COUNCIL OF THE CITY OF PHILADELPHIA

COMMITTEE OF THE WHOLE

- - -

Wednesday, March 22, 2006

10:50 a.m.

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Room 400, City Hall

Philadelphia, Pennsylvania

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FY 2007 OPERATING BUDGET HEARINGS

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PRESENT:

ANNA C. VERNA, President
BLONDELL REYNOLDS BROWN
JAMES F. KENNEY
JUAN F. RAMOS
FRANK RIZZO
FRANK DiCICCO
JANNIE L. BLACKWELL
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FY '07 OPERATING BUDGET HEARING - 3/22/06

PRESIDENT VERNA: Good morning, everyone. We regret the delay.

This is a continued Public Hearing of the Committee of the Whole. And I would ask Mr. McPherson to please call our first witness.

MR. McPHERSON: The Free Library.

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

MR. ELLIOT L. SHELKROT: Good morning, President Verna. I am Elliot Shelkrot, I am President and Director of the Free Library of Philadelphia.

Joining me this morning at the table is Mr. Bill Wilson, who is a member of the library's Board of Directors. Unfortunately, Wilson Goode, who is Chair of our Board of Trustees, is out of town and couldn't join us today.

But as we proceed, there are other members of my staff who I will be sure to introduce. But I also want to mention that here this morning in the chambers are two other members of our Board of Trustees. Well, one is a member of the Board of Trustees, Herman Mattleman, and Marsene Mattleman is a member of our Foundation Board of Directors.

Also here this morning is Amy Dougherty, President of the Friends of the Free Library. And I am very pleased that she is here, as well as several of the stewards from District Council 47.

The friends and the stewards and the union was so very, very much involved in championing the Free Library's budget last year.

I am pleased to report to you that the Free Library of Philadelphia is indeed thriving. The doors are open, the staff is delivering meaningful service to citizens of our city, and most important we are now able to reopen and have reopened every single branch in our library system, 53 locations in the city.

This is the first time in four years that we have been able to deliver this level of service.

City Council's restoration, with the support of the Mayor, of 3 and a half million dollars for this year's budget made this possible.

On behalf of all of the users of the library and the staff and volunteers and friends and our Board members, I just want to make sure that you know how appreciative we are.

Fiscal Year '07. The Free Library is requesting -- and I should say, I am going to paraphrase the written testimony, rather than read it literally. The testimony was submitted.

Fiscal Year '07. The library is requesting just under 39 and a half million dollars in city general funds. We are also seeking $13 million in grant revenue funds from the Commonwealth of Pennsylvania, comprised of the funding for the Library For the Blind and Handicapped, the Mayor's Commission on Literacy, and the grant money for public library support.

Our request will allow for 739

full-time General Fund positions, the same as the goal for this year.

At the beginning of the current year, in July, the library had only 626 employees. As of February 28, the end of February, we had reached 709. By the close of the fiscal year, we expect to reach our target of 739.

I want to say that this has required an extraordinary recruiting effort. And I want to thank Linda Orfanelli of the city Personnel Department, Dianne Reed in the city Budget Office, and all of their staff, and our own Personnel Department for their hard work.

I think when I tell you that we have hired 132 new people in the last, well, now, eight months, we consider that a major accomplishment.

Because of retirements and other normal turnover, we now have 89 staff in place. With this added talent -- 89 new staff in place.

With this added talent, we have been able to restore the high level of service

Philadelphians expect from their branch libraries.

Specifically, we have resumed Saturday hours in every single library in the system; meaning the 49 branches are open six days a week, and the three regionals are open, plus the central, are open seven days a week.

The library has restored full opening hours to the ten libraries that a year ago this time were only open in the afternoons.

The library had reopened the three branches that had been long shuttered for much-needed repairs and renovations.

President Verna and Council Members, earlier this year the library announced a new award-winning logo, emphasizing the word "Free" in Free Library.

And I would like you, members of Council, to be the very first to have the new library cards with this logo emblazoned on it. And you will see an envelope at your place with that new library card.

And there is a statement on it that

I hope you will notice. It says, "This card enables you to exercise your freedom to be informed. Use it often."

At your seats, in addition to the card, we have placed a bright red T-shirt emblazoned with this new logo.

The new logo celebrates the library and our libraries throughout the city as free public places. Located in the city where freedom was born, we're free, where the free exchange of ideas is encouraged and where there is free access to information and knowledge for everyone. And many Philadelphians take advantage of that.

The Free Library boasts more than 6 million visitors annually, making it one of the most widely used educational and cultural institutions in the city.

As you have heard me say before, once again, the use of our libraries, this use in-person and online and in other ways, means that we see more people at our libraries than the combined attendance of the Phillies, Flyers, 76ers, and Eagles.

There are nearly 500,000 registered borrowers and over 350,000 children and adults that attend more than 18,000 free programs offered annually.

We also have a growing number of virtual online users, as the Free Library adapts and becomes the Free Library of the future.

To this end, the library plays a critical role in bridging the digital divide. The Mayor's Office of Information Services estimates that between 55 and 75 percent of our citizens do not have access to the internet at home.

In this day and age, that means that as many as three-quarters of our citizens are severely restricted in their ability to search for jobs, to submit applications even for the positions that do not require computer skills.

The library is the largest provider of technology and free internet access in the city. We have 750 public computers throughout our library system, all of which were upgraded this last year.

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We also have 117 specifically designated pre-school work stations that do not have internet access, but do have 16 different learning software packages to help the youngest of children prepare to read.

Our activities for young people is always a special focus, and we are pleased to say that there's 57,000 teenage library cardholders in this city.

Additionally, we offer innovative programs; such as, a teen author series, an annual poetry slam, school success workshops, a reading Olympics, Books Aloud which is a program for daycare centers, and LEAP, the award-winning after-school drop-in program for hope work help, which is now supplemented by Homework Help online, available in every single one of our branches and now available to any youngster at any computer as long as they have a library card.

A final initiative I want to bring to your attention takes a special importance because of the many tragedies we have witnessed in the past few weeks and months in our city.

The Free Library is partnering with the House of Imoja, a WXTN FM, and the Atwater Kent Museum in seeking federal funds for a project entitled Philadelphia Partnership for Peace, a multi-facetted approach to the crisis of youth violence.

Using various media, introducing alternative strategies for conflict resolution, and building on the strengths of the four partners, we hope to help address this crisis and provide our young people with the support and tools they need.

In conclusion, I ask for your support for one more thing, your help in encouraging the state legislature to support Governor Rendell's full appropriation for public libraries.

I think you will recall that state funding was cut nearly in half three years ago. This year the Governor has proposed a budget for '07 which calls for over $75 million across the state, slightly higher than it has ever been before.

In Philadelphia, we will use those funds for our budget for books and other materials, which has taken a big hit over the last several years.

Restoring these dollars will go along way towards providing the citizens of Philadelphia with the resources that they ask for at the library day in and day out.

And, again, my thanks for your time and attention. And, if I may, I would like to ask Bill Wilson, a member of the Free Library of Philadelphia's Board of Directors, to address the Council regarding the new central library and a progress report.

PRESIDENT VERNA: Great. Thank you, Mr. Wilson for coming in.

Please identify yourself for the record and proceed.

MR. WILLIAM WILSON: My name is Bill Wilson, member of the Board of Directors of the Free Library. Thank you, Council President Verna and members of the Council.

Let me first say that the main reason I am here is Elliot said that unless I gave a speech, I wouldn't get one of these free T-shirts.

So please let the record show that, whether you like the speech or not, I want my T-shirt. My speech will be very short. And thank you very much.

There are four things I would just like to mention. One, when the current library was erected in 1927, there were just over a million books in the library. Today, there are over 7 million items in various forms.

Two, computers were not even contemplated in 1927. Today, the Free Library is the largest provider of internet access and technology in the city, and there are still waiting lines to use the library's computers.

Three, the lecture series featuring both local and world-renowned authors has been hailed as the region's preeminent forum for writers and ideas. Because of the size of the library's auditorium, we regularly turn people away.

And, four, not only does our space

need for the new building, we think, provide a compelling case, but so does the potential to transform the Free Library of Philadelphia into the library of the future, and it will be the catalyst for the Avenue there.

And, in closing, there is an economic benefit that can derive. We did some research into the Seattle library, the new library. Not only did it do a better job of serving its residents, but also attracted out-of-town visitors to the new structure.

We are very, very confident about what's been designed and getting it done, and it is underway. And, with that, I will yield to Councilman DiCicco.

Hopefully that was short enough, I get my T-shirt. Thank you very much.

PRESIDENT VERNA: You are welcome, Mr. Wilson.

Can you tell us when you expect to break ground on the expansion of the new library?

MR. WILSON: Right now, really mid '08. We are in the design development phase of documentation. We have one more phase, which will be the construction documents. At that point in time, we will narrow down or figure out exactly the cost and a guaranteed maximum price.

But the mid '08 would be the construction start.

MR. SHELKROT: Excuse me. In my confusion with fiscal years, I gave Mr. Wilson the wrong figure. I mean, as we -- we anticipate doing this -- and it is my fault, I just gave you the wrong cue -- it is actually in mid '07 that we were planning to do this.

It might be by the beginning of Fiscal Year '08, but that's not our target. So it was my slip.

MR. WILSON: I apologize.

MR. SHELKROT: No, my fault.

PRESIDENT VERNA: What is the status of the parking issue for the project?

MR. SHELKROT: Yes. Within the last month or two a study was released that was under the auspices of the City Planning office, as well as the city Commerce

Department.

It identified several locations for the parking that is needed. And one of those is the Granary property, which is just north of the library, right across Callowhill.

Recently I met with the new owners of the Granary property. They were very, very much aware of our plans for building and what we were doing.

I believe they are considering retail on the street level and condominiums and, of course, parking.

And when I talked to them about our needs, they said, "We are very interested in accommodating the needs of the library and the community with our parking."

So I am looking forward to more dialogue with them, because that would be an ideal place for additional parking for the library.

PRESIDENT VERNA: Well, I do know that that's Councilman Clarke's district. And I am certain that he will be working very, very, very closely with you to make sure that this parking issue is going to be addressed.

I have several other questions on the library issue, but I will leave them up to Councilman Clarke.

Mr. Shelkrot, does your FY '07 proposed budget that the Administration has recommended allow you to operate all branches and staff them with librarians at the same level as in FY '06?

MR. SHELKROT: Yes, it does.

PRESIDENT VERNA: Can you tell us, how many emergency closings do you expect to have in FY '06?

MR. SHELKROT: I don't have that myself. I wonder whether -- we can get that for you. The number has been so drastically diminished from where it was the previous year, but we can get that for you.

PRESIDENT VERNA: While you are checking on that, I would also like you to tell us what you anticipate that same number would be in FY '07.

MR. SHELKROT: Certainly.

PRESIDENT VERNA: Thank you.

I have been informed that, after last year's budget hearing, the library formed a security task force; is that correct?

MR. SHELKROT: The security task force was actually in place well before that. It was put in place after the little girl was hurt in one of our branches, and we put that task force in place immediately.

So that would be a year and a half ago -- well, I forget which year that was now, although the incident is emblazoned in my mind. But it was -- it is now two years that that task force is in place.

PRESIDENT VERNA: Well, with that being said, it is our understanding that the task force has issued a report and that the report recommends the following -- you are frowning. You don't know anything about the report?

MR. SHELKROT: Oh, I do. It is not fresh in my mind.

PRESIDENT VERNA: You were frowning. I thought maybe it was something new to you.

MR. SHELKROT: No. I am concerned

about what -- okay.

PRESIDENT VERNA: Okay. Alarms on all exit doors, including the front door -- excluding, I am sorry, excluding the front door, surveillance cameras, and relocating the guard's desk in order to have better visual control of those entering and leaving.

They also recommended training of staff for dealing with security issues.

Thirdly, they also recommend building maintenance requests that deal with safety and security issues; such as, lighting.

What funding has been included in your FY '07 operating and capital budgets to address these issues?

MR. SHELKROT: I am going to ask Kevin Vaughan and -- okay, Bill Flemming, excuse me, to come to the table.

As he is doing that, let me say that we have -- and I know Bill will say -- we have been implementing those recommendations using our Operating Budget. That was so important that we didn't wait for a new Capital Budget.

But I will be happy to turn it over

to Bill.

MR. WILLIAM FLEMING: Good morning. My name is Bill Flemming. I am the Administrative Services Director for the Free Library.

The report isn't necessarily very fresh in my mind, each detail. But I will go through some of the things that strike me.

PRESIDENT VERNA: Do you want me to go over them individually?

MR. FLEMING: No, that's okay. Let me just go into the ones that I am very confident in.

We are in the process of -- all of our branches are alarmed, every one of them. And I can say that not every exit/entrance is necessarily alarmed.

I mean, you do come across the occasional one. We did some renovation about a year ago at Paschalville, and never followed up on putting an alarm there. We are in the process of doing that now.

But, as far as I know, all of our doors, exit doors, currently are alarmed.

In terms of guard stations, this refers specifically to the central library. Because in the branches, they have their own configurations. Guards are generally in the front of the library, where the check-out is.

At central, we continue to look at better ways to do this. This requires what I consider to be a major reconfiguration of the front.

And although we are looking at that pretty much daily, it probably will be part of an overall improvement when the central library project gets underway to reconfigure where the stations are.

Right now we have a lot of roving guards in central library, it gives us better coverage. So we think that issue is covered by the roving guards.

We always train staff to be aware of the security concerns. In fact, they could train us, they're so aware of their surroundings.

So we're pretty confident the staff, as part of their normal training that they get when they come onboard the library, will address the security concerns. And we are constantly looking to better that training.

At all of our branches, we have installed mirrors, beveled mirrors, in places where librarians say that they can't see certain corners.

So we try and position them where the librarians have said they needed them, and that project is complete. And if there are further requests for additional mirrors, we do put them in.

Lighting concerns. We address lighting concerns when they are brought up by the branch. I'm not -- no specific concern comes to my mind right now, but we may have already handled the concern that was mentioned in the report.

But we try and put in lighting, especially outdoor lighting, where it is requested.

PRESIDENT VERNA: Did you mention anything about security cameras?

MR. FLEMING: Security cameras at

central, we put cameras in central, we locate them strategically so we can see certain areas of the building. We have cameras outside the building, both in front and the back.

And we feel like -- we feel pretty confident we have most of that area covered where we need to see.

In terms of the branches, that becomes a little more difficult. We would need an overall plan, a strategic plan, to figure out where to put those cameras, if we thought they would benefit security in any way.

Right now we haven't done anything in terms of putting security cameras in the branches.

PRESIDENT VERNA: I am sorry, I was distracted.

Do we have any indication as to what the surveillance cameras would cost for the branch libraries?

MR. FLEMING: Well, the cameras themselves aren't overly expensive; it is the wiring and the additional communications lines that go with it. That hasn't been worked up yet.

PRESIDENT VERNA: So you have no indication as to what the cost would be?

MR. FLEMING: No, we don't.

MR. SHELKROT: Let me, if I may, we can put some cost estimates together on that.

As we discussed with a variety of security people, experts, it was, you know, questionable. At some branches it may not be needed.

And, of course, with security cameras, the other side of it is, we are most interested in prevention, that's what we're after.

And to watch -- we would also need, you know, the people to watch those screens. So we can very well put a full report together, but the staffing cost of watching the screens and the monitors and where they would be would also be part of that.

But we can certainly do that, if Council would like it.

PRESIDENT VERNA: Thank you very

much.

Mr. Shelkrot, can you tell us what your patron expulsion policy is?

MR. SHELKROT: I cannot quote it in detail. I can tell you that we have a new patron expulsion policy in place, new as of about a year ago.

Kevin, would you like to respond to that in detail.

PRESIDENT VERNA: Excuse me, Kevin. Please identify yourself for the stenographer.

MR. KEVIN VAUGHAN: My name is Kevin Vaughan, I am the Associate Director of the Free Library of Philadelphia. Good morning.

PRESIDENT VERNA: Thank you.

MR. VAUGHAN: Our expulsion policy calls for situations where -- we have a policy of behavior, a standard behavior policy, acceptable behavior policy, in the library.

When that policy is violated, and individuals are identified to us, depending on the particular violation, there are levels of suspension that they can get.

And different people in the library

are authorized to suspend people for a day, a week, a month, or longer, depending on the severity of the violation.

At the most extreme violations, it comes to me to sign off on for that person to be expelled from the library. And there is an appeal -- from every library across the system.

And there are appeal processes for those people who come back and ask to be heard, if they think that they have been expelled for an inappropriate reason.

PRESIDENT VERNA: And I am led to believe that if a person is expelled, that a photo is not taken; is that correct?

MR. VAUGHAN: We don't -- no, a photo is not taken of the person.

I mean, the person may not be there when -- in other words, I will send them a letter telling them they are expelled from the library. They may not be in front of me at that time.

PRESIDENT VERNA: Then my question, Kevin, would be, how does the library staff know that a person who has been expelled has entered a library?

MR. VAUGHAN: We send out the information across the system of the name of the person.

And when they come in to use the system -- for example, if they want a computer, they have to sign up with their library card. That will trigger us knowing that that individual is somebody who has been expelled from the system.

PRESIDENT VERNA: Very well. Thank you.

The Chair recognizes Councilwoman Brown.

COUNCILWOMAN BROWN: Thank you, Madam President.

Good morning, everybody. I have a number of questions for you. Let me first start with the services for young people.

My early years here in Council, particularly my first term, there was a big push and a lot of emphasis and involvement with after-school programming.

What's the status of that at the Philadelphia Free Library today?

MR. SHELKROT: I'm pleased to say -- and I believe I mentioned it in my testimony -- we still have one of the largest after-school programs in the city. We have -- every single one of our branches has a drop-in after-school program. The numbers are -- well, Kevin.

MR. VAUGHAN: There are about 86,000 children who participate in our after-school program every year.

COUNCILWOMAN BROWN: Any linkage with DHS, Safe and Sound, or the Philadelphia Department of Recreation so that there is some thread that exists with all the after-school programming?

MR. VAUGHAN: Not in the coordinated way that I think you are asking the question. But we do work with Safe and Sound, we do work with DHS. There is communication between all of those organizations.

But we don't -- our programs are all separate programs, run by those departments, and not cross-over.

COUNCILWOMAN BROWN: So the programs you have are run by DHS?

MR. VAUGHAN: By the library.

COUNCILWOMAN BROWN: They are run by the library?

MR. VAUGHAN: Yes. The programs DHS has or Safe and Sound has would be run by those organizations.

COUNCILWOMAN BROWN: Because there is quite a discussion on a need to have some sense of consistency in program development and quality of programs, after-school programming, across the board. So I raise that question for that reason.

MR. SHELKROT: We have been very much involved in that process. And Hedra Packman, who is here with us, has been on that task force with them.

There are some important, and we think valuable, distinctions; in that, our program is a drop-in program, it is not a program that one signs up for and follow through on. And we find that to be filling a very, very significant need in the city.

But Hedra has been very, very much involved in working with those standards

COUNCILWOMAN BROWN: Okay.

MR. SHELKROT: And, you know, if you would like, we can set up a meeting at another time on that, or we can get some information to you.

COUNCILWOMAN BROWN: I think that would be valuable. You should know that I am going to attempt to facilitate that kind of sit-down.

On Page 2 of your testimony, you discuss One Book One Philadelphia, and you mention a number of partners.

Are there any linkages with any or all of our Philadelphia public schools, Catholic schools, charter schools, independent schools, towards that end?

MR. SHELKROT: Oh, yes. Absolutely. The school system is a major, major partner. They are involved in the planning and the development of the program.

The charter schools are very much a

part of our outreach from the -- that our staff do, visiting all the schools in the neighborhoods, not just public schools. There is a very close tie-in.

COUNCILWOMAN BROWN: Okay. On Page 3 of your testimony, you give discussion to 370 high school and college students. Give me a breakdown of those students. What high schools are we talking about?

Give me a sense of the composition of that 370 high school and college students.

MR. SHELKROT: You know, I do not have with me a specific breakdown. I would be happy to provide that.

But I can tell you that we hire -- there are over 200 high school students from schools all over the city. And I know that we -- some of the youngsters are referrals from the courts, as long as they are not such, you know, egregious situations that we can't handle it.

We do our best to not hire the cream of the crop. We want people who this work experience at the library can really make a difference in their lives.

But if you would like a breakdown of the numbers of -- from different schools --

COUNCILWOMAN BROWN: And colleges.

MR. SHELKROT: -- and colleges, we can get that for you.

COUNCILWOMAN BROWN: If you would afford that to the Chair, that would be appreciated.

MR. SHELKROT: Okay.

COUNCILWOMAN BROWN: In your testimony, there is no mention of the advocacy groups that I have come to love and respect, the Friends of the Free Library.

What is the relationship with the Friends of the Free Library?

MR. SHELKROT: Well, I can tell you that the Friends of the Library are extremely important to the Free Library. I have often said, you know, if there were no Friends, I would figure out a way to help create one. And we are working, I would say, right now to enhance that relationship.

There is a committee made up of

Board members from the Friends and Board members from the Free Library, with the specific goal to work on ways of enhancing the relationship between the library and the Friends group.

COUNCILWOMAN BROWN: Okay. What does that mean, enhance the relationship?

MR. SHELKROT: The committee is working on that. You know, I don't have anything -- the committee was set up by the Board Chairs, and I can't tell you what that means until the committee does its work.

COUNCILWOMAN BROWN: All right. Let me ask this question: Based on my homework, it appears -- and this is if my homework is correct -- that the funding or financial support to the Friends has decreased. There's been a cut of approximately $15,000 to this group.

Share with us the rationale behind that management decision.

MR. SHELKROT: Sure. Well, first of all, if I may, with all respect, correct that a little bit.

COUNCILWOMAN BROWN: Please.

MR. SHELKROT: It was cut two years ago. This year it was increased to that former level, the year we are in right now. So we have -- you know, it has been increased this year.

Part of the discussions that have happened so far have talked about how the friends can be as strong as they can be and work together with the library, and that's the nature of the discussion.

COUNCILWOMAN BROWN: Where are they housed?

MR. SHELKROT: They are housed on the Free Library property, right across Wood Street.

COUNCILWOMAN BROWN: And going forward with your new building, should we presume or assume that there will be space for the advocacy group, as well?

MR. SHELKROT: Yes.

COUNCILWOMAN BROWN: Last year there were questions raised about persons of color in positions of leadership and responsibility at the library.

Please tell me the number of the next-tier managers that you have. What is the number?

MR. SHELKROT: You know, by "next tier" --

COUNCILWOMAN BROWN: Whatever you define the next level of management to be, what is the number?

MR. SHELKROT: Next below me?

COUNCILWOMAN BROWN: Yes.

MR. SHELKROT: That's what I didn't know.

There are approximately 20 to 25 people in the next tier, which I regard -- which is our communications council

COUNCILWOMAN BROWN: And of that --

MR. SHELKROT: These are all senior --

COUNCILWOMAN BROWN: Senior managers, if you will.

Of that, how many of those senior managers are people of color?

MR. SHELKROT: I -- you know, if I

were to try to give you a count right now, that wouldn't be fair.

I can tell you that we have some very senior management people in the library who are people of color; you know, men and women.

COUNCILWOMAN BROWN: I am going to get to the women question. You know that; right? That would be next.

MR. SHELKROT: Okay.

COUNCILWOMAN BROWN: So can you provide to the Chair the, I guess, table of organization which would speak to the next tier of managers, and then the breakdown of persons of color and women, and whether or not they are appointed or civil service?

MR. SHELKROT: Absolutely. Let me make sure that I do understand.

Is it specifically women of color or women in general?

COUNCILWOMAN BROWN: Both.

MR. SHELKROT: Fine. Thank you.

COUNCILWOMAN BROWN: What is the composition of the Board?

MR. SHELKROT: Let me just, before I -- before we go to that.

COUNCILWOMAN BROWN: Please.

MR. SHELKROT: Let me just say, across the country, there is a major challenge of -- there is a major challenge in librarians. There is a shortage of librarians across the country. It is even more severe with minority librarians.

But we have taken an initiative on our own, through a grant that we applied for through the federal government, to take employees of ours who do not have a college degree, and to provide the resources and the time for them to get their college degree.

COUNCILWOMAN BROWN: Sure.

MR. SHELKROT: And I will tell you that the numbers -- the minority people in that group are far, far in excess of others. And there is a significant number of women in that, too.

The problem that we are facing is one that's shared with everyone across the country, but we have decided that we need to do what we can to take the matters into our own hands.

COUNCILWOMAN BROWN: Is that what you are referring to on Page 3 of your testimony, Growing Our Own?

MR. SHELKROT: Yes, it is.

COUNCILWOMAN BROWN: You certainly are to be commended for being proactive in, A, recognizing it; and, then, B, growing professionals and getting them in the pipeline so that they can move to positions of leadership and responsibility. So I certainly commend you for that.

But I do know, since I have been here, I have raised that question every year.

MR. SHELKROT: Sure you have.

COUNCILWOMAN BROWN: And that matters to me and a number of persons on this Council, that the leadership of city departments reflects the makeup of the city.

MR. SHELKROT: Yes.

COUNCILWOMAN BROWN: Finally, we all are anxiously awaiting the advent and passage of legislation in this body with WiFi. And you speak to that on Page 3 of your testimony.

And knowing that we are in the formative stages of WiFi, have the leadership and membership in your shop given any discussion to the opportunities that will exist with the ultimate advent of Wireless Philadelphia, and what you are currently doing at the library?

MR. SHELKROT: Well, you know, the advent of WiFi in Philadelphia will be a great benefit to everybody, and part of that is their ability to access the library and its databases.

We have -- you know, our program to have access to computers and better and faster access is something that's very important to us.

We have some -- I wish I could remember the number; I was just given it yesterday, but I forgot to write it down -- the number of online access to the Free Library that we are seeing every month. It is 7 million hits to our website every month.

The advantage to the WiFi will be,

that number is going to go up substantially because of the well-documented number of people who do not have access to it.

Now, let me just say, in addition, when you use the libraries -- and this isn't competitive; this is just in any way -- but we have many databases that we purchase that are only available to people with library cards. It is just part of the contract.

We have other databases that we subscribe to that are valuable for people who are doing serious research -- and I am including high school students in that serious research -- where, by the license agreement, we can only make it available to computers in the library. And I think that's a plus side.

But the wireless component that the city will have is -- we are working closely with MOIS on that, and it will be a great boon to everybody.

COUNCILWOMAN BROWN: Page 4 of your testimony, you mention, and I quote, Philadelphia Partnership for Peace. Just share with us briefly what that is, multi-facetted approach to the crisis in youth violence.

