MARIAN B. TASCIO

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RESOLUTIONS 100168, 100169, 100170, 100171,

100172, 100381, 100382, 100383, 100384,

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100385, 100386, 100387, 100388, 100389,

100390, 100391, 100392, 100393, 100394,

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100395, 100396, 100397, 100398, 100399,

100400, 100401, 100465 and 100469

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COUNCIL PRESIDENT VERNA: Good

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afternoon, everyone. This is a public

4

hearing of the Committee of the Whole.

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I would ask Mr. McPherson to

6

please read the titles of Resolution Nos.

7

100168, 100169, 100170, 100171 and

8

100172.

9

COUNCILMAN DiCICCO: Point of

10

order, Madam President.

11

COUNCIL PRESIDENT VERNA: Yes,

12

sir.

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COUNCILMAN DiCICCO: I've just

14

been informed that we're going to hold

15

100170.

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COUNCIL PRESIDENT VERNA: Very

17

well. Thank you.

18

COUNCILMAN DiCICCO: Thank you.

19

MR. McPHERSON: Resolution

20

100168, appointing Christopher P. McGill

21

to the Board of Directors for the Old

22

City Special Services District.

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Resolution 100169, appointing

24

Carolyn Pfeiffer to the Board of

25

Directors for the Old City Special

1 6/15/10 - WHOLE - RES. 100168, etc.

2 Services District.

3 Resolution 100171, appointing
4 Albert Taus to the Board of Directors for
5 the Old City Special Services District.

6 Resolution 100172, appointing
7 Peter C. Rothberg to the Board of
8 Directors for the Old City Special
9 Services District.

10 COUNCIL PRESIDENT VERNA: Do we
11 have anyone that would like to testify?

12 Please approach the witness
13 table, kindly identify yourself for the
14 record and proceed with your testimony.

15 (Witness approached witness
16 table.)

17 COUNCIL PRESIDENT VERNA: Good
18 afternoon.

19 MS. PHILO: Good afternoon.
20 Cynthia Philo, President and CEO of the
21 Old City District. Thank you very much
22 for your time today.

23 Chris McGill, Carolyn Pfeiffer,
24 Al Taus and Peter Rothberg unfortunately
25 could not be here today. They had other

1 6/15/10 - WHOLE - RES. 100168, etc.
2 meetings that they had to attend to.
3 They do send their regards, and they are
4 very excited about being part of the Old
5 City District Board. We've been
6 operating since 1998, and with your help,
7 each one of the Councilmembers here, and
8 especially Councilman Frank DiCicco, the
9 District has been a premiere business
10 improvement district in the City. I
11 would ask that these members be put forth
12 and approved to serve on our Board.

13 COUNCIL PRESIDENT VERA: Thank
14 you very much.

15 Any questions from members of
16 the Committee?

17 (No response.)

18 COUNCIL PRESIDENT VERA:
19 Again, I thank you.

20 MS. PHILO: Thank you very
21 much.

22 COUNCIL PRESIDENT VERA: Do we
23 have anyone else to testify on these
24 resolutions?

25 (No response.)

1 6/15/10 - WHOLE - RES. 100168, etc.

2 COUNCIL PRESIDENT Verna:

3 Seeing no one, I would ask Mr. McPherson
4 to please read the titles of the
5 following resolutions: 100381, 100382,
6 100383, 100384, 100385, 100386, 100387,
7 100388, 100389, 100390, 100391, 100392,
8 100393, 100394, 100395, 100396, 100397,
9 100398, 100399, 100400 and 100401.

10 MR. McPHERSON: Resolution
11 100381, appointing Rob Neducsin to the
12 Board of Directors for the Manayunk
13 Special Services District.

14 Resolution 100382, appointing
15 William J. O'Brien to the Board of
16 Directors for the Manayunk Special
17 Services District.

18 Resolution 100383, appointing
19 Christopher McGill to the Board of
20 Directors for the Manayunk Special
21 Services District.

22 Resolution 100384, appointing
23 Mary Dougherty to the Board of Directors
24 for the Manayunk Special Services
25 District.

1 6/15/10 - WHOLE - RES. 100168, etc.

2 Resolution 100385, appointing
3 Irene Madrak to the Board of Directors
4 for the Manayunk Special Services
5 District.

6 Resolution 100386, appointing
7 Allen Newman to the Board of Directors
8 for the Manayunk Special Services
9 District.

10 Resolution 100387, appointing
11 Victor Ostroff to the Board of Directors
12 for the Manayunk Special Services
13 District.

14 Resolution 100388, appointing
15 Bruce Kravetz to the Board of Directors
16 for the Manayunk Special Services
17 District.

18 Resolution 100389, appointing
19 Joe Abruzzi to the Board of Directors for
20 the Manayunk Special Services District.

21 Resolution 100390, appointing
22 Rick Carocci to the Board of Directors
23 for the Manayunk Special Services
24 District.

25 Resolution 100391, appointing

1 6/15/10 - WHOLE - RES. 100168, etc.

2 Bruce Cooper to the Board of Directors
3 for the Manayunk Special Services
4 District.

5 Resolution 100392, appointing
6 Robert Swarbrick to the Board of
7 Directors for the Manayunk Special
8 Services District.

9 Resolution 100393, appointing
10 Mike Rose to the Board of Directors for
11 the Manayunk Special Services District.

12 Resolution 100394, appointing
13 Gertrude Solkov to the Board of Directors
14 for the Manayunk Special Services
15 District.

16 Resolution 100395, appointing
17 Fran Sorokin to the Board of Directors
18 for the Manayunk Special Services
19 District.

20 Resolution 100396, appointing
21 Andrew Lipton to the Board of Directors
22 for the Manayunk Special Services
23 District.

