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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, October 27, 2009
11:20 a.m.

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PRESENT:

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COUNCIL PRESIDENT ANNA C. VERNA

COUNCILWOMAN JANNIE BLACKWELL

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COUNCILMAN DARRELL L. CLARKE

COUNCILMAN FRANK DiCICCO

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COUNCILMAN W. WILSON GOODE, JR.

COUNCILMAN BILL GREEN

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COUNCILMAN CURTIS JONES, JR.

COUNCILMAN JACK KELLY

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COUNCILMAN JAMES F. KENNEY

COUNCILMAN BRIAN J. O'NEILL

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COUNCILWOMAN MARIA QUINONES-SANCHEZ

COUNCILWOMAN DONNA REED MILLER

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COUNCILWOMAN BLONDELL REYNOLDS BROWN

COUNCILMAN FRANK RIZZO

16

COUNCILWOMAN MARIAN B. TASCO

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BILL 090706 - An ordinance amending Title 2 of
The Philadelphia Code, entitled "City-County
Consolidation," by abolishing the Board of
Revision of Taxes"...

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2 COUNCIL PRESIDENT VERNA: Good
3 morning, everyone. This is a public
4 hearing of the Committee of the Whole
5 regarding Bill No. 090706.

6 I would ask Mr. McPherson to
7 please read the title of the bill.

8 MR. MCPHERSON: Bill No.
9 090706, an ordinance amending Title 2 of
10 The Philadelphia Code, entitled
11 "City-County Consolidation," by
12 abolishing the Board of Revision of
13 Taxes.

14 COUNCIL PRESIDENT VERNA: The
15 Chair recognizes Councilman Green.

16 COUNCILMAN GREEN: Thank you,
17 Madam President.

18 The reform legislation under
19 consideration today, which will bring
20 fundamental, necessary and lasting reform
21 to Philadelphia's property tax system,
22 including by separating the assessment
23 and appeals function, was co-sponsored by
24 14 Councilmembers and is the work of this
25 body. Our goal with this bill is to

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2 bring accountability, professionalism and
3 transparency to a broken assessment and
4 appeals process.

5 City Council has focused on
6 ensuring that the citizens of
7 Philadelphia will have a property tax
8 system that they can trust, that adheres
9 to the highest standards of
10 professionalism and under which all
11 citizens are treated equally.

12 In developing this bill, we
13 pursued a collaborative process whereby
14 multiple Council offices made valuable
15 contributions to this legislation. The
16 bill before Council today was very much
17 improved by that process. We intend to
18 pursue a similar process going forward.

19 We have received helpful
20 suggestions for amendments to the bill --
21 many of them are technical in nature --
22 from the Administration, the public and
23 other stakeholders. For instance, we
24 agree with the suggestion from the
25 Administration that the bill include a

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2 date certain for transition of functions
3 from the BRT to the new Office of
4 Property Assessment and Board of Appeals.

5 To that end, my hope for today
6 is that Council hear from the
7 Administration and members of the public
8 on the draft bill. As always, we welcome
9 this input. We are ready to work -- we
10 are already at work preparing amendments
11 to the bill based on the input we have
12 received to date, and that work will
13 continue after today's hearings.

14 Given the other serious issues
15 facing Council in the months ahead,
16 including the budget hearings, which will
17 soon be upon us, I hope to have
18 amendments circulated to my colleagues
19 after input from my colleagues within the
20 next few weeks so that we can move this
21 bill forward shortly thereafter.

22 Thank you, Madam President.

23 COUNCIL PRESIDENT VERNA: Thank
24 you.

25 The Chair recognizes Councilman

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2 Goode.

3 COUNCILMAN GOODE: Thank you,
4 Madam President.

5 I was proud to co-sponsor this
6 bill, and I can vote for it with or
7 without amendments. The key is that
8 property assessments meet industry
9 standards for accuracy. This bill will
10 do that with or without amendments. In
11 fact, the legislation recommended by the
12 Tax Reform Commission in 2003 would have
13 accomplished that.

14 The issue is not just one of
15 competence, though, but one of ethics.
16 Historically, Philadelphia's assessment
17 inaccuracy is highly regressive, as
18 low-income neighborhood homeowners pay
19 more than their fair share and
20 upper-income neighborhoods pay less than
21 their fair share. This bill, amended or
22 not, will not make assessments fair or
23 equitable; just more fair and equitable.

24 Simply moving away from a
25 system of fractional assessments does not

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2 solve the issue of fairness and equity,
3 as long as there are those who still
4 won't pay their fair share because of
5 governmental intervention and/or more
6 success in challenging their assessments
7 based upon their economic class or
8 status.

9 If I have been overassessed for
10 15 years and I receive a fair assessment
11 in Year 16, in fact I am owed money for
12 the last 15 years. If I have been
13 underassessed for 15 years and I receive
14 a fair assessment all the sudden, am I
15 really going to pay my fair share? Is
16 that really fairness and equity?

17 The assessment system was never
18 structured to be objective. It has been
19 rigged for years as a form of class
20 discrimination. I hope this is a step in
21 the right regard.

22 Thank you.

23 COUNCIL PRESIDENT VERNA:

24 You're welcome.

25 Our first witness?

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2 MR. MCPHERSON: Rob Dubow.

3 (Witness approached witness
4 table.)

5 COUNCIL PRESIDENT Verna: Good
6 morning. Welcome.

7 MR. DUBOW: Good morning.

8 COUNCIL PRESIDENT Verna: I
9 know you have submitted written
10 testimony.

11 Does everyone have a copy of
12 Mr. Dubow's testimony?

13 (Yes.)

14 COUNCIL PRESIDENT Verna: If
15 you don't, if you'll raise your hand,
16 we'll make sure you have a copy.

17 Please proceed.

18 MR. DUBOW: Good morning,
19 Council President Verna and members of
20 City Council. I'm Rob Dubow, Finance
21 Director, and I'm here to testify on Bill
22 No. 090706, which amends Title 2 of The
23 Philadelphia Code by abolishing the Board
24 of Revision of Taxes and creating a new
25 Office of Property Assessment and a new

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2 Board of Property Assessment Appeals.

3 Reform of our property
4 assessment and appeals functions is
5 needed in order to restore public
6 confidence by creating a predictable,
7 consistent and equitable property system
8 that treats all taxpayers fairly.

9 Accomplishing meaningful reform in the
10 property assessment and appeals process
11 will be a significant accomplishment for
12 the City and one that is long overdue.

13 On May 6th, Mayor Nutter and
14 Council President Verna issued a joint
15 statement in which they said that Council
16 and the Administration would work
17 together to reform, restructure or
18 dissolve the BRT as quickly as possible.

19 Over the course of the summer, two
20 working groups comprised of Council and
21 Administration staff members researched
22 and outlined the issues and options
23 related to the BRT. One group reviewed
24 the BRT's Actual Value Initiative data
25 and methodology and the other was

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2 responsible for assessing governance and
3 administration of the agency.

4 The Data/Methodology Working
5 Group review is ongoing. They continue
6 to evaluate and test the BRT's Actual
7 Value Initiative preliminary assessment
8 results.

9 The Governance Working Group
10 issued two final memos on September 18th,
11 2009, one detailing the options and
12 preliminary assessments by the working
13 groups provided a framework to guide the
14 Mayor and City Council on their
15 collective efforts to reform the
16 assessment system. Following review of
17 the summer's analysis, on October 6th the
18 Mayor articulated the principles he
19 supported for any BRT governance
20 legislation. He said any changes would
21 need to address accountability,
22 consistency and independence.
23 Specifically, the Mayor stated that
24 Philadelphia needs a property tax system
25 that is accountable to the Mayor and

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2 citizens, that separates the appeals and
3 assessment functions, and for which the
4 employees are subject to the same
5 requirements as other employees in the
6 executive branch.

7 We appreciate that Council has
8 crafted a bill responsive to these
9 principles and look forward to continuing
10 to work together to pass legislation this
11 calendar year, thereby placing a question
12 on the May 10th ballot for necessary
13 voter approval.

14 While the Administration
15 supports passage of this bill, we would
16 like to propose a number of specific
17 amendments to it.

18 And before I go to the next
19 section, the way this is laid out, the
20 Task Force had pros and cons for a series
21 of recommendations. So I'm going to go
22 through the Administration's proposal and
23 then discuss what the Task Force said.

24 The first issue is placement of
25 the Office of Property Assessment. As

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2 currently drafted, the bill does not
3 specify where this new office is housed.
4 It reads that the assessment office is
5 hereby created within the executive
6 administrative branch of City government.
7 The Administration recommends that the
8 bill be amended to specify that the
9 office be placed within the Finance
10 Department.

11 As far as placing the
12 assessment function in the Finance
13 Department, the Task Force said the pros
14 were that Finance is currently charged
15 with the overarching responsibility for
16 financial functions, which makes Finance
17 a logical choice for a department in
18 which to house real estate assessments,
19 and that the Department already has
20 responsibility for a number of
21 tax-related functions, including the Tax
22 Review Board and revenue collections.

23 But the group also noted
24 negatives, however, because there could
25 be a perceived conflict by locating the

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2 assessment office in the same department
3 whose mission includes collecting
4 revenues and making expenditures. As the
5 group pointed out, however, this concern
6 could be addressed by highlighting
7 Council's role in setting the millage
8 rate and by including a provision that
9 the Chief Assessor can be fired for cause
10 only.

11 The second issue is appointing
12 authority for the Chief Assessor. The
13 bill states that the Mayor appoints with
14 Council approval. The Administration
15 recommends that the bill be amended to
16 provide that the Finance Director appoint
17 the Chief Assessor to be consistent with
18 our recommendation that the Assessor be
19 in the Finance group.

20 The Chief Assessor's service,
21 the bill has it at the pleasure of the
22 appointing authority or removal for cause
23 only. The bill states that the Chief
24 Assessor serves a four-year term, with
25 removal for cause by the appointing

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2 authority. It says the Mayor would put
3 the cause in writing and a two-thirds
4 vote of Council would be required to
5 remove the Assessor after hearing is
6 needed -- after a hearing is held.

7 In accordance with our
8 recommendation that the assessment
9 function be housed in Finance, the
10 Administration also recommends the bill
11 be amended to provide that the removal
12 for cause be initiated by the Finance
13 Director, who would state the cause in
14 writing, with a hearing before the Mayor.

15 The next issue is the
16 appointing authority for the Appeals
17 Board. The bill provides for a
18 nominating panel comprised of seven
19 members, one each appointed by the Mayor,
20 Council President, the Realtors
21 Association, the Bar Association, Housing
22 Association of Delaware Valley, the BIA
23 and the local Assessor's Association.
24 Then the Mayor selects from the names
25 submitted by the panel and Council

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2 confirms.

3 We believe this process would
4 be too cumbersome and recommend that the
5 bill be changed to provide the Mayor
6 appoints with Council confirmation. We
7 also think that the nominating panel
8 would lessen the Mayor's and Council's
9 responsibility for the eventual
10 appointees.

11 The Work Group noted the
12 following pros with respect to Mayor
13 appointing with Council confirmation.
14 The executive and legislative branch
15 would both be involved in the appointment
16 process. A public hearing process will
17 enable the examination of appointees'
18 credential and help increase public
19 confidence in the Appeals Board.

20 The cons were, some members
21 could be deterred by a public hearing
22 process and there's a potential for a
23 public perception the Board is comprised
24 of insiders and that process would take
25 longer.

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2 The process noted some pros
3 with respect to using a nominating panel.
4 It's in place for some positions already
5 and it helps spread the workload if there
6 are a large number of absences. The cons
7 are it would make the process take
8 longer.

9 The next issue is service of
10 the Appeals Board. The bill is silent on
11 removal. The bill recommends that --
12 Administration, sorry, recommends the
13 bill be amended to provide that the
14 Appeals Board member could be removed for
15 cause, but only with the Mayor stating
16 the cause in writing and Council removing
17 after a hearing.

18 We think removal for cause
19 increases independence -- cause only
20 increases the independence of the Board
21 members.

22 The Work Group listed pros and
23 cons for removal for cause. It would
24 make the Board appear independent of
25 politics. The process would attract

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2 professional board members, but an
3 appointing authority might have the basis
4 for removal that does not meet the "for
5 cause" standard.

6 And the group also looked at
7 the pros and cons of serving at the
8 pleasure of the appointing authority. It
9 would create accountability for that
10 appointing authority. If a new
11 appointing authority came to power, the
12 appointing authority has the opportunity
13 to appoint Board members without having
14 to wait for terms to expire. But there
15 could be a public perception of a
16 politicized process, and the approach may
17 deter some potential members from
18 applying.

19 The next is compensation of the
20 Board members. The bill provides for
21 annual salaries of \$68,000 for the Chair,
22 \$65,000 for the secretary and \$63,000 for
23 Board members. We recommend that the
24 bill be changed to provide for a per diem
25 payment.

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2 The next section talks about
3 some of the pros and cons of an annual
4 salary. It does provide budget
5 predictability and is consistent with
6 current practice, but it's not tied to
7 the work performed and it does present a
8 risk that the City will overpay if the
9 appeals caseload is less than was
10 anticipated. Likewise, if the caseload
11 far exceeds prediction, the compensation
12 may be low in relation to workload and
13 may impede getting members to serve.

14 For per diem compensation, the
15 Work Group said that a pro is
16 compensation is tied directly to work
17 performed. It's consistent with the
18 model used for other entities. The
19 approach could rebut the public
20 perception that BRT Board members are
21 overpaid. It's easy to administer and
22 could provide budget predictability if
23 there was a cap set on the amount.
24 However, on the negative, it could create
25 an incentive to reduce the length of

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2 meetings so that there were more days of
3 service, and a caseload could far exceed
4 prediction. A compensation cap then may
5 make people think that the compensation
6 is low compared to the amount of work
7 that they're required to do.

8 The next issue is the effective
9 date of the transition to new structure.
10 The bill does not give a specific date.
11 We recommend the bill be amended to
12 provide a very clear effective date,
13 which would help to plan and guide the
14 transition and provide a clear end date
15 for the current BRT. The Administration
16 recommends the effective date be October
17 1st, 2010.

18 Thank you for considering those
19 changes and additions. I also wanted to
20 take a couple of minutes to talk about
21 what's been going on at the BRT.

22 The Administration has taken
23 some steps to improve oversight and
24 management since the earliest that
25 legislation could take place is after a

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2 vote in May 2010. We think these steps
3 will help to restore confidence in the
4 assessment function and will allow the
5 City to move to more closely examine the
6 assessment work of the current BRT and
7 help pave the way for a smooth transition
8 to a new system if voters approve the
9 governance changes provided in this bill.

10 As you know, on October 7th,
11 the Mayor announced that with the
12 cooperation of the BRT Board, an
13 agreement had been reached which
14 establishes the Finance Director as the
15 Interim Executive Director of the BRT and
16 brings the assessment function under
17 Finance's responsibility. The agreement,
18 detailed in a Memorandum of
19 Understanding, will remain in effect for
20 an initial term of six months and can be
21 extended for a period of up to six
22 months.

23 The Interim Executive Director
24 will supervise all operations of the BRT
25 relating to real estate appraisals,

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2 valuations and assessments. The Board of
3 the BRT will retain responsibility for
4 matters relating to appeals of real
5 estate valuations and will continue to
6 make all determinations in granting of
7 exemptions and any duties performed by
8 the Board in connection with eminent
9 domain proceedings conducted by the Board
10 of View. Under the agreement, the
11 property assessment functions fall under
12 the responsibility of the executive
13 branch, and it gives us an opportunity to
14 restore accountability to the public of
15 the assessment function.

16 We've taken a couple of steps
17 already working with Al D'Attilio, the
18 Director of Human Resources, to evaluate
19 all personnel in positions in the
20 assessment function at BRT. This review
21 will enable both Council and the
22 Administration to work from an accurate
23 understanding of the current
24 responsibilities and activities of the
25 property assessment function at the BRT.

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2 When the review is complete, the Office
3 of Human Resources will have fully
4 reviewed classification and compensation
5 characteristics, developed and conducted
6 any necessary position examinations and
7 sought any necessary changes to civil
8 service regulations.

9 As you may also be aware, on
10 October 16th the Mayor requested a
11 non-confidential opinion of the City
12 Solicitor to address the status of BRT
13 workers on the School District's payroll.
14 Clarification of this issue will help
15 guide the personnel and position
16 evaluation we are currently undergoing at
17 the BRT and in determining how the BRT is
18 ultimately organized.

19 In the months to come, we'll
20 continue to work diligently to improve
21 oversight and management, as well as
22 property assessment operations at the
23 BRT. We'll also continue to work with an
24 eye towards repairing any transitional
25 issues that we anticipate pending voter

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2 approval of permanent changes to the BRT.

3 Thank you for the opportunity
4 to provide testimony. I'll be pleased to
5 respond to any questions you may have.

6 COUNCIL PRESIDENT VERNA: Thank
7 you, Mr. Dubow.

8 Can you tell us where you are
9 in the selection of an Interim Executive
10 Director?

11 MR. DUBOW: Sure. We have
12 several candidates, a couple of whom are
13 really promising. We're in the kind of
14 discussion process. We hope to have
15 someone named very soon.

16 COUNCIL PRESIDENT VERNA: Thank
17 you.

18 The Chair recognizes Councilman
19 Jones.

20 COUNCILMAN JONES: Thank you,
21 Madam President.

22 I'm encouraged today that we
23 are taking a giant step in the right
24 direction to fix a system that is clearly
25 broken. I am also encouraged by the fact

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2 that we have so few items that we
3 radically disagree on. I mean, this is a
4 first and a level of cooperation that I
5 hope goes forward.

6 I want to focus not so much on
7 some of the small details about when the
8 BRT would end, those dates, even though
9 they are important, but I want to focus
10 in on the membership composition that you
11 guys have kind of highlighted as one of
12 your priority amendments. And this body
13 took a great deal of time, a lot of
14 discussion to try to be as broad-based
15 and as transparent as possible in
16 including advocacy groups that kind of
17 represented a broad brush of what the
18 concerns would be about this particular
19 issue, and I notice that the
20 Administration wants to kind of relegate
21 that to Council and the Administration,
22 and I wanted to get a little more
23 rationale as to why.

24 MR. DUBOW: Sure. Let me start
25 by saying, I think there are a number of

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2 ways this can work so that even if the
3 bill isn't amended, I think this can
4 still work. But I do think that the way
5 this is laid out with the number of
6 entities, it would be a cumbersome
7 process that would take a while. I think
8 you can still have openness and
9 transparency in a process that has the
10 Mayor making appointments and Council
11 confirming. You can have a hearing
12 process. You can take testimony from
13 various groups. So I think you can still
14 be inclusive and open. I think it would
15 just be a smoother process.

16 COUNCILMAN JONES: Okay. When
17 it comes to smooth, that's important, but
18 getting it right is, in our opinion, more
19 important and getting a consensus about
20 the stakeholders who are most impacted by
21 what we do and what this new body will
22 do.

23 The other thing is that as we
24 look at individual organizations, it was,
25 I guess, in the spirit of this that we

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2 would even if, for example, one
3 organization went out of existence, the
4 surviving organizations could kind of
5 name a replacement and, in so doing, kind
6 of keep that broad-based consensus. I
7 just don't see why expediency would be
8 the reason why we would not want to be
9 more inclusive in the number of
10 organizations that could participate.
11 And that's just my opinion. I don't
12 expect you to --

13 MR. DUBOW: Like I said, I
14 think you can be inclusive in a number of
15 ways. You can be inclusive through the
16 hearing process, too. So you could get
17 input from all those organizations if you
18 had it structured with the Mayor
19 appointment and Council approval.

20 COUNCILMAN JONES: My second
21 question would be on the per diem versus
22 the strict salary.

23 MR. DUBOW: Right.

24 COUNCILMAN JONES: On the per
25 diem, couldn't that be -- and not to say

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2 that any of these good, hard-working
3 individuals would ever do that. Couldn't
4 that kind of on the top end mean a lot
5 more money than a salary cap, if you
6 would, by way of a straight salary?

7 MR. DUBOW: We looked at that.
8 I mean, we thought kind of if all they're
9 doing is appeals, you could see a heavy
10 workload being five months at five days a
11 week and seven months maybe at three days
12 a week. Even that comes up to under
13 \$40,000, which is less than the amounts
14 that are in here. So I think that doing
15 a per diem, you'd wind up with a lower
16 cost.

17 COUNCILMAN JONES: I overheard
18 my colleague mention the words "full
19 valuation" and then the nightmare of kind
20 of dealing with straightening out that
21 process, and if the meter was running on
22 a per diem basis, it could add up
23 quickly, and I don't know if you thought
24 about that, but eventually this is the
25 easy part of this fix.

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2 MR. DUBOW: If you had a per
3 diem of \$200 a day, if they worked 300
4 days in a year, it would be \$60,000. So
5 you'd still be below a couple of the
6 salary levels here. So I don't think it
7 would wind up costing us more.

8 COUNCILMAN JONES: Thank you,
9 Madam President.

10 COUNCIL PRESIDENT Verna:
11 You're welcome.

12 The Chair recognizes Councilman
13 Goode.

14 COUNCILMAN GOODE: Thank you,
15 Madam President.

16 Good morning, Mr. Dubow.

17 MR. DUBOW: Good morning.

18 COUNCILMAN GOODE: Kevin Gillen
19 wrote a paper for the Tax Reform
20 Commission report in 2003 and updated it
21 last year based upon 2007 data, but in
22 the 2003 report there are several
23 interesting statements. I wonder if you
24 would comment on whether they are still
25 true.

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2 The first is, A greater level
3 of assessment uniformity would not be
4 revenue neutral. To offset the total
5 decline in assessed value and thus tax
6 revenue, the City would have to assess at
7 higher fractions of value, increase the
8 assessment rate, raise the property tax
9 rate or some combination of these three.

10 MR. DUBOW: I'm sorry. Say
11 that again.

12 COUNCILMAN GOODE: The City
13 would have to assess at a higher fraction
14 of value, increase the assessment rate,
15 raise the property tax rate or some
16 combination of those three, because
17 assessment uniformity would mean that
18 those that were underassessed essentially
19 probably would not pay their full share
20 immediately and/or would be more
21 successful when challenging their
22 assessments.