MR. SHELKROT: Yes. That is a proposal that I mentioned also in my oral testimony that we are applying to the federal government, the Institution of Museums and Library Services.

And it is a program that will enable us, along with the other organizations, to have a very aggressive program promoting the appropriate use of anger and controlling violence.

Kevin, do you want to present more information about that?

MR. VAUGHAN: Yes. We will -- if we are funded for that program, we will be working with the House of Imoja and with WXTN to have story-tellers work to put together stories for kids that will run on WXTN's children show on a regular basis that will talk about how to pursue peace.

We will be working in neighborhoods with House of Imoja, who will be doing a peace pledge as part of that. But also to provide space in some of our libraries for mediation, should there be the need in a community for people to come together and, hopefully, avoid a violent confrontation; as well as the opportunity to have special collections in our libraries based -- special collections based on mediation and bring information about how kids and families can use mediation, rather than violent activities.

So we are really trying to think of ways in which together as organizations we can promote less violence in the neighborhoods.

COUNCILWOMAN BROWN: We will cross our fingers and toes for that. Because we know, given what we see every day in the news, that's sorely needed.

MR. SHELKROT: Let me add to that, there are two other initiatives in that same area that we are working on.

One is to put together a resource collection not just of books, but of other things, that can be a resource to people who are working on the -- you know, how we can reduce the incidence of this violence; and looking for the special resources, looking for special research, so that we can help disseminate the best practices in that area.

As well as, we anticipate some time later this spring having a panel in a newly created series called Talk About It at the central library. A panel of people talking about youth violence and interacting with the public.

This series called Talk About It at the central library is a -- you know, it is usually a panel discussion in format, but at least half the time is interaction with the audience.

We have had one of those already which focused on cartoons, how far is too far. We have another one that is coming up in April on gambling. And the next one, if I am not -- and also this spring we are looking to put one together on the violence issue.

COUNCILWOMAN BROWN: Okay. And I should assume that groups like Men United For a Better Philadelphia, mothers -- help me out, Mothers in Charge, and the breadth of community-based organizations will be informed? They are reaching for these types of opportunities to help --

MR. SHELKROT: You know, if we could meet with you or somebody on your staff to make sure that we have identified as many of those organizations as possible on all of these initiatives, that would be great.

COUNCILWOMAN BROWN: I would welcome that.

Finally, on reflecting on our interests in a world at the Free Library that reflects the world of Philadelphia -- and, yes, it is true and it is important to grow librarians -- my followup comment would be, for manager-level-type positions, they are not library positions, these are professionals who come with other areas of expertise; correct?

MR. SHELKROT: No, that's not always the case. No. We have very few -- I mean, Kevin is one of the exceptions. Most of our senior management people are librarians.

COUNCILWOMAN BROWN: I see. Okay.

Well, thank you for your testimony.

And I will look forward to the information you forward to the Chair.

My staff will follow up with you with regards to how we can maximize the awareness of the series you just talked about.

MR. SHELKROT: Okay. Great.

COUNCILWOMAN BROWN: Thank you very much.

MR. SHELKROT: Thank you.

PRESIDENT VERNA: Thank you very much.

The Chair recognizes Councilman Nutter.

COUNCILMAN NUTTER: Sorry, Madam President.

Good morning, Mr. Shelkrot and Mr. Vaughan.

MR. SHELKROT: Good morning.

COUNCILMAN NUTTER: First, thank you for the library card. I needed to renew mine. Thank you.

I need to ask you about a particular situation. It involves the George Institute Branch library, which, by the wonders of redistricting, technically is not in the 4th District anymore, but had been for all of my time until the last redistricting took place a couple of years ago.

As you know, the George was slated as a part of the 53 or, I guess, 54 some-odd branches for renovation, closed for such renovation, and has not reopened.

Can you tell me as a library director what is your understanding of the status of that particular facility?

MR. SHELKROT: I'm going to turn that over to Kevin. Kevin has been working on that. And, so, Kevin Vaughan, will you respond.

MR. VAUGHAN: Councilman Nutter, my understanding at the moment is that the Public Property Department of the city has pursued including that building as part of their inventory of vacant properties for the city.

COUNCILMAN NUTTER: Okay. Well, let's go back.

What is your understanding of why that branch was not renovated and reopened?

MR. VAUGHAN: Bill Flemming, who is with us today, handled most of the renovation issues on that building.

But in general, my understanding is that the building initially went out to bid for renovations, and the bids came back higher than the amount of money that was in the Capital Budget available to renovate the building.

It went out a second time for bids to, again, try to find out if we could have it come in within the budget of the Capital Programs Office.

And after the second bid, again the bids came in higher than the money was available to do the renovations, and it sat waiting for some resolution to that situation.

COUNCILMAN NUTTER: And when was that?

MR. VAUGHAN: Bill.

MR. FLEMING: It was in 2003, the second bid package went out and bids came back slightly higher than the amount of money we had in the Capital Budget.

COUNCILMAN NUTTER: How much higher?

MR. FLEMING: Probably about 30, 35 thousand.

COUNCILMAN NUTTER: And what steps did you take to try to get the additional money?

MR. FLEMING: Well, in terms of getting additional money for this project, we had come to Council on three different occasions for money for this branch.

I believe it was Fiscal 2000 we had some money, about 417,000; 2001, we got an additional 100,000; and in 2002, an additional 775,000, which we had hoped --

COUNCILMAN NUTTER: This was through the Capital Budget process?

MR. FLEMING: That's through the Capital Budget process.

COUNCILMAN NUTTER: So that's not really coming to City Council.

MR. FLEMING: Well, actually, it was through the Capital Budget process. City Council does have hearings on that and then approves whatever money is in there.

At that time, that gave us appropriations of $1,292,000. We did apply for a grant from the state, a Keystone Grant, that we were awarded, that was about 113,000, to put a ramp or an elevator in the building to make it ADA accessible.

Even with that funding and some small amount of private funding, we still weren't able to bring this project in under budget.

After the first bid, we got the architect and Capital Program Office -- I say we got them together, but they got themselves together -- to come up with a redesign to try and get this building in under budget.

Even with those modifications, the project still came in, with rising construction costs at the time, over budget.

And it didn't look to us like there was any solution at the time, other than to come back and ask for additional funds.

How much and what kind of design we would have wound up with, it was already the kind of design that was the minimum acceptable for this branch.

Because I think it had a total of 3,300 square feet in the existing building, and we were going to try and add 4,000 with the addition on the back.

We already scaled it down to get to the second bid process and didn't know where we could save additional funds.

The project has been managed by Capital Program Office. We didn't see any solution at the time to try and bring this modest, very modest-sized branch in under budget.

We would probably need, I estimated, probably about $800,000 to bring this project in over the next couple of years after that second bid.

COUNCILMAN NUTTER: Hold on for a second.

Your earlier statement was that the project was over the budget by $35,000. That was my recollection. Isn't that what you said?

MR. FLEMING: Correct.

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COUNCILMAN NUTTER: So where is the $800,000 figure come from?

MR. FLEMING: Well, factoring in delays in the project. Inflation definitely plays a key here. Identifying -- technology was being installed at the time.

COUNCILMAN NUTTER: At the time you were $35,000 over budget, did you or anyone else think to possibly be in touch with me and ask me for $35,000?

MR. FLEMING: Well, $35,000 would have got us to a point where we had enough money at that time, but didn't allow for any contingency in case anything happened which would cause us to have to spend a lot more money to get that project done.

It just wasn't acceptable and was too risky.

COUNCILMAN NUTTER: Well, did anyone, whether out of your office or any other office, at some point in time decide that you were going to tell me what the status was?

MR. FLEMING: I believe that there

were times -- I think Capital Program Office, and even I attended one of those meetings, met with you about the status of where we were.

COUNCILMAN NUTTER: Yes.

MR. FLEMING: And, you know, I didn't intend any more than that one meeting. But Capital Program generally does our project management.

And it's my impression that we didn't feel like we could get the job done in that branch, considering, number one, it is an old building, and very small.

COUNCILMAN NUTTER: Most of the branches are old.

MR. FLEMING: It looked like we weren't going to get much branch for the money we were going to spend, either.

COUNCILMAN NUTTER: I understand that.

So when was the decision made not to proceed or to, basically, close the branch?

MR. VAUGHAN: Yes, we were notified by the Public Property Department, I guess, in the last nine months that that was their intent. It was --

COUNCILMAN NUTTER: So Public Property told you that they were going to close one of your branch libraries?

MR. VAUGHAN: Correct.

COUNCILMAN NUTTER: And your response was?

MR. VAUGHAN: We met with them to say, hold off. I mean, we wanted to further understand that decision. And basically --

COUNCILMAN NUTTER: So what's your further understanding?

MR. VAUGHAN: My further understanding at that point was that the money was not available from the Capital Programs Office, and that the decision had been made to put it in the Public Property's hands.

COUNCILMAN NUTTER: The decision was made by whom?

MR. VAUGHAN: I don't know.

COUNCILMAN NUTTER: Did you ask?

MR. VAUGHAN: I asked. I did not get an answer.

COUNCILMAN NUTTER: Well, who from

the library, then -- who would be the appropriate person, I guess, at that point from the library to tell me that someone told you that they were going to close your branch library?

MR. SHELKROT: You know, this was a decision that we had been told had been made in the Managing Director's Office, and that they would take care of the communications.

COUNCILMAN NUTTER: Well, that didn't happen.

But you are the Director of the Library; right?

MR. SHELKROT: Yes.

COUNCILMAN NUTTER: And you have occasion from time to time to be in touch with me about any manner of things?

MR. SHELKROT: I do.

COUNCILMAN NUTTER: Do you think I would like to know that you were going to close one of my branches?

MR. SHELKROT: I was told that the Managing Director's Office would take care of those communications.

MR. VAUGHAN: Councilman --

COUNCILMAN NUTTER: And you just left it at that?

MR. SHELKROT: You know, when something -- when that is made, you know, when that is stated, in essence, yes, I was told it isn't necessary for me to do that.

MR. VAUGHAN: Councilman, if I might.

At the time that we were told this, it was in the 3rd Councilmanic District, and they were going to -- I was told the communications would take place with that Council person.

COUNCILMAN NUTTER: Did they?

MR. VAUGHAN: I could not tell you if they did or not.

COUNCILMAN NUTTER: And, so, the current Managing Director, who has also shared that the decision was made by his predecessor, indicates to the letter to me recently that the neighborhood around George Institute is currently served by two branch and one regional libraries.

Would you be so kind as to identify the two branch and regional libraries around the George?

MR. SHELKROT: Certainly. Yes. Kevin's just given me the list.

The Haverford Avenue branch is at 55th at Haverford Avenue.

COUNCILMAN NUTTER: How far is that away?

MR. SHELKROT: About 1 mile.

The Blackwell West Philadelphia Regional Library at 52nd and Sansom, is 1.3 miles away. The Wynnefield branch, 5325 Overbrook, is a mile and a half from George. The Haddington branch at 446 North 65th is also about a mile and a half.

COUNCILMAN NUTTER: And, to your knowledge, what's the average distance between branches?

MR. SHELKROT: I would have to -- you know --

MR. VAUGHAN: It would depend on what part of the city you are talking about.

In the Center City part of the city,

or in the West Philadelphia, the average branch is closer to each other in relation to each other than they are in the Northeast, where there is greater, much greater distances between branches.

COUNCILMAN NUTTER: So what happened to the capital dollars?

MR. FLEMING: The remaining capital funds, which is the funds left after paying the architect for his design and redesign services and some property acquisition and soil testing and the like, those kinds of expenses, they are still in an account for the Free Library, in the Capital Budget, and they remain there pending a resolution.

COUNCILMAN NUTTER: How much?

MR. FLEMING: I think Capital Budget would have a better handle on how much. I am thinking it is probably on the order of 800,000.

COUNCILMAN NUTTER: And what was the communication to the neighborhood out there, that had participated in an extensive process and was so obviously excited about the prospect of having little old George Institute Branch Library renovated like all the other branch libraries throughout the city, who let the community out there know that they were not going to have a library?

MR. SHELKROT: As Kevin Vaughan indicated, when we became informed of all the decision-making, it was then in Councilwoman Blackwell's district.

I did meet with her about it. She had some ideas. She has had some interest from community and other people about the library being in a different location. And that's the extent.

She was in discussions with various community people.

COUNCILMAN NUTTER: Okay. Well, just so you understand, while the physical location is no longer technically in the 4th District, there are many 4th District constituents who were involved in the genesis of that renovation and had looked for that for a long time.

You may recall one lady by the name

of Marie Jones.

MR. SHELKROT: Oh, yes. Very well.

COUNCILMAN NUTTER: Lives on 57th Street. Still asks me about the George Institute.

And I think some small manner of decency, regardless of which agency tells which agency what to do, the Free Library should at least be in touch with those community people and those advocates that you have known over the years and have the decency to tell them that a decision was made, what the reasons were, and put them on that kind of notice.

And, so, for myself and for my own records, I would like a letter from you explaining exactly what happened, over what period of time, and that you have made this decision.

MR. SHELKROT: Or whoever made the decision, yes.

COUNCILMAN NUTTER: Whoever made the decision.

But they are your libraries. You

are still the Director; right?

MR. SHELKROT: Yes. Okay. I believe I understand. We will put a letter together for you.

COUNCILMAN NUTTER: Okay. Thank you. I would appreciate it.

Thank you, Madam President.

PRESIDENT VERNA: Thank you.

The Chair recognizes Councilman Rizzo.

COUNCILMAN RIZZO: Thank you, Madam President.

Mr. Shelkrot, could you explain to me -- and I have a series of questions -- how does a book get into a major library system, especially ours? What is the criteria?

Are there some books that are red-flagged, or whatever? I want to hear about how a book gets into the system, about how they are purchased, is there competitive bidding?

I mean, I don't understand how it works. How does a book get paid for? Do you buy it from a publisher, distributor, whatever?

I won't get too far ahead of you, because I want to understand how a book gets into our system and how they are purchased and bid for. You know what I want.

MR. SHELKROT: I will be happy to outline that for you.

Needless to say, when you are buying, you know, some 800,000 items of many, many, many different titles, with a myriad of patterns of distribution within the library, among the 53 libraries, you know, it varies.

I might also say it varies based on the kind of book. If they are reference books, and there are other kinds of books, we use a process that's called a standing ordinance.

Most often that is with the -- a book supplier, rather than with the publisher itself. It is a great help that we work through those jobbers because they -- you know, one jobber can have a contractual relationship with 100 different publishers, and it is of considerable value to us to do that.

However, let me just back up to the very beginning. When a book becomes available, we are notified in a couple of ways.

First, the publisher sends out notices it is also available. Reviews are done of it by librarians and professional reviewers. And those reviews appear in print and now online in a variety of different resources. Our staff pay attention to those reviews and to the publisher's notices.

Often those notices are done pre-publication, and review copies prior to publication are distributed to reviewers.

We pay attention to that. We look at the needs of the library, the needs of the individual branches. The staff makes decisions about what to select for our libraries and how many copies.

Let me just say that all of this is done under a Board-approved materials selection policy, which talks about the quality of the book, the nature of it, the demand factors, the popularity of similar titles, the balance of our collection.

And, you know, I would be happy to get for you a copy of that policy statement.

But then going, you know, from that, to identifying the appropriate titles. We make a decision as to how many copies. We are in many cases in touch with the branches. In some cases it is done by a formula that's been developed with the branches so that we know how many copies of that kind of book should be purchased.

We have contracts that have been negotiated with a variety of vendors of these books, and the discount rates are established. We constantly revisit those and look at them carefully.

We compare the discount rates, as well as the delivery time and reliability of the distributor. And then we proceed to order it from those distributors or what we call book jobbers.

COUNCILMAN RIZZO: So you open the book, and there is a price of the book in the -- the list price of the book.

Do automatically get a set discount? My question, could you walk into Borders and buy a book cheaper than you buy it for?

MR. SHELKROT: Seldom. Seldom, if ever.

COUNCILMAN RIZZO: I heard, and don't want to suggest, do we buy 200 books, get the bill, and pay the bill?

MR. SHELKROT: I hope so, yes.

COUNCILMAN RIZZO: In other words, do we shop for our books?

Do we just pick up the phone, or whatever the process is, and say we want 200 copies of ABC book, get the 200 copies of the book, and pay the bill?

MR. SHELKROT: Well, you know, I mean, that's an oversimplification.

COUNCILMAN RIZZO: I like to keep it simple.

MR. SHELKROT: We have contracts, we have arrangements, we have agreements with the various book jobbers, book suppliers; who they, in turn, have agreements with the various publishers.

And we get discounts, and it depends on the kind of book. If it is a trade book versus an academic book, you know, it can vary. But our discounts can go as high as 43 to 45 percent.

And we tend -- we have these arrangements with the jobbers. From time to time we will double-check and make sure that we are getting the discounts that we should.

COUNCILMAN RIZZO: In an effort to keep it simple, and not take a long time to answer a simple question --

MR. SHELKROT: I'm not sure what the --

COUNCILMAN RIZZO: I will be right straight up with you. I am concerned about how we purchase books in the system. I am concerned how the process works.

Do we have -- is there a -- is it audited to make sure that we are not overpaying for a book?

I was told -- and I can document, if we need to go there -- that we on occasion pay more than a person walking into Borders for a book.

MR. SHELKROT: You know, I can't imagine that. It is --

COUNCILMAN RIZZO: Either can I, that's why I am asking you the question.

MR. SHELKROT: The only way I can imagine that happening is if somehow a book were on remainder, on a remainder table, you know, that's where they have the 50, 70, 80 percent off, and for some reason that was a book that we had ordered another copy of for a branch that lost its copy.

But I can tell you that --

COUNCILMAN RIZZO: Fine. The answer to my question is, the process that you have in the library, do you have purchasing people --

MR. SHELKROT: Yes.

COUNCILMAN RIZZO: -- that just purchase the books?

If the books are purchased, the bill comes in. In other words, do we negotiate a little bit? You said, yes.

MR. SHELKROT: Yes.

COUNCILMAN RIZZO: You have a contract, where you get a discount off of list.

My concern is that we are getting -- obviously you are a big purchaser of books --

MR. SHELKROT: Yes.

COUNCILMAN RIZZO: And are we getting the appropriate discounts for the bulk purchases of books, or are we winding up buying a dozen books and paying the list price for the book?

MR. SHELKROT: No.

COUNCILMAN RIZZO: If we are, that's a disgrace.

MR. SHELKROT: It indeed would be a disgrace.

And we are not purchasing at list price, except for those books that are so specific that they are not available anywhere, even, you know, to the book stores or anybody else, at a discount.

But I can tell you that we have an excellent system to check on the prices, to double-check the discounts that have been pledged to us, to make sure that we get those discounts.

COUNCILMAN RIZZO: That's all I want to know. That you have got a system in place, so I can go back to the source of this question that I am asking and say that your information is incorrect, that there is a lot of scrutiny to the purchases of books in our library system. Simple.

The next question is, we talked many years ago about the video collection in our libraries. We all learned that you have R-rated videos.

MR. SHELKROT: Yes, we do.

COUNCILMAN RIZZO: Have you gone beyond R rated in the library system?

MR. SHELKROT: Not to my knowledge. But we do have a system, based on those discussions we had in this Council room some years ago, a system whereby any -- a parent of a teenager up to age 18 can say, I do not want my youngster --

COUNCILMAN RIZZO: That's not my

question.

MR. SHELKROT: Okay.

COUNCILMAN RIZZO: My question is, have you purchased anything beyond R-rated videos in our library system?

MR. SHELKROT: Not to my knowledge.

COUNCILMAN RIZZO: Not to your knowledge.

Is there anyone else here that works for you who could support the question? Do we have anything other than R rated?

MR. SHELKROT: Based on our policies, I cannot believe that we purchase anything that is an X-rated movie.

And I will say that because our policy does not and cannot, based on advice of City Council -- of the City Controller's -- wrong, City Solicitor, thank you, City Solicitor's office, talk about industry-created terminology.

COUNCILMAN RIZZO: Do we buy anything beyond R rated in our collection? I mean, that's not a tough question.

MR. SHELKROT: A little dispute

here.

The only thing I can say, sir, I will check. But, to the best of my knowledge, there are no videos in our collection that are, in your terminology, beyond R rated that would meet the other criteria in our policy.

And, therefore, I can check with staff. But, based on the information I have and my staff has here at this Council meeting --

COUNCILMAN RIZZO: It is a simple question. Do we -- what is after R, X? I don't know.

MR. SHELKROT: I don't know. I mean, there are unrated ones, too.

COUNCILMAN RIZZO: Well, the question is, do we purchase anything beyond R rated?

I mean, that should be a simple question for everybody is here that works for the library. Is it yes or is it no?

MR. SHELKROT: The answer, sir, is not to the best of my knowledge.

We do not have a policy of buying X

rated at all. But we also do not have a policy that says, you will never purchase an X-rated movie.

So, to the best of my knowledge, there is -- okay.

COUNCILMAN RIZZO: That's where we are getting, then.

MR. SHELKROT: That's what I said.

COUNCILMAN RIZZO: So we could have X-rated movies in the library, but you're not aware of it?

MR. SHELKROT: That is correct.

COUNCILMAN RIZZO: Okay. Next area. One more minute, Madam President.

PRESIDENT VERNA: Okay.

COUNCILMAN RIZZO: Just one more question.

How are we doing in the area of foreign language books? In our community libraries, are we able to provide the foreign language books because of the diverse population that we have in this city now? How are we doing with that?

MR. SHELKROT: I believe we are

doing very well in that area. And that is not to say that we can't do better.

We have collections in something like 16, if I remember correctly, different foreign languages. Oh, excuse me. 60 foreign languages in our libraries. Please don't ask me to recite the 60 languages.

COUNCILMAN RIZZO: How did you know the next question? That was it.

MR. SHELKROT: We have extensive collections in various parts of the city of Spanish, of Chinese, of Yiddish, of Russian, Korean in at least one location.

COUNCILMAN RIZZO: So you have got it covered --

MR. SHELKROT: Yes.

COUNCILMAN RIZZO: -- in other words, with the many languages that are spoken.

MR. SHELKROT: And not only that. Let me say that, because of the variety and diversity of the staff that we have, we have made it and communicated with other departments that we have language capabilities of staff that we would be happy to assist wherever necessary.

COUNCILMAN RIZZO: I don't want to have another round at this. But the last point on that is, in our system, since we have this extensive collection of videos now, could a person that wants to learn to speak English go and -- a Spanish-speaking person, are there language courses available in video for people to learn English and vice versa?

If an English-speaking person wants to learn to speak Spanish, can they go to a branch library and pick up a set of tapes or whatever, audio or video --

MR. SHELKROT: Absolutely.

COUNCILMAN RIZZO: -- to learn a foreign language?

MR. SHELKROT: Absolutely.

COUNCILMAN RIZZO: That's available?

MR. SHELKROT: Yes, it is.

COUNCILMAN RIZZO: Thank you, Madam President.

PRESIDENT VERNA: You are welcome.

Mr. Shelkrot, when do you expect the

new central library to become operational?

MR. SHELKROT: In the year -- if we break ground in '07, it will take three years. So it would be in the calendar year '10.

PRESIDENT VERNA: What additional funding has been included in the proposed Five-Year Plan for the operation of the new central library?

MR. SHELKROT: At this time there is no specific dollar amount in the out years of the plan.

We concentrate, I concentrate -- and, as far as I can tell, so does the Budget Office -- on the current and the next couple of years.

I can tell you we anticipate, if the central library, the new expanded central library, you know, doubles or triples the amount of use in the visitorship, it may require approximately a 3 percent increase in our personnel line.

PRESIDENT VERNA: I don't think PICA would be very delighted with your response, that we only are concerned about the present budget, and not being concerned about the five-year program. However, you said it, and...

MR. SHELKROT: Well, I shouldn't speak for the Budget Office.

I can tell you that my focus tends to be on what is happening next year and the year after. I should not speak for the Budget Office.

PRESIDENT VERNA: But why do we have a Five-Year Plan, if nobody is going to pay attention to it but PICA? It is wrong. It is wrong. Okay. I am not going to argue the point.

When do you anticipate that the city will borrow the remaining $20 million approved by City Council for this project?

MR. SHELKROT: Well, if we anticipate groundbreaking, as I said we do, we anticipate groundbreaking in '07, the provisions in the law that was -- you know, regarding the documents that we signed say that we must have $100 million of the $150 million. And this is approximately.

And we anticipate reaching that amount in time for the groundbreaking, because we could not go into groundbreaking, unless we had that.

PRESIDENT VERNA: Where is the funding for this borrowing, again, in the Five-Year Plan?

MR. SHELKROT: You will have -- that is a question that the Budget Office would have to address.

PRESIDENT VERNA: Is Ms. Reed here? Okay.

Ms. Reed, I assume that you heard the question?

MS. DIANNE REED: Dianne Reed, Budget Director. Yes, I did.

PRESIDENT VERNA: Okay.

MS. REED: I think there are additional borrowings planned, at least one in '08. I don't have that information with me today. I would have to get back to you. That was my understanding from the original borrowing schedule last year.

PRESIDENT VERNA: And how much would

that be for?

MS. REED: It would be the 20.

PRESIDENT VERNA: Well, is it in the Five-Year Plan?

MS. REED: I think it is in the Five-Year Plan.

PRESIDENT VERNA: Can you tell us what page?

MS. REED: No, I don't have that information with me today. It would be in the Debt Service Plan. It might be a subsection of the Debt Service Plan, so it is not obvious.

PRESIDENT VERNA: Nothing was mentioned about the borrowings to us.

And I don't know how you come here, to a budget hearing, and not have the documents that you need to respond to questions that you know Council members are going to be asking.

Councilman Nutter, I believe that you had an issue that you wanted to -- and, Ms. Reed, I think you have the document in your office.

So before the end of the day, we would appreciate your providing us with any and all information you have on this issue.

MS. REED: Will do.

COUNCILWOMAN TASCO: Madam President, point of information.

PRESIDENT VERNA: Councilwoman Tasco.

COUNCILWOMAN TASCO: Could we get a copy of the borrowing schedule that she just spoke about?

PRESIDENT VERNA: That's what I was asking for.

COUNCILWOMAN TASCO: Okay. I mean, not just for the library, but for everything.

PRESIDENT VERNA: Okay. Ms. Reed.

COUNCILWOMAN TASCO: Because we heard about the Youth Study Center just on questions of testimony.

PRESIDENT VERNA: Did you hear Councilwoman Tasco's request?

MS. REED: Yes, I did. I do have a complete borrowing schedule at the office.

PRESIDENT VERNA: And you will

forward it to us before the end of the day?

MS. REED: Yes.

PRESIDENT VERNA: Thank you very much.

Councilman Nutter.

COUNCILMAN NUTTER: Thank you. And I appreciate the accommodate.