24 Resolution 100397, appointing
25 Terri Loring to the Board of Directors

1 6/15/10 - WHOLE - RES. 100168, etc.

2 for the Manayunk Special Services

3 District.

4 Resolution 100398, appointing

5 Rich Rivera to the Board of Directors for

6 the Manayunk Special Services District.

7 Resolution 100399, appointing

8 Jack Goldberg to the Board of Directors

9 for the Manayunk Special Services

10 District.

11 Resolution 100400, appointing

12 Sam Kroungold to the Board of Directors

13 for the Manayunk Special Services

14 District.

15 Resolution 100401, appointing

16 Dan Neducsin to the Board of Directors

17 for the Manayunk Special Services

18 District.

19 COUNCIL PRESIDENT VERNA: Thank

20 you.

21 Do we have anyone to testify on

22 any of the resolutions?

23 (Witness approached witness

24 table.)

25 COUNCIL PRESIDENT VERNA: Good

1 6/15/10 - WHOLE - RES. 100168, etc.
2 afternoon. Please identify yourself for
3 the record and proceed with your
4 testimony.

5 MS. LIPTON: Good afternoon,
6 President Verna and members of City
7 Council. My name is Jane Lipton. I'm
8 the Executive Director of the Manayunk
9 Special Services District. I'm here
10 today to present testimony on the
11 appointments for the 2010 Board of the
12 Manayunk Special Services District.

13 In 1997, the Manayunk Special
14 Services District was developed and
15 sponsored by dedicated members of the New
16 Manayunk Corporation, known today as the
17 Manayunk Development Corporation. These
18 pioneer Manayunk property owners,
19 merchants and residents saw the need for
20 a business improvement district whereby
21 owners and merchants agreed to assume an
22 additional tax assessment on their
23 properties in order to provide special
24 services, including street maintenance,
25 streetscape improvements, marketing

1 6/15/10 - WHOLE - RES. 100168, etc.
2 initiatives, canal improvements, capital
3 projects and event planning.

4 For the past 13 years, the MSSD
5 and the Manayunk Development Corporation
6 have partnered with each other and other
7 community stakeholders to promote
8 economic development within our
9 commercial district. With the resources
10 of the MSSD, the District has been able
11 to perform daily sidewalk street cleaning
12 and supplemental trash removal, market
13 and promote and support the entire
14 business district, undertake long-range
15 planning for the business district and
16 waterfront areas, work with the City and
17 State to raise capital funds for public
18 infrastructure, maintain specific street
19 furniture and lighting within the
20 district, maintain hardscape and
21 landscaped areas in and around our
22 parking lots, partner with the community
23 and Fairmount Park to maintain and clean
24 the towpath and our local parks, plan and
25 execute major events, such as our

1 6/15/10 - WHOLE - RES. 100168, etc.
2 award-winning Manayunk Arts Festival, and
3 we work with the community and residents
4 around quality of life issues.

5 The Manayunk Arts Festival, by
6 the way, is in its 21st year and will
7 take place 11 days from today, and we
8 cordially invite all of you to attend
9 this wonderful event.

10 The MSSD is an important
11 component to our community, and serving
12 on the Board is both an honor and a
13 privilege that our members do not take
14 lightly. As we present you with our list
15 of appointed candidates today, we would
16 like you to know that we have worked
17 closely with our community, the Mayor's
18 Office and the office of our Councilman,
19 Curtis Jones, Jr., to develop this list
20 of names for your approval.

21 We thank you all for your time
22 and consideration.

23 COUNCIL PRESIDENT VERNA: Thank
24 you very much.

25 Are there any questions from

1 6/15/10 - WHOLE - RES. 100168, etc.

2 members of the Committee?

3 (No response.)

4 COUNCIL PRESIDENT Verna:

5 Again, I thank you.

6 Do we have anyone else to

7 testify on these resolutions?

8 (No response.)

9 COUNCIL PRESIDENT Verna:

10 Seeing no one, I would ask Mr. McPherson

11 to please read the title of Resolution

12 No. 100469.

13 MR. McPHERSON: Resolution

14 nominating 21 individuals for

15 consideration by the Mayor as appointees

16 to the Police Advisory Commission.

17 COUNCIL PRESIDENT Verna: Thank

18 you.

19 This hearing is being held to

20 fulfill the requirements of the Executive

21 Order No. 8-93, which establishes the

22 framework for selecting members of the

23 Police Advisory Commission.

24 For the record, I would like to

25 note that pursuant to Resolution 100272,

1 6/15/10 - WHOLE - RES. 100168, etc.
2 Council's Committee on Public Safety has
3 already held an extensive hearing at
4 which all applicants seeking to be
5 nominated received an opportunity to
6 submit their testimony. That hearing
7 occurred on June 1st. Thereafter,
8 members of the Committee on Public Safety
9 duly considered 50 applications.

10 On June 8th, the Committee
11 adopted a report setting forth its
12 recommended list of 21 nominees and
13 directed the Chief Clerk to distribute
14 copies of that report to all members of
15 Council.

16 Finally, at Council's June 10th
17 session, Councilwoman Miller introduced
18 the resolution we are considering today.
19 If the Committee of the Whole approves
20 the resolution, it will be considered by
21 Council at its June 17th session.

22 I would like to commend
23 Councilwoman Miller, Chair of the
24 Committee on Public Safety, and her
25 colleagues on the Committee for managing

1 6/15/10 - WHOLE - RES. 100168, etc.
2 this very thorough application process.

3 Also for the record, I would
4 ask Mr. McPherson to read the names of
5 the 21 individuals recommended by the
6 Committee on Public Safety and contained
7 in Appendix A to this resolution.

