

1
2 COUNCIL OF THE CITY OF PHILADELPHIA
3 PUBLIC HEARING BEFORE THE COMMITTEE OF THE WHOLE

4 - - -
5 Tuesday, March 5, 2002
6 9:55 a.m.
7 Room 400, City Hall
8 Philadelphia, PA
9 - - -

10 CONTINUED FY '03 OPERATING BUDGET TESTIMONY

11 BILL NO. 020001

12
13
14
15 PRESENT: COUNCIL PRESIDENT ANNA C. VERNA, Chair
16 COUNCILWOMAN JANNIE L. BLACKWELL
17 COUNCILMAN DARRELL L. CLARKE
18 COUNCILMAN FRANK J. DICICCO
19 COUNCILMAN W. WILSON GOODE, JR.
20 COUNCILMAN JAMES F. KENNEY
21 COUNCILMAN W. THACHER LONGSTRETH
22 COUNCILWOMAN DONNA REED MILLER
23 COUNCILMAN MICHAEL A. NUTTER
24 COUNCILMAN FRANK RIZZO
25

21 - - -
22
23 VINCENT VARALLO ASSOCIATES, INC.
24 Registered Professional Reporters
25 Eleven Penn Center, Suite 600
Philadelphia, PA 19103
(215) 561-2220

1	3/5/02 COMMITTEE OF THE WHOLE INDEX (BILL 020001)	
2	(CONTINUED FY '03 OPERATING BUDGET TESTIMONY)	
3	WITNESS	PAGE
4	DEPARTMENT OF LICENSES AND INSPECTIONS	
5	Ed McLaughlin, Commissioner.....	1673
	Richard Felgus, Admin. Services Director.....	1680
6	Rob Dubow, Budget Director.....	1681
	Robert Solvibile, First Deputy Commissioner....	1683
7	Dave Perri, Deputy Commissioner.....	1698
	Jim Weiss, L&I Information System Manager.....	1705
8	Dominic Verdi, Deputy Commissioner.....	1721
9		
	BOARD OF L&I REVIEW	
10	Richard Felgus.....	1750
11		
12	BOARD OF BUILDING STANDARDS	
13	Richard Felgus.....	1751
14		
	ZONING BOARD OF ADJUSTMENT	
15	Richard Felgus.....	1753
16		
17	STREETS DEPARTMENT	
18	William Johnson, Commissioner.....	1756
	Charlie Trainor, Chief Traffic Engineer.....	1786
19		
20	WATER DEPARTMENT	
	Kumar Kishinchand, Commissioner.....	1866
21	Richards Roy, Commissioner of Operations.....	1871
22		
23		
24		
25		

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 COUNCIL PRESIDENT VERNA: Good morning,
3 everyone. This is the continued public hearing of
4 Bill No. 020001.

5 MR. MCPHERSON: Would the Department of
6 Licenses and Inspections come to the table.

7 (Witnesses come forward.)

8 COUNCIL PRESIDENT VERNA: Good morning and
9 welcome.

10 COMMISSIONER MCLAUGHLIN: Good morning,
11 Madam Chair.

12 COUNCIL PRESIDENT VERNA: Please introduce
13 yourself for the record and proceed with your
14 testimony.

15 COMMISSIONER MCLAUGHLIN: I'm Commissioner
16 Ed McLaughlin, Commissioner of L&I. With me this
17 morning are my senior management team: First
18 Deputy Commissioner Robert Solvibile, Deputy
19 Commissioners David Perri, Dominic Verdi, and.
20 Administrative Services Director Richard Felgus.

21 We appreciate this opportunity to present
22 our Fiscal Year '03 Operating Budget request to
23 City Council and to provide you with information
24 about the Department's recent accomplishments and
25 our plans for the upcoming fiscal year.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 The Department of Licenses and Inspections
3 is requesting a total Fiscal Year '03 budget of
4 \$675,209 044, of which \$22,808,023 is in the City's
5 General Fund. In our General Fund budget, we have
6 a net decrease of \$20,367,573 from our Fiscal Year
7 '02 estimated obligations.

8 Twenty million of the decrease represents
9 the transfer of demolition funding from our
10 department to debt service to support the
11 Neighborhood Transformation Initiative. The
12 remaining decrease in our Class 200 appropriation
13 reflects primarily the reduction of lot-cleaning
14 funding. Vacant-lot cleaning will be managed
15 citywide through the Managing Director's Office.
16 After cleaning of all 31,000 lots in Fiscal Year
17 '02, the City will reclean lots biannually and will
18 work closely with communities to promote continual
19 lot maintenance.

20 This budget supports General Fund staffing
21 of 433 positions first as the Fiscal Year '02
22 average of 436 positions for the Department. The
23 decrease of three positions will not have a
24 negative impact on departmental operations.

25 In the interest of brevity, we offer a

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 short presentation of our most important external
3 goal, life safety, along with information about our
4 primary internal goal, employee development.

5 The primary mission of the Department is
6 to protect the lives of people live and work or
7 visit our city.

8 Fire Safety. The National Fire Protection
9 Association states that the key to an effective
10 life safety program is to get people out of
11 buildings in an emergency. L&I has the
12 responsibility to make sure that our codes and
13 enforcement programs are designed to ensure that
14 people do, in fact, get out of buildings safe in an
15 emergency.

16 Our recent efforts to upgrade City codes
17 by increasing use of smoke detectors, fire alarms,
18 and sprinkler systems have greatly enhanced safety
19 in both residential and commercial high-rise
20 buildings.

21 The Department's citywide multi-family
22 inspection program in, along with 1679 demolitions
23 in Fiscal Year 2001 alone and 13,776 demolitions
24 over the past ten years are all key factors in the
25 reduction of building fires and related deaths.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 Our revised, more demanding code requirements and
3 stepped-up enforcement actions are major
4 contributing reasons for the City's improved
5 life-safety-record high-rise inspections.

6 In Fiscal Year '01 and continuing into
7 Fiscal Year '02, the, department instituted a
8 program to inspect all high-rise buildings within
9 the City of Philadelphia to make sure they were in
10 compliance with all standpipe and sprinkler
11 requirements in the Philadelphia Code. A total of
12 436 buildings have been inspected. There are a
13 total of 548 high-rise buildings.

14 The Department, in concert with the
15 Philadelphia Fire Department, issued new
16 regulations on the audibility of alarm systems,
17 which were inspected during Fiscal Year '02 as a
18 part of our fire code inspection program.

19 Our Code Violation Notices. To enhance
20 the Department's code enforcement efforts, the
21 Department instituted a new program in Fiscal Year
22 '01 to increase the number of paid violations
23 tickets being issued for quality-of-life and safety
24 violations such as locked or blocked fire exits.
25 Over 2,400 tickets were issued during Fiscal Year

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 '01, and it is projected that the number will
3 increase to 3,000 in both Fiscal Year '02 and '03.

4 Under the Code Violation Notice Ticket
5 Program, inspectors can issue tickets for each day
6 that a violation exists, thereby bringing greater
7 Pressure on the responsible party to correct the
8 code violation.

9 The Nuisance Task Force. The Department's
10 Nuisance Task Force, working closely with the
11 Philadelphia Police Department and the District
12 Attorney's Office, conducted numerous special
13 inspections on mostly notorious locations throughout
14 the City. In Fiscal Year '01 and '02, these
15 inspections resulted in cease-operations orders,
16 closing down 52 businesses which were usually
17 fronting for drug gangs, the sealing of 98 properties
18 being used by illegal drug dealers, and assisting the
19 Police Department in make arrests and seizing drugs
20 and firearms.

21 Our most internal goal is Personnel
22 Development and Training. In Fiscal Year '01 and
23 continuing into the first half of Fiscal Year '02,
24 the Department provided employees with 2,553 days of
25 training; a total of 142 different courses were

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 provided. The major types of training provided to
3 employees excluded computer training, inspector
4 technical-skills training, supervisory training, and
5 personnel and safety training. We have trained our
6 clean-and-seal workers in hazmat recognition and
7 handling, as well as dangerous ordinance recognition
8 and procedures.

9 Code Administration Training Program at
10 Drexel University. During Fiscal Year '02, the
11 Department has worked with Drexel University to
12 establish a Code Administration Training Program that
13 will provide Department staff with knowledge and
14 skills needed to enforce the international code that
15 has been adopted on a statewide basis by the
16 Pennsylvania legislature. Under the Drexel program,
17 which will begin offering its first courses later
18 this month, we plan to offer 30 credit hours of
19 instruction to all Department code enforcement
20 personnel.

21 Increased funding has been provided for in
22 the Department's Fifth Fiscal Year '03 Budget. We
23 believe these courses will significantly increase
24 the competency level of not only our existing
25 staff, but all future employees.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 In Fiscal Year '02, we developed the L&I
3 Law Department Training Program to train L&I
4 inspectors on evidentiary and due-process
5 requirements, inspections procedure, and current
6 code law. The program was created to address the
7 City's failure to accurately prosecute egregious
8 code violations because the records and procedures
9 involved in violations failed to withstand legal
10 scrutiny. In Fiscal Year '02, more than 180 L&I
11 employees took part in this program, which used
12 existing City resources and personnel.

13 In Fiscal Year '03, the City will
14 institutionalize the program by offering additional
15 Law Department training. Additionally, every
16 employee will receive customer-service training
17 beginning next week.

18 In Fiscal Year '02, the Department
19 conducted a thorough training-needs assessment for
20 all inspection personnel. As a result of our
21 assessments course, work is being designed that will
22 both prepare inspectors to obtain required State
23 certifications and provide in-depth standing of code
24 enforcement.

25 During Fiscal Year '03, the City will

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 begin enforcing the State act, and the Department
3 anticipates that the enhanced training will
4 increase staff professionalism and our ability to
5 assist the public in achieving code compliance.

6 Thank you for your to our presentation,
7 and we are prepared to answer your questions.

8 COUNCIL PRESIDENT VERNA: Thank you,
9 Commissioner.

10 On Page 46-61 of the detailed budget, you
11 show an FY '02 payment of \$4 million to the
12 Redevelopment Authority for land assembly and
13 acquisition. What sites have been acquired, and
14 why are you paying for these acquisitions and not
15 the NTI bonds?

16 COMMISSIONER MCLAUGHLIN: Richard, go
17 ahead.

18 MR FELGUS: This is part of the --

19 COUNCIL PRESIDENT VERNA: Excuse me,
20 please identify yourself for the record.

21 MR. FELGUS: I'm Richard Felgus,
22 Administrative Services Director, Department of
23 Licenses and Inspections.

24 That money, while shown in the L&I budget,
25 is a part of the NTI Program.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 COUNCIL PRESIDENT VERNA: Well, are you
3 going to be acquiring properties? Is L&I going to
4 be acquiring properties?

5 MR. FELGUS: To our knowledge, the
6 Redevelopment Authority will be responsible under
7 the NTI Program; we're just the funding mechanism
8 at this point. So we really have --

9 COUNCIL PRESIDENT VERNA: I don't
10 understand why the Redevelopment Authority wouldn't
11 be doing it.

12 (Rob Dubow comes forward.)

13 MR. DUBOW: Good morning. Rob Dubow,
14 Budget Director.

15 COUNCIL PRESIDENT VERNA: Good morning.

16 MR. DUBOW: This funding that's included
17 in the proposed transfer ordinance and in the
18 ordinance, the money was going to flow through L&I
19 to RDA for the acquisitions. And there's
20 actually -- at the Appropriations Committee hearing
21 on the ordinance, there were a number of questions
22 asked about this, and we provided a written
23 response explaining what we were doing and can
24 forward that.

25 COUNCIL PRESIDENT VERNA: I don't recall

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 seeing that. Has it been delivered?

3 MR. DUBOW: Yes, but we'll forward a copy
4 to you.

5 COUNCIL PRESIDENT VERNA: Commissioner, on
6 Page 46-60 of the detail, you show an FY '02
7 payment for demolition of \$15.2 million. I
8 understand this was in the midterm or midyear
9 transfer.

10 Now that the NTI funding has been
11 approved, why is this charge being in the General
12 Fund, and why are you budgeting \$1.7 million in
13 demolition funds for FY '03? I thought that all
14 demolitions were to be charged to the NTI Program.

15 MR. DUBOW: There are separate answers on
16 the two questions.

17 On the first question as to why we have
18 demolition money showing even now that the bond
19 deal is going to go ahead, we had promised Council
20 last year, when we put the budget together, that if
21 we did not use the money that we had set aside for
22 debt service in '02 for the NTI bonds, that we
23 would put that money into demolition and other NTI
24 activities. And that's what the transfer ordinance
25 did and so that's why that money is showing up as

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 an obligation in '02.

3 In '03, when we put the budget together,
4 it wasn't clear what was going to happen with the
5 bonds yet, and so we put money in '03 in case we
6 needed some money for demolitions before we got
7 proceeds.

8 COUNCIL PRESIDENT VERNA: So will the
9 Department keep the 1.7 million?

10 MR. DUBOW: Yeah. It will be additional
11 demolition money that we will use in '03.

12 COUNCIL PRESIDENT VERNA: I would like to
13 know how L&I will interact with the NTI Program.

14 And I would also like to know,
15 Commissioner, does your FY '03 budget provide for
16 the appropriate number of inspectors that we're
17 going to need?

18 COMMISSIONER MCLAUGHLIN: Bob, can you
19 take that?

20 MR. SOLVIBILE: Robert Solvibile, First
21 Deputy Commissioner.

22 Good morning, Councilwoman.

23 COUNCIL PRESIDENT VERNA: Good morning.

24 MR. SOLVIBILE: For the first prototype
25 area, our interaction will be to make the

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 inspections, to determine the buildings in an area
3 that are vacant and imminently dangerous, and then
4 to sit down with Council staff, NTI staff and
5 ourselves to determine the buildings that would be
6 demolished in a particular area that was surveyed
7 by our inspectors.

8 And also on top of that, at meetings like
9 that, there's always questions about this one or
10 that one. We then go back and recheck some of the
11 addresses to determine if we should increase the
12 size of the demolition request or to encapsulate,
13 what would be the better recommendation to make to
14 the NTI staff and to the Council staff for that
15 Councilperson for that district.

16 And that's been our -- that will be, and
17 is, like, our part of the NTI Program. We are very
18 strongly involved in recommending -- and also the
19 Managing Director's Office has given us, through
20 their payroll, the ability to hire eight building
21 inspectors that will be used to work in the --

22 COUNCIL PRESIDENT VERNA: I'm sorry?

23 MR. SOLVIBILE: As far as the answer to
24 the building inspectors -- or the inspectors, I'm
25 sorry. The Managing Director's Office has funded

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 the additional -- the hiring of an additional eight
3 building expecters that we brought on board about
4 the beginning of this fiscal year to get them
5 trained to help us oversee the demolition process.
6 The goal is to have each package for the NTI
7 Program or area -- not package -- to have of its
8 own building inspector who will oversee and be on
9 the job 7/24.

10 COUNCIL PRESIDENT VERNA: So how many
11 inspectors do we --

12 MR. SOLVIBILE: Eight were hired through
13 the -- and additional eight were hired through the
14 Managing Director's Office to complement the staff
15 of, I believe it's eight that we presently have.
16 So it's about 16 inspectors that will be working
17 with NTI on the encapsulation/demolition NTI
18 Programs.

19 COUNCIL PRESIDENT VERNA: You've mentioned
20 encapsulation twice. Will L&I be doing
21 encapsulation? Heretofore, I think we were being
22 told that PHA would be doing the encapsulation.

23 MR. SOLVIBILE: PHA is the contractor.
24 The real decision-maker on the encapsulations would
25 be the Department, and with our ability to write

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 the violations, it would create the code violation
3 ordering the owner to repair his or her property.

4 And PHA would be the contractor that NTI
5 uses. The inspectional process will still be
6 Licenses and Inspections.

7 The Department's inspection powers will be
8 used completely in NTI and in no way be taken away
9 from us. We'll be involved with it from beginning
10 to end.

11 COUNCIL PRESIDENT VERNA: How about with
12 the lot cleaning; will your department still be
13 involved with lot cleaning?

14 MR. SOLVIBILE: Yes. We presently work
15 with the Managing Director's staff, Thomas Conway
16 and Tumar Alexander, with our clean-and-seal people
17 and the Lot Cleaning Program, and we work together
18 to make sure that we can -- if I can't -- if our
19 clean-and-seal people can't handle a problem, we
20 use the Managing Director's staff and vice versa;
21 if they can't, then we'll do it or assist them.

22 And it's worked out very well the last
23 several months with both entities doing the work.

24 COUNCIL PRESIDENT VERNA: And I assume
25 that for the lot-cleaning, you'll still be

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 employing seasonal employees?

3 MR. SOLVIBILE: Yes. At the present time,
4 my understand is that we will still be using
5 seasonal employees.

6 COUNCIL PRESIDENT VERNA: Okay, thank you.

7 The Chair recognizes Councilman Goode.

8 COUNCILMAN GOODE: Thank you, Madam
9 President.

10 Good morning, Commissioner.

11 COMMISSIONER MCLAUGHLIN: Good morning,
12 sir.

13 COUNCILMAN GOODE: On Page 7 of your
14 testimony, you state that in the next fiscal year,
15 the City will begin to streamline and consolidate
16 licensing-permitting processes. Can you give us a
17 brief idea of the process you will use to do this?

18 MR. FELGUS: Councilman, it's our
19 intention to look at all of the current licenses
20 and permits we have. The process we want to follow
21 is to try to consolidate down to somewhere in the
22 vicinity of maybe 15 to 20 different licenses and
23 permits, where those would be omnibus-type
24 licenses.

25 So currently, for instance, right now, we

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 have six different licenses for housing; we would
3 have one license for housing. And for business
4 licenses, we might have -- our thought right now is
5 we would have four or five different business
6 licenses that we would issue, and then depending on
7 the type and level of service that we gave to that
8 type of business, we would establish a fee.

9 But instead of a gas station, let's say,
10 having to have five or six separate licenses,
11 which they would get billed this month, next month,
12 three months down the road, they would get one
13 bill, they would pay it one at a time, and in all
14 likelihood, it might be a little bit less than what
15 they're currently paying, but it would cover all of
16 the L&I services.

17 Now, the idea would be to make it easier
18 for various businesses to do business with the City
19 of Philadelphia. What we're hoping to be able to
20 do is tie this into a much more extensive database
21 system or hopefully a computerization so that
22 whereas in the past, we've had to have these
23 separate licenses to basically allow our inspection
24 personnel to know when to go out to look at various
25 businesses. We're hoping to have omnibus licenses

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 with a database that will replace those individuals
3 licenses to establish work for the inspectors.

4 COUNCILMAN GOODE: So the omnibus licenses
5 will simplify and consolidate somewhat, but it's
6 also stated in the written testimony that manual
7 regulations put into place in recent history have
8 been regulations put on top of other regulations,
9 without a whole comprehensive review.

10 MR. FELGUS: Yes.

11 COUNCILMAN GOODE: Are you suggesting that
12 there's going to be a full review of the licensing
13 and permitting process?

14 MR. FELGUS: Yes. The Department of
15 Licenses and Inspections is the City's regulatory
16 agency. It's City Council that determines what is
17 going to be regulated.

18 We're going to come over here with a
19 proposal to this body, hopefully within the next
20 year, that's going to simplify and eliminate what
21 we think are a lot of redundant and unnecessary
22 licenses and permits.

23 Right now, we know, for instance, that of
24 the 200 licenses and permits the Department has on
25 the books, there are probably about 30 or 40 that

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 we don't issue even one license with, and yet
3 there's laws on the books.

4 So clearly, to eliminate a lot of the
5 clutter and a lot of the confusion, it's our
6 feeling that if we streamline and eliminate a lot
7 of those laws that are no longer even necessary --
8 you know, to be honest, what's happened over the
9 years is a lot of these laws come into effect
10 because there's some incident where a constituent
11 will complain to a Councilperson with an anecdotal
12 thing, and the problem goes away but the law stays
13 on the book.

14 COUNCILMAN GOODE: Mm-hmm.

15 MR. FELGUS: And what we're trying to do
16 is, again, we'd like to clean that up and make our
17 regulations and laws a lot simpler so that the
18 public will be able to understand it, businesses
19 will not be, you know, inhibited from coming to
20 Philadelphia. We want to make ourselves more
21 business-friendly.

22 COUNCILMAN GOODE: You stated that L&I is
23 the City's regulatory agency but also is the Health
24 Department, Historic Commission, Art Commission,
25 other agencies that have regulatory nature. Are

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 you including them in your process or is your
3 work --

4 MR. FELGUS: Yes, absolutely. And, in
5 fact, the way the codes really read, most of the
6 time we have to get approvals from those agencies
7 before we'll issue a license or a permit, so we're
8 the primary regulatory agent, and we have to rely
9 on those; and, yes, we have to talk to those folks
10 to be able to streamline the system. We've been
11 talking to them preliminarily to do that.

12 COUNCILMAN GOODE: In addition to the
13 number of licenses that need to be consolidated and
14 simplified, there's also a number of agencies and
15 separate reviews that people in businesses have to
16 go through. Are you also looking at trying to
17 simplify the whole review process?

18 MR. FELGUS: Yes, we are. And on the
19 permit side, we would like to, one, be able to do
20 more in terms of using computers where we would
21 send things electronically. We're also trying to
22 streamline our whole permit process to make that
23 whole system flow much better.

24 COUNCILMAN GOODE: Are you trying to have
25 that eventually flow through one agency rather than

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 have people have to go through several agencies?

3 MR. FELGUS: We've talked about the
4 possibility of having those various agencies that
5 must give approval physically relocated into the
6 concourse of MSB so that there would be one
7 location for those kind of permit approvals.

8 COUNCILMAN GOODE: Lastly, could you
9 provide the Chair a list of all the licenses, their
10 associated fees, their requirements, and the number
11 of licenses within each category within the past
12 five years?

13 MR. FELGUS: You want us to provide that?

14 COUNCILMAN GOODE: Yes, through the Chair.

15 MR. FELGUS: Okay, we will do that.

16 COUNCILMAN GOODE: Thank you, Madam Chair.

17 COUNCIL PRESIDENT VERNA: Thank you.

18 The Chair recognizes Councilman Ortiz.

19 COUNCILMAN ORTIZ: I'd like to find out
20 how much money has come in through L&I through
21 licensing during the last year; do you have that?

22 MR. FELGUS: Approximately, just like the
23 other \$33 million for licenses and permits.

24 COUNCILMAN ORTIZ: And most of that has
25 come through the licensing for construction and

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 that sort of --

3 MR. FELGUS: Yeah. Approximately 16 to
4 \$17 million of the \$33 million would be for
5 construction permits; the remainder would be for
6 various types of licenses and others charges the
7 Department has.

8 COUNCILMAN ORTIZ: This has been looked at
9 as an impediment towards development, the heavy
10 bureaucratic licensing process, but it also has
11 been used by different city mayors as a way to
12 enhance its revenue-collecting and not raising
13 taxes, putting up license fees.

14 As we eliminate the licensing to make it
15 more friendly for developers and so on, what does
16 that do to the budget of L&I and the City? Have we
17 taken a look at that?

18 COMMISSIONER MCLAUGHLIN: I think most of
19 what we would be doing would be making it easier
20 for people to deal with us. I don't see us being
21 able to reduce the fees.

22 You know, when we talk about the small
23 number of licenses and permits that actually
24 generate those fees, when we talk about eliminating
25 licenses and permits that aren't being used and

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 streamlining the system as setting the system up
3 for being on the Internet, for example, being able
4 to --

5 COUNCILMAN ORTIZ: I believe developers
6 and other individuals that want to do construction,
7 if those licenses that are not being used is not a
8 bother to them. What is a thing that prevents the
9 development and people from coming in are those
10 licenses and fees that they have to pay to be able
11 to do.

12 So if -- I'd like to look at what is it
13 within the process that developers are constantly
14 complaining about and how we can begin, without
15 harming the health and safety of the residents of
16 Philadelphia, to make this process easier and what
17 economic impact it would have on our fee
18 collections and our overall General Fund. Can we
19 have that?

20 COMMISSIONER MCLAUGHLIN: It seems that
21 that will be part of what we're doing in our whole
22 analysis. We'll look at the income, and the Budget
23 Bureau has asked us to look at our licenses and our
24 permits, look at the whole issue of eliminating,
25 streamlining, and figuring out what the revenue

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 implications are.

3 We'll make sure that you get a copy --
4 that the Chair gets a copy of that.

5 COUNCILMAN ORTIZ: Because laws that are
6 never used -- I mean, there are laws in the books
7 that are from 1780-something that are never used,
8 but they do not become an impediment towards
9 development in the City.

10 We have some regulations and we'd like to
11 look at those regulations that are an impediment to
12 development in the City, and usually they have a
13 revenue impact if we modify or eliminate them.

14 COMMISSIONER MCLAUGHLIN: My experience in
15 dealing with contractors is that they would pay
16 more money gladly if the process were streamlined,
17 if they didn't have to spend so much time in line
18 instead of online. So I think that if we make it
19 easier for people that the cost of these permits
20 won't be the issue.