23 MR. DUBOW: Let me try to
24 answer it this way and see whether I
25 actually answer your question. I think

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2 in terms of total taxes, it could be
3 revenue neutral depending on where you
4 set millage rate. For individuals, it
5 won't be neutral. There will be some
6 will pay more and some will pay less than
7 they had before. If you put in some kind
8 of buffering, it will mean that people
9 who were paying more than they should
10 have relatively before take a while for
11 them --

12 COUNCILMAN GOODE: Let me move
13 to the second question. The comment may
14 help you along.

15 The City must carefully weigh
16 the benefits of greater assessment
17 uniformity against potential costs. If
18 the City successfully implements a regime
19 of more accurate property assessments, it
20 may still be a net loser if many of these
21 households succeed in challenging their
22 assessments or even decide to vacate the
23 City. Improved assessment accuracy would
24 likely require more actives than frequent
25 intervention by City Council to annually

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2 set revenue targeted assessment and/or
3 tax rates like the suburbs do. This is
4 because tax values in Philadelphia
5 exhibit greater historical volatility
6 than have assessments. In other words,
7 the market changes more than assessments
8 do.

9 MR. DUBOW: I think --

10 COUNCILMAN GOODE: And,
11 therefore, any immediate change would
12 automatically cause an immediate
13 shortfall.

14 MR. DUBOW: I think it's very
15 likely that millage rates would have to
16 change frequently, clearly more often
17 than they do now. But I think that's
18 true. If you have -- if you move to
19 accurate values, that you will see more
20 need to shift millage if you want to keep
21 the revenue level consistent.

22 COUNCILMAN GOODE: In other
23 words, we will be doing this every year
24 or several times a decade?

25 MR. DUBOW: I think that's

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2 probably right if you want revenues to
3 stay consistent, yes.

4 COUNCILMAN GOODE: On the issue
5 of property assessments meeting industry
6 standards, can you tell me the difference
7 between the legislation that was offered
8 by the Tax Reform Commission, the
9 Memorandum of Understanding between the
10 BRT, the bill introduced in City Council
11 and the amendments that are offered by
12 the Administration? In terms of the
13 actual assessment standards and
14 procedures, are they all the same under
15 all those scenarios?

16 MR. DUBOW: The --

17 COUNCILMAN GOODE: In terms of
18 meeting industry standards.

19 MR. DUBOW: Well, our
20 amendments don't recommend anything about
21 changing what the bill says about
22 industry standards. I don't think the
23 MOU does either. So I think all three of
24 those are consistent. I'd have to go
25 back and look at the Tax Reform

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2 Commission.

3 COUNCILMAN GOODE: Part of the
4 question was, through the Memorandum of
5 Understanding, do you have the power to
6 meet industry standards now in terms of
7 property assessments?

8 MR. DUBOW: Yes.

9 COUNCILMAN GOODE: Last
10 question. On the question of
11 equalization and the fact that there have
12 been neighborhoods based upon their
13 income level that have been historically
14 overassessed or underassessed, what do
15 you think the BRT was doing in terms of
16 that and what do you think that any new
17 entity should do in terms of that?

18 MR. DUBOW: I can speak to what
19 a new entity should do. I mean, I
20 understand from what the BRT said itself
21 that there were differences, but I think
22 a new entity should work to make it so
23 that values actually reflect value, that
24 there are not differences by
25 neighborhood, that everything is at 100

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2 percent of what its value should be.

3 COUNCILMAN GOODE: But a
4 hundred percent of actual assessment
5 value does not necessarily mean that some
6 will pay that assessment immediately. In
7 other words, those who have been
8 historically overassessed are more likely
9 to pay their new full assessment, even if
10 it's less, than those people who are
11 historically underassessed are not
12 necessarily going to be likely to pay
13 their full assessment. So you still have
14 a problem with equalization in terms of
15 who is actually bearing the property tax
16 burden whether people are actually paying
17 their fair share.

18 MR. DUBOW: As you go through
19 the transition period, you mean, if you
20 have buffering in a transition period? I
21 think that's right. I think that one of
22 the goals here is to get to equity, but
23 as you do buffers to make sure that the
24 sticker shock isn't too much for people,
25 you will be --

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2 COUNCILMAN GOODE: So it's a
3 fair statement to say that it's going to
4 take us a while to actually get to real
5 fairness and equity?

6 MR. DUBOW: I think you'd
7 probably want some kind of buffer that
8 would take at least a few years. So,
9 yeah, I think it would. I mean, even
10 once you get the assessments right, I
11 think you'll want some kind of buffering
12 process.

13 COUNCILMAN GOODE: Thank you,
14 Madam President.

15 Thank you, Mr. Dubow.

16 COUNCIL PRESIDENT VERNA: Thank
17 you.

18 The Chair recognizes Councilman
19 Green.

20 COUNCILMAN GREEN: Thank you,
21 Madam President.

22 I guess it's still morning.
23 Good morning, Rob.

24 MR. DUBOW: Good morning.

25 COUNCILMAN GREEN: Can you

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2 describe the process through which the
3 Finance Department or you essentially
4 became the Executive Director of the BRT,
5 the negotiations that took place, who
6 they were with, what happened?

7 MR. DUBOW: Right. I can't
8 really describe the negotiations because
9 I wasn't part of them, but I understand
10 there were discussions between the Mayor
11 and the BRT that resulted in an MOU that
12 essentially transferred authority over
13 assessments from the BRT to me or my
14 designee.

15 COUNCILMAN GREEN: Has that MOU
16 been approved by the BRT in an open and
17 public meeting?

18 MR. DUBOW: I don't know what
19 process they went through. I don't
20 know -- I know that members of the BRT
21 signed it. I don't know what the process
22 they went through.

23 COUNCILMAN GREEN: Three
24 members signed it and there are six
25 members currently there, and I'm just

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2 curious, are all of the members of the
3 BRT in favor of this change?

4 MR. DUBOW: That's my
5 understanding.

6 COUNCILMAN GREEN: Okay. Well,
7 I would suggest that it's actually not a
8 legal agreement until they approve it at
9 a public meeting, and before you start
10 exercising authority, you might want to
11 request that they do that.

12 Thank you, Madam President.

13 COUNCIL PRESIDENT VERNA:
14 You're welcome.

15 The Chair recognizes
16 Councilwoman Brown.

17 COUNCILWOMAN BROWN: Thank you,
18 Madam President.

19 My question centers on one
20 particular category of employees, Page 5
21 of your testimony where you give mention
22 to the School District employees. Can
23 you update us where you are at this
24 juncture with regards to the personnel
25 and position evaluations of those

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2 employees?

3 MR. DUBOW: Yeah. We've
4 actually just started that process. So
5 we're right at the beginning of that
6 process.

7 COUNCILWOMAN BROWN: And that
8 process includes what?

9 MR. DUBOW: I'm going to ask Al
10 D'Attilio, the Director of Human
11 Resources, to walk you through that.

12 (Witness approached witness
13 table.)

14 COUNCIL PRESIDENT VERNA: Good
15 morning. Please identify yourself for
16 the record.

17 MR. D'ATTILIO: Albert
18 D'Attilio, Director of Human Resources
19 for the City of Philadelphia.

20 COUNCIL PRESIDENT VERNA: Thank
21 you.

22 COUNCILWOMAN BROWN: Good
23 morning.

24 MR. D'ATTILIO: Good morning.

25 COUNCILWOMAN BROWN: If you

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2 could just share with us what that
3 process will be or what that process
4 includes, where you are in the process.

5 MR. D'ATTILIO: Well, as
6 Mr. Dubow just indicated, we have just
7 begun the process. The process begins
8 with employees being asked to fill out a
9 position classification questionnaire.
10 Basically, they outline their duties and
11 responsibilities. We will then interview
12 a representative sample of employees. We
13 will have those position questionnaires
14 reviewed by management to make sure that
15 the responses are accurate and complete.
16 We will conduct salary surveys. We will
17 benchmark against what other
18 jurisdictions do. And ultimately we will
19 create a job classification and submit
20 that to the Civil Service Commission for
21 consideration.

22 COUNCILWOMAN BROWN: Okay.
23 This position classification
24 questionnaire, is that a standard
25 operating procedure?

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2 MR. D'ATTILIO: It's a standard
3 form and it's on my department's website.

4 COUNCILWOMAN BROWN: Okay,
5 then. Thank you.

6 MR. D'ATTILIO: It's a form
7 we've used in the past.

8 COUNCILWOMAN BROWN: So you've
9 given at least four or five steps here,
10 and Mr. Dubow mentioned that you've just
11 started. So where are you in these
12 steps?

13 MR. D'ATTILIO: We passed out
14 the position questionnaire roughly a week
15 ago. We have not yet received any
16 responses.

17 COUNCILWOMAN BROWN: Okay,
18 then. Thank you for your testimony.

19 Thank you, Madam Chair.

20 COUNCILMAN GREEN: Point of
21 information.

22 COUNCIL PRESIDENT VERNA: Yes.
23 The Chair recognizes Councilman Green.

24 COUNCILMAN GREEN: With respect
25 to the employees who are currently civil

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2 service employees at the BRT, is it your
3 intention to simply continue that
4 classification now through the period
5 once the BRT legally approves the
6 Memorandum of Understanding and you take
7 charge, continue it now until we can pass
8 this legislation and get it on the ballot
9 and approved? And afterwards are you
10 just going to move those classifications
11 over to the Office of Property
12 Assessment? I mean, what is the
13 intention with respect to people who are
14 already civil service?

15 MR. D'ATTILIO: We are in the
16 process of evaluating those positions as
17 well. The Department of Human Resources
18 has been tasked under the Charter with
19 maintaining the classification system for
20 the civil service employees, so we are
21 evaluating those positions with that same
22 process in mind, and those job
23 classifications may or may not change
24 depending upon what we find.

25 If employees are just being

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2 transferred within their job titles from
3 one department to another, a
4 classification change is not needed. But
5 if the position -- if we find that the
6 position has changed, that the
7 requirements are not what they should be,
8 then we would have to go to Civil Service
9 to change the classifications, but it
10 wouldn't impact whether the employees
11 worked in one department or another.

12 COUNCILMAN GREEN: What is the
13 Administration's intention with respect
14 to the School District continuing to
15 reimburse or fund the existing positions
16 within the BRT? Do you expect that to
17 change during the interim period prior to
18 passage of this bill, and what is your
19 expectation afterwards?

20 MR. DUBOW: We don't expect
21 that to change. I guess there are two
22 questions. One is whether those
23 employees are on the School District's
24 payroll or whether they're on the City's
25 payroll. And then the second question

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2 is, regardless of where they are, who
3 pays for them. And I think your question
4 was about who pays for them. We don't
5 intend to have that change. I mean, even
6 in the School District's budget, when
7 they assumed that the employees would
8 come off their payroll, they then
9 budgeted for a contract with the City.
10 So they maintain funding, but just in a
11 different way.

12 COUNCILMAN GREEN: Are you
13 aware that the Controller's Office has
14 School District employees?

15 MR. DUBOW: I am.

16 COUNCILMAN GREEN: And why
17 wouldn't we just keep that situation?

18 MR. DUBOW: I'm sorry. I
19 didn't hear you. I didn't hear your
20 question.

21 COUNCILMAN GREEN: Do you
22 believe that they should eliminate those
23 positions also? I mean, is that
24 essentially this is a bad thing, so we
25 should get rid of it everywhere?

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2 MR. DUBOW: I don't think I
3 said it was a bad thing, we should get
4 rid of it. I said there were two
5 questions. One was who pays and one was
6 where they --

7 COUNCILMAN GREEN: What is your
8 intention with respect to those
9 employees?

10 MR. DUBOW: I don't know.
11 We're going -- there are two things.
12 We're looking at what they actually do,
13 and the second is, the City Solicitor is
14 studying the issue and going to provide a
15 non-confidential opinion on their status.

16 COUNCILMAN GREEN: Well,
17 they're currently School District
18 employees.

19 MR. DUBOW: Right.

20 COUNCILMAN GREEN: Is it your
21 intention to have them remain School
22 District employees?

23 MR. DUBOW: It depends on the
24 outcome of those two things.

25 COUNCILMAN GREEN: You don't

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2 have a preferred path at this moment; is
3 that your testimony?

4 MR. DUBOW: I think we're
5 trying to understand those two things to
6 determine what path we take.

7 COUNCILMAN GREEN: But either
8 way, it is the Administration's
9 position -- because there's been a lot of
10 public clamoring for that money to be
11 returned to the schools. Either way, it
12 is the Administration's position that the
13 School District will either pay for the
14 employees or reimburse the City for the
15 cost of those employees?

16 MR. DUBOW: That's correct.

17 COUNCILMAN GREEN: To the tune
18 of \$4 million?

19 MR. DUBOW: Correct.

20 COUNCILMAN GREEN: Thank you.

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

23 COUNCILMAN KENNEY:

24 Councilwoman Brown, were you done?

25 COUNCILWOMAN BROWN: I am done.

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2 Thank you, Madam Chair.

3 COUNCILMAN KENNEY: I just
4 wanted to make sure. I didn't want to
5 jump on your time.

6 Thank you very much, Madam
7 Chair.

8 On Page 2 of your matrix or
9 dubbed matrix -- I'm not sure if it's
10 yours or Council's -- there's an issue
11 relative to the appointing authority for
12 the Appeals Board, and the current bill
13 talks about the nomination of seven
14 members appointed by the Mayor, Council
15 President, Board of Realtors, Bar
16 Association and various other
17 organizations within the City that have
18 an interest in this and that are
19 longstanding members of the community.
20 The Administration's recommendation is
21 that the bill be amended to allow just
22 the Mayor to appoint and Council to
23 confirm.

24 Do you think there might be
25 some public benefit in having a

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2 cross-section of the City involved in the
3 nomination of people to serve on this
4 Board? If we're looking to change the
5 cultural attitude about the BRT and to
6 have the public buy in to what we're
7 doing, shouldn't the public be part of
8 the process in addition to the elected
9 body of City Council and the Mayor?

10 MR. DUBOW: Yeah. I mean, it's
11 a question of how they're involved. I
12 think they can be involved in a hearing
13 process by providing testimony, but I do
14 think they should be involved. It's just
15 a matter of how the nominations are done.

16 COUNCILMAN KENNEY: But it just
17 seems that the recommendation of the
18 Administration will not allow that to be
19 a formal part of the process, that it
20 will be an informal part vis-a-vis they
21 are giving their opinion as opposed to
22 having a memorialized part in the
23 legislation.

24 MR. DUBOW: Right. I mean, I
25 understand the issue.

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2 COUNCILMAN KENNEY: I think
3 considering where we are in the public
4 view of this entity, maybe we need
5 everyone kind of rowing the boat or
6 helping to row it so that everyone buys
7 in to what the end product is.

8 MR. DUBOW: I hear you. I
9 think there are a couple of ways you
10 could do it.

11 COUNCILMAN KENNEY: And the
12 other thing is, going back to the School
13 District employees and relative to
14 political activity and all the stuff
15 that's been circulating around all that
16 issue, the Law Department, have they
17 considered -- and our Solicitor is
18 here -- recent Supreme Court ruling
19 relative to political activity of federal
20 employees and maybe adopting that
21 standard citywide for our employees so we
22 get out of this issue of who is
23 political, who is not political? I mean,
24 let me tell you what I think the
25 political part of it, the big P, little P

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2 issue. I mean, I think people who live
3 in the community, who work for the City,
4 who work for the BRT, who work for
5 wherever, should be active in their
6 community, and I think one of the ways
7 that you are active in your community is
8 by being involved in the political
9 process. I mean, it's not just all guys
10 with cigars in the back room making a
11 deal. It's people in the community that
12 have served in the community for decades
13 that avail -- generally a lot of them for
14 free -- of being problem-solvers in the
15 community, community organizers, block
16 captains. I mean, isn't that the kind of
17 public employee we want?

18 I mean, I don't think we should
19 have politics in the system so that
20 somebody can do a favor for somebody
21 else. I get that. And that's something
22 that we have an IG for, we have an
23 Integrity Officer, we have a District
24 Attorney, all those folks to take a look
25 at that. But I think in some ways

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2 cutting people off from the ability to be
3 active in their community through a
4 political process is something that's
5 kind of unAmerican. And I recognize
6 years ago how this happened and why it
7 happened, but I think we're in a
8 different environment now, and if the
9 Supreme Court can make a determination
10 that federal employees should have a
11 modicum of ability to be involved
12 politically -- and I guess my long
13 question is, have you studied the ruling
14 and do you think it applies either in
15 this particular case to BRT employees or
16 to our recreation center supervisors or
17 our police officers or whoever?

18 I just think cutting off people
19 from politics and the political process
20 in the good sense of the word is not
21 something we want to advocate for.

22 (Witness approached witness
23 table.)

24 MS. SMITH: Shelley Smith, City
25 Solicitor. Good morning.

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2 COUNCIL PRESIDENT VERNA: Good
3 morning.

4 MS. SMITH: First of all, I'm
5 not going to pre-stage what the ultimate
6 conclusion is that will be reached in the
7 opinion. Certainly in evaluating these
8 issues, we're evaluating all of the
9 applicable law, any court decisions that
10 are applicable and precedential on the
11 issue.

12 The political activity
13 restrictions on City employees certainly
14 allow City employees to engage in some
15 level of political activity that is not
16 overt public or partisan.

17 That said, that, as you have
18 acknowledged, is a long history that
19 pre-dates the City Charter that
20 illustrates the rationale for limiting
21 the political activity of City employees.

22 So all of those factors are
23 factors that we're considering in
24 evaluating the questions as they relate
25 to --

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2 COUNCILMAN KENNEY: For

3 example, the conduct of elections
4 throughout the City of Philadelphia could
5 not take place twice a year without
6 basically volunteers, because the length
7 of the time that folks work in a polling
8 place for the stipend that they receive
9 is pretty much a volunteer job. They're
10 not partisan. They work the election
11 table. They inspect the machine. They
12 assist people who need voting help. And
13 I think that's something that should be
14 commended, not something that should be
15 eliminated and somehow there's something
16 wrong with doing that kind of stuff.

17 I mean, the folks who sit in
18 those polling places -- and I could tell
19 you, if they didn't show up one election,
20 we wouldn't have one. And I think that
21 that whole system, although that needs to
22 be tinkered with too as we move forward
23 in the modern times and we've done that
24 with voting machines and other things, I
25 still think that there's something --

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2 it's not a bad thing to get up at 7
3 o'clock in the morning and be at your
4 poll and help people in the democratic
5 process of voting. And I think somehow
6 we've lost that in this whole discussion,
7 and I would urge you in the course of
8 your evaluation to take that into
9 consideration.

10 I mean, I don't want people
11 doing favors for anybody, but I don't
12 want to tell people that they shouldn't
13 be involved in the democracy that we
14 birthed here in Philadelphia.

15 MS. SMITH: We are certainly
16 evaluating all those issues, Councilman
17 Kenney.

18 COUNCILMAN KENNEY: Thank you.

19 COUNCILMAN GREEN: Point of
20 information.

21 COUNCIL PRESIDENT VERNA: Yes.
22 The Chair recognizes Councilman Green.

23 COUNCILMAN GREEN: While we're
24 on that topic, the Mayor's -- I can't
25 remember its -- Task Force or Commission

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2 on Ethics has issued its preliminary
3 report. In that report they conclude
4 that the City's current political
5 activity restrictions are
6 unconstitutional under the -- so what
7 standards are you going to try to apply
8 to anybody given that our current
9 standards are unconstitutional, according
10 to the Mayor's own commission?

11 MS. SMITH: Certainly the fact
12 that the Task Force has issued a report
13 that suggests that the rules are
14 unconstitutional isn't dispositive of the
15 issue. I don't think you're suggesting
16 that it is.

17 COUNCILMAN GREEN: You disagree
18 with the Task Force's conclusions?

19 MS. SMITH: I'm saying that the
20 Task Force conclusions are not
21 dispositive of the issue. We are
22 evaluating the question in the context of
23 the request that has been made for an
24 opinion as to the status of these
25 employees. Certainly their political

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2 activity is a relevant factor in
3 evaluating the issue, and we will
4 evaluate the issue against all of the
5 relevant standards, including the law as
6 the Supreme Court has interpreted it and
7 many of the factors that Councilman
8 Kenney identified, including the history
9 of political activity that led to the
10 political restrictions that exist in the
11 Charter today.

12 COUNCILMAN GREEN: It's a yes
13 or no question.

14 MS. SMITH: All, of course,
15 against a constitutional --

16 COUNCILMAN GREEN: Do you agree
17 or disagree with the Task Force's
18 conclusions with respect to the
19 constitutionality of our current
20 restrictions?

21 MS. SMITH: I'm not in a
22 position to sit here today and state
23 whether or not I agree or disagree with
24 it. All I'm saying is that we are
25 issuing an opinion on the question -- on

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2 the issue of the status of these
3 employees, which will include some
4 analysis of those issues, and the fact
5 that the Task Force has reached that
6 conclusion is not dispositive of the
7 issue.

8 COUNCILMAN GREEN: Okay. We'll
9 have separate hearings on that issue.

10 Thank you, Madam President.

11 COUNCIL PRESIDENT VERNA:

12 You're welcome.

13 The Chair recognizes
14 Councilwoman Tasco.

15 COUNCILWOMAN TASCO: I forgot
16 my question.

17 I know the City Solicitor will
18 offer a fair opinion based on all of the
19 parameters that she outlined. I
20 certainly hope that these employees are
21 not used as the scapegoat for the
22 problems that the BRT, as has been
23 portrayed lately, that they are the
24 problems that the assessments are high
25 and all the other problems with the BRT.

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2 So sometimes in those decisions that are
3 made even by the court, the court of
4 public opinion weighs in on the decision,
5 and I certainly hope that the decision
6 just because these employees happen to
7 be -- some of them are. I don't know if
8 all of them are. I don't know too many
9 of them. I would hope that they are
10 assessed at the performance on their job
11 and what might their political
12 involvement might have had on any impact
13 of the decisions or operations of the
14 BRT.

15 I'm trying to be very careful
16 what I say, because I don't want to be
17 misinterpreted. But I think at one time
18 all of us were political employees, no
19 matter where we worked, political
20 appointees at some point, and exercised
21 fairness and honesty in dealing with what
22 we had to deal with. So in any case,
23 that's all I'm going to say.

24 Mr. Dubow, can you explain why
25 the Administration recommends that the

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2 Finance Director appoint the Chief
3 Assessor as opposed to the Mayor with
4 Council approval?