8 MR. MCPHERSON: Terrance H.
9 Barnes; Rachel E. Branson; Jamira Burley;
10 Ronald A. Burton; Devon Cade; Robert S.
11 Cavanaugh; Mujeeb Chaudhary; James C.
12 Crumlish, III; Rodney Lee Dunn; Sheryl L.
13 Haynes; Cassandra C. Hines; Edward James,
14 Jr.; Keith E. Kunz; Elizabeth Mell;
15 Andrea Nicole Phillips; Curtis M. Pontz;
16 Oscar Rosario; Robert P. Shine, Sr.; Joi
17 Spraggins; Joseph T. Stapleton; and Louis
18 Troup, Jr.

19 COUNCIL PRESIDENT VERA: Thank
20 you.

21 Are there any witnesses to
22 testify on this resolution?

23 (No response.)

24 COUNCIL PRESIDENT VERA:
25 Seeing none, we will now consider

1 6/15/10 - WHOLE - RES. 100168, etc.

2 Resolution 100465.

3 MR. McPHERSON: Resolution
4 appointing Richie McKeithen to the
5 position of Chief Assessment Officer of
6 the Office of Property Assessment.

7 COUNCIL PRESIDENT Verna:
8 Please approach the witness table.

9 (Witness approach witness
10 table.)

11 COUNCIL PRESIDENT Verna: Good
12 afternoon and welcome.

13 MR. McKEITHEN: Thank you.
14 Good afternoon.

15 COUNCIL PRESIDENT Verna:
16 Please identify yourself for the record.

17 MR. McKEITHEN: My name is
18 Richie McKeithen.

19 COUNCIL PRESIDENT Verna:
20 Mr. McKeithen, would you give us some
21 background information on your
22 qualifications for this position.

23 MR. McKEITHEN: Certainly. I
24 have prepared testimony. Would you like
25 me --

1 6/15/10 - WHOLE - RES. 100168, etc.

2 COUNCIL PRESIDENT Verna: Oh,
3 please.

4 MR. McKEITHEN: Good afternoon,
5 Council President Verna and members of
6 City Council. My name is Richie
7 McKeithen. I am here to testify on
8 Resolution No. 100465, which, if approved
9 by Council, would confirm my appointment
10 to the position of Chief Assessment
11 Officer for the Office of Property
12 Assessment.

13 Under Bill No. 090706, which
14 became law earlier this year and was
15 approved by the voters at the May
16 election, the City has adopted sweeping
17 reforms to the way the City assesses the
18 value of real property and handles
19 appeals of those assessments. This
20 reform requires the splitting of
21 assessment and appeals function into two
22 separate and independent agencies, the
23 Office of Property Assessment, OPA, which
24 will handle the primary assessment
25 function, and the Board of Property

1 6/15/10 - WHOLE - RES. 100168, etc.
2 Assessment Appeals, which will handle
3 appeals of assessments made by the OPA.

4 As Chief Assessment Officer, I
5 will be charged with running the
6 day-to-day operations of the Office of
7 Property Assessments and overseeing the
8 OPA staff.

9 As my resume reflects, I am
10 well-positioned to take on the
11 significant task of reforming
12 Philadelphia's property assessment
13 system. In addition to my formal
14 education, which includes a Bachelor's
15 Degree in Business Management and an MBA,
16 I have both the technical knowledge and
17 management expertise necessary to ensure
18 that we create a system that all
19 taxpayers can have faith in produces
20 property assessments that are accurate,
21 equitable and reflective of the actual
22 value of properties.

23 I began my career in the field
24 of property appraising in 1988 working
25 for the District of Columbia as a

1 6/15/10 - WHOLE - RES. 100168, etc.
2 Residential Appraiser. As a Residential
3 Appraiser, my duties included deriving
4 annual assessments on residential
5 properties that reflected a 100 percent
6 market value on those properties. I also
7 assisted in formulating the analysis used
8 to calibrate the models for the value of
9 residential property in the neighborhoods
10 in which I worked.

11 After six years as a
12 Residential Appraiser, I began serving
13 the District of Columbia as a Commercial
14 Appraiser, which included industrial,
15 office, retail, large multi-family and
16 vacant land properties. As with my
17 previous role, my primary job was to
18 deliver the annual assessments that
19 reflected the true market value of the
20 property. The 11 years I spent as an
21 appraiser have given me the technical
22 knowledge critical to the CAO position.

23 In addition to the street-level
24 experience I gained as a commercial and
25 real estate appraiser, I also have

1 6/15/10 - WHOLE - RES. 100168, etc.
2 significant management-level experience.
3 Since 2001, I have led assessment offices
4 in Richmond, Virginia, Hampton, Virginia
5 and most recently the District of
6 Columbia, where I served as Director of
7 Real Property Tax Administration.

8 As Director, I oversaw the
9 daily operation of the Real Property Tax
10 Administration and its staff. With over
11 140 employees, this office is responsible
12 for managing the annual assessment of
13 approximately 190,000 parcels in the
14 District of Columbia, which yield
15 annually over \$1.8 billion in revenue.

16 In DC, I gained extensive
17 experience with assessment technology,
18 including the Computer-Assisted Mass
19 Appraisal System. Additionally, I was
20 responsible for reviewing and writing
21 policies and procedures that met industry
22 standards regarding the assessment of
23 property. I also ensured that my office
24 communicated with the public about our
25 important work through television and

1 6/15/10 - WHOLE - RES. 100168, etc.
2 newspaper interviews, as well as public
3 meetings.

4 I am a longstanding member of
5 the International Association of
6 Assessment Officers and have worked
7 closely with the IAAO to apply standards
8 and improve processes to enhance the
9 performance of the District of Columbia's
10 assessment office.

11 My 22 years serving the public
12 in the property appraisal field have
13 given me tools necessary to deliver a
14 world-class property assessment system
15 that Philadelphia deserves. This is a
16 system that will be equitable,
17 transparent and professional. Above all,
18 this is a system that will provide
19 residents with an assessment that
20 reflects the actual value of their
21 properties.