21 I've had contractors -- we talk to
22 contractors about, for example, putting an
23 assessment on for computerization or an assessment
24 for training, and they all -- the people that we
25 talk to -- we brought in groups of contractors, and

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 everybody said, If it makes me dealing with L&I
3 easier and less complicated, they'd be glad to pay
4 it.

5 I suggested a \$5 addition to the permit
6 fee, and the consensus was they'd pay \$25 more if
7 they could tell their office person to get the
8 permit while still sitting at her desk in the
9 office.

10 You know, so it's not so much the cost, so
11 I don't see a revenue decline here; I see us -- if
12 we were to use our fast-form permits, as an
13 example, making it easier for people to get certain
14 permits, the permits clearly doubled in number
15 because we were making it easier for people to be
16 lawful, and I think that's where I see -- the
17 bright side of revenue for the City is that more
18 people will be glad to comply with the law just to
19 become lawful.

20 COUNCILMAN ORTIZ: Thank you, Madam Chair.
21 I'll come back.

22 COUNCIL PRESIDENT VERNA: Thank you.
23 The Chair recognizes Councilman Rizzo.

24 COUNCILMAN RIZZO: Thank you, Madam Chair.
25 Commissioner, what you've just described

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 there, basically these contractors, as far as I
3 know, don't they pass these charges on to their
4 customer?

5 COMMISSIONER MCLAUGHLIN: (Nods head.)

6 COUNCILMAN RIZZO: So we're really
7 whacking the customer because if a contractor comes
8 in and he's doing a job for Mr. and Mrs. Murphy and
9 he does expedited permits, that's just getting laid
10 on to the price of the entire job. Is that a fair
11 statement?

12 COMMISSIONER MCLAUGHLIN: What they say to
13 me is that time is money, so yeah, they'll charge
14 for the time that their person, their attorney has
15 to stand in line and bill them back; they'll charge
16 the customer all of that money.

17 But our proposal is to make the process
18 easier, you know, so that it will make it cheaper
19 for -- I anticipate that it will make it cheaper
20 for the end-user also.

21 COUNCILMAN RIZZO: Commissioner, involving
22 inspections, do we still have people out in the
23 various neighborhoods looking for people working
24 without permits? I don't see -- or I don't hear as
25 many -- well, explain. What's the process right

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 now? If somebody's out there doing a job that
3 requires permits, what's the chances of catching
4 them on a Saturday, Sunday, Monday, throughout the
5 week?

6 MR. PERRI: Good morning, Dave Perri,
7 Deputy Commissioner.

8 To answer your question, Councilman, we do
9 have our inspectors out. During regular business
10 hours, they're there to check for work done without
11 permits.

12 Most of our referrals that we get
13 concerning work without permits come from
14 complaints that get either mailed into the
15 Department or phoned in.

16 At times, when the budget permits, we will
17 do Saturday patrols, but it's not a regular
18 occurrence in the Department. We do have other
19 inspectors in other divisions that are out over the
20 weekend that find different companies working
21 without permits, and they do refer that over to my
22 division so that violations can be issued.

23 If I can touch on the permit fees briefly,
24 during last fiscal year, the Department reorganized
25 its building permit fees, and what we did was -- it

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 was a revenue-neutral proposal, and we shifted the
3 burden away from single-family homeowners and small
4 businesses towards some of the larger projects,
5 particularly some of the larger new-construction
6 projects.

7 Before we adjusted the fees, the same
8 zoning that was charged for the construction of the
9 First Union Center is the same zoning permit fee
10 that a single-family owner would pay to get a deck
11 put on their house.

12 So we made that far more progressive. We
13 basically -- if you have an existing building in
14 the City, we've effectively reduced alteration
15 permit fees by 25 percent, and that's skewed
16 towards -- the smaller businesses have a much
17 greater reduction than the larger ones.

18 We streamlined our fees so that they would
19 be based upon square footage rather than estimated
20 costs. It's a number that is more easily
21 calculated, it's a more finite number, it's a
22 number that we have less cheating, and we don't
23 need to have a cadre of inspectors out there doing
24 audits of construction contract when we can simply
25 do a length and width measurement and come up with

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 a permit fee.

3 So we did make a conscious effort to move
4 some of the burden of the permit fees away from
5 small businesses and particularly homeowners
6 towards the larger, new-construction projects
7 who -- those projects hadn't seen increases in over
8 a decade.

9 COUNCILMAN RIZZO: Well, that's good news
10 to see that kick in.

11 I want to just go over some things that
12 have already been touched on. President Verna
13 already talked about the relationship between L&I
14 and NTI. Is there anything we as members of
15 Council in our area of constituent service -- is
16 there anything significant that's going to change?
17 Are there some things we shouldn't be calling L&I
18 about? Is there anything significant that you
19 could point out, any significant difference in
20 going forward with NTI?

21 COMMISSIONER MCLAUGHLIN: The answer is an
22 emphatic no. L&I's is still going to be
23 functioning 100 percent. We're going to be --

24 The only thing -- the only effect that L&I
25 will have is that in certain preplanned areas of

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 the City, there will be work being done. L&I's
3 still going to function right across the board in
4 answering all of the complaints. We'll be doing
5 demolitions in other parts of the City.

6 COUNCILMAN RIZZO: Gotcha.

7 Commissioner, what if a person has a
8 complaint about an NTI project and they call L&I;
9 they won't get just dismissed and say, It's not our
10 problem, call NTI?

11 I'll give you an example. With the
12 increase of demolition, I want to be assured that
13 there is going to be a interaction with the Streets
14 Department where debris, dumpsters or going to be
15 out on the roadway, haulers are going to be hauling
16 construction materials over our neighborhood
17 streets, material -- a piece of drywall falls off
18 the truck, that there's going to be some
19 coordination keeping the City looking neat and
20 clean and not construction debris or Dumpsters that
21 are left unattended, and that's why I'm working
22 right now on trying to enhance the Dumpster
23 regulations to put reflective devices on them.

24 'Cause I envision a city, at least a part
25 of the City, that's going to look rough for a

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 while; the streets are going to look dirty from
3 materials and heavy equipment in and out. So we
4 really need to make sure that we do this, not with
5 the mentality that some contractors have that
6 there's one standard working for a private
7 developer and then there's the second standard,
8 which is get away with as much as you can get away
9 with when you work for the government, until
10 somebody catches you and tells you to put a tarp on
11 the Dumpster or tells you to clean up with a water
12 permit when conditions permit at a demolition site.

13 So what coordination are we going to have
14 here to make sure that what I described doesn't
15 occur?

16 MR. SOLVIBILE: Councilman, Bob Solvibile,
17 Councilman.

18 The NTI Program and Licenses and
19 Inspections, as I said to Council President Verna,
20 we will have an inspector assigned to virtually
21 every contractor, every contract, the same person
22 in the same geographic area. He will be very
23 identifiable by his jacket or his shirt which will
24 say "Licenses and Inspections."

25 Also, the NTI Program is working closely

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 with the Mayor's Office of Community Services, and
3 there will be NTI officers in each Council District
4 to do the PR-type problems. There's spin
5 doctors --

6 COUNCILMAN RIZZO: Careful now.

7 MR. SOLVIBILE: Yeah, I know.

8 (Addressing Commissioner McLaughlin)
9 What's the term?

10 COMMISSIONER MCLAUGHLIN: Public
11 relations.

12 MR. SOLVIBILE: Public relations personnel
13 to publicize a program, give complaint numbers
14 where people can call with problems.

15 It's the goal, though, at least NTI's and
16 my goal, is that the complaint on that block in
17 that community will be handled right away by the
18 inspector, who will be very identifiable, be there
19 afraid, and say, Inspector, I do not like the way
20 this is or this is a problem.

21 And I think -- I know there will be a lot
22 of interrelations with the community, the
23 Councilperson for that community, where it should
24 go rather smoothly.

25 Also the demolition packages will not --

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 like in one small area, we will not have several
3 different contractors; it will be the same
4 contractor. Instead of a lot of different people,
5 it will be one contractor, which should make for
6 better public relations with the community and that
7 contractor.

8 COUNCILMAN RIZZO: Well, that's good to
9 hear.

10 My final question, and it's a follow-up
11 from a previous response: What is the normal
12 response -- not a Council office now. A person
13 calls L&I at the hotline, which I've experienced on
14 a couple occasions, trying to call that number.
15 The wait was just -- it was like calling PGW, with
16 no disrespect, at one time; they fixed that
17 problem.

18 If a person in West Oak Lane calls about a
19 person doing construction illegally, what's the
20 turnaround? In other words, will the job all be
21 finished, the contractor all packed up and out of
22 there? What should our constituents expect when
23 they take it on their own -- not a Council office
24 now because, again, it's a whole different type of
25 response.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 When the average citizen calls L&I, what
3 kind of turnaround is there.

4 MR. WEISS: Good morning. My name is Jim
5 Weiss, I'm the Information System Manager for L&I.

6 During the past year, the Department has
7 made a significant investment in our telephone
8 system, and we are now able, despite the history
9 that the Councilman mentioned, we're now able to
10 get to telephone callers more quickly so that we
11 know from the measurement that we are getting to
12 talk to more of the customers who call.

13 People who are waiting in line or waiting
14 on that telephone line are getting an information
15 message as well as an opportunity to leave us their
16 information in terms of the content of their
17 complaints in a voice mailbox, if they wish to do
18 that, and we are getting to a greater number of
19 those calls in a shorter period of time

20 As far as the operations are concerned,
21 I'd like to pass it back to the First Deputy.

22 COUNCILMAN RIZZ0: Well, let me talk about
23 the technology first of all. What's the phone
24 number? For people who are watching this on
25 television and may have an interest, what is the

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 phone number that constituents are supposed to call
3 to reach hotline.

4 MR. WEISS: The Information and Complaints
5 Hotline number is 215/686-2463

6 COUNCILMAN RIZZO: And that's a
7 publicized, posted number?

8 MR. WEISS: Yes, Councilman, it is.

9 COUNCILMAN RIZZO: 686-2463, area code
10 215.

11 MR. WEISS: Correct.

12 COUNCILMAN RIZZO: When they call that,
13 will they get a live person or is it strictly
14 automated?

15 MR. WEISS: They will initially get an
16 automated response that will identify the
17 Department and assure them that they've reached
18 that number and then they will shortly be able to
19 either leave a message in a voice mailbox or speak
20 to a service representative.

21 COUNCILMAN RIZZO: Will anonymous calls be
22 taken there? Does a person have to identify
23 themselves?

24 MR. SOLVIBILE: In certain complaints, we
25 will not take an anonymous complaint. For an

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 apartment building with a heat complaint, we ask
3 for the name of the complainant, which is
4 confidential, by the way, in all cases, because
5 it's difficult to get into an apartment building
6 without knowing which person will let us in.

7 But you can make anonymous complaints, but
8 all complaints that are given, if the complainant's
9 name is available or not, we do not give
10 information about the complainant to anyone; it's
11 confidential.

12 COUNCILMAN RIZZO: Okay, let's finish the
13 round and let's talk about the turnaround.

14 I call on a Monday, a person is putting an
15 addition on their home, there doesn't appear that
16 there's any permits for that particular job. The
17 person calls at 10 o'clock, speaks with a live
18 person, what can we expect as a response?

19 COMMISSIONER MCLAUGHLIN: I would say that
20 we respond -- if you're talking about some in
21 progress in the category of building, we're on that
22 real quick; if not that day, the next day because
23 we don't like that stuff get out of the control.
24 We don't like -- if there's no permit, then we have
25 no idea what the person is doing.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 You know, so that is a priority.

3 COUNCILMAN RIZZO: So then a person that
4 would call you on a Friday, the possibility that
5 that job could be worked on Saturday, worked on
6 Sunday, and an inspector not out there till Monday,
7 and maybe the job could be finished, what do you do
8 at that point? What do you do retroactively after
9 somebody puts a porch on that shouldn't be there?

10 COMMISSIONER MCLAUGHLIN: If we know that
11 something is going on, we do have weekend people.
12 There are weekends-duty people, there are
13 emergency-duty people that if we knew something was
14 happening, we could respond to it that way.

15 If we couldn't get -- I can't foresee
16 knowing that something is going on like that and
17 not getting an inspector out there immediately.
18 I'm just trying to give us a little bit of leeway,
19 but we do respond to them as a priority.

20 As far as the incoming call, the citizen
21 calling L&I, for the last year and a half or so,
22 we've been -- prior to introducing the system that
23 we're now using in our complaint-tracking -- in our
24 intake, in our complaint intake, we had the same
25 problem that the police had with the Eddie Pollack

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 incident. We didn't know how many times people
3 were calling about the same problem. So that we
4 could get five calls and there would be five
5 inspectors at different times dispatched to the
6 same location.

7 A year and a half ago that changed. We
8 put a system in place, the front end of the system
9 that we recognize that we're now going to pursue
10 right across the Department. But that was the
11 first module, the complaint intake module, that now
12 allows the call-taker to enter into a dialogue with
13 the complainant. Yes, we have three complaints on
14 this, or we did send an inspector out, we issued a
15 violation.

16 One of the problems with L&I's response is
17 that we're virtually invisible. If the inspector's
18 arriving on a bus and getting off a bus or driving
19 his own vehicle, dressed in plain clothe, people
20 don't realize that an inspection has been made. So
21 a lot of times, we got beat up in that regard,
22 where we'd actually do the job and people didn't
23 know we were doing the job.

24 So -- but now we can see -- and we key
25 ourselves the same way that now the police can key

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 themselves and say, Hey, there's a lot of people
3 complaining about this, move this up, and something
4 that would not be a high priority gets moved up
5 because it's disturbing more people.

6 COUNCILMAN RIZZO: Well, thank you for
7 that, and that improvement, I'm sure, is greatly
8 appreciated.

9 COUNCIL PRESIDENT VERNA: Councilman
10 Rizzo, would you hold any further questions for the
11 second go-around?

12 COUNCILMAN RIZZO: I'm finished, and I
13 just want to let LU&I know that I know they have a
14 lot of balls in the air, and they certainly do a
15 good job in responding to the requests that I have,
16 and I want to thank them.

17 COMMISSIONER MCLAUGHLIN: Thank you,
18 Councilman.

19 COUNCILMAN RIZZO: Thank you.

20 COUNCIL PRESIDENT VERNA: Thank you.
21 The Chair recognizes Councilman DiCicco.

22 COUNCILMAN DICICCO: Thank you, Madam
23 Chair.

24 Good morning.

25 COMMISSIONER MCLAUGHLIN: Good morning.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 COUNCILMAN DICICCO: I got here a little
3 bit late so if you already covered this, I
4 apologize.

5 You and I and some of your staff folks
6 have had this similar conversation over the last
7 two, three years about where's your department
8 going, and I know where you'd like to go in terms
9 of technology and upgrading your systems to make
10 the Department more user-friendly.

11 Where are you with that today? I mean, at
12 one time, you and I spoke, two or three years ago
13 or so that you anticipated, in order to really get
14 up to speed so that people can do a lot of things
15 online, not have to send expeditors out and/or
16 personnel to pull permits and do all of the other
17 things that are necessary to be in compliance, that
18 you were talking somewhere in the area of around
19 \$2 million, and I think at the time, you said, or
20 sometime shortly that, that money would be coming
21 out of the productivity bank but it was not
22 approved.

23 Any change in that? Has there been any
24 movement in getting additional funding?

25 COMMISSIONER MCLAUGHLIN: I had when

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 Estelle Richman took over as Managing Director, I
3 brought this issue up to her. The good news is
4 that, for example, the inspectors who go out to
5 inspect the buildings for NTI are now going to be
6 using handheld devices and they're going to be able
7 to see violations so that the process -- and
8 exactly the process that we foresaw happening is
9 starting.

10 The people from Hanson Technologies are
11 inside L&I working.

12 The next thing -- (addressing colleague)
13 is it permit and licensing?

14 MR. PERRI: Prepaid plumbing.

15 COMMISSIONER MCLAUGHLIN: Prepaid plumbing
16 permits are going to be automated.

17 And we're doing something now to put real
18 estate certifications online, and that should
19 happen relatively quickly. I'm very unenthused to
20 say that we're on the track, we're moving ahead

21 COUNCILMAN DICICCO: You're progressing.

22 COMMISSIONER MCLAUGHLIN: Yes.

23 COUNCILMAN DICICCO: In the best-case
24 scenario, how much time do you think it would take
25 for you to get there, given the constraint on

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 financing and resources the throughout the
3 departments? And I understand that the
4 Administration is looking to ask departments to
5 figure out ways in which they can make some cuts.

6 Taking all of this into consideration, how
7 long do you think it will take us -- and I don't
8 mean this to be criticizing anyone, because you
9 can see where I'm going in the next minute or so --
10 to get to the point where you are comfortable as an
11 agency or a department to say, We are where we
12 should be, we're in the 21 century, not the 20th or
13 19th century. We're at the 21st century and now
14 all we need to do is just continue to upgrade as we
15 go, moving forward, as technology advances?

16 A year two years, three years? I mean ...

17 COMMISSIONER MCLAUGHLIN: I'm very
18 enthused about what I seen in this time period.
19 There are a couple of things that have happened
20 that make me think that automation of L&I is real
21 and may be real while I'm still the Commissioner.
22 So I would like to think two or three years

23 COUNCILMAN DICICCO: I won't ask you for
24 how long you think you'll be the Commissioner,
25 'cause I don't know how long I'll be Councilman.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 COMMISSIONER MCLAUGHLIN: Yeah, Right,
3 exactly. It's hard to say for all the reasons you
4 just --

5 COUNCILMAN DICICCO: Let me stop you, if I
6 may. I know I had this conversation during budget
7 hearings the last two years or so, and it's part of
8 the conversation we had several years ago, where I
9 spoke with a group of developers, business people,
10 at a breakfast meeting -- I think it was three
11 years or so.

12 And I had approached them with the
13 suggestion basically that if there was a way in
14 which developers, contractors, people who generally
15 come to L&I for building permits -- I'm not talking
16 about the homeowner who once maybe every ten years
17 or once in a lifetime needs to pull a permit for a
18 deck or an addition.

19 But for people who are in the business of
20 needing the resources of L&I on a weekly or a daily
21 basis, the cost to them is extremely high. And,
22 yes, somebody pays for it, but in time, I think we
23 all pay for the time of the process. And, again,
24 it's not being critical of your department. The
25 time in which it takes for all of this to happen

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 really slows down production, if you will in the
3 City.

4 COMMISSIONER MCLAUGHLIN: We agree.

5 COUNCILMAN DICICCO: And they had
6 indicated, at my suggestion, that if they were all
7 to put money into their own productivity bank, an
8 escrow account, if you would, various degrees of
9 money, depending on -- I know one gentleman said to
10 me that his law firm probably spends in excess of
11 \$500,000 a year, which was probably conservative,
12 in costs involving building permits: The actual
13 permit, the time that it takes the employee or
14 employees to come down there and all that
15 cumulatively in excess of \$500,000 a year.

16 So when we're only talking about 2 and
17 maybe 3 million -- and I don't know what the number
18 is, but at the time, it was 2 million, which you
19 believed and the people around you believed it
20 would take to get us current in terms of
21 technology. One individual company is paying for a
22 quarter of that already, so to raise the other
23 1.5 million would really not have been that
24 difficult to do.

25 We haven't done that, and I'm suggesting

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 to you that if that is something that you would
3 like to do -- and I see the Managing Director's in
4 the audience today as well -- I would be more than
5 willing to get in touch with the people who invited
6 me to that meeting and have a meeting with the
7 developers. There had to be 30 people and, you
8 know, \$100,000 for those guys is really
9 insignificant.

10 So if we could figure out a way to get
11 that money and a way in which we could put that
12 into an escrow account, a productivity account,
13 whatever, and when they come in for future permits,
14 it's kind of like drawing down from your account --
15 you have a line of credit -- until that money is
16 exhausted. I mean, something to get us from A to B
17 or A to Z a lot quicker.

18 And even though we're making progress, I
19 have a feeling we're probably still looking two to
20 three years out, and I could be wrong, but I know
21 we could do it a lot quicker if we had that
22 \$2 million, \$3 million, whatever it will take to do
23 it in bulk right now.

24 And the Managing Director, again, is in
25 the back, and you're here. If that's something

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 you'd like to explore, I'd be more than willing to
3 take that position to call the meeting and see if
4 we could to that.

5 I have every belief that they would do
6 that without any hesitation because it's money for
7 them. You know, time is money.

8 COMMISSIONER MCLAUGHLIN: Right.

9 COUNCILMAN DICICCO: So if you can, you'll
10 get back to me, and I would certainly be glad to
11 assist you.

12 And I just would like to take this
13 opportunity -- I was given a lot of credit for the
14 success, if you will, of the Mardi Gras event, and
15 unfortunately, I was not here yesterday when, I
16 think, the Police Department was here yesterday.

17 I just want to take this opportunity to
18 thank you and your department, and particularly
19 your protege to your left, Dominic Verdi, Kevin,
20 and a whole bunch of other people -- I won't
21 mention everyone's name 'cause I'm sure leave them
22 out.

23 You guys were with us every step of the
24 way, from the beginning, when the concept was first
25 introduced, up until 2 or 3 o'clock in the morning

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 on Mardi Gras, and without your help, I mean, all
3 the credit I get really would not have been -- I
4 would not be able to accept that without
5 acknowledging your department's support, and I want
6 to thank you publicly for that, all of you.

7 COMMISSIONER MCLAUGHLIN: Thank you very
8 much, Councilman.

9 COUNCILMAN DICICCO: Thank you, Madam
10 Chair.

11 COUNCIL PRESIDENT VERNA: You're welcome.

12 Commissioner, I know that several years
13 ago, we were told that we only had one gentleman
14 who did stuccoing; I assume that we have more than
15 one these days. However, will the stuccoing be a
16 part of the demolition package that's going out?

17 MR. SOLVIBILE: The NTI and Hill and
18 Licenses and Inspections are experimenting with
19 several different ways, and the first prototype bid
20 that will go out, the demolition contractor will be
21 responsible for hiring the stucco contractor.
22 We're looking at ways to improve it, to make it
23 better, and also to make it go quicker.

24 One of the things the Department did in
25 its -- this year was improve the specification for

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 capping the parapet or the top of the building. We
3 now use a barge board. We hired a professional
4 roofer that does it. And so instead of just the
5 tin going down the wall that you see in your
6 district, you'll see that it's much more
7 professional-looking, and it will be much more
8 effective in keeping the water from going down the
9 wall and entering into the property.

10 COUNCIL PRESIDENT VERNA: Thank you.

11 Commissioner, I too want to publicly thank
12 you and your staff for all that you do. I will
13 tell you that it's a pleasure dealing with your
14 department, and I know that my staff is happy to
15 deal with you.

16 There's never a time that we call with a
17 complaint with a complaint or a request that we
18 don't get immediate action. We never have to do a
19 follow-up letter or a follow-up call. We're really
20 very, very appreciative, and we want to thank all
21 of you for all of the help that you give us.

22 COMMISSIONER MCLAUGHLIN: Thank you.

23 COUNCIL PRESIDENT VERNA: Thank you.

24 At this time, the Chair recognizes
25 Councilwoman Brown.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 COUNCILWOMAN REYNOLDS BROWN: Thank you,
3 Madam President.

4 Good morning, gentlemen.

5 COMMISSIONER MCLAUGHLIN: Good morning.

6 COUNCILWOMAN REYNOLDS BROWN: Let me join
7 the chorus of my colleagues who want to salute and
8 say thank you for the work that you are doing. I
9 appreciate under your leadership that you and your
10 staff and, namely, your Government Relations
11 Officer, Otis Haigler, have worked with us around
12 the issue of child care, and you actually mentioned
13 that in your management improve section.

14 So we're going to -- we do have some other
15 issues of that nature on our list work and we'll be
16 back on your door again to continue to work with
17 you in that particular area.

18 Secondly, yesterday, there was a lot of
19 testimony on lead poisoning in our city, and the
20 most startling acknowledgment for me is that it is
21 completely preventable. And the testimony -- and
22 the paper quotes it very accurately, and I will
23 just read it because then I want a response.

24 "The Health Commissioner conceded the
25 proposed budget will only address 100 of the

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 estimated 600 homes likely to be found in the
3 coming year of dangerous levels of lead-paint chips
4 and dust. It was suggested in his testimony that
5 there is a role of responsibility for L&I in this
6 process of penalizing property owners who do not
7 follow the law with regards to getting rid of
8 lead."

9 So let me hear your take on that, and
10 where are you in discussions with the Health
11 Department on this particular issue?

12 MR. VERDI: Good morning. Dominic Verdi,
13 Deputy Commissioner.

14 Right now, we have initiated a property
15 maintenance code violation for chipping paint. Our
16 inspectors are not trained in reference to
17 lead-based paint.

18 COUNCILWOMAN REYNOLDS BROWN: Okay.

19 MR. VERDI: But in most cases, what we've
20 done, and when this case will be donee, we have a
21 supervisor which has been in direct contact with
22 the Health Department, and they're working on ways
23 of cross-training back and forth our different
24 inspectors.