5 MR. DUBOW: Yeah. We think
6 that it kind of belongs within a specific
7 department as opposed to kind of
8 freestanding, and we think Finance makes
9 sense because we have some similar
10 functions, like the Tax Review Board, for
11 example. So we think it's more -- it
12 makes sense if it goes somewhere, for it
13 to go with us and that it should be in
14 some specific -- should report to
15 somewhere in the Administration.

16 COUNCILWOMAN TASC0: Would this
17 person be civil service?

18 MR. DUBOW: The head Assessor?

19 COUNCILWOMAN TASC0: The head
20 Assessor.

21 MR. DUBOW: Probably not.
22 Probably would be exempt from civil
23 service.

24 COUNCILWOMAN TASC0: Okay. Why
25 would they be exempt from civil service?

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2 MR. DUBOW: I think in terms of
3 the flexibility and finding the right
4 person with the right qualifications,
5 being exempt from civil service would
6 help.

7 COUNCILWOMAN TASCO: You're
8 saying that people who might qualify
9 would not want to participate in the
10 civil service process?

11 MR. DUBOW: Yes.

12 COUNCILWOMAN TASCO: Can you
13 explain why the Administration believes
14 that a nominating panel for the Appeals
15 Board would lessen the Mayor's and City
16 Council's responsibility when, according
17 to this bill, the Mayor ultimately
18 appoints and City Council confirms the
19 Appeals Board?

20 MR. DUBOW: Yeah. I think it
21 would lessen Council and the Mayor's
22 responsibility because the names would be
23 coming from somewhere else. So they
24 wouldn't -- the Mayor and Council
25 wouldn't be determining the universe from

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2 which the names could be selected.

3 COUNCILWOMAN TASCO: But the
4 organizations that we've recommended in
5 the bill represent a broad spectrum of
6 organizations in this business and would
7 have, to me, a good sense of who some of
8 the appointees might be based on their
9 involvement in that arena.

10 MR. DUBOW: Yeah. Like I said
11 to Councilman Jones, I think there are
12 different ways to do this that will work.
13 So, I mean, I think if using an
14 appointing panel, that process works. We
15 just thought the bill would be a little
16 stronger if you had the Mayor making the
17 nomination with Council approval, but we
18 do understand it can work either way.

19 COUNCILWOMAN TASCO: Well, the
20 Mayor would get recommendations from
21 various venues. He's not going to know
22 all the people in this field. Why not
23 allow this Board to make those
24 recommendations from people that they vet
25 and who they know?

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2 MR. DUBOW: I think it can work
3 either way. If that's the way Council
4 decides, I think we'd be fine with that.

5 COUNCILWOMAN TASCO: Okay. We
6 had a nominating panel which is a part of
7 the Charter where the School Board prior
8 to the SRC take over. The School Board
9 appointees were recommended by a panel to
10 the Mayor and the Council for
11 appointment. So that process didn't seem
12 to be cumbersome, and of course the
13 public had input in making those
14 recommendations. So it seems to me it
15 makes it a little more transparent, since
16 we are all concerned about transparency
17 here.

18 In your testimony, you state
19 that the Administration supports a per
20 diem payment for members of the Appeals
21 Board. In this regard, would the
22 Administration support a total annual per
23 diem payment that was annually capped at
24 the salary level? You talked about caps
25 in part of your testimony.

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2 MR. DUBOW: Yes, that would
3 work. Yes, we would support that.

4 COUNCILWOMAN TASC0: Per diem
5 cap?

6 MR. DUBOW: Yes.

7 COUNCILWOMAN TASC0: Okay. Let
8 me ask you a question about the
9 assessment process just on this full
10 valuation. Where are we with that and
11 are we going to accept the program as
12 submitted by the BRT or are you looking
13 at doing another program?

14 MR. DUBOW: We have been
15 looking at what the BRT did, and I think
16 there are still a number of issues with
17 it. I don't think that the way it is now
18 is ready to be used, so we wouldn't
19 accept that. So I think there's still
20 work that needs to be done on it.

21 COUNCILWOMAN TASC0: Who is
22 going to do the work, though?

23 MR. DUBOW: Well, we are
24 actually working with the BRT on it,
25 being the Budget Director is working with

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2 the BRT on that issue. He can
3 actually -- I mean, I can ask him to give
4 you some more detail if you'd like on
5 where we are in that process.

6 COUNCILWOMAN TASC0: I'd like
7 to know, because people are asking me
8 when will they get this new assessment
9 and I don't have an answer for them.
10 Plus the fact will the system that's
11 presented will be one that's different
12 from what was presented to us before.

13 (Witness approached witness
14 table.)

15 MR. AGOSTINI: Good afternoon,
16 Madam Chair, members. Steve Agostini,
17 Budget Director for the City of
18 Philadelphia.

19 As Mr. Dubow said, there are a
20 number of issues that we have encountered
21 and identified with respect to the
22 assessment process that BRT has been
23 working to implement, which has come to
24 be known as the Actual Value Initiative.

25 Very succinctly, the issues

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2 are, there are some pretty significant
3 data problems where there are a number of
4 either missing residential units that are
5 not incorporated currently in the sort of
6 extensive database for all properties in
7 the City. A number of the properties
8 have significant errors in terms of the
9 description of the property, the zoning,
10 the use, which then makes the development
11 of any kind of proper assessment for that
12 very difficult.

13 In addition to the data
14 problems, there are very significant
15 issues, I think, with respect to the
16 modeling that need to be at least
17 reviewed. Many appraisal entities in the
18 United States use a computer-aided type
19 of appraisal process where there's an
20 underlying statistical model that's used
21 based on sales over the prior five- or
22 six-year period. That model that's
23 currently being tested by the BRT I think
24 has a number of issues, and we're trying
25 to delve into them. The issues have to

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2 do with the kind of variables they're
3 using to develop the model, some of the
4 underlying data issues that I mentioned a
5 moment ago, as well as whether the actual
6 values that are being calculated are the
7 appropriate values given where we are in
8 the marketplace today.

9 So succinctly, there's some
10 data problems, there's some modeling
11 problems, there are issues that we need
12 to address in both of them.

13 I think that the timeframe to
14 get that done is probably somewhere in
15 the six months to a year period to
16 address the modeling. The data problems
17 are much more significant and may take a
18 longer period of time. That may take a
19 couple of years to get to a point where
20 we have an accurate data set for our
21 properties in the City where we believe
22 there's an integrity to that. That I
23 think will take a little longer.

24 It's conceivable that we could
25 fix some of these things in the next

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2 three to six months, but it will be very
3 difficult to do that.

4 So I think it would be, in my
5 opinion, a timeframe that contemplates a
6 year to 18 months of fixing these issues
7 is probably an appropriate timeframe.

8 COUNCILWOMAN TASCO: You know,
9 I'm not familiar with the process that
10 was used or the company that was used to
11 set up this whole program, but the BRT,
12 who are they working with? Are they
13 working with a company that they
14 contracted with or do they have a
15 different company? What's with that?

16 MR. AGOSTINI: The BRT engaged
17 three different consultants to assist
18 them. One is a recognized expert in
19 assessments throughout the United States,
20 two are local. One is a professor at
21 Temple, one is a professor at Wharton.
22 Actually, Kevin Gillen, who I think
23 someone made mention of earlier. I think
24 it was Councilmember Goode. They were
25 engaged to provide some of the

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2 underpinnings for these models, the
3 statistical models. This expert,
4 national expert, was used to provide sort
5 of a constant oversight of the process.

6 I've talked to all three of
7 them at length. I just think that at a
8 minimum, we probably -- the City probably
9 needs to bring in another expert to at
10 least review, if not revise, the model to
11 address some of the issues that I think
12 are significant, because at the end, the
13 BRT relied on models that it developed as
14 opposed to purchasing the services of a
15 contractor or an economist, if you will,
16 to do the modeling. They did the
17 modeling themselves. And I think that
18 before we were to move forward with that,
19 there are a lot of things that we need to
20 review and feel comfortable with, and
21 right now I don't think they're in a
22 place where we should proceed with them.
23 At least that would be my recommendation,
24 that we need to review them very
25 carefully.

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2 COUNCILWOMAN TASCO: Okay.

3 Thank you, Madam President.

4 COUNCIL PRESIDENT Verna:

5 You're welcome.

6 The Chair recognizes

7 Councilwoman Blackwell.

8 COUNCILWOMAN BLACKWELL: Thank
9 you, Madam President.

10 I'll only ask two questions at
11 this point, and one is, I see that this
12 panel picks a board, but my question is,
13 it appears that there's only one taxpayer
14 or one homeowner on this panel, and is
15 that something -- one residential
16 homeowner on it, and is that something
17 that we all agree with? It seems to me
18 that on all of this, we should have
19 people who pay the freight. People who
20 pick this group and people who will be
21 making decisions certainly should be
22 residential homeowners, as well as
23 businesspeople and business types. So I
24 bring that up and ask you to respond to
25 that.

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2 And my second question is, on
3 Page 6, (d)(ii), could you explain that
4 to us in layman's terms, what that
5 section means, what (ii) means?

6 MR. DUBOW: First, on your
7 first comment I guess on membership of
8 the Board, one of the requirements is
9 that everyone who is on the Board be a
10 City resident. So everybody would be
11 paying the freight. So I think in that
12 way, that covers it. And it also by
13 laying out some expertise, I think it
14 will, first of all, have people who are
15 on the Board have that level of expertise
16 that will help them make informed
17 decisions and will give the public more
18 confidence in what they're doing. So I
19 think that makes sense.

20 In (d)(ii), what that's saying
21 is, there are kind of common measurements
22 of how consistent your assessments are,
23 and you want to make sure that if you
24 have two houses, that they're assessed in
25 the same way. That's really just getting

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2 at kind of statistical analysis to give
3 you comfort that that's happening. And
4 that's very important. You really need
5 to have that in an assessment system to
6 make sure that people can have faith in
7 it and think that it's fair.

8 COUNCILWOMAN BLACKWELL: I'll
9 go to my -- I don't know -- I guess we're
10 a long way from having faith in anything,
11 because, you know, this is a question
12 mode. So we'll try to keep our mind open
13 and see where this goes.

14 But on Page 6, (d)(ii), could
15 you explain that?

16 MR. DUBOW: Yeah. I'm sorry.
17 That's what I was trying to explain, but
18 I don't think I did it well.

19 COUNCILWOMAN BLACKWELL: I'm
20 sorry.

21 MR. DUBOW: It lays out a
22 number of ways of testing whether the
23 assessments that you're doing meet
24 statistical tests so that you know that
25 they are consistent across properties.

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2 And that's something, as we talked about
3 earlier, that we haven't been able -- we
4 have not achieved in assessments in the
5 past. So it's important that we be able
6 to do that, and it's important that those
7 standards are set in that we know that
8 they're being followed. So to us, that
9 seemed like a very important part of the
10 bill.

11 COUNCILWOMAN BLACKWELL: So if
12 we required that of the current Board,
13 would our problems then go away?

14 MR. DUBOW: Well, I don't think
15 so. I think you still have some inherent
16 problems if you have, for example, the
17 assessment function and the appeals
18 function together. I think there's a
19 perceived conflict there. You need to
20 really separate those two functions from
21 each other. You don't want the people
22 who are doing the assessments also
23 hearing your appeals.

24 COUNCILWOMAN BLACKWELL: But
25 one part of them, the way they are even

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2 physically located, where the assessors
3 or evaluators go out in the street and
4 they come back and they work with the
5 assistants who have information, in order
6 to have a whole new process, you'd have
7 to have a whole new way these people
8 operate. You'd have to create more than
9 rules. You'd have to have a whole new
10 modus operandi, because the way --
11 because the current system in any form
12 wouldn't work with these rules. It's
13 like we're talking about totally separate
14 things.

15 The way they work together, the
16 assessors go out and assistants go out at
17 times, and they come back and they do the
18 records and confer back and forth and
19 people do appeals. Everybody is
20 interrelated, and I don't know that
21 making a rule to change that would make
22 it better, and I still don't -- and I
23 don't know how you do this.

24 Is it your plan to restructure
25 the whole operation as it currently

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2 exists where people sit, what they do?

3 You've got a lot of detail to work out if
4 you want to make these kinds of new
5 rules.

6 MR. DUBOW: I think there are a
7 lot of details that have to be worked out
8 in making sure that these new rules were
9 followed. I think, though -- I don't --
10 I mean, I think in terms of who works
11 together, other than the appeals function
12 being separate from the assessment
13 function, I think you'd still have or you
14 could have, depending on where your
15 analysis takes you, the same people
16 working with the same people. I don't
17 think that necessarily has to be
18 completely different.

19 But, for example, this
20 requires -- the bill requires certain
21 certifications of employees. So you
22 would need some training to make sure
23 that they met their requirements of the
24 certification and you'd need to make sure
25 they got certified. So that would be a

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2 change from where we are now.

3 COUNCILWOMAN BLACKWELL: But we
4 have tests for the real property
5 evaluators. They have to take tests if
6 they want to move up. When people appeal
7 their increases, then they have to go
8 back to these same people, or maybe they
9 appeal in five areas, and the assistants
10 go back to the evaluators and they talk
11 about whoever saw the property, they talk
12 about what they need to do, they work out
13 and maybe they compromise. All of those
14 things happen now. It seems to me -- I
15 guess what I'm saying is that it seems to
16 me that the people who work there don't
17 have issues with how they work. It is we
18 who don't see it, who sit on the outside
19 and say what should happen in a total
20 vacuum and in a total unaware way of what
21 they do and how they do it, and I don't
22 know that we can technically come up with
23 these rules without taking in mind how it
24 all operates.

25 All of us agree that we have

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2 good people who work there, and I don't
3 know that what we're doing is improving
4 it or in any way even works in concert
5 with how they operate. I don't know how
6 that -- I don't know how any of this
7 happens.

8 MR. DUBOW: I take a couple of
9 things there. I think what even the BRT
10 has said is that the assessments we have
11 now are not accurate and they are not
12 equal across properties. So the system
13 as it is now isn't fair and --

14 COUNCILWOMAN BLACKWELL: But we
15 know that. That is why they were talking
16 about changing the Board up top. I don't
17 know -- we read things that say we want
18 to change the Board, then we want to
19 change the departments, then we want to
20 change what they do, all of this. This
21 isn't just about changing how it's run.
22 This is changing everything, and it just
23 doesn't seem realistic.

24 You know, I mean, some people
25 have left, and poor Ricky that we all

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2 know got so sick, he couldn't -- he was
3 already sick. He left, although it's a
4 shame how he left. But I just don't
5 know. If we talk about how it's run,
6 that's one level, but we're dealing with
7 every level of how it's run and who does
8 what, which is unrelated to the real
9 world that we live in and that these
10 people work in.

11 We have good workers. It's not
12 them. It's the system.

13 MR. DUBOW: Yeah. I don't
14 think -- and obviously the Administration
15 didn't draft the bill, but I don't think
16 that anything in the bill is meant to
17 imply that the people who are working at
18 the BRT, the evaluators, are the problem.
19 I think it's really trying to set out
20 standards that need to be met. I
21 don't -- and I think that's actually a
22 good thing. If you want to make sure
23 that people understand how the process
24 works and believe that it's fair, I think
25 it's good to have standards that everyone

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2 needs to meet.

3 COUNCILWOMAN BLACKWELL: Madam

4 President, my last -- because I know

5 Councilwoman Tasco has a question. This

6 is my last statement on the issue. And,

7 that is, that I believe that change

8 should be for improvement. I don't

9 believe even if there's public outcry,

10 that we change to change. If it's not

11 better, we wait until we are sure we

12 change it for the better. And as always,

13 we're against full tax valuation. Have

14 been and will be, no matter how this

15 discussion is and where it goes.

16 Thank you.

17 COUNCIL PRESIDENT VERNA:

18 You're welcome.

19 The Chair recognizes Councilman

20 DiCicco.

21 COUNCILMAN DiCICCO: Thank you,

22 Madam Chair, and good afternoon.

23 I think it's important that we

24 put on the record today the absence of

25 any of the BRT Board members, who were

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2 invited to this hearing by the key
3 sponsor of this legislation, Councilman
4 Green. And I think it's also important
5 that we just go back a little bit in time
6 when earlier this year when we -- in
7 their budget proceeding hearings, when
8 the Chairperson, along with several other
9 BRT Board members, did appear in front of
10 this Council, and I posed the question as
11 to when she expected that the full value
12 system would be in place. If memory
13 serves me correct, she said it would be
14 done sometime in the spring. And if
15 memory serves me correct again, I think I
16 said, Well, I'll believe it when I see
17 it, because I've been hearing about this
18 new system that will be in place for
19 probably the last three, four, maybe even
20 more years than that.

21 Not to be here today I think is
22 very insulting to the citizens of this
23 City of Philadelphia. And I say that
24 because I don't want to look back and
25 talk about all the things that we know

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2 are wrong, because that's why we're here
3 today, is to try to figure out
4 legislation that will improve the system
5 going forward.

6 But my question is, what
7 happens between now and the time we have
8 a final bill that we all agree on? We
9 don't know what that bill will be. It
10 will probably be a lot of the meat that's
11 in here today, but I'm sure there will be
12 some changes that will have to be made in
13 order for us to agree on a final bill.
14 They're not here to answer any of those
15 questions.

16 During the summer, I wrote the
17 Chairperson a letter when many of my
18 constituents had received new assessments
19 in the mail, as I'm sure that a number of
20 my colleagues, your constituents, have
21 received similar types of increases.

22 COUNCILWOMAN TASC0: You got
23 that?

24 COUNCILMAN DiCICCO: Well, I
25 did and a number of my constituents, a

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2 vast majority of those -- 15,000 I
3 believe reassessment notices were sent
4 out -- had received increases as high as
5 600 percent. And I asked the Chairperson
6 in my letter if she would respond to me
7 as to what procedures they were going to
8 follow going forward, and I also asked
9 that they would refrain from sending any
10 additional assessments out until such
11 time we had the opportunity to discuss
12 the current system and where we are going
13 forward. I don't know if anybody else
14 has received any assessments since that
15 time. I suspect there have been a few.

16 I think the other problem that
17 I'm faced with today or we're faced with
18 today by the fact that they're not here
19 is that the only comments I have heard
20 from the BRT or any of its Board members
21 have been through the media. And that,
22 again, is not being fair to the taxpayers
23 of the City of Philadelphia, or any of us
24 for that matter.

25 And I think that one of the

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2 reasons I'm bringing this up is, although
3 I'm a co-sponsor of the bill and I fully
4 intend to continue to work with the
5 sponsor and my colleagues, is that we're
6 very silent on the matter by which new
7 Board members will be selected. I, for
8 one, have always believed -- and are more
9 convinced today seeing that they did not
10 take the time or have the courtesy to
11 come in here -- that current Board
12 members should be prohibited from being
13 reappointed to the Board in the future,
14 no matter how that Board takes shape. So
15 I just wanted that to be on the record.

16 And we talk about politics and
17 people who are committee people or ward
18 leaders who work over there. We're never
19 going to remove that entirely. The Board
20 of Judges makes the selection for the
21 current Board members. Those Board
22 members lobby judges, have used excuses
23 as to why they are no longer on the
24 bench, because they may have voted for a
25 pay raise for judges and used that as an

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2 excuse to get the sympathy of the Board
3 of Judges to get themselves appointed. I
4 mean, we're never going to be able to
5 eliminate that completely. But, again, I
6 just want to reemphasize my
7 disappointment in the Board members and
8 none of those Board members having the
9 opportunity to be here today to be heard
10 or for us to ask them questions. And
11 there are a few of those Board members
12 that are my friends, and I've told them
13 personally that I would be one who would
14 be pushing for a prohibition from any
15 current Board members from being
16 reappointed in the future.

17 Thank you, Madam President.

18 COUNCIL PRESIDENT Verna:

19 You're welcome.

20 The Chair recognizes Councilman
21 Jones.

22 COUNCILMAN JONES: Thank you,
23 Madam President.

24 A couple of quick questions,
25 and I think Councilwoman Blackwell

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2 struggled to try to get an answer to it,
3 and I'm going to try it one more time.

4 Just simply put, have we done a
5 process review as to how appeals are done
6 and the time it takes to do them and what
7 the number of them were thus far last
8 year maybe?

9 MR. DUBOW: On the appeals
10 side?

11 COUNCILMAN JONES: Yes.

12 MR. DUBOW: We have not done
13 that. I know that the number of appeals
14 this year is under 20,000.

15 COUNCILMAN JONES: So we
16 estimate that there are 20,000 appeals.
17 Do we know how long it takes to process
18 an appeal?

19 MR. DUBOW: How long it takes,
20 you mean a hearing and --

21 COUNCILMAN JONES: Average
22 time, medium time.

23 MR. DUBOW: I don't know that.

24 COUNCILMAN JONES: No? All
25 right. So these are worthwhile things

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2 that we want to at least evaluate so that
3 we can kind of get a handle on so that we
4 can know if there are 200,000 properties
5 that we need to get through, that we can
6 do a time management estimate on what
7 it's going to take to do that. That's
8 number one.

9 The second thing, in light of
10 the fact that we've just gone through an
11 arduous budget process, we're going to go
12 through another one again, what the
13 fiscal impact of those appeals were net
14 loss to City coffers. Do you know that?

15 MR. DUBOW: Yeah, I do. I
16 don't have it with me. It wasn't a giant
17 number. There weren't a lot of appeals
18 last year, because there weren't a lot of
19 new assessments, and it will be the same
20 this year, because there haven't been a
21 lot of appeals and, again, because there
22 weren't a large amount of assessments.

23 COUNCILMAN JONES: And then is
24 there a timetable for staff evaluations
25 and civil service evaluations? If we

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2 know what the task is going to be and we
3 know -- and I agree with Councilwoman
4 Tasco that we don't want the current
5 employees to be the scapegoat for
6 whatever inefficiencies process that we
7 have, but going forward, how do we move
8 them into a secure position where they
9 can do their jobs and know their jobs and
10 have some system by which to be evaluated
11 on?

12 MR. DUBOW: Right.

13 COUNCILMAN JONES: What's the
14 timetable for that kind of discussion?
15 Has there been an evaluation of the
16 classification of jobs within the
17 complement of employees?

18 MR. DUBOW: The Office of Human
19 Resources is starting that process right
20 now. We distributed questionnaires to
21 all the employees, and I think that
22 process will take -- it will take several
23 months. It's not a short process. But
24 we've just started that, so we are in the
25 process of doing that.