22 Thank you for the opportunity
23 to testify. I am happy to answer any
24 questions that you may have at this time.

25 COUNCIL PRESIDENT VERNA: Thank

1 6/15/10 - WHOLE - RES. 100168, etc.

2 you.

3 The Chair recognizes Councilman
4 Clarke.

5 COUNCILMAN CLARKE: Thank you,
6 Madam President.

7 Good afternoon.

8 MR. McKEITHEN: Good afternoon,
9 sir.

10 COUNCILMAN CLARKE: I didn't
11 get a chance when we had an opportunity
12 to meet with you earlier to get any level
13 of detail because I had to leave that
14 meeting, but, first of all, welcome --

15 MR. McKEITHEN: Thank you.

16 COUNCILMAN CLARKE: -- at this
17 level of your involvement with the City
18 of Philadelphia, and if you're confirmed,
19 welcome again.

20 MR. McKEITHEN: Thank you, sir.

21 COUNCILMAN CLARKE: I just want
22 to ask you a couple of quick questions
23 with respect to some of the challenges --
24 and I'm sure you were asked this, but I
25 haven't had an opportunity to hear your

1 6/15/10 - WHOLE - RES. 100168, etc.
2 response -- as it related to certain
3 communities and based on where you worked
4 in the past. I'm assuming that this has
5 come up.

6 When you have long-term
7 residents that live in areas that
8 essentially -- I don't want to use the
9 term "gentrification." I hate that term.
10 In areas where there's a significant
11 amount of investment that elevates the
12 value of homes and you have residents who
13 have lived in those communities all their
14 lives, do not meet guidelines established
15 such as senior citizens that are eligible
16 for PACENET -- and that's a program that
17 was put in place by the City and the
18 State some years ago that allowed senior
19 citizens to negate any increases in their
20 properties as long as they live in there
21 or who don't qualify for any other City-
22 or State-related programs for protection
23 for significant increases in real estate,
24 but those people also don't make a whole
25 lot more money than those people that are

1 6/15/10 - WHOLE - RES. 100168, etc.
2 qualified.

3 MR. McKEITHEN: Right.

4 COUNCILMAN CLARKE: So you're
5 essentially sitting on a property that
6 you may have purchased 20 years ago for
7 25,000 and now you're sitting in the
8 middle of a neighborhood where the
9 average sale of a comparable house is
10 \$500,000. I'm assuming you've
11 experienced that?

12 MR. McKEITHEN: Yes, sir.

13 COUNCILMAN CLARKE: What were
14 the responses in the things you put in
15 place to address that?

16 MR. McKEITHEN: In the District
17 of Columbia, we experienced a situation
18 where from 2001 to approximately 2006 the
19 real estate market ran pretty much
20 gangbusters. It really excelled at a
21 very high rate. And so there was a
22 situation where the City Council foresaw
23 that a lot of residents would be
24 displaced for the purposes of property
25 taxes because, as the Councilman gave the

1 6/15/10 - WHOLE - RES. 100168, etc.
2 description, some individuals had been in
3 their homes for years, and once the
4 actual neighborhood and the real property
5 in that neighborhood accelerated, they
6 didn't necessarily have the income to
7 keep up with the property taxes year in
8 and year out. So the first thing we had
9 in the District was a homestead exemption
10 program, which initially took off a
11 certain amount of money right off the bat
12 off of any assessment.

13 In addition to that, we had --
14 they instituted a tax cap program. The
15 tax cap program capped off exactly how
16 much in property taxes you would pay from
17 one year to the next. For example, if
18 the real estate market accelerated 15
19 percent or 20 or 30 percent in one year,
20 a resident would only pay no more than
21 ten percent from the previous year. So
22 that was a circuit breaker, a stopgap
23 that allowed many residents to actually
24 continue to stay in their homes and not
25 be displaced because of the actual

1 6/15/10 - WHOLE - RES. 100168, etc.

2 property taxes accelerating at a high
3 rate.

4 If I'm confirmed, I can most
5 certainly give expertise in that area,
6 because as the Director of Property Tax
7 Assessments, my responsibility will be to
8 ensure that the assessments are done
9 annually at 100 percent of market value
10 more than likely. But I can certainly
11 lend expertise and give help where needed
12 to see if you guys actually wanted to
13 explore looking into something like that,
14 because it does -- it went a long way in
15 keeping a lot of District of Columbia
16 residents in their homes.

17 COUNCILMAN CLARKE: Okay. I'm
18 assuming based on conversations that
19 you've had with members of the
20 Administration that they told you that
21 unfortunately in the City of Philadelphia
22 we don't have the ability to implement
23 those programs because State
24 authorization is required, and that's
25 something, frankly speaking, I don't know

1 6/15/10 - WHOLE - RES. 100168, etc.
2 if there's a whole lot you can do about
3 it, not being an elected official at the
4 State level. So I'm assuming they told
5 you that. Am I correct in that
6 assumption?

7 MR. McKEITHEN: Well, they did
8 mention several things, but not in too
9 many specifics.

10 COUNCILMAN CLARKE: Well, I'm a
11 little disappointed, because that's very
12 important, because you need to know the
13 environment for which you're probably
14 going to be involved in, not having those
15 opportunities to implement programs. I'm
16 glad, at a minimum, you were in the
17 position to implement the programs with
18 the appropriate tools, but unfortunately,
19 we don't have those tools, and given the
20 recent history of the State, we're not
21 really clear that that's going to be
22 forthcoming.

23 MR. McKEITHEN: Well, I think
24 there may be other ways that we can
25 possibly explore. The homestead -- well,

1 6/15/10 - WHOLE - RES. 100168, etc.
2 in the District of Columbia, we have
3 three main ones, the homestead exemption
4 program, the disabled and senior citizens
5 tax relief program, and the actual tax
6 cap program.