25 COUNCILWOMAN REYNOLDS BROWN: Mm-hmm.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 MR. VERDI: To a point where we will refer
3 that lead-based paint issue back to the Health
4 Department and have direct contact with them.

5 COUNCILWOMAN REYNOLDS BROWN: You say
6 "right now," so that new procedure you just
7 described is effective as of when?

8 MR. VERDI: As of, if I'm not mistaken,
9 three weeks ago.

10 COUNCILWOMAN REYNOLDS BROWN: Oh, okay
11 Very new, very new.

12 MR. SOLVIBILE: Also, Councilwoman --

13 COUNCILWOMAN BROWN: Please, please.

14 MR. SOLVIBILE: -- with demolition, we
15 have found that we have a better chance of having
16 less contaminant leech into the ground if we remove
17 the painted wood that day, it's not allowed to stay
18 overnight. It has to be off the ground and into a
19 Dumpster or, I believe, it's something like a
20 \$500-a-day fine to the contractor for leaving it.

21 And that, we hope, will decrease the
22 amount of lead that's left in the ground after we
23 leave.

24 COUNCILWOMAN REYNOLDS BROWN: Do you have
25 benchmarks, as such, given the tremendous backlog?

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 Knowing that there are 1400 homes in that state and
3 as of next year, there will be 1900 homes, so
4 recognizing the scale of the problem, do you have
5 benchmarks with how quickly, given the new training
6 that started three weeks ago, you'll be able to
7 address the backlog with the Health Department? Or
8 have you explored that in discussions at all?

9 MR. VERDI: I'm not quite sure of any
10 issue with a backlog. I really haven't discussed
11 it with the supervisor. We're still in our own
12 stages of training also, so we will discuss that
13 further and I will get back to you.

14 COUNCILWOMAN REYNOLDS BROWN: Very well.

15 Lastly, I am always struck by the
16 composition of departments, and there are always
17 historical reasons why we see what we see.

18 What is the diversity and makeup of your
19 upper-level staff: Gender, Latino, and
20 African-American. Please, Commissioner.

21 COMMISSIONER MCLAUGHLIN: Well, I can get
22 back to you with the details. As you can see, the
23 top staff are white males. That's not by design,
24 that's just, you know, happenstance over the years.

25 We had an African-American Deputy

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 Commissioner, but we helped him get another job
3 so -- and that was Oliver Thornton, who is now with
4 the Mayor's Office of Information.

5 COUNCILWOMAN REYNOLDS BROWN: Sure. Do
6 commissioners have an opportunity to put
7 professionals on line for leadership management
8 training, or is it strictly by way of civil service
9 that that happens?

10 COMMISSIONER MCLAUGHLIN: L&I is a civil
11 service department, but the whole purpose of our
12 training programs is to raise the level of
13 proficiency and expertise among all of our
14 employees.

15 Just to talk about a recent test we
16 gave...

17 MR. VERDI: We've recently tested for a
18 code administrative series, where it would give
19 advancement to lower-level management to become
20 upper-level management. I could probably refer to
21 our Personnel Director to give you more
22 information, but the first test in the series was
23 given, and it was quite favorable to different
24 genders.

25 COUNCILWOMAN REYNOLDS BROWN: Is that

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 unprecedented, this test your speaking to, you're
3 referring to?

4 MR. VERDI: Yeah, let me refer to Richard
5 Felgus.

6 MR. FELGUS: The answer is, it's not
7 totally unprecedented, but the results in this
8 particular thing -- we've broadened the
9 specification for the code administrator series to
10 allow people who formerly had to have a college
11 degree to equate away some of that, so that we've
12 now increased the recruitment base to a lot of our
13 former clerical employees and lower-level
14 supervisors.

15 And this will result in the Department --
16 well, this list had nine people on it, and I
17 believe the majority of those were both minority
18 and female employees, so that we will be seeing
19 those people rise up through the Department.

20 And as you've heard testimony before about
21 the DROP Program, as a lot of the senior managers
22 are leaving the Department, there's going to be
23 tremendous opportunity within the Department for a
24 lot of these people to move into the highest ranks
25 within the Department in the very short future.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 COUNCILWOMAN REYNOLDS BROWN: So in
3 effect, you are beginning to address diversity.
4 Thank you for the explanation.

5 MR. FELGUS: Yes. We do have a number of
6 females and minority people in high-level positions
7 within the Department, and we will be increasing
8 that number.

9 COUNCILWOMAN REYNOLDS BROWN: Okay, thank
10 you very much.

11 Thank you, Madam President.

12 COUNCIL PRESIDENT VERNA: You're welcome
13 The Chair recognizes Councilman Kenney

14 COUNCILMAN KENNEY: Thank you, Madam
15 President.

16 Good morning, gentlemen.

17 COMMISSIONER MCLAUGHLIN: Good morning.

18 COUNCILMAN KENNEY: Mr. Felgus, I was
19 intrigued. I was watching television upstairs, and
20 you had mentioned the issue of anecdotal
21 legislation that we pass from time to time as a
22 result of a complaint from an individual or
23 individuals that somehow goes away and then gets
24 stuck on the books. Is there -- I'm intrigued as
25 to an example that you could give me as to one of

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 those types of legislation or ordinances that we
3 have passed that either isn't being enforced or
4 needs to be removed and how it happened in the
5 first place.

6 MR. FELGUS: Well, the one I can think of
7 is --

8 COMMISSIONER MCLAUGHLIN: Cesspool
9 operators.

10 MR. FELGUS: Yeah, cesspool operators
11 would be one example.

12 Another one -- I can go back a number of
13 years. There was a councilman from the 10th
14 District by the name of Mel Greenberg -- I don't
15 know if you remember him. He had passed a whole
16 bunch of legislation with regard to political
17 posters.

18 COUNCILMAN KENNEY: Right.

19 MR. FELGUS: It was never enforced, it
20 never made any sense. Nobody -- I think people
21 were supposed to put up a 25-cent or a 50-cent fee
22 for every poster they hung up. Nobody ever did it.
23 I mean, you know, it's that kind of stuff that's
24 still on the books.

25 We have a railroad ordinance, a railroad

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 fencing ordinance on the books that's been on the
3 books for 20 years and never been enforced

4 COUNCILMAN KENNEY: These are none of my
5 bills, though, right that you're talking about?

6 (Laughter.)

7 COMMISSIONER MCLAUGHLIN: As a matter of
8 fact, I'm sure there are none of yours.

9 COUNCILMAN KENNEY: The answer is no.

10 Let me ask you a question about the NTI
11 demolition packages. Are the bid packages for the
12 demolition work, are they prepared, are they ready
13 to go? Is there a process in preparing them?
14 Where are they at?

15 COMMISSIONER MCLAUGHLIN: That's really an
16 NTI issue.

17 COUNCILMAN KENNEY: Well, I mean, I know
18 you guys have been --

19 MR. SOLVIBILE: Well, the first one for
20 Strawberry Mansion that's being worked on has not
21 been advertised yet but it will be because the
22 Councilman and the community would have to sign off
23 on it, but all the bid packages will be, the
24 regular bidding process that Procurement uses will
25 be used.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 COUNCILMAN KENNEY: Has L&I participated
3 in the preparation of that bid process, that bid
4 package?

5 MR. SOLVIBILE: Yes, we have and we are.
6 It's ongoing.

7 COUNCILMAN KENNEY: Will there be a list
8 of approved or pre-approved contractors, or will --
9 is it envisioned that -- and, again, understanding
10 you're not speaking for NTI, but because of your
11 knowledge of what's going on these days and your
12 involvement in it, will there be a list of
13 pre-approved contractors that will be able to bid,
14 or will it just been anybody will be able to bid
15 and then they'll sort through? How do you envision
16 that work?

17 I know you guys bid this stuff now often
18 curbside, but this won't enter into a curbside
19 situation 'cause obviously we're talking about
20 large amounts of demolition, but what's the profile
21 of a company that would be eligible to bid on such?
22 Is there bond requirements, is there numbers of
23 employees, is there equipment, capital investment
24 that's required? I mean ...

25 MR. SOLVIBILE: Presently, the bid package

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 is being worked on. We're going to require
3 pre-approval. They're going to advertise. I
4 think, in a 200-mile radius of the City and also
5 put it in the National Demolition Association
6 newsletter or magazine that goes out monthly to
7 advertise the bid, 'cause obviously, we want as
8 many as possible, but we will pre-approve to make
9 sure that the bidder qualifies.

10 Then as far as the bonding and all of
11 that, that would be up to Procurement and Risk
12 Management on insurance, all that kind of --

13 COUNCILMAN KENNEY: But L&I does that now
14 on a small scale.

15 MR. SOLVIBILE: Yes.

16 COUNCILMAN KENNEY: They need companies to
17 be bonded and ensured.

18 MR. SOLVIBILE: We're working with
19 Procurement.

20 COMMISSIONER MCLAUGHLIN: Procurement does
21 that, and we make sure that that happens, yes

22 COUNCILMAN KENNEY: So there will be a
23 list of pre-approved contractors that will be
24 eligible to bid once their criteria is investigated
25 and they're approved as acceptable.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 MR. SOLVIBILE: Yes, that's the current
3 thinking now right, yes, Councilman.

4 COUNCILMAN KENNEY: Will that also apply
5 to subs?

6 MR. SOLVIBILE: Right now, subs are
7 required to have the same insurance as the prime; I
8 believe it's \$2 million required to protect the
9 City. And right now, subs, with the approval of
10 the Department of Licenses and Inspections, as long
11 as they have the proper insurance and we know that
12 they exist or are allowed to be used, and I believe
13 that L&I will be the same, that they'll have -- the
14 subs will have to be known to the L&I people and
15 the departments.

16 COUNCILMAN KENNEY: Now, will there be one
17 overall contract as far as demolition, hauling,
18 recycling, and/or disposal, or would you envision
19 that those contracts would be separated into
20 separate issues?

21 For example, I mean, does the person that
22 tears down the rowhouses also haul away the brick
23 and wood and do they also take it to a recycling
24 center? How is it --

25 MR. SOLVIBILE: I believe in the first

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 prototype, which the prototype is just that, that
3 the demolition, the prime will be responsible to
4 hire the subs.

5 COUNCILMAN KENNEY: Okay. And no subs --

6 MR. SOLVIBILE: And like anything that's
7 new, that's subject to change.

8 Like when the Department, with
9 Representative Keller's demolitions in South
10 Philadelphia, we went from one chain of thought on
11 how we were going to do it to -- like
12 Representative Keller and myself were talking about
13 two weeks ago, we learn every day, you know, the
14 problems that we had, and that's being passed along
15 to the L&I people.

16 COUNCILMAN KENNEY: But, for example, I
17 mean, if we take down, you know, three streets'
18 worth of houses, for example, obviously the old
19 method of doing it in a single house was to have
20 the clean fill and go back in and remove the
21 debris, and we can't use any of that anymore, any
22 of those demolished items to backfill, right?

23 MR. SOLVIBILE: Well, you can still use
24 the clean fill, which is masonry, anything
25 that's --

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 COUNCILMAN KENNEY: So no wood or --

3 MR. SOLVIBILE: No wood, no metal, rags,
4 trash, but you can use brick, uncontaminated brick
5 or concrete that's broken up.

6 COUNCILMAN KENNEY: So the stuff -- so the
7 material that needs to be removed from the scene
8 will certainly have to be hauled to a location,
9 whether that's some kind of recycling operation or
10 some type of approved landfill operation.

11 MR. SOLVIBILE: To an approved
12 landfill/and or recycling, yes, Councilman.

13 COUNCILMAN KENNEY: And is there any
14 information at this point where that debris will be
15 stored? For example, I know when did our Streets
16 Department trash and removal rubbish contract, we
17 allowed so much household trash to be taken to one
18 site, accumulated there, and then moved out to
19 approved landfills on larger trucks.

20 Remember when the City used to have their
21 own trucks going back and forth to landfills in the
22 State? I'm wondering where the debris is while
23 waiting transport; has there been any locations
24 suggested?

25 MR. SOLVIBILE: That would not be allowed.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 I'm not really an expert, and that's probably
3 better -- but it's my present understanding that
4 under State law, that would not be allowed to have
5 any kind of a transfer site within the City, that
6 it would have to go directly to the landfill or to
7 the recycling center.

8 And that's exactly my understanding of the
9 way that it will happen. We have not discussed
10 that all, but it's the only way I know that it can
11 happen.

12 COUNCILMAN KENNEY: So the individual
13 prime contracts would have the responsibility of
14 having the end-result of where that material goes.

15 MR. SOLVIBILE: Yes. And has to show
16 proof of where it went with a certificate that it
17 went to an approved site.

18 COUNCILMAN KENNEY: Okay, and there will
19 be a list of approved contractors prior to the
20 award.

21 MR. SOLVIBILE: Yes, that will be created
22 for each bid that anyone can apply to become
23 approved, but to bid, you will have to be approved,
24 and more than likely at a pre-bid meeting with us
25 and the NTI people.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 COUNCILMAN KENNEY: Well, I want to thank
3 you, Mr. Solvibile. In four minutes, you've given
4 me more information on NTI than I've gotten in two
5 years. It's wonderful, it's wonderful.

6 MR. SOLVIBILE: I don't know if that's
7 good or bad, Councilman.

8 (Laughter.)

9 COUNCILMAN KENNEY: I hope it's not bad
10 for you, but I've gotten more information and I'm
11 certainly enlightened more than I've been.

12 Can I go for a moment to the issue of tow
13 trucks? We had legislation which I think I
14 sponsored back in 1993, '94 dealing with licensing
15 and supervision the tow truck business in the
16 City, and I was very happy with the bill as it came
17 out, I was very happy with all of the initial
18 enforcement, and even with the current enforcement
19 of what it was we passed. I think that L&I does
20 inspect the trucks. I see the new annual stickers
21 on the sides of the tow trucks.

22 However, as recent media reports have
23 suggested, people who want to get around the law
24 will find a way to get around it. We had very
25 strict towing and storage fees that were part and

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 parcel of the legislation. And now, anecdotally,
3 we're hearing information that they're creating
4 these new fees: Wenching fees and paperwork fees
5 and sweeping-up-the-street fees after the accident
6 fees.

7 I mean, so we're falling back into the
8 trap of tow trucks out there fishing for expensive
9 or insured automobiles to take to a body shop that
10 they have a relationship with. And then if that
11 person decides within, I think, a 72-hour period
12 that they could decide as part of the current
13 legislation, that they don't want this guy or this
14 body shop to do the work, when they go back to try
15 to redeem the car or retrieve the car, then they're
16 whacked with \$600 worth of fees, so they might well
17 say, Just fix the car, what the hell?

18 So we're kind of back -- not through any
19 fault of L&I, but back into that same predatory-
20 type of operation where people are zooming to crash
21 sites, are fighting with each other to hook a car,
22 and are holding people's automobiles hostage.
23 What -- do we need to upgrade or update the
24 legislation?

25 MR. VERDI: Councilman, to answer your

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 question, we just met with -- my people just met
3 with the truck enforcement people in the Police
4 Department. We've just recently joined them in
5 tracking most of the hard-core renegades of the tow
6 truck industry.

7 COUNCILMAN KENNEY: X-Gen tow truckers.

8 MR. VERDI: Whatever.

9 We have gone as far as some of the smaller
10 tow trucks that look like pickup trucks on the
11 street are now not being licensed because we just
12 found that the gross weight is not legal. They are
13 enforcing, along with our people -- and we have a
14 report through -- via phone that if they need our
15 people with them or vice versa, we are back and
16 forth.

17 We just recently did two cases where there
18 was excessive rate fees or rates charged, and
19 you're right, one was for sweeping up the sidewalk.
20 They're throwing rates in there that are not
21 originally a part of their rate schedule.

22 They are being issued violations and
23 followed up with intent-to-cess letters. And we
24 have one case right now that's in court and is
25 being dealt with through the Law Department and

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 through certain our law-enforcement agencies after
3 we look into their full operation.

4 COUNCILMAN KENNEY: The question I have
5 is, for an individual who -- you know, a gentleman,
6 a woman who goes to redeem their car at, you know,
7 "A-Y-Z Body Shop," and the guys says, "Well, you
8 know, we were going to do the work but, you know,
9 you're not going to do the work here so here's an
10 \$800 bill, and we're not releasing your car."

11 Does that person have any immediate
12 ability to call L&I or the police now to retrieve
13 their car as opposed to paying this unscrupulous
14 individual the 800 bucks to get their car back and
15 then going through the court system to redeem the
16 money or to get back the money?

17 MR. VERDI: In most cases, if a call is
18 made to us, our Business Compliance Manager will
19 make a call to the tow-truck company, trying to
20 alleviate some of the issues with the rates.

21 If that's not successful, unfortunately,
22 the insurance companies do pay this charge, and
23 then we, in turn, will write violations against the
24 tow-truck company, and, I would say, eight out of
25 ten times, we're successful in getting some kind of

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 rebate back to the insurance company.

3 The insurance companies have been sending
4 us letters especially in cases where excessive
5 rates are concerned, and we've been acting on every
6 one of them.

7 COUNCILMAN KENNEY: Have we considered
8 doing any kind of -- and I know you guys are moving
9 more towards kind of police -- you have some police
10 powers as it is, and I know your people are often
11 in harm's way when it comes to shutting down
12 speak-easy's, and problem bars, and as a matter of
13 fact, at point in time, we bought you guys bullet-
14 proof vests 'cause of some of the circumstances
15 your people were going into.

16 Was there ever thought that maybe doing a
17 sting or two on some of these guys that we know are
18 causing this problem, you know, having one of our
19 people, in conjunction with the police, go through
20 the process of having their car towed and stored
21 and the like, and then maybe putting some of these
22 people out of business?

23 MR. VERDI: Again, we just recently
24 started this relationship with the truck
25 enforcement people under Chief Bullock, and there

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 has been some mention of some type of operation of
3 that nature.

4 COUNCILMAN KENNEY: Good.

5 Let me ask you a question about something
6 that's been bothering me since 1992 when I first
7 came here, and I know it's a very difficult
8 situation because it happens so much and the
9 resources of the Department are stretched sometimes
10 beyond reason. Illegal conversions of single
11 families to multi's.

12 There's so many times within my own
13 neighborhood and in neighborhoods throughout the
14 City where some owner decides that they're going to
15 convert to a triplex or a quad, and just goes and
16 starts doing the work, and for some reason or
17 another, that property gets under the radar screen,
18 none of the neighbors complain, he finishes all of
19 the work, he puts his four or five bells on the
20 door, and starts renting out the property.

21 By the time it's realized that this
22 property is now a problem because of the quality of
23 the tenants and the noise and the trash all of the
24 other stuff going on every day of the week,
25 somebody complains, whether it's me or some

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 citizen.

3 Now, you guys go out and the zoning says
4 single-family dwelling or duplex, R10-A, or R10,
5 and the guy never went to Zoning, never pulled a
6 permit, did nothing, but has four tenants in a
7 quad. We go -- we enter into the violation
8 process, we go to court, but in the meantime, the
9 people still live there, are still paying the rent,
10 the guy's still making a profit, the problems with
11 the house are still (indiscernible) in the
12 neighbor, and it could take what seems to be
13 forever, if ever, that this thing gets corrected.

14 Is there some way to expedite? I mean,
15 your people do their job, and the court system
16 takes its merry pace -- not merry pace, but its
17 snail's pace, and in the meantime, the
18 neighborhood's, you know, still suffering as a
19 result of this unscrupulous landlord.

20 COMMISSIONER MCLAUGHLIN: This is a
21 problem that runs right across our enforcement;
22 it's not just in that category, and it's -- after
23 L&I writes a violation, does a reinspection,
24 nothing is changed, and we send it to Municipal
25 Court.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 In that regard, I met with Judge
3 McCaffrey, and at his suggestion and also at the
4 suggestion of Judge Silverstein, we are requesting
5 now on all of our Municipal Court cases a \$10,000
6 conditional fine.

7 Councilman, I assure you that we are
8 getting people's attention. When they get that
9 notice in the mail that they owe \$10,000, we're
10 getting compliance. So we're changing that
11 whole --

12 COUNCILMAN KENNEY: How long has that been
13 in effect?

14 COMMISSIONER MCLAUGHLIN: -- lazy process
15 of --

16 COUNCILMAN KENNEY: How long has that been
17 in effect?

18 COMMISSIONER MCLAUGHLIN: About two months
19 now.

20 COUNCILMAN KENNEY: Okay, great, all
21 right.

22 'Cause, I mean, you guys are doing what
23 we're asking you to do, you're writing up the
24 stuff, and then once it gets into that system, this
25 guy sits there and laughs -- usually he's an

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 out-of-town landlord, could care less what the
3 tenants are doing, and as long as he's collecting
4 his rent, you know, life's great.

5 COMMISSIONER MCLAUGHLIN: No, we've seen
6 those kind of people reconsidering their action
7 when they get that \$10,000 notice, so we'll see.

8 COUNCILMAN KENNEY: Terrific.

9 Councilwoman, am I out of time?

10 COUNCIL PRESIDENT VERNA: Do you mind? We
11 have two other Councilmembers waiting.

12 The Chair recognizes Councilwoman Miller.

13 COUNCILWOMAN MILLER: Thank you, Madam
14 Chair.

15 Good morning, Commissioner.

16 COMMISSIONER MCLAUGHLIN: Good morning,
17 Councilwoman.

18 COUNCILWOMAN MILLER: And all of L&I's
19 staff.

20 COMMISSIONER MCLAUGHLIN: Yes.

21 COUNCILWOMAN MILLER: Certainly, I too
22 want to thank you for working with my office. I
23 think we work together very well.

24 COMMISSIONER MCLAUGHLIN: I agree.

25 COUNCILWOMAN MILLER: And it's not a time

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 that I call that there's not a follow-up on
3 whatever issue we're calling about.

4 COMMISSIONER MCLAUGHLIN: Thank you.

5 COUNCILWOMAN MILLER: I do have a couple
6 questions, though.

7 Recently in my district, we encountered a
8 property that's imminently dangerous, and it needs
9 to be demolished. I understand that L&I was
10 recently sued for demo-ing a building that still
11 had a mortgage, which has delayed the demolition of
12 this building that constantly cracks, that's
13 constantly cracking. In fact, we had L&I out
14 there. It's Philellena Street; I talked to you
15 about it before.

16 We had L&I out there again on Saturday
17 because it's starting to crack more, and I
18 understand you've been in touch with the mortgage
19 company or the owner. I just need you to explain
20 it to me better.

21 On Friday, there's going to be a curbside
22 bid. If you haven't heard from, I guess, the
23 mortgage company or the owner, I would imagine that
24 under NTI and just under all kinds of activities
25 that this is not the only time that this is going

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 to occur; it's going to occur more and more.

3 And because someone has a mortgage on a
4 building, can it then continue to be imminently
5 dangerous? And people think it's going to fall.

6 COMMISSIONER MCLAUGHLIN: The mortgage
7 issue has nothing to do with the fact that the
8 property is imminently dangerous; we'll move on
9 that property.

10 The issue in court was a very valid issue
11 and that was the research that's done to notify
12 people. There may be people further on down the
13 line, even beyond the most obvious mortgage holder,
14 that have a significant interest in the property.
15 So it's finding that information out.

16 And for us, it wasn't any big deal to do
17 what the judge said, because I met with Joan
18 Decker, the Records Commissioner, and as she made
19 available to us, through setting up some Internet
20 connections and some code use, you know, some
21 password stuff for us to get into records, the
22 Records Department information.

23 The judge's order is -- was designed
24 around us making an effort to notify everybody that
25 has an interest and, you know, we have a process

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 now where we do that that should not stand in the
3 way of addressing an imminently dangerous building.

4 COUNCILWOMAN MILLER: Okay.

5 MR. SOLVIBILE: Also, Councilwoman, if a
6 building, in our inspector's estimation, will
7 collapse immediately, is truly, truly imminently
8 dangerous, without even -- well, we would attempt,
9 but we would not, like, get in the way of
10 notification to the owner or to the mortgage
11 company. We take steps to render that building
12 safe immediately.

13 COUNCILWOMAN MILLER: Okay, all right.
14 Well, that's good to hear because -- well, there is
15 going to be a curbside bid on this building on
16 Friday, so hopefully, you know, that will be one
17 more down and out of the way.

18 I also want to piggyback on Councilman
19 DiCicco's comments and pleasure particularly in the
20 real-estate certification being online; that's
21 going to help us a lot. We get a lot of calls from
22 Realtors, and I think that's a real citizen-
23 friendly system, and I'll be glad to see it online.

24 COMMISSIONER MCLAUGHLIN: We agree.

25 COUNCILWOMAN MILLER: We get calls from

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 Realtors all the time.

3 And I just want to also thank the L&I
4 staff that was out at the fire in Germantown two
5 Fridays ago. I know they were there from 12
6 midnight, and I left about 6 p.m. Saturday. They
7 were there from 12 at night Saturday. At 6 p.m.
8 Saturday, I left, and they were still there.