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2 COUNCILMAN JONES: Because I
3 think what the spirit of Councilwoman
4 Blackwell's comments are is that this is
5 the beginning of a long process of fixing
6 this, but each one of those subcomponents
7 is important to begin now so that at some
8 point we actually fix the real thing that
9 we came to fix, which is the dreaded full
10 valuation that Councilwoman Blackwell had
11 a definite opinion about. But at some
12 point, we have to address it and deal
13 with the inequities that are out there,
14 but we can never get to that if we don't
15 fix these other systems.

16 MR. DUBOW: Right, and that's
17 why we've started with that.

18 COUNCILMAN JONES: Thank you,
19 Madam President.

20 COUNCIL PRESIDENT Verna:
21 You're welcome.

22 Councilman Kelly.

23 COUNCILMAN KELLY: Thank you,
24 Madam Chair.

25 Mr. Dubow, I just want to be

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2 crystal clear about this. The BRT
3 employees who are currently compensated
4 by the School District, could you tell
5 me -- or at least I think I heard you
6 right, that presently if these employees
7 are still required, even going after your
8 process and whatnot, is it your opinion
9 that the School District will continue to
10 compensate these employees? Even if they
11 are transferred to a City department, the
12 City would be reimbursed for these
13 employees?

14 MR. DUBOW: Yes. It's slightly
15 different from them compensating those
16 employees. They would either compensate
17 them or the City would -- the General
18 Fund would, and the School District would
19 reimburse us. One of those two models,
20 yes.

21 COUNCILMAN KELLY: All right.
22 They would be compensated from the
23 General Fund?

24 MR. DUBOW: But the School
25 District would then reimburse us.

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2 COUNCILMAN KELLY: They would
3 reimburse you?

4 MR. DUBOW: Right.

5 COUNCILMAN KELLY: And if the
6 School District had decided that it would
7 be a line item?

8 MR. DUBOW: Yeah. The way the
9 School District laid it out in their
10 budget was for the first quarter of the
11 year, they showed these positions being
12 on their payroll, and then for the rest
13 of the year, they showed having a
14 contract with the City to pay us for
15 those employees.

16 COUNCILMAN KELLY: Would they
17 be eligible then to slash the contractor,
18 slash the numbers?

19 MR. DUBOW: Just like they
20 could now, they could change their
21 budget.

22 COUNCILMAN KELLY: In other
23 words, they could change the whole thing,
24 which means that we would not be
25 compensated and these employees would

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2 probably be lost.

3 MR. DUBOW: Well, I mean, we'd
4 then be in a position of deciding whether
5 we thought that we wanted to keep those
6 employees and how we would pay for them.

7 COUNCILMAN KELLY: Then the
8 City would pick it up?

9 MR. DUBOW: Well, I think we'd
10 probably enter into some discussions with
11 the School District about it.

12 COUNCILMAN KELLY: I just want
13 to go back to earlier questioning from
14 Councilman Jones about the members of the
15 Board. Regardless if we pay them per
16 diem or we pay them an annual salary, are
17 they under contract? By that, they're
18 not employees of the City?

19 MR. DUBOW: Right now -- well,
20 right now they are employees of the City.

21 COUNCILMAN KELLY: If they were
22 paid per diem, would they be part-time
23 employees, which would they not receive
24 health benefits?

25 MR. DUBOW: I'm going to let Al

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2 D'Attilio answer that. I'm going to let
3 the Human Resources people answer that
4 since they're professionals at it.

5 COUNCILMAN KELLY: I just want
6 to know if they were paid annually, would
7 they be employees, which would entitle
8 them to health benefits.

9 (Witness approached witness
10 table.)

11 MR. D'ATTILIO: I think that if
12 they are paid annually on a salary, they
13 would be entitled to benefits.

14 COUNCILMAN KELLY: They would
15 be?

16 MR. D'ATTILIO: They would be.
17 If they were per diem, I would have to
18 research how other per diem Board members
19 are paid. I do not believe they would be
20 entitled to benefits.

21 COUNCILMAN KELLY: They would
22 be, in other words, a part-time basis and
23 part-time employees would not?

24 MR. D'ATTILIO: That's my
25 belief right now. I haven't researched

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2 that for you, but that's my belief.

3 COUNCILMAN KELLY: Okay. I
4 just wanted to make clear of that. Thank
5 you.

6 Thank you, Madam Chair.

7 COUNCILWOMAN TASCO: Point of
8 information.

9 COUNCIL PRESIDENT VERNA: Yes.
10 The Chair recognizes Councilwoman Tasco.

11 COUNCILWOMAN TASCO: As it
12 relates to benefits of just the annual
13 salary, the current BRT members, do they
14 get any benefits or pension or any of
15 that now?

16 MR. D'ATTILIO: I'd have to
17 research that. I'm not sure.

18 COUNCILWOMAN TASCO: Do you
19 know that, Mr. Dubow?

20 MR. DUBOW: I think they do,
21 but we'll make sure and get back to you.
22 I'm not a hundred percent sure.

23 COUNCILWOMAN TASCO: So in
24 addition to the set salary, you may
25 believe that they also receive other

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2 benefits?

3 MR. DUBOW: Maybe.

4 COUNCILWOMAN TASC0: So the

5 package is much more than 68 or 63

6 thousand dollars?

7 MR. DUBOW: Right, but I agree

8 with Mr. D'Attilio, we need to make sure

9 that that's right, so we'll get back to

10 you on that.

11 COUNCILWOMAN TASC0: All right.

12 COUNCILMAN RIZZO: Point of

13 information.

14 COUNCIL PRESIDENT VERNA: The

15 Chair recognizes Councilman Rizzo for a

16 point of information.

17 COUNCILMAN RIZZO: Thank you.

18 Just to follow up on both of my

19 colleagues there, during this process are

20 we looking at automation computerization

21 to see if the number of School District

22 employees is going to be required going

23 forward? What analysis of the process is

24 going to be undertaken to see exactly

25 what the staffing levels are?

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2 MR. D'ATTILIO: Well, certainly
3 we are going to discuss the staffing
4 levels with the management of the current
5 BRT. We are also looking at staffing
6 levels in similar jurisdictions
7 throughout the country, and that's part
8 of the analysis that my department will
9 be undertaking in the next few months.

10 COUNCILMAN RIZZO: Correct me
11 if I'm wrong. I'm understanding that
12 computerization and some of the modern
13 techniques that are used to do this work
14 leave a little bit to be desired over
15 there.

16 MR. DUBOW: We are -- one of
17 the other things that we're doing is
18 having them work directly with our Chief
19 Technology Officer on looking at their
20 systems and how we can move them forward.

21 COUNCILMAN RIZZO: Without
22 that, I wouldn't really think that we've
23 done a good job at reevaluating this
24 operation.

25 Thank you, Madam President.

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2 COUNCIL PRESIDENT VERNA:

3 You're welcome.

4 Rob, I'm just a little curious.

5 We've been talking about reevaluation for
6 a couple years now. Can you tell us what
7 it has cost from when we first started
8 talking about it until now? We've talked
9 about consultants, we've talked about
10 computers. I'd like to know what has it
11 cost the City heretofore to address the
12 problems that we have had.

13 (Witness approached witness
14 table.)

15 COUNCIL PRESIDENT VERNA:

16 Steve, I knew you would have the answer.
17 That's why I asked.

18 MR. AGOSTINI: Madam Chair,
19 members, I wish I did. I don't know what
20 the answer to that is, and I think it's a
21 very fair question, and perhaps what we
22 should do in the next month or so is try
23 to put that together for you.

24 COUNCIL PRESIDENT VERNA: Would
25 you say it's in the vicinity of 7

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2 million, 8 million, 4 million?

3 MR. AGOSTINI: Well, Madam
4 Chair, if you were to combine some of the
5 computer projects like the Computer-Aided
6 Mass Appraisal, CAMA -- there's a data
7 component of that as well -- those
8 projects themselves were -- I think the
9 CAMA was 7 million. There were a couple
10 of others that were in that range. We're
11 talking in the millions, and that does
12 not include consultant time or staff
13 time. So that would be a fair statement.

14 COUNCIL PRESIDENT VERNA: So
15 spending all the millions that we have,
16 we still perceive all of this as a
17 problem.

18 MR. AGOSTINI: That's a fair
19 statement as well.

20 COUNCIL PRESIDENT VERNA: How
21 many more millions do you think would
22 address the problem?

23 MR. AGOSTINI: Well, Madam
24 Chair, what we're trying to do right now
25 is make sure that the computer elements;

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2 most notably, the data capture and sort
3 of the unified database for property, is
4 done and done well in the next few months
5 at significantly less than the millions
6 that you have observed have been spent.

7 In addition, I think that there
8 is a way to do the modeling for the
9 calculation of new assessments at
10 significantly less than millions. But we
11 probably should come back with some sense
12 of what that would cost to do properly.

13 COUNCIL PRESIDENT VERNA: Thank
14 you very much.

15 The Chair recognizes Councilman
16 Green.

17 COUNCILMAN GREEN: Thank you,
18 Madam Chair.

19 I have a question for the City
20 Solicitor.

21 (Witness approached witness
22 table.)

23 COUNCILMAN GREEN: The Finance
24 Director mentioned a Memorandum of
25 Understanding with the BRT, which I'd

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2 assume your office was involved in
3 drafting or working with in some way. I
4 guess it would be my understanding of
5 state law and even under the rules of the
6 bylaws and everything of the BRT, that
7 until that Memorandum of Understanding is
8 approved at a public meeting of the BRT,
9 it is not actually effective. And I know
10 process is very important to this
11 Administration and I just wondered if you
12 had given that advice to the BRT or you
13 don't believe that that step would be
14 required.

15 MS. SMITH: I am obviously not
16 going to speak to the question of advice
17 that may or may not have been given to
18 the BRT. We haven't been asked either
19 for an opinion as to the procedure that
20 they employed in -- been signing or
21 affirming the agreement. I think there
22 is a question under state law as to
23 whether or not it's the kind of personnel
24 matter that is subject to the Sunshine
25 requirements, but, again, we haven't been

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2 asked to render an opinion.

3 COUNCILMAN GREEN: Would you
4 please render an opinion on that topic?

5 MS. SMITH: Sure.

6 COUNCILMAN GREEN: And provide
7 it to the Chair?

8 MS. SMITH: Sure.

9 COUNCILMAN GREEN: Thank you.

10 COUNCIL PRESIDENT VERNA: Thank
11 you.

12 The Chair recognizes Councilman
13 O'Neill.

14 COUNCILMAN O'NEILL: Thank you,
15 Madam President.

16 I thank my colleagues Kelly and
17 Tasco for answering and getting partial
18 but not complete answers to my first
19 question, which was the whole issue of
20 what are we really paying people now and
21 what we would really be paying people
22 under the new proposed model in the bill
23 if they are full-time salaried employees
24 receiving a 38 percent -- I'm still
25 working on you with the other -- all of

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2 our departments think their budget is 38
3 percent less than it actually is, and I'm
4 sure it's a ten-minute exercise at the
5 Finance Department, but it hasn't
6 happened yet to tack that money on. But
7 you're going to give us a complete
8 answer, but --

9 MR. DUBOW: Yes.

10 COUNCILMAN O'NEILL: -- I think
11 the answer is going to be they're
12 considered full-time employees and they
13 get full-time benefits and pension and
14 health and all that.

15 MR. DUBOW: I think so too, but
16 want to make sure.

17 COUNCILMAN O'NEILL: And it's
18 somewhere north of \$500,000 a year if --

19 MR. DUBOW: For the whole
20 Board.

21 COUNCILMAN O'NEILL: If the
22 whole Board, except for the Chairman, is
23 per diem that we'll save. That's
24 assuming a quarter million dollars in
25 costs for the per diem. So that's pretty

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2 high.

3 The other thing I wanted to
4 know was -- and this is my only other
5 question -- is the Mayor's position on
6 School District employees throughout the
7 City. I know because of this issue, the
8 School District employees at the Board of
9 Revision are under scrutiny and it's the
10 subject of a lot of these questions, but
11 I know Councilman Green asked the
12 questions about the Controller's Office
13 and any other place, and I think this
14 record is not complete until we know that
15 what you have put in today gives us
16 information like are they full time, part
17 time, what's it cost, what are the
18 benefits, and also is this an
19 Administration position on School
20 District employees who are in other
21 departments or are the Board of Revision
22 of Taxes employees -- because of all the
23 places that I would think you would hold
24 out as not wanting to be political would
25 be the auditors. And so I just want to

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2 see if we have a consistent position or
3 it's an exception to that. So if you
4 could put that on the list, I really want
5 this record to show what the
6 Administration's position is on School
7 District employees overall.

8 MR. DUBOW: Okay.

9 COUNCILMAN GREEN: Point of
10 information.

11 COUNCIL PRESIDENT VERNA: Yes.
12 The Chair recognizes Councilman Green for
13 a point of information.

14 COUNCILMAN GREEN: And in
15 particular as you render that opinion,
16 I'm curious about the effect of declaring
17 someone a City employee under previous
18 testimony by the Personnel Director. We
19 just were told that if someone is a City
20 employee and they get a salary, they're
21 entitled to pensions and health and all
22 that other stuff. What is the legal
23 effect not just of saying that they're a
24 City employee, but what other impact does
25 that have.

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2 Also, last year during budget
3 testimony I asked the Commerce Department
4 for a list of all City employees that
5 were paid by PIDC. Would this opinion
6 affect PIDC-paid employees and other --
7 which I have not received yet -- and
8 other employees?

9 So this could have profound
10 impacts throughout government and I'd
11 like to know the answer as it applies to
12 everybody.

13 MS. SMITH: We actually
14 recognize that the answer to the question
15 about School District-paid employees at
16 the BRT will have implications beyond
17 just those employees and that's part of
18 our analysis.

19 COUNCILMAN O'NEILL: So we'll
20 be getting that?

21 MR. DUBOW: Yes.

22 COUNCILMAN O'NEILL: Thank you.

23 COUNCIL PRESIDENT VERNA:

24 Councilwoman Tasco, do you have any other
25 questions?

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2 COUNCILWOMAN TASC0: We talked
3 earlier about the Chief Assessor being
4 exempt from civil service. If these
5 employees from the School District come
6 over to the City side and they're
7 performing the functions for the
8 Assessor's Office, because it seems
9 that's where they would go since the new
10 BRT Board is just a review board, and the
11 Appeals Board, it seems to me that those
12 employees would probably end up in your
13 office with the Chief Assessor.

14 MR. DUBOW: Well, it would be a
15 separate office, like the Revenue
16 Department reports to the Finance
17 Director.

18 COUNCILWOMAN TASC0: So why
19 can't they be exempt? Aren't there other
20 exempt employees in your office?

21 MR. DUBOW: Well, I think
22 because -- if I get this wrong, either
23 the HR Director or the City Solicitor can
24 correct me. I think it's because the
25 work that they do is similar to other

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2 civil service work, so I think they would
3 be doing the same work as civil service
4 employees.

5 COUNCILWOMAN TASCO: A
6 secretary in the Mayor's Office does
7 secretarial work that's done in other
8 offices that are civil service, but they
9 are exempt.

10 MS. SMITH: Mr. D'Attilio can
11 amplify this, but I can just tell you
12 generally that there are specific
13 provisions that relate to executive
14 secretary functions that don't
15 necessarily -- like secretaries in the
16 Mayor's Office, for example, that
17 wouldn't necessarily -- that distinguish
18 them from a secretary who performs
19 otherwise similar duties in civil
20 service, and that's why those positions
21 are permitted to be exempt. But what the
22 Finance Director described is generally
23 correct, that to the extent that
24 employees who are exempt now on the
25 School District payroll at the BRT

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2 perform functions that are identical to
3 civil service functions in the BRT, if
4 they are brought into the government, we
5 have to consider whether or not it's
6 appropriate for them to have civil
7 service titles.

8 COUNCILWOMAN TASC0: You gave
9 me the chart and all that and I don't
10 remember any of that, but are you saying
11 that there are other employees at the BRT
12 now who perform the same services that
13 are performed by the employees at the
14 School District who are civil service?
15 Is that what you're saying?

16 MR. DUBOW: No. I think it's
17 if -- and we're doing a questionnaire to
18 find this out. It's a question of
19 whether what they do is similar to what
20 other employees in City government do,
21 not necessarily just at the BRT.

22 COUNCILWOMAN TASC0: I don't
23 know if there's another assessment office
24 in the City other than this, and they're
25 the only ones doing that job related to

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2 assessments.

3 MS. SMITH: I'm not sure
4 that -- and this is one of the reasons
5 that we're trying to examine what the --
6 if we're talking about the School
7 District-paid employees at the BRT, one
8 of the reasons we're trying to figure out
9 what exactly they do is to figure out
10 what exactly they do so we can figure out
11 whether it is, for example, assessment
12 related.

13 It's my understanding, from the
14 very limited information that I have,
15 that much of what many of those employees
16 are doing is performing clerical
17 functions. If that's the case, then they
18 may not specifically be assessment
19 related.

20 That being said, there are
21 civil service positions in the BRT now,
22 and so we have to figure out how what
23 those employees do fits with not only
24 what's going on at the BRT, but also in
25 general positions in City government --

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2 other positions in City government that
3 are covered by civil service as it now
4 stands.

5 COUNCILWOMAN TASCO: Well, if
6 they are working for the BRT and they may
7 be doing clerical work, you can't
8 separate them out and say they're not
9 doing work that's related to the BRT.
10 You said you're not sure if they're doing
11 work --

12 MS. SMITH: Assessment related
13 as opposed to strictly clerical work
14 that's, in essence, fungible.

15 COUNCILWOMAN TASCO: Well, the
16 clerical work would be associated with
17 the assessment work that's going in
18 there, on in the office. So if I'm
19 working for an assessor and he's passing
20 on work to me -- and I'm making this very
21 simplistic. I'm just a very simplistic
22 lady. I just want to know what the deal
23 is. It's just these people have gotten a
24 real bad shot. They got a real bad --
25 just like, oh, God, they're the worst

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2 people in the world because they work for
3 the School District and they are
4 political. Give me a break.

5 So I just want to know, if
6 they're doing work associated with the
7 Assessor's Office, then they have skills
8 related to that office that no one else
9 has, because there's no other office.

10 MS. SMITH: I think it's
11 important, as the Finance Director said,
12 that we figure out what the employees do,
13 how it relates to the existing civil
14 service system, how it relates, if at
15 all, specifically to the BRT and make an
16 evaluation once we have all those facts,
17 and that's what we're attempting to do.

18 COUNCILWOMAN TASCO: I mean,
19 we're here because we're here, but it
20 just seems to me that it's just bad to be
21 political, but we work in a political
22 environment. Give me a break.

23 Thank you.

24 COUNCIL PRESIDENT VERNA: Did
25 you want to respond to the Councilwoman's

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2 question?

3 MR. D'ATTILIO: I did. I
4 thought maybe I could help explain the
5 difference.

6 We have approximately 1,100
7 civil service job classifications in the
8 City for approximately 24,000 employees.
9 We have employees in the same
10 classification in different departments
11 who perform similar but different work
12 based on their departmental structure.
13 So a Clerk Typist II in the Police
14 Department will be doing different work,
15 will be supporting the Police Department
16 functions, while a Clerk Typist II in
17 Revenue will be performing Revenue
18 Department functions. The type of work
19 is still clerical. They're assisting in
20 their departmental function.

21 So it's quite possible that we
22 may have a classification that is
23 appropriate for the work that's currently
24 being performed by employees paid by the
25 School District in the BRT within our

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2 civil service classification system.

3 Does that make it clearer?

4 COUNCILWOMAN TASC0: No, but
5 that's okay.

6 MR. D'ATTILIO: Thank you.

7 COUNCIL PRESIDENT VERNA: Thank
8 you.

9 The Chair recognizes
10 Councilman --

11 COUNCILWOMAN TASC0: Civil
12 service never made any sense to me.

13 COUNCIL PRESIDENT VERNA:
14 Councilman O'Neill.

15 COUNCILWOMAN TASC0: I just
16 know when I was in the City
17 Commissioner's Office -- I have to add
18 this -- when they wanted somebody, they
19 got them. Okay?

20 COUNCIL PRESIDENT VERNA:
21 Councilman O'Neill.

22 COUNCILMAN O'NEILL: Thank you,
23 Madam President.

24 The Board of Revision has
25 probably -- we're going to hear salary

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2 plus 38 percent approximately in benefits
3 added to that. There's also the Board of
4 View, and I believe the bill is silent to
5 the Board of View, but so is the Mayor's
6 testimony, the Administration's
7 testimony, because if you go -- if you
8 follow -- I mean, there's no reason for
9 the bill to have anything in it, because
10 the bill is talking about salaried
11 employees. But when you go to per diem,
12 it really changes the dynamic of the
13 Board of View and members of the Board of
14 Revision of Taxes being also members of
15 the Board of View.

16 Will the Administration give us
17 their position on how they think the
18 Board of View should -- I mean, I can't
19 imagine they're having per diem people
20 from the -- seven per diem or six of the
21 seven being per diem people from the new
22 Appeals Board joining two people who with
23 benefits will be making \$70,000 a year
24 for those things. So if you could --

25 MR. DUBOW: That's a good

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2 point.

3 COUNCILMAN O'NEILL: -- get
4 back to us on that, I'd appreciate it.

5 And I think the per diem would
6 be a lot less for the Board of View than
7 for the Board of Revision of Taxes based
8 on some things we've read.

9 In getting to the question of,
10 as we are hearing, we're going to hear
11 for sure whether the Board of Revision of
12 Taxes and Board of View members get not
13 just a salary but full-time benefits. In
14 other words, full-time employee status,
15 the pension system, they get full-time
16 health benefits, the same as any other
17 employee in the City. Could you get back
18 to us -- I'm certainly not going to ask
19 you or Mr. D'Attilio now to tell us, but
20 any other positions in the City where we
21 pay benefits as a full-time status
22 employee where the position isn't full
23 time. Again, it's though you're singling
24 out the -- I don't know if we have any
25 others or if we have a hundred others or

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2 more throughout the City where there
3 isn't the normal workday involved.

4 MR. DUBOW: Yes.

5 COUNCILMAN O'NEILL: Okay.

6 Thank you.

7 COUNCIL PRESIDENT VERNA:

8 Councilwoman Brown, I know we have a
9 number of witnesses that would like to
10 testify. I would suggest to my
11 colleagues that we try to be as brief as
12 possible. Thank you.