7 COUNCILMAN CLARKE: We only
8 have one of those.

9 MR. McKEITHEN: You only have
10 one of those? Well, you can -- I'm quite
11 sure that we can possibly explore
12 increasing the levy at which you have --
13 for any one of the programs that you do
14 have to ensure that more people are able
15 to get in and more benefit is given to
16 actual residents. That might be one
17 avenue for us to explore.

18 I know when I was in Virginia,
19 Hampton, Virginia, we had to look at
20 every year increasing the disabled and
21 senior citizens tax relief program,
22 because the threshold at which we had it
23 set for income was not meeting the needs
24 of the actual constituents and citizens.
25 So we increased it, I think, at least

1 6/15/10 - WHOLE - RES. 100168, etc.

2 twice.

3 So I think there might be any
4 number of things we might want to look
5 at, use some examples and models of other
6 places and review possibly.

7 COUNCILMAN CLARKE: Okay.

8 And -- okay. Again, I hate to be
9 redundant, but it's unfortunate that the
10 people didn't prepare you for that
11 question, because that's a very, very
12 pertinent question and issue given the
13 possibility that we will go to full value
14 in the very near future, and I'm, frankly
15 speaking, surprised.

16 MR. McKEITHEN: Well, I think
17 that in all sincerity, my preparation was
18 more geared towards the actual
19 assessment, because I will set values,
20 and my superiors, along working hand in
21 hand with City Council, will set programs
22 to actually assist the taxpayers. I may
23 have expertise, but as a city assessor,
24 I'll just be looking at the valuation
25 perspective of it. I can lead you in the

1 6/15/10 - WHOLE - RES. 100168, etc.
2 right direction, but certainly my
3 superiors and along with working hand in
4 hand with City Council will be the actual
5 individuals who set policy or attempt to
6 set policy to give some degree of tax
7 relief.

8 COUNCILMAN CLARKE: Okay. All
9 right. That's actually a good comeback,
10 because it basically tells me you're
11 going to stay out of the politics of it
12 all and do your job as assessor in a
13 professional way.

14 MR. McKEITHEN: Yes, sir.

15 COUNCILMAN CLARKE: All right.
16 That's a good comeback. I was hoping
17 that you didn't take the bait and say,
18 Well, I'm going to figure out a way.
19 That's not your responsibility. All
20 right. Good.

21 All right, Madam President.

22 That's the most specific thing
23 that I needed. You ultimately gave the
24 right answer, from my perspective.

25 Thank you, Madam President.

1 6/15/10 - WHOLE - RES. 100168, etc.

2 COUNCIL PRESIDENT VERNA:

3 You're welcome.

4 The Chair recognizes

5 Councilwoman Blackwell.

6 COUNCILWOMAN BLACKWELL: Thank
7 you, Madam President. I have to leave on
8 Council business, unless we're finished
9 questions?

10 COUNCIL PRESIDENT VERNA: No,
11 we're not.

12 COUNCILWOMAN BLACKWELL: Okay.
13 May I be recorded as voting aye on all
14 bills and resolutions?

15 COUNCIL PRESIDENT VERNA:
16 Certainly.

17 COUNCILWOMAN BLACKWELL: Thank
18 you.

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

21 COUNCILMAN GREEN: Thank you,
22 Madam Chair.

23 Good afternoon.

24 MR. McKEITHEN: Good afternoon,
25 Councilman Green.

1 6/15/10 - WHOLE - RES. 100168, etc.

2 COUNCILMAN GREEN: It's nice to
3 see you again. I appreciate you taking
4 the time to stop by my office and talk to
5 me for a little while about this
6 important topic. I just wanted to put a
7 couple of things on the record, and then
8 I have a few quick questions for you.

9 First of all, from my
10 perspective -- and I'm speaking only for
11 myself -- there's nothing more important
12 in the City of Philadelphia than moving
13 to full value as quickly as possible. It
14 is the cornerstone and keystone of all of
15 the tax reform that we are going to need
16 to do in the City of Philadelphia over
17 the next five to eight years to make the
18 City as competitive as possible, and that
19 is a gradual shift, a very gradual
20 shift -- and, once again, this is only my
21 perspective -- from mobile taxes to
22 immobile taxes, and of course, the only
23 thing that's immobile is property. And
24 in order to be able to make those shifts
25 and adjust our tax base to make us more

1 6/15/10 - WHOLE - RES. 100168, etc.
2 competitive and create jobs, we have to
3 have full value correct. And so I'm very
4 pleased that you're here to begin that
5 process.

6 With respect to that, do you
7 have a CAMA system in Washington, DC,
8 which is a system like the one the BRT
9 has spent millions on and installed?

10 MR. McKEITHEN: In Washington,
11 DC, we have a CAMA system and the vendor
12 that we use is Vision.

13 COUNCILMAN GREEN: Does the
14 CAMA system work?

15 MR. McKEITHEN: Yeah. Our CAMA
16 system has been working for us quite
17 well.

18 COUNCILMAN GREEN: And what
19 degree -- and you reassess annually every
20 year?

21 MR. McKEITHEN: Yes, sir, at
22 100 percent of market value.

23 COUNCILMAN GREEN: And so it's
24 not sort of pie in the sky to think that
25 we can accomplish that in the City in

1 6/15/10 - WHOLE - RES. 100168, etc.

2 short order once you arrive?

3 MR. McKEITHEN: Well, I'm quite
4 sure we can accomplish that, but I
5 don't -- "in short order" might be the
6 actual caveat. I can say in Washington,
7 DC we took time and effort to make sure
8 our data was clean and did several things
9 that the IAAO recommends, and over a
10 period of time, we got a CAMA system and
11 ensured that it was working properly.