9 So I want to thank you for the good work
10 of those people.

11 COMMISSIONER MCLAUGHLIN: Thank you.

12 COUNCILWOMAN MILLER: And I have one
13 another question somewhat around Councilman
14 Kenney's question around code violations
15 enforcement.

16 In your testimony, you said you wrote 2400
17 code violation tickets in '01 and project to write
18 3,000 in '02 and '03. I was just wondering, of the
19 2400, would you have or would you know, or who
20 should we talk to to see how many people have
21 actually paid those tickets, how many people got a
22 second notice. Because this is a really big issue
23 on quality of life in the neighborhoods.

24 You know, I know that you come out, you
25 give the ticket, you do the citation, and sometimes

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 nothing happens. Many times it does prompt people
3 to correct the situation, but in too many
4 situations, people just don't do anything.

5 And it's my understanding that in the
6 future, there may be a move to put a lien on
7 someone's property if they don't respond to code
8 violations or to tickets, which, I think we have to
9 do something.

10 MR. VERDI: Councilwoman, Dominic Verdi.

11 We have requested a report from the
12 adjudication to find out exactly how many of our
13 tickets are getting paid. As soon as the bureau
14 has that information for us, we'll be glad to
15 submit one to you.

16 COUNCILWOMAN MILLER: Okay, all right.
17 Thank you.

18 Council President Verna, that was my last
19 question. And, again, I'd like to thank L&I. You
20 know, we go out on these tours, and people are so
21 pleased when L&I comes right back, and, in fact, in
22 some instances, they'll start work the same day,
23 and residents in my district are very, very pleased
24 with what's going on.

25 Thank you.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 COUNCIL PRESIDENT VERNA: Thank you.

3 The Chair recognizes Councilwoman Brown.

4 COUNCILWOMAN BROWN: Thank you, Madam
5 President.

6 I had a follow-up and did not write down
7 the type of code violation for those who are not
8 taking care of the lead in their properties. You
9 actually stated the name of that code violation for
10 property owners.

11 COMMISSIONER MCLAUGHLIN: It's a property
12 maintenance code violation; we don't have that code
13 section with us, but we'll get that information to
14 you.

15 And in our meetings with the Health
16 Department, there may be some joint writing of
17 lead-specific violations. That's the kind of thing
18 that we're working on.

19 COUNCILWOMAN REYNOLDS BROWN: Working on,
20 okay. And at whatever point, you'll get back to
21 me?

22 COMMISSIONER MCLAUGHLIN: We'll let you
23 know everything we're doing.

24 COUNCILWOMAN REYNOLDS BROWN: Okay, I
25 appreciate that. Thank you, gentlemen.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 Thank you, Madam President.

3 COUNCIL PRESIDENT VERNA: You're welcome.

4 Is Councilman Kenney in the room? I
5 believe he wanted to be recognized again.

6 (Councilman Kenney not present
7 at this time.)

8 COUNCIL PRESIDENT VERNA: All right,
9 gentlemen, thank you very much.

10 COMMISSIONER MCLAUGHLIN: Thank you.

11 COUNCIL PRESIDENT VERNA: The Board of L&I
12 Review is next.

13 (Witness comes forward.)

14 COUNCIL PRESIDENT VERNA: Good morning.

15 Please identify yourself for the record and proceed
16 with your testimony.

17 MR. FELGUS: Good morning, Council
18 President Verna and members of the City Council. I
19 am Richard Felgus, Administrative Services Director
20 of the Department of Licenses and Inspections, and
21 I'm here representing the Board, as we provide
22 their administrative support.

23 The budget that we are requesting today on
24 behalf of the Board of Licenses and Inspections
25 Review is \$210,000, an increase of \$2,600 over our

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 FY '02 estimated obligations.

3 In FY '01, the Board has rendered
4 decisions in 791 cases. It is now estimated that
5 we will issue or hear 860 cases in FY '02. In FY
6 '03, we project the Board will again hear 860
7 cases.

8 Currently an appeal brought before the
9 Board will be heard and a decision rendered within
10 60 days of when the appeal is filed.

11 Currently, the board is staffed with three
12 civil service employees and six board members.

13 Thank you for the opportunity to provide
14 the Board's testimony.

15 COUNCIL PRESIDENT VERNA: Thank you.

16 Are there any questions from members of
17 the committee?

18 (No questions.)

19 COUNCIL PRESIDENT VERNA: Seeing none, the
20 next department will be the Board of Building
21 Standards.

22 MR. FELGUS: Councilwoman Verna, I am
23 Richard Felgus, Administrative Services Director
24 for the Department, and appearing on behalf of the
25 Board of Building Standards.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 I am here to request \$118,951, an increase
3 of \$1,715 over the FY '02 appropriations. This
4 funding will support two full-time employees and
5 four board members.

6 The role of the Board of Building
7 Standards is to advise the Commissioner of the
8 Department of Licenses and Inspections on requests
9 for variances as well as provide interpretation of
10 the building code and make suggestions for
11 standards and regulations dealing with building
12 safety. The Board also reviews new and substitute
13 materials and methods of construction and makes
14 recommendations to the Commissioner to keep
15 Philadelphia up-to-date and competitive with the
16 latest building technologies.

17 In FY '03, it is anticipated the Board
18 will conduct 50 meetings and hear 230 cases.

19 In FY '2001, the Board of Building
20 Standards heard 246 cases and provided
21 recommendations to the Commissioner.

22 The time period for obtaining decisions
23 for the Board is currently approximately 30 days.
24 The Board also provides accelerated hearings to
25 persons requiring quick turnarounds. In FY '01, a

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 total of 11 accelerated hearings were conducted.

3 I thank you for the opportunity to provide
4 the Board's testimony and will be happy to answer
5 any questions at this time.

6 COUNCIL PRESIDENT VERNA: Thank you.

7 Are there any questions from members of
8 the committee?

9 (No questions.)

10 COUNCIL PRESIDENT VERNA: Thank you very
11 much, Mr. Felgus.

12 MR. FELGUS: Thank you.

13 COUNCIL PRESIDENT VERNA: Zoning Board of
14 Adjustment is next.

15 MR. FELGUS: Yes. I am Richard Felgus,
16 Administrative Services Director, and am here
17 providing testimony for the Zoning Board of
18 Adjustment.

19 The Zoning Board of Adjustment is
20 requesting a budget of \$523,973 for FY 2003, an
21 increase of \$6,303 over the FY '02 estimated
22 obligation. This is for salaried increases granted
23 to civil service employees of the board.

24 In FY '03, the Board will support a staff
25 of six full-time employees and five board members.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 During FY '01, the Zoning Board, which is the most
3 active of all City boards, conducted 254 meetings.

4 The Zoning Board provides a vital service
5 to those who work, live, or do business in the City
6 of Philadelphia in that it provides an opportunity
7 to appeal zoning determinations and to request
8 variances from the zoning code where the code
9 imposes unnecessary hardship on the property owner.
10 The Zoning Board also grants certifications for
11 certain types of zoning uses, as proscribed by
12 ordinance of City Council.

13 In FY '03, it is anticipated the Board
14 will hear approximately 1980 cases. In FY '01, the
15 Zoning Board heard 2,031 cases. Currently, the
16 board is normally rendering a decision within 30
17 days of the date that an appeal is filed.

18 To provide service to the public, we have
19 continued to provide accelerated hearings, which
20 are conducted as soon as possible after a notice
21 posting periods. The cost of special hearings are
22 paid for those persons requesting the accelerated
23 hearing.

24 In FY '01, accelerated hearings were
25 conducted for 360 cases. In FY '02 and '03, we

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 project accelerated hearings will continue at the
3 level of 325 cases per year.

4 As a means of providing interested persons
5 with hearing information, we are now sending out
6 all of our notices electronically, and that system,
7 to my knowledge, has been working very well.

8 Thank you for the opportunity to present
9 the testimony for the Zoning Board, and I will be
10 happy to answer any questions.

11 COUNCIL PRESIDENT VERNA: Thank you,
12 Are there any questions from members of
13 the committee?

14 (No questions.)

15 COUNCIL PRESIDENT VERNA: Again, I thank
16 you, Mr. Felgus.

17 MR. FELGUS: Thank you very much,
18 Councilwoman.

19 COUNCIL PRESIDENT VERNA: Thank you.

20 We're not going to take a break. I think
21 since we are running ahead of schedule, we just as
22 well go through all of the others.

23 The next department to testify is the
24 Streets Department.

25 (Witness comes forward.)

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 COUNCIL PRESIDENT Verna: Good morning,
3 Commissioner.

4 COMMISSIONER JOHNSON: Good morning.

5 COUNCIL PRESIDENT Verna: Please identify
6 yourself for the record and proceed with your
7 testimony.

8 COMMISSIONER JOHNSON: Good morning,
9 Council President Verna and members of the City
10 Council. I'm William Johnson, Commissioner of the
11 Department of Streets. I'm here today to present
12 testimony on behalf of the Streets Department's
13 proposed Fiscal Year 2003 Operating Budget.

14 Employees of the Streets Department
15 continue to work hard to fulfill our basic mission
16 or providing clean, safe streets for our citizens.
17 We request a General Fund appropriation of
18 \$118,880,151 and an All Funds appropriation of
19 \$148,626,151.

20 Our proposed budget reflects a net General
21 Fund increase of \$3,251,215 from Fiscal Year 2002
22 estimated obligations. The overall request for the
23 Department for all funds (General, County Liquid
24 Fuels, Special Gasoline Tax funds, and Grants
25 Revenue) is a net \$4,482,715 higher than our Fiscal

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 Year 2002 estimated obligations.

3 This net increase reflects an average
4 staffing level increase from \$2,137 in Fiscal Year
5 2002 to \$2,143 in Fiscal Year 2003. However, the
6 actual Council-approved staffing level was reduced
7 from 2,232 positions in Fiscal Year '02 to 2,195 in
8 '03. This is a drop of 37 positions.

9 With this budget, the Highways Division
10 plans to resurface 156 miles of streets and
11 line-stripe 1,750 intersections, one million square
12 feet, both in Fiscal Year '02 and '03. Sanitation
13 will continue to provide timely refuse and
14 recycling and collection service to households.

15 The loss of City population, as derived
16 from the 2002 census, has resulted in the reduction
17 of a major State grant to the Special Gasoline Tax
18 Fund from \$20,094,135 in '01 to \$19,206,176 in '02,
19 a decrease of \$887,959, or 4.4 percent. This
20 reduction has compelled the Department to reduce
21 Class 100 estimated obligations by \$300,000 in '02
22 and by \$550,000 in equipment rentals in Fiscal Year
23 '03.

24 The results of this year's Citizens
25 Satisfaction Survey shows that 90 percent of

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 respondents said their trash was sometimes or
3 always collected on time, up from 87 percent in the
4 year 2000. The use of more efficient trash
5 compactors has contributed towards the achievement
6 of improved productivity. These include on-time
7 collections of 95 percent in '01 and a projected
8 96 percent in '02.

9 In Fiscal Year '03's request for
10 sanitation funds, the current cleaning schedule for
11 arterial and commercial corridors, as well as the
12 Neighborhood Cleaning Program, will be maintained.
13 In '02, the Division continued the successful use
14 of two small, versatile "ride-on/walk-behind"
15 sweepers that can safely and efficiently maneuver
16 into and around tight spaces.

17 In Fiscal Year '01, 41,244 tons of
18 recyclables were collected, and current the
19 projections for '02 and '03 are 44,300 and 45,800
20 tons respectively. In Fiscal Year '01, the
21 Department held six drop-off days and increased the
22 tonnage of hazardous waste collected, from 98 tons
23 to 2000 tons in 2000 to 119 tons in 2001, with a
24 10 percent increase in the overall program
25 participation.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 The emphasis on the Sweep Program is on
3 education and enforcement. Three sweep officers
4 visit regulated premises to monitor recycling
5 plans, to provide educational materials, and, when
6 necessary, to issue citations. And special
7 services, in addition to the expanded support to
8 neighborhoods that we are providing through more
9 street sweeping, citywide recycling, partnership
10 recycling, the Sweep Program, and Partners for
11 Progress, the Department will continue to support
12 clean block program.

13 In 2002, as we have for over 50 years, we
14 will continue to fund and support the Philadelphia
15 More Beautiful Committee's Clean Block Program. In
16 2001, 87,599 volunteers teamed with over 6,000
17 block captains and completed over 10,000 clean
18 block cleanups.

19 The Highway Engineering and Traffic
20 Divisions all make up the Transportation Services
21 Group. The Highway Division utilizes two processes
22 for street resurfacing: Conventional and hot-in-
23 place, or HIP, recycling. Where appropriate, HIP
24 is being piloted and used because it's faster and
25 more economical than conventional surfacing. In

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 2001, the Division resurfaced 1.6 million square
3 yards with conventional resurfacing and 718,486
4 square yards with the HIP process.

5 The Department repaired 24,314 potholes in
6 '01, an increase of over 8,000 from Fiscal Year
7 2000, and projects to repair 30,000 in '02 and '03.

8 We performed 804,053 linear feet of
9 cracked sealing in '01 and project 1,400,000 in
10 both '02 and '03.

11 Due to the passage of the
12 Telecommunications Act in 1996, the City has seen a
13 number of telecommunications firms seeking to
14 install fiber-optic lines, an increase from 1 to
15 15. Consequently, over 680 miles of street have
16 been impacted by underground or aerial construction
17 since that time. To address this, the Department
18 is currently working with the Department of Public
19 Property, the Law Department, and the Managing
20 Director's Office to develop new regulatory
21 mechanisms, update regulations, and improve work
22 flows to better coordinate street openings and
23 minimize the number of times that streets are open.

24 The Streets Department worked with the
25 Managing Director's Office and the Office of Fleet

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 Management to revise the City's snow fighting plan
3 in order to increase the City's ability to plow
4 neighborhood streets. The City now plows tertiary
5 residential streets during significant snowstorms.

6 The Department is continuing to work with
7 its regional transportation partners to maximize
8 the use of federal and state funding for
9 infrastructure upgrades in the City. Through an
10 investment of \$8.1 million, the City will be able
11 to leverage \$94.3 million in federal and state
12 bonds.

13 Some of the major projects through Fiscal
14 Year '07 include reconstruction of Delaware Avenue
15 between Penn's Landing and Aramingo Avenue, Market
16 Street elevated train reconstruction and
17 streetscape, the Avenue of the Arts, North Broad
18 Street, South Street Bridge replacement and the
19 Germantown Avenue Bridge and Chestnut Hill.

20 By the end of Fiscal Year '01, the
21 Department replaced over 68,000 lights, street
22 lights, as part of its ongoing citywide program to
23 replace obsolete fixtures. When the entire program
24 is completed, the Department projects that a total
25 of 75,000 lights will have been replaced.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 The Streets Department is in the process
3 of modernizing some of the City's oldest traffic
4 signals at nearly 500 intersections in Center City
5 and the Northeast. By the end of 2002, the
6 Department will have modernized 330 signals,
7 including 90 intersections in the southwest
8 quadrant of the City.

9 The Center City portion of this program is
10 scheduled to be completed by Fiscal Year 2005.
11 Once a signal has been modernized, the Department
12 is able to link to it a centralized control center.
13 Citywide, this is a an ongoing program involving
14 City, state, and federal funds to improve over
15 2,800 signalized intersections in the City.

16 A major goal of the Streets Department is
17 to respond quickly, courteously, and effectively to
18 customer requests for service. We improved our
19 call center by installing a state-of-the-art
20 automated call distribution center.

21 In conclusion, the employees of the
22 Streets Department will continue to work diligently
23 in the delivery of services to our citizens and
24 neighborhoods and to improve the quality of life in
25 our city. Therefore, we request your favorable

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 consideration of this budget request.

3 I'm available to answer any questions at
4 this time.

5 COUNCIL PRESIDENT VERNA: Thank you,
6 Commissioner.

7 You state in your testimony that your
8 department's average staffing level will increase
9 from 2,137 to 2,143 in FY '03, which is an increase
10 of 6 positions. Your department, however, is
11 budgeted for 2,195 positions in FY '03. Why will
12 you be maintaining an average vacancy rate of 48
13 positions?

14 COMMISSIONER JOHNSON: Well, we're not
15 exactly maintaining it, but through the process of
16 trying to hire and the constant turnover, we find
17 that we have a constant vacancy rate of about that
18 many positions relative to the number that we have
19 approved. So we're constantly hiring, we
20 constantly have people coming into the system and
21 going out of the system, but through the course of
22 the year, we average about that many vacant
23 positions.

24 COUNCIL PRESIDENT VERNA: 48 vacancies?

25 COMMISSIONER JOHNSON: Right.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 COUNCIL PRESIDENT VERNA: Are they
3 generally in one department?

4 COMMISSIONER JOHNSON: No, they spread
5 across the Department.

6 COUNCIL PRESIDENT VERNA: But you will be
7 hiring the 48? Because I would certainly think
8 that that would have an operational impact on your
9 department.

10 COMMISSIONER JOHNSON: We have what we
11 consider some peak periods where we do more
12 seasonal hirings than others. The spring and
13 summer is a peak period. Right now, we're gearing
14 up to hire a number of positions that we won't
15 necessarily continue to need once we run into, you
16 know, kind of a slower period during the winter
17 months again.

18 But over the average, if you average over
19 the course of the year, we have that many vacancies
20 that we're constantly looking to fill.

21 COUNCIL PRESIDENT VERNA: On Page 2 of
22 your testimony, you mentioned expanded street-
23 cleaning services. What areas of the City will be
24 impacted?

25 COMMISSIONER JOHNSON: The area of

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 expansion may be reflective more of some of the new
3 things that we're trying with regards to mechanical
4 sweepers on some sidewalks. We now -- we currently
5 have, I believe, three sidewalk sweepers and we're
6 planning to increase that up to six in the coming
7 year.

8 COUNCIL PRESIDENT VERNA: So you will be
9 expanding the areas that you will be cleaning?

10 COMMISSIONER JOHNSON: That's correct.

11 COUNCIL PRESIDENT VERNA: I'm rather
12 curious. On Page 35-87, I believe it's the line
13 item 250, it shows Decker Temporary Service,
14 \$24,000 for temp -- for temporary helpers, I
15 assume? What services do they provide?

16 COMMISSIONER JOHNSON: Decker Temporary
17 Services. We have had a number of short-term
18 services provided, but I'm not familiar with this
19 particular one off the top of my head; I'll have to
20 get back to you with an answer on that one.

21 COUNCIL PRESIDENT VERNA: I'd be rather
22 curious as to what that's for.

23 Commissioner, can you explain why the
24 proceeds from the sale of recyclables dropped from
25 \$312,000 in the first half of 2001 to \$54,000 in

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 the first half of 2002?

3 COMMISSIONER JOHNSON: Yes. The recycling
4 markets are extremely volatile. Right now, all of
5 the commodity pricing on the market is somewhat
6 depressed, with the exception maybe of aluminum,
7 which we don't get a high percentage of, but all of
8 the fibers, paper products, the rate per ton that
9 we were able to sell those products for on the open
10 market has dropped substantially across the
11 country.

12 And that's reflective in the reduction --
13 by the reduction in revenue that we received from
14 the sale of those materials.

15 COUNCIL PRESIDENT VERNA: I don't think we
16 have too many Councilmembers present. I was going
17 to ask you if you wanted to discuss your new
18 recycling program that you hope to implement in the
19 near future.

20 Maybe for the record, you could do that
21 very, very briefly, and at another point in time,
22 perhaps we could have a meeting with all
23 Councilmembers present so that they could all be
24 aware of what you're going to be doing.

25 COMMISSIONER JOHNSON: Yes. We have been

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 successful in working through our Recycling
3 Division and David Robinson, our new Recycling
4 Coordinator, to obtain grant funding from the State
5 to do a media campaign and a public-education
6 campaign around the issue of recycling to try to
7 raise the awareness of recycling in Philadelphia
8 communities and encourage people in our communities
9 and in our schools to recycle more.

10 That campaign is scheduled to kick off in
11 March -- I believe it's March 18th of this year,
12 just in a couple of weeks, and we'll include a mass
13 media campaign and a number of grassroots
14 community-based meetings, education in schools,
15 etc., to try to promote the recycling program in
16 Philadelphia.

17 COUNCIL PRESIDENT VERNA: And I think you
18 also indicated that trash and the recyclables will
19 be picked up on the same day so that people don't
20 get confused as to what date the recyclables will
21 be picked up?

22 COMMISSIONER JOHNSON: That's a goal of
23 the Department. We are working on some programs
24 that would allow us to get more of the City to
25 same-day collection so that it's not as confusing.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 One reason that people don't participate
3 is because they can't remember when to put their
4 recyclables out, and then there's another huge
5 population out there that's just uneducated about
6 the program.

7 So we've got a program that's going to
8 start in March that will address the education
9 piece, and we're working on some operational
10 changes to try to get more of the City to same day
11 as trash collection.

12 COUNCIL PRESIDENT VERNA: Would it be your
13 intention to have a weekly recyclable pickup?

14 COMMISSIONER JOHNSON: I think weekly
15 recyclables collection is obviously more consistent
16 and easier to remember if it's on the same day as
17 trash collection.

18 We are trying to balance how we can get to
19 that point with the cost of implementing a program
20 like that, and we have some ideas and some
21 recommendations to the Managing Director at this
22 point, and we're evaluating those right now.

23 COUNCIL PRESIDENT VERNA: Thank you.

24 Commissioner, if hot-in-place resurfacing
25 is faster and more economical than conventional

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 resurfacing, why are twice as many square yards of
3 streets being resurfaced using the conventional
4 method?

5 COMMISSIONER JOHNSON: There are a couple
6 of reasons. We haven't made a 100 percent
7 commitment to hot-in-place --

8 COUNCIL PRESIDENT VERNA: Is that that
9 massive machine that they use? And it's horrible
10 in neighborhoods because the odor is dreadful.

11 COMMISSIONER JOHNSON: It's a massive
12 train of a machine that basically will mill the
13 street on the front end of the train, reprocess the
14 material in the center, and lay that material down
15 on the back end of the street so that you don't
16 have the inconvenience of having a street being
17 milled and then having to wait a number of weeks
18 before a separate crew comes through to do the
19 paving.

20 But we've only tested it in certain areas.
21 We have had concerns expressed because of the
22 amount of heat applied to the street and the smoke
23 that results in tight areas where we have to turn
24 corners or other things, it's not very effective.
25 It's more effective if we use it in straight ways.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 So it's primarily been used on some of the
3 larger streets at this point.

4 COUNCIL PRESIDENT VERNA: I know you could
5 never use it in a residential area because, as I
6 said, it's dreadful.

7 Commissioner, how much money have we saved
8 because of the lack of snow?

9 COMMISSIONER JOHNSON: Well, that's part
10 of our new snow plan: To have no snow.

11 (Laughter.)

12 COUNCIL PRESIDENT VERNA: Wonderful.

13 COMMISSIONER JOHNSON: It's been very
14 effective this year.

15 The one major snowstorm that we had, as
16 you know, was forecast to be, you know, a 14- or
17 16-inch storm, and we had to prepare to handle a
18 storm of that magnitude, but then the storm kind of
19 fizzled out. It didn't come in as quickly as we
20 thought, and it lasted for a longer period of time,
21 and it was more of a sustained storm, and the, at
22 the end of the day, Philadelphia maybe got 4
23 inches, maybe 5 in some areas.

24 But because of the amount of preparation
25 that we had to do for that storm, it didn't allow

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 us to be as efficient in fighting that storm as we
3 could have if it had occurred as predicted.

4 As a result, I believe, we have, perhaps,
5 \$200,000 remaining in this year's snow budget.

6 COUNCIL PRESIDENT VERNA: How much had
7 been in the budget?

8 COMMISSIONER JOHNSON: \$2,947,000.

9 COUNCIL PRESIDENT VERNA: How much?

10 COMMISSIONER JOHNSON: We've actually
11 spent -- I'm corrected. We've actually spent
12 1 million 555.

13 COUNCIL PRESIDENT VERNA: Well, I'm glad
14 we didn't have more snow.

15 The Chair recognizes Councilwoman Brown.

16 COUNCILWOMAN REYNOLDS BROWN: Thank you,
17 Madam President.

18 I welcome the opportunity to sit with the
19 Streets Commissioner and staff around recycling
20 because I, too, have an interest in that.

21 I want to start off by -- pick up where
22 you left off in your testimony and give you kudos
23 from my staff for the tracking and reporting system
24 that you've implemented under your leadership and
25 let you know how that has helped us tremendously in

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 better serving constituents. So hats off to you.

3 My second question was all related to
4 recycling, the pilot programs you've implemented,
5 the tremendous improvement you've made under your
6 leadership, but I can wait until the briefing is
7 held with all Councilmembers to hear all of the
8 details, but I look forward to that program with
9 much anticipation, and in particular the
10 relationship that will exist, or should exist, with
11 the School District so that we can begin to train
12 the next generation on the importance of recycling.