I don't need an answer to any of these. But, Mr. Shelkrot, going back to the earlier issue, I wanted to make sure that my question was clear with regard to the information request.

What I would like to know is the total amount of city capital funding that was allocated to the George Institute branch library, the years those funds were made available, how much was spent, how much remains, what happens to any unspent capital funds.

And if you could explain how you paid for design or other commitments out of capital funds for a project that did not go forward, I would really like to better understand that.

The city condemned property for the expansion, obviously for public purpose. That is not going forward. I would like to find out the nature of that transaction and what's going to happen to that property, as well.

Madam President, thank you very much.

PRESIDENT VERNA: You are welcome.

The Chair recognizes -- Councilwoman Brown, would you yield to Councilwoman Blackwell?

COUNCILWOMAN BROWN: Surely. Surely, Madam President.

PRESIDENT VERNA: Councilwoman Blackwell.

COUNCILWOMAN BLACKWELL: Thank you, Madam President.

I know there was some discussion about an area that Councilman Nutter and I once shared. I am happy to work with the library on that.

As you know, we do have an interest in that. We have talked about it. And we won't spend the time now to do that, but we look forward to continuing our work with them on this issue.

PRESIDENT VERNA: Great.

COUNCILWOMAN BLACKWELL: Thank you.

PRESIDENT VERNA: Thank you.

Councilwoman Brown.

COUNCILWOMAN BROWN: Yes, Madam President.

I had one followup request regarding the funding for the Friends of the Free Library. Could you please provide to the Chair budget information that speaks specifically to the funding allocation since FY '03, and what it has been every year from FY '03 to now.

MR. SHELKROT: Yes, I would be happy to get that information. Needless to say, I don't have it with me right now.

COUNCILWOMAN BROWN: Well understood. Thank you so much.

Thank you, Madam President.

PRESIDENT VERNA: You are welcome.

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

Seeing none.

MR. VAUGHAN: Council President Verna, you asked a question earlier, and we have an answer for you. I wanted to make sure we put it on the record, the question about emergency closings.

Since January, when we were able to hire people to staff the branches six days a week, there have been an average of 36 hours per month of emergency closings.

And if that holds for next year with the same level of staffing and the same level of funding, it would be about 432 hours systemwide for the entire year.

PRESIDENT VERNA: Okay. Thank you very much.

MR. VAUGHAN: You are welcome.

PRESIDENT VERNA: Thank you. Thank you very much.

MR. McPHERSON: The next department is the Civil Service Commission.

PRESIDENT VERNA: Do we have the Civil Service Commission here? Please approach the witness table.

Good afternoon. Welcome. Please identify yourself for the record and proceed with your testimony.

REVEREND REPSIE WARREN: Good afternoon, President Verna and members of City Council. I am Repsie Warren, Chair of the Civil Service Commission. And we will be so pleased to give you all pertinent information regarding the Civil Service Commission.

PRESIDENT VERNA: Ms. Warren, I don't mean to interrupt you. But, we have a copy of your testimony. It has been given to the stenographer. She will transcribe it in full. And I would ask you, if you would simply abbreviate your testimony.

REVEREND WARREN: I will abbreviate it.

PRESIDENT VERNA: Thank you. And I will tell you, I really love hats, and yours is very, very pretty.

REVEREND WARREN: Thank you. Is that it?

PRESIDENT VERNA: No. You could proceed with your testimony; just give us an abbreviated version of it, if you will.

REVEREND WARREN: Yes. All right. I am testifying on my behalf and also the behalf of the other commissioners, Thomas Logan and Nancy Morgan.

Our total budget request of $163,723 represents an increase of $3,995 over Fiscal Year '06.

Under the Home Rule Charter, you know, the Commission approves or disapproves a large variety of actions affecting Civil Service employees.

These include the establishment of job classes, position, and pay classifications, resident waivers, personal service contracts, civil service regulations and exemption from the civil service.

We also serve as an appellant body which hears and decides on civil service employees' appeals of personnel decisions.

Most appeals are regarding dismissal, suspensions of more than ten days, demotions, or examinations, denial for requests for leaves of absence.

This year the Commission is also hearing appeals relating to layoff of employees.

As of today, we have received 67 appeals and issued 48 opinions and orders resolving appeals.

With this budget, President Verna and members of Council, the Commission can continue its important work on assuring the preservation of the Philadelphia merit system as mandated by the Philadelphia Home Rule Charter.

At this time I will be happy to answer any questions from the Chair or members of Council.

PRESIDENT VERNA: Thank you, Ms. Warren. I just have a question or two, if I may.

You mentioned residency waivers in your testimony. Can you tell us how many waivers you have granted in 2005? And if you could give us the job titles, I would appreciate it. And tell us how many you have granted so far for this year.

And I am rather curious, how long is a waiver good for?

REVEREND WARREN: A waiver is good for one year. And for the year '05, July of '05 to 12/05, there were five waivers.

PRESIDENT VERNA: I can see that you are very prepared for us today.

REVEREND WARREN: I hope I am.

PRESIDENT VERNA: You knew the question we were going to ask.

I am sorry. How many waivers?

REVEREND WARREN: Five from July '05 to 12/05. And the reasons for these was recruitment difficulty.

We were having difficulty finding recruitment, but we have tried to -- we are trying to solve that problem by going to the universities recruiting. And, so, hopefully we can eliminate some of the waivers.

PRESIDENT VERNA: What are the job titles?

REVEREND WARREN: Job titles, family planning nurse practitioner, certified registered nurse, automotive maintenance, heavy-duty vehicle technician, and social service trainee.

PRESIDENT VERNA: That number has, if my memory serves me correctly, that has drastically been reduced from what we heard last year. I think last year the amount of residency waivers that were given were just outrageous.

REVEREND WARREN: Well, as I stated, we are working on this, trying to reduce the number of waivers. And I think we have been successful.

PRESIDENT VERNA: Well, if it is five, I would say you are. But I am wondering how many waivers are still in existence from '05.

Because my memory also serves me that a lot of the waivers that we heard about last year were in the medical fields.

REVEREND WARREN: That was correct. We have 110.

PRESIDENT VERNA: 110 waivers last year?

REVEREND WARREN: Yes; yes. 12 in

use.

PRESIDENT VERNA: 12 in use.

REVEREND WARREN: We have been trying to reduce this number.

PRESIDENT VERNA: Okay. 112, is that plus the 5?

REVEREND WARREN: That's total.

PRESIDENT VERNA: And, again, I would ask you to just give us some of the job descriptions.

REVEREND WARREN: From the 110?

PRESIDENT VERNA: Yes. I don't expect you to give us all 110, but just give us some.

REVEREND WARREN: Airport administrative training; French and English bilingual; German and English, you know, at the Airport Communications Center; Airport Computer System Analyst; Airport Operation Agent; Airport Operation Manager; Airport Property Specialist 1 and 2; Airport Telecommunications Specialist; Aquatic Biologist 1 and 2; Architect 3 and 4; Architectural Projects Coordinator 1 and 2;

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Auditor Trainee; Automotive Maintenance; Camp Director; Chemical -- City Planner 1 and 2; City Planner 2, Urban Design; City Planner 3; City Planner 5; City Planner Trainee; Construction Projects Technician.

PRESIDENT VERNA: Ms. Warren, you don't have to go any further.

REVEREND WARREN: All right.

PRESIDENT VERNA: I would appreciate it if Council can have a list of these waivers, when they were granted, what titles.

You know, with those that you mentioned at the airport, with all of the modern technology we have now, if we scheduled a test, I think we would have many, many applicants applying.

I just don't know why we should have 112. None of them seem to be real specialists. Management Trainee? Please, spare me.

MS. LYNDA ORFANELLI: Excuse me, could I add some explanation. President Verna, I am Lynda Orfanelli, Personnel Director.

The vast majorities are class waivers. That means that they are a one-year waiver to allow people to -- we attract people from all over the country, and it gives them a year to move in. They must move in within that year, so these are not indefinite long-term waivers.

PRESIDENT VERNA: We did ask that question, how long does the waiver exist. And Ms. Warren said a year.

MS. ORFANELLI: Right.

PRESIDENT VERNA: I want to see that list, if I may. And I am sure all of my colleagues would, too. Find out just how long some of these waivers have been in existence.

REVEREND WARREN: We will be certainly be happy to.

PRESIDENT VERNA: I am told you get on the Lindenwold train, and on some of the trains you will find that we have an awful lot of city employees that are traveling to New Jersey, but I can't prove it because I don't know who they are.

COUNCILMAN RIZZO: Point of

information.

PRESIDENT VERNA: Councilman Rizzo.

COUNCILMAN RIZZO: Point of information.

Since the personnel director is here, and we are talking about these waivers, one that really troubles me is the fact that the Health Department -- and I have been told for many years that it is impossible to find doctors.

So I happened to be over for my physical one day, and I talked to a couple of docs over there. I asked a simple question, would they be interested in working for the Health Department on a part-time basis. And they said they would be thrilled to. No one has ever asked them.

So I think it is kind of bogus that these long-term waivers for years and years and years and years for the doctors. We bring this up last year, the year before, and nothing is ever done.

So I would like to find out why we have so many young physicians in this community that would love to work for the City of Philadelphia. Because that is a pretty good, from what I understand, deal for a doctor, to work for the Health Department.

And I think we have some of those waivers that are seven, eight years old for people that live in Drexel Hill and Collegeville and all over the region, when we have doctors that are very, very willing to work here, that work, live in the City of Philadelphia.

So could somebody comment about those types of waivers that seem like they never end?

MS. ORFANELLI: Number one, Councilman, we don't have a very great turnover. So once these people have the positions, they don't leave. Number two --

COUNCILMAN RIZZO: Leave? Now, that really gets me. I saw President Verna jump. You get them to leave.

If they are not residents of the city, and you require firefighters, you require police officers, they ought to be thrown out the minute you find a doctor to replace them.

MS. ORFANELLI: Well, the Health Department actually runs this program. These are not -- these are not high-paying jobs.

COUNCILMAN RIZZO: A doctor is not a high-paying job?

MS. ORFANELLI: Not compared to private practice, they are not.

COUNCILMAN RIZZO: Part time.

MS. ORFANELLI: These are not full-time jobs.

And, basically, I think that this is a question that the Health Department should be requested specifically, because we don't really do a lot --

COUNCILMAN RIZZO: You are the Personnel Department. You call the shots when it comes to hiring people.

MS. ORFANELLI: These are not the positions that we normally test for on a regular basis.

COUNCILMAN RIZZO: All I can tell you is that we are going to fix that to have you get more involved.

Because when I hear that we have young men and women that live, reside, got educated in this city, and then I look at a list and they come from everywhere but Philadelphia, that's troubling to me.

And then the bogus story that no one -- these doctors are afraid, city doctors are afraid, to work in the City of Philadelphia.

Well, if somebody from Collegeville is not afraid to come to Philadelphia to work, I'm sure we could get people from Philadelphia.

Could you just look at the list and tell us how many waivers we have for physicians? I know we had a few for the technology department, but I'm not sure about the Health Department.

MS. ORFANELLI: It looks like there is about 20.

COUNCILMAN RIZZO: And what's the oldest, a ballpark?

MS. ORFANELLI: The oldest looks

like it is 1978.

COUNCILMAN RIZZO: 1978. We couldn't find a doctor to replace a doctor that lives where?

MS. ORFANELLI: This doctor lives in Elkins Park.

COUNCILMAN RIZZO: Elkins Park.

MS. ORFANELLI: As a matter of fact, most of these are not recent.

COUNCILMAN RIZZO: Well, somebody should get on the ball and start to look for some young men and women who work here, live here in the City of Philadelphia, that might want an opportunity.

When you say they are not high-paying positions, could you describe the work day and the salary of a doctor that works for the Health Department? Could you tell --

MS. ORFANELLI: That's really a Health Department question. I can't describe their work, because I really don't know that.

COUNCILMAN RIZZO: You said you knew they weren't high-paying.

MS. ORFANELLI: I mean, I don't have

that salary information here, but I looked at it. I mean, it doesn't compare to private practice.

COUNCILMAN RIZZO: Do they get benefits?

MS. ORFANELLI: No.

COUNCILMAN RIZZO: They get nothing other than their salary? Do they get a pension, anything?

MS. ORFANELLI: Yes, they would be eligible for a pension.

COUNCILMAN RIZZO: They would be eligible for a pension.

Well, I think, Madam President, not to belabor this, I think we really need to get into this, whether we need to have a hearing or whatever down the road, to find out why we're not giving some people opportunities that -- again, I have talked to lots of docs that said they never once were asked about the opportunity to come work.

PRESIDENT VERNA: Councilman, I know that this very issue came up last year, and I know that you did express your concerns about it.

I think we need an explanation as to why somebody would be given -- I think that years ago, Ms. Orfanelli, years ago is it correct that probably one-year waivers were not granted?

MS. ORFANELLI: I'm not sure.

PRESIDENT VERNA: Were they just given waivers, without --

MS. ORFANELLI: Well, this class has an indefinite waiver. These are not one-year waivers for this particular class.

I mean, this is an issue that I should take up with the Health Commissioner.

COUNCILMAN RIZZO: And, honestly, I can't imagine that personnel, our central personnel, would just give away a piece of your business and say, well, we don't really need to involve ourselves in this, you are the health.

They have no expertise, other than maybe a local personnel person that works there, to be able to manage this type of a program.

I would like, Madam President, for the Personnel Department to involve themselves in this and come back and let us know.

When we say it is not a good-paying job, somebody from 1978 didn't hang on to this, if it wasn't a good deal. So I would like to get some numbers. I would like to get some numbers on what exactly the compensation is for these.

PRESIDENT VERNA: If they are part time.

COUNCILMAN RIZZO: And they get a pension.

PRESIDENT VERNA: How could they not be entitled to benefits?

COUNCILMAN RIZZO: If they are entitled to a pension, then why aren't they entitled to benefits?

MS. ORFANELLI: Because they are part time. We don't pay benefits for part-time employees.

COUNCILMAN RIZZO: Part-time employees, money is taken out for your pension?

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MS. ORFANELLI: If you work for the city for more than six months, and you are permanent part time, then, yes, money is taken out for your pension.

COUNCILMAN RIZZO: Okay, Madam President.

PRESIDENT VERNA: Are there any indefinite waivers that are still being given out?

COUNCILMAN RIZZO: Yes, airport.

MS. ORFANELLI: There hasn't been an indefinite waiver approved recently, not -- I don't believe in the last few years there has been any indefinite waivers.

COUNCILMAN RIZZO: Are there -- Madam President, may I just add?

PRESIDENT VERNA: There are. Because if you have doctors that have been on that list since 1976, that had to be an indefinite waiver.

COUNCILMAN RIZZO: It had to be.

And I understand that there are some waivers, and I question those waivers. When I say I question them, I understand that there are some waivers given to some of the employees at the airport that are considered -- what word am I looking for here?

Talk about the waivers at the airport.

REVEREND WARREN: They are one-year waivers at the airport.

COUNCILMAN RIZZO: For what? Residency?

MS. ORFANELLI: That's correct.

COUNCILMAN RIZZO: Because they didn't live here, they were recruited.

MS. ORFANELLI: Recruited.

COUNCILMAN RIZZO: Well, I have a lot of questions for the Personnel Department, when it is really their turn. So, I will just end now.

PRESIDENT VERNA: Thank you, Councilman.

And I know Councilman Ramos is next to be recognized. I have just one simple question, if you don't mind.

You mentioned that you are hearing appeals relating to layoff of employees. When were these employees laid off, and how many of them were laid off?

REVEREND WARREN: They were laid off last year; a directive from the Mayor, you know, budget cuts. And that is why so many were laid off. It was a directive to us.

PRESIDENT VERNA: Do you have any indication as to how many employees were laid off and how many are appealing?

REVEREND WARREN: We can get back to you on that. But we have heard several cases, layoff cases.

PRESIDENT VERNA: Several.

REVEREND WARREN: I would think in civil service and exempt, it was 220.

PRESIDENT VERNA: 220 employees were laid off?

REVEREND WARREN: Yes.

PRESIDENT VERNA: And, Ms. Warren, how many of the 220 appealed?

REVEREND WARREN: We have that information. Just one minute. All right. We have to get back to you on that.

That number, we received 67 appeals,

total. So of that number, the layoffs were included in that, in that number of 67 who appealed.

We will get you that information.

PRESIDENT VERNA: Do you have the outcome of the 67 appeals?

REVEREND WARREN: Well, we issued 48 opinions, but we have to get back to you on the outcome, whether they were denied, you know.

PRESIDENT VERNA: Okay. I think we would like to see that information.

But, more importantly, I think we are all very interested in knowing and having a complete list of the residency waivers that have been granted. We want to know where these people live and what the title of their jobs are.

REVEREND WARREN: All right. We will get that information to you forthwith.

PRESIDENT VERNA: I would appreciate it. Thank you very much.

The Chair recognizes Councilman Ramos, who has been extremely patient. Thank you.

COUNCILMAN RAMOS: Thank you, Madam President.

One of my two questions was along the same lines of residency waiver. And Council President, Councilman Rizzo have asked a number of the questions that I had jotted down here.

A followup to the question of the part-time physicians. Are these individuals that also probably have another job somewhere else, besides their part-time job with the City of Philadelphia?

REVEREND WARREN: I'm almost certain we could say yes.

COUNCILMAN RAMOS: So there is a chance that the part-time people that we have extended these waivers for, some of them over 25 years, go back to their suburban homes and have a practice out there, as well; and they come to Philadelphia, they get a part-time job, and get a pension along with it, as well?

I mean, that's probably happening; right?

REVEREND WARREN: Yes, that's logical thinking.

COUNCILMAN RAMOS: I would suspect so. That these doctors are coming here, working part time here, picking up, accruing pension time, yet they probably have another practice or are working somewhere else outside of the city.

As the Chairman of the Committee of Labor and Civil Service, the Civil Service Commission, and the Personnel Director, as well as the Board of Pension and Retirement come under my committee.

And I have been very carefully studying these other areas outside of labor relations, which is the main area that my committee covers, so that I can, as I fulfill my obligation, get to know the other components of the committee that I Chair.

In the Civil Service Commission, Reverend, you and, I believe, Mr. Logan and Ms. Morgan, you three are commissioners. You are not employees of the -- correct me if I am wrong -- you are not employees of the Civil

Service Commission, or are you?

REVEREND WARREN: Yes.

COUNCILMAN RAMOS: You are employees.

When you talk about staff, you are talking also about the three commissioners?

REVEREND WARREN: Yes, we are included in the budget.

COUNCILMAN RAMOS: So all three of you are staff, as well.

But you have other staff, besides the three commissioners?

REVEREND WARREN: Yes; we have an administrative assistant and a secretary.

COUNCILMAN RAMOS: So there is five of you altogether working in that office?

REVEREND WARREN: In that office, yes.

COUNCILMAN RAMOS: And are you bound also by civil service regulations?

REVEREND WARREN: Yes.

COUNCILMAN RAMOS: All five of you abide by the same civil service rules as employees of the city on the civil service;

right?

REVEREND WARREN: That is correct.

COUNCILMAN RAMOS: And the budget, you are only increasing your budget by a little less than $4,000?

REVEREND WARREN: That is correct. No increase for us, if that's your next question.

COUNCILMAN RAMOS: I wasn't going to ask that. It seemed as though that you are running an operation with, comparatively speaking, you know, a small budget.

REVEREND WARREN: That is correct.

COUNCILMAN RAMOS: Okay. But the three of you are -- are you full-time employees, the three commissioners?

REVEREND WARREN: No. No, we're not. At presently we are working three days a week; Tuesday, Wednesday, and Thursday.

COUNCILMAN RAMOS: But you are considered civil service employees?

REVEREND WARREN: Yes.

COUNCILMAN RAMOS: Thank you.

PRESIDENT VERNA: You are welcome.

Are there any other questions or comments?

The Chair recognizes Councilman Rizzo.

COUNCILMAN RIZZO: For the Personnel Department, could you add to the list for my question on the docs, do we also pay their malpractice insurance, or does the city provide malpractice insurance for these part-time doctors, when they work for us?

MS. ORFANELLI: Yes, I will get that information.

COUNCILMAN RIZZO: Thank you.

Thank you, Madam President.

PRESIDENT VERNA: You are welcome.

Any other questions or comments from members of the committee?

Seeing none, thank you all very much.

The next department to testify is Personnel. Ms. Orfanelli, it is all yours. And we do have a copy of your testimony.

MS. ORFANELLI: So you would like me to abbreviate it?

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PRESIDENT VERNA: Would you, please.

MS. ORFANELLI: I'm not good at abbreviating, but I will try.

PRESIDENT VERNA: Just skip around.

MS. ORFANELLI: I will give you the highlights.

Good afternoon at this point, President Verna and members of Council. As I said earlier, my name is Lynda Orfanelli, I am the Personnel Director. And today I have with me Tanya Smith, Deputy Personnel Director, Celia O'Leary, and back in the seats is Dan Earley, our Administrative Services Director for the Administrative Services Cluster.

Our budget request this year is for $5,010,141. And the majority of the increase is in Class 100, for salary increases that will be in effect July 1 for civil service employees.

In addition, we have increased costs because of the promotional exams for police and fire staffing and funding for our health benefits consultant, which was previously in finance's budget.

As you know, our mission is to recruit and select and retain a diverse and effective work force to support the goals of the city. And now that we have shrinking staff, we are trying to minimize the impact on city services.

And in order to do that, we have implemented a variety of programs. One of those programs is work force planning.

And with work force planning, we work closely with the Managing Director's Office and the Office of the Director of Finance so that we have the information we need to provide the proper staff and to respond to budget constraints that are in effect at various times, as you are aware.

In addition, it is important to take into effect the turnover resulting from the DROP employees. So that we are implementing strategic staffing to analyze work force trends and anticipate staffing needs across the government.

This year we did requests for proposal for health benefits, for medical, prescription, dental, and for life insurance. And we continue to provide these benefits for 7,000 employees, and life insurance for 39,000 employees.

With the help of our consultants, we were able to get excellent prices and we are not asking for any premium -- additional premium contributions for any of the group members.

The number of candidates who apply for city employment and promotion varies from year to year. In year '04, we had 54,500 people apply for jobs.

In '05, we had 18,279, and that was directly related to the fact that we were not doing much hiring and we were doing layoffs. This year to date we have about 22,000 applications.

We have instituted a variety of changes to help manage these large number of applications that we get, which are way beyond the number of positions that we have to fill.

I guess the most significant change that we made was the application fee, which has had an amazing impact, I guess, quite a significant impact.

One of the big changes that has come as a result of the application fee is that we have a much greater appearance rate. More people who apply actually show up to take the tests.

And that's -- the appearance rate has gone from 43 percent to 70 percent, so that over 70 percent now come to take the exams.

And as an addition, the number of people who pass the test, the percentage of -- the applicants who pass the test, has also gone up.

So that we have an applicant population which is looking more closely at the requirements of the job, and they are more serious about wanting the jobs with the city.

Our department is spending less time on the mechanics of administration, and we are able to provide enhanced services.

We now notify candidates of the test date in advance. That was always a complaint.

Because people applied for exams, but they didn't know when the exam would be. Now they know when the exam will be. We also have scheduled some evening exams.

As my testimony indicates, our work force has become more diverse in every category. And our numbers in the testimony compare our work force in 1995 to our current work for, which shows increases in all categories.

We also continue to support employees who are in the military. We comply with the Uniformed Service Employment and Reemployment Rights Act, and our staff routinely works with departments to ensure successful reintegration back into the work force after military leave to serve in the Middle East or anywhere else in the world that they are required to serve.

We are working on cost reductions through automation. Since 1990, the Personnel Department has reduced its staff by 35 percent to its current 78 positions.

And this has happened primarily

through attrition, but we have been able to do that by having additional IT applications which provide efficiencies and eliminate the need for replacing positions.

Our current system, our current human resource information system, which was installed in 1980, is slated to be replaced with a new system, which will greatly enhance our ability to provide service.

It will give us more management tools, and it will also enable us to get rid of redundant systems.

Our customer service center provides information to applicants and employees on vacancies, application procedures, test schedules, scores, and eligible lists. And we have an automated job hot library number, and we can also be reached on the web.

This concludes my testimony. I am prepared to answer any questions.

PRESIDENT VERNA: Thank you very much.

Ms. Orfanelli, you mentioned that the benefits consulting contract has been moved from finance to your department.

MS. ORFANELLI: That's correct.

PRESIDENT VERNA: Does this mean that you are responsible for achieving the future savings in the Five-Year Plan for health and welfare costs?

MS. ORFANELLI: We were always responsible.

The fact that the contract was in finance had nothing to do with the responsibility; it was just the payment for the contract. Because the benefits consultant worked with us.

PRESIDENT VERNA: Well, can you explain the benefits and the associated risk to the city? I think this is something that has been mulling over for the last couple of years about self-insurance; is that true? And as it is mentioned in the Five-Year Plan?

MS. ORFANELLI: The only self-insurance we are doing, we changed to, was for our prescription plan.

We did -- an analysis was done in terms of the risk and reward of having self-insurance for our medical, and we decided not to go that route. So we achieved savings without going that route.

PRESIDENT VERNA: What was the savings, do you recall off the top of your head?

MS. ORFANELLI: No, I don't; but I can get that for you.

PRESIDENT VERNA: That's fine.

Do you have the introduction of the Five-Year Plan?

MS. ORFANELLI: Do I have that with me?

PRESIDENT VERNA: Yes.

MS. ORFANELLI: No, I don't.

PRESIDENT VERNA: Okay. Well, on Page XYII, it states -- and maybe you can clarify this for us -- "The plan assumes that the city will mitigate health insurance cost increases by $12 million in FY '08 and $46 million over the life of the plan by implementing reforms, such as self-insurance or consolidating prescription drug purchases. By becoming self-insured, the city would eliminate health insurance companies' administrative fees for processing medical claims from the health plan recipients, while consolidating purchases would lower the city's costs by achieving volume discounts and improved terms."

Can you tell us what the basis of that statement is?

MS. ORFANELLI: At the time that the Five-Year Plan was written, those were all things that we were looking into.

But, as things evolved, the only one that we really implemented was the prescription self-insurance. And that was after quite critical review of all the details.

And, in fact, we are projecting to spend less money on prescription this year than we spent last year.

PRESIDENT VERNA: Well, Ms. Orfanelli, does this put a $45 million hole in the Five-Year Plan?

MS. ORFANELLI: No; because we achieved savings without going self-insured.

We achieved significant savings.

Our overall increase for medical this year was less than 5 percent.