13 Councilwoman Brown.

14 COUNCILWOMAN BROWN: Thank you,
15 Madam Chair. My question was actually a
16 quick follow-up to Councilwoman Tasco's
17 observations. Could we ask the Human
18 Resource professional/personnel to please
19 come back to the witness table.

20 (Witness approached witness
21 table.)

22 COUNCILWOMAN BROWN: Thank you
23 very much.

24 Early on, I asked you questions
25 about the process, and you stated that

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2 the first step in that process was the
3 distribution of position clarification
4 questionnaires, correct?

5 MR. D'ATTILIO: Classification.

6 COUNCILWOMAN BROWN: So if
7 we're to follow Councilwoman Tasco's
8 concern, those questionnaires, once you
9 get them back, will be reviewed against
10 other similarly described positions in
11 government as well? When you said that
12 you're going to -- they will be reviewed
13 by management, which is the next step.

14 MR. D'ATTILIO: Yes.

15 COUNCILWOMAN BROWN: So shall
16 we conclude from that that there may be
17 other positions in government where the
18 tasks and duties are similar to those of
19 the School District employees?

20 MR. D'ATTILIO: Yes.

21 COUNCILWOMAN BROWN: Out of the
22 1,100 classifications.

23 MR. DUBOW: I think that's what
24 we're trying to understand. That's why
25 we're going through this process, to see

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2 whether that's the case.

3 COUNCILWOMAN BROWN: Okay,
4 then. Thank you.

5 MR. D'ATTILIO: That's correct.

6 COUNCILWOMAN BROWN: Thank you.

7 COUNCIL PRESIDENT VERNA: Are
8 there any other questions from members of
9 the Committee?

10 (No response.)

11 COUNCIL PRESIDENT VERNA:
12 Seeing none, thank you, Mr. Dubow.

13 MR. DUBOW: Thank you.

14 COUNCIL PRESIDENT VERNA: And
15 you will remain with us, I hope.

16 MR. DUBOW: I was so close.

17 COUNCIL PRESIDENT VERNA: Thank
18 you.

19 Our next witness?

20 MR. McPHERSON: Our next panel
21 consists of Paul Levy and Zack Stalberg.

22 (Witnesses approached witness
23 table.)

24 COUNCIL PRESIDENT VERNA: Good
25 afternoon. Please identify yourself for

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2 the record and proceed with your
3 testimony.

4 MR. LEVY: My name is Paul
5 Levy. I have copies of my testimony here
6 on the table and I'll try to be very
7 brief in delivering it.

8 The first point I simply want
9 to make is, having served as a member of
10 the Mayor's Task Force on Tax Policy,
11 we're very supportive of this effort in
12 Council since this is key to getting the
13 assessments correct. And I want to
14 compliment Councilman Green in particular
15 and other members of Council who took the
16 lead on this.

17 But I want to specifically
18 speak as the President of the Center City
19 District, because for over 18 years, we
20 have been assessing property in Center
21 City, over 5,000 properties now, using
22 data directly from the Board of Revision
23 of Taxes and my comments will be based on
24 that. I should note that 12 other
25 special services districts in the City

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2 also rely on that data. So for us, this
3 is 75 to 100 percent of our revenue, so
4 it is as important to us as it is for the
5 School District.

6 But let me zero in on one very
7 specific recommendation. Based on our
8 experience -- I'm at the bottom now of
9 Page 1 in my testimony.

10 Based on our experience working
11 with the Board of Revision of Taxes'
12 assessments, the Center City District is
13 offering a suggested amendment to this
14 bill. As it is currently worded,
15 Paragraph 2-203, Subsection (3) of the
16 ordinance would give the new Board of
17 Appeals the responsibility to determine
18 the amount of a property qualifying for
19 an exemption or an abatement. That power
20 is presently part of the assessment
21 function, and we recommend that it remain
22 there as a duty of the new Office of
23 Property Assessment. In determining an
24 exemption or abatement, the Office of
25 Property Assessment should first

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2 determine the full taxable value of
3 improvements; that is, the pre-abatement
4 value, and show them in its property tax
5 database and then show separately the
6 value of any exemption or abatement in a
7 separate column. By placing the
8 responsibility for both aspects of this
9 assessment function at the OPA, it will
10 give either party, the taxpayer or the
11 City of Philadelphia, then the right to
12 appeal to the Board of Property Tax
13 Assessment Appeals and Review. Doing it
14 this way I suggest is more consistent
15 with the general pattern and intention of
16 the ordinance to separate the assessment
17 function from the review function.

18 Based on a review by our
19 attorney, we believe that the City can do
20 this without any additional state
21 approval, because the responsibility for
22 granting an exception or an abatement
23 under state law lies with the appropriate
24 assessment agency, which is what we
25 believe the new OPA would be.

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2 I should note that Councilman
3 Green's office has indicated they're
4 supportive of the intent of this
5 amendment.

6 The final thing I want to say
7 is simply that while so much focus has
8 been on the personality and the jobs of
9 people involved in this, I do want to
10 highlight a more basic problem, and you
11 raised this before, Council President,
12 the need for state-of-the-art computer
13 systems and databases that multiple
14 departments that deal with real estate
15 must deal with. The Department of
16 Revenue, the Department of Records, the
17 Law Department, Licenses and Inspections,
18 this new Property Assessment Office need
19 to all be working with the same database
20 and they are not. So simply changing a
21 department's name or putting a smart,
22 capable person in charge is not
23 sufficient if staff must still deal with
24 antiquated computer systems and
25 fragmented information. Funding the

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2 recommendation of upgraded technology is
3 one of the recommendations we made in the
4 Tax Commission. I will not read the
5 entire section from that. I'll simply
6 conclude to say, today Council is taking
7 an important step in separating the
8 assessment function from the appeal
9 function. The Center City District is
10 very supportive of that, but let's make
11 sure that the people who must implement
12 this are working with computer systems
13 not from the 1980s, but appropriate to
14 the 21st century.

15 Thank you very much for the
16 opportunity to be here.

17 COUNCIL PRESIDENT VERNA: Thank
18 you, and thank you for your patience.

19 Are there any questions from
20 members of the Committee?

21 (No response.)

22 COUNCIL PRESIDENT VERNA:

23 Mr. Levy, thank you.

24 Good afternoon.

25 MR. STALBERG: Good afternoon.

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2 I'm Zack Stalberg, President of the
3 Committee of Seventy, a non-partisan,
4 non-profit group that's interested in
5 better government.

6 I want to say clearly that we
7 thank the -- this is Ellen Mattleman
8 Kaplan, who is the Vice-President of the
9 Committee of Seventy and in charge of
10 policy.

11 We very clearly -- I'll try to
12 be brief here. We clearly support this
13 bill. I want to thank the members of
14 Council who have had a hand in it,
15 particularly Councilman Green, but anyone
16 who has co-sponsored it or had an effect
17 in shaping it. I particularly want to
18 thank you for the timing of the bill. I
19 think we wouldn't have had an agreement
20 to separate the assessment function from
21 the appeals function if this bill wasn't
22 about to be introduced.

23 Just a few quick points. One
24 is that -- one is on salaries. Under the
25 current formula, the lowest paid member

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2 of this new Board would be paid more than
3 half what the lowest paid member of City
4 Council is paid. That seems not right to
5 us, and we'd favor a per diem
6 arrangement, perhaps with a cap, given
7 the point that Councilman Jones raised.

8 We favor the selection process
9 that's in the bill. As Councilman Kenney
10 pointed out, it seems more inclusive.
11 I'd hope that there would be a
12 requirement that the names that were
13 produced by the nominating panel and sent
14 to the Mayor be made public so that the
15 whole process is completely transparent.

16 We favor the notion of putting
17 all of the School District employees on
18 the City payroll so that everyone is
19 playing by the same rules, the same
20 political restrictions and the same
21 ethics restrictions.

22 Looking forward to other
23 legislation that I'm sure will be
24 discussed, we will probably favor easing
25 the political -- the rules on political

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2 restrictions. But bottom line is that in
3 this case, there needs to be a clear
4 determination of exactly how many
5 employees need to be in this new office,
6 what the cost should be, and they should
7 all have to play by the same rules. So
8 I'm hoping that the bill is amended to
9 deal with that, if possible.

10 It certainly makes sense to
11 deal with the Board of View at this time
12 and probably a per diem compensation for
13 the Board of View. Right now it seems
14 like they're awfully highly paid for a
15 very small amount of work. And we favor
16 the same selection process for the Board
17 of View that this bill envisions for the
18 new Appeals Board.

19 Finally, and this is slightly
20 outside of the scope of the bill, but it
21 appears that there will be at least a
22 year between this point and the point in
23 which a new process begins to fully take
24 over, and I'd urge Council to hold
25 periodic hearings with the Board of

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2 Revision of Taxes, the current Board of
3 Revision of Taxes, and the Administration
4 to monitor this process so that the
5 public is guaranteed some periodic public
6 reports of how the transition is taking
7 place. There are many issues related to
8 that. As Councilman DiCicco pointed out
9 and as the letter from the current BRT
10 members seems to indicate, they're not
11 wildly interested in showing up in public
12 and explaining what they're doing. I
13 think that is an insult to the public, as
14 Councilman DiCicco said. And I believe
15 the only way that we'll get a regular
16 report on how the Administration is
17 moving on this and how the BRT is moving
18 on this is if Council, perhaps using its
19 subpoena powers, Council holds a periodic
20 hearing to explain all this.

21 That's it. I thank you for the
22 opportunity to testify.

23 COUNCIL PRESIDENT VERNA: Thank
24 you very much.

25 The Chair recognizes

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2 Councilwoman Brown.

3 COUNCILWOMAN BROWN: Thank you,
4 Madam President.

5 Good morning.

6 MR. STALBERG: Hi.

7 COUNCILWOMAN BROWN: Mr. Zack
8 Stalberg, could you please provide for
9 us, if you will, the compensation of the
10 Board of the Committee of Seventy?

11 MR. STALBERG: Compensation in
12 what sense?

13 COUNCILWOMAN BROWN: Of the
14 Executive Committee, what percentage are
15 female, what number are female.

16 MR. STALBERG: Frankly, I
17 couldn't give that to you off the top of
18 my head. It was originally, at the point
19 that I took over the Committee of
20 Seventy, a heavily male, a heavily white
21 Board and Executive Committee. At this
22 stage, it's becoming more and more
23 diverse.

24 The entire Board is in the
25 neighborhood of 60 members, the Executive

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2 Committee about 21. I can provide you
3 with the actual statistics.

4 COUNCILWOMAN BROWN: Of the 21
5 members of the Executive Committee, what
6 number or percentage of them are African
7 American?

8 MR. STALBERG: Again, I would
9 have to go back and do an analysis of
10 that. But we've been striving to make
11 the Committee of Seventy more and more
12 diverse.

13 COUNCILWOMAN BROWN: What
14 percentage of them might be Latino?

15 MR. STALBERG: None, I think,
16 at this stage.

17 COUNCILWOMAN BROWN: What
18 number or percentage of them are
19 Philadelphia residents?

20 MR. STALBERG: I have no idea.
21 I can give you all that data.

22 COUNCILWOMAN BROWN: Let's walk
23 through the 21. Daniel Fitzpatrick would
24 not be female, African American or
25 Latino.

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2 John McKeever?

3 MR. STALBERG: Right. Do you
4 want me to respond on each one?

5 COUNCILWOMAN BROWN: Yes.

6 MR. STALBERG: White male.

7 COUNCILWOMAN BROWN: Dianne
8 Semingson?

9 MR. STALBERG: White female.

10 COUNCILWOMAN BROWN: Mark
11 Lastner?

12 MR. STALBERG: White male.

13 COUNCILWOMAN BROWN: Howard

14 Flaxman?

15 MR. STALBERG: White male.

16 COUNCILWOMAN BROWN: Carl

17 Buchholz?

18 MR. STALBERG: White male.

19 COUNCILWOMAN BROWN: Michael

20 Carbone?

21 MR. STALBERG: Carbone. White
22 male.

23 COUNCILWOMAN BROWN: Anthony

24 Conti?

25 MR. STALBERG: White male.

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2 COUNCILWOMAN BROWN: Edward
3 Dunham?
4 MR. STALBERG: White male.
5 COUNCILWOMAN BROWN: David
6 Franceski?
7 MR. STALBERG: Franceski.
8 White male.
9 COUNCILWOMAN BROWN: Joseph
10 Frick?
11 MR. STALBERG: White male.
12 COUNCILWOMAN BROWN: Frank
13 Giordano?
14 MR. STALBERG: White male.
15 COUNCILWOMAN BROWN: Marilyn
16 Kutler?
17 MR. STALBERG: White female.
18 COUNCILWOMAN BROWN: Joseph W.
19 Marshall, III?
20 MR. STALBERG: White male.
21 COUNCILWOMAN BROWN: Howard
22 Meyers?
23 MR. STALBERG: White male.
24 COUNCILWOMAN BROWN: Brett S.
25 Perkins?

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2 MR. STALBERG: African American
3 male.

4 COUNCILWOMAN BROWN: William R.
5 Sasso?

6 MR. STALBERG: White male.

7 COUNCILWOMAN BROWN: Judith
8 Spires?

9 MR. STALBERG: White female.

10 COUNCILWOMAN BROWN: Michael
11 Stiles?

12 MR. STALBERG: White male.

13 COUNCILWOMAN BROWN: Suzanne --
14 help me out -- Svizeny?

15 MR. STALBERG: Svizeny. White
16 female.

17 COUNCILWOMAN BROWN: Judith von
18 Seldeneck?

19 MR. STALBERG: White female.

20 COUNCILWOMAN BROWN: So the
21 real numbers are five women, if I'm
22 correct, 15 white males and one African
23 American female -- no; one African
24 American man.

25 MR. STALBERG: I'll trust your

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2 count here.

3 COUNCILWOMAN BROWN: So the
4 record shows that there are no African
5 American women and no Latinos. Does that
6 look like Philadelphia?

7 MR. STALBERG: It does not look
8 like Philadelphia, which is why we're
9 trying to make the Board and the
10 Executive Committee more and more
11 diverse.

12 That said, the Committee of
13 Seventy works in the region, is doing
14 next week a significant program in New
15 Jersey on Election Day. So it's a
16 regional group and it's much closer to
17 representing the demographics of the
18 region than of the City.

19 COUNCILWOMAN BROWN: And that's
20 stipulated in your, some might call that,
21 mission statement? This is the first
22 time I'm actually hearing -- and thank
23 you for the update -- that it is a
24 regional organization, not a
25 Philadelphia-based look-see entity that

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2 is interested in, quote, clean
3 government, fair elections and informed
4 citizens. It is a regional organization?

5 MR. STALBERG: Yes, trying to
6 become more and more regional, frankly,
7 in line with just about all the other
8 civic and cultural groups in town trying
9 to represent the region more than just
10 the City.

11 COUNCILWOMAN BROWN: In what
12 ways has the vision or mission of the
13 agency changed under your leadership?

14 MR. STALBERG: It was primarily
15 focused on elections for a long period of
16 time. It was originally begun in 1904 or
17 so as a group focused on corruption in
18 City Hall and the -- especially how that
19 wave of immigrants that came in at the
20 beginning of the 20th century was being
21 handled. Over time, it became an
22 elections-focused group. In recent
23 years, it's become more interested in
24 ethics issues and was a major defender of
25 the campaign finance law, for instance,

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2 which Councilman Goode proposed. And
3 more recently than that, interested in
4 making government work better in reform
5 issues about how efficient government is.
6 Most recent big piece of work that we did
7 was a report called "Tackling True
8 Reform," in which the BRT was mentioned.

9 I'm striving to get this back
10 to the point of the hearing.

11 COUNCILWOMAN BROWN: Okay.

12 Well, we use the hearings as opportunity
13 to gather any and all information that we
14 can from testifiers.

15 So you will get back to Madam
16 President on the composition and makeup
17 of the 38 Board members?

18 MR. STALBERG: Well, you mean
19 other than the Executive Committee?

20 COUNCILWOMAN BROWN: Yes.

21 MR. STALBERG: Sure. Be happy
22 to give you the names and --

23 COUNCILWOMAN BROWN: Well, I
24 have the names here. The composition
25 would be helpful.

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2 MR. STALBERG: Sure.

3 COUNCILWOMAN BROWN: Lastly,
4 you spoke that you're in the process of
5 seeking to help the Board be more diverse
6 so that it does include women of color.

7 MR. STALBERG: Yes.

8 COUNCILWOMAN BROWN: Executive
9 Committee. And which would include
10 Asian, Latino and African American.
11 Share with us briefly, if you're at
12 liberty to do that, what that process is.

13 MR. STALBERG: Generally
14 speaking, there's a nominating committee
15 that seeks out new members and tries to
16 interest them in the work of the group
17 and tries to eventually bring them on to
18 the Executive Committee or the Board.

19 COUNCILWOMAN BROWN: So there
20 are possibly members of the current Board
21 of Directors who may be elevated, if you
22 will, to the Executive Committee?
23 Because I am able to identify one woman
24 of color, not knowing how long she's been
25 there, who may be suitable or have earned

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2 a bright stripes to be elevated to
3 Executive Committee.

4 MR. STALBERG: Yeah. I would
5 have to read our bylaws, which I haven't
6 done in quite some time, but there are
7 certain positions on the Executive
8 Committee that are guaranteed by the
9 bylaws, such as the heads of certain
10 subcommittees. But, generally speaking,
11 the members of the Executive Committee
12 can be elevated from the Board or just
13 moved in from outside.

14 COUNCILWOMAN BROWN: Okay. And
15 then, finally, when it comes to the
16 reports that the Committee of Seventy
17 distributes, what is that process? How
18 does that happen? Staff collect
19 information, do the research, hire
20 consultants and then pass it up the line,
21 or does the Board drive down what
22 actions, what reports they want to see
23 happen?

24 MR. STALBERG: Usually it's the
25 staff initiating a report and doing the

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2 work and someone -- some set of people
3 from the Board who might be vetting it to
4 make sure that it's fair or represents
5 the position of the group in general.

6 COUNCILWOMAN BROWN: And in the
7 process of the prospectives and
8 viewpoints of the BRT, what process was
9 used?

10 MR. STALBERG: Pretty much that
11 process. In this case, the "Tackling
12 True Reform," which Ellen wrote, was
13 produced by the staff and then vetted, if
14 I recall correctly, by the co-chairs of
15 the Policy Committee, Marilyn Kutler, who
16 used to be a City Solicitor, and Dave
17 Franceski.

18 MS. MATTLEMAN KAPLAN:
19 Councilwoman, we also have of the
20 Committee of Seventy four separate --

21 COUNCIL PRESIDENT VERA:
22 Excuse me, please. Please identify
23 yourself for the record.

24 MS. MATTLEMAN KAPLAN: I'm
25 Ellen Mattleman Kaplan. I'm

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2 Vice-President and Policy Director of the
3 Committee of Seventy.

4 COUNCIL PRESIDENT VERNA: Thank
5 you.

6 MS. MATTLEMAN KAPLAN: We have
7 a policy committee that has four separate
8 subcommittees. One deals with ethics,
9 one deals with elections, one deals with
10 civic education, the other one deals with
11 government reform. We have been
12 discussing reforms at the Board of
13 Revision of Taxes for at least six
14 months, if not longer, and all of the
15 recommendations that are in our testimony
16 today came up through the government
17 reform subcommittee. We discussed them.
18 Then we discuss them at the Board level.
19 We discuss them at the Executive
20 Committee level.

21 COUNCILWOMAN BROWN: So if
22 that's been the last six months, was that
23 before or after the Inquirer report?

24 MS. MATTLEMAN KAPLAN:
25 Actually, the Committee of Seventy has

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2 talked about reforming the BRT -- I think
3 Zack found seven times over the last how
4 many years?

5 MR. STALBERG: Over the last
6 several decades, actually. And we've
7 testified here before on this issue. It
8 was -- that's to take nothing away from
9 the Inquirer series. I think the City
10 would not have been galvanized to action
11 if people hadn't really engaged in that
12 series. So that's what moved us in the
13 latest version.

14 COUNCILWOMAN BROWN: There
15 would be many who would agree with the
16 fact that but for the Philadelphia
17 Inquirer, it put up close and in your
18 face why we as leadership, at the
19 leadership level and us as the
20 legislative body and the Mayor's Office,
21 needed to fix what all of us view to be a
22 broken, unfair system.

23 Thank you for your testimony.

24 MR. STALBERG: If I could, you
25 and I have a good relationship, and if

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2 you have names for the Board, I'd love to
3 hear them, because we're interested in
4 more and more good folks.

5 COUNCILWOMAN BROWN: I will
6 enthusiastically step up to that offer.
7 The Urban League of Philadelphia and
8 Leadership, Inc. is in the business of
9 identifying emerging leaders who want to
10 participate at a policy level, and I'm
11 sure Majority Leader Councilwoman Tasco
12 and I could both offer that up. The
13 Urban League of Philadelphia actually is
14 in the business of training African
15 American emerging leaders so that they
16 can move into positions of or be invited
17 to positions of leadership and
18 responsibility where they care to make a
19 difference in the future of this city.
20 So I will certainly take you up on that
21 offer.

22 MR. STALBERG: Thanks. I'll
23 buy you lunch if I'm allowed to.

24 COUNCILWOMAN BROWN: The ethics
25 rules would probably say no, but I thank

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2 you for the offer.

3 Thank you, Madam President.

4 COUNCIL PRESIDENT VERNA: The
5 Chair recognizes Councilwoman Tasco.

6 COUNCILWOMAN TASCO: Thank you.
7 Good afternoon.

8 MR. STALBERG: Hi. How are
9 you?

10 COUNCILWOMAN TASCO: What is
11 the criteria for membership on the Board
12 of the Committee of Seventy?

13 MR. STALBERG: I don't believe
14 it's formally stated. Generally
15 speaking, there are democrats and
16 republicans. There are people who live
17 in the City, who don't live in the City.
18 The thing that folks have in common is
19 they have an interest in public life in
20 the Philadelphia area and affecting
21 public life in Philadelphia. As Ellen
22 said, some of them are interested in
23 ethics and some of them are interested in
24 elections and so forth. They all have a
25 different interest, but they, generally

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2 speaking, they're accomplished in their
3 particular professional roles and
4 interested in having an effect on public
5 life.

6 COUNCILWOMAN TASCO: And you
7 talk about that -- you stated that you
8 are a regional organization and you're
9 becoming more regional. How will
10 Philadelphia fit in that whole picture of
11 being a regional entity? Does that
12 dilute the participation of
13 Philadelphians on your committee?