13 Thank you very much.

14 COMMISSIONER JOHNSON: Thank you.

15 MR. MCPHERSON: Councilman Nutter.

16 COUNCILMAN NUTTER: Thank you.

17 Good morning, Commissioner.

18 COMMISSIONER JOHNSON: Good morning.

19 COUNCILMAN NUTTER: I have a couple
20 questions, and also the Chair was very kind in
21 holding, or asking, the L&I Commissioner to come
22 back, who I'll want to ask some questions after
23 your testimony.

24 I just have a couple questions here. Did
25 I understand from an earlier response, which is

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 probably a part of Page, 2 expanded

3 street-cleaning, I heard you talking about

4 sidewalks. Are you talking about in commercial

5 corridors or where?

6 COMMISSIONER JOHNSON: Well, at this

7 point, it's been very limited and only in

8 commercial corridors.

9 COUNCILMAN NUTTER: Okay.

10 COMMISSIONER JOHNSON: We have actually

11 two machines, and we're purchasing three more

12 machines this year.

13 COUNCILMAN NUTTER: But the sidewalk

14 activity is primarily in commercial corridors; is

15 that what you're planning to do?

16 COMMISSIONER JOHNSON: Only in a

17 commercial corridor

18 COUNCILMAN NUTTER: A commercial corridor.

19 COMMISSIONER JOHNSON: That's correct.

20 COUNCILMAN NUTTER: All five of them are

21 going to work in a commercial corridor?

22 COMMISSIONER JOHNSON: It's a very long

23 commercial corridor on North Broad Street right

24 now, and it's just been tested. That was the

25 initial location where we decided to test it, and

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 it's been working quite well.

3 COUNCILMAN NUTTER: Okay. From where to
4 where is it presently?

5 COMMISSIONER JOHNSON: We don't have the
6 exact boundaries, but it's between Erie and Ogontz.

7 COUNCILMAN NUTTER: Okay. Yeah, that
8 would be a long commercial corridor, Erie to
9 Ogontz.

10 I need you, Commissioner -- and some of
11 this may have started slightly before your arrival
12 or maybe around the time of your arrival. I need
13 for a fairly detailed, but not too long,
14 explanation of where we are with regard to the 15
15 miles-an-hour school flashing zone lights. It's a
16 program that started some years ago.

17 I have some of my constituents who are
18 very, very concerned about the status of the
19 program and its continuation. There's one
20 particular school in West Philadelphia, Our Lady of
21 Lourdes, that has had ongoing concern, and I have a
22 number of other schools in the district, and I know
23 a list has been established.

24 Can you tell us what has happened with the
25 program over the past year or so? I think there

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 was one year where we had no activity, and we're
3 now planning to have activity.

4 Unfortunately, Commissioner, it has put me
5 in a position of giving people information that
6 I've been given, and then deadlines not being
7 either met or fulfilled, and a concern about
8 whether they're ever actually going to get the
9 light.

10 So could you explain what has happened
11 over the past couple of years and what the project
12 is for when work will actually start?

13 COMMISSIONER JOHNSON: I know that we've
14 been looking very closely at the school flasher
15 program and the construction schedules. As
16 recently as last week, we talked about how we could
17 try to accelerate some of the work that's being
18 done.

19 My understanding is that in November of
20 last year, we completed the schedule for the year
21 2000. That was in November of 2001; the actual
22 construction was completed under the 2000 contract.
23 The 2001 contract construction schedule is
24 underway.

25 There is a new contract that we'll be

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 issuing within the next few months, and what we're
3 going to try to do is find a way to accelerate
4 construction under this new contract so that we can
5 get caught up.

6 It seems like we're running about --
7 between the appropriation period and the actual
8 construction period, there seems to be like a
9 six-month delay. Now, what I have --

10 COUNCILMAN NUTTER: Commissioner, I'm
11 sorry to interrupt you. When you said the 2001
12 construction schedule has started, where has it
13 started? 'Cause, I mean, I'm not aware that there
14 was a 2001 schedule or at least that one has
15 started.

16 I know about what's supposed to be
17 happening in the next month or so, and maybe that's
18 the 2001 schedule, but I'm not aware of any
19 activity going on right now

20 COMMISSIONER JOHNSON: Okay.

21 COUNCILMAN NUTTER: Other than finishing
22 up a bid process.

23 COMMISSIONER JOHNSON: Yeah, there is a
24 current bid process that's being finished up and a
25 set of school flashers to be done under this

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 upcoming contract.

3 What I have is a list of all of the
4 locations that are going to be done under this next
5 contract by district, so I have the list for your
6 district.

7 COUNCILMAN NUTTER: I understand.

8 COMMISSIONER JOHNSON: I also have been in
9 discussions on how we can accelerate construction
10 to get not only those planned under the current
11 contract, but those that would be scheduled under
12 the next contract accelerated.

13 COUNCILMAN NUTTER: Right, right.

14 COMMISSIONER JOHNSON: I don't have an
15 answer on how that's going to be accomplished yet,
16 but we do have some ideas about how we could get it
17 done, but we have to check with Law and Procurement
18 to see what we can do with that.

19 COUNCILMAN NUTTER: Yes. I'm left at --
20 least with the impression that the information is
21 we need to have whatever's going to be done under a
22 certain contract, we have to have all of the
23 information in from every part of the City or
24 whoever is asking for one from the various Council
25 districts around the City, and that no work takes

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 place until all of the lists, or all of the
3 locations, are in.

4 And, I mean, that, from my perspective,
5 seems at some level to create at least part of the
6 delay, and I don't know where -- what people have
7 to do to get all the lists in. I mean, we tried to
8 come up with a relatively simple process. You fill
9 out your application, you send it to whatever your
10 respective school jurisdiction is, get the approval
11 send it in to the Streets Department, go from
12 there.

13 But somewhere in the, I guess in the
14 bidding process, there is this notion, or concept,
15 that you have to have all of the locations already
16 determined before a contract even goes out to bid.

17 Now, I mean, look, I don't mean to tell
18 you how to buy and procure things, but, I mean, if
19 we had to wait until every office put in their
20 pencil order, we'd never have pencils, and we
21 certainly don't do it for heavy equipment, and
22 machinery. I mean, we pretty much -- my experience
23 is, you have a master contract, you go against that
24 contract, you get what you need at the time that
25 you need it.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 And I understand that these are not things
3 that you go into a store somewhere and pick up off
4 of a shelf; I mean, I understand it's specialized,
5 or somewhat specialized, equipment.

6 But, I mean, I think there are three or
7 four different versions of a flashing light, and if
8 we have a contract with someone to get what we need
9 at the time that we need it, then we shouldn't be
10 sitting around waiting for everybody to put their
11 list in.

12 I mean, it's like if all the kids aren't
13 good in school today, nobody gets recess. I mean,
14 it just doesn't make any sense to me.

15 And we basically lost a year, as best as I
16 can tell, and there may have been funding issues
17 along with that, but I think we basically have
18 virtually lost a year of activity while we have
19 people who filled out applications a while ago, we
20 keep telling them they're on the list, you know,
21 you're at this place, you're at that place, you're
22 at the other place, and then in the meantime, I
23 have no answer, and I've got no light.

24 And, I mean, obviously, you know -- well,
25 I won't even go into yesterday.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 But tragic events like yesterday's just
3 exacerbate the entire situation, and I just need to
4 better understand why we have these gaps in the
5 construction activity.

6 COMMISSIONER JOHNSON: Well, in response
7 to your comment, we don't disagree that there has
8 been a delay in construction and that -- and we
9 recognize that, and we're working on trying to
10 correct it, looking for opportunities to try to
11 accelerate construction schedules to try to get
12 more work done under the next round of contracting
13 so that we can get caught up.

14 COUNCILMAN NUTTER: Okay.

15 COMMISSIONER JOHNSON: And when I say "get
16 caught up," I mean we'll be in a position to
17 contract for all of the flashers that we've been
18 approved and funded for.

19 COUNCILMAN NUTTER: Under the current
20 process that we're in now, do you know when the
21 work will start, or do you have an estimate of when
22 work will start for the known locations, the
23 approved sites, as you called them, where people
24 have already put in their applications? Do we know
25 when the actual construction will start?

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 COMMISSIONER JOHNSON: My understanding is
3 that we should have a new contract in place within
4 the next month and a half, maybe two months, which
5 would put us into the summer and starting the
6 actual construction.

7 Now, I'm not sure if we have historically
8 done one site at a time or two sites at a time, but
9 those are the kinds of things that we're looking
10 at. If we're hiring contractors to do work, I'm
11 not sure why we couldn't do more than one site at a
12 time, unless there's only one light available at
13 any time and one pole to do it.

14 So we're looking and talking internally
15 about how we can accelerate the schedule
16 specifically for school flasher installation.

17 COUNCILMAN NUTTER: Okay, I'll just
18 mention one last thing just from a coordinating
19 standpoint. I mean, obviously, when they're
20 available, people will take them, and nobody's
21 going to stand out there but, I mean, part of the
22 program is the coordination between the City and
23 the various schools -- public, private, parochial,
24 whoever is getting the light. You know that
25 there's a maintenance responsibilities as well as

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 the timer issue with regard to building engineer or
3 some designated person at the location.

4 Obviously, schools are not open in the
5 summer which, you know, adds to a whole other
6 issue.

7 Now, the funding for this -- I mean,
8 didn't that funding become available July 1 in the
9 2000 Capital Budget?

10 COMMISSIONER JOHNSON: As I recall, there
11 was some delay. The funding was approved, but it
12 may not have been available on July 1 last year.

13 COUNCILMAN NUTTER: Do you know why that
14 was?

15 COMMISSIONER JOHNSON: I remember having
16 the discussion but not the details right now.

17 COUNCILMAN NUTTER: Okay, all right.
18 If -- I know that the Budget Office is present or
19 listening. If we could get a better explanation as
20 to why money that is supposedly available to July 1
21 is not available especially for something that's a
22 safety --

23 COMMISSIONER JOHNSON: Councilman, this
24 was a one-time issue, it was just a timing issue,
25 that was all.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 And as I recall, we were working with
3 Budget to make it available sooner. I'm not
4 certain that it was available on July 1, but if it
5 was not, it was probably available shortly after
6 that.

7 COUNCILMAN NUTTER: All right. Well,
8 Commissioner, I mean, the only thing I'm left, I
9 guess, to say is -- is to pretty much state a
10 little bit of the obvious, which is -- I mean,
11 July 1 was eight months ago, and now we're
12 basically saying, if we get a contract in place in
13 two months, we'll be doing work in the summer.

14 I mean, we will literally be in another
15 fiscal year. I mean, it just cannot take that
16 long, it just can't. I mean, whether for this one
17 or for future ones. I mean, yes, we will have lost
18 a year from the start of one fiscal year to the
19 next with literally no production activity going
20 on.

21 And I just, you know, strongly emphasize
22 and appeal to you that we need to correct this.

23 COMMISSIONER JOHNSON: I think we're in
24 agreement and we're committed to correcting that.

25 COUNCILMAN NUTTER: Thank you.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 Tell me about -- there was a bill passed a
3 while ago having to deal -- having to do with
4 issues affecting driveways and retaining walls and
5 a proposal to, even if in a pilot program, fund the
6 rehabilitation or reconstruction of these areas,
7 which, in many instances, notwithstanding the fact
8 that technically they are private property, they
9 are certainly of a public use, City vehicles,
10 specifically sanitation vehicles, in some
11 instances, although we've had some relocations of
12 pickup recently in at least some areas of my
13 district to the front.

14 Putting that aside, these areas are
15 clearly used by many members of the public, not
16 just the individual abutting homeowner. And does
17 the Department have any plans or proposals to try
18 to at least initially fund the proposed pilot
19 program through the funding mechanism that was
20 created by Council ordinance last year?

21 COMMISSIONER JOHNSON: The Streets
22 Departments does not have funds appropriated for
23 that program, either in operating or in capital.

24 COUNCILMAN NUTTER: Can you give me any
25 sense of the Department's intention going

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 forward -- well, let me ask the question this way:
3 What is the Department's position about working
4 with citizens on these kind of issues? What's the
5 City's position dealing with these kinds of issue?

6 COMMISSIONER JOHNSON: Well, Councilman,
7 the Streets Department worked diligently a year ago
8 to try to help find a solution for the
9 deterioration of retaining walls and driveways, and
10 worked with your office in some instances as we
11 developed a conceptual plan of how we may be able
12 to mechanically get it done.

13 Subsequent to that, we have not been able
14 to find funds to prime the pump, if you will, to
15 start or to initiate that program. We just haven't
16 been able to get funded for -- find the funding for
17 that program.

18 But it's a program that we think would
19 work mechanically. We assisted in developing that
20 program, and once it's funded, would be able to
21 work with citizens on addressing some of these
22 problems.

23 COUNCILMAN NUTTER: All right, I'll have
24 further discussions with the Budget Office about
25 that.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 Do you have updated information with
3 regard to a proposed new signalization, a
4 computerized, maybe digital signalization plan for
5 City Avenue, as well as the signalization program
6 for the Green Lane Bridge, has that been completed?

7 COMMISSIONER JOHNSON: I'm going to defer
8 that question to Charlie Trainor.

9 (Witness comes forward.)

10 MR. TRAINOR: Charlie Trainor, Chief
11 Traffic Engineer.

12 Councilman, I know of no plans, I have not
13 seen any plans for modifications to the traffic
14 signals along City Avenue.

15 Regarding the Green Lane Bridge --

16 COUNCILMAN NUTTER: Well, let's stay on
17 that point.

18 Are you aware of the, I believe, that the
19 City Planning Commission, at least two, probably
20 three and maybe even four years ago, conducted a
21 study of signalization issues on City Avenue and
22 produced a report with regard to the need for an
23 upgrade and change in the signalization on City
24 Avenue obviously affecting both Philadelphia and
25 Lower Merion?

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 MR. TRAINOR: I don't know of any study on
3 that. I haven't seen any report on that

4 COUNCILMAN NUTTER: Okay, I'll have the
5 Planning Commission get in touch with you about
6 that.

7 Tell me about Green Lane Bridge

8 MR. TRAINOR: For the Green Lane Bridge,
9 the traffic signal modifications on the City side
10 of Green Lane and Main Street have been completed.
11 I am not sure what the situation is on the township
12 side regarding the exit ramps from the Schuylkill
13 Expressway.

14 COUNCILMAN NUTTER: Well, isn't, I mean,
15 the more comprehensive solution to the whole Green
16 Lane Bridge situation, doesn't that require changes
17 in signalization not only on the City side at Green
18 Lane and Maine but also on the county or township
19 side at the on-ramp to I-76?

20 MR. TRAINOR: Yes, it does, and that was a
21 part of a PennDOT county project stretching along
22 the full length of Belmont Avenue in the township.
23 I believe that their contract has started, but I
24 don't know where they are within that contract or
25 in the improvements to the exits.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 COUNCILMAN NUTTER: Okay. Lastly,
3 Mr. Trainor, let me put on the record here, and I
4 think anyone who's within listening distance should
5 take note. It is my understanding that in a recent
6 conversation with a member of my staff, not only
7 did you admit, possibly for the first time in your
8 government service, that you were wrong on an
9 issue, but also --

10 COUNCIL PRESIDENT VERNA: Oh, God, I can't
11 believe it

12 (Laughter.)

13 COUNCILMAN NUTTER: But also that in
14 response to a question you actually said "yes."

15 Commissioner, let me commend you for all
16 of your efforts in the short period of time that
17 you have been here to turn Mr. Trainor around. I
18 think the government is clearly headed in the right
19 direction, and I want to commend you.

20 (Laughter.)

21 COUNCIL PRESIDENT VERNA: Councilman, has
22 he now lost his title of "Dr. No"?

23 (Laughter.)

24 COUNCIL PRESIDENT VERNA: No, Madam Chair,
25 that test is yet to come over the next few months,

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 but he is weakening over time.
3 Thank you, Mr. Trainor.
4 Thank you, Commissioner.
5 COUNCIL PRESIDENT VERNA: Commissioner,
6 getting back to the blinking lights for just a
7 moment, I know we appropriated \$5,000. How many
8 lights could be installed with that amount of
9 money?
10 MR. JOHNSON: Oh, gosh... I believe...
11 I believe that they -- hang on one second.
12 (Commissioner confers with
13 colleague off the record.)
14 COMMISSIONER JOHNSON: Yes, it's between
15 25 and 30, depending on the costs of the
16 construction.
17 COUNCIL PRESIDENT VERNA: Thank you.
18 The Chair recognizes Councilwoman Miller.
19 COUNCILWOMAN MILLER: Thank you, Madam
20 President.
21 Good morning, Commissioner.
22 COMMISSIONER JOHNSON: Good morning.
23 COUNCILWOMAN MILLER: And good morning to
24 the Streets Department staff. I just have a few
25 questions here.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 One, what is the construction --

3 completion of construction date for the Chestnut
4 Hill Bridge?

5 COMMISSIONER JOHNSON: It's better to give
6 you a start date than a completion date. The
7 bridge in Chestnut Hill, I believe some utility
8 work may be underway. The bidding process for the
9 major construction has not been completed yet, but
10 we anticipate starting construction this year on
11 that bridge.

12 COUNCILWOMAN MILLER: Okay. All right,
13 thank you. We'll have a meeting, you know, about
14 this a little later.

15 And I'd also like to know when you talk
16 about the -- with the Sweep Program and people are
17 out getting citations, you said that you've
18 written -- you project to write 21,000 citations in
19 '02 and, of course, with the increased amount
20 looking at '03.

21 I'd just like to know from you the same I
22 asked from L&I. Can you get a record of those
23 21,000 and how many have been paid?

24 'Cause one of the things that happens is,
25 I don't believe people pay citations and they

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 continue to just get 'em for almost the same
3 reasons, and this is really a quality-of-life issue
4 out in neighborhoods.

5 And with those citations, the citations
6 that the Sanitation officer from the Police
7 Department issues, those are two separate
8 citations?

9 COMMISSIONER JOHNSON: Those are separate
10 citations.

11 COUNCILWOMAN MILLER: Okay.

12 COMMISSIONER JOHNSON: Now, we'll have to
13 get you a breakdown of our revenue or the number of
14 those citations that get paid on an annual basis /I
15 know that it's a number that's probably being
16 tracked in Finance, but it's a number that we can
17 probably get for you.

18 COUNCILWOMAN MILLER: Okay. And I'd also
19 like to get information on the modernization and
20 repair of street lights. Are you replacing the
21 lights as they get broke or as a pole -- someone
22 told me that the lights were being replaced if they
23 were broken or if a car ran into the pole.

24 Do you have a systemic plan for replacing
25 the streets lights?

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 COMMISSIONER JOHNSON: We're trying to
3 modernize as we do repairs, but I believe Charlie
4 does have a plan where there are certain areas of
5 the City that he's working on systematically.

6 COUNCILWOMAN MILLER: Okay.

7 COMMISSIONER JOHNSON: But we do have the
8 occasional knock-down or a signal that's going to
9 go out or that goes out that has to be replaced,
10 and where possible, we will try to upgrade it.

11 COUNCILWOMAN MILLER: Do these lights give
12 a better illumination?

13 COMMISSIONER JOHNSON: Well, there are two
14 things that we are doing.

15 One of the things that's being done
16 throughout the City is that we're replacing the
17 red, yellow, and green lights with an LED light
18 that gives an equivalent illumination but is more
19 energy-efficient. And through that process, we've
20 been able to save money, and project to save money,
21 on our energy bills in the future.

22 The other type of modernization is where
23 we are eliminating a lot of the old electro-
24 mechanical-type device signals and going into more
25 solid-state controllers that could be centralized

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 and controlled from a central location.

3 So to answer your question, there are a
4 number of things that we're doing to improved the
5 quality of signals throughout the City, and at all
6 locations, we are not actually going in and putting
7 in fiber optics and tying them into the system.
8 Some locations right now just, we're just upgrading
9 or changing the type of actually light that we're
10 using to more energy-efficient lighting.

11 COUNCILWOMAN MILLER: 'Cause in a lot of
12 the neighborhoods, particularly in my district near
13 Temple, you know, when you ride up Broad Street and
14 it looks like it's daylight no matter what time you
15 ride because of the lights at Temple Hospital and
16 Children's Hospital. So many of the neighbors, you
17 know, of course, want that type of bright light,
18 and we understand, you know, I don't needs to talk
19 about why it's like that there and why it's not
20 like that in neighborhoods.

21 But that just tells me that most people
22 want a brighter street light, you know, for
23 public-safety reasons.

24 So I think that's all my questions,
25 Council President Verna. And I want to thank you

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 and thank the Streets Department.

3 I do have some issues, but I'll be meeting
4 with the Streets Department separately to go over
5 some of the other things that concerns the 8th
6 district.

7 COUNCIL PRESIDENT VERNA: Very well, thank
8 you.

9 The Chair recognizes Councilman Clarke.

10 COUNCILMAN CLARKE: Thank you, Madam
11 President.

12 Councilman Nutter, I just want to add to
13 your first; this is a second. Mr. Trainor,
14 Commissioner, I'd like to thank you for the 19th
15 and Rittenhouse Square situation. Things are
16 changing, Councilman Nutter. You all both know
17 what I'm talking about. Thank you. Getting rave
18 reviews for that light.

19 I got a couple of quick questions, kind of
20 follow-ups to earlier questions in a earlier
21 hearing. One is my North Broad Street street-light
22 issue, Avenue of the Arts North. I know it was
23 maybe only a couple weeks ago that I talked to you
24 about that, and can you give me a sense of any
25 movement on that issue? Have we advanced that

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 discussion on that issue?

3 As that as I look on Page 6 where you talk
4 about modernization, and there are a substantial
5 number of lights that will be replaced, and I'm
6 wondering, are they being replaced with the
7 traditional brown rounds, the traditional brown
8 rounds, or can you give me sense of that and where
9 we are with the Avenue of the Arts North?

10 COMMISSIONER JOHNSON: Yes, Councilman.
11 Typically they are being replaced with the -- with
12 what we call "brown rounds," which, I've
13 discovered, was a Streets Department-coined term to
14 describe the difference in the type of pole that
15 we're using versus the old aluminum pole, and there
16 are some brown square poles. So these are what
17 they call "brown-round poles."

18 With regards to your question on North
19 Broad Street, we've evaluated the cost of the
20 lighting that had been planned to go in, which
21 would have been the traditional brown rounds that
22 we are replacing throughout the City and compared
23 that to what's currently on South Broad Street and
24 found that it would just be too cost-prohibitive to
25 do that.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 However, we did look at a light fixture
3 that was recently installed on Kelly Drive, and we
4 believe that we would be able to put a fixture on
5 North Broad Street similar to the one that we just
6 installed on Kelly Drive specifically because it's
7 the Avenue of the Arts and it's just kind of an
8 area that we're trying to revitalize and continue
9 some of the efforts that were done on South Broad
10 Street.

11 So this is not something that we would
12 typically be able to do, but in this case, I think
13 we're going to be able to do that if that will be
14 satisfactory.

15 COUNCILMAN CLARKE: Because we did get
16 additional funding from the State for that project.

17 COMMISSIONER JOHNSON: We haven't been
18 able to get additional funding from the State. We
19 think that this fixture will be about 20 to
20 25 percent more than the traditional brown rounds,
21 but we may be able to find that money in the
22 project.

23 COUNCILMAN CLARKE: I mean, you're saying
24 that -- and I understand it was a problem with
25 respects to the original appropriation lapsing, but

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 we in fact went back to reignite that
3 appropriations on the State level.

4 Are you saying that we are not going to be
5 able to get that money from the State?

6 COMMISSIONER JOHNSON: No, no, I'm not
7 saying that. I'm saying that the process that we
8 went through to do the evaluation didn't
9 incorporate going back to the State at this point.

10 COUNCILMAN CLARKE: Okay, that's using the
11 allocated amount from the State.

12 COMMISSIONER JOHNSON: Right. We might be
13 able to find it within the monies that were
14 allocated from the State.

15 COUNCILMAN CLARKE: Okay, okay. Thank
16 you.

17 The other issue, as a follow-up, I'm going
18 to keep banging on this one. The public relations
19 campaign on anti-littering, are we any further
20 along on that one? And every time we come here and
21 talk about NTI or Streets Department, I'm going to
22 bring it up. I think we got to do something.

23 COMMISSIONER JOHNSON: We have designed a
24 conceptual campaign for anti-litter. We have
25 initiated a litter indexing process throughout the

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 City in support of that campaign but, again, we are
3 still trying to identify funding to support the
4 campaign.

5 We thought we may be able to get funding
6 from the State. The State has agreed to fund the
7 recycling campaign that we alluded to earlier.
8 They may in future years allow us to incorporate a
9 stronger message against littering after we've
10 shown some success and progress in the recycling
11 campaign.

12 But as of today, we don't have funding
13 identified to support a campaign.

14 COUNCILMAN CLARKE: Well, are there any
15 foundations, any nonprofits? I mean, I don't think
16 we should limit ourselves to government.

17 COMMISSIONER JOHNSON: Yeah, we were
18 looking for both government funding and private
19 funding source, and we just haven't been successful
20 in finding any funding sources right now.