PRESIDENT VERNA: All right. On Page 2 of your testimony, you state, "Due to the city's financial constraints, an assessment of resources needed to" -- now this is very, very unclear to me -- "an assessment of resources needed to process applications, prepare materials, and assign staff to provide examination services to those who failed to follow through in the application process and did not report to take the test, changes were made in the application process."

Now, that's as clear as blue moon to me. I don't know if anybody else can understand that.

Can you tell us what this statement means and what the changes were?

MS. ORFANELLI: The major change was the application fee.

So we eliminated applicants -- applicants who are no longer serious about working for the city don't apply. So we do not have the excess number of applications that we were receiving previously.

We had -- 9,000 people would apply for the fire exam and 3,500 would show up. We had to respond to all those applicants. We had to prepare materials for the potential for 9,000 people coming to exam. We had to make sure that we had enough monitors to be in all those rooms, for the potential for 9,000 people to come to that exam. And then less -- a third would show for that test.

Now that we have instituted the application fee, we are -- we are getting approximately 3,500 applicants applying, 3,000 show for the exam. So our show-up rate is much higher in terms of the number that are coming.

So we have less pieces of paper to handle, we have less time wasted on the administration of an exam for 9,000, when in fact 3,000 are going to come to take the test.

PRESIDENT VERNA: Councilwoman Blackwell, did you want to piggyback on this, or did you want to wait?

COUNCILWOMAN BLACKWELL: Absolutely.

PRESIDENT VERNA: I have some other questions.

COUNCILWOMAN BLACKWELL: Thank you, Madam President.

Obviously this has been an issue we have been concerned with for some time. And we were upset last year when the city agreed to hold it up, and then reinstated it without coming back to Council.

And, so, we hear what you say with regard to the fee. Would you repeat, if I missed it, where we are in terms of some seniors who can't pay, where we are are special positions and the overall fee, what it is now and where you are making some considerations for lower?

MS. ORFANELLI: Yes, I would be glad to, Councilwoman.

Actually, the Personnel Department did meet with the Councilwoman. And, as a result of her suggestions, we have made some modifications. And I think that have made it a fairer fee.

If a person applies for a part-time job, they pay half. Actually, a little bit less than half.

Laborers, where there is a -- there is less work involved for us, we --

PRESIDENT VERNA: I am sorry. I don't mean to interrupt you. They would pay half.

MS. ORFANELLI: That's correct.

PRESIDENT VERNA: I believe the fee was originally $35.

MS. ORFANELLI: The fee was 35. For part time, it is $17 now.

Laborers, the fee is $10, so that's a dramatic reduction.

We are charging a single fee if someone applies for a general and a bilingual specialty, so they don't pay twice.

We charge a single fee if there is more than -- if there are two specialties in a job, for example, management trainee, where there is a personnel specialty and a general.

In addition, we are seriously considering a reduction in the fee for seniors. In fact, we are doing the analysis right now, as the Councilwoman has asked us to look into it.

And at this preliminary look, I believe we are going to be able to do that, as well.

So, basically, what's happened is, we have made modifications to the fee to make it a fairer fee and so that is not as onerous for everyone.

We do have waivers, as you know, for a variety of people who are on assistance, and we have waived about 10 percent of the fees overall.

COUNCILWOMAN BLACKWELL: Thank you very much, Madam President. We look forward to hearing from them with regard to the outcome of their study on senior fees.

And albeit we did not support this at all, we are glad that Ms. Orfanelli, her department, and the Administration, has agreed to compromise so that it is fairer.

And thank you very much. And you are you will get back to the Chair?

MS. ORFANELLI: Yes, I will.

COUNCILWOMAN BLACKWELL: Thank you very much.

PRESIDENT VERNA: Ms. Orfanelli, you mentioned that you will be implementing a new human resources information system.

MS. ORFANELLI: Yes.

PRESIDENT VERNA: What is the estimated cost of that system?

Identify yourself for the record.

MS. CELIA O'LEARY: I am Celia O'Leary, Deputy Personnel Director. We are going to the Productivity Bank Committee to ask for funding for this project.

Over five years we estimate it will cost about 7 and a half million dollars, and the payback will be over $12 million at the end of that time.

PRESIDENT VERNA: Can I assume this is in the grants fund portion of your budget?

MS. O'LEARY: Yes, ma'am.

PRESIDENT VERNA: Yes?

MS. O'LEARY: Yes.

PRESIDENT VERNA: The grant is

funded by the productivity bank.

By approving your budget, does the Administration assume we are approving your grant or will you be coming back to City Council for loan approval?

MS. ORFANELLI: I am sorry. I don't know that process.

PRESIDENT VERNA: I guess Ms. Reed should be able to answer that with no problem whatsoever.

MS. REED: Dianne Reed, Budget Director.

Yes, of course this is a bill that exceeds the threshold of bills that do not -- or items that do not come to Council, so that we would definitely be bringing this back to Council. And this has yet to be voted on, so...

PRESIDENT VERNA: Okay. How will this loan be repaid, as I do not find any repayment in the Five-Year Plan?

MS. REED: The presentation to the productivity bank is still being developed. And I have not seen the latest version of this.

But part of it will be, because it is an enterprisewide solution, will be in the reduction of positions that will not be needed because, actually, the activity that some people who have a human resources title now do will be obsolete; replaced by, you know, information technology solution.

So that people will either leave the organization by attrition or be retrained and redeployed.

PRESIDENT VERNA: I don't understand why you are doing this now, when you should come to us at the time that you are ready to do this. Question, answer, nothing.

MS. REED: I don't understand the question, Councilwoman.

PRESIDENT VERNA: The Chair recognizes Councilman Rizzo.

COUNCILMAN RIZZO: Thank you, Madam President.

Ms. Orfanelli, are you aware of vacancies in the Fire Department for paramedics?

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MS. ORFANELLI: Yes, I am aware they have some vacancies.

COUNCILMAN RIZZO: How many?

MS. ORFANELLI: I don't have the exact number to date.

PRESIDENT VERNA: I am glad you thought of that.

COUNCILMAN RIZZO: We're a good team.

There was somewhere, the Commissioner reported, in excess of 80.

MS. ORFANELLI: I am not aware of their exact vacancy number.

COUNCILMAN RIZZO: Okay. Do you think it is the role of the Personnel Department to help fill positions?

MS. ORFANELLI: Yes. And that's why we have lists. And we do have a paramedic list at this time.

COUNCILMAN RIZZO: The Commissioner indicated that he couldn't find any paramedics to fill those positions.

MS. ORFANELLI: We have a list with paramedics.

COUNCILMAN RIZZO: Available to hire?

MS. ORFANELLI: Yes. We don't have 80, but we have a list.

COUNCILMAN RIZZO: Why are we being told that the reason we are downsizing from advanced life support to basic life support, that we're being threatened to reduce the number of medic units, because we can't find medics because of the residency issue, that they have to live here for a year before they can take the job?

Is that the correct scenario?

MS. ORFANELLI: I'm sorry. You know, I wasn't at the fire testimony.

COUNCILMAN RIZZO: It would amaze me that a Personnel Department knows that we're short paramedics, that the Fire Department doesn't come to personnel and say, please help us fill these positions.

I mean, I can't imagine an organization with 80 vacancies not appealing to personnel to do what you guys do best, fill positions.

So if you have got a list of available people, and there are vacancies, no matter if there is 2 or 22, why aren't they being filled?

MS. ORFANELLI: I can't answer that question.

I mean, when a department needs positions, they come to us and ask us. And we will test, if we don't already have a list.

Now, sometimes there are budget considerations, or maybe there are other considerations.

The fact that we have not --

COUNCILMAN RIZZO: So you are telling me that the Fire Department didn't tell us facts here, that they didn't ask to fill the 80 vacancies?

MS. ORFANELLI: It is possible that they don't have the budget approval to go ahead and do it. I really don't --

COUNCILMAN RIZZO: When you have vacancies, you obviously have the money, because people have left and the money is still there; correct?

MS. ORFANELLI: Not necessarily.

COUNCILMAN RIZZO: Could the Finance Director please come to the table and please explain to me how many vacancies we have for paramedics, and do we have the money to fill those positions?

Because I am finding out today that we have, apparently, a list, and what Commissioner Ayers indicated is that he doesn't have the people available to fill those positions.

So could the budget director come, when you get finished doing the Blackberry, to get the answer to the question? Because this is really frustrating. This is a matter of life and death here.

If we have 80 vacancies for paramedics, and the Personnel Department has a list -- how many do you have on the list?

MS. ORFANELLI: We have 26 on the list, and we are announcing a new test on the 27th of March.

COUNCILMAN RIZZO: So there is 26 people in queue to be hired, if the Fire

Department wanted them this week?

MS. ORFANELLI: I believe so.

PRESIDENT VERNA: And the 26 have passed, I assume, all phases of the exam?

MS. ORFANELLI: Yes.

PRESIDENT VERNA: They have.

So there is no reason why we couldn't hire them? They would be eligible.

MS. ORFANELLI: If those people are available -- unless they are not available, which, that's possible. But that would be the only reason that I could see.

COUNCILMAN RIZZO: And you would know that, if you reached out for them?

MS. ORFANELLI: No. If they are on the list -- when someone is on the list and the department asks for positions, we certify positions to them.

And then they frequently, if it is a large number, they will frequently contact those people to come in for interviews. And if they are not available, that's when we find out.

COUNCILMAN RIZZO: Now, you

indicated that one of the issues could be the Fire Department's budget.

MS. ORFANELLI: Possibly.

COUNCILMAN RIZZO: Ms. Reed, could you tell us the status? We have 80 vacancies, according to the Fire Department, for paramedics.

Is the money in their budget to hire additional paramedics from 1 to 80?

MS. REED: The Fire Department has not hired all the people that it is entitled to hire this year. So I will check with you for sure, but I daresay the money is there. This may be just a matter of delays in the approval process.

Because, ultimately, if it is not health and safety position, I have to authorize it myself, and I have not received the request for approvals for these positions.

COUNCILMAN RIZZO: I think I understand what you said. Let me make sure I got it right.

Are you telling me that the Fire Department has not requested you to approve hiring additional paramedics?

MS. REED: I only see the requests at the end of the process, after they have gone through the managing director side of the house and have been approved by budget. So I don't see them preliminarily.

COUNCILMAN RIZZO: So we got a story spun to us here that part of the problem is that paramedics are very difficult to find, that paramedics are not available, or the Fire Department would have hired them.

Now we hear we have in excess of 20 on a list that could be hired. I mean, one thing I always thought this process here was truthful.

And what I am hearing today, either there are people that are very misinformed in the Fire Department, and the right hand doesn't know what the left hand is doing, and we are possibly jeopardizing the quality of service because we don't have enough people.

I really need the Chair, along with Personnel Department, we need to have the story told or we're going to have to recall the Fire Department, the Personnel Department, you, to get it straight.

Because I don't like to be told that this is an issue, that people are not available, and we find out that we have got people available.

So one thing I would like to get the story -- I think the Personnel Department needs immediately -- you have a liaison, I would assume, at the Fire Department -- to find out really what the real deal is here.

Because I don't like to be told one thing and, because I am being told, believe it because it is coming from a source that should be telling me accurate information.

So I will look at what I have been told as maybe just poor communication at this point.

MS. ORFANELLI: We will reach out to the fire and find out what their intention is, or there is a delay somewhere that we're not aware of.

COUNCILMAN RIZZO: I would appreciate that.

And Ms. Reed, you are prepared to fill the majority of the positions that are open?

MS. REED: Definitely. I mean, the Fire Commissioner has made it quite clear, you know, how urgent it is to fill these positions.

COUNCILMAN RIZZO: But how come the Personnel Department doesn't know it?

Aren't you amazed to hear that, that there is a desperate need to fill positions and you have 20-plus people on a list?

You, as a real veteran in this business, how does that story sound to you?

MS. ORFANELLI: There is some -- something is wrong along the food chain line, and I don't know what that is. But there is something that needs to be looked into.

COUNCILMAN RIZZO: There is something wrong; correct?

MS. ORFANELLI: Something just doesn't seem right.

COUNCILMAN RIZZO: What's that expression, something stinks somewhere?

MS. ORFANELLI: I'm not saying it.

COUNCILMAN RIZZO: I'm not going to go there.

But there is, obviously, a real problem here. And, I mean, I hope you are as flabbergasted as I am.

PRESIDENT VERNA: I think we all agree.

But I am just a little curious. Does the Police Department train for paramedics before they are certified? Who trains them?

COUNCILMAN RIZZO: They come certified, pretty much, don't they?

PRESIDENT VERNA: Do they come certified?

MS. ORFANELLI: Yes, they have ongoing training after they are hired, but they do have certain certifications that they have to bring to the job.

COUNCILMAN RIZZO: Many of them, Madam President, work for the private sector. You see these private ambulances.

PRESIDENT VERNA: Ambulance service.

COUNCILMAN RIZZO: And that's one of the things that Commissioner Ayers said to me, that one of the problems with the residency requirement in filling these positions is that he can't reach out to Montgomery County or he can't reach out to a trained paramedics in Bucks County or in New Jersey to come work here.

I mean, I was working on trying to find out if we could get a waiver -- I even hate to use that word -- to fill these positions.

Now I am finding out that all of that would have been an exercise, a waste of my time, because we have got people here.

I mean, the Commissioner is telling me that the problem he can't fill these positions is because he can't hire people because of the residency requirement. I think that's kind of starting --

MS. ORFANELLI: Let me step back here.

If he has 80 vacancies, and we have over 20 or our list, and we are going to test again, I think what we will find out is, when we announce again the end of March, we will see how many applicants we get, then we will know whether we have a problem.

COUNCILMAN RIZZO: My final question, then, if we have a problem, let's say we drain the pool down to the point where we don't have anymore Philadelphians that want to be paramedics, what do we need to do to fill all 80 positions?

Can we get a waiver and allow people to apply for this job? Ms. Reed said the Commissioner said that this is a high priority.

MS. ORFANELLI: Well, if it -- let's say we have the list, we exhaust the existing list, we announce again, and we don't get enough applicants to fill the actual number of vacancies that have to be filled.

Then I think we could go back to Civil Service Commission and ask for a class waiver for one year, for people that will still have to move into the city.

But that works. I mean, people do

move into the city.

COUNCILMAN RIZZO: Right. I mean, I have had people, after hearing me speak about this, say to me they would love to come from other parts of the country, that have all the credentials to come do, like you said, what they bring to the job, but the residency issue.

They're not going to come here and move here and not be assured that they have a job. I mean, would you pick up and move to Philadelphia from someplace else, and have to live here for a year before you know if you have a job? No way.

MS. ORFANELLI: No. You are right.

COUNCILMAN RIZZO: So one thing --

MS. ORFANELLI: So when we do this test, and if we can't get enough candidates, then we will go back to the Commission and ask for that class waiver.

But we still have to -- we have to announce it and see what we get, then we will know.

COUNCILMAN RIZZO: That's fair. But

all I am is really troubled today to hear that we have got these 80 vacancies, you have got 20 on a list, and we don't have them hired.

So I would appreciate it, because I know you are committed to trying to make this a good place, that we just can't have paramedics out there working a tremendous amount of overtime to fill the holes, when we have got the money, according to the budget director, to hire these people. Let's get them hired.

MS. ORFANELLI: Yes.

COUNCILMAN RIZZO: Thank you, Madam President.

PRESIDENT VERNA: Thank you very much.

Are there any other questions or comments from members of the committee of these witnesses?

Seeing none, I thank you all very much.

MS. ORFANELLI: Thank you. And we will get back to you with all the information you requested.

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PRESIDENT VERNA: Please do.

MR. McPHERSON: The next department is the Human Relations Commission.

PRESIDENT VERNA: Good afternoon. Kindly identify yourself for the record, proceed with your testimony.

And I would ask you to please abbreviate your remarks. A copy of your testimony will be given to the stenographer and it will be transcribed in full. Thank you.

MS. RACHEL S. LAWTON: Good afternoon, President Verna and members of City Council.

I would like to thank you for the opportunity to testify today regarding the Fiscal Year '07 Operating Budget and PCHR activities.

My name is Rachel Lawton. I am the Acting Executive Director, Commissioner on Human Relations. With me is Jackie Henry, Deputy Director of Administration.

PCHR is the city agency charged with enforcing civil rights laws under the

Philadelphia Fair Practices Ordinance. PCHR is also charged with addressing all matters of intergroup conflict and neighborhood disputes within the city. We also provide full-time staff for the city's Fair Housing Commission.

The Commission on Human Relations and the Fair Housing Commissioner are requesting a combined budget of $2,156,825 in Fiscal Year '07, which reflects an increase of $121,744 over Fiscal Year '06 estimated obligations.

We got a contract with the United States Equal Employment Opportunity Commission to investigate discrimination complaints that have been filed with both agencies.

In federal Fiscal Year '06, we received a contract to investigate 314 cases for $170,760, which includes $1,200 for training.

To date in Fiscal Year '06, we have closed a total of 250 discrimination cases. We projected that we would close approximately 360 cases by the end of Fiscal Year '06, and we are on target to meet that projection. We are projecting to close 400 cases in Fiscal Year '07.

We anticipate complainants receiving over $800,000 in Fiscal Year '06 from negotiated settlements.

Our Community Relations Division is dedicated to responding to intergroup tension throughout the city and promoting intergroup communication and understanding. I will give you just a brief summary of the activities within the past year.

We assisted the Latino Partnership Initiative in identifying and developing solutions for issues that disproportionately affect the Latino community.

We continue to work with the Northeast Prevention Task Force, which was created in 2004 to address the increase in violence in that community.

We organized diversity workshops to promote diversity awareness between students. One particular school, Furness High School in South Philly, has been experiencing racial tensions between African-American and Chinese students. And we assisted --

PRESIDENT VERNA: What school did you say that was?

MS. LAWTON: Furness.

We assisted students in organizing a dialogue on race relations forum to enable students of different races to talk about race issues in the school and then enable the students to provide recommendations to improve the school.

Ongoing PCHR intervention was requested in the Kensington, Fishtown, and Port Richmond neighborhoods by a number of public and parochial schools.

These outreach initiatives help to strengthen school and community ties and dispel rumors and stereotypes about differences that lead to tension and possible violence both in and out of school.

We assisted Roxborough High School in these tensions around fighting between groups of female students of different ethnic backgrounds.

PCHR conducted two meetings in an

effort to better coordinate the front-line agencies dealing with violence in our city. Over 20 agencies and social activists attended the first meeting, at which each agency had the opportunity to introduce themselves and to meet others involved in the area of quelling violence.

PCHR has joined with Ed Schwartz and the Institute For the Study of Civic Values on a Safe School, Safe Neighborhood civic values campaign.

Part of that campaigned will be the dissemination of information regarding activities to combat violence.

We have continued to hold bimonthly interagency civil right tasks force meetings. These meeting provide a crucial communication link, enabling participants to collectively share information and address problems before tensions in the neighborhood get out of control.

We have met with several international delegations from Central and South America, the Middle East, and Asia sponsored by the International Visitor's Council of Philadelphia. Discussions involved addressing intergroup conflicts and how civil rights laws are enforced in Philadelphia.

And, finally, we are planning a forum on May 11 at the Convention Center with agencies and community organizations that provide services to immigrant and refugee communities throughout the city to assess the greatest needs of these emerging and growing communities.

This concludes my summary.

PRESIDENT VERNA: Thank you very much.

Are there any questions from members of the committee?

Seeing none, I thank you. Thank you very much.

The committee will stand in recess until 1:45, at which time we will hear from Community College. And after Community College, it will be SEPTA.

Thank you very much.

(Short recess.)

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PRESIDENT VERNA: Thank you all for your patience.

We will reconvene the Public Hearing of the Committee of the Whole. And we are now ready to hear from Community College. Thank you for waiting.

MS. RHONDA COHEN: Good afternoon, President Verna and members of City Council. My name is Rhonda Cohen, and I am here as a member of the Board of Trustees of the Community College of Philadelphia. With me today is a fellow Board member, Tom Butler.

PRESIDENT VERNA: Welcome.

MS. COHEN: My colleagues on the Board are dedicated civic and business leaders.

Each of us gives our time because we recognize the importance of Community College of Philadelphia, which provides access for many residents who might not otherwise earn a degree or even consider continuing their education.

On behalf the Board of Trustees, we thank Mayor Street for recognizing the work of our faculty, administrators, staff, and students.

We are grateful that, while the City Council has had fiscal difficulties, the Mayor and City Council have not reduced the college's funding over the past several years.

The city support is vital, if we are to continue to help the growing number of workers who need new skills to remain employable, and the many students who seek to transfer seamlessly from Community College of Philadelphia to one of the region's many prestigious four-year universities or colleges.

Founded in 1965, Community College of Philadelphia has grown from an educational institution with 700 full-time and part-time students, to a school that now has educated close to 600,000 Philadelphians.

We offer more than 70 career and transfer programs in business, humanities, allied health, science and technology, and the social and behavioral sciences.

We have day, evening, and weekend

classes, as well as distance learning and continuing education courses.

We also offer off-site tailored courses to meet the needs of the local business community.

As you can see, despite our budget challenges, we have made quality education and student-centered services our top priorities, but much of our future hinges on what is done during this critical budgetary period.

While we thank you for your support over the past several years, we ask that you consider our growth and the growing demand for our programs.

The city's financial support is critical, if we are to continue to keep pace with the needs of our student body.

I would now like to introduce the President of Community College, Stephen Curtis.

PRESIDENT VERNA: Welcome, Doctor.

DR. STEPHEN M. CURTIS: Thank you. My name is Stephen Curtis, and I thank you for the opportunity, once again, to testify before you.

You have my written testimony, and I am not going to read that. But I would like to summarize one or two of the principal points in that testimony.

As our Board Chair has indicated, we recognize the economic constraints that the city has faced in the past four or five years.

And we have been very appreciative that City Council has expressed its support in very tangible ways in the face of those economic constraints.

But I want to share with you today the cumulative effect of the city's difficulty in advancing the funding of the college over a period of what will now be six years.

Each year we present a proposed budget for the college and a proposed allocation to the city. For the coming year, we had asked for an additional $2 million in the city's allocation to the college.

I believe that the city budget that is before you for your consideration, once again, keeps our allocation at a flat level.

If that were to be approved, that would be the fourth year in a row that our allocation would be exactly the same.

If you went back two previous years, in one of those years the city allowed us an extra $300,000 as part of our allocation, and in the other an additional 400,000.

So in a six-year period, the City of Philadelphia will have provided for us an additional $700,000 total over a six-year period.

In that six-year period, we have absorbed thousands of new students. While we are not setting a record this year, up to a couple of years ago we were setting all kinds of records in our credit programs.

And the cost of absorbing those students, plus the normal costs that increase to do business each year, will have added about $30 million to our budget. And, again, the city will have contributed $700,000 to that $30 million total.

I need to share with you the implications of the city's inability to achieve a regular increase in our allocation. There are two.

The first is that the range and depth of our programs and offerings have been diminished.

Starting about two years ago, we eliminated more than a dozen degree and certificate programs. We took some services which we think are important, but are not necessarily directly attached to our core mission -- and I would cite a summer youth camp as an example -- and we eliminated those kinds of services.

We have reduced the number of sections in our credit offerings, in our noncredit offerings. And that has affected all of our sites; our four principal campus sites, as well as community sites and other places where we offer courses of different kinds.

The second implication for us is the cost of education to our students. Before we entered this period of economic constraint, we already were serving the least affluent student body of any Community College in Pennsylvania. And we already had the highest tuition of any Community College in Pennsylvania.

Within the last two years, because we have not been able to achieve the kind of public resources that we need in order to meet our mission, we have increased the cost of tuition fees to our students by a total of 27 percent.

We are about to take another proposed increase to our Board of Trustees within the next few weeks, and we expect next year's increase to be in the 9 to 10 percent range. For our students, this is becoming an enormous burden.

In pure dollars, we continue to maintain a differential in total costs for our students between us and the four-year institutions in our region.

But that is a singular premise of community colleges, that finances will not be an obstacle to providing access to post-secondary education for the residents of our community. So it is a core value, a core premise of what we are about.

On my campus, I now have to tell students that last year was the single largest increase for them in cost in the history of our college, this year was the second largest, and next year will be the second or third largest.

For students who are receiving federal financial aid -- and that's about half of our student body -- they are also faced with the fact that the federal government is not increasing the amount of Pell grants.

So what a Pell grant buys is diminishing each year. And Pell covers not only tuition costs, but also fees, books, and other classroom-related expenses.

So students who are receiving financial aid at our institution now have less capacity through their own financial aid. For those that are not receiving financial aid, they are paying more and more, unusually high increases for us, out of their pocket.

For your information, at the state

level, about two or three years ago the state was also encountering very difficult economic times, and for a period of about two years cut community college budgets. That exacerbated things in terms of our own local budget.

This year the state did begin the process of reinvesting in community colleges. There was an increase this year; and the Governor has proposed a small increase for all community colleges next year, as well.

We are asking that the city step forward in the same way and begin to reinvest in Community College of Philadelphia.

More specifically, I am asking that the city reconsider the original $2 million request that we made in additional city funds for next year's budget.

I know from talking with each of you personally that you feel strongly about the investment that CCP represents in this community, and I want to leave you with two specific examples of that investment.

Many of our students are looking to get a Bachelor's Degree, and we offer the first two years of a Baccalaureate program.

Our students then transfer to Temple University, other universities and colleges in the region.

We now know that 12 percent of every Temple graduating class consists of CCP students, so there is a return on that investment.

There are students coming to us that are indeed achieving that Baccalaureate. And they are doing it as almost half the cost, had they had to attend the four-year university throughout their career.

A second example. Half of every graduating class at our institution does not go immediately for a Bachelor's Degree, they go immediately into the workplace.

In the most recent graduate survey that we undertook, the average salary -- and that includes allied health and a whole range of other programs -- the average salary for our graduates going immediately into the workplace was $41,000.

Again, that is a return on the

investment not only to the individual and to the individual's family, but to the tax base of the city.

The core funding that we are receiving from the city is not enough. About five years ago that core funding represented about 24 percent of our Operating Budget. As we speak today, it is down to 19 percent.

And that differential has, over time, been transferred to students. They are paying the difference of what the city or state is not able to provide at any given time.

We respectfully ask for reconsideration of our original $2 million request. Our top priority -- if we receive that money, we will be able to add to a number of the programs that we do across the city; but our top priority will be to reduce the level of increase in tuition and fees that we are about to ask our Board to undertake.

We will be happy to answer any questions you might have.

PRESIDENT VERNA: Thank you, Doctor.

Have you in fact met with the Administration regarding your request for the additional $2 million? And, if so, what has the response been?

DR. CURTIS: We have met. We have met with the Mayor directly. We have met with members of the Mayor's Administration.

I think as there is -- as I meet with members of City Council, there is an indication of interest and support.