12 COUNCILMAN GREEN: When you
13 were in my office, you mentioned that the
14 IAA --

15 MR. McKEITHEN: IAAO.

16 COUNCILMAN GREEN: -- IAAO
17 basically acts as consultants
18 occasionally and can come in and within
19 three months sort of give you a report
20 back about how everything is working,
21 what it's looking -- what data you may or
22 may not need for the CAMA system. Are
23 you going to undertake that process here?

24 MR. McKEITHEN: In every
25 jurisdiction that I have pretty gone

1 6/15/10 - WHOLE - RES. 100168, etc.
2 into, I use IAAO oftentimes as a
3 consultant to actually do a study. If
4 I'm -- upon confirmation, I get in the
5 office and actually see exactly what is
6 going on, what needs to be looked at,
7 that's a possibility, yeah. I will ask
8 for an RFP for the IAAO to come in and
9 sort of give us an analysis on the
10 office.

11 COUNCILMAN GREEN: That's
12 great.

13 We had a discussion about the
14 data points necessary for properly
15 valuing properties at market value, and
16 we had a discussion that really we want
17 the fewest number of data points as
18 possible to have an accurate assessment.
19 Is that a fair way to describe the way to
20 do it? Because otherwise we're gathering
21 information that's not going to move the
22 needle in terms of values.

23 MR. McKEITHEN: Right.
24 Typically you want to collect the
25 information that is going to drive value,

1 6/15/10 - WHOLE - RES. 100168, etc.
2 and that might be different in different
3 localities, but typically that's what you
4 want to capture, anything that is
5 actually driving value.

6 Now, what has to be done, in my
7 opinion, is to actually make some
8 analysis of the Philadelphia market and
9 see what actually drives value, because
10 what may drive value in Philadelphia may
11 not necessarily drive value in
12 Washington, DC or Denver, Colorado. But
13 once that has been -- that analysis has
14 been done, then, yes, we will look at
15 what data points we need to collect.

16 COUNCILMAN GREEN: And is that
17 the kind of analysis that the IAAO does?

18 MR. McKEITHEN: Well, they can
19 make recommendations, but I was thinking
20 more in terms of the IAAO coming in and
21 looking at how you structure it, what
22 your resources -- tools, your resources,
23 things of that nature, exactly what had
24 been done in the past, making some
25 analysis of your data for sales activity.

1 6/15/10 - WHOLE - RES. 100168, etc.

2 But, yes, I'm quite sure they can give
3 you some viewpoints on that.

4 COUNCILMAN GREEN: With respect
5 to the vendor you say you use for your
6 CAMA system in Washington, DC, what do
7 these vendors do?

8 MR. McKEITHEN: The vendor
9 actually has a product. For our
10 purposes, the product was Vision. And
11 they come in -- they respond to the RFP
12 and they come in and different demos are
13 done, and they come in and they convert
14 your data that you have in the system
15 that you're currently working in. And
16 that process normally takes, depending on
17 the size of your locality, might take a
18 couple years. And then they will
19 actually run models and things like that
20 and test them to see how accurately
21 they're running versus your data.

22 COUNCILMAN GREEN: Now, we have
23 ported, I think, everything into the CAMA
24 system, all of the data that we have from
25 the other system, already. So at least

1 6/15/10 - WHOLE - RES. 100168, etc.

2 all of the data that we had is in the

3 CAMA system, is my understanding.

4 MR. McKEITHEN: What I would

5 want to see, Councilman Green, is if --

6 it may be in the system, but did it

7 convert over properly. I need to run

8 some analysis and some field checks on

9 how clean it is, because one of the worst

10 things you can do in this process is

11 convert or try to analyze data that is

12 not necessarily as accurate as possible.

13 And so the IAAO has recommendations and

14 they have different studies on proper

15 ways to try to do this, and so I'll be

16 more than willing to share some of that

17 with you guys.

18 COUNCILMAN GREEN: Is that part

19 of the work that they would do?

20 MR. McKEITHEN: Yeah. They

21 would make reference to that. They will

22 come in and they will look at your office

23 in totality, if that's in fact what your

24 RFP wants them to do, and that can

25 include the technical, that can include

1 6/15/10 - WHOLE - RES. 100168, etc.
2 the resources, that can include the human
3 resources and things of that nature. You
4 can specify exactly how broad you want
5 them to be or how specific you want them
6 to be. But, you know, for Washington,
7 DC, we had Vision and we had to convert
8 our data, and it took us a while to make
9 sure that our data was clean and
10 converted properly, and that is one of
11 the biggest tasks for a locality of this
12 size. That takes time.

13 COUNCILMAN GREEN: Well,
14 without the benefit of having been in the
15 office but having spoken to Mr. Negrin
16 and others, how long do you think we
17 should expect it to take to move to full
18 value once you're in place?

19 MR. McKEITHEN: With all due
20 respect, without seeing everything,
21 that's kind of hard to -- I've heard
22 different perspectives.

23 COUNCILMAN GREEN: I'm trying
24 to pin you down, but I didn't expect you
25 to take the bait, so that's fine. That's

1 6/15/10 - WHOLE - RES. 100168, etc.
2 okay. That's okay. I'm not even going
3 to press it. That's fine. But let me
4 ask you this: Have you ever seen a city
5 going through this process suspend all
6 assessments for a period of several
7 years?