21 COUNCILMAN CLARKE: You need any help?

22 COMMISSIONER JOHNSON: Yes, yes, we need
23 help.

24 COUNCILMAN CLARKE: I mean, whatever I can
25 do or whoever I can corral into supporting this

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 particular initiative 'cause I know that a lot of
3 people, a lot of my colleagues are -- we have a
4 real issue about littering and debris being put in
5 our streets, and we are increasingly being asked to
6 add to our budget to provide a workforce to clean
7 up after individuals, 'cause that's essentially
8 what we're doing.

9 And I think at some point, you know, we've
10 reached a limit in terms of our willingness to
11 increase our workforce to clean up after people,
12 and I think we need to work on the front side as to
13 change people's attitudes towards their community
14 so we won't have to continue to ramp up our
15 workforce on that.

16 Ready, Willing and Able. I went to New
17 York maybe four or five years ago when we initially
18 started talking about it. Are you familiar with
19 the program?

20 COMMISSIONER JOHNSON: No.

21 COUNCILMAN CLARKE: It's a program that
22 started in New York, was a -- it started in a
23 transitional housing initiative where individuals
24 who had substance-abuse problems or other problems
25 got into a program, and the program actually

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 created an initiative that individuals who were in
3 this transitional housing development had to work
4 and they had to pay rent and they had to become
5 educated to become marketable.

6 And in New York what they did was
7 incorporated these individuals, particularly in
8 business corridors, where they got contracts, went
9 directly to the organization, and the individuals
10 actually worked in the business corridors, cleaning
11 the streets and the sidewalks.

12 And I asked that question, and you
13 mentioned earlier that the City was looking at an
14 initiative on North Broad, and I was wondering if
15 there was some discussions with that organization,
16 particularly given the fact that they've already
17 started working, I believe, in Fairmount Park and
18 maybe West River Drive.

19 And I was wondering -- I'm not looking to,
20 you know, take any work from our great workforce in
21 the Streets Department, but I think that as an
22 addendum to the potential of us cleaning up that we
23 need to look into the possibility of having them
24 add on to a part of our process here.

25 You may want to look into the New York

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 model because they've been very successful there,
3 and actually, my understanding is they actually got
4 in the business community to buy into funding
5 substantial portions of the contracts up there.

6 Commissioner, I think actually it was last
7 year, we talked about the potential of having
8 multiple tasks for sanitation workers on their
9 routes. Have we had any further discussions with
10 the unions and the membership about that, or is
11 that just a dead issue?

12 COMMISSIONER JOHNSON: We have broached
13 the issue with them and, in some cases, are able to
14 get them to help us to identify, you know, if there
15 are obvious problems on issues with the street in
16 the field as they're going about doing their work.

17 But their work is pretty intense and
18 it's -- it's not something that I would say has
19 been openly received in terms of adding additional
20 responsibilities to the crew that's out there
21 picking up 14 tons of trash during the course of a
22 day.

23 COUNCILMAN CLARKE: Mm-hmm.

24 COMMISSIONER JOHNSON: But wherever
25 possible, they do cooperate with us, and our

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 supervisors do cooperate in trying to help us to
3 identify any problem areas or obvious problem areas
4 in the field.

5 COUNCILMAN CLARKE: Okay, there's no
6 formalized agreement?

7 COMMISSIONER JOHNSON: No.

8 COUNCILMAN CLARKE: Okay, that's fine.

9 Lastly, earlier in your testimony, you
10 talked the about snow removal budget. What did you
11 say that budget was?

12 COMMISSIONER JOHNSON: I believe it's 2.9.

13 COUNCILMAN CLARKE: 2.9.

14 COMMISSIONER JOHNSON: 2.9 million, and
15 we've used 1.5.

16 COUNCILMAN CLARKE: The 2.9 was based on
17 what, the anticipation of how many snowstorms?

18 COMMISSIONER JOHNSON: I think over the
19 years, it's just kind of been what's been
20 appropriated for snow-fighting.

21 As you know, it's kind of hard to predict
22 what a snow season is going to look like, and
23 that's kind of just been the amount that's been
24 carried over the years and appropriated for
25 snow-fighting efforts.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 COUNCILMAN CLARKE: So this year, we had
3 one storm, not a major storm, and we spent half of
4 the 2.9 allocation? So in prior years, I'm
5 assuming that when we had the traditional winters,
6 we went beyond the 2.9?

7 COMMISSIONER JOHNSON: There have been
8 more years that the Department has gone over on its
9 snow-fighting budget. I know last year, we had --
10 people keep telling me it was a mild winter last
11 year, but we had over 11 events, 11 or 12 storms
12 that we were called out for. And we did exceed the
13 appropriated budget.

14 But the process is that if we have a mild
15 winter, like we've had this year, there may be
16 funds left over. If we exceed the budget, then we
17 work with the Budget Bureau and the Budget
18 Department of Finance to appropriate funds to cover
19 the cost of fighting snow at the end of the year.

20 COUNCILMAN CLARKE: Councilwoman Miller,
21 you had a question about the extra money, the
22 leftover money from the budget, the snow-removal
23 budget?

24 COUNCIL PRESIDENT VERNA: There wasn't
25 much left.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 COUNCILMAN CLARKE: The Councilwoman
3 wanted to know if we could use that money for
4 school flashing lights.

5 COUNCIL PRESIDENT VERNA: We didn't have
6 snow and we didn't that much left. I think we only
7 had what, \$200,000 left?

8 COMMISSIONER JOHNSON: I think the school
9 flasher program has been funded, I believe, at
10 \$500,000 for the current year. We still have a
11 number of sites, though, probably the full
12 complement of sites yet to be constructed under
13 last year's appropriation.

14 So I don't believe that the issue or the
15 concern with the flashers is as much a funding
16 issue as it is a process issue, and we're working
17 on accelerating that process right now so that we
18 can get more school flashers done.

19 COUNCILWOMAN MILLER: Yeah, I think it's
20 both, because in the City, we have Catholic
21 schools, public schools, private schools, charter
22 schools. Every year, my list grows every time a
23 new school opens up, everybody, everybody wants a
24 school flashing light now.

25 So it's not so much -- so I just think we

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 need more money so we can do more lights in terms
3 of volume. Instead of three a year per Council
4 District, we would love to do six a year. I mean,
5 maybe some districts don't have as many schools,
6 but I think we have a waiting list in my office of
7 about 20 schools. And at three a year, we'll never
8 get to that.

9 And then as new charter schools open, you
10 know, they want flashing lights, and this just
11 continues to grow and grow.

12 When I first came to City Council in '96,
13 it was a very short list, but now we have -- I have
14 a very long list that just continues to grow 'cause
15 everybody wants that.

16 COMMISSIONER JOHNSON: We have another
17 tool that we can use in situations like that. If
18 it looks like we're going to run out of funding
19 before we're able to get school flashers and it's
20 going to be a long period of time for the first
21 year, we now have funds appropriated for what we
22 call the fluorescent yellow-green program.

23 If you notice on Roosevelt Boulevard where
24 we have the fluorescent yellow-green pedestrian
25 crossing signs, that's the type of sign that we can

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 also use in school zones to kind of supplements our
3 school flasher program. So we do have some funds
4 appropriated to install flourescent yellow-green
5 signs in addition to the school flashing program.

6 So we can work with your office on looking
7 at locations that are going to be out there in
8 terms of the amount of time that it's going to take
9 to get to their installation and look at the
10 possibility of installing flourescent yellow-green
11 as an interim step.

12 COUNCILWOMAN MILLER: Okay, good. Thank
13 you.

14 COMMISSIONER JOHNSON: I would also like
15 to add that I have here packets for all
16 Councilmembers that would reflect, in addition to
17 what streets we're planning to resurface in your
18 districts, it would also reflect those areas that
19 are scheduled for school flasher installation and a
20 list of schools that are waiting to be scheduled.

21 COUNCILWOMAN MILLER: All right, thank
22 you.

23 COUNCIL PRESIDENT VERNA: Thank you very
24 much, Commissioner.

25 Councilman, are you finished?

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 COUNCILMAN CLARKE: Yes, Madam Chair.

3 COUNCIL PRESIDENT VERNA: Commissioner,
4 thank you.

5 COMMISSIONER JOHNSON: Thank you.

6 COUNCIL PRESIDENT VERNA: Thank you very
7 much.

8 At the request of Councilman Nutter, we're
9 calling back the L&I Department.

10 (L&I Department members return
11 to the witness table.)

12 COUNCIL PRESIDENT VERNA: The Chair
13 recognizes Councilman Nutter

14 COUNCILMAN NUTTER: Thank you, Madam
15 Chair.

16 And first, to the L&I Commissioner, thank
17 you for staying. I apologize to you and to your
18 staff. I was delayed by other City business, so I
19 know that we're taking you out of turn. To
20 Commissioner Kishinchand from the Water Department,
21 I apologize for any delay as well, but I do have
22 some questions that I need to ask of the L&I
23 Commissioner and his team, so I apologize to both
24 and I thank you for your cooperation.

25 Commissioner, let me start on Page 2 of

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 your testimony. The first bullet is encapsulation.

3 Your testimony talks about in FY '03, under the

4 auspices of NTI and working in conjunction with the

5 Housing Authority, you're anticipating doing 350

6 properties for encapsulization, which I think is up

7 from -- what is it, 72 in '01 and how many in '02,

8 100? Is that on the service report?

9 COMMISSIONER MCLAUGHLIN: We're estimating
10 about 60.

11 COUNCILMAN NUTTER: 60?

12 COMMISSIONER MCLAUGHLIN: Obviously, we
13 missed it in the report.

14 COUNCILMAN NUTTER: Okay. Do you know at
15 the moment how or where and when for the
16 encapsulization for '03 where the activity will
17 take place, what's the schedule, the timetable, and
18 the location?

19 MR. SOLVIBILE: Councilman, the NTI staff,
20 along with the contractor hired, Hill, will work
21 with each individual Council District Councilperson
22 to arrive at what will be done, when and where it
23 will be done in their Council districts.

24 COUNCILMAN NUTTER: All right. Deputy
25 Commissioner Solvibile, do you know when that will

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 take place?

3 MR. SOLVIBILE: The prototype in
4 Strawberry Mansion is being worked on now, and I
5 can't say when it will be done in each district,
6 but I know the start of it will be -- they're
7 putting out the package for Strawberry Mansion for
8 demolition in April, I believe.

9 COUNCILMAN NUTTER: Okay.

10 COMMISSIONER MCLAUGHLIN: I'd just like to
11 emphasize something that we said before, and that
12 is L&I does exist outside of NTI, and we'll be
13 making those same decisions that we've always made
14 in other neighborhoods besides the NTI project
15 neighborhoods.

16 COUNCILMAN NUTTER: All right. I
17 appreciate that, Commissioner, and I know that the
18 folks in Strawberry Mansion will be very happy
19 about the prototype or the pilot, and I'm sure
20 they'll be talking to Councilman Clarke about that.

21 MR. SOLVIBILE: I'm sorry, Councilman.
22 The further answer to that is that initially the
23 intent is for every two weeks, a package of
24 demolition/encapsulation to be put out after April.

25 COUNCILMAN NUTTER: Okay. The second

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 bullet point on Page 2 is about the Vacant Lot
3 Cleaning Program. Your testimony says, in January
4 '01, you did a vacant property survey, and there
5 are 30,729 vacant lots in the City. In the spring
6 of '01, you started cleaning the lots, and the City
7 was going to start to bill people for the cost.

8 Do you know if that component has taken
9 place?

10 MR. SOLVIBILE: Absolutely. It's ongoing.
11 The Managing Director's Office was gracious enough
12 to let us hire an additional clerk that was placed
13 with our Clean and Seal Unit, where the billing
14 takes place for cleaning of vacant lots. And that
15 has been done and it is being done presently

16 COUNCILMAN NUTTER: Okay. And what was
17 the cost of that cleanup project?

18 MR. SOLVIBILE: I'll have to get back to
19 you. I'm not sure of the answer today. It would
20 have to come from the Managing Director's Office, I
21 believe.

22 COUNCILMAN NUTTER: And who's going to do
23 the follow-up to make sure that people pay?

24 MR. SOLVIBILE: The Revenue Department.
25 And/or if they don't play, a lien's placed again

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 the lot that the City then tries to use -- that the
3 City uses to put up for sheriff's sale and for
4 community use and/or to become part of a
5 redevelopment package.

6 COMMISSIONER MCLAUGHLIN: That's a
7 standard practice within Revenue for all of our
8 liens.

9 COUNCILMAN NUTTER: Later on in the same
10 section, FY '01, you cleaned and sealed 1693
11 buildings in FY '01; 3132 this year; 4,016 in
12 FY '03.

13 Now, is that -- again, the FY '03 number,
14 is that with the anticipation of NTI funds or how
15 are your clean-and-seals increasing over the past
16 couple of years?

17 MR. SOLVIBILE: We're not doing lots.
18 Presently with the Managing Director's Office doing
19 lots, our crews that used to do lots and buildings
20 now can concentrate on just doing buildings -- with
21 one exception. We still work with a first-
22 offenders group who does lots for us, but we do
23 that -- we coordinate that with the Managing
24 Director's Office.

25 COUNCILMAN NUTTER: So you're saying that

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 now you'll be able to do more clean-and-seals
3 because you're not focussed on vacant lots?
4 MR. SOLVIBILE: Yes. The crews that were
5 at one time -- at least half of our crews was
6 working Lots; now they can just concentrate on
7 doing buildings.
8 COUNCILMAN NUTTER: And can you provide,
9 through the Chair, a list of the vacant lots
10 throughout the City, the 30,729 by address, by
11 Council District?
12 MR. SOLVIBILE: Yes.
13 COUNCILMAN NUTTER: Thank you.
14 MR. SOLVIBILE: I'm sorry, Councilman.
15 That were cleaned or that exist?
16 COUNCILMAN NUTTER: Both.
17 MR. SOLVIBILE: Yes.
18 COUNCILMAN NUTTER: The Biannual Cleaning
19 Schedule, what is it? I mean, when will the
20 various lots --
21 MR. SOLVIBILE: That's presently being
22 worked out by the NTI staff.
23 COUNCILMAN NUTTER: Okay.
24 With regard to the tours, FY '01, FY '02,
25 \$2.5 million to correct problems that were

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 identified in various tours. Do you have a list of
3 the various problems, the corrections that were
4 made and the costs?

5 MR. SOLVIBILE: Yes. We can provide that
6 to the Chair. We track it. The costs we would
7 have to add to it for some of it, but yes, we can
8 do that.

9 COUNCILMAN NUTTER: Okay. Well, I assume
10 that you knew the costs based on --

11 MR. SOLVIBILE: We know the total but we
12 didn't -- I'm not sure that we had it broken down
13 individually for clean and seal. The 2.5 cost was
14 mainly for encapsulization and demolition.

15 COUNCILMAN NUTTER: Okay. On Page 3 of
16 your testimony, Fire Safety. What's the inspection
17 program as it relates to school buildings?

18 MR. VERDI: As far as the inspection
19 program, we try to get into each school on a yearly
20 basis.

21 COUNCILMAN NUTTER: And, one, I guess is,
22 do you get the level of cooperation that you need
23 from the School District? And what exactly are you
24 checking for, and is it only a fire safety
25 inspection?

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 MR. VERDI: In the school district, in the
3 school buildings, we look for fire safety as far as
4 egress, fire alarms, any part of the fire system.

5 As far as level of cooperation, we just
6 had a meeting recently, our Chief of the Fire Unit
7 had a meeting with their maintenance people, and we
8 have been in touch with their Chief of Security,
9 Dexter Green, and have an ongoing dialogue with him
10 also now.

11 COUNCILMAN NUTTER: What about the other
12 various codes in, I guess, what's generally either
13 the building code or the property maintenance code?
14 What level of inspections do we have again at the
15 various school buildings regarding plumbing,
16 electrical, building and other various codes? What
17 is our schedule? what are the requirements? and
18 under what provision, if any, are school buildings
19 required to be inspected?

20 MR. VERDI: The buildings are required to
21 be for fire safety. If our fire inspectors are in
22 the building and notice anything out of the
23 ordinary in reference to the plumbing or
24 electrical system, they'll notify the appropriate
25 unit.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 A school building is not -- we do not
3 inspect for property-maintenance issues on a School
4 District building.

5 COUNCILMAN NUTTER: Why is that?

6 MR. VERDI: Basically, when a building is
7 constructed, it comes under that code at that time.
8 If there's issues as far as, again, fire doors
9 hanging or things of that nature, we'll be involved
10 with that, but as far as the structure itself, we
11 don't have jurisdiction over inspections.

12 MR. PERRI: Councilman, David Perri,
13 Deputy Commissioner.

14 In terms of the building, plumbing and
15 electrical code, the School District does secure
16 permits anytime that they're doing that type of
17 work. Those codes are not retroactive; they're
18 only enforced at the time that a permit is
19 obtained, and the Department has been doing ongoing
20 permit inspections to make sure that building,
21 plumbing, and electrical provisions and permits are
22 being adhered to.

23 COUNCILMAN NUTTER: Well, I understand
24 that. Well, let me ask this question: How do we
25 know on an annual basis from school year to school

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 year that any of our school buildings are safe and
3 appropriate for children or adults to spend six,
4 seven hours a day there?

5 MR. PERRI: Well, in general, the fire
6 code deals with retroactive requirements and
7 ongoing maintenance requirements for school
8 buildings as well as other buildings in the City.
9 And the fire code is pretty extensive, especially
10 as it deals with school buildings in terms of
11 making sure that panic hardware is in place, the
12 fire alarm system is operational, the stair towers
13 are operational.

14 So as long as they're not altering the
15 building, the building would have been deemed to
16 have been safe at the time it was constructed
17 and/or any additions on that particular building.
18 So then you're into basically a maintenance-type
19 inspection after the building has its initial
20 occupancy.

21 COMMISSIONER MCLAUGHLIN: I think to
22 answer your question, we have no program for
23 monitoring those issues other than fire issues
24 inside those building. They're the responsibility
25 of the people in charge of the building. If we got

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 a complaint, we would answer the complaint within
3 that discipline.

4 COUNCILMAN NUTTER: Is there an annual
5 certification or a report made about, again,
6 specifically all of the school buildings with
7 regard to the either fire-safety inspection or any
8 other inspection?

9 COMMISSIONER MCLAUGHLIN: We have not done
10 a report like.

11 COUNCILMAN NUTTER: Does anybody sign a
12 document saying that there has been such a safety
13 inspection and whether the building passed or
14 failed?

15 COMMISSIONER MCLAUGHLIN: There are
16 certifications that come from each inspection of
17 the fire system by certification companies,
18 companies that actually look at and test those
19 alarms. They supply us with certifications.

20 COUNCILMAN NUTTER: Okay. Let's talk
21 about code violation notices. It appears that -- I
22 guess the number is going up, more code violation
23 notices issued.

24 What is your experience with regard to
25 either compliance of paying a fine or the stopping

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 of certain behavior that was the reason that the
3 violation was issued in the first place?

4 MR. VERDI: We already stated that we're
5 going to get a report from Administrative
6 adjudication to see what our rate of compliance is
7 or our rate of payment of those tickets are.

8 In most cases, the tickets, we found in a
9 few cases where the tickets actually work where
10 they're given out on a daily basis. We go back on
11 the third day and most of the time, it's complied,
12 the situation is complied.

13 COUNCILMAN NUTTER: Commissioner, I need
14 to mention to you -- and then I'm going to talk
15 about some nuance activities.

16 I received a response to a request to a
17 question about enforcement activity, and you and I
18 and various members of your team have had
19 discussions in the past about enforcement and when
20 the matter proceeds to court and who takes the
21 matter to court.

22 I have -- and I've not had an opportunity
23 to talk to them. I mean, I have a virtually
24 unintelligible, although English-based, response
25 from the Law Department as to who's responsible for

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 taking what to court under what circumstances,
3 whether it's the Law Department, whether it's L&I.

4 Now, I did learn to read a long time ago,
5 and I know what all of these words mean, but as
6 they are phrased or put together in sentences, I'm
7 left slightly perplexed as to whose ultimate
8 responsibility it is to take a matter to court,
9 what court do they take to it, and who has to carry
10 that ball in terms of follow-up.

11 The Law Department says L&I has all of the
12 various powers and duties and abilities to move
13 things to court. The last I checked, most of you
14 are probably not attorneys, and so the ultimate
15 argument in court is probably an argument that
16 needs to be made by the various attorneys.

17 And so there seems to be from time to time
18 a shifting back and forth of who has what
19 responsibility and what jurisdiction, and to just
20 get something to court is one thing or have it
21 lined up to go to court, but to actually have it
22 proceeded upon and action taken and a prosecution,
23 it seems to be an entirely different issue, and at
24 times, a less than enthusiastic response in terms
25 of what matters actually go to court and who does

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 what.

3 So I'm going to tell you -- and I'll be
4 glad to give you a copy of this. I mean, they cite
5 chapters and verses of the City Charter, the
6 Philadelphia Code. They left out, you know, the
7 Constitution of the United States and the Magna
8 Carta.

9 But it is not crystal0clear to me as to
10 who actually does enforcement in the City, which
11 then leads, from my perspective, to no enforcement
12 and a complete breakdown of anybody's belief that
13 something is actually going to happen to them.
14 There is a mindset in this city that says it is
15 clearly easier to either avoid the government or,
16 at a minimum, ask for forgiveness, rather than to
17 ask permission, the result of which is a whole host
18 of things that go left unchecked.

19 What are we going to do to not only issue
20 the violation notice, which I commend you for, but
21 actually have some action taken?

22 COMMISSIONER MCLAUGHLIN: Part of the
23 issue is our fault and part of it lies with the
24 court system.

25 To address the court system part of this,

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 we met with Judge McCaffrey regarding Municipal
3 Court. You know, the problem with writing a
4 violation, doing a follow-up inspection, finding
5 out that the person did not comply, and then
6 sending it to Municipal Court was taking the issue,
7 the community issue, and sending it into an abyss
8 just where the complaint just languished.

9 Judge McCaffrey recognized that and
10 brought us to a meeting where both he and Judge
11 Silverstein suggested that from that point on, and
12 that about a month and a half, two months ago, that
13 we ask for \$10,000 conditional fines on all of our
14 Municipal Court cases.

15 Councilman, I assure you that we have been
16 getting better compliance, a lot of reaction to
17 that. And, of course, that goes away right back
18 down to court costs if people pay attention to it.

19 The other side of this, and this is the
20 issue of...

21 COUNCILMAN NUTTER: Tracking.

22 COMMISSIONER MCLAUGHLIN: Equity Court,
23 Equity Court, where -- go ahead, Bob.

24 MR. SOLVIBILE: Yes, Councilman. We're
25 represented by attorneys in Equity Court.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 COUNCILMAN NUTTER: Right.

3 MR. SOLVIBILE: But in Municipal Court, we
4 have our hearing officers that are code
5 administrator ones that represent us. And as the
6 Commissioner said in very plain English, we told
7 our hearing officers, in all cases where there's
8 not compliance we want the maximum fine, which is
9 \$10,000.

10 And where a owner comes forward and has
11 complied with the violation prior to having the
12 court date, but a court notice was sent, we told
13 our hearing officers they can make agreements for
14 \$200 per inspection that we were forced to make.

15 If Deputy Commissioner Verdi's housing
16 people are out there 5 times, we ask for \$1,000
17 plus court costs.

18 COMMISSIONER MCLAUGHLIN: The other part
19 of the problem lies with the client relationship of
20 L&I with the Law Department, where they're clients.
21 I've talked to Cheryl Gaston about that, and Cheryl
22 very graciously accepts that role as us being the
23 people to hold them accountable for what they're
24 doing for us.

25 In that regard, we have instituted a

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 process where we're better monitoring the cases
3 that we send into Equity Court.

4 And I see Bob moving again; he wants to
5 talk more about that

6 COUNCILMAN NUTTER: Okay.

7 MR. SOLVIBILE: We initially were going to
8 check if the request was made to Equity Court every
9 four months to make sure it was moving along, but
10 yesterday, in talking with the Commissioner, we
11 decided to make it every month that we'll check on
12 the status of the cases. And that, I think,
13 affects a couple of the project that were involved
14 with you, Councilman.

15 COUNCILMAN NUTTER: You're correct, and
16 I'll get to those.

17 I would like to suggest, though, for the
18 record that there still needs to be greater
19 coordination between primarily L&I and the Law
20 Department. There's been some discussion around
21 here in a different forum possibly about the need
22 to separate out all of these housing and
23 building-related issues and violations possibly
24 into literally a separate court system, similar to
25 what they have in Cleveland, where they have a

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 Housing Court.

3 COMMISSIONER MCLAUGHLIN: Right.

4 COUNCILMAN NUTTER: That's what the judge
5 does, they have a whole staff of people that not
6 help people get resolution to their issues, but
7 also action to be taken by that court. They
8 understand the issues, they pay attention to what's
9 going.