14 MR. STALBERG: No, I don't
15 think so. Probably our historic
16 orientation is always to focus primarily
17 on City Hall and what happens here, and
18 to be quite frank, we're finding that
19 it's not all that easy to move outside of
20 Philadelphia. Culturally there's a
21 resistance to that in the counties and in
22 New Jersey. So it will be a gradual
23 shift, but in the end, I hope we're
24 providing especially Election Day service
25 throughout the region.

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2 COUNCILWOMAN TASC0: Is the
3 Committee of Seventy knowledgeable about
4 the lawsuit going on in Montgomery County
5 as to whether or not employees should be
6 political or not political, and do you
7 have a position on that? Has your Board
8 taken a position?

9 MR. STALBERG: We haven't taken
10 a position on the lawsuit, no, but as I
11 indicated, I think generally -- well, we
12 haven't gotten to the issue in the City.
13 I think generally there's an interest in
14 easing the restrictions on City workers
15 in terms of political behavior.

16 COUNCILWOMAN TASC0: So if that
17 issue was here in the City of
18 Philadelphia, you would weigh in on that
19 very publicly. Do you see yourself
20 weighing in on that issue in Montgomery
21 County in a public way as you all do in
22 Philadelphia?

23 MR. STALBERG: That's hard to
24 say. I'm not sure that -- as I say,
25 we're still a little City centric, and

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2 whether we're ready or not to weigh in on
3 a county on that issue, it's probably too
4 early to say. But particularly as
5 legislation comes our way or as
6 Councilman Green suggested, the Mayor's
7 Task Force on Ethics is likely to comment
8 on that, we will be likely having a
9 position on that that reflects what I
10 just said.

11 COUNCILWOMAN TASC0: Well, I'm
12 interested in how you will weigh in on
13 the political environment and the
14 legislative environment in the counties,
15 particularly if your Board has a number
16 of members from outside of Philadelphia
17 and what is their focus on good
18 governance in their own back door, their
19 backyards.

20 MR. STALBERG: Right. Well, as
21 I say, it's to have an effect, I think
22 we're going to have to move deliberately
23 in those areas. And because there are a
24 number of lawyers on the Board of the
25 Committee of Seventy, there's also a

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2 tendency not to take a public position on
3 a lawsuit unless we're directly involved
4 in it. So I'm not sure whether a
5 position on that is imminent, but in
6 time, I hope we have a position on the
7 major issues in the counties. And as you
8 know, it's a little easier for
9 Philadelphians to be accepted or for a
10 Philadelphia group, I should say, to be
11 accepted in some counties rather than
12 others.

13 COUNCILWOMAN TASCO: But
14 they're all accepted in Philadelphia.
15 All those people on your Board are from
16 outside of Philadelphia and they're
17 weighing in on the politics and the
18 activities in the Philadelphia region.
19 Why should they have any more say in
20 Philadelphia than in the counties where
21 they live?

22 MR. STALBERG: Well, I agree
23 with you. I hope to take the group in
24 that direction. But almost to a person,
25 I believe they work in the City and many

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2 of them are involved in other civic
3 activities in the City regardless of
4 where they live.

5 COUNCILWOMAN TASCO: I think
6 that all of this is -- it goes to
7 fairness and in terms of what issues that
8 you take on, how you take them on and is
9 it just a certain group or certain
10 environment in Philadelphia that you want
11 to weigh in on, and there are other
12 environments that you don't weigh in on.
13 And so the fairness of it raises a
14 problem for me.

15 The likelihood of Gerry
16 Sizemore, who is a committee person and a
17 community activist for the last 40 years
18 in Philadelphia, what is the likelihood
19 of her coming on your Board? She's not a
20 lawyer. She's a housewife. She's a
21 mother, grandmother who is raising her
22 grandson, but very involved in my
23 community in terms of recreation, church
24 and has the pulse of what people think in
25 my ward. What is the likelihood of her

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2 being on your Board to give her opinion
3 on what people think in the community?

4 MR. STALBERG: Right. I'd love
5 to talk to her about it, and I'll give
6 you a call and you can get us together.

7 COUNCILWOMAN TASCO: Thank you
8 very much.

9 MR. STALBERG: Thank you.

10 COUNCIL PRESIDENT VERNA: The
11 Chair recognizes Councilwoman Brown.

12 COUNCILWOMAN BROWN: Madam
13 President, two quick follow-ups, which
14 were a segue from Councilwoman Tasco's
15 question.

16 I've served on boards for the
17 last 25 years in my career and in many
18 instances, there are financial duties,
19 financial obligations in terms of raising
20 money and/or dues. Are there any
21 financial dues for the Committee of
22 Seventy for its Executive Committee or
23 Directors?

24 MR. STALBERG: There is a
25 minimum obligation of \$2,500, which the

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2 individual needs to either donate or
3 raise.

4 COUNCILWOMAN BROWN: And the
5 flip side of that --

6 MR. STALBERG: So-called give
7 or get.

8 COUNCILWOMAN BROWN: That's
9 what I'm accustomed to, having served on
10 many boards.

11 Compensation, is there
12 compensation for the Executive Committee
13 or Board of Directors?

14 MR. STALBERG: No.

15 COUNCILWOMAN BROWN: Lastly, a
16 comment and something to think about.
17 This past Saturday my colleagues
18 Councilman Bill Green, Councilwoman
19 Marian Tasco and Councilman Brian O'Neill
20 and I were asked to speak before the
21 Philadelphia Bar Association, and one of
22 the questions that was raised was the
23 issue of regionalism, and the last time I
24 heard regionalism discussed in a
25 comprehensive way was in 1996 when I

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2 actually ran for office and lost. And so
3 I put that up as food for thought,
4 because the only one issue where I've
5 ever seen any possibility of us thinking
6 regionally is around arts and culture.
7 But recognizing and now hearing that your
8 Board has a regional focus, that may or
9 may not present a possibility for us to
10 think more for discussion and dialogue
11 about opportunities to think and act
12 regionally since we know there are many
13 in the suburbs who benefit enormously
14 from Philadelphia's rich cluster of arts
15 and cultural institutions, and to the
16 extent that there could be mutual -- not
17 obligation, but weight for all of us to
18 carry keeping that real, that then I
19 think moves the needle and puts the
20 discussion back on this thing called
21 regionalism.

22 MR. STALBERG: Yeah, I agree
23 with you. Certainly the whole regional
24 movement had a little bit more momentum
25 before the economic crisis, and I hope

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2 that it's possible for us in the sort of
3 political and government world or in
4 other worlds to try to get that momentum
5 moving again.

6 MS. MATTLEMAN KAPLAN:

7 Councilwoman, something you might be
8 interested in, the Committee of Seventy
9 is partnering with an organization called
10 Avencia to produce a website that will
11 talk about redistricting efforts
12 throughout the Greater Philadelphia
13 region, and it's a website that will
14 allow you to put in your address and to
15 see the different areas in the region and
16 what might be the implications for
17 redistricting after the 2010 census. I'd
18 be happy to send you that website,
19 because I think it's really fascinating
20 and something that will become more and
21 more of interest to you folks when you
22 head into the redistricting process.

23 COUNCILWOMAN BROWN: I will
24 look forward to that. I ask that you
25 forward that to the Chair. Thank you

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2 very much.

3 Thank you, Madam President.

4 COUNCIL PRESIDENT VERNA: Thank
5 you.

6 The Chair --

7 MR. STALBERG: We're hoping
8 that it can make sure that everyone gets
9 paid during the whole redistricting fight
10 in a year or two.

11 COUNCIL PRESIDENT VERNA: The
12 Chair recognizes Councilwoman Tasco.

13 COUNCILWOMAN TASCO: Did the
14 Committee of Seventy just issue a report
15 calling for the elimination of some of
16 our row offices in Philadelphia?

17 MR. STALBERG: Yes.

18 COUNCILWOMAN TASCO: Since you
19 are a regional organization, have you
20 decided that all of the row offices in
21 the surrounding areas should be
22 eliminated also since they are all county
23 offices and as the same as Philadelphia?

24 MR. STALBERG: That position
25 hasn't been taken yet, although it's

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2 definitely worth a close look elsewhere.

3 The issue began in Philadelphia when

4 Mayor Nutter raised it as a possibility.

5 That was followed by our report, and I

6 think a report from PICA is in the works

7 on the same subject.

8 COUNCILWOMAN TASC0: And that's

9 all well and good, but at the same time,

10 why should Philadelphia be any different

11 from the surrounding counties who have

12 the same row offices that we have that

13 are mandated by the state?

14 MR. STALBERG: I'd love to do

15 it. As with any group with limited

16 resource, including this body, we have to

17 pick our shots, and the --

18 COUNCILWOMAN TASC0: But why

19 are you picking Philadelphia and you're a

20 regional organization? All of the shots

21 are at us, and that is unfair.

22 MR. STALBERG: I don't think --

23 COUNCILWOMAN TASC0: I mean,

24 you know, you put your -- not you. The

25 organization sets itself up as a good

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2 government organization, but they're only
3 taking shots at Philadelphia. Where are
4 the shots in the surrounding counties,
5 particularly with all these members who
6 live outside of the City in their
7 counties? Let them also look. As you
8 look at Philadelphia in comparison to
9 what you're asking us to do, what are you
10 asking them to do?

11 MR. STALBERG: I will certainly
12 take that message on back to the Board
13 and hopefully --

14 COUNCILWOMAN TASC0: We're easy
15 fodder, I guess.

16 Thank you, Zack.

17 MR. STALBERG: Thank you.

18 COUNCILWOMAN TASC0: But I have
19 to raise those issues, because they
20 trouble us all, especially me. Thank
21 you.

22 COUNCIL PRESIDENT VERNA: Thank
23 you.

24 Are there any other questions
25 from members of the Committee?

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2 (No response.)

3 COUNCIL PRESIDENT Verna: Thank
4 you very much.

5 MR. STALBERG: Thank you.
6 Bye-bye now.

7 COUNCIL PRESIDENT Verna: Our
8 next witness?

9 MR. McPHERSON: Our next panel
10 consists of representatives from the
11 Philadelphia Bar Association, the Greater
12 Philadelphia Association of Realtors, the
13 Building Industry Association, the
14 Housing Association of Delaware Valley
15 and the Southeast Chapter of the
16 Assessors Association of Pennsylvania.

17 (Witnesses approached witness
18 table.)

19 COUNCIL PRESIDENT Verna: Good
20 afternoon.

21 MS. LADOV: Good afternoon,
22 Madam Council President.

23 COUNCIL PRESIDENT Verna:
24 Please identify yourself for the record.

25 MS. LADOV: My name is Sayde

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2 Joy Ladov. I am the Chancellor of the
3 Philadelphia Bar Association and I am
4 delighted to be before City Council today
5 to offer support for what will hopefully
6 be the newest and best entity that the
7 City of Philadelphia can offer in lieu of
8 the BRT.

9 We received a letter from
10 Councilman Green at the end of last week
11 advising us that it is the hope that --
12 it is his hope that the Philadelphia Bar
13 Association will participate in the
14 nominating process for individuals to the
15 committee. We would be absolutely
16 delighted to do so. And we feel as a Bar
17 Association that we are in a particularly
18 unique position to be able to offer
19 insight and guidance. We have a
20 tremendous real property section
21 comprised of lawyers throughout the City
22 who are familiar with both residential
23 and commercial real estate from the top
24 to bottom, from the inside to out.

25 So we are excited about this.

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2 We are honored to be a part of this
3 process, and we look forward to working
4 with Council to make this the best
5 committee ever.

6 Thank you, Madam President.

7 COUNCIL PRESIDENT Verna: Thank
8 you very much.

9 Good afternoon. Please
10 identify yourself for the record.

11 MR. PERRY: Good afternoon,
12 Madam Chair. My name is Al Perry. I'm
13 the President of the Greater Philadelphia
14 Association of Realtors. We're a trade
15 organization of over 2,000 members. We
16 strongly support Bill No. 090706, and we
17 applaud those members of City Council who
18 authored and sponsored the legislation.

19 We too received a letter from
20 Councilman Green, and we thank Councilman
21 Green for our inclusion and the other
22 members of City Council for our inclusion
23 as well on the opportunity to be on the
24 nominating panel for this new Board of
25 Property Tax Assessment Appeals. We

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2 welcome that challenge and that
3 opportunity.

4 We agree that the new agency
5 should include individuals whose
6 profession and areas of expertise is real
7 estate. We would like to consider and --
8 we'd like City Council to consider an
9 amendment that would also broaden the
10 credentials to include two realtor
11 representatives, one with commercial and
12 one with residential influence. We have
13 the tools and expertise to assist in that
14 process as well. We deal with day to day
15 the flaws in our current and existing
16 system, and we applaud members of City
17 Council for addressing that. And we
18 thank City Council for including in the
19 dialogues to create a new fair and
20 equitable real property tax system.

21 Thank you for your continued
22 support in the matter.

23 COUNCIL PRESIDENT VERNA: Thank
24 you. You've been extremely patient, and
25 we appreciate it.

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2 The Chair recognizes Councilman
3 Green.

4 COUNCILMAN GREEN: Thank you.

5 I don't have any questions. I thank you
6 for coming to testify and your support
7 for the bill, and, yes, thank you for
8 your patience. But I do want to note for
9 the record as we were sitting around
10 trying to figure out a way to take the
11 Board of Judges out of it but have a fair
12 process of appointing the Board of
13 Appeals, Councilwoman Tasco suggested we
14 use the procedure, which I think she
15 mentioned was used in the School District
16 or used to be used in the School
17 District, where there's a nominating
18 panel. And so it was her idea to come up
19 with a nominating panel, and everybody
20 had suggestions, and we're glad you're
21 willing to participate.

22 Thank you.

23 COUNCIL PRESIDENT VERA: Thank
24 you.

25 COUNCILWOMAN BROWN: Madam

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2 Chair, one question.

3 Thank you both very much. In
4 conferring and commiserating with the
5 sponsor of the bill, Councilmembers were
6 careful to be as inclusive as possible of
7 professionals who live and breathe this
8 issue all the time, and the sponsor of
9 the bill could be most accurate, but I
10 thought we actually included a
11 representative from your industry.

12 Did we not, Councilman Bill
13 Green? Did we not include a
14 representative from the industry of
15 realtors in the compensation of this
16 bill?

17 COUNCILMAN GREEN: We did.

18 MR. PERRY: I may be able to
19 provide some clarity. I think I
20 understand. No, we are definitely
21 included and appreciate being included in
22 the nominating panel, and when reviewing
23 the credentials of the people who would
24 be nominated, we thought that those
25 credentials could also include realtors

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2 who have commercial and residential
3 expertise as well. Just a suggestion for
4 an amendment.

5 COUNCILWOMAN BROWN: Okay,
6 then.

7 MR. PERRY: We'd appreciate
8 being involved in that as well.

9 COUNCILWOMAN BROWN: Thank you
10 very much.

11 Thank you, Madam Chair.

12 COUNCIL PRESIDENT Verna: Are
13 there any other questions or comments of
14 the witnesses before us?

15 (No response.)

16 COUNCIL PRESIDENT Verna:
17 Again, I thank you very much.

18 MS. LADOV: Thank you, Madam
19 President.

20 MR. McPHERSON: Our next panel
21 consists of Ken Metzner, Daryl LaFontaine
22 and William Kilroy.

23 (Witnesses approached witness
24 table.)

25 COUNCIL PRESIDENT Verna: Good

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2 afternoon. Welcome. Please identify
3 yourself for the record and proceed with
4 your testimony.

5 REVEREND METZNER: Good

6 afternoon. I am Reverend Ken Metzner, a
7 resident of the 500 block of Kimball
8 Street. I am an ordained interfaith
9 minister and the Executive Director of a
10 not-for-profit dance company and movement
11 arts center on South 9th Street, as well
12 as a recovering corporate attorney. I am
13 here today, however, solely in my
14 capacity as an aggrieved taxpayer.

15 I am one of the 15,000 property
16 owners who about eight weeks ago received
17 a notice of proposed tax increase from
18 the BRT, a notice that nearly tripled the
19 taxes on our home from \$1,470 to \$4,865.
20 Receipt of that notice set me off on a
21 course not only of neighborhood activism,
22 something in which I had never engaged,
23 but also one of intense research that has
24 laid bare for me the BRT's
25 well-documented history of lawlessness.

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2 This disturbing history, coupled with the
3 BRT's reckless issuance of these latest
4 property assessments, compel me as a
5 minister, as a lawyer and as a citizen to
6 speak out.

7 Before I do that, however, I
8 must say that I am inspired by Councilman
9 DiCicco's earlier comment today when he
10 noted the absence of any Board member of
11 the BRT. I would like to note for the
12 record the absence of the vast majority
13 of City Council members. In fact, as I
14 look around the room, I see present only
15 Councilwoman Brown, Councilman O'Neill,
16 Councilman Rizzo, Councilwoman Tasco,
17 Councilwoman Quinones-Sanchez and
18 Councilman Green, other than, of course,
19 yourself, Madam President.

20 The proposed legislation, I
21 hope, will begin to create the
22 environment for the radical changes that
23 are necessary to address the current and
24 long-lived illegal system of property
25 assessments. As an attorney, I do not

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2 lightly use the label "illegal," yet I
3 come before you today and say illegal
4 quite deliberately, because, in my
5 opinion, there is no doubt that the acts
6 and omissions of the BRT over the course
7 of many years constitute a pervasive
8 pattern of unlawful conduct that has been
9 tolerated, if not actively supported, by
10 other City government departments and
11 bodies.

12 Much journalistic ink has been
13 spilled in the last six months decrying
14 the broken, unfair and inaccurate BRT
15 system of property assessments, but
16 little attention has been focused on its
17 undeniable illegality, the historic root
18 of the unlawful practices and the
19 possible reasons why such a system has
20 been tolerated. I submit to you that
21 exploration of those issues as part of a
22 process that is complementary to the
23 consideration of remedial legislation
24 like the pending bill is critical. Why?
25 So that we do not continue to make the

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2 same mistakes that have been made in the
3 past.

4 I certainly am not advocating
5 an exercise in finger-pointing,
6 polarizing attacks or witch hunts, but
7 rather a balanced exploration aimed at
8 identifying and understanding important
9 lessons to be learned for Philadelphia's
10 future, our future.

11 For far too long, the BRT has
12 been permitted to illegally mismanage a
13 key resource of our city, its real
14 property base. The BRT's dereliction of
15 its duties has directly contributed to
16 the decline of our communities, whether
17 it's the spread of abandoned lots and
18 urban blight, the decline in our schools
19 in terms of insufficient funding, and our
20 overall economy in terms of insufficient
21 property tax revenues, flight by young
22 families with children and, of course,
23 the migration of businesses and jobs.

24 It is imperative, therefore,
25 that we acknowledge and understand the

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2 profound roots of these destructive
3 practices, our respective roles in their
4 perpetuation and our collective
5 responsibility for their remediation.

6 Members of Council have heard
7 from various sources over many years how
8 the BRT's assessment practices are
9 unlawful. I would like to take just a
10 few moments to highlight for the public's
11 benefit some of the reasons why that is
12 demonstrably so.

13 At the most basic operational
14 level, the BRT routinely ignores
15 requirements imposed under Pennsylvania
16 statutes. I have outlined in my written
17 testimony at least eight serious
18 derelictions and violations of state
19 statutes. I will not repeat them now. I
20 respectively refer Council to my written
21 testimony.

22 I would like to speak, however,
23 to the issue of constitutionality,
24 because as a matter of constitutional
25 law, the way the BRT operates clearly

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2 violates both the Pennsylvania and U.S.
3 Constitutions.

4 The Pennsylvania Constitution's
5 uniformity clause requires that property
6 taxes be applied uniformly upon similar
7 types of property, with each member of
8 the same group of taxpayers bearing an
9 equal tax burden. With respect to our
10 block of Kimball Street, for example, the
11 BRT systematically undervalues properties
12 similar to our home, thereby penalizing
13 us as compared to our neighbors. That,
14 of course, is impermissible under the
15 uniformity clause.

16 The BRT's uniformity problems,
17 however, are much bigger than those in
18 evidence on Kimball Street. They are
19 citywide. These statistics that the
20 courts have said determine uniformity as
21 measured in Philadelphia, whether
22 calculated by independent experts or by
23 Pennsylvania's State Tax Equalization
24 Board, clearly show that the BRT's
25 assessments are non-uniform across

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2 Philadelphia and are, therefore,
3 unconstitutional.

4 It is clear that City Council
5 and other government leaders are aware of
6 this. What is less talked about,
7 however, are what this means in terms of
8 practicality. The lack of uniformity
9 means that vast portions of Philadelphia
10 are paying a far greater share of
11 property taxes than is permitted under
12 the law. This is particularly true for
13 the poorest areas of the City, such as
14 Olney, Mayfair, Kingsessing and Girard
15 Estates, just to name a few. The
16 regressive nature of our property tax
17 system has been known to the BRT and to
18 City leaders for years. Yet, despite the
19 BRT's well-known record of illegal
20 activity, the threat of a well-crafted
21 lawsuit last year on these same grounds,
22 the blistering attacks under which the
23 BRT has come in recent months for its
24 arbitrary and inaccurate assessments, the
25 continued challenges the BRT faces in

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2 establishing accurate numbers for the
3 Actual Value Initiative, which the BRT
4 for years has touted as the panacea for
5 its unlawful practices, and
6 notwithstanding the fact that our country
7 is in the midst of the worst economic
8 downturn in 70 years, the BRT eight weeks
9 ago subjected a cherry picked 2.5 percent
10 of the City's property owners to new
11 upward assessments that, of course, are
12 plagued with the same gross legal
13 deficiencies that afflict its prior
14 assessments. Clearly, the BRT has come
15 to believe that it is above the law. It
16 is, therefore, appropriate to implement
17 the measures called for in the pending
18 bill.

19 As I see, however, there are at
20 least three limitations we need to be
21 mindful of with regard to the
22 legislation. First, that it is merely a
23 first step in the process of addressing
24 the issues. Much work remains to be
25 done.

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2 Two, that it does nothing to
3 help the thousands of people who today
4 are victims of the ongoing illegal
5 assessment practices of the BRT.

6 And, three, that it does not
7 speak to the question of redress for the
8 devastation that the decades of illegal
9 assessment and tax practices have visited
10 on our city, in particular on the poorest
11 areas. I submit that we cannot and must
12 not ignore the extensive past and ongoing
13 violations of the law.