We have not had a specific response to the $2 million request, so I don't presume to speak for the Administration on that.

I think there has been --

PRESIDENT VERNA: But you got no indication whether they were considering?

DR. CURTIS: I had the impression that, yes, they would look at that request, re-examine it. I can't speak beyond that.

But, we have made exactly the same plea to the Administration.

PRESIDENT VERNA: And I believe your testimony further indicates that the federal government will be also cutting your budget by approximately $3 million?

DR. CURTIS: There is the potential. We are hoping that won't happen.

When I wrote the testimony, President Bush's proposed federal budget included huge cuts to the Department of Education, and I tried to translate that locally into how it would affect us.

But even within the last few days, the U.S. Senate, particularly under the leadership of Senator Specter, has begun the process of restoring at the congressional level some of the proposed cuts.

So, as we speak, I think there is a move afoot within Congress to try to undo some of that original proposal.

We are supporting the congressional efforts to restore the monies that the executive budget proposes cutting.

PRESIDENT VERNA: And what does the state budget reflect?

DR. CURTIS: As I indicated a few minutes ago, the Governor has proposed an increase for community colleges; specifically, there is a proposed 4 percent increase in Operating Budget for all community colleges across the state as a group.

That doesn't mean each one will get exactly 4 percent, but the entire budget would be increased 4 percent.

And there is a small amount of capital dollars, I believe about $4 million, that would be added to the capital line, again, for all community colleges.

For Community College of Philadelphia, because of the backlog of capital requests on the part of our sister institutions, we would not expect to have access to any of the capital funds from the state next year.

We would expect to have access to a considerable part of that 4 percent, which, for us, would probably translate to about an additional $800,000 in our budget.

PRESIDENT VERNA: Thank you very much.

The Chair recognizes Councilman Nutter.

COUNCILMAN NUTTER: Sorry. Thank you, Madam President.

Good afternoon, Ms. Cohen and President Curtis. President Curtis and Ms. Cohen, I really appreciate your testimony here this afternoon, and for any number of reasons.

But probably the most important is, in many situations -- and, of course, you are a more independent component of city government, but, nonetheless -- I deeply respect the fact that you have come in today to ask for something on behalf of the institution and young people, most importantly, in the city, at a time when, in many instances, other departments or agencies or entities that receive city support will pretty much take whatever they get and be glad about it, while knowing within their own heart and soul that whatever the funding level is probably will not serve the mission.

And, so, I respect and deeply appreciate you standing up for the institution, for the mission, in trying to make progress and laying things out in a way that is easily understandable. The facts are in front of us. And all it requires, really, is the political and guts to do the right thing.

So I want to commend you for that. I want to ask a couple of questions for information purposes.

President Curtis, you made reference to the cost presently. I guess it is usually referred to as costs per credit. And that Community College of Philadelphia, our rates -- and I recall seeing a chart in the paper some time ago that seems to indicate that our costs per credit is in some instances significantly higher than community colleges around us. Is that the case?

DR. CURTIS: That is true.

COUNCILMAN NUTTER: Could you, to the extent that you have that kind of information, just for comparison purposes, if you could forward any of that to the Chair, at least for any of the community colleges in Bucks, Chester, Delaware, Montgomery Counties, and if there is anyone else nearby, or even some on the other side of the river. I think for comparison purposes, that would be very helpful.

DR. CURTIS: We can do that, yes, sir.

COUNCILMAN NUTTER: That's great.

And you made reference -- and you and I have talked about this in the past -- the agreement with Temple University.

Could you go into a little more detail as to how that works?

DR. CURTIS: For any students who seek to transfer within the region, for years we have attempted to facilitate that transfer by providing written articulation agreements with the receiving institution, receiving four-year institution.

For a long time those agreements were based around the specific program. Let's say you wanted to be a teacher. You could take two years of an education program with us, and then transfer to a teacher-preparation program at a four-year institution, and the written agreement would guarantee the transfer of credits and the like.

Beginning with Temple, around 1999, we still do all those individual agreements, but we have also moved to something we call a dual admissions agreement.

Temple University and Drexel University were the first two to work out such an agreement with us, but we now have a dual admissions agreement with eight area four-year institutions.

COUNCILMAN NUTTER: Which are they?

DR. CURTIS: You are testing me. Temple, Drexel, La Salle, Peirce, Eastern, Chestnut Hill, Cheyney, and Cabrini.

COUNCILMAN NUTTER: Okay. Eastern, Chestnut Hill --

DR. CURTIS: Cheyney is our newest, and Cabrini.

COUNCILMAN NUTTER: Got you.

DR. CURTIS: The nature of the agreement there is that it covers more than one program. It may not cover every program, but it covers many programs.

It guarantees junior status upon

graduation from the college, our college. It provides, in most cases, academic advising by both our college and the receiving college along the way.

It provides automatic scholarships, if you attain a certain GPA, typically a 3.2, again without regard for the specific discipline area.

It guarantees that your general education is accepted, and so on. There is a whole series of guarantees that are spelled out.

Well, the dual admission agreements have started to change the nature of the transfer phenomenon for us.

We are finding that more students are staying longer now. I have tried to use the Temple example, because we have the most data from Temple.

We ask our receiving institutions to give us data. We want to know how successful our students are in transferring.

And we know that, in analyzing the Temple data now, that of all the transfer groups -- from across the river, from our neighboring county community colleges -- our CCP transfer group, at the moment, at least, have the highest GPA once they are at Temple, have the best persistence rate.

And, as I said to you, the latest data we have seen, say, out of the class that was evaluated, the graduating Temple class, 12 percent of that class had started at CCP.

So that's the nature of -- I think the dual admission program has started to move forward even more significantly the articulation that already existed.

COUNCILMAN NUTTER: And, of course, you are aware -- and we chatted a little bit about this -- there is a movement, maybe it is not big enough to be considered a movement, but certainly a move in the right direction, a number of what are considered, at least by the newspapers, let's just call them, bigger named colleges and universities across the country have started to take a second look for any number of reasons, diversity being one, at community colleges.

You and I talked about a news story involving University of Michigan and California, North Carolina, and some others, who are paying a lot more attention to community colleges to bolster their own ranks.

Some of the other big-name schools in Philadelphia, how are we making out with them on dual admission policies and these kinds of agreements?

DR. CURTIS: Again, we have something like 90 total agreements of all different kinds with many institutions.

The dual admissions agreements that we have been able to achieve so far are with the eight institutions that I have already cited.

COUNCILMAN NUTTER: Well, certainly there are a few other schools around that we might want to try to engage --

DR. CURTIS: We are constantly out there on behalf of our students.

COUNCILMAN NUTTER: Very good.

Let's talk a little bit about funding. The President alluded to it earlier.

There is a chart that I have seen that seems to tell the bulk of the story when you talk about the city support versus the state support, and then, of course, the balance being taken up by the university.

I am looking at a chart that has the city's operating revenue and percent expense over what is almost a -- close to a 30-year time period.

And what it indicates is that, in the 1977, '78 time frame, that time the city was supporting the institution at a 34.7 percent level, which actually rose over the next couple of years to its high point at 39.2 percent in 1980.

25 years later, the city's support is now down at 19.2 percent; is that correct?

DR. CURTIS: That's correct.

COUNCILMAN NUTTER: The Commonwealth of Pennsylvania, taking the same example, in 1977 was at 36.4 percent, and they have had some higher years, and last year was at 30.4 percent.

DR. CURTIS: This year is 30

percent. I think last year was slightly less than that.

COUNCILMAN NUTTER: Right, at 28.

But the impact on the university, or the college, rather, has been directly proportional, or I guess inversely, to the city.

Whereas, in '77 you were at 29.7 percent, you now find yourselves at 47.4 percent?

DR. CURTIS: That's correct, for the cost to students.

COUNCILMAN NUTTER: And, so, while the state has remained relatively stable, somewhere in the 30s, lows and highs, but at least in the 30s over that 25 or close to 30-year period of time, the city has significantly dropped by almost close to half.

And the university has had to pick up the lion's share, the college, rather, which is really the students?

DR. CURTIS: It is true. It is not the college, it is strictly the students.

COUNCILMAN NUTTER: Is that, in your

estimation, a potential barrier to young people accessing college education?

DR. CURTIS: I think there is no question that it can be a barrier.

In my oral testimony a few moments ago, I indicated that, in the last several years -- last year, this year, and now next year -- we will have seen in pure dollar terms, as well as in percentages, by far the highest increases in tuition and fees that our college has ever implemented for students.

I tried to suggest in very brief -- in a very brief way that half of our students receive federal financial aid, Pell. That will cover the cost of increasing tuition fees for a full-time student.

But Pell is also meant to cover other costs related to going to college. And, so, students, after the tuition and fee charges have been accomplished, have what is called a balance check to buy their books and to do other things. That balance check is steadily diminishing.

So students feel the pinch, even if

they are on financial aid.

About half of our student body does not receive financial aid. And these are students that are still near that cutoff for financial aid, but are paying -- don't quite qualify, so they pay out of their own pockets.

We know that enrollments at the college vary. There are periods where, depending on the economy, they rise or fall. This year they have fallen a little bit.

And we believe one of the reasons -- not the primary reason, not the only reason, but one -- is the increasing costs of tuition and fees.

Students will go part time instead of full time or will take one course instead of two courses. There are lots of ways it may manifest itself. But we do believe it does have an impact on student access to the programs and services that we offer.

COUNCILMAN NUTTER: Lastly, you are aware that an amendment, or a proposed amendment, has been offered and introduced in this City Council, I offered that a couple of weeks back, which would seek to restore Community College to the -- and the city's funding for Community College to about 33 percent of the total cost over a five-year period of time.

The initial impact of that would be an amendment to the FY '07 Operating Budget of approximately $3.9 million.

Now, I understand from your testimony that you are asking for a $2 million increase from the city.

So probably it would be the easiest question of the day. Would you rather have the $2 million in your testimony or would you rather have the $3.9 million in the proposed amendment?

DR. CURTIS: Let me think this over, now.

COUNCILMAN NUTTER: You might want to confer with some advisors, talk with Ms. Cohen.

DR. CURTIS: I think I have made clear in my testimony today, I believe that the city needs to get back to a moment where, on a regular basis, it can increase the amount that is allocated.

Would I love the ideal of a 33 percent, which was the original concept 40 years ago? Of course.

We try to be realistic at the college. And I don't know that we would expect that that's something that's easily achieved.

But the notion of on a regular basis contributing to the increased costs associated with being educated at Community College of Philadelphia, to me, is a must on the part of the city. It is an investment on the city's part.

But the whole premise of us as the only public institution of higher education in the City of Philadelphia is that the city participates in that investment, the state participates in the investment, and the student, rightfully, invests, also.

As you have indicated, over the years it has been difficult for the city, as our local sponsor, to keep at the original level of its earlier efforts. And that's something, I should say, that's true of some other local sponsors across the state, too, it is not just the City of Philadelphia.

What I am advocating for today is a specific amount of money for next year. I am responding to the budget that's on the table in front of City Council.

But, in a broader way, I support the notion of what the resolution you described represents; and that is that there should be a regular achievable level of increase that makes it more predictable for the college in terms of managing its financial resources, but, at the end of the day, takes some of that significant burden off the student.

I think it will make a huge difference to the ability of our residents to take advantage of the opportunities that we provide.

COUNCILMAN NUTTER: Well, I appreciate your testimony. I am hopeful that over the next few weeks, as we continue these budget hearings, that there will be further discussion about this and advocacy, at a minimum, within the Council and certainly with the city Administration.

I look at this clearly as an investment. And, from that perspective, the return not only for the young person or the not so young person, in increasing their educational attainment, the income that often derives from it, but also having a more skilled, highly educated work force, says something about Philadelphia, makes us that much more attractive to current employers and then potential employers.

So I look forward to working with you on this initiative.

DR. CURTIS: Thank you very much.

COUNCILMAN NUTTER: Madam President, I am sure there may be others, but at some point I would like to have the Budget Director on this particular issue.

But if there are other members that have questions, I can wait.

PRESIDENT VERNA: I think we can call the Budget Director up now.

COUNCILMAN NUTTER: Thank you, Madam President.

PRESIDENT VERNA: If she is here.

MS. REED: Dianne Reed, Budget Director.

COUNCILMAN NUTTER: Ms. Reed, have you had an opportunity to take a look at the proposed amendment with regard to Community College of Philadelphia?

MS. REED: Yes, sir.

COUNCILMAN NUTTER: And do you have a view at the moment of what we should be doing with regard to increasing our investment in people here in the city to get an education?

MS. REED: This is an issue that needs to be looked at.

I think that one aspect of the state law that discusses the local share that really hasn't been discussed much is that the city can provide not only funding, but also in-kind services of various kinds to make up whatever share is determined under the various iterations of this law.

So I think that there should be some exploration of that.

COUNCILMAN NUTTER: What are you suggesting?

MS. REED: I am not really in a position to suggest anything at this time.

But we do note that, of the core scholarships that we have been given over the last few years, 275 to 300 thousand of that has gone to Community College students. So that's one thing that could be looked at.

COUNCILMAN NUTTER: So you are suggesting that the scholarship program, which is, you know, certainly very good for the students, is the answer to this situation?

MS. REED: That would be one answer.

The problem is, there is no good answer, given the city's budget. A $4 million increase this year, for '07, that is, and for '08 would put the '08 budget in a deficit situation.

We did hold the college harmless when other entities took a 5 percent cut, or we zeroed them out last year. So, you know, it's been very difficult.

COUNCILMAN NUTTER: I am sorry. You mentioned in the context of the city's budget.

MS. REED: Uh-huh.

COUNCILMAN NUTTER: What is the fund balance, again?

MS. REED: The fund balance in '08 is only $4.3 million.

COUNCILMAN NUTTER: What's the fund balance in '06?

MS. REED: It is 168.

COUNCILMAN NUTTER: What is it in '07?

MS. REED: About 84.

COUNCILMAN NUTTER: What happened between '07 and '08?

MS. REED: We have the wage increases kicking in and very big increases in health benefits costs and some of our other fixed costs.

They are growing at a far faster rate than our revenues as a whole, or other parts of the budget.

The 3 percent kicks in next year,

and then the 4 percent in '08.

COUNCILMAN NUTTER: For?

MS. REED: Everyone in the city.

COUNCILMAN NUTTER: For wages?

MS. REED: Yes.

COUNCILMAN NUTTER: And how do the FY '07 spending priorities fit into that equation? Do we have any new spending priorities, new programs, new initiatives?

MS. REED: There are some new initiatives, yes.

COUNCILMAN NUTTER: What are they?

MS. REED: Well, they include the Operation Safe Streets, the borrowing for economic stimulus, some economic stimulus spending. Those are some of the key ones.

COUNCILMAN NUTTER: Do you think investing in people and their education is not an economic stimulus?

MS. REED: It is an economic stimulus.

COUNCILMAN NUTTER: But?

MS. REED: But it is not my choice to make that decision.

COUNCILMAN NUTTER: Well, what exactly is your role in this process? What do you do?

MS. REED: What we do is, we make sure that all of the proposals in the budget are balanced, that we have enough revenue to accommodate.

And many other ideas that are put forward do not make it into the budget because there just isn't enough money there.

For example, we mentioned that departments asked for about $55 million more in spending, and we could only accommodate about $11 million more in spending.

COUNCILMAN NUTTER: Well, have you ever done a cost/benefit analysis of the difference between the cost of educating someone versus the cost of them not having an education?

MS. REED: I'm sure that that kind of study has been done. I have not done it.

COUNCILMAN NUTTER: Do you as the budget director advocate for certain spending priorities as the budget director?

MS. REED: Not really, no. Not as to the policy decisions about what will be spent on.

COUNCILMAN NUTTER: So you just kind of make sure that the revenues and expenses kind of balance?

MS. REED: Yes, pretty much.

COUNCILMAN NUTTER: You are a calculator.

MS. REED: And we have to constantly be thinking about what PICA's concerns for the budget are, as well.

COUNCILMAN NUTTER: Right. We talked about that the other day.

I asked you about their concerns about the budget, but you haven't figured that out yet. Right?

MS. REED: Haven't written it up yet.

COUNCILMAN NUTTER: Have you figured it out?

MS. REED: I responded at that time.

COUNCILMAN NUTTER: I think your response was, you are still looking at it.

MS. REED: No; actually, I responded to each point. But I am going to be writing that up.

COUNCILMAN NUTTER: All right. Very good.

So on this particular matter, whether it is the college's $2 million increase or the proposed amendment, what's the current position? What's the official position at the moment?

MS. REED: That we are holding the funding flat again, as we have budgeted.

COUNCILMAN NUTTER: So at the moment you are not anticipating any increase in their budget, notwithstanding the city's continued significant lack of support for the college?

MS. REED: Well, there may be opportunities on the in-kind side, which should be explored.

But as to funding, as of now, the budget is flat.

COUNCILMAN NUTTER: Okay. Well, I mean, you understand that it is a little difficult to spend in-kind.

I mean, if somebody does a nice thing for you, you don't get to go to the book store and say, well, you should give me the book because the city did something off to the side.

MS. REED: Well, I mean, it is a voided cost for the book store if we have made a contribution.

COUNCILMAN NUTTER: I'm sure we will have more discussion about this.

I think we really need to rethink our investment strategy, especially on education.

I mean, does it disturb you at all that less than 20 percent of Philadelphians have a Bachelor's Degree, in an education-rich region?

MS. REED: Yes, it does.

COUNCILMAN NUTTER: What are you prepared to do about it?

MS. REED: It is not really my role to decide that, so I don't have opinions on that.

COUNCILMAN NUTTER: Thank you.

Thank you, Madam Chair.

MR. McPHERSON: Councilwoman Brown.

COUNCILWOMAN BROWN: Thank you very much.

Good afternoon. Thank you for your testimony. I have a few questions.

The first is around the issue of your distance-learning program. And you indicate in your testimony that the enrollment has risen, period.

So tell us what is the, for lack of a better word, disparity now between young people, students, who are on campus, versus the students involved in the distance education program?

DR. CURTIS: Over the last four or five years, in a very regular and planned way, the number of students taking internet-based courses has increased, I would say, fairly dramatically.

But there are almost never students who are only doing that, most of the students are --

COUNCILWOMAN BROWN: Combination?

DR. CURTIS: Absolutely.

It is a way of adding an extra course or two to a load. It might be able to move them from part time to full time, but they don't have to come and spend more time on the campus. Or it still could be part time, but they will take two courses instead of one.

We have just received approval from our accrediting agency to begin to offer some of our programs fully via distance learning.

But I think, realistically, the main use for the moment is going to be for the student who is taking something at a campus-based location, but is adding to the program. And that's clearly been the trend at the moment.

COUNCILWOMAN BROWN: On Page 4, you give discussion and mention of the Bill and Melinda Gates Foundation Award. Congratulations. That's huge, particularly in light of the fact that Community College is one of a handful of schools across the nation.

So elaborate on that opportunity. How many years is it for? Any opportunities for additional funding going forward? Just provide some additional details, if you would.

DR. CURTIS: Yes, ma'am.

This is an effort that looks at out-of-school youth, I think it is age 16 to 20.

The program began at Portland Community College in Oregon, and was deemed to be such a successful model that it has attracted the interest of the Gates Foundation and other funders, it is not just the Gates Foundation, who are seeking to replicate this in various parts of the country.

So this year we are one of four community colleges nationally that have been selected to replicate this program.

The funding at the moment, in answer to your question, is for four years. We are working with a variety of city organizations, Philadelphia Youth Network and others, so that we can approach this as a kind of city initiative.

So the immediate funding is for four years. I am assuming, if this is successful, that we will find other ways to continue this particular program going forward.

The goal is to bring these out-of-school youth into a very supportive environment. They will be taking both high school and college courses.

The first goal is to get them that high school diploma, but at the same time they will be accelerating their progress towards a college degree.

COUNCILWOMAN BROWN: Noting that our city still faces something like a 40 percent drop-out rate for people that enter at 9th grade, but don't see 12th grade 48 months later, is there any connection with the school district or DHS, which comes in contact with young people who for any number of reasons, you know, lead to truancy and then to dropping out?

DR. CURTIS: In this particular program, are you asking?

COUNCILWOMAN BROWN: Yes.

DR. CURTIS: With the school district, the answer is yes. I don't know beyond that.

COUNCILWOMAN BROWN: All right. You give discussion to the, I think it is, X percent increase from the state. What was that number?

DR. CURTIS: 4 percent

COUNCILWOMAN BROWN: But certainly not enough, when your fees have gone up 26 or 27 percent; correct?

DR. CURTIS: Correct.

COUNCILWOMAN BROWN: So with that, that helps me understand why -- potentially why the impact on adult literacy programming. That's what I would like to turn our discussion to.

Could you please indicate what percentage of the budget is allocated currently for noncredit-bearing classes; such as, GED, English as a second language, and/or adult basic education?

DR. CURTIS: For those kinds of programs, we probably spend more than a half million dollars in year in direct instructional cost, for the programs that you mentioned, and approaching a million dollars a year total.

For instance, we lease space around communities and so on, that's a cost. We have, you know, professional staff that oversee it, so on. So there are other costs associated with it. That's a little less than a million.

And, in a percentage, that's probably more than a half a percent for direct instruction, about point 6 percent for direct instructional, and heading towards 1 percent of the overall budget for the overall cost.

COUNCILWOMAN BROWN: And, so, at the top of Page 3, where you talk about the new state funding formula, and how the new state funding formula no longer provides incentives to these types of programs, I want to answer the question by asking it.

Has that been one of the reasons that has led to where you are moving towards in terms of funding adult basic education and English as a second language?

DR. CURTIS: I would say the largest

reason has to do with the overall level of funding that we get from city and state combined.

And I have tried to be, you know, pretty straight-forward today in terms of where I think the city could really help us by assuming additional responsibility.

There simply isn't enough money coming in overall from our public sources. It has affected every part of our operation, including the adult literacy programs.

The state funding formula comes into it. The state has, for this year, changed its approach. And while it didn't affect the amount of money, per se, for this year, under the 40-year-old formula that we used to have from the state, the city has always given us a lump-sum allocation.

It says, here is an amount of money, and now

COUNCILWOMAN BROWN: You treat it as you wish, based on priorities.

DR. CURTIS: You do what you can and offer what you can.

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The state has always reimbursed us in realtime for the actual number of students in a given year.

So for any program, including literacy, if we thought we could afford to teach 100 students, but we were very successful and got 200, we knew that there would be a supplemental amount of money coming from the state that would help fund that.

That's no longer the case. There is no more supplement. The money is allocated up front.

So that's what we mean by "incentive." It doesn't offer any incentive any longer, A, to subsidize programs. Because many programs -- not just literacy, but high school programs and others -- we have charged little or nothing for.

But we knew that we had the option of getting additional supplemental monies based on enrollment. We don't have that option anymore.

It is going to limit our ability, I think, to offer as many sections of lots of different kinds of courses -- but specifically literacy, that's the question -- outside of the parameters of the actual budget for the year.

There didn't used to be the limit that we had before. We could always get extra money, if the student enrollment warranted it. We can't do that in a given year now.

COUNCILWOMAN BROWN: So going forward, how do you see reconciling the fact that Community College is oftentimes a natural next step for X percentage of our high school students, 40 percent of them are dropping out, more jobs -- most jobs require high school diploma or equivalent, yet Community College is squeezed to make judgment about what it can and cannot offer because of what you just described?

DR. CURTIS: The first part of my answer is, the central focus of my testimony today, we need more resources to do that.

The second part of my answer would be, we have to begin to make choices.

In the earlier part of my oral

testimony today, I said -- and I think I meant to be pretty, you know, straight-forward about it -- we are reducing the offerings of different kinds that we provide. We don't have --

COUNCILWOMAN BROWN: When you say, "offerings," allow me to ask you to pause there.

That means noncredit-bearing offerings or a mix?

DR. CURTIS: And credit-bearing, everything. Sure. We don't have the capacity to offer as much as we did before.

COUNCILWOMAN BROWN: I see.

It is my understanding that there has been a substantial decrease in the enrollment of Latino members of our city over the past eight years.

How do you believe the cuts, as you have just described, in adult education and literacy classes will, essentially, further affect the Latino community with regards to the enrollment at CCP?

DR. CURTIS: There has been no

significant decrease in Latino enrollment at my college.

Out of all the students that we have, approximately 15 percent of our population, student population, in all courses -- credit, noncredit -- are Latino.

For the last five or six years it has been consistently in that 15 to 16 percent range. Before that, it was less. So we have grown.

We are probably the largest Latino-serving college or university, I would expect, in the region. So I think we have been pretty consistent in that 15 to 16 percent range.

And that, of course, is a percentage that exceeds the actual percent of Latino population in the city as a whole.

COUNCILWOMAN BROWN: So with that fact as you just described, do you believe, then, that, given that the difficult decision the institution now has to make with regards to English as a second language, what do you think that holds for the future, knowing now that there is the strong possibility that you can no longer offer English as a second language?

DR. CURTIS: I didn't say we weren't offering English as a second language. We are not offering as many sections as we used to.

We fully intend to continue to offer English as a second language. We are also trying to work, both in our campus situations and with community-based organizations, to begin the gradual building of the number of sections that we offer over time. I mean, that's got to be part of our overall planning.

COUNCILWOMAN BROWN: Strategic planning.

DR. CURTIS: But what we are talking about affects every group, just so I said that.

When we are reducing programs or eliminating programs or reducing services, it is affecting every group within our community. We try to be sensitive to the needs of various communities.

COUNCILWOMAN BROWN: All

communities.

DR. CURTIS: But it is true, we have pulled back some. I mean, that's a fact.

And I return to the core of my original testimony. If the city can help by investing more -- we believe there is a return on the investment. I tried to give you two examples today. I can give you 2,000, if you want to stay for the afternoon.

But there are specific and tangible results that are benefitting not only individuals, but the city as a whole. And we can document those, I think.

So I don't expect that we are going to be doing any more reduction at the moment in noncredit literacy. My goal would be to begin to build it back up again. But, it does take some resources to do that.

COUNCILWOMAN BROWN: Given the harsh budget realities you just described, what would you then count as successes, then, over the past fiscal year?

DR. CURTIS: I mentioned earlier the success that we are having with our transfer programs. We can document more and more the number and percentage of students not just graduating from us, but getting a Bachelor's Degree.

We can document the success of all of our allied health programs. As a student leaves, whether it is in nursing or dental hygiene or radiology, whatever the program might be, it is not just getting a degree at community college, it is getting licensed, passing the licensing examination.

We have some of the highest pass rates in the state of two- or four-year schools in those areas, so we know our students are being successful there.