10 On in our Municipal Court, and sometimes
11 certainly even in our Common Pleas with the Equity
12 Court, one minute you're dealing with a housing
13 issue, the next minute, you're dealing with some
14 other issue. And, obviously, the judge has to pay
15 attention to a whole variety of different things
16 coming at them.

17 And I think that the more specialized
18 court for these kinds of activities will get you
19 quicker resolution and more direct action as it
20 relates to not just, are we checking on a person to
21 see if there's movement.

22 I mean, you know as well as I do that
23 people play this system, they know the rules and
24 regulations as well, if not better than, we do, and
25 can extend their time doing whatever it is that

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 they're doing way beyond what anybody thinks is
3 acceptable.

4 Let me commend all of you for your work
5 with us on nuisance-type issues, the work that
6 you've been doing and have committed to do for a
7 variety of my constituents, and in particular, the
8 North Light Leadership Team and St. Lucy's,
9 Wissahickon Neighbors, Manayunk Neighborhood
10 Council, some of the activities that we have going
11 on over in the Wynnefield and Overbrook sections.
12 I do want to thank you for that.

13 This is not just, you know, a time to talk
14 about the things that are not working. In this
15 particular realm, we've done a lot of good work
16 together, and do I want to thank you and commend
17 you for those activities

18 COMMISSIONER MCLAUGHLIN: Thank you.

19 COUNCILMAN NUTTER: Let me talk about
20 your -- you have a bullet point here, "Simplified
21 Single-Family Permit Process." I don't want so
22 much to talk about that; what I want to talk about
23 but in that regard is, I'd like to ask you to give
24 thought and work with other appropriate departments
25 of government and the Managing Director's Office,

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 and I have had this discussion before.

3 I think that there is a need for the
4 creation by the government of a small booklet. You
5 can call it whatever you want call it; I would
6 refer to it as a "Homeowner's Guide to the
7 Philadelphia Code, Rights and Responsibilities."

8 I think that anyone conducting business in
9 the City, having a real-estate transaction, that as
10 a part of that transaction, they should have this
11 document so that they understand upfront, day of
12 transaction -- I mean, I'm not saying give them a
13 Philadelphia Code; no one would ever take a look at
14 that, but there are certainly portions of it that
15 could be extracted and highlighted as things
16 that -- the fundamentals that people need to know
17 and understand.

18 When we talk about the Water Department,
19 who's coming up next, I mean, people need to know
20 and understand that a sewer lateral is a part of
21 their responsibility. It's not ours, it's yours.
22 You own, it it's connected to your house, and our
23 responsibility starts at the sewer.

24 And there are a wide variety of things
25 that are a part of Philadelphia Code that people

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 either don't know or claim they don't know, and
3 they're not necessarily going to knock themselves
4 out trying to find out about it, and I think that
5 if we produced a document like that, it might be
6 somewhat helpful to us.

7 I just have a couple of other items,
8 gentlemen, and then I'll let you go

9 I'd be intrigued to learn more -- not
10 necessarily right now -- about what you have on
11 Page 5, this LY&I and Law Department Training
12 Program. We just talked about the nature of the
13 relationship between the two departments, and I'd
14 like to encourage us taking that relationship to
15 another step.

16 You talked about simplifying and
17 consolidating permits and licenses. I look forward
18 to the day. And I think between L&I and probably
19 Revenue, there could be no greater need or no
20 better time spent than in trying to simplify -- I
21 mean, I call them either "wraparound licenses" or
22 "master licenses" or "permits."

23 I mean, we -- you know, it is a gauntlet
24 trying to do anything in this city, and the notion
25 of calling something a "business-privilege license"

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 is an insult to anybody to get one. One, it's a
3 privilege generally to have many of them here.

4 It is a major hassle at times to try to do
5 anything in this city, and just when you think
6 you've gotten all of the items that you believe
7 you're supposed to get, we come along and tell you
8 about this one another thing, from which we will
9 now extract either more money from you or force you
10 to fill out another form and possibly jeopardize
11 all of the other licenses that you have.

12 To the extent that some of the licenses
13 have to be separate because they are unique and
14 special, I understand that. But if you're in the
15 restaurant business, you should basically be able
16 to get one license for your restaurant business.

17 The fact that you want to have
18 entertainment or you want to have a dance hall or
19 something like, that should all be included as a
20 part of to a larger checklist. To the extent that
21 the community needs to know that you're going to
22 have dancing, obviously you don't want to obscure
23 that and you don't want to minimize that.

24 On the other hand, making someone get all
25 of these separate licenses, all of which you have

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 to have anyway to be in business, but that they are
3 separate, does nothing but drive people crazy.

4 And so I look forward to this program and
5 to the extent that we can have fewer licenses and
6 fewer permits. Not trying to hide anything from
7 anybody or obscure anything, but cut down on the
8 amount of time and paperwork that people have to
9 spend at various agencies. And I know some of this
10 stuff may eventually go online to make it simpler.
11 I think you'll be doing all of us a big favor.

12 Tell me about lead paint and any
13 inspection processes that the Department engages
14 in. We had a lot of discussion yesterday about
15 lead paint in the City. We had some discussion,
16 again, in the real estate transaction requiring not
17 only the notification or disclosure requirement but
18 also that the person -- either the seller or the
19 buyer -- actually has to do something about lead
20 paint in the house that they are buying or selling
21 before that transaction can be effectuated.

22 Tell me anything that L&I does with regard
23 to lead payment in either abatement or the
24 possibility of lead poisoning of a person or a
25 child.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 MR. VERDI: A few weeks ago, one of our
3 supervisors from our Housing Unit met with some
4 people over at the Health Department, and we're
5 working back and forth information from our people
6 to theirs in reference to some lead-based paint
7 issues. Basically, it's going to involve our
8 referral over to them when we see any chipped paint
9 in apartment buildings or houses that we get called
10 to.

11 The majority of the violations right now
12 would come from the Health Department 'cause our
13 inspectors not trained in lead-based paint
14 abatement or testing. That would come directly
15 from them.

16 But we have been speaking to them, and
17 we'll be having ongoing talks with them on how to
18 enhance our efforts to help in the enhancement.

19 COUNCILMAN NUTTER: Well, let me give you
20 at least one idea. I don't know necessarily at the
21 moment that I'm prepared to call it "a suggestion,"
22 but on the last item in the testimony, we talk
23 about this real-estate certification.

24 Now, we have talked about this on a number
25 of occasions. And as best I can understand, in the

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 sales transaction, you ever to get a certification.

3 If there's never been a violation against the

4 property, or there are no open violations that we

5 know of, you basically get a clean bill of health.

6 COMMISSIONER MCLAUGHLIN: Right.

7 COUNCILMAN NUTTER: Which, in reality, is

8 meaningless.

9 COMMISSIONER MCLAUGHLIN: Mm-hmm. It just
10 means there's no violations.

11 COUNCILMAN NUTTER: There could be 20
12 against the property, but if no one ever inspects
13 the property, no one will ever know about it, so
14 you believe that you're getting a document that's
15 telling you that nothing is wrong when all it means
16 is that some neighbor, some person, somebody never
17 called the Department, and it has no open
18 violation. It doesn't mean that there aren't any
19 violations; it's a virtually meaningless piece of
20 paper.

21 If there is a violation, tell me what
22 happens. You go to get your certification, there's
23 an outstanding violation on the property, what
24 happens?

25 COMMISSIONER MCLAUGHLIN: Well, there's

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 two things that could happen: You could clean the
3 violation up, you could do whatever you have to do
4 to comply with the code, and it disappears from the
5 certification; or you could take a certification to
6 closing with that violation on it and debate
7 whether the person who's buying the property will
8 accept that responsibility, because what happens
9 when a new owner takes over, the violation gets put
10 into that owner's name.

11 COUNCILMAN NUTTER: Well, let me mention
12 this to you: We have a little place near us where
13 some Philadelphians flee from time to time. In
14 Lower Merion Township, they have something called a
15 "seller's certificate," and you can't sell your
16 property in Lower Merion Township without a
17 seller's certificate, and you can't get a seller's
18 certificate unless the township has come out and
19 inspected visually the exterior of your property.

20 And if a down-spout is not connected, if
21 your sidewalk is broken up, or if there are other
22 violations against the property, you don't get a
23 certification; no certification, no sale, end of
24 discussion.

25 All I'm talking about is giving some

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 meaning to a real estate certification that has
3 value to, at a minimum, the buyer, and tells the
4 seller, You're either going to do it or the buyer's
5 going to do it, but somebody's going to clear this
6 violation.

7 I mean, there's not much debate about a
8 closing. I mean, you're either doing a transaction
9 or you're not. But at the moment, you know, you've
10 got -- whatever the violation is, I don't think
11 it's going to get resolved at that table. And if
12 the seller agrees, all right, fine, I'll deal with
13 it, and I know it's on there.

14 Virtually nothing's going to happen to him
15 anyway so, I mean, that doesn't get you anywhere,
16 it doesn't get you to get to a resolution, and you
17 haven't caused anyone to change their behavior.

18 COMMISSIONER MCLAUGHLIN: Well, getting
19 back to the \$10,000 there, hopefully that got
20 somebody's attention a long time before the house
21 is ready to be sold, hopefully.

22 COUNCILMAN NUTTER: I understand. I
23 appreciate it.

24 All right, the last issue for the day is
25 signs, signs out on the highway, signs out on

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 poles -- this is separate and apart from
3 billboards.

4 Now, I brought in today a sign that I took
5 from the intersection of Parkside and Girard Avenue
6 on Saturday. It is a sign for a business in my
7 district --

8 (Councilman holds up red and
9 yellow sign that says "Furniture
10 Liquidation, Furniture Express.
11 Saturday, Sunday, Monday...")

12 -- which was out in the planning strip on
13 the Parkside of Parkside and Girard. There were
14 about 20 of 'em out there, and there are usually a
15 bunch of them on Lancaster Avenue.

16 Now, I don't understand why people can put
17 signs out in the public right-of-way, signs on
18 poles that say "Call Me If You Want a Job,"
19 "Call If You Want To Lose Weight" -- I mean, maybe
20 I should use that one. Call here, call there,
21 roofing, all kinds of advertising on poles, and
22 this stuff's out in the roadway and no one ever
23 grabs it. I don't know that anyone called this
24 business and said, "You don't have a right to do
25 this."

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 But I am sick of it. It is all over the
3 place and stays out there forever. Now, they have
4 no right to put this kind of signage out in the
5 middle of the public right-of-way, in planning
6 strip, or anywhere else.

7 So my question is, what do we do about
8 people who do put out illegal signage for which
9 they clearly have no permit, no right, nothing? Do
10 we ever contact them, do we rip the stuff down
11 ourselves and send them a bill or anything else?

12 COMMISSIONER MCLAUGHLIN: The issue is
13 most of the time on those signs is that you can't
14 find out who the offending party is.

15 COUNCILMAN NUTTER: I think the offending
16 party in this one is Furniture Express, and they're
17 at 54th and Lancaster, and their building is
18 painted red and yellow.

19 MR. VERDI: I'm going to take your sign
20 when we leave, after the Commissioner --

21 COMMISSIONER MCLAUGHLIN: Yes. And this
22 is something that L&I does all the time. We take
23 those signs down, we confiscate them, we issue
24 those CVNs for that, but it's back to L&I can't be
25 everywhere, and do I do a programmatic thing for

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 signs? I don't think so; it's way down on the list
3 of priorities on how to use inspectors.

4 But we'll respond to any, you know, to any
5 complaints like that.

6 COUNCILMAN NUTTER: Well, I understand
7 that, Commissioner.

8 COMMISSIONER MCLAUGHLIN: And we have
9 responded. It's just not -- it's not something --
10 we don't have a detail of people riding around the
11 streets looking for these signs.

12 I'll tell you one thing that's going --

13 COUNCILMAN NUTTER: Well, I think we need
14 a detail because, I mean, if you want to talk about
15 blight elimination --

16 COMMISSIONER MCLAUGHLIN: I understand.

17 COUNCILMAN NUTTER: This has a serious
18 blighting effect in many neighborhoods throughout
19 this city. And, you know, if people want to
20 advertise, you got a newspaper, you got a radio,
21 various forms of communication, and we'll have a
22 subsequent discussion about billboards. You have a
23 permit, fine, put it on a billboard. I don't even
24 like it but, I mean, if it's legal, that's fine.

25 But in other jurisdictions, you just can't

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 do this kind of stuff, and people do have a
3 dedicated group of people who go around and deal
4 with this. I mean, blight is not just a building
5 falling down; it is a about a quality of life in
6 certain neighborhoods where people think that they
7 can do whatever they want to do, and no one's going
8 to do anything about it.

9 Now, that has a blighting effect on some
10 people, and those people make decisions about where
11 they want to live, because they don't have to live
12 here. They just go. You can't do this kind of
13 stuff in a whole host of other jurisdictions.

14 And I understand that no building falling
15 on someone matches up with this; there's just no
16 comparison between the two. But in some places, it
17 is a very serious issue, and people do make
18 decisions about what they're going to do.

19 This a city that's becoming poorer and
20 poorer and poorer for a variety of reasons, and I'm
21 not saying that anybody moved because this ugly
22 sign was out at Parkside and Girard Avenue; it just
23 contributes to an environment of, It's a sign
24 today, it's another thing tomorrow. It is the lack
25 of civility in many neighborhoods throughout this

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 city that tells people no one cares, because until
3 my neighborhood falls apart, I will get no
4 attention.

5 COMMISSIONER MCLAUGHLIN: There's a pilot
6 program that's now ongoing in the 24th Police
7 District, and I understand that it's going to go
8 to -- there's Youth Aid Panels in every police
9 district. Youthful first offenders get sentenced
10 by these people.

11 In the pilot program in the 24th District,
12 it sentences those youthful offenders to going out
13 and doing what you're talking about; Going out and
14 collecting those signs. Now, those signs --
15 they're recording the location of the signs, and
16 I've just talked to the people that are running it
17 regarding getting those signs to us, or at least
18 getting a sample of the sign to us in case we can
19 ever -- you know, in your case, we'll go after the
20 specific individual.

21 COUNCILMAN NUTTER: Right.

22 COMMISSIONER MCLAUGHLIN: But, you know,
23 regarding those Diet Right signs and all that stuff
24 you see --

25 COUNCILMAN NUTTER: You've got Diets,

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 you've got, you've got Charlotte's Earrings, you've
3 got Sam's doing this and Joey's doing the other
4 thing. I mean, they have either phone numbers,
5 Websites, something. I mean, someone could spend a
6 little time finding these people.

7 COMMISSIONER MCLAUGHLIN: We do that.

8 COUNCILMAN NUTTER: I mean, the only
9 reason they have a sign out there is because they
10 want someone to call them.

11 COMMISSIONER MCLAUGHLIN: We do that.

12 COUNCILMAN NUTTER: And do we -- we do
13 what?

14 COMMISSIONER MCLAUGHLIN: You can imagine,
15 they're trained not to give out any information. I
16 mean, we've sent violations -- go ahead, Dominic.

17 MR. VERDI: We've sent violations. I went
18 as far as sending a violation to Sony themselves
19 because we couldn't get -- we had a record label.
20 Over the weekends -- after the weekends in the club
21 districts, especially in the area where we
22 discussed earlier, in Manayunk, you're going to
23 find signs posted all over.

24 COUNCILMAN NUTTER: Right.

25 MR. VERDI: We've asked our inspectors to

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 go through as they're doing their block checks.
3 Business Compliance is in charge of those illegal
4 signs also. So we've asked them to go through
5 certain areas during the beginning of the week to
6 clear out the mess from the weekend.

7 COUNCILMAN NUTTER: Right.

8 MR. VERDI: We've asked the Police
9 Department to keep a lookout for the companies that
10 come along and post these signs. If you looked on
11 Delaware Avenue tonight after midnight, you'd see
12 posters from Spring Garden Street all the way up
13 north; and look south, you'll see the same thing.

14 But what happens is, a lot of these
15 posters are advertising a product. We go as far
16 now as actually writing a ticket and sending it to
17 Sony, who is the recording studio for that artist
18 because we can't get an address for the artist.

19 COUNCILMAN NUTTER: Right.

20 MR. VERDI: The dot-com companies, we've
21 tracked them down, and I've personally sent them
22 e-mails on their Websites. And, unfortunately, I
23 can't send them a ticket over the Website and I
24 can't get their addresses. But they're smart
25 enough to know to get a toll-free number, they get

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 a Website where we can't hit 'em with an address,
3 and they're posting signs all over.

4 So the best we could do is, our people
5 take 'em down, and in some cases, I've asked the
6 Managing Director's help through Tom Conway with
7 anti-graffiti that if they see them, take 'em down
8 and send 'em over to us, and we'll issue the
9 violations as needed.

10 COUNCILMAN NUTTER: Okay. Last question.
11 What's going on with -- throughout the City with
12 regard to billboards? What is our policy, what's
13 happening with permitting, and what's going on with
14 illegal billboards?

15 COMMISSIONER MCLAUGHLIN: For the last
16 year, I -- for the last year, I have had people
17 working on gathering the information, trying to
18 identify the locations of all of the billboards.
19 We've worked with SCRUB and gotten a lot of
20 information from them regarding billboards are.

21 There's not one billboard that is put up
22 today that has not gone through a legal process,
23 that has not gotten a permit, a building permit,
24 gone through the -- gone in front of the Zoning
25 Board, either been turned down or gotten permission

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 to exist.

3 The billboards that came up over time,
4 when nobody cared about billboards and nobody was
5 paying attention to the h sheets (ph), what they
6 call the signs that are on the sides of the
7 buildings.

8 COUNCILMAN NUTTER: I understand.

9 COMMISSIONER MCLAUGHLIN: Nobody was
10 paying attention to the evolution of all of that.

11 We are now trying to get a handle on all
12 of that. We have somewhere in the area of 4500
13 records on 4500 sign faces. The ordinance
14 regulates sign face rather than the billboard
15 itself.

16 COUNCILMAN NUTTER: Okay.

17 COMMISSIONER MCLAUGHLIN: Some of them are
18 double and triple on one structure.

19 COUNCILMAN NUTTER: Right.

20 COMMISSIONER MCLAUGHLIN: So what I'm
21 looking toward in computerizing all of that
22 information, creating inspection forms, we're going
23 back over the record with all of those -- each
24 individual record and putting in a census tract.
25 By the end of this year, we'll be conducting a

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 citywide survey, using census tracts and having
3 inspections conducted both to verify the
4 information that we have in our record and picking
5 up any additional signs.

6 Our objective in everything doing is to
7 have every sign, piece of outdoor advertising in
8 the City legal, but it's a process that nobody has
9 successfully done before. I know three
10 commissioners that left it on the their successor's
11 desk; I don't want to leave this on my successor's
12 desk; I want to legalize, before I leave, every
13 single sign.

14 COUNCILMAN NUTTER: Or if they're not
15 legalized, have them removed.

16 COMMISSIONER MCLAUGHLIN: If that's what
17 it takes, yes.

18 COUNCILMAN NUTTER: Well, is your new
19 automation system going to help you with that?

20 COMMISSIONER MCLAUGHLIN: Yes, absolutely.

21 COUNCILMAN NUTTER: And when will you have
22 that?

23 COMMISSIONER MCLAUGHLIN: Thanks to our
24 Managing Director, L&I's automation has been put on
25 the fast track, and we've got two pieces. You

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 talked about the certification; very shortly, the
3 certification should be online so that useless
4 piece of paper will be -- we'll be able get that
5 over the Internet.

6 The other part of it is our inspectors on
7 the NTI should be out in the field -- will be out
8 in the field with IPAC handheld devices where
9 they'll be able to see violation information and
10 enter information actually on the device.

11 COUNCILMAN NUTTER: Okay. Thank you,
12 Madam Chair.

13 Thank you, Commissioner and all of the
14 Deputy Commissioners, thank you.

15 COUNCIL PRESIDENT VERNA: Thank you again.
16 We appreciate your coming by.

17 Oh, I'm sorry, Councilman Ortiz.

18 COUNCILMAN ORTIZ: Yes, I have a few
19 questions that emanated.

20 Inspector, Councilman Nutter asked you
21 about the billing for the empty lots, but I don't
22 know if he asked you about how much revenue have we
23 gotten from that billing, if any, the enforcement
24 of that?

25 MR. SOLVIBILE: It's very -- it's probably

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 1 percent, 2 percent. The more important part --
3 well, we have to bill as part of the City Charter.

4 COUNCILMAN ORTIZ: Right.

5 MR. SOLVIBILE: But I believe the more
6 important part of the billing is that it gives the
7 City the ability to take that property and turn it
8 over to somebody who will do something with it, the
9 liens that we place.

10 COUNCILMAN ORTIZ: And do you have a
11 certain amount of -- in terms of the liens that we
12 have imposed on all of these properties, how much
13 is the amount?

14 COMMISSIONER MCLAUGHLIN: We own most of
15 those lots anyway.

16 COUNCILMAN ORTIZ: Okay.

17 COMMISSIONER MCLAUGHLIN: I mean, you
18 know, when you're talking about revenue coming in,
19 most of those vacant lots are City-owned lots,
20 40 percent.

21 COUNCILMAN ORTIZ: I was going through
22 your decisions here, and you have one construction
23 trades inspector for plumbing. Is there only a
24 need for a construction trades inspector for
25 plumbing, or is there a need for more in the other

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 trades?

3 MR. PERRI: Yeah, in terms of plumbing
4 inspectors, I believe we have 11 currently in
5 the -- on our budget. The position you're talking
6 about, which one are you referring to?

7 COUNCILMAN ORTIZ: Page 26, 24, Housing
8 Code Enforcement. Two bilingual inspectors for
9 housing and fire inspection.

10 MR. PERRI: In terms of that plumbing
11 inspector, that inspector previously worked in the
12 Construction Division, which is my division, doing
13 permit inspections. We felt there was a need to
14 have a plumbing inspector involved with Housing and
15 with Business Compliance, commercial/industrial
16 inspection, and that inspector was transferred over
17 to that particular division.

18 COUNCILMAN ORTIZ: Is there other
19 construction trades inspectors, or is this the only
20 one?

21 MR. PERRI: Oh, absolutely, there's other
22 ones.

23 MR. FELGUS: We have constructor trades
24 inspectors -- building and electrical.

25 COUNCILMAN ORTIZ: I don't see that.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 MR. FELGUS: That's just in the Housing
3 Division. In the Construction Services Division,
4 we have other inspectors.

5 This is an atypical assignment. Most of
6 the construction trades inspectors would be in the
7 Construction Services Division, not the Housing
8 Division.

9 COUNCILMAN ORTIZ: Do you only have two
10 bilingual inspectors?

11 MR. FELGUS: Currently, yes.

12 COUNCILMAN ORTIZ: Do you have plans for
13 more?

14 COMMISSIONER MCLAUGHLIN: We have more
15 than that.

16 MR. FELGUS: In that particular unit. We
17 have a total of 20 bilingual people in the
18 Department. Most of them are either in our
19 Business Regulatory Unit, the Housing Unit, we have
20 a couple in the Fire Unit, so that we do have a
21 number of bilingual inspectors.

22 But we are always looking for more
23 bilingual inspectors, and we have recruited, and we
24 have a special title for 'em, as you can see, and
25 we do recruit on a regular basis for those folks.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 COUNCILMAN ORTIZ: Commissioner, in terms
3 of the piers, how is it going and how many of the
4 owners of those piers have provided certification,
5 or how many have you certified as safe?

6 COMMISSIONER MCLAUGHLIN: We only -- out
7 of 140 -- how many did we say? 144 or something
8 like that. There are two that we're still dealing
9 with to try to get certifications. We have
10 certifications, and all of rest of them were
11 satisfied that they are either safe in themselves
12 or restricted from public access.

13 And both of those are Conrail. Conrail is
14 trying to figure out whether it's CSX that should
15 be responsible or Conrail; we're back and forth
16 between them, trying to figure out who's
17 responsible for the pier.

18 COUNCILMAN ORTIZ: I just found out that
19 roofing permits are sold in advance to contractors.

20 MR. PERRI: We put together a program to
21 sell to licensed contractors prepaid roofing
22 permits. They're valid for single-family
23 re-roofing projects.

24 The problem that we had was, if you have a
25 rainy period, people want their roofs replaced

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 immediately, and contractors are making the excuse
3 that they didn't want to have to go downtown to
4 pick up those particular permits. So we said fine,
5 and we put together what we call a "poor man's
6 Internet," which is where we basically sell these
7 permits to the licensed contractors in advance, and
8 when they get a particular job, a contract from a
9 homeowner, they activate that permit by notifying
10 us and by giving the homeowner a copy of the permit
11 document.

12 It's also a safeguard for homeowners to
13 know that the contractor that's producing a copy of
14 that permit is a licensed contractor, has
15 insurance, and has met the City's requirements in
16 terms of permitting.

17 COUNCILMAN ORTIZ: Do you keep track of to
18 whom you sell these licenses?

19 MR. PERRI: yes, we do.

20 COUNCILMAN ORTIZ: And do you have, in
21 terms of minority lines, contractors that are
22 African-American, Latinos and so on down the line?