14 Though a discussion of those
15 matters is beyond the scope of today's
16 testimony, I urge City Council, the Mayor
17 and my fellow citizens to give
18 much-needed attention to the subject of
19 appropriate remedial measures. I would
20 like to speak today briefly, however, to
21 the first limitation; namely, that the
22 legislation is but one part of the
23 necessary fix.

24 Mere structural change, even of
25 the magnitude called for in this bill, is

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2 no guarantee that the underlying
3 practices that created the unacceptable
4 environment and the culture that
5 supported it will evolve. To ensure that
6 they do, we must get to the root of the
7 problem by asking and courageously
8 exploring the answers to some very tough
9 questions, chief among which is how and
10 why did we get here, and what can we do
11 to ensure that we don't end up here
12 again. This question is particularly
13 important in light of Philadelphia's
14 history. Nearly 30 years ago we were in
15 a practically identical situation when
16 court involvement became necessary to
17 force the BRT into addressing what were
18 then widespread inequities in the
19 property assessment practices. Of course
20 I'm referring to the litigation known as
21 Coleman versus Green. Some lessons
22 apparently take a very long time to
23 learn.

24 We might discover through a
25 diligent inquiry that the current

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2 problems are merely a function of not
3 having adequate technology to collect,
4 manage and analyze critical data. I
5 recently heard that many City departments
6 are using computer technology that is 15
7 to 20 years old. If that is so, do we
8 now have sufficient resources dedicated
9 to the acquisition, maintenance and
10 updating of the necessary systems and
11 software?

12 We might also discover through
13 this process that the illegal practices
14 result merely from poor training and
15 supervision. If so, what is being done
16 to address that now? Are we, for
17 example, asking current BRT employees or
18 qualified outside consultants to identify
19 the training and tools that they believe
20 are essential to carrying out their jobs?

21 Or we might discover through
22 this process that this illegal and broken
23 system evolved the way it did and has
24 endured because certain influential
25 interests have benefited from it. As

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2 uncomfortable a line of inquiry as that
3 may appear to be, it is an important one
4 to consider for the sake of thoroughness
5 and the restoration of integrity. And if
6 the inquiry is handled in an appropriate,
7 non-partisan way, its findings should be
8 of great service to the community.

9 In conclusion, this
10 course-correcting legislation is an
11 important development in the right
12 direction and much work remains to be
13 done. To sweep the most critical issues
14 under the rug or even to permit them to
15 be lost in the haze of pending
16 legislation would squander an opportunity
17 to learn from this experience and to
18 begin to consider appropriate remediation
19 for decades of unlawful assessment
20 practices. May this be but the first
21 step in the necessary healing process for
22 our city.

23 Thank you.

24 COUNCIL PRESIDENT VERNA: Thank
25 you very much.

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2 Are there any questions from
3 members of the Committee of this witness?

4 (No response.)

5 COUNCIL PRESIDENT Verna:

6 Seeing none, please identify yourself.

7 MR. KILROY: Councilwoman
8 Verna, ladies and gentlemen of the
9 Council and all in attendance, I must
10 disclose I am an employee, civil servant
11 of BRT. I am a Property Evaluator II,
12 but please know I am not here in an
13 official capacity. I am here as a
14 student of politics, as per my degree
15 with Temple University, and I am here as
16 a taxpayer of the City of Philadelphia.

17 Our concern for the proposed --

18 COUNCIL PRESIDENT Verna:

19 Excuse me. I don't mean to interrupt
20 you. I believe the stenographer would
21 like you to repeat your name. She didn't
22 hear you.

23 MR. KILROY: William Joseph
24 Kilroy.

25 I'm here to express my concerns

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2 for the proposed referendum which is
3 designed to give more power to the
4 executive branch of the government over
5 the presently independent City tax
6 agency. The Commonwealth of
7 Pennsylvania, in conjunction with the
8 City Charter, has created a check and
9 balance system designed to protect the
10 taxpayers of this first class city from
11 any one branch of government getting
12 control over the property tax agency and,
13 may I add, independent tax agency. I'm
14 afraid that if the executive branch of
15 the government's power is increased, the
16 burden of property taxes, in conjunction
17 with the highest wage tax and sales tax
18 in the state, will result in further
19 erosion of our tax-paying population.

20 The newspaper suggested that
21 the present tax agency is broken and
22 dysfunctional. If this is the truth,
23 then I ask, why does the County of
24 Philadelphia have the lowest property tax
25 base out of the five-county area? The

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2 property tax agency is the only entity
3 that truly provides tax relief.

4 Do the people understand that
5 placing the property assessors under the
6 Finance Department gives direct control
7 to the Mayor's Office? Do the people
8 understand this? Do the citizens
9 understand the repercussions of giving
10 executive and legislative power of
11 appointment over the seven-member Board,
12 which is presently appointed by a
13 majority of judges of the Court of Common
14 Pleas for a term of six years? Can we
15 rely on our newspapers and academics to
16 educate our citizens on their options or
17 do we take advantage of lack of civic
18 knowledge, as we did when we dissolved
19 the Fairmount Park Commission, a
20 commission which was greatly responsible
21 for creating and maintaining the largest
22 municipal park in the country, providing
23 quality of air, providing quality of
24 water and providing quality of life,
25 which is now in jeopardy of shrinking, as

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2 illustrated by a bill which was submitted
3 to Council for residential development of
4 the parkland the very same week the Park
5 Commission was dissolved. I suggest that
6 we think hard and long before we open
7 Pandora's box, which once opened is not
8 easily closed.

9 I say please, Council, be aware
10 of conflict politics, which is designed
11 to grab and consolidate power.

12 Thank you so much.

13 COUNCIL PRESIDENT VERNA: Thank
14 you.

15 Any questions or comments from
16 members of the Committee of the
17 witnesses?

18 (No response.)

19 COUNCIL PRESIDENT VERNA: Thank
20 you again for your patience.

21 Our next witness?

22 MR. McPHERSON: Our next panel
23 consists of Rene Goodwin and Jeff Rush.

24 (Witnesses approached witness
25 table.)

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2 COUNCIL PRESIDENT VERA: Good
3 afternoon. Please identify yourself for
4 the record.

5 MR. RUSH: Good afternoon,
6 Madam Chair. My name is Jeff Rush. I'm
7 President of Queen Village Neighbors
8 Association. I'm also a long-term
9 resident and business owner in the City
10 of Philadelphia.

11 I want to thank the author of
12 the bill and members of the Committee who
13 support the legislation. I want to say
14 that the neighborhood groups have been
15 meeting individually and collectively now
16 since late summer and have expressed
17 concerns, grave concerns, about the
18 inherent inequities with the current
19 system of assessments and appeals. In
20 mid October, the following two-part
21 resolution was endorsed by
22 representatives from several 1st District
23 neighborhoods. The communities of Queen
24 Village, Pennsport, East Passyunk
25 Crossing, Washington Square West and

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2 River's Edge strongly supports
3 legislation to reform or otherwise
4 dismantle the BRT and looks forward to
5 public hearings in City Council in order
6 to participate in deliberations as to how
7 best to put years of abuse and
8 miscalculation by the current failed
9 process of determining market values for
10 tax purposes behind us.

11 None of our civics, Councilman
12 Green, got an invitation to participate
13 in the process, but we're looking forward
14 to hearing from you. We'll wait for our
15 letter.

16 You have undertaken this task,
17 and we appreciate and support your
18 efforts to effect a total restructuring
19 of the system. This is a vital first
20 step in reforming the property tax
21 assessment and appeals process.

22 On October 23rd, the Mayor's
23 Task Force presented its recommendations
24 for future tax policy to Mayor Nutter.
25 The Task Force has proposed shifting a

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2 greater portion of taxes to property
3 owners. However, they acknowledge this
4 shift will result in a precipitous and
5 roll and tax increase on the City's
6 middle class. As evidenced in public
7 hearings sponsored by Mayor Nutter
8 earlier this year, middle-class taxpayers
9 citywide accept the need to pay their
10 fair share of the tax load, but by no
11 means have written the City a blank
12 check.

13 To address the ballooning tax
14 load, the tax Task Force recommended a
15 state homestead tax reduction, built-in
16 caps and other means to buffer or lessen
17 the burden of these new taxes. This is
18 most assuredly a step in the right
19 direction, but the reality is, according
20 to the tax Task Force report and
21 testimony given by Paul Levy here today,
22 the necessary technology to ensure fair
23 and accurate assessments will not be in
24 place before 2012.

25 I want to say that Councilman

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2 DiCicco alluded to the unfairness of
3 continued assessments or continuing to
4 make assessments given the fact that
5 these assessments are based on bad data.

6 The second part of that
7 resolution that I mentioned in the
8 beginning was, further, on behalf of the
9 residents of the aforementioned
10 communities, the respective Boards of
11 these associations call on City officials
12 to rescind all planned and actual tax
13 increases for 2010 and immediately enact
14 a moratorium on new real estate tax
15 assessments by the BRT or its successor
16 unless or until the process for
17 determining market values has been made
18 demonstratively fair, accurate and
19 removed from political contamination.

20 We strongly urge City Council
21 to immediately apply this just and
22 correct remedy in order to limit the
23 damage done by decades of unprofessional
24 and unfair tax assessments by the very
25 agency you seek today to abolish.

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2 Thank you.

3 COUNCIL PRESIDENT Verna: Thank
4 you very much.

5 Good afternoon. Please
6 identify yourself.

7 MS. GOODWIN: Good afternoon,
8 Madam Chair. My name is Rene Goodwin. I
9 am a lifetime resident of Pennsport and a
10 member of the Pennsport Civic
11 Association. I always value the
12 opportunity to come here before you and
13 before the members of Council. I value
14 that and take it not for granted.

15 The bill that is being
16 considered today has taken a great deal
17 of work on the part of many to, one,
18 bring focus to the issues and
19 inadequacies of the current system and
20 also to craft the legislation in an
21 attempt to improve the process and the
22 structure. I would like to bring
23 attention to a few issues for your
24 consideration.

25 That the process must be fair

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2 and accurate is something on which all
3 would seem to agree, but how best to
4 achieve that is indeed a challenge. To
5 be accurate, there must be adequate
6 resources in place. At startup, the
7 resources may have to be augmented until
8 the process is securely and effectively
9 in place. To do otherwise would allow
10 the same inequities to continue only
11 under the guise of improvement.

12 Fairness is another matter. To
13 me, fairness means that homeowners may
14 pay their fair share, but not so much
15 that they are forced to be moved from
16 their homes. This is not a statement
17 made for the sake of drama. It is the
18 situation that I, like many others, find
19 myself in. For if the proposed
20 assessment figures I have seen are
21 instituted, my husband and I can no
22 longer live in our home.

23 When we purchased our home, we
24 did as all home buyers do. We had to
25 qualify according to loan-to-value ratio

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2 and income-to-debt ratio. It took much
3 financial planning and sacrifice for us
4 to purchase our home and do the huge
5 amount of repairs required on an old
6 house. Because we wanted to stay in the
7 neighborhood in which I grew up, we now
8 have debts we will most likely not pay
9 off in our lifetime, but we'll do our
10 best.

11 There is not a lender on the
12 planet that would have approved us for an
13 80 percent loan based on the proposed
14 market value. If the proposed figures
15 are applied, we'll be gone long before
16 the end of the debt or long before the
17 end of our lives. Is this fair?

18 Fairness also means that some
19 sort of consideration should be given to
20 those who invested their lives and their
21 life savings in a home and in a
22 community. If a newbie comes in and buys
23 a newly constructed home, they are given
24 incentives, and that's okay, while those
25 of us who have maintained the community

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2 and paid their fair share all along are
3 penalized with an increase in taxes that
4 may well be unaffordable. Don't penalize
5 those of us who have been the bedrock of
6 this city.

7 The uniformity clause of the
8 Pennsylvania Constitution says, in
9 essence, that like things must be taxed
10 alike. Where that becomes a challenge is
11 in those neighborhoods, particularly
12 along the waterfront, that were built
13 during the colonial era. During that
14 time, builders did not build tracked
15 homes. Instead, someone purchased a
16 piece of land and built a house on it.
17 Then someone else built another home, a
18 totally different home on the land they
19 purchased. As time passed, the often
20 times mostly wooden houses needed to be
21 demolished as they were no longer
22 structurally sound and left behind lots
23 of vacant lots.

24 So here comes the dilemma: On
25 some blocks in my neighborhood and others

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2 you have a vast disparity in the age and
3 type of structure. On my block, for
4 example, the oldest house dates back to
5 the late 18th century and the newest is
6 not yet completed. Of 29 single-family
7 homes on my block, 12, or nearly 50
8 percent, are tax abated. One cannot
9 assume that all properties in these kinds
10 of settings have the same value. They
11 must be individually and carefully
12 appraised based on many features, and it
13 must be done by skilled personnel.

14 Section 2-202, Paragraph 2,
15 which addresses the compensation of the
16 Board of Appeals, states that at least
17 one of the remaining members shall be a
18 homeowner and/or commercial property
19 owner within the City of Philadelphia.
20 In the Mayor's Task Force on Tax Policy
21 and Economic Competitiveness, it states
22 that 27 percent of assessed real value in
23 2008 is attributed to commercial and
24 industrial property, while 53.6 percent
25 came from single-family properties. This

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2 clearly indicates to me there needs to be
3 inclusion of homeowners on the Board.

4 The education of the public
5 will need to be a major component in the
6 new system. More than information on a
7 website will be necessary. As an
8 example, Section 2-205, which deals with
9 the powers and duties of a Chief
10 Assessment Officer, Paragraph 2,
11 Subsection (d)(ii) reads, "Set standards
12 for property assessments that shall
13 include, at a minimum, an acceptable
14 limit on the deviation of the Common
15 Level Ratio from the Pre-Determined
16 Ratio, an acceptable limit on the
17 Coefficient of Dispersion, and an
18 acceptable range from the Price-Related
19 Differential," et cetera.

20 My point, I realize that no one
21 would absolutely ever consider that as
22 part of an informational process, but
23 clearly, this has to be presented in a
24 way that people understand. I suspect
25 that even someone who has a Master's in

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2 English may not fully understand what
3 that's saying.

4 Why not provide training or
5 briefing sessions to staff of civic
6 associations to help explain the new
7 process, particularly as it relates to
8 appeals. There are also a number of
9 housing agencies and housing counseling
10 programs as well who I'm sure would be
11 willing to do the job.

12 And, finally, there are the
13 intangibles, those things that are most
14 difficult to quantify, things like
15 struggling to keep and maintain your
16 home, not looking at it as merely an
17 investment but is where you live your
18 life, where you moved when you got
19 married, where your children grew up,
20 where you stayed when the neighborhood
21 was struggling as much as you were, but
22 it was, after all, your home. Don't
23 underestimate the value of a person's
24 life commitment to a community.

25 The Task Force report states,

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2 "Philadelphia now heavily taxes things
3 that can pick up and leave, such as
4 residents, employees and businesses."
5 They want to place more burden on things
6 that don't move, like real estate. Maybe
7 real estate can't move, but homeowners
8 can, and if you don't do this carefully
9 and with respect, they'll have to.

10 Thank you.

11 COUNCIL PRESIDENT VERNA: Thank
12 you very much.

13 The Chair recognizes Councilman
14 Green.

15 COUNCILMAN GREEN: Thank you
16 very much for coming in and testifying,
17 and we do appreciate your patience, as
18 the President said. I do want to note
19 that Councilwoman Sanchez and I agree
20 with your statements with respect to the
21 Tax Reform Commission report and a bunch
22 of other things, and we on City Council
23 are going to try to do what we did with
24 this bill and work collaboratively and
25 come up with -- produce tax reforms that

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2 will eliminate the disincentive to doing
3 business and living in the City of
4 Philadelphia, as our tax laws currently
5 do. So we are working on that, and I
6 just want to let you know that that
7 report will land with a thud, as far as
8 I'm concerned, here in City Council.

9 MR. RUSH: We'll look forward
10 to that, Councilman. Thank you.

11 MS. GOODWIN: There are some
12 copies of testimony available. Thank
13 you.

14 COUNCIL PRESIDENT VERNA: Thank
15 you. Thank you very much.

16 MR. McPHERSON: Our last panel
17 consists of Helen Gym, Joshua Vincent and
18 Christine Balka.

19 (Witnesses approached witness
20 table.)

21 MS. GYM: My name is Helen Gym,
22 G-Y-M, Philadelphia public school parent,
23 and I'm here with Michael Churchill from
24 Public Interest Law Center of
25 Philadelphia, who will go right after me.

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2 First of all, I want to thank
3 City Council for holding these hearings
4 and I also want to thank City Council and
5 the Mayor for their recognition and
6 efforts to reform the Bureau of Revision
7 of Taxes.

8 I'm here to testify about
9 something that isn't quite in this
10 current legislation, and it's about the
11 role of the 80 or some School District
12 employees of the Bureau of Revision of
13 Taxes who are on the School District
14 payroll. As you know, this issue and use
15 of School District money is not a new
16 one. Every year this issue has come up
17 about whether the School District should
18 be funding the BRT employees. But what
19 makes things different this year is, not
20 only has the District made itself clear,
21 but the SRC, the Mayor, parent and
22 advocacy groups and community members
23 have also made it clear that the time of
24 this system is now over, and that the
25 need is paramount to take the BRT

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2 employees off the School District payroll
3 immediately and ensure that the full
4 amount of the four and a half million
5 dollars is fully used for children and
6 educational needs. And there are a
7 couple of reasons why this is essential
8 at this time.

9 Number one, the School District
10 this year must close a \$200 million
11 shortfall and has made clear that they
12 intend to take 4 million of that money
13 out of discretionary school budgets,
14 which is a very serious concern. That is
15 money that is used for teachers and
16 librarians, for field trips, for books
17 and supplies. So there has never been a
18 more obvious time when the cost of these
19 employees are a direct sacrifice to our
20 children. Four and a half million
21 dollars for these employees would cover
22 the amount that would be eliminated from
23 the School District for the discretionary
24 spending that will come out of schools.

25 The second reason why it's

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2 important to consider this issue is that
3 we would ask this Council to investigate
4 whether there is any other school
5 district in the Commonwealth of
6 Pennsylvania that actually does this
7 practice. We were encouraged to hear
8 Councilwoman Tasco say that she believes
9 that Philadelphia should be treated like
10 other counties, and we would like to see
11 that happen as well. We would like to
12 see the School District treated like
13 other counties and that the City perhaps
14 operate like every other county in this
15 Commonwealth that does not require the
16 School District to pay any sort of fee or
17 any sort of amount or put any employees
18 on its payroll for property tax
19 assessments, which is the function of
20 government.

21 The third reason why we
22 encourage City Council to take a strong
23 stand on this issue is because we
24 strongly believe that school funds are
25 for kids. It's beyond whatever the

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2 politics are, but it's also that we have
3 84 petitions that hopefully are in your
4 mailboxes from average people all over
5 the City who, in the last 24 hours, sent
6 in their concerns about why they want
7 this money put back onto the School
8 District, and many of them are
9 Philadelphia public school parents. The
10 vast majority of them are parents. A
11 number of them are teachers. Some of
12 them are librarians. And the concern is
13 clear. So the -- for example, some
14 people wrote in, The \$4 million currently
15 spent on BRT employees could be used far
16 more effectively to decrease class size,
17 hire more teachers, provide more
18 professional development in high turnover
19 schools and extend after-school programs
20 to 6:00 p.m. for children in dangerous
21 neighborhoods.

22 Another person wrote in, It is
23 unbelievable that our schools have
24 suffered with inadequate books, teachers,
25 too large classrooms, rundown facilities

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2 and all the other evils of public
3 education, while other individuals have
4 received remuneration for doing
5 unprofessional jobs. School funds should
6 not be used for anything else except
7 directly for our students and schools
8 that desperately need any funding they
9 can get.

10 Another person wrote, Who is
11 progressive reform and who wants the
12 machine? We will find out, and we hope
13 and pray that this money is used to
14 better our children's schools.

15 Whether or not you agree with
16 the entire tenor of the statements, the
17 feeling from Philadelphia -- for those of
18 us who are deeply concerned, and I know
19 that City Council is deeply concerned
20 about public school education -- is that
21 this system needs to end and, frankly,
22 that this money needs to go to our
23 children and can be used best for our
24 kids.

25 To the statement made by

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2 Mr. Dubow that there should be fees that
3 are charged, again, our concern is is
4 that the State of Pennsylvania, the
5 Commonwealth of Pennsylvania has done an
6 extraordinary job in the last two years
7 under a new education funding formula to
8 dramatically boost the amount of money
9 that goes into public schools. What we
10 need to see is the City do the same.
11 And, unfortunately, what we see is that
12 the City in its loss around property tax
13 funding has actually gone backwards on
14 its ability to improve the funding for
15 the public schools. I don't think it's
16 intentional by any group in here, but the
17 fact of the matter is is that the City's
18 money is declining in terms of investment
19 and the state has dramatically spiked its
20 investment, and what we don't want to see
21 is that local funding or things like this
22 become any sort of barrier to the
23 appropriate funding of our public
24 schools. And what we need to see is that
25 the City becomes a leader and recognizes

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2 the fact that the money that we use for
3 our schools needs to go to our children
4 and that other issues can be put aside.
5 They're complicated, I understand that,
6 but that this is an essential issue.

7 Again, these are the dozens of
8 petitions that people have sent just in
9 the last 24 hours to your offices about
10 this issue. And if there are any
11 questions, we're happy to answer.

12 COUNCIL PRESIDENT VERNA:

13 Excuse me. Councilman Green, did you
14 want to be recognized now?

15 COUNCILMAN GREEN: Yes, Madam
16 President. Thank you.

17 I want to thank you, Helen, for
18 your passion and hard work in this area.
19 I just want to note for the record that
20 the Administration has said that they
21 intend fully to get \$4.2 million from the
22 School District one way or the other
23 whether or not these are City employees.

24 And although Helen alluded to
25 it, I just wanted to make that clear for

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2 the record that that was Rob Dubow's
3 testimony earlier today.