I cited earlier the average wage for graduates in all of our programs. That's a measure to me that says that there has been a value returned to the student and to the city based on completion of an Associate's Degree program at the college.

I will give you one other example I haven't mentioned previously today, though I think I may have mentioned it last year, and it may have been to you at the time.

A year ago this past fall we began a new initiative with the school district. We brought to our campus 30 high school students from some of the lower-performing high schools in the city. They are finishing their junior and senior year on our campus. This past fall we brought another group of 30. So from now on we are going to have a junior and senior on campus.

Now, not all of them will graduate with us. But that first group will have its graduation this coming June. They will graduate with a high school diploma from their home high school and, on the average, at least 24 college credits already accomplished.

To me, that's the kind of achievement you are asking for in the context of this fiscal environment.

COUNCILWOMAN BROWN: That's fantastic.

In a case like that, who picks up the tab for --

DR. CURTIS: It is a shared cost.

There is some funding from the United States Department of Education. The school district is paying for its teachers and so on. We are paying for our teachers.

Think of it as a shared-cost project.

COUNCILWOMAN BROWN: And how do those 30 students become the lucky 30? How does that happen?

DR. CURTIS: That's handled by the school district. It is a kind of magnet school approach.

There are requirements. You have to have a minimum attendance record, a terrific attendance record, and so on.

This is also a program that is geared to move students into computer technology. More specifically, if they continue with us, they will go into our computer information systems degree program. So you have to have an interest and aptitude in computers, and so on.

COUNCILWOMAN BROWN: I clearly remember that.

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Councilman Nutter posed a question with regard to the articulation of agreements that you have with state schools. Unless I missed it, is Penn State one of those schools?

DR. CURTIS: We don't have a dual admission. We don't have an articulation agreement, no.

I mean, I would say that the majority of our students don't go to Penn State. The majority of our students stay in Philadelphia.

COUNCILWOMAN BROWN: Stay close to home.

I think that concludes my questioning. Thank you very much.

PRESIDENT VERNA: Thank you.

The Chair recognizes Councilman Nutter.

COUNCILMAN NUTTER: Thank you, Madam President.

President Curtis, a different set of questions, but no less important.

Some information that has come to me, and I need you to make sure that anything

I ask about, that the record is clear on it.

This issue revolves around adult literacy classes. And there seems to be some concern that somewhere between 18 to possibly 25 adult literacy classes, serving upwards of three to five hundred city residents each semester in eastern North Philadelphia.

Do you have any information about that, or any impact of budgetary issues around either funding or curtailment of classes or increase in costs per class that may have a negative impact?

DR. CURTIS: Well, I think I was responding earlier to the Councilwoman along the similar lines.

We have reduced overall, on the credit and the noncredit side, the number of sections that we offer at every site; whether it is our main campus sites, in community-based locations, and the like.

So the answer is, yes, in the specific community that you have referenced, we have, in the last few semesters, reduced the number of offerings.

We are at a point where we will no longer --

COUNCILMAN NUTTER: The primary reason is?

DR. CURTIS: Money. Sure. Again, I go back to the beginning of my oral presentation today.

I said that the lack of consistent funding -- and I know we are focused on the city today -- but a couple of years ago the state was a difficult situation for us, too, though since they have started on a track that's moving for positively. But that has had an impact on us.

And the two impacts I cited were the cost to students that you and I talked about a few moments ago, but the other has been a paring back in programs and services. So that is a real part of what we have been dealing with.

COUNCILMAN NUTTER: On the adult literacy side, again, just because I don't know, are there any federal funding sources for adult literacy programs that we might be able to access?

DR. CURTIS: We continue to look at that.

There have been a couple of occasions in the last year or two where we have gone after some grant money. We will continue to look -- and did not get it. I didn't finish that sentence.

We will continue to look for areas where we can do that. But we are also going to try, even within our normal budget, to, over time, begin to build some of that capacity again.

COUNCILMAN NUTTER: Could you forward to the Chair, again for the moment, the proposed resolution not only as it relates to FY '07, but there is a Five-Year Plan proposed amendment, as well, that would lay out what the funding for Community College under this scenario would be, or at least could be, over that five-year period, getting, again, to the 33 percent level.

Could you -- if that budget were in place, would you be able to tell us what you would restore or what new, if there were new, offerings that would be put forward based on those proposed yearly increases in your budget?

Will you be able to show us, essentially show us, what you would do with the money?

DR. CURTIS: Certainly in general terms we can do that, sure. I don't know that I can give you a specific count of everything.

COUNCILMAN NUTTER: I understand that.

But, I mean, you would be able to layout, in essence -- for instance, if the $4 million were approved, you could show us some of the things that you would do as it relates to that $4 million?

DR. CURTIS: Yes.

COUNCILMAN NUTTER: And that's in FY '07. And then in FY '08, I think the number is $4.1 million.

So you would be able to show us over that period of time what either restored or new services you could provide?

DR. CURTIS: Yes. And, as I have indicated earlier, a first step would be to suppress the increase in student tuition. That would be in that response, as well.

COUNCILMAN NUTTER: I understand.

Just lastly, if you could shed any light on the idea that was put forward earlier about in-kind services.

Or if a student receives a grant, isn't that -- I mean, that certainly enables the student to pay, and may have some impact on whether or not they have to borrow that amount of money or some amount less because they received a scholarship.

What's the real impact, though -- student gets a $3,000 scholarship or grant from someone, they decide to come to Community College. What impact does that have on you?

DR. CURTIS: That doesn't impact us; that impacts the student. But we support anything that creates less of the burden on the student.

COUNCILMAN NUTTER: I understand.

DR. CURTIS: But, in terms of

revenue, the student provides us with revenue, whether it is scholarship funded, grant funded, out of pocket, whatever. That would be a source of additional help for the students.

But, in each of those cases, it is the same.

COUNCILMAN NUTTER: That doesn't lower your tuition or fees or anything, does it?

DR. CURTIS: No. That would provide the same amount of revenue coming to us as an institution. But we, obviously, support every one of those efforts.

COUNCILMAN NUTTER: And if it is student based on a, you know, as people apply kind of basis, and whatever is awarded, I mean, I would take it that that would not necessarily be the consistent or stable fund source that you could make year to year or Five-Year Plan provisions upon?

DR. CURTIS: There are three sources of revenue for the college.

The first is the city. The city

provides a certain level of core funding. My testimony today has been to urge that we try to expand that core.

The second is the state. It provides a certain amount of core funding. We always advocate with the state for it to expand its core.

The third is the student. The student will always necessarily need to invest. I support that. I think we all have to contribute to the opportunity, in this case for higher education.

I am advocating for anything that will reduce some of that burden on our student body. That would include the city contributing to it, to the scholarship program, or other kinds of private fundraising opportunities that we undertake through our foundation. That benefits the individual student.

I don't think that any one of those, though, doesn't require additional support. I continue to look for core funding support from the city, core funding support from the state, and I do support anything that the city or anyone else would do to ease the burden on the student.

COUNCILMAN NUTTER: Thank you, Madam President.

Thank you, Dr. Curtis. Thank you, Ms. Cohen.

PRESIDENT VERNA: Thank you.

The Chair recognizes Councilman Rizzo.

COUNCILMAN RIZZO: Thank you, President Curtis.

What are some of the expenses that the city contributes? Does the city pick up the utility bills?

DR. CURTIS: No.

COUNCILMAN RIZZO: Are there any expenses beyond the $2 million, or your existing budget, that the city picks up that is not shown in the city's contribution?

DR. CURTIS: To the best of my knowledge, no.

COUNCILMAN RIZZO: Tell us a little bit -- and I apologize, I had to leave the room, you might have covered this -- in a briefing that you provided, you had an interest in acquiring some additional space that down the road might be out of sight, if you don't do it promptly.

Did you discuss that today?

DR. CURTIS: I have not been asked about that today, no.

COUNCILMAN RIZZO: I think we all realize that sometimes you have to take advantage, even if it is not in the cards, to do a deal when it is in front of you.

Could you explain, for the record what the acquisitions are, what the opportunities are that may not be there in the future?

DR. CURTIS: In the course of recent months, there have been two approaches made to the college that were unexpected.

One is a privately owned building in West Philadelphia immediately adjacent, actually, almost sharing a wall, with our west regional center.

It is a church that is looking to

move to other facilities and is in the process of buying another sanctuary and is looking to sell.

It is a ready-made facility that would take some renovation, but would allow us to expand our west regional center by about 10,000 square feet.

The other is a piece of property owned by a utility on our -- or, I guess it is not on our campus, is it. It's adjacent to our Spring Garden campus.

It is no longer used by that utility. And, again, we have been asked if we would have an interest in purchasing. We would.

In that case, we have a long-range master plan that calls for constructing around that property. Because it is a piece that -- you know, the only thing we don't own in the block.

So that's not something we would build on next year. But as part of our already approved long-range building plans, if we could acquire that property, that would allow us in a much more facile way to build as we continue to expand our Spring Garden campus.

COUNCILMAN RIZZO: When you are ready to negotiate that deal, I know that utility company very, very well. So make sure that you let me know, when you are ready to do that deal. I will make sure you are getting the best deal you can get there.

But the opportunity, as I know, I worked for PECO -- and that's the property that you are talking about, right, the PECO substation?

DR. CURTIS: Yes.

COUNCILMAN RIZZO: That's going to be a hot piece of property. Somebody is going to want to buy that.

And if you don't, I have a feeling that, once the word gets out that that property is going to be available, if you don't move quickly, you are going to lose it.

DR. CURTIS: We believe that both represent a tremendous opportunity for the college.

One would be used almost immediately, and the other would inevitably be used. So we, again, have approached the city, and are hoping that --

COUNCILMAN RIZZO: Who have you approached? I mean, really, who did you go to?

DR. CURTIS: We have approached the specific Council people in whose districts these pieces of property lie, and we have approached the Administration.

COUNCILMAN RIZZO: Well, where are you?

DR. CURTIS: We are waiting to hear.

COUNCILMAN RIZZO: You have some numbers associated with the church; right?

DR. CURTIS: We do. We have asked for a specific amount of money in each case.

COUNCILMAN RIZZO: Good. I wish you luck.

But I was aware of it through a briefing, which, you know, we are aware of it. But let us know if there is anything you think we can do.

Thank you, Madam President.

PRESIDENT VERNA: Are there any other questions or comments from members of the committee?

Seeing none, I thank you very much. Thank you.

SEPTA will be next.

(Councilwoman Blackwell assumes the Chair.)

COUNCILWOMAN BLACKWELL: Thank you very much. May we have a little order, if you don't mind. Thank you very much, Community College.

We will now hear from SEPTA. We welcome you and ask that you give your testimony.

Please identify yourself, for our record.

MS. FAYE MOORE: Good afternoon, Councilwoman Blackwell and members of City Council. I am Faye Moore. I am SEPTA's General Manager. I am joined today by Francis Jones to my left and Joe Casey, Chief Financial Officer. I am here today to speak about the $60.2 million for the Fiscal 2007 Operating Budget.

The testimony submitted previously to Council details some of our major accomplishments and achievements, but I want to take the time I have to talk about our financial and funding situation.

For the past two and a half years, SEPTA has been working on the issue of adequate dedicated funding; not just for us, but for the other 72 transit agencies throughout the state.

We urgently and desperately need the dedicated funding to erase shortfalls, erase a growing deficit, enable us all to better build for the future.

To date, we have realized short-term fixes, aided largely by Governor Rendell through the flexing of federal transportation dollars.

The flex funds ensure that service and fares will remain intact until December 31, 2006. But when that flexing runs out, SEPTA will face a budget shortfall that must be closed by June 30, 2007.

We are in the process of developing our Fiscal Year 2007 budget process. As part of that work, SEPTA staff will identify fiscal options and outline possible sources of action for Board consideration.

There are many individuals and groups, including the members of the Governor's Transportation and Funding Reform Commission, working to identify the amount of funding that we need -- and this is collectively transit throughout the state -- as well as remedies for transit and transportation in general.

However, the Commission's final report could be published as late as January 2007. That's about six months after the formulation and adoption of our Fiscal 2007 budget.

The possibility of being forced to pay more to Amtrak for trackage and right-of-way access could be a monumental fiscal problem for SEPTA.

President Bush's budget assumed that

transit agencies along the Northeast corridor -- and that's stretching from D.C. all the way up to Boston, Maine, et cetera -- would pay an additional $59 million to Amtrak for using its tracks.

But, while facing these challenges, we remain focused on serving the city and the region.

Over the past year construction began at the North Philadelphia station on the Broad Street line, work continued on the 1,000 car garage at the Frankford Transportation Center, and last month El service resumed at Market Street Elevated 56th Street Station.

Homeland security recommendations. Based on homeland security recommendations, SEPTA police implemented a radio interoperability system that will allow us to connect with other regional law enforcement officers in the event of an emergency.

I do want to bring to Council's attention that, earlier this morning, we did have a major explosion at our Southern District, which is in South Philadelphia. We have three employees injured. So that might be some of the news that you see as you head home this afternoon.

Two of the employees are hospitalized. And, as soon as I leave here, I will be going to see just how they are. But I did not want you taken by surprise, if you have not had the chance to be briefed on it. But that did happen this morning.

And I do also want to take the opportunity to thank Oliver, who has been just absolutely -- from the Managing Director's Office, just monumentally helpful in helping us to relocate operations for that Southern District.

I was about to say, I called him "Oliver" so long, Oliver Thornton. I do want to go on the record of thanking him.

That concludes my comments. And I, again, want to thank you for the opportunity to be here. And I am available to answer any questions that you might have.

COUNCILWOMAN BLACKWELL: Thank you very much, Ms. Moore.

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Would you give us more information about the explosion, where it is and why it happened and what it entailed.

MS. MOORE: The investigation is ongoing. The lead was taken by the Philadelphia Fire Department.

I have not gotten an update since 2 o'clock, because I sort of headed over this way. But a boiler exploded. The cause I don't know yet, because it is still under investigation.

COUNCILWOMAN BLACKWELL: It was a boiler in a station?

MS. MOORE: No; it was at a district, a bus depot. So it is where we have our transportation people, where the buses are staged.

So it is just SEPTA, SEPTA employees that were impacted. No impact on the riding public, as far as injuries. Obviously, it slowed service probably during the course of the day, because we did have a longer way to go for fueling, et cetera.

But the injuries were SEPTA related,

not the riding public.

COUNCILWOMAN BLACKWELL: So it was a separate SEPTA station?

MS. MOORE: Yes. What we call a district.

Where our transportation people, our maintenance people actually fuel buses, repair buses, et cetera. So it is at, I guess, what we call back-room operations for transportation.

COUNCILWOMAN BLACKWELL: Okay. Where was that, again, that location?

MS. MOORE: It is South Philadelphia. The streets, cross-streets, are 19th and Johnston.

COUNCILWOMAN BLACKWELL: So that the Council persons may know.

And certainly we pray that those who are injured are all right, and that they will be blessed to be well.

MS. MOORE: I will pass your sentiments on. Thank you very much.

COUNCILWOMAN BLACKWELL: And in terms of the station, did it destroy also equipment, and was it a big explosion?

MS. MOORE: It was -- again, I don't know the extent. Because the investigators assumed -- the Fire Department, as well as Licenses and Inspections, et cetera, took control of it and pretty much told my folks to stay put. So we don't have firsthand knowledge.

But Mr. Thornton and I both have been told that, as soon as they know something, he will be told and I will be told. So whoever gets information first, we will know.

But buses were not destroyed. It was already after rush hour, so most of the buses had already been out into service.

The last thing I was told, there is the potential that there is a wall that was severely damaged, so we might have to go in and sort of tighten that up and do some items.

I am hoping that it is not severely damaged, so that we can resume operations. But we are working on some contingency plans, just in case we can't.

COUNCILWOMAN BLACKWELL: Okay. Thank you very much.

With regard to the -- maybe I will ask my other questions first.

I had a meeting yesterday with the Mayor's Commission on People With Disabilities. And they are really concerned with Paratransit and with people being evaluated who can't use it, with testing, with people -- in fact, I have had one gentleman who comes to me all the time, who I have known -- oh, my gosh I met him when I met Lu, so I have known him for about 32 years, who says he is having a hard time, people being reevaluated for Paratransit and not being able to use it.

And that the -- how it has changed, the criteria is changing, it is creating a big problem. Can you comment on that?

MS. MOORE: The criteria hasn't changed. The criteria was always there.

Part of the dilemma was, SEPTA did not have ADA-accessible buses. In June of 2002, our fleet, bus fleet, became fully ADA accessible.

Which meant that all the individuals that had been riding Paratransit vehicles had to then be reevaluated to see if they could ride the fixed-route system versus being on Paratransit.

So the processes were always there, but we didn't have buses that could accommodate them.

Once the buses became available to accommodate them, we had to review to see who could ride the big buses versus the Paratransit buses.

It is called "recertification." It is required under federal guidelines. So we do have to do recertifications periodically.

COUNCILWOMAN BLACKWELL: Well, they complained that people who before could get Paratransit, now have to go to bus stops, which makes it very, very difficult for many handicapped people to do.

MS. MOORE: The assessment, actually, looks at their mobility. Part of the testing is done by a third party, an outside agency.

And it is to determine just how easily people with disabilities can, indeed, maneuver the fixed-route systems.

Some were given conditional eligibility. Which means that, if it is a snow storm, if sidewalks are broken up, et cetera, if there is an impairment to them getting to the bus stop, they can still use Paratransit.

But if everything else is okay, they are indeed pushed on the fixed-route system.

COUNCILWOMAN BLACKWELL: Yes. We got buses that are more user friendly, then folks knocked off. Instead of it becoming easier, people who have Paratransit services now don't have them.

I mean, people can't go to church now. They could reserve Paratransit even for church.

And they are told now in the test, if they -- if you can get up and down -- they give them a test with some lift. And if you can get up and down on that lift in that test, then you are no longer allowed to get it and you have to ride regular SEPTA.

And we all know that that's not as easy as it would seem, given the length of time it takes. You know, the bus has to stop, they lower the lift, they lift folks up, and all of those other issues that deal with regular transportation.

It is really an issue.

MS. MOORE: We have gotten some concerns.

What we indicate to them, there is a formal appeal process. If they think that they have been misdiagnosed, I guess, is as good a word as any, they can actually go through an appeal process.

They are then evaluated by a panel. The panel includes members from the disabled community.

And, so, if they really think that they cannot maneuver the system -- not just the nicety of being on a small bus, but if they think they cannot maneuver the system -- they really should, then, exercise the appeal process.

COUNCILWOMAN BLACKWELL: It has become more of a hardship.

Would you be in touch with Bruce McElrath, People's Rights Disability. And he has been around a real, real, very long time, a real advocate for folks who are wheelchairbound and who are handicapped.

His name is Bruce McElrath, and we will make that number available to you.

Let me ask another issue with regard to, in West Philadelphia, the Market Street Elevated project.

In terms of 56th Street, I see in your testimony, you have it that it opened on February 27. It is a beautiful station, in spite of the time it has been taking. It is a beautiful station

The level of completeness, where are we on that? We were waiting for railings, a lot of things were not done or finished.

MS. MOORE: The biggest thing was the elevator on the westbound side, and that is scheduled for completion May 1. That should be installed, inspected, et cetera. So we are anticipating full completion May 1.

COUNCILWOMAN BLACKWELL: And the other materials that are coming in, railings and such?

MS. MOORE: Total completion, May 1.

COUNCILWOMAN BLACKWELL: Total completion on May 1. All right.

Let me go on to bus stops on 52nd Street, Route 52, farside stops, and all of the stations replaced.

I knew the four stops had been replaced. Or returned, is the proper word. I want to know where we are on the farside stops?

I would like to check that out. You know, check that in terms of the farside stops being returned, and the issue of the bus shelters.

For those who don't know, we lost four stops on the 52. It was to add for efficiency and less time, where SEPTA didn't think the stops were really needed, but it created problems.

In losing four stops and then with the bus shelters, it was a real nightmare. Because you had shelters in one place and buses stopping across the street in another place.

And, albeit, there was supposedly advertising, at one of our meetings they talked about a blind man who waited and waited and waited for hours because he didn't know his stop was no longer there.

Can you give us an update on that?

MS. FRANCES JONES: Francis Jones, Government Affairs at SEPTA.

There were several shelters that were in place. And when the stops changed from a nearside stop, to a farside stop, those shelters were removed.

The shelters are under the jurisdiction of the City of Philadelphia and are coordinated through the City Planning Commission, specifically through Chris Zearfoss.

We have been in touch with him, and at the point where we are coordinating the installation of those shelters at the farside stops, where they were at the nearside stop before the project started.

COUNCILWOMAN BLACKWELL: And we really, really have an issue. And I speak for, I am sure, all my colleagues.

When it deals with the city and it deals with our districts -- and we appreciate all people who work for the city -- but the decisions have to come through we as District Council people, who are responsible to neighborhoods.

We have had some issues in West Philadelphia at community meetings where it has been said the Streets Department worked with SEPTA to do things.

That doesn't help us at all. It only makes me get up and say, people who work for the Streets Department have jobs, I'm elected, you elected me to represent you, and listen to me. We have been there.

And, so, we would like those -- you know, we have tried. I have tried to keep it down out there. We only had a few days where we had demonstrations. And we have tried hard to keep it calm. But we don't like our stops moved.

The bus shelters, you all can imagine, you have a shelter and then the bus stops across the street. So it is raining, you have a shelter where a bus doesn't stop. Then they pull them out. Then the issue of returning them. It is a nightmare.

I don't understand, frankly, when we are going through so much with putting in a new SEPTA system, with all the problems we have, why we would create more with new programs, and not coordinate them. It just doesn't make sense.

If we work together, then we have an opportunity. We can all agree that we can disagree, but we don't have to fight in public about issues and new programs.

You know, you hear this farside stops. I didn't know what they meant; but, obviously, I have learned.

And then folks get out and demonstrate, and you have got everybody spending their time at night meetings. And then you get so many other people who may not have SEPTA as an issue who get involved.

Because you always have some people involved when -- after a while who get involved because they want to be involved in maybe fighting the system or fighting elected officials or fighting SEPTA, or whatever. It just creates so many more problems than we need.

We are asking, if you have programs you want to initiate, be clear or -- be clear. Meet with us. Maybe part of it -- I know you will say you told us, because you always do -- but a flier that's not clear doesn't do it.

And you have got to meet with us and work with we, the elected officials, and how it impacts our communities, unless you have some elected official who is not interested.

In City Council, we are first online. And it really, really affects us. And we have people who come here and who write us. Gosh, I should be getting a check from SEPTA, after all these fights all these years.

But it is such a nightmare.

I, too, want to thank Oliver Thornton for all that he has done. He has been a very calming force and a competent force to keep us from fighting. You see I am calm today.

MS. JONES: We appreciate that, Councilwoman, very much.

MS. MOORE: Tremendously.

COUNCILWOMAN BLACKWELL: Not to disrespect Mike Tucker and all of you who are involved in it. But you have got to work with us. You have to work with us.

Last night there was reportedly -- I got a call, in fact, from Julia Chen yesterday, is there a community meeting tonight.

I told my staff to tell her I knew of no community meeting. I understand there was one with three people. She was the third person who attended it. There was a meeting last night.

MS. JONES: We did not have a scheduled community meeting, Councilwoman.

The community meeting that we had around the proposed work that we're going to do at 60th Street was held on Monday evening.

But we did not have a scheduled meeting out there in West Philadelphia last night. There was not one scheduled by SEPTA.

COUNCILWOMAN BLACKWELL: Well, there was a community meeting with regard -- who is Ms. Smith? For whom does she work?

MS. JONES: That was a technical assistant's roundtable meeting for the businesses.

COUNCILWOMAN BLACKWELL: Was it a SEPTA meeting? Who called it a technical assistance meeting? Sponsored by whom?

MS. JONES: It is a part of what we are doing to assist the businesses in the West Philadelphia -- in the project area.

So it is a meeting that we do with them to provide technical assistance, to answer their questions, to update them on the project itself.

MS. MOORE: It is an invitation to all the businesses, and they can elect to come or not come.

COUNCILWOMAN BLACKWELL: Well, apparently they didn't know. I didn't know. I told my community person, no. And you had three people there.

Is not that a waste of everybody's time? But this is what I mean about coordination, about us working. Why have a meeting, when she called back today and said she went and she was the third person in attendance. And, so, who does that benefit?

It just doesn't work well. And maybe it speaks to the fact that the business community is so distraught, and they don't want to come out because they can't believe.

You know, people have kind of lost faith in what happens.

And, while we are talking, let me ask you when the completion date is? Is it still '08? Can you give me a timeframe when you expect to be completed?

MS. MOORE: That has not changed. It is still '08.

The only caveat I can give you is,

we are going out to bid for that final piece that -- actually, the fired contractor right at Cobbs Creek. That contract goes out for bid some time over the next 30 days, 30 to 45 days.

So we might have to see what happens with that particular contract. But for the bulk of it, we are still saying December '08.

COUNCILWOMAN BLACKWELL: So now it is December '08.

Is that contractor who was fired, who was still working on another part of the SEPTA system, that I had a problem with. Because if you are incompetent on one part, why are you allowed to stay on the other part? It insults all of our intelligence.

Is that contractor finished with their role, their part?

MS. MOORE: No; they are still an active participant and doing well.

This summer will actually be a major milestone for them, because they will be active participants in the outages for July and August.

They are doing very well. They are doing very well. They are doing it significantly differently than they did it on the other piece.

COUNCILWOMAN BLACKWELL: That's unbelievable, how one company does well on one part, poorly on another part, and we keep them on one part and not the other.

None of that makes sense to me. It didn't from the beginning, it doesn't now. And I say that for the record. It doesn't make sense.

We still have a problem. At the beginning of this project we asked that plates, metal plates or wooden plates or some kind of plate, be placed on cellar tops that are about to fall in next to people's homes.

As you know, last spring we had to go out for a lady who was in a wheelchair, who couldn't get out to go to the doctor's because she couldn't roll over that and fall through.

We asked that that be done for the whole SEPTA project. But every year from the beginning of this -- when did this project start?

MS. JONES: We started outreach in 1990 -- 1998.

COUNCILWOMAN BLACKWELL: So from '98 until now, we still fight the issues of plates being placed over areas where the ground is weak, where there could be basements and cellars. We still have to fight those same issues.

We still get complaints when neighbors don't get their trash picked up, all these years later.

And it is just unconscionable to me that we have to fight those same issues, and that the project isn't organized such that we don't have the same problems, that we don't have to live with this issue every day.

You know, I don't know why -- it seems to me SEPTA must have enough plates to cover this. I don't know why you just don't cover them, and why we have to fight to make sure that people are safe and that trash is picked up.

MS. JONES: Councilwoman, we have

done inspections, and we do them on a regular basis.