8 MR. McKEITHEN: We did it in
9 Washington, DC. We had a moratorium on
10 assessments for approximately two years
11 until we could get our act together.
12 This was back in the '90s. We had issues
13 where the citizens, similar to what I've
14 heard here in Philadelphia, were in an
15 uproar about their assessments and the
16 accuracy, and so we had a moratorium on
17 assessments and we actually did field
18 inspections. We did a lot of what the
19 IAAO recommends, starting from scratch
20 with field inspections, data cleanup, a
21 new data system, things of that nature,
22 in a comprehensive process to make sure
23 that we were capturing everything and
24 making sure that we had as much clean
25 data as possible, and then we tested it

1 6/15/10 - WHOLE - RES. 100168, etc.
2 against the actual market and we started
3 rolling out assessments. But we took --
4 in Washington, DC back then, because this
5 was such a large task, we did it in
6 periods. We did a certain percentage of
7 the city every year. We did it in, I
8 think -- we did it in thirds. We had
9 what was called tri-annual, so we did 30
10 percent -- 33 percent, 33 percent, 33
11 percent.

12 COUNCILMAN GREEN: That's
13 great. Listen, I don't have any more
14 questions for you. I appreciate your
15 testimony, and I'm looking forward to
16 your becoming our Chief Assessor and
17 fixing this system and giving our
18 citizens confidence in our real estate
19 assessment and appraisal system in the
20 future. So thank you.

21 I do just want to note that
22 we've had the opportunity to look at
23 Mr. Negrin's Executive Director's report.
24 There's a lot of great work that was done
25 while you were at the BRT, Rich, and

1 6/15/10 - WHOLE - RES. 100168, etc.
2 there's a lot of great sort of process
3 and other staffing and changes that
4 have -- that you undertook while you were
5 there, and I just want to commend you for
6 the work you did at the BRT. Thank you.

7 Thank you, Madam Chair.

8 COUNCIL PRESIDENT VERNA: Thank
9 you.

10 The Chair recognizes Councilman
11 Clarke.

12 COUNCILMAN CLARKE: Thank you,
13 Madam President. Just one quick
14 follow-up actually on something that you
15 will be responsible for. Can you tell
16 me, in terms of your actual assessments
17 and your assessors, what level of detail
18 will be involved with the assessments of
19 properties in the City of Philadelphia
20 externally, and will there be internal
21 assessments done based on structural
22 issues with your problem?

23 MR. McKEITHEN: Typically the
24 goal is to find out as much about a
25 property as possible, and when I say

1 6/15/10 - WHOLE - RES. 100168, etc.
2 "field inspections," we will actually be
3 going out to the property. However,
4 different jurisdictions have different
5 approaches. In Washington, DC, we
6 attempt to actually get in the
7 properties, because a great deal of them
8 are different in certain neighborhoods.
9 However, if we can't obtain entry into a
10 property, we will leave a door hanger or
11 some sort of correspondence device where
12 the people -- the actual residents can
13 fill it out and send it back to us.

14 So there's several ways that
15 you can attempt to gather data. Some
16 neighborhoods we don't actually need to
17 go into the properties because we feel as
18 though we have enough on the actual model
19 of that particular neighborhood to where
20 we don't necessarily have to go in.

21 So it differs depending on the
22 type of properties, the complexity of the
23 properties and the neighborhoods.

24 COUNCILMAN CLARKE: Let me ask
25 you a little more detailed question,

1 6/15/10 - WHOLE - RES. 100168, etc.
2 again, going back to some of the earlier
3 issues I raised. In some areas you may
4 have property that from the facade look
5 very similar, but internally,
6 particularly in the areas where you have
7 a property that's just been renovated,
8 gut rehab, all the, quote/unquote,
9 contemporary things done --

10 MR. McKEITHEN: Bells and
11 whistles.

12 COUNCILMAN CLARKE: Exactly.
13 So that property, the market value of
14 that property may actually be 400,000,
15 and next door there may be a property
16 from the facade looks like the same
17 property, but inside there's all the
18 original woodwork, everything is
19 original, so therefore from the market
20 value perspective, that wouldn't be
21 comparable.

22 Do you think that the agency
23 should be involved in that level of
24 detail or should they --

25 MR. McKEITHEN: You almost have

1 6/15/10 - WHOLE - RES. 100168, etc.
2 to, because they're going to sell for two
3 different values.

4 COUNCILMAN CLARKE: Right.

5 MR. McKEITHEN: Now, one of the
6 things we use is -- and, once again, I
7 have to get in the office and see exactly
8 how everything is working, but the
9 property that was fixed up should have
10 taken out permits within a certain period
11 of time. If your permitting process is
12 working properly, then there will be some
13 permits on record.

14 COUNCILMAN CLARKE: They'll
15 actually get that tax abatement, too.

16 MR. McKEITHEN: Also, there are
17 different programs, like MLS and things
18 of this nature, that once the property
19 sells, you can attempt to obtain
20 information about a property, and that's
21 how you're setting up your models. So
22 there are different ways to attempt to
23 gather that sort of data.

24 COUNCILMAN CLARKE: So if say,
25 for instance, the property, assuming they

1 6/15/10 - WHOLE - RES. 100168, etc.
2 got a permit and subsequent abatements,
3 but therefore the value is going up
4 dramatically because of the sale of the
5 property, then that would automatically
6 trigger -- the comp associated with that
7 property may not be the same as the
8 property next door --

9 MR. McKEITHEN: Exactly. It
10 should.

11 COUNCILMAN CLARKE: So in your
12 shop, you will say, Well, although the
13 highest value in this neighborhood is X
14 and based on the comps, we think the
15 properties on that particular block
16 should be comped to X, but this X
17 property actually got redone, rehabbed
18 extensively, so, therefore, we throw that
19 comp out and then look at properties that
20 haven't been --

21 MR. McKEITHEN: And I'm talking
22 purely ideally here, because ideally
23 you're right. Now, it also depends on
24 how long ago that property was renovated,
25 because the renovation may have been so

1 6/15/10 - WHOLE - RES. 100168, etc.

2 long ago that the market has caught up
3 and it doesn't make any difference.