4 But I appreciate your hard work
5 in this area. Thank you.

6 COUNCIL PRESIDENT Verna:
7 Councilwoman Brown.

8 COUNCILWOMAN BROWN: Thank you,
9 Madam President.

10 My comments go to the same
11 point mentioned by Councilman Bill Green.
12 Rob Dubow did stipulate that, and I need
13 to ask, did you have the opportunity to
14 be here when the Director of Human
15 Resources spoke to the process they need
16 to follow internally so that they do what
17 we don't want them to do, and, that is,
18 to rush to the goal? All of us agree
19 that the goal is what it should be, but
20 they have an internal process that they
21 want to honor. Were you privy to that
22 testimony?

23 MS. GYM: I did hear some of
24 that. So I would like Mike Churchill to
25 address the concern around Rob Dubow's

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2 comments about whether there will be the
3 requirement that the School District pay
4 for that service. But I do want to add
5 that we too at the School District and as
6 parents are very anxious about what the
7 School District is saying about closing
8 the shortfall by taking out \$4 million
9 from our public schools before the
10 current year ends. So this is something
11 that is impending, it's not clear,
12 there's not a whole lot of clarity around
13 it. We certainly want to talk to the
14 Council Education Committee about it, and
15 we will be actively doing that, but
16 please understand also that this is
17 something that is very clear and urgent
18 for public school children, families,
19 teachers and principals at the schools,
20 that this is also impending and so it is
21 very difficult for the schools to be told
22 to wait and see. And I think that in
23 terms of what happens to our children
24 needs to kind of let that -- I understand
25 that there are complications around the

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2 overall system of it, and I respect
3 Council's need to make sure that that's
4 done really well, but I sort of feel that
5 in terms of the school needs, that
6 perhaps that could be addressed through
7 the City and not have the School District
8 and our kids pay for the longevity.

9 MR. CHURCHILL: Good afternoon.
10 My name is Michael Churchill. I'm at the
11 Public Interest Law Center of
12 Philadelphia. I'm delighted to be here.
13 I just want to address a narrow piece of
14 this problem, which is to make it clear
15 that the state statutes under which the
16 assessment process is conducted requires
17 that the cost of the assessment process
18 be borne by the county and not by the
19 school districts. And this is uniform
20 across the state. As Helen Gym said
21 earlier, there is not a single other
22 school district in the State of
23 Pennsylvania that pays for the assessment
24 process.

25 The state statute says that in

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2 November the County Board of Assessment
3 and the Board of Revision of Taxes in the
4 first class counties shall provide the
5 assessment list to the School District.
6 It doesn't say, and shall demand a fee.
7 They shall get the assessment list.

8 Furthermore, the statute says
9 all salaries necessary for the proper
10 expenses of the Board shall be paid out
11 of the treasury of the county, not from
12 the School District's. There is,
13 frankly -- it would be an ultravirus for
14 the School District to pay a fee for
15 getting something that the statute says
16 they shall get free. So I don't think,
17 frankly, that his proposal earlier today,
18 that if we don't get payment for the
19 employees, we will get a fee for the
20 service, somehow or other can possibly
21 hold up.

22 I think what is important for
23 City Council, which is going to be faced
24 with the problem of finding the
25 expenditures for this money process,

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2 nevertheless establish clearly that this
3 will be a city-county function, not a
4 School District function as you go
5 forward. Frankly, many of the advocates
6 in the City concerned with School
7 District spending for this rather than
8 for instructional practices have decided
9 that this is a very excellent process
10 that City Council is going through to
11 devise a new system and are willing to
12 give the process time. But I don't think
13 you should expect that they are going to
14 say and just turn or roll over and say,
15 Well, we don't care if you put this in a
16 different form, we will continue to pay
17 for it.

18 So it's really important, I
19 think, that Council set the proper terms
20 for compliance with the state law so that
21 we don't have to have the foolish
22 expenditures for litigation that would
23 otherwise ensue.

24 COUNCILMAN GREEN: Point of
25 information.

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2 COUNCIL PRESIDENT VERNA: The
3 Chair recognizes Councilman Green.

4 COUNCILMAN GREEN: Thank you,
5 Madam Chair.

6 Just a couple of points.
7 Bensalem School District reimburses its
8 county for the collection of taxes and
9 fees. I'm certain there are others in
10 the State of Pennsylvania.

11 Secondly, the arrangement --
12 and I'm not arguing the merits of it one
13 way or not, but you're putting your
14 opinion on the record and I just want to
15 correct the record.

16 This is a voluntary arrangement
17 with the School District. Under the City
18 Charter we are allowed to work together.
19 Shared service arrangements are
20 specifically authorized, and essentially
21 that is the arrangement. It's completely
22 voluntary, and I'd like -- I love the
23 passion you have for the schools, but, I
24 mean, the money that's coming from the
25 state isn't making it into the classroom,

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2 and that's far more money than \$4
3 million. Let's put our energy there.

4 Finally, which libraries would
5 you like us to close to pay for this?

6 Thank you.

7 MR. CHURCHILL: Well, let me,
8 if I may, address those, at least two of
9 the concerns. The Bensalem situation
10 which you described is for the collection
11 of taxes, is a completely different
12 subject under the state statutes. Tax
13 collection is a different matter from tax
14 assessment. They're not done by the same
15 bodies. And consequently, that doesn't
16 change the facts as I understand them,
17 which is that assessment is not to be
18 paid for.

19 Secondly, you raised the issue
20 of the voluntary agreement.
21 Unfortunately, I don't believe -- when
22 you read that section in the Charter that
23 allows for cooperation, it describes a
24 number of services for which that can --
25 those agreements can be made. Tax

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2 assessment is not amongst that list, and,
3 frankly, I think the question would be
4 whether in fact it would be proper for
5 the School District to enter into a
6 voluntary agreement to pay for something
7 that the law says they get free.

8 COUNCILMAN GREEN: Point of
9 information.

10 Thank you. Just for the record
11 once again, if the City enters into a new
12 arrangement with the School District, it
13 can certainly be for tax collection. I
14 mean, the agreement can be characterized
15 however the City and the School District
16 would like.

17 So I certainly hope that your
18 litigation and energy and advocacy for
19 the kids is not wasted on this issue,
20 because there are so many more important
21 issues facing the School District than
22 this, and all the City has to do is get
23 reimbursed for tax collection, is what
24 you just testified for, rather than the
25 assessment function. And that's

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2 functionally what we're doing now, the
3 services we provide with respect to the
4 legal department collecting the taxes and
5 all the collections, judgments, going to
6 court, all that stuff, sending out the
7 bills. So we can be reimbursed for
8 collections. So let's not waste a lot of
9 energy on this.

10 Thank you.

11 MS. GYM: Well, in response, I
12 guess I would ask that City Council
13 consider in addition to your asking to
14 what extent we need to see things as a
15 priority, that the City of Philadelphia
16 needs to see improvement in its local
17 funding as a priority, and right now it's
18 not. It's just frankly not. School
19 District funding for the City of
20 Philadelphia is at its lowest point since
21 the Street Administration, and that's a
22 disappointment. I think that has a lot
23 to do with some amount about the -- with
24 the situation around the recession, but,
25 frankly, we feel also that City

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2 Council -- and what we don't want the BRT
3 to become and the insistence upon getting
4 its money for the BRT no matter what and
5 through whatever channels and through
6 whatever kinds of technical ways that you
7 can get around what we believe to be
8 responsible school funds is, we don't
9 want the BRT to become another example of
10 the City evading its responsibilities to
11 not only maintain funding levels for
12 schools, but to, frankly, come up and map
13 out a more progressive and expansive and
14 deeper investment in our public schools.

15 So part of the frustration is
16 that it's hard because every single
17 example that we want to talk about is
18 sort of like, Well, maybe you don't need
19 to spend your time on that. So it's like
20 tax abatements. Do we need to spend a
21 lot of time on that. It's the Parking
22 Authority. Do we really need to spend a
23 lot of time on that. It's the red light
24 camera money. Do we really need to spend
25 a lot of time on that. It's property tax

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2 assessment. How much money can we get at
3 fair assessment. That obviously is a top
4 priority. People recognize it, but not
5 necessarily through the school funding
6 end. And we are saying that the BRT at
7 some point, it can't be all the time
8 telling us over and over and over again,
9 Find something else. Could you find
10 something else that might be a better use
11 of your time.

12 And, frankly, I don't think
13 it's fair to pose which libraries will
14 you close versus the School District
15 money that goes there. I don't know that
16 that's a clear choice that's happening.
17 However, I do feel that there is a clear
18 impending thing that is happening to
19 schools around the \$4 million that the
20 School District may be seeking from each
21 and every individual school, divided over
22 all the schools. That's a very serious
23 issue. That's something that a lot of
24 schools are going to feel. That's
25 something that's going to happen directly

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2 to our children's classrooms. And I know
3 that City Council, this Council as much
4 as any other, if not more, has really
5 been very vocal and active and supportive
6 of public schools. That is just
7 phenomenal for us, and I think it's so
8 important that what we need to hear is
9 just some amount of acknowledgment and
10 recognition of concern around public
11 school funding, a need to seriously
12 invest in long-term strategies, and that
13 we don't parcel off, Well, this is yours,
14 but this is not yours, this is okay to
15 talk about, this is not okay for you guys
16 to talk about, and that we need to see
17 something.

18 So I still think, frankly,
19 that -- and maybe once these petitions
20 are in your office, that you'll feel a
21 little more clearly. This is not so much
22 of an abstract issue for people. I think
23 that a lot of parents really -- it's not
24 something like they don't really care
25 about. I was shocked that this many

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2 petitions came across our desk within 24
3 hours of asking people to write in to
4 their Councilpeople to do it.

5 So I do hope you'll take a look
6 at it. I hope you'll take a look at the
7 zip codes, that they come from all around
8 the City. I hope you'll take a look at
9 the comments, and that really people
10 aren't talking about anything disparaging
11 about any City agency or any kind of
12 thing, and very little has anything to do
13 with Council. It's really about saying
14 somebody needs to stand up and say this
15 has got to be a school funding priority.
16 And I know you said it in many different
17 contexts, but I think this is one of the
18 very few examples where people can be
19 super concrete, like I will sacrifice
20 this for the children of this city. And
21 that's a very powerful statement that
22 we're sort of waiting to hear.

23 MR. CHURCHILL: Let me just add
24 one other point. I agree entirely with
25 you, Councilman Green, that in the end

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2 it's the question of what the overall mix
3 is. There's plenty of opportunities for
4 City Council and School District to
5 divide the overall cost and sharing, and
6 this Council and the School District have
7 worked well together on many of those
8 items. But I think it's worthwhile
9 remembering that historically this was
10 never a School District expense. It was
11 one that actually was borne by the City
12 of Philadelphia until they ran into a
13 problem of how are we going to make sure
14 that these particular employees, set of
15 employees, could continue to operate safe
16 from some of the strictures of the civil
17 service requirements. And consequently,
18 the School District took on those
19 expenses at the request of the City. And
20 now that those reasons for preserving
21 those jobs apart from the Civil Service
22 Code is going to disappear. It seems to
23 me that the whole question of whether
24 that particular piece of the expenditure
25 should be continued to be borne by the

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2 School District needs to be reconsidered,
3 and it provides an opportunity for -- as
4 you're considering all of the pieces of
5 the expenditure pie to say, should that
6 now go back as being and letting the
7 School District do what they did
8 originally, which is recapture those
9 funds and use them for instructional
10 purposes instead of for the purposes that
11 the City asked the School District to
12 absorb for it.

13 COUNCIL PRESIDENT VERNA: The
14 Chair recognizes Councilman Green.

15 COUNCILMAN GREEN: Thank you,
16 Madam Chair.

17 I have tremendous respect for
18 you, Mr. Churchill, and I just -- facts
19 are important, as you know as an
20 attorney, and so I don't want our record
21 to be inaccurate.

22 Basically, with respect to the
23 BRT and how the School District started
24 paying for it, this actually dates back
25 to the '20s, '30s or '40s. It pre-dates

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2 the new Charter. It pre-dates the time
3 that there were political activity
4 restrictions. And that historical fact
5 has made it possible for them to continue
6 political activity, but it was not put in
7 place for the nefarious reasons that you
8 suggest, as a matter of fact.

9 Also, state allocation to
10 schools was 171 million short of planned.
11 The School Finance Director, Mike Masch,
12 said that the property tax is up, and
13 that allows the school to have a balanced
14 budget for the first time in seven years.
15 Four million dollars is one-seventh of
16 one percent of the school budget, and
17 when asked by Chairman Archie at a recent
18 SRC meeting whether or not this \$4
19 million impacted the education of kids at
20 all, he said that there was no impact.
21 "None" was his answer.

22 So just all that should be on
23 the record. And I agree with Helen, and
24 I look forward to working with you on all
25 the other things you mentioned, and I

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2 don't want this one issue to stand in the
3 way of what will hopefully be a very
4 productive relationship, fighting for
5 schools, for kids, for more funding from
6 the City. So thank you again.

7 MR. CHURCHILL: Well, thank
8 you. Again, I want to make it clear, I
9 didn't use the word "nefarious." I don't
10 think that that would be the appropriate
11 word to describe what I said. It seemed
12 to be perfectly proper that that could
13 have been done to manage the personnel
14 problem that previously existed.

15 My understanding of the history
16 is slightly different than yours as to
17 when those provisions were first made,
18 and I'll have to review them and we'll
19 confer about it.

20 On the one matter, though, I
21 must say, again, as much as I respect
22 Mr. Masch, I didn't hear anyone who
23 understood how what he said could be
24 possible, nor did I hear -- and there
25 isn't, I think, an advocate in the City

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2 that believes that if they got \$4 million
3 back in this process, that it would not
4 indeed be able to improve the
5 instructional practices. And, frankly,
6 it's one of those matters that I hope
7 that we will have an opportunity to talk
8 to them further about.

9 MS. GYM: And I hope you know
10 that also should the \$4 million go back
11 into our schools, we would certainly
12 fight to ensure that that money wouldn't
13 be taken out of discretionary spending,
14 could be used to buy 50 librarians for
15 schools that no longer have one, reduce
16 class size by a third in first-grade
17 classrooms across the City, that there
18 are concrete numbers that we can use with
19 the 4 million. You know that we'll be
20 all over the School District to make sure
21 that that happens.

22 So I do hope, though, that \$4
23 million isn't seen as some kind of puff
24 thing, because we fought around the
25 School District for far less, because we

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2 thought it was important, because it
3 makes a statement beyond the amount of
4 money and because money does make a
5 difference no matter what the amount is,
6 and it adds up over time.

7 Dr. Ackerman was also here in
8 Council testifying last spring that the
9 total amount of money that she had
10 devoted toward 2014 would be \$70 million
11 over the next five years. So \$4 million
12 in that context is a huge amount of
13 money, and it's not to say that in the
14 context of a \$3 billion budget, people
15 want to -- it's hard to decide what
16 becomes a priority, but I do think that
17 if you take a look at some of the
18 petitions that do come across, that
19 people do feel like it's an important
20 issue, and maybe it's perhaps as
21 important an issue for its symbolism as
22 it is about the actual dollars of it, but
23 it's still something that resonates with
24 a lot of people.

25 So thank you very much,

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2 Councilman, and you're absolutely right,
3 there will be a lot of collaboration with
4 Council.

5 COUNCIL PRESIDENT VERA: Good
6 afternoon. Kindly identify yourself for
7 the record.

8 MR. VINCENT: Good afternoon,
9 Madam President. I'm Joshua Vincent. I
10 represent Henry George Foundation. We're
11 based in 413 South 10th Street. I'm
12 speaking in favor of the bill. And this
13 bill reminds me of the French Revolution
14 when the leaders proclaimed it the year
15 zero. And that's what we need. We need
16 an absolute restart.

17 When we think about the
18 overassessment and, therefore, the over
19 high tax bills that poor and
20 working-class neighborhoods have had to
21 pay for decades, it's outrageous. We've
22 had tax bill by ambush.

23 Councilman DiCicco just left.
24 I remember in 2003 District 1 and
25 District 2 were heavily hammered by

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2 assessments that came out of nowhere,
3 even in declining neighborhoods.

4 We've been working with
5 localities and states with implementation
6 of laws and practices that establish
7 alternative forms of real property
8 taxation, specifically land value
9 taxation. We've been doing it since
10 1926. And you have my prepared
11 testimony, so I'm just going to hit for
12 consideration to the Council and others
13 my core points and some core principles.

14 It's inevitable that the City
15 of Philadelphia like the School District
16 will become more reliant on the real
17 property tax in the near future. So in
18 order to fix the systemic problems that
19 face our schools, social services and
20 infrastructure, reliable property
21 valuations are a mandatory tool to ensure
22 fairness, transparency and stability of
23 revenue. The property tax provides that,
24 and this legislation is necessary.

25 I've been speaking in front of

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2 Council for about ten years on this
3 subject and I always go back and
4 encourage people to look to the State of
5 Maryland as a mechanism for appeals.
6 There's a three-tier system of property
7 tax appeals, and I hope that that can be
8 incorporated into the final form.

9 We would also suggest a few
10 more additions to the bill that we think
11 would help transparency and fairness,
12 number one being a Taxpayers' Bill of
13 Rights. The Commonwealth of Maryland
14 provides both in statute and
15 administratively a Taxpayers' Bill of
16 Rights so that they know how to go
17 through the appeals process. And when
18 you do bring in this year zero of full
19 valuation -- and short time is
20 possible -- taxpayers will need that
21 resource.

22 I would make the length of
23 sales and property tax information
24 available to ten years instead of five
25 years, which we saw in the bill, simply

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2 because when you go to sites like Zillow
3 or Property Shark or when you look at the
4 Case-Shiller House Index, they look at
5 trends that go back ten years, and we
6 think that that would be important. It
7 would help the taxpayer.

8 Finally, when it comes to the
9 appeals end of this, we would urge a
10 stronger residential homeowner presence
11 on the Board of Appeals. An overreliance
12 on non-residential stakeholders and Board
13 members may lead to the common tendency
14 of undervaluation of non-residential
15 properties and misallocation of land
16 values into building values for the
17 purposes of commercial depreciation.
18 That's a trend that is battled all across
19 the country.

20 Finally under assessments, an
21 independent Board, not beholden to the
22 revenue process, is long overdue and
23 welcomed. We'll have greater
24 transparency and fairness. It will make
25 Philadelphia also one of the few counties

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2 in the Commonwealth that follows the law,
3 possibly avoiding the inevitably of
4 expensive legal action by aggrieved
5 taxpayers.

6 Modern assessment techniques
7 make annual valuation, indeed even
8 real-time valuation, a reality with far
9 less monetary outlay than in years
10 before. Clark County, Nevada and Washoe
11 County, Nevada update their assessment
12 base on a daily basis. If they can do
13 it, we can do it.

14 Coupled with an efficient
15 appeals process, the tendency of
16 non-residential property values to
17 decline after revaluation can be
18 ameliorated by an honest assessment
19 process, as well as honest valuation of
20 land in the land allocation between land
21 and buildings.

22 Again, this is a very
23 progressive, very forthright piece of
24 legislation and the Council is to be
25 congratulated for starting the year zero.

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2 Thank you.

3 COUNCIL PRESIDENT VERNA: Thank
4 you very much.

5 Good afternoon. Thank you for
6 your patience. Please identify yourself
7 for the record.

8 MS. SIMMONS: Thank you. My
9 name is Sheila Simmons. I'm the
10 Education Director for Public Citizens
11 for Children and Youth. My colleague,
12 Christine Balka, had to step out, so I'm
13 going to provide the testimony.

14 PCCY works to improve the lives
15 and life chances of children in the
16 Philadelphia area by improving their
17 access to quality education, healthcare,
18 childcare, child welfare and juvenile
19 justice services, and I want to thank you
20 for the opportunity to testify on Bill
21 No. 090706 today.

22 PCCY urges City Council to
23 support this and all attempts to
24 professionalize the City's property tax
25 system. Greater accountability and

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2 confidence in the system are essential
3 pre-conditions for moving to an Actual
4 Value Initiative, which PCCY favors, for
5 its ability to generate much-needed tax
6 revenue to support the services - health
7 centers, recreational opportunities,
8 libraries, schools that children and
9 families increasingly rely on.

10 While we favor this bill, we
11 believe it should explicitly remove 80
12 BRT employees from the School District of
13 Philadelphia's payroll. These employees
14 cost the School District more than \$4
15 million a year. At a time when the
16 District is forced to scale back
17 educational programs that are in great
18 demand, including space in alternative
19 schools, a reengagement center for high
20 school dropouts and school-based
21 behavioral health programs, at a time
22 when we are delaying the implementation
23 of our key components of the School
24 District's strategic plan and at a time
25 when the School District faces a \$180

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2 million projected deficit, the loss of
3 this \$4 million is very concerning.

4 As the School District strives
5 to meet its ambitious goals for 2014 and
6 the City works to realize the goals the
7 Mayor outlined when he took office, these
8 employees are in limbo, accountable to
9 neither the District nor the City for
10 working to improve the lives of children
11 and families here. Rather, their
12 presence on the School District payroll
13 is an anachronistic reminder of the City
14 that you, the Mayor and voters have
15 expressed a desire to leave behind, not
16 an inspiration for the kind of city we
17 want to create for our children and the
18 future.

19 PCCY urges you to support the
20 proposed bill, while amending it to
21 remove BRT employees from the School
22 District's payroll.

23 Thank you. And I'm happy to
24 say, I was not here earlier for
25 Mr. Dubow's comments about the \$4

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2 million, but I did just hear the
3 exchange, and I have worked closely with
4 Helen Gym and with Mr. Churchill, and I
5 do support their view that the
6 assessments is a cost that should not be
7 borne by the School District but instead
8 by the county.

9 COUNCIL PRESIDENT VERNA: Thank
10 you very much.

11 Are there any questions of the
12 witnesses?

13 (No response.)

14 COUNCIL PRESIDENT VERNA: Thank
15 you again.

16 MR. MCPHERSON: I would like to
17 identify that written testimony has been
18 submitted by the Board of Revision of
19 Taxes Chairwoman Charlesretta Meade and
20 by the Greater Philadelphia Chamber of
21 Commerce President Robert Wonderling, and
22 I have no other individuals to testify.

23 COUNCIL PRESIDENT VERNA: Do we
24 have anyone else that would like to
25 testify?

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2 (No response.)

3 COUNCIL PRESIDENT Verna:

4 Seeing no one, I thank everyone for their
5 patience, and the Committee will stand in
6 recess until the call of the Chair.

7 Thank you very much.

8 (Committee of the Whole
9 adjourned at 2:50 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 October 27, 2009, and that
this is a true and correct transcript of same.

MICHELE L. MURPHY
RPR-Notary Public

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