Those cellars or those areas where the area appears to be weak, we have covered those, we have plated those with steel plates. So the problem should not still persist.

COUNCILWOMAN BLACKWELL: Well --

MS. MOORE: And if you have examples, please give them to us, because those are safety --

COUNCILWOMAN BLACKWELL: We go through this every year.

We hear this, my colleagues, but you will hear it again this spring. It happens all the time. We have been dealing with the same issues since '98.

It is now '06, and we still have to -- every time you begin a new part of the SEPTA system, you take them from wherever they are, you put them in the new -- and we have to ask you. You take them up, and then we start all over again.

It just -- you know, it is just not fair. It is not fair for people to feel that they are second-class citizens in their own neighborhoods.

It is very frustrating, you know, when seniors come and say, I'm -- well, I won't talk about a woman's age. But, you know, when you get seniors who come and say, my business is closed down, I have to work for someone.

I guess we have lost Shapiro's, was a Philadelphia institution, even that closed. And I guess we have lost about 27 businesses now. And I don't know how we survive.

I don't know how we survive in the future and how we sustain businesses, how we draw businesses, and what will be left by the time '08 comes, what businesses will be sustained.

But it is very, very frustrating. Because not only has this job been organized such that one area starts and you work on it, one phase of it, then you finish that phase, then you go to another area, and you do it over and over again, so there is never any real continuity for when businesses are open, when they close, when they can be accessed, when they can't.

So the public can't get to the businesses and don't know when it happens, in spite of the fact that you tell me you flier, you it will me you answer the businesses, you respond to them.

I have heard it over the years, but it just doesn't happen. It just doesn't happen.

Now that we have Easter coming up, what are the plans for advertising them, for access, and where are we with regard to the holidays?

MS. JONES: Councilwoman, we are working in collaboration with the businesses and with our consultants to develop an advertising plan that would include Mother's Day and Easter, because we know that those are holidays that are quite important to the businesses in the commercial corridor.

And, so, it is a collaboration with them, sitting down with them, to come up with a marketing plan that would work.

We know that there will be some concerns that they will have regarding the area where there is fencing.

But we are making every effort to make sure that foot traffic is accessible in and around the area where the businesses are located. Particularly around 60th Street, which will be the area where we will be working during that time.

COUNCILWOMAN BLACKWELL: Shouldn't we at this point, from '98 until '06, shouldn't we now have some experience at knowing how to deal with businesses and what to do during holidays?

MS. JONES: Yes; absolutely. Because we have worked with the businesses over the years, particularly around the specific holidays.

And, so, because we know that those holidays are important to the businesses on the commercial corridors in the neighborhood, we are making sure that we craft a project, a program that will work for them.

MS. MOORE: For this year. Because

the needs and the emphasis of the businesses could change each year.

So we sit down with them every year to make sure that we craft something that addresses what they hope to achieve.

COUNCILWOMAN BLACKWELL: We also want to mention the issue of ticketing.

As you know, when you change gear all the time, people get ticketed. And then we bring in the Parking Authority and the police, what's safe, what isn't. That changes all the time, too.

And, as you know, we have had to go to Congressmen to try to get help with regard to tickets.

Will you assure us that you won't give people traffic tickets that they can't pay?

MS. JONES: Councilwoman, we have been coordinating and worked very diligently with the Parking Authority, with Sultan Ahmad.

And I want to go on record saying they have been very cooperative in working with us in crafting a program, again, where there was a moratorium on parking in the project area.

But I would be remiss if I didn't say -- we talked about it on Monday night with the businesses -- if someone is parked by a fire hydrant, if someone is parked on the sidewalk, if someone is illegally parked according to the standards, then the Police Department and the Parking Authority will give tickets.

The moratorium is in the area that has been designated for parking, in that specific area.

But we have worked with the Parking Authority and the captains in the three respective districts to ensure that there is a moratorium on parking.

But illegal parking, we don't have any control over.

COUNCILWOMAN BLACKWELL: Well, I don't know what "illegal" means. If we are talking fire hydrant, it is one thing.

MS. JONES: We are talking fire hydrants. We are talking parking on the sidewalks. We are talking about diagonal parking, when they should be parking horizontally. So, those are the kinds of issues.

COUNCILWOMAN BLACKWELL: I don't know what diagonal and horizontal parking means.

That's such a minor -- in my mind, it seems so -- I don't care whether they park diagonally. People have nowhere to park.

And, I mean, if we are talking safety issues, if there is a hydrant or something like that.

MS. JONES: Yes, we are talking safety issues.

COUNCILWOMAN BLACKWELL: But in terms of whether they are parked on the sidewalk or whether they park -- you know, it seems to me that we have to give some leeway, when everybody is so displaced, and there is no place for people to go and no place for them to unload and no place for people who live right there to park.

So we really, really need -- we

really need some consideration on those issues. And the other issue --

COUNCILMAN RIZZO: Point of information on that issue.

COUNCILWOMAN BLACKWELL: Point of information, Councilman Rizzo.

COUNCILMAN RIZZO: Could you please go back to what you just said a second ago about a person that is illegally parked in a bus stop or illegally parked impeding the flow, let's say, too close to a corner, impeding the flow of SEPTA traffic.

What did you just say, you have no what?

MS. JONES: I said, if they were parked by a fire hydrant, if they were parked on the sidewalk, or if they were illegally parked in the street.

COUNCILMAN RIZZO: Let's talk about, since we have so very few police, you have a fairly significant police department.

I was informed by the Parking Authority that your police officers have the ability to write a parking ticket in a bus stop.

MS. MOORE: That's correct.

COUNCILMAN RIZZO: So how come we have to send Philadelphia Police, and tie them up, when you have a police department that should be able to respond to take care of that?

MS. MOORE: Just points of clarification.

The answer we gave initially was just for the construction corridor that Councilwoman Blackwell had talked about, in terms of being more lenient, I guess, with the ticketing process, given that many are displaced.

For the area you are talking about, to the degree that supervisors are there when they are illegally parked, they can be ticketed. But we don't have supervisors --

COUNCILMAN RIZZO: If a bus driver sees a motor vehicle parked in a bus stop -- you have two-way radios; correct?

MS. MOORE: We have a radio that can call our control center, yes.

COUNCILMAN RIZZO: Correct.

Why can't a SEPTA police officer be dispatched to deal with that, and to relieve that responsibility of our Philadelphia Police?

MS. MOORE: I don't think it is one or the other. I think it is a collective effort.

So if the city police are there, they can ticket. If we are there, they can ticket.

COUNCILMAN RIZZO: Sure. But in a bus stop, a SEPTA driver observes a vehicle parked, why burden the Philadelphia Police Department, when you can have one of your police officers come out there and issue the traffic violation?

MS. MOORE: And I am not so sure, Councilman, that we don't do that.

COUNCILMAN RIZZO: Well, you don't. I talked to the Philadelphia Police Department.

MS. MOORE: Oh, we do ticket. We do a ton of tickets, illegally parked cars.

COUNCILMAN RIZZO: Not on how I just described.

If a person calls 911 and says that there is a vehicle parked in the bus stop, Philadelphia Police come out.

MS. MOORE: If they call 911, because we don't have access to that. If my bus operator calls my control center --

COUNCILMAN RIZZO: What if the police flip that call over to your police?

MS. MOORE: Then we would have to deal with it.

COUNCILMAN RIZZO: We will see if we can do that, then.

Thank you, Madam Chair.

COUNCILWOMAN BLACKWELL: Thank you very much.

We are concerned, too, about the crosswalk as we -- I mentioned this recently. There is a daycare on 56th Street. And there were these no-crossing zones with the big X's in the sidewalk. Something new that's come out in the last couple of years that create more problems.

And this daycare, the principal complained to me because she said they put no-crossing zones in front of her daycare on both sides of the street, so her kids -- she can't stop it for the babies to cross the street either way.

They can't stop in front of the doorway and they can't stop across the street near the parking lot for First Grocer. So they knocked her out of kids' ingress and egress from the daycare.

So that happened when they -- that happened for the new 56th Street station. So what can we do in that instance?

MS. MOORE: Which goes back to Councilman Rizzo's point. That, in those situations, we actually try to keep the bus stops clear, so that we don't have to ticket.

In this case it sounds as if, by keeping it clear, we took parking.

COUNCILWOMAN BLACKWELL: I don't know, maybe it is bus zones. I don't know what it is. But it is those no-crossing zones. So what are people supposed to do?

Why would they put one in front of a business, so that a parent can't stop there, as she has these previous years, to let toddlers out? This is a daycare.

MS. JONES: While the station was under construction, that area was not used as a bus stop. And, in fact, the bus was detoured and was not on 56th Street.

When the station reopened and the bus was returned to 56th Street, in order for the bus to curb, we had to hatch out those two or three parking spaces, which, inevitably, took a parking space in front of the daycare.

But it is necessary in order for the bus to curb at 56th and Market.

COUNCILWOMAN BLACKWELL: But I don't understand. If it wasn't that way before, why is it that way now?

She didn't have those problems before the new station. This is those new crossing, no-crossing spots that they just put in front of her daycare.

MS. JONES: It is the hatching that is in place, that we put in place for the bus to curb.

COUNCILWOMAN BLACKWELL: I don't understand what that means.

MS. MOORE: We will look at it.

Because a bus stop was there. We might have lengthened the bus stop. So I just asked the engineers to look at the spot to see if we did lengthen the spot.

COUNCILWOMAN BLACKWELL: Maybe she can let the babies out.

They can't stop in front of her business and they can't stop on the other side, so they have no place to stop.

And, as I said, these are pre-schoolers, and these are the little ones. And we have a new station, but they made it harder for her.

MS. MOORE: We will double-check and we will circle back with you to see if we extended the space.

COUNCILWOMAN BLACKWELL: Thank you.

Councilman Rizzo.

COUNCILMAN RIZZO: Thank you, Madam Chair.

I would like to follow up on that. I would appreciate it that -- you have a fine police department, substantial, that has responsibilities in not just in Philadelphia, but in other counties.

That we develop -- and I think you may want to ask your chief, because I will check with the Police Department to see if you follow up on this -- that they sit down and talk to see, when calls do come in or your drivers see vehicles impeding their traffic.

I mean, I watched a bus the other day trying to make a turn here in Center City. I mean, it was kind of -- it was comical. Because there was a car parked on the corner. The articulating bus tried to make the turn. The bus driver wouldn't move the bus. He sat there and would not move the bus until the vehicle was moved.

And it was interesting. The vehicle that was illegally parked was a SEPTA vehicle. And I could hear the driver, basically, saying that, I'm not moving the bus, I am not allowed to back the bus up. I don't know what that's about. And he and the other SEPTA employee got into an argument. It was an orange SEPTA vehicle.

But it was kind of -- it would have made a great TV show, to see what went on there.

So I think that we need to get the Police Department and SEPTA Police together. If there is a 911 call or, I think, more so your own employees observing vehicles, and asking the SEPTA Police to come out.

Because the 911 people are so backed up with their work, to go out and have to enforce, since you already -- if you didn't have a Police Department, I could understand. But I think that they need to get focused on some of the things that they need to do.

Could you explain to me the right-of-way? I had a constituent call me, knowing today were the hearings. As an example, the right-of-way where the light rail runs between North Philadelphia and 30th Street. I know that there is other than SEPTA that uses that corridor.

And the person said they will e-mail me digital pictures. And also they pointed out that the cleanliness of the right-of-ways are starting to get abandoned car bumpers, other just trash.

It is just people that ride the train have even mentioned to me that it is very, very bad.

Who is responsible for the cleanliness, the cleanup of the right-of-way, since -- I assume that you have right-of-ways that are just SEPTA, and then you have Conrail and SEPTA, and other CSX, or whatever.

But it is really getting unsightly, some of the areas. How do you deal with the cleanup of your right-of-way?

MS. MOORE: Is this the Elevated structure, the Market-Frankford?

COUNCILMAN RIZZO: This is the trains, Chestnut Hill.

MS. MOORE: For regional rail, a lot of our traffic is on Amtrak-owned right-of-way, and we actually pay them a fee to be on the system.

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So if it is Amtrak owned, they are responsible, then, for the maintenance of it.

COUNCILMAN RIZZO: Would it be possible -- and I know we don't want to load a lot of burden -- but I assume that there are people that work with you that can report back to you to let you know.

When people get on SEPTA, they don't know about -- you know, they are not fortunate enough to know that Conrail and Amtrak and this track and that track. All they think is, SEPTA.

MS. MOORE: Correct.

COUNCILMAN RIZZO: Is there someone that could make an inspection of the areas that you have, that your trains run on, to just give a fast, dirty report on what exactly the conditions of those are?

Because it is embarrassing to put a visitor -- maybe Conrail doesn't care about the cleanliness of the right-of-way. But I know when visitors get on, and we encourage them to use SEPTA, they see that and they say, my God, is this a dirty city, even though it is off the beaten track a bit. What do you think we could do to lean on them a little bit?

But areas that you have exclusivity, take care of those first. And then have somebody give you a report on, really, what the conditions are of those areas?

MS. MOORE: I will tell you we have an infrastructure group. And part of their charge is looking at the conditions, our conditions daily, weekly, you know, some periodic basis.

To the degree that there is something seen and it is Amtrak related, we have contacts and we tell Amtrak, et cetera.

Amtrak, unfortunately, is in the same situation as SEPTA, with limited dollars and going through a lot of struggle. They are going through a great deal of struggle, but that should not prevent them from taking care of their property.

COUNCILMAN RIZZO: Car parts, bumpers, shopping carts, all kinds of debris and trash. And that was between North

Philadelphia station and 30th Street. So that's, obviously, not a good situation.

MS. MOORE: That's Amtrak.

But we will send somebody out, and we will also make the phone call to Amtrak to remind them.

COUNCILMAN RIZZO: Just people that don't ride the train frequently are the ones -- I think most of the veterans probably just accept it as a way of life. But people that don't ride regularly, they are taken aback by the condition of those areas.

I want to ask you about, was there at one time light rail, in SEPTA's history, from the western suburbs?

MS. MOORE: Which part of the western suburbs? Reading, that area?

COUNCILMAN RIZZO: Yes.

MS. MOORE: One of SEPTA's predecessors, one of the train operators, did have service coming out of Reading. It was terminated in 1980.

COUNCILMAN RIZZO: By who?

MS. MOORE: By whoever that

predecessor was. I don't know whether it was Penn Central or -- but it was before -- or, it might have been SEPTA.

COUNCILMAN RIZZO: I heard it was SEPTA.

MS. MOORE: It could have been SEPTA.

But it wouldn't make a difference. SEPTA or predecessor, it is deemed to be SEPTA. But in 1980, service was discontinued.

COUNCILMAN RIZZO: From Reading?

MS. MOORE: Yes.

COUNCILMAN RIZZO: I said this once before. And I think Ms. Jones may have been here, may have not been here for this statement that I am about to make.

We are about to get hit a double whammy. We are losing people by the minute. They are heading to the western suburbs and other areas, Bucks, Montgomery, Delaware, New Jersey. But let's just talk about the western suburbs.

We have lost their residencies here. Many of those folks still come back to

Philadelphia to work.

We are now experiencing people communicating with me saying, I'm about to shop for a job outside of the city because I just cannot deal with driving 40 minutes to go to Norristown to get onto a train, or am I going to fight -- and we all listen to the traffic reports -- the backup of 422, the only state highway that gets people into Philadelphia.

And I know you are talking about -- and I forget the terms -- new rail. But when that rail was shut down from Reading in 1980, I assume there is a right-of-way, I assume -- I understand there are stations that have been just abandoned.

Those folks that moved away from the city, that continue to work here, are now getting to the point where they are fed up with the commute, they are fed up with having to put the dollar in the SEPTA parking lot. That's a pretty good deal, by the way.

There is no criticism of the service at that point. I had one individual tell me that he can't remember when there has been a problem with the train from Norristown to Philadelphia.

But it is kind of -- he is to the point where he said, Frank, I am going to -- now I am not even going to work in Philadelphia. He is having an interview in a couple of weeks as an executive with a pharmaceutical company in Collegeville.

So I think eventually we are going to start to lose. We lost them, we lost their residencies, and now we are about to lose the jobs.

What are we going to do? Has anyone looked? Is it practical to consider that track that we had in the ground at one time that we closed in 1980, to revisit that?

Because, as you know, it is no secret, the western suburbs is the hottest part of the Commonwealth right now, and most people that live there came from Philadelphia.

What are we going to do to help people get into Philadelphia from the suburbs, especially that particular area, and keep them at least employed here?

MS. MOORE: I will tell you, Councilman, that track is no longer a SEPTA or SEPTA-related track; it is a Norfolk Southern track.

There have been major discussions headed by the Secretary of Transportation, even, with Norfolk Southern. SEPTA's at the table. Reading, my counterpart for the Reading transportation center, is at the table.

Any initiative that we have looked at is a billion dollar initiative. Because you just can't do it from Reading to 30th Street. You know, you are really looking at how you are going to connect it.

It is a part of the various analyses or alternatives being evaluated for Schuylkill Valley Metro. And, either way, it is an expensive undertaking.

COUNCILMAN RIZZO: Schuylkill Valley is a whole new configuration; correct?

MS. MOORE: Part of the configuration is from Reading, all the way into Center City.

COUNCILMAN RIZZO: But not utilizing that what you just described?

MS. MOORE: It is utilizing the Norfolk Southern right-of-way.

COUNCILMAN RIZZO: And that's the one that you indicated was shut down in 1980?

MS. MOORE: SEPTA shut down service in 1980.

COUNCILMAN RIZZO: It was SEPTA?

MS. MOORE: It was SEPTA in 1980.

I am saying SEPTA. It could have been a SEPTA predecessor. But SEPTA, effectively, abandoned that line. It is now Norfolk Southern's line.

COUNCILMAN RIZZO: Would you agree, though, that people that have to fight that transportation issue into Philadelphia every day really need some relief?

Because, again, I think we are just going to continue to lose jobs. And people just don't want the hassle of an hour-and-a-half commute.

And, realistically, this proposal

that you are talking -- what's it called again? Schuylkill --

MS. MOORE: Schuylkill Valley Metro.

COUNCILMAN RIZZO: How many years realistically, even if you had the funding, is that out?

MS. MOORE: Even with funding, if you could accelerate it, you are probably talking five, six, seven years, even if you started today.

COUNCILMAN RIZZO: Well, it is a nightmare out there.

MS. MOORE: And part of what the valuation includes for Schuylkill Valley Metro is that shift in, I guess, the demographics of where people live.

And part of our dilemma is, we still do not have enough density of population that the ridership projections, even for 20, 25, or 25 years down the highway, suggest that enough people will be on the system to make it pass certain tests that the federal government would ask us to try to pass.

COUNCILMAN RIZZO: If they put a

toll booth on 422 East in the morning and 422 West in the afternoon, I think they could pay for it.

MS. MOORE: That might be a winner.

COUNCILMAN RIZZO: I am just telling you.

Listen to the traffic report in the morning, and you will hear about a 40-minute backup coming into the Schuylkill Expressway.

I am disappointed to hear that there doesn't seem like there is going to be much relief in the near future.

MS. MOORE: No. Because even if Norfolk Southern were to do the service and attempted to start the service right away, you are talking about major upgrade of the tracks, you are talking about creating stations, building stations.

This is not a small undertaking. It is not putting a train from Reading and running it into 30th Street. You are talking about rebuilding the infrastructure from Reading all the way to 30th Street, culmination of Norfolk Southern and a little bit of Amtrak and a little bit of SEPTA.

COUNCILMAN RIZZO: Just for me to end this conversation. So I understand now, so I can understand this better, right today there is a dilapidated, closed train station in Reading, Pennsylvania. There is a right-of-way with a track, a couple of tracks, going in each direction, possibly deteriorated or unused at this time?

MS. MOORE: It could be. Out of Reading, it could be.

COUNCILMAN RIZZO: That a train at one time used to be able to leave Reading, come through Limerick, Pottstown -- I don't know.

MS. MOORE: I don't know the course. I do know in 1980, we stopped service from Reading.

COUNCILMAN RIZZO: But it came from there, and it came to 30th Street Station.

MS. MOORE: I believe it did, indeed, come into 30th Street.

COUNCILMAN RIZZO: Could you please arrange for someone to give me a briefing so I can intelligently understand?

Because I just heard recently that an elected official in Bucks County -- you probably know -- they are leaning on SEPTA to do something similar.

What's that about?

MS. MOORE: Quakertown?

COUNCILMAN RIZZO: Doylestown, I thought. Is it Quakertown?

MS. MOORE: There has been a Quakertown study done to restore rail, and that is in Bucks County.

COUNCILMAN RIZZO: That's the issue, then?

Could you get somebody to give me a briefing on exactly what exists, what it would take to reactivate what we already have?

I am not talking about Schuylkill Valley, something brand-new. What's there, and what it would take to put that train back on track. I like that. Put the train back on the track. Get this back on track.

MS. MOORE: I think we have those estimates provided to us from Norfolk

Southern, so we can share those with you.

COUNCILMAN RIZZO: So we once owned that. SEPTA owned it, and we lost it?

MS. MOORE: We abandoned it. The last train that SEPTA ran was 1980. And it was abandoned primarily because there was no ridership.

COUNCILMAN RIZZO: Yes. But 1980 to 2006, it is a whole different deal now.

Somebody somewhere in SEPTA made a very bad decision.

Okay. Thank you, Madam Chair.

COUNCILWOMAN BLACKWELL: You are welcome.

Councilwoman Reynolds Brown.

COUNCILWOMAN BROWN: Thank you, Madam Chair. Just a few quick questions.

On Page 2 of your testimony, you discuss the job shadowing, you discuss the Keystone Partnering Apprenticeship Program that's been in place for four years.

Speak to how that's going, and what percentage of the students ultimately land an employment opportunity with SEPTA.

MS. MOORE: Okay. I will deal with Keystone first.

The Keystone Career Ladder is more for existing SEPTA employees. We were experiencing a major gap in some of our more highly skilled mechanics. So we worked with TW Local 234, who represents our bus operators/mechanics.

And came up with a joint program where we would accelerate training, offer the individuals an opportunity for promotion. And the union sort of embraced it because it did give additional skill sets. So that one is more for us.

It has been successful. We are continuing with it. And it has been so successful that it is being, I guess, mimicked, copied in other states.

COUNCILWOMAN BROWN: When you say it has been successful, define that.

MS. MOORE: We were having a problem with some of our -- we have mechanics second-class, first-class, with first-class being, you know, the super stars.

We were having some difficulty with the first-class mechanics, promoting people to first-class, because they couldn't pass certain tests.

Keystone helped us develop the curriculum that will enable them to pass the test.

COUNCILWOMAN BROWN: Get to the pipeline?

MS. MOORE: Yes.

So we have seen more and more people test into the next category for mechanics. And that has been very successful.

And we got several grants from Department of Labor out of Pennsylvania. And it has also been used as the anchor for a major program for a community transportation center based in D.C., where they have applied to the federal government and just received a million dollar grant to try to roll this entire program, or a similar program, out to the other parts of the country.

COUNCILWOMAN BROWN: And then the program connected with the school district?

MS. MOORE: That's a new force. We will have our first graduation next month. I think we are graduating eight students. So it is new.

It is, effectively, our effort of trying to develop apprenticeships. We actually want -- in conjunction with the school district, we want to be able to help show people on-the-job training, you know, basic work skills. You have to get up in the morning, you really do have to go to work, et cetera.

So I'm excited about that graduation.

COUNCILWOMAN BROWN: We will look forward to the continued progress of that.

MS. MOORE: We are calling it a pilot. And we have to evaluate it after this year. But we are hoping that it is as successful as I have been told, and that we can continue it.

COUNCILWOMAN BROWN: I read with interest in this document American City and County where they discuss a new initiative underway in New York wherein hybrid buses -- and I am reading the headlines -- hybrid buses find a place in New York's efforts to clean the air.

And they have purchased X number -- ten hybrid electric low-floor buses from some place in Ontario.

So, of course, my question is, given the pluses about the use of hybrids, where there is far less brake wear and what, roughly double the mileage between brake replacements, is there any potential of the Board and/or leadership there at SEPTA to look strategically as whether or not that might be a place for our city to go?

MS. MOORE: We have already looked strategically, and I am happy to report we already have some.

I think last check on fleet size, we might have introduced I think about 20 to 30. I know there were 20, and we exercised some options.

There are at least 20 hybrids. And these are located at the same Southern

District that I mentioned.

They are low floor. It is a combination diesel/electric hybrid, which is what New York has done.

The industry previously had looked at some hydrogen, natural gas. That didn't work out very well. You know, that was -- it has been proven that the hybrid electrics might be a better route for the agencies to take.

And we are extremely pleased with our buses. The results have been fantastic. We are getting great mileage.

The only down side is, the fuel is quite expensive. It is very expensive.

So on the surface, it costs you about the same to run the hybrid as it did a diesel, but it is environmentally friendly.

COUNCILWOMAN BROWN: Okay. That's good news.

You also discuss on Page 2, what do they call it -- well, my question is this: Is the city liable for an incident on a regional rail outside of city limits?

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Where ultimately does the liability fall when a worker, visitor, or student is traveling to and from the city?

Is the city liable for an incident that happens on regional rail, if it is outside of city limits? I am just curious.

MS. MOORE: Whether it is inside the city limits or outside the city limits, the responsibility is SEPTA's.

COUNCILWOMAN BROWN: I see. Okay. The RIOS program. Of the 144 incidents, is this a significant decrease or -- it is on Page 1 of your testimony.

MS. MOORE: That would be the drop from crimes. And that time frame that we were looking at, I think it is about -- since the police moved over to SEPTA.

It was a very high number initially, and it is down to about the 140. So a major, major drop. Some 90, 95 percent drop in crime since the Police Department moved into the jurisdiction of SEPTA.

COUNCILWOMAN BROWN: And I presume SEPTA Police and Philadelphia Police talk all the time, when needed?

MS. MOORE: I will say, yes. I will absolutely say, yes.

And we serve on several committees together. We are doing a lot of emergency preparedness drills together. Our SEPTA police train at the Police Academy.

So, there is a great deal of collaboration.

COUNCILWOMAN BROWN: Then my final question is around what you all call a portable neutron sensor device.

You anticipate purchasing more. And are they incredibly expense?

MS. MOORE: Extremely. Extremely. But, we had to actually evaluate the heavy expense versus delaying our customers.

We also don't want to continue to be a significant drain on the bomb squad of Philadelphia.

So these devices will help the city police, as well as our police. They will initially screen. If they don't sense any danger, you know, we don't have to call the bomb squad. So we don't have to call them out as often as we were calling them out.

And, unfortunately, in today's world, suspicious packages, an innocent briefcase left on a train, stops the train.