4 COUNCILMAN CLARKE: I'm talking
5 about recent. That's kind of the
6 degree --

7 MR. McKEITHEN: Right. What
8 I'm going to attempt to do is to look at
9 the market data and make some real hard
10 analysis, what was renovated versus what
11 was not, and then I'm going to see if
12 there's a market difference in that.

13 We're driven by the market, and
14 so if there's a market difference to
15 that, then those assessments should
16 reflect that, but it may -- I have seen
17 it, especially in this recent market
18 where it has gone down over the last
19 couple of years, with some renovation
20 work, the actual resident didn't get
21 dollar-for-dollar value, meaning they did
22 a lot of renovation work, but the actual
23 market value didn't go up that much. And
24 so in instances like that, we have to
25 still look at what that assessment should

1 6/15/10 - WHOLE - RES. 100168, etc.

2 be.

3 In this particular market, in
4 this day and age, you can have any number
5 of examples. When we levy an assessment,
6 I want us to have comparable data and
7 justification to demonstrate why and how
8 we got to that specific number.

9 COUNCILMAN CLARKE: Okay. All
10 right. Great. Thank you.

11 Thanks, Madam President. I'm
12 done.

13 COUNCIL PRESIDENT VERNA: Thank
14 you.

15 Are there any other questions
16 from members of the Committee?

17 (No response.)

18 COUNCIL PRESIDENT VERNA:
19 Seeing no one, thank you very much.

20 MR. McKEITHEN: Thank you.

21 COUNCIL PRESIDENT VERNA: Thank
22 you.

23 Do we have anyone else to
24 testify on this resolution?

25 (No response.)

1 6/15/10 - WHOLE - RES. 100168, etc.

2 COUNCIL PRESIDENT VERNA:

3 Seeing no one, this will conclude our
4 public hearing. We will now go into a
5 public meeting, and the Chair recognizes
6 Councilman DiCicco regarding Resolutions
7 100168, 100169, 100171 and 100172.

8 COUNCILMAN DiCICCO: Thank you,
9 Madam President. I move that the
10 resolutions that you have just read into
11 the record be approved and that the rules
12 of Council be suspended. Oh, we don't
13 need that, right?

14 COUNCIL PRESIDENT VERNA: We
15 don't need a suspension.

16 COUNCILMAN DiCICCO: Be
17 approved. Thank you.

18 (Duly seconded.)

19 COUNCIL PRESIDENT VERNA: It
20 has been moved and seconded that
21 Resolution Nos. 100168, 100169, 100171,
22 100172 be reported out of Committee with
23 a favorable recommendation.

24 All in favor will say aye.

25 (Aye.)

1 6/15/10 - WHOLE - RES. 100168, etc.

2 COUNCIL PRESIDENT VERNA: Those
3 opposed?

4 (No response.)

5 COUNCIL PRESIDENT VERNA: The
6 ayes have it and the motion carries, and
7 the record will reflect that Resolution
8 No. 100170 is being held.

9 The Chair now recognizes
10 Councilwoman Tasco regarding the
11 following resolutions: 100381, 100382,
12 100383, 100384, 100385, 100386, 100387,
13 100388, 100389, 100390, 100391, 100392,
14 100393, 100394, 100395, 100396, 100397,
15 100398, 100399, 100400, 100401.

16 COUNCILWOMAN TASCO: Madam
17 President, I move that the resolutions
18 that you just read be reported out of
19 Committee with a favorable
20 recommendation.

21 (Duly seconded.)

22 COUNCIL PRESIDENT VERNA: It
23 has been moved and seconded that the
24 resolutions be adopted.

25 All in favor will say aye.

1 6/15/10 - WHOLE - RES. 100168, etc.

2 (Aye.)

3 COUNCIL PRESIDENT Verna: Those
4 opposed?

5 (No response.)

6 COUNCIL PRESIDENT Verna: The
7 ayes have it and the motion carries.
8 The Chair recognizes
9 Councilwoman Miller for a motion
10 regarding Resolution No. 100469.

11 COUNCILWOMAN MILLER: Thank
12 you, Madam Chair. I move that Resolution
13 100469 be reported out of this Committee
14 with a favorable recommendation.

15 (Duly seconded.)

16 COUNCIL PRESIDENT Verna: It
17 has been moved and properly seconded that
18 Resolution 100469 be reported out of
19 Committee with a favorable
20 recommendation.

21 All in favor will indicate by
22 saying aye.

23 (Aye.)

24 COUNCIL PRESIDENT Verna: Those
25 opposed?

1 6/15/10 - WHOLE - RES. 100168, etc.

2 (No response.)

3 COUNCIL PRESIDENT Verna: The
4 ayes have it and the motion carries.

5 The Chair recognizes
6 Councilwoman Tasco regarding Resolution
7 No. 100465.

8 COUNCILWOMAN TESCO: Madam
9 President, I move that Resolution 100465
10 be reported out of Committee with a
11 favorable recommendation.

12 (Duly seconded.)

13 COUNCIL PRESIDENT Verna: It
14 has been moved and properly seconded that
15 Resolution No. 100465 be reported out of
16 Committee with a favorable
17 recommendation.

18 All in favor will indicate by
19 saying aye.

20 (Aye.)

21 COUNCIL PRESIDENT Verna: Those
22 opposed?

23 (No response.)

24 COUNCIL PRESIDENT Verna: The
25 ayes have it, the motion carries, and

1 6/15/10 - WHOLE - RES. 100168, etc.

2 this concludes our public meeting.

3 Thank you all very much.

4 (Committee of the Whole

5 concluded at 3:20 p.m.)

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CERTIFICATE

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I HEREBY CERTIFY that the

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proceedings, evidence and objections are

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contained fully and accurately in the

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stenographic notes taken by me upon the

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foregoing matter on June 15, 2010, and that

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this is a true and correct transcript of same.

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MICHELE L. MURPHY

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RPR-Notary Public

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