So now we don't have to delay our passengers hours, you know. It is a 15, 20 minute exercise, and then we can be on our way again.

COUNCILWOMAN BROWN: Is this a trend of major transportation systems across the country, the purchase of these devices?

MS. MOORE: I can't project for the other agencies.

I do know that it is a pilot, that we are the first transit agency to actually employ these two devices.

We have gotten a great deal of interest from other transit agencies, other law enforcement agencies. We have done several demonstrations, and they have been very well populated.

Certain federal government agencies are indeed looking, I think, with now one federal agency looking to purchase this device, as well.

If the pilot holds true to the things that we think it can do, I cannot imagine that other transit agencies, who have the same dilemma that we have with suspicious packages, but I couldn't imagine they wouldn't employ some device similar to this.

COUNCILWOMAN BROWN: Okay, then. Thank you very much for your testimony.

COUNCILWOMAN BROWN: Thank you.

Councilwoman Tasco, thanks for your patience.

COUNCILWOMAN TASCO: Thank you very much.

I want to go back. I didn't want to interrupt when Councilwoman Blackwell was offering her questions.

I just want to say that I certainly am sympathetic to what's happening in West Philadelphia.

I go out there quite frequently. And it is very, very sad and tragic to see what's happening to those businesses due to the magnitude of the construction out there.

So I certainly hope that you all can get that done. Because, at the end of the day, you may end up with nothing.

I have lived in West Philadelphia for ten years, so I know those areas very well.

And I was out there yesterday, and it is a very sad sight for those people who live there. And it is very inconvenient and has a strong economic negative economic impact on this city and that community.

COUNCILWOMAN BLACKWELL: Thank you, Councilwoman.

COUNCILWOMAN TASCO: I want to go back to the Paratransit.

Since now all the buses are handicapped accessible, what is the contracted arrangement do you have with Paratransit? Has the budget decreased for those services?

MS. MOORE: Okay. I can tell you that we have not made any efforts to reduce the Paratransit budget.

We outsource it to various carriers

in the City of Philadelphia. That has not changed.

We are, actually, awarding tomorrow at the Board meeting a contract for some $60 million -- a great deal of money -- to continue the Paratransit service in the City of Philadelphia.

I will tell you that it is becoming more efficient because of the way we have it structured.

So we have not reduced the level of service, but the costs are starting to come down.

COUNCILWOMAN TASCO: But you reduce the level of service when you require the handicapped people who have disabilities to use the buses. That cuts down on your ridership, doesn't it?

MS. MOORE: Well, we hope so. We hope so, on one hand. But, let me explain that a bit.

A Paratransit ride could conceivably cost us 35 to 40 dollars. A fixed-route ride could cost us, what, 2 dollars, maybe 3 dollars.

To the degree -- and the ADA requirements tell us that the service for ADA should not be separate and distinct.

To the degree we can integrate them, we can make the disabled community more mobile by getting them to the fixed-route system, that is our charge.

Get them to the fixed-route system, if indeed they can maneuver on the fixed-route system.

The recertification is done in such a way for those that have grown accustom, let's just say. They could have maneuvered on the fixed-route, if it were ADA accessible. They have grown accustom to using service, as opposed to the fixed route.

So they are quite upset that we are moving them, but that opens up more capacity for those folks that are truly disadvantaged and cannot ride the fixed-route system.

I also want to remind you that our Paratransit, our shared ride, are commingled. So our seniors never have the opportunity to be kicked off. It does not impact our senior citizens at all. It is merely those wheelchair -- mostly wheelchairbound patrons, to see if they can maneuver on the fixed-route system.

COUNCILWOMAN TASCO: So you haven't decreased your ridership on the Paratransit because you are reevaluating and requiring more people to go to the fixed stops?

MS. MOORE: There might have been 400 trips, 400, removed out of the 8,000 daily trips that we perform.

COUNCILWOMAN TASCO: Is there any corresponding cost to that? Would you give the same contract for the same cost?

How do you determine what the contract price should be?

MS. MOORE: It is determined by trip, by revenue hour. So if they put 10,000 hours out there, we pay them a fixed amount per revenue hour.

COUNCILWOMAN TASCO: How do you calculate a revenue hour?

MR. JOSEPH CASEY: It is bid; it

is contractually bid.

Joseph Casey, Chief Financial Officer for SEPTA.

MS. MOORE: I think the question was, how do we determine what a revenue hour is.

Was that the question?

COUNCILWOMAN TASCO: I am trying to figure out, if you lost 400 people, then you have cut down on some time.

MS. MOORE: Not necessarily.

We removed 400 individuals that could ride the fixed-route system. But those 400 trips have been more than consumed by other people. Because now we have more capacity, so we are filling those 400 holes that might have existed with new people. So --

COUNCILWOMAN TASCO: Is there a waiting list for people?

MS. MOORE: Oh, yes.

MR. CASEY: When we look at the budget, we are looking at potentially a 10 percent increase for next year for

Paratransit.

MS. MOORE: We have not kicked people off the system with the idea for reducing the costs, not for Paratransit.

MR. CASEY: I just want to add, a lot of our vehicles and our station work is funded by the federal government.

And the federal government is investing a lot of money to making the system and the vehicles accessible, et cetera.

So there is a decision, there is a policy for the federal government, if you can use the system, they want you to use the system that's available.

MS. MOORE: It gives them, actually, more options. And we are finding out -- we work very closely with our disadvantaged committee.

And they are our counselors, our advisors. We are meeting with them periodically. When we did the recertification we made sure one of them serves on the panel.

So we take our responsibilities for the ADA requirements very seriously.

COUNCILWOMAN TASCO: This is not a criticism, this is just to give you some information.

Yesterday my granddaughter called to find out how do you get from Diamond Street -- she is a student at Temple -- to the 23 bus.

She was told to go to Broad and Olney to get the 23 bus. And the 23 bus goes out Erie, you know.

And then, of course, she found out she could take it from down 11th Street. She was given all that incorrect information. That's just an aside.

MS. MOORE: And for us it is a serious aside. So in your casual discussions, just make sure she calls customer service. Because if she did, I have a whole arena that I would like to follow.

And this will be a perfect example that I can give them about how our actions really do impact people.

COUNCILWOMAN TASCO: Thank you very much.

COUNCILWOMAN BLACKWELL: Thank you,

Councilwoman.

As you know, we have had some discussion today even about Paratransit, because we get calls from people who have been cut.

Councilman Nutter.

COUNCILMAN NUTTER: Thank you, Madam Chair.

Good afternoon.

MS. MOORE: Good afternoon.

COUNCILMAN NUTTER: A couple. All of these are related to the Market-Frankford project.

Recently I have been contacted by two different constituents. One is the Willcrest Products and Services Company, 6011-13 Market Street.

I would like to be able to get to you a copy of a letter laying out any number of concerns that this particular business has related to the project.

And, apparently, they have been in contact with SEPTA on at least one occasion, for the document that I have. Numerous issues, it looks like about ten different items, which I would like to be able to get to you.

The second is, I would like to ask if we could have a meeting, a discussion, with regard to, apparently there has been some, it looks like, legal action regarding Debonaire Cleaners at 6009 Market Street, Mr. David Taylor, who is a long-time constituent, well-known to people in the community.

I don't want to get into all the details of that matter in this situation, but I do at least want it on the record that I have some concerns about that.

And I think at least a meeting, so that I can better understand the situation. And maybe even Mr. Taylor, as well.

MS. MOORE: Okay.

COUNCILMAN NUTTER: I believe that the organization is sensitive to the impact of the project.

I think you have a pretty clear understanding, because of your personnel out on the site, whether SEPTA personnel or other consultants, of the impact on people.

But Councilwoman Blackwell has talked about this, and then done more than talk about it, and has taken any number of actions. I have certainly done my best to be supportive of those actions.

But beyond -- at times in these situations, beyond the money that may be involved, there is a real human cost and impact to these kinds of projects.

I understand the goal is to improve the rail system. And as we, you know, sometimes can say with these kinds of projects, a short-term inconvenience for a long-term benefit.

In some of these matters, though, some individuals and/or their businesses will never recover, will not survive, and they will become casualties of this project.

I certainly would hope that we would never, ever accept, you know, either a casualty level to something like this or that they are just the collateral damage that goes with major development projects.

I think most of us probably could not have completely and totally and fully estimated what the real impact would be.

Not just on the cost of the project, which has escalated; not just on the time of the project, which has been delayed; not just on all the internal machinations that SEPTA has had to deal with in terms of Contractor A and Contractor B and then what happened to Contractor C, and get rid of them and bring in D.

But, you know, this is a real neighborhood with real people, businesses, and residents. And their lives, in many instances, will be forever changed.

I think we have a debt to pay and some obligations out here which have been unfulfilled.

And to the extent that we can be as creative as possible -- there have been some efforts, I know, even whatever their size. We know that they have been certainly smaller than what the true nature of the cost has been.

And, so, I want to revisit the issue of how we try to make some of these individuals if not whole, then certainly close to that.

I received the December 2005 affirmative action progress report. I wanted to ask a couple of questions about that. It also is related to the Market Street Elevated reconstruction project. A couple general background questions.

The first page of it talks about employment opportunity, or equal employment opportunity, total hours worked. And then there is a second chart, disadvantaged business enterprise, DBE.

So the preliminary questions are, what is the difference between the EEO goals and the DBE goals?

MS. MOORE: Councilman, the EEO would be people oriented; the DBE would be company oriented.

COUNCILMAN NUTTER: So for equal employment opportunity, when we say total hours worked, this is as of December 2005, and the number is 756,145?

MS. MOORE: Correct.

COUNCILMAN NUTTER: And how were the two sets of goals set?

MS. MOORE: As part of the requirements for getting federal money, there are certain goals that are established by the federal government.

For the government goal, the minority goal, I think, was hovering around 17 percent, with the --

COUNCILMAN NUTTER: Is this for EEO?

MS. MOORE: This is EEO. Right now we are only talking EEO.

We increased that goal to 26.4 percent, which is what you see there. So this is some 9 percentage points higher than what the federal government suggests in their literature.

And we did it with a conscious effort with the businesses, the employees, potential employees, worked with the FDA. But that 26.4 percent goal is just 9 percent greater than the federal goal of 17 percent.

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The female goal is also established at a federal level.

The residential goal is a voluntary goal that we have imposed upon ourselves. And we have asked, then, the vendors associated with the project to accept the goal.

And we are happy to say they have indeed accepted. Because the federal government does not allow you to dictate a residential goal, it must be voluntary.

COUNCILMAN NUTTER: These federal goals, what are they based on? Population, demographics, size of project?

How does the federal government determine what these goals should be on a particular project?

MS. MOORE: I'm not sure. But it is published yearly in a circular, and then provided to us. So --

COUNCILMAN NUTTER: Are they the same in Philadelphia as they might be in Boise, Idaho?

MS. MOORE: I'm not sure. The only circular I looked at was for the one specifically for this metropolitan area. But we can double-check and give you a quick little summary of how it is done.

COUNCILMAN NUTTER: And at what point in the contracting process are the goals set?

MS. MOORE: Early. It was to be in the planning stage and they have to be set before the contracts are let.

COUNCILMAN NUTTER: And is that for all the contracts?

MS. MOORE: It is contract specific, not for EEO. This is a project. These are goals we expect to achieve throughout the project. EEO.

COUNCILMAN NUTTER: EEO.

MS. MOORE: DBE is more contract specific, and those are set for each individual contract.

COUNCILMAN NUTTER: Prior to the advertising or letting of the contract?

MS. MOORE: Correct.

COUNCILMAN NUTTER: And what about professional services?

MS. MOORE: Same thing. The goals are set prior to the solicitation going out.

COUNCILMAN NUTTER: Now, I am looking at the document.

On the DBE page -- I'm sorry. Did I mention DBE's?

For professional services contracts, you are anywhere from 10 percent to 50 percent. How do you determine that?

MS. MOORE: Are you on a specific page?

COUNCILMAN NUTTER: I am on the professional consultant service contract. The pages are not numbered. It is the last page.

MS. MOORE: Yes. Each --

COUNCILMAN NUTTER: It is just a column, DBE Goal, letter D.

MS. MOORE: Yes. As I mentioned, contracts -- goals are established for each contract.

The goals are established based on what services have to be done, how many prime contractors can do it, and how many DBE firms we have registered that can -- that have indicated they also could possibly perform some of the services.

So it is established based on the availability of DBEs doing the services.

COUNCILMAN NUTTER: So let's go down the list here.

Architectural engineering, design, and construction services. Now I don't know what that means, November '95.

MS. MOORE: That's when it was awarded.

This is for design work. This is the one that helped us create the vision that's out there. I know.

COUNCILMAN NUTTER: Did you really want to give them that level of profile or credit, I mean?

MS. MOORE: I actually did want to give them that credit, but...

COUNCILMAN NUTTER: Well, you know, the vision is a little blurry at this point.

So DMJM-Harris, is that one company?

MS. MOORE: It is one company, yes.

COUNCILMAN NUTTER: And that is, it

appears that they are a nonminority company?

MS. MOORE: They are a nonminority company.

COUNCILMAN NUTTER: So the goal was 23 percent. The current percentage is 18.38.

But I guess what I don't have is, how did they meet -- who did they do business with?

MS. MOORE: There is a complete listing for each one of the vendors we have of all the contractors, all the subcontractors for each one of the contracts.

So we could provide that data to you very easily, if that's --

COUNCILMAN NUTTER: That would be helpful.

Now, in the professional consultant contract area, I guess the big number is under prime payments? Is that E? Or is the total for that section E plus F?

What's the total amount that's going to be spent on professional consultants?

MS. MOORE: The contract values are even listed previously.

COUNCILMAN NUTTER: What page?

MS. MOORE: The total contract value for professional services is expected to be 74 million 090.

COUNCILMAN NUTTER: Second page. Right.

MS. MOORE: The 22 million, B, column B, is what is committed for DBEs out of that 60 -- $74 million. The rest of the information is actually tracing payments.

COUNCILMAN NUTTER: I understand. So you have $22 million in commitments, you have paid out 19?

MS. MOORE: We have paid out -- we have $74 million total commitments. We have paid out $60 million to the primes.

Out of the $60 million we have paid to the primes, the DBEs have been paid a little under $20 million.

COUNCILMAN NUTTER: And then, so, in affirmative action section, you have two contracts. So there are two different companies dealing with affirmative action?

MS. MOORE: The first contract was

concluded. Milligan & Company is the active company now. They were awarded the contract January of '04.

COUNCILMAN NUTTER: The previous contract ended 12/31?

MS. MOORE: Yes.

COUNCILMAN NUTTER: So you have had two companies that weren't acting at the same time?

MS. MOORE: Correct.

COUNCILMAN NUTTER: And then there were two different contracts for communications, community relations?

MS. MOORE: Well, two different contracts. It just so happens the same vendor received both of them. But, yes.

COUNCILMAN NUTTER: Okay. And then the same issue with the program management, seems to be, as the architectural engineering design. This is a nonminority company.

MS. MOORE: Correct.

COUNCILMAN NUTTER: They are at 23 percent, their goal was 17. And then you would have to provide the backup to go with that.

MS. MOORE: Their current commitment is the 23 percent, and that's the one we expect them to satisfy.

So they are currently based on payments at the 17 percent mark, but they have still confirmed that they are indeed going to hit their goal of the 23 percent for DBE.

COUNCILMAN NUTTER: I thought the goal was letter D?

MS. MOORE: The goal is -- the DBE goal that we established was 17 percent. They surpassed the goal we established.

COUNCILMAN NUTTER: Okay.

MS. MOORE: So their committed goal is what we hold them accountable for.

COUNCILMAN NUTTER: And then cleanup and disposal is another nonminority company?

MS. MOORE: Cleanup and disposal, I think Immaculata is, indeed, a minority vendor. So you see 100 percent, 100 percent.

COUNCILMAN NUTTER: I see that.

And the other ones you seem to have DBE next to them.

MS. MOORE: Because they are going to subcontract 10 percent of it to probably a DBE.

So they also get -- there was a 10 percent goal attached to the contract. But a minority firm won the contract; therefore, it is a 100 percent DBE involvement.

COUNCILMAN NUTTER: Okay. But, I mean, do they then have to go and subcontract to somebody else?

MS. MOORE: They could, but they don't have to.

COUNCILMAN NUTTER: Got you.

If you could get us address and name of principal for these various firms, that would be helpful.

MS. MOORE: For all of them? For every one that's listed on this page?

COUNCILMAN NUTTER: Yes.

And what happens, I mean, do you have -- so now going back to the second page, I guess this is.

On the construction contracts, you have percent DBE commitment for construction is 17.97?

MS. MOORE: Correct.

COUNCILMAN NUTTER: But the achievement is 7.73?

MS. MOORE: Correct.

COUNCILMAN NUTTER: So if someone doesn't meet their commitment, what happens?

MS. MOORE: Well, first let me point out that we are early into construction, so the firms still have a wonderful opportunity to meet their DBE goals.

This is more reflective of where we are in the construction cycle, as opposed to them not meeting goals.

But we have a process in place with our small business unit. Primes are brought in periodically. We work with them to see what the problems are.

Because we tell them, we hold them responsible for meeting their goal. And, so, we work with them to make sure that they do indeed satisfy their goals.

COUNCILMAN NUTTER: What happens if they don't?

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MS. MOORE: If they have convinced us that they have tried their best, and as the federal government calls it, fair and reasonable effort -- there is some cute little federal terms they use -- there are no published recourses that the federal government allows.

If they are merely just not doing it, then we have the opportunity to terminate their contract.

COUNCILMAN NUTTER: What recourse does SEPTA have?

MS. MOORE: That's what I am saying. If they are saying, we are not doing it, we are not going to try, et cetera, one of the corrective measures could include terminating contract.

We haven't had vendors that wanted to risk that, so they tend to work with us.

COUNCILMAN NUTTER: Now, on the resident goal -- and you laid out that you may not be able to require it, and people have to agree to it -- but, I mean, given the massive nature of this project, the neighborhood in which it is situated, I haven't checked on the census bureau side, but I guess I would have to say between Councilwoman Blackwell and I, we would probably have some sense that unemployment in West Philadelphia is probably slightly higher than other parts of the city.

The city's unemployment rate is higher than, I believe, the national average.

The goal is 10 percent, which I would say is low. But they haven't met that, anyway. I mean, what is possibly the problem?

MS. MOORE: We were added up -- until this recent reporting, we were actually seated at -- we were close to 10 and a half or 11 percent, so we were exceeding it prior to this one.

A lot of the construction dollars -- a lot of the efforts now are being done away from the site. It is still erection, et cetera. So it is not as many opportunities for the local community to participate. It is very specialized in some of the work.

What we expect a heavier -- we expect heavy concentration when we get into the station area, which is what we saw with 56th Street. But it is very --

COUNCILMAN NUTTER: Well, have you had difficulty finding people?

MS. MOORE: Yes.

COUNCILMAN NUTTER: Why? Folks out in West Philly don't want to work?

MS. JONES: I wouldn't go so far as to say that.

MS. MOORE: I would never say that.

MS. JONES: However, what we have continued to do is to try to recruit people who were interested in working in the construction industry.

So we have a relationship with DAP, Diversified Apprenticeship Program, through -- well, it is the DAP program. And we continue to send people to the program for training.

And after the training is complete, they can in fact work up to a thousand hours on the project.

COUNCILMAN NUTTER: Why is there a limit?

MS. JONES: I beg your pardon?

COUNCILMAN NUTTER: Why is there a limit?

MS. MOORE: The federal government imposes a limit.

MS. JONES: So we continue to try to recruit people in West Philadelphia.

We have found that in some instances, particularly with the DAP program, there were requirements that some of the residents were not able to pass.

COUNCILMAN NUTTER: Such as?

MS. JONES: Well, they require that they have at least a GED, a driver's license, and be able to pass some of the -- there is a test that they have to pass, urinalysis, and in some instances they were not able to pass that test.

MS. MOORE: But I also want to mention that.

COUNCILMAN NUTTER: I guess that's not a test you can really study for.

MS. JONES: Or prepare for.

MS. MOORE: You could prepare for it, but you can't prepare for it overnight.

MS. JONES: So we have continued to recruit and to send people to the DAP program.

COUNCILMAN NUTTER: How many people have been sent to the program?

MS. MOORE: I knew you were going to ask me that.

MS. JONES: Councilman, I have to get back to you on the number.

COUNCILMAN NUTTER: Do we have any idea how many people have come out of the program and actually worked?

MS. MOORE: We will have to get back and give you that information.

But I will also mention, it is tough work. It is absolutely tough work out there. So it is -- you know, we have had people sort of suggest to us that anybody can push a broom or anybody can do this or anybody can do that, but they are really around some very sensitive, dangerous work.

So we send them to DAP so that DAP gets them ready. And very happy with the way they are preparing people. We just have to figure out now how to complete that circle.

COUNCILMAN NUTTER: Okay. You are going to get us that information back?

MS. MOORE: Yes.

COUNCILMAN NUTTER: What percentage of the project is complete?

MS. MOORE: We actually kicked that one around.

Based on construction dollars spent, it is about 50 percent. And I have my engineer back here, so at any point in time correct me if I am off. And the construction effort is following very closely to that.

I will point out that there are three or four projects that are 100 percent done, and it sort of skews, you know, that number.

COUNCILMAN NUTTER: What's your current best estimated completion date?

MS. MOORE: December of '08, substantial completion. And that is still the time frame that we are targeting.

COUNCILMAN NUTTER: So, basically, three full years?

MS. MOORE: Two. 2006. Two.

COUNCILMAN NUTTER: All of '06, all of '07, all of '08. December '08.

MS. MOORE: Correct.

COUNCILWOMAN BLACKWELL: Point of information for a moment.

If we started in '98 --

MS. MOORE: Well, '98 was prep work and community outreach. Construction has been pushed back a couple of years. But it was not targeted from 1998, that the construction would start in 1998.

COUNCILWOMAN BLACKWELL: I don't remember now, it's been so long.

If we say the construction started in 2000, you are still talking six years. And yet you intend on completing it in two more, but you say you are only 50 percent completed.

How do you deal with, like, one-third at a time, when you are only halfway there?

MS. MOORE: Because we have multiple vendors working on the project.

We had one vendor for a long time doing the utility work, the underground work, et cetera. We now have two full-fledged vendors. You know, we are really geared up for the heavy construction for 2006 and 2007.

COUNCILWOMAN BLACKWELL: Councilman, my question was, if it started in '98 -- and let's give them two years -- even if they say 2000, they say they are 50 percent done, but they will be finished in '08. And that's quite a bit of time, but they said they are using more vendors.

COUNCILMAN NUTTER: You have five years to get to 50 percent and the other 50 is it going to get done in three?

MS. MOORE: A big piece of any job is doing the work that's underground. And that was, indeed, a two-year effort. We relocated all the utilities, all the duct banks.

Not just SEPTA related, but these are duct banks and utility banks that will benefit the City of Philadelphia. So that took two years by itself. So you really do a lot of the efforts underground.

The above-ground things, we are

still very comfortable with December '08.

COUNCILMAN KENNEY: Madam Chair, if I may.

COUNCILWOMAN BLACKWELL: Point of information, Councilman Kenney.

COUNCILMAN KENNEY: Actually, I would like you to consider allowing me at this point to offer an amendment to the Capital Program.

I apologize for interrupting, but we have a 30-day clock issue, and I needed to get it in today.

Surrounding all the discussions we had with the Recreation Department, I know there has been discussion with Councilman Nutter and other discussions about trying to get next year's Capital Budget in line for the Recreation Department.

This is an effort to address the five years from 2007 through 2012. So I just wanted to formally offer this now.

It has been circulated to members. It is on their desks. And, apparently, I have accomplished the technical need of having it in. So if you will allow that to happen, I would appreciate it.

COUNCILWOMAN BLACKWELL: Thank you very much.

COUNCILMAN KENNEY: Thank you very much. I am sorry for interrupting.

COUNCILMAN NUTTER: With regard to the resident goal, you said you are anticipating improvement because the construction is about to start?

MS. MOORE: At this point in time we have one station done.

We have four additional stations in the city proper. That's where there is -- there could be the opportunity for the use of more of the residential.

Right now the steel is being done and erected at a really remote location. It is a little hard to get, you know, the local residents up as far as the steel is. It might be Bethlehem, some of it is Lancaster, et cetera.

There should be more opportunities to engage the local communities, because the stations are right there. They don't have to commute; they could go to the stations.

But it is imperative that the job skills training take place, and they have gone through that, in order to make sure they are indeed successful.

COUNCILMAN NUTTER: Okay.

Thank you, Madam Chair.

COUNCILWOMAN BLACKWELL: Thank you, Councilman.

Certainly we note that the Councilman and I have been at meetings with Congressman Brady, Congressman Fattah, Representative Evans, Representative Louise Williams Bishop, Representative Thomas Blackwell, Ron Waters, Harold James, Dion, and others.

So we have had major meetings dealing with the problems associated with this project, and certainly we hope that the future will not be as tough as it has been in the rear. We hope not.

And, again, we really, really need help with these businesses. We tried to beg up from the Administration and tried to administer it through the Commerce Department some little subsidy. Congressman Fattah came up with some parts of a subsidy.

And we have tried to only try to keep people going. We need programs that deal with forgiveness and deferment in all areas.

And it is very, very frustrating with seniors, when somebody is in their 70s comes and says, "I have to get a job and work for someone else."

So we do ask that you be sensitive to these things. Work with our businesses, give us a little respect. It is hard enough, it is frustrating enough dealing with this issue.

And if you say you are advertising, advertise it. If you say you are fliering the area, put the fliers out.

You know, treat people, give them a little respect so that it isn't so -- the project is hard enough. But we need to feel that there is some partnership, really, in this, and we just haven't felt that way. We haven't felt that the community has been respected.

Councilman Nutter asked a lot of questions about job training, inclusion. That hasn't happened. And that's why, you know, the Councilman and I generally don't go to the meetings, because I don't put myself in embarrassing situations, where I don't have positive information for the people who elect and send me here.

We love our districts, we respect our people, and we need to have faith in our relationship so that, as we step out there, people will believe that we care and that we are doing our best.

Having said that, if there are no other questions or comments, we will recess this hearing until Tuesday, March 28, at 10:00 a.m. Thank you all.

MS. MOORE: Thank you very much.

(Public Hearing adourned at 5:15 p.m.)

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C E R T I F I C A T I O N

I HEREBY CERTIFY that the foregoing proceedings of the Council of the City of Philadelphia of Wednesday, March 22, 2006, were reported fully and accurately by me, and that this is a correct transcript of same.

RE: COMMITTEE OF THE WHOLE

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DEBRA A. WHITEHEAD