23 MR. PERRI: These permits are obtained by
24 the private industry, and any contractor that
25 obtains a contractor's license is eligible to

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 purchase 'em. They're not under contract with the
3 Department or the City; these are private
4 individuals.

5 COUNCILMAN ORTIZ: In terms of demolitions
6 that took place in 2000, 2001, and the first half
7 of 2002, how many of these contracts went to
8 minority contractors, and what was the total of the
9 amount of monies that went to minority contractors?

10 MR. SOLVIBILE: We can provide that for
11 you. There are several that are minorities and/or
12 female-owned companies. We can provide the amount
13 of money that was awarded to them to the Chair.

14 COUNCILMAN ORTIZ: Okay. Thank you, Madam
15 Chair.

16 COUNCIL PRESIDENT VERNA: You're welcome.

17 Are there any other questions from members
18 of the committee?

19 COUNCILMAN COHEN: Yes, Madam President.

20 COUNCIL PRESIDENT VERNA: Yes, sir. The
21 Chair recognizes Councilman Cohen.

22 COUNCILMAN COHEN: Thank you, Madam
23 President.

24 I think we're all very heavily indebted to
25 Councilman Nutter for his presentation particularly

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 today on what L&I ought to be doing, the services
3 that you ought to render. I think it's the agency
4 that's probably the most important one in the whole
5 City, even though it's never recognized as that. I
6 think it probably has to be doubled at least in
7 size if it's to do all of the tasks that are
8 assigned to it.

9 Historically, the agency has always
10 cooperated with the City. We've passed all kinds
11 of ordinances signed by the Mayor imposing duties
12 on L&I, and in a very cooperative way, the L&I
13 Department always tells us that they're going to do
14 their very best, they're going to try to do it
15 within the present size of the staff, because we
16 always ask them to do the impossible.

17 And the results have been what, I guess,
18 we should have expected. When you spread too thin
19 over too large an area, there are very distinct
20 limitations, and I think we suffer from them.

21 And probably the biggest reason
22 Philadelphia has been losing population is because
23 in the business area, there is this constant hassle
24 about permits, about what is required, and nobody's
25 ever solved in an easy way to make it easy for

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 someone to get into business and to do it lawfully
3 and to meet all of the necessary requirements. And
4 in the community, the feeling is very largely,
5 almost anything goes.

6 I'm -- so I say thanks to Councilman
7 Nutter, and I hope he continues the efforts to get
8 the simple pamphlet published as to what a
9 homeowner's responsibilities are and continues his
10 efforts in the business field and in all other
11 areas of L&I.

12 But I want to deal with one thing that I
13 had a long discussion with the Commissioner about
14 yesterday, and that's the billboards. The
15 Commissioner and I go way back.

16 COMMISSIONER MCLAUGHLIN: Way back.

17 COUNCILMAN COHEN: Because he did an
18 excellent and outstanding job as captain in the
19 35th District in the 17th district, where I'm the
20 Democratic leader and have been for more than 35
21 years.

22 COMMISSIONER MCLAUGHLIN: Thank you.

23 COUNCILMAN COHEN: And that covers, I
24 think, a long period of the Commission's activities
25 on behalf the City, and I know he tries to do the

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 very best that he can do with the forces he has.

3 But I think, Commissioner, you are wrong
4 in one area: About billboards. You say these
5 billboards just proliferated at a time people
6 didn't care, but it wasn't that people didn't care;
7 they care heavily. They cared enough so that this
8 Council, after several years of study, passed a
9 very fair bill outlining specifically all of the
10 requirements.

11 What happened was that the various mayors
12 have been smarter than we were in City Council, and
13 so it just happened to be that when the Mayor was
14 the lawyer and the law firm he came from always
15 happened to have the lawyer from the billboard
16 companies as a part of his staff, and that's a
17 pretty difficult combination to deal with. It
18 happens even currently today.

19 The billboard industry is -- I don't like
20 to call them "an industry," 'cause I don't think
21 they really are that. They've been known to be
22 considered as parasites in that they build on other
23 people's premises. And what they do when they do
24 that is, they take away the natural environment
25 from people. And parts of the City that were

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 fairly open are now completely marred by the
3 presence of billboards.

4 When you drive on the Schuylkill
5 Expressway, the only place I can compare it to is
6 on a short trip I had to Las Vegas a couple of
7 years. It's like "Billboard City." Anything goes
8 here, this is an open town, do what you want to do.

9 And in the crowded urban areas of the
10 City, which already suffer from lack of sunlight,
11 from lack of greenery or blue skies, they clutter
12 up whatever little land that exists. And on top of
13 that, they often do it in ways that many in the
14 minority community and most people outside the
15 minority community feel exploits the minority
16 communities in the way of liquor and in the way of
17 tobacco sales, particularly with emphasis on
18 youngsters. That's the reason for the
19 proliferation.

20 And, Commissioner, I am a little
21 distressed when you say that you would want to
22 leave office at sometime -- and I hope it's not
23 soon -- with all of the signs legalized. I would
24 prefer to hear you say that when you leave office,
25 the only signs that will be up would be signs that

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 are legal, because I don't think that two-thirds of
3 the signs, which my studies indicate and SCRUB's
4 studies indicate, are there are legally currently,
5 and I don't think that they ought to be legalized,
6 because then they'll condemn us in Philadelphia
7 forever to a condition that's very severely
8 blighted by us by our poor policies, by our refusal
9 to enforce the law, because the billboard law just
10 has not been enforced.

11 When we realized, as we dealt with the
12 billboard legislation, that your staff was very
13 severely understaffed and that it was not likely
14 that you would get the kind of enforcement because
15 of the cost in salaries and all the other expenses
16 going with an increased staff, we tried to devise a
17 technique that would save L&I from heavy
18 expenditures.

19 We made as part of the law a license tag
20 requirement. We called it a "license tag
21 requirement" because it was supposed to be a marker
22 on each billboard sign large enough to be visible
23 from the street so that the community could enforce
24 the signs.

25 No mayor ever permitted the enforcement of

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 that law. We were given stories long before you
3 became commissioner as to all of the different
4 studies that were being made and how this was being
5 reviewed and how they were about to do it, but it
6 never got done.

7 COMMISSIONER MCLAUGHLIN: We've ordered
8 those stickers.

9 COUNCILMAN COHEN: Well, it would be a
10 wonderful thing even they come a dozen years after
11 law has been passed.

12 COMMISSIONER MCLAUGHLIN: No, we've
13 ordered them. They'll be there, and those stickers
14 will be affixed

15 COUNCILMAN COHEN: They'll be on the
16 signs?

17 COMMISSIONER MCLAUGHLIN: They will be
18 affixed when we do the inspection.

19 COUNCILMAN COHEN: Well, when would it be
20 that the billboards that are up now would have this
21 sticker -- it could be read from the street, right?

22 COMMISSIONER MCLAUGHLIN: Yes. It's a
23 strip about that big (indicating).

24 COUNCILMAN COHEN: When would the time be
25 when, in your judgment, every sign that was

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 entitled to it had such a sticker?

3 COMMISSIONER MCLAUGHLIN: I would say
4 within the next two years that -- you know, we
5 have -- I'm not sure how many actual structures we
6 have. We think we have about 4500 sign faces.
7 Some of those structures have more than one sign,
8 so I'm not sure what the 4500 -- because the
9 ordinance requires us to pay attention, for
10 licensing and billing purposes, to the sign face.
11 That's why I have that number.

12 I'd say within the next two years. By the
13 end of this fiscal year -- or by the end of this
14 calendar year, I hope to have a complete database
15 on where all of those signs are. Even if I'm going
16 to proceed to take a sign down, I have to be sure
17 that I know how many of those type signs I have.

18 Because the people at L&I are not going to
19 be taking 'em down; I'm going to have to get a
20 number of those signs together, I'm going to have
21 to bid them, and I'm going to have to see if I have
22 money to take down the signs that are illegal.

23 COUNCILMAN COHEN: Aren't you first going
24 to make the demand that the company that has the
25 sign now that's drawing the revenue from the

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 sign --

3 COUNCIL PRESIDENT VERNA: Excuse me,
4 Councilman. The stenographer can't hear you when
5 you turn your face.

6 COUNCILMAN COHEN: Oh, all right. Aren't
7 you going to be first demanding that the companies
8 that are profiting from the signs that are being
9 paid fees or rentals for the signs, aren't you
10 going to make sure that the demand is first made
11 that they take them down?

12 COMMISSIONER MCLAUGHLIN: Yes. We'll do
13 that right away.

14 COUNCILMAN COHEN: And if they don't, what
15 is the penalty going to be? And shouldn't it be a
16 penalty that is pretty persuasive so that what
17 happens is that it's a sign that's taken down.

18 COMMISSIONER MCLAUGHLIN: I don't have any
19 objection to it doing it. I mean, that's the
20 process that we would enter into. I was talking
21 about the signs that don't come down as a result of
22 that.

23 COUNCILMAN COHEN: Well, are you -- what
24 are you going to do with respect to proof as to
25 whether or not a sign is properly placed? Are you

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 going to demand the demonstration to you of permits
3 and licenses by the companies?

4 COMMISSIONER MCLAUGHLIN: We are in the
5 process of doing that. We're working with all ten
6 of the companies in Philadelphia and legalizing
7 those signs that have -- the situation with this
8 industry is that different companies have purchased
9 a lot of -- we had more sign companies than ten.
10 We're down to ten, and some of the names you
11 wouldn't even recognize because you're not used to
12 seeing them on signs.

13 For example, Eller is the biggest company
14 in the City, and they gobbled a few other companies
15 up to become the biggest, and they're no longer
16 Eller; they're Clear Channel. So you need a score
17 card to keep track of the names of these companies.

18 We're dealing with these people that are
19 in our place. There was one woman from Clear
20 Channel who I thought was an L&I employee she was
21 there so often working with like -- I mentioned Joe
22 D'Orio to you as far as the person I have for the
23 last year handling this thing, spearheading it,
24 being the constant person in charge of the sign
25 issue, trying to --

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 COUNCILMAN COHEN: Well, isn't the
3 requirement on the company to prove that it is
4 there legally?

5 COMMISSIONER MCLAUGHLIN: Yeah. The
6 problem they have is when they bought those six
7 companies that represent their 2500 signs, they
8 didn't do due diligence in making sure that they
9 were buying all legal signs. I mean, McDonald's,
10 as you know, is blissfully advertising on illegal
11 signs.

12 COUNCILMAN COHEN: Well, but that's not
13 the City's problem; that's the company's problem.

14 COMMISSIONER MCLAUGHLIN: I know.

15 COUNCILMAN COHEN: And, therefore, the
16 City is not responsible for the illegal signs being
17 there, and the City has the right to demand legally
18 that they come down.

19 COMMISSIONER MCLAUGHLIN: And we've done
20 that.

21 COUNCILMAN COHEN: Well, do you know --
22 how many signs have been removed by companies?

23 COMMISSIONER MCLAUGHLIN: Zero.

24 COUNCILMAN COHEN: Well, it seems to me
25 something has to be done differently about the

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 demand, and it goes back to the enforcement
3 questions that came up earlier.

4 I am just suggesting that I think when we
5 change the tone in the City so that -- you know, in
6 many places in the country, Philadelphia's known as
7 one of the dirtiest cities because of trash that's
8 thrown around because it seems to become the habit
9 of people to just drop whatever they may be
10 carrying and don't want with them. While other
11 towns are known as very clean towns.

12 It seems to me that a lot of that stems
13 from our own enforcement on our own people. If we
14 demand compliance, with good manners, with good
15 behavior, that's the step number one that's
16 required to obtain good manners and good behavior.

17 But if the City officially indicates by
18 its actions that it doesn't really care and it
19 doesn't much matter, I think that's a signal to
20 people that nobody's caring, and people get
21 careless.

22 I think it's important that L&I ought to
23 be the lead model for making sure that there's full
24 code compliance with respect to conditions under
25 which people live in homes, under which businesses

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 do business. And I mean fair; I don't mean
3 watching every little thing and trapping people
4 into bad situations, I mean a wholesome approach in
5 which we emphasize concern about how things are
6 being taken care of, how we live as neighbors
7 together, how we do business together, and how we
8 protect environment, because I think L&I has a very
9 heavy responsibility with respect to making sure
10 that people of Philadelphia obtain the benefits of
11 a beautiful and clean environment.

12 And so I'm urging -- I don't want to take
13 too much time at this hearing because I do
14 appreciate that the L&I Department currently is at
15 least politer, more polite with respect to the
16 requests of the environmental community -- that's
17 the citizens who really make the environment a main
18 part of their life. You're much more polite
19 currently, you're much more considerate currently
20 than we have been used to in the past, but we think
21 that the good intentions have to become realized in
22 facts.

23 And I hope that next year when you're here
24 and I ask you the same question, Commissioner, how
25 many illegal signs have been taken down? you're

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 going to be able to give me a number that goes well
3 into the hundreds, maybe the thousands.

4 COMMISSIONER MCLAUGHLIN: Okay.

5 COUNCILMAN COHEN: And thank you. We
6 would like to keep up the progress on the license
7 tag portion.

8 COMMISSIONER MCLAUGHLIN: Yes.

9 COUNCILMAN COHEN: 'Cause that's the
10 easiest way to enforce and to make sure that nobody
11 makes gets such a license tag on their sign unless
12 they have proved beyond any kind of a question that
13 they have the right to have that sign at that
14 location and that all of the fees that are required
15 and the revenue from it that belongs to the City
16 has been paid.

17 Thank you, Commissioner.

18 COMMISSIONER MCLAUGHLIN: Thank you, sir.

19 COUNCILMAN COHEN: And we do appreciate
20 the good intentions. We think that Mr. D'Orio has
21 done an outstanding job, and I know both your
22 Deputy Commissioner are very cooperative whenever
23 we call upon them for anything, and we think that's
24 the beginning that's needed to set the right tone.
25 Thank you.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 COMMISSIONER MCLAUGHLIN: Thank you, and

3 we'll keep you in the loop as far as the

4 identifying tag.

5 COUNCILMAN COHEN: Very good.

6 Thank you, Madam President.

7 COUNCIL PRESIDENT VERNA: You're welcome.

8 Gentlemen, thank you again.

9 COMMISSIONER MCLAUGHLIN: Thank you.

10 COUNCIL PRESIDENT VERNA: The last

11 department to testify is the Water Department.

12 COUNCILMAN COHEN: Madam President?

13 COUNCIL PRESIDENT VERNA: Yes.

14 COUNCILMAN COHEN: My schedule indicated

15 that the Streets Department was scheduled to

16 testify today at --

17 COUNCIL PRESIDENT VERNA: They were here

18 earlier.

19 COUNCILMAN COHEN: Well, I'm going to be

20 asking that another date be reset because a number

21 of people had set the target date for 1:30. There

22 are great concerns about the recycling program.

23 COUNCIL PRESIDENT VERNA: The Commissioner

24 was here; in fact, I think he may have left a

25 brochure on everyone's desk. Is it on your desk,

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 Councilman?

3 COUNCILMAN COHEN: I don't see it, but we
4 have many, many questions to ask --

5 COUNCIL PRESIDENT VERNA: We will be happy
6 to have him called back at a later date.

7 COUNCILMAN COHEN: Okay. And if I may ask
8 that we could have that time set in advance so that
9 people that are concerned could be notified.

10 COUNCIL PRESIDENT VERNA: In fact, I
11 believe he gave the date of March the 18th, when
12 they're going to be doing a PR regarding recycling,
13 and he indicated that what they will be doing is
14 hopefully having recycling and trash collection on
15 the same day; however, we will call them back.

16 COUNCILMAN COHEN: On March 18th, they
17 will be coming back?

18 COUNCIL PRESIDENT VERNA: No. March 18th,
19 they are going to be starting a PR program about
20 recycling.

21 COUNCILMAN COHEN: Well, I would like to
22 ask that they be called back long before that
23 because it may affect the programming.

24 COUNCIL PRESIDENT VERNA: We will
25 certainly look at the calendar, Councilman, and see

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 if we can call them back before the 18th. It would
3 appear that every day, we have very lengthy lists.

4 COUNCILMAN COHEN: Okay.

5 (Witnesses come forward.)

6 COUNCIL PRESIDENT VERNA: Commissioner,
7 thank you so much for your patience. We do have a
8 copy of your testimony, so we will give your
9 testimony to the stenographer, and it will be
10 included in the transcript in its entirety. If you
11 would simply abbreviate, we'd appreciate it.

12 COMMISSIONER KISHINCHAND: Thank you very
13 much. Good afternoon, President Verna and members
14 of City Council. Thank you for giving us the
15 opportunity to testify on behalf of the Water
16 Department's operating budget for Fiscal 2003.

17 Helping me today in my testimony on my
18 extreme right is Susan Lior, Deputy Commissioner of
19 Information Science, and Technology. To my
20 immediate right is Bernard Brunwasser, Deputy
21 Commissioner for Finance and Administration. To my
22 left is Richard Roy, Deputy Commissioner for
23 Operations.

24 The Water Department requests
25 \$215.2 million for its operation. In addition, we

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 request \$247.8 million for other activities such as
3 those supporting the Water Revenue Bureau, other
4 central agencies, as well as paying the debt
5 service on our revenue bonds.

6 Last September, for the first time since
7 1995, we put into effect a three-year, three-stage
8 rate increase averaging for regular residential
9 customer about 2.8 percent; whereas for the
10 commercial sector, it was a little bit higher, and
11 this was as a result of reallocation of storm water
12 charges, which more equitably face the charges on
13 the commercial sector higher than that of the
14 residential sector.

15 I'll very briefly touch on a couple of the
16 highlights on the Water Department. Of course, we
17 take great pride in these particular activities.

18 First, of all I want to show you that our
19 drinking water is very safe. In fact, it is about
20 six times safer than the standards required by
21 federal and State agencies. We've been getting
22 awards on it on the water side; in fact, we got an
23 award from the Association of Metropolitan Water
24 Agencies, a gold award for competitiveness and
25 benchmarking activities.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 And all three of our waste-water treatment
3 plants received a gold award last year from
4 Association of Metropolitan Sewerage Agencies, and
5 two of these plants -- one of them was going to get
6 a platinum award, which really means for five full
7 years, they have had perfect compliance with
8 regulations, and that when you consider thousands
9 of tests and thousands of parameters that are
10 tested by each of these plants on an annual basis,
11 that's really an amazing accomplishment. I've been
12 with the City for over three decades, and even I'm
13 impressed with that kind of a performance.

14 There are a number of other improvements
15 that we've made that are in the main testimony, but
16 as you mentioned, in the interest of time, perhaps
17 I can stop here and answer the questions that you
18 might have or address any kinds of concerns or
19 matters of interest to you.

20 Thank you.

21 COUNCIL PRESIDENT VERNA: Thank you,
22 Commissioner.

23 In your testimony, you mentioned that the
24 Water Fund has various programs and special
25 discounts to help the low-income customers. What

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 are those programs?

3 COMMISSIONER KISHINCHAND: They're
4 attached to our appendix. One of the programs is
5 Water Revenue Assistance Programs that is managed
6 by the Water Revenue Bureau. They give certain
7 grants to people to pay their water bills.

8 There's a program called "HELP," which is
9 the Homeowner Emergency Loan Program that provides
10 loans to homeowners without any interest charges at
11 all to repair their underground infrastructures
12 such as their laterals or service pipes.

13 We also provide a 25 percent discount to
14 the senior citizens who are income-eligible at the
15 time.

16 There is also a discount provided to
17 nonprofit agencies such as the hospitals and
18 educational facilities.

19 We also support a Utilities Emergency
20 Services Fund, which we fund, and they provide to
21 low-income folks some grants in order to pay their
22 bills, and we have a matching grant for that to
23 reduce their bills.

24 COUNCIL PRESIDENT VERNA: I'm sorry, I
25 didn't quite understand the last one. You call it

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 the "Emergency Services Fund?"

3 COMMISSIONER KISHINCHAND: Yes. This is
4 the Utilities Emergency Services Fund (UESF), and
5 it's administered by a nonprofit agency. It serves
6 about 3500 customers, and it's a matching fund that
7 we provide, and details are given in the
8 Appendix 2.

9 It's a grant program to provide shut-off
10 up low-income customers at or 175 percent of the
11 poverty level and provides up to \$500 every other
12 year, \$250 of UESF grant, that's the Utilities
13 Emergency Services Fund Grant, and that's \$250 that
14 comes from the matching funds from the Water
15 Department. And this essentially keeps the
16 low-income customers in supply of the water.

17 COUNCIL PRESIDENT VERNA: And where is
18 that information; is that in your testimony?

19 COMMISSIONER KISHINCHAND: That is an
20 Attachment No. 2, I believe. Yes, it's Appendix
21 No. 2 to the testimony.

22 COUNCIL PRESIDENT VERNA: Fine, thank you.

23 Commissioner, you indicate that
24 approximately 32 percent of water being pumped is
25 not billed. Can you elaborate on that statement,

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 please.

3 COMMISSIONER KISHINCHAND: There are a
4 number of uses of water which are not billed; for
5 instance, for firefighting purposes. We do not
6 meter that water and we do not bill it on any
7 particular quantity level.

8 We also provide to a number of the
9 commercial and industrial folks permits to use
10 hydrants for their business purposes, such as the
11 construction activity, when they need water at a
12 construction site or to keep the dust down, etc.
13 And that particular water is not metered and it's
14 not billed, although when they get the permit for
15 use of the hydrant, we do charge a hydrant permit
16 for that purpose.

17 COUNCIL PRESIDENT VERNA: What do you
18 charge?

19 COMMISSIONER ROY: My name is Richard Roy,
20 Commissioner of Operations.

21 The charge depends on the length of time.
22 It starts at 35 and then it goes up from there,
23 whether it's a monthly -- I think the largest you
24 can get is six months.

25 COMMISSIONER KISHINCHAND: And there is

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 other unbilled water that is some of the leaks that
3 occur. If there's a water main break or the water
4 is pumped out of the plants, it's obviously not
5 measured and we use that.

6 COUNCIL PRESIDENT VERNA: Commissioner,
7 please name the suburban wholesale customers that
8 the Department has for both water and waste-water
9 services.

10 COMMISSIONER KISHINCHAND: Okay.

11 COUNCIL PRESIDENT VERNA: Also tell me,
12 how do these rates compare with the rates we charge
13 to our residential customers.

14 COMMISSIONER KISHINCHAND: The wholesale
15 water customers are Bucks County Water and Sewer
16 Authority and Philadelphia Suburban Company. Those
17 are the two customers.

18 We have ten waste-water customers that we
19 sell on a wholesale places our services. Those
20 are -- let's see...

21 (Addressing colleague.) Do you remember
22 them?

23 With your permission Bernard Brunwasser
24 might try to answer that.

25 COUNCIL PRESIDENT VERNA: Thank you.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 MR. BRUNWASSER: Good afternoon, Madam
3 President, Deputy Water Commissioner for Finance
4 and Administration.

5 We do have ten wholesale waste-water
6 customers. I think somebody in the back will be
7 able to help me if I forget anyone. Bucks Count is
8 also a waste-water customer, Bensalem, Lower South
9 Hampton, Abington, Lower Moreland, Lower Merion,
10 Springfield, Upper Darby, Delcora, and I forget
11 whether I mentioned Cheltenham.

12 COUNCIL PRESIDENT VERNA: How do these
13 rates compare with the rates we charge to our
14 residential customers?

15 MR. BRUNWASSER: These are charged on a
16 wholesale basis. They are -- the service is sold
17 in bulk, so to speak, and the rates in bulk are
18 obviously different than the rates to individual
19 residential customers. On a quantity basis, those
20 rates would be somewhat lower, but they recover our
21 full cost of service, just as our residential rates
22 do.

23 COMMISSIONER KISHINCHAND: It's similar
24 to, you know, when a large industrial comes in,
25 they have a declining block rate, which we have in

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 our rates, and they get a discount for the
3 large-size meters that they have, 'cause of the
4 quantity that they use. This is actually based on
5 the cost of service, and whenever we set rates, we
6 actually get a consultant to come in and reveal
7 what the cost of service is for providing those,
8 and that's what it's based on.

9 On top of that, we do charge an
10 administrative fee of about 10 percent on those.

11 COUNCIL PRESIDENT VERNA: Thank you.

12 The Chair recognizes Councilman Nutter

13 COUNCILMAN NUTTER: Thank you, Madam
14 Chair.

15 Commissioner, good afternoon --

16 COMMISSIONER KISHINCHAND: Good afternoon.

17 COUNCILMAN NUTTER: -- to you and all of
18 the deputy commissioners. Just a couple quick
19 questions.

20 On the first page of your testimony, you
21 talk about safe drinking water, environmental
22 protection, and reasonable rates. I just want to
23 talk about the drinking-water component of that.

24 There was testimony yesterday and there's
25 been an ongoing issue for a couple of years now.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 Councilman Ortiz had highlighted this issue a
3 couple years ago. I wanted to know what, if any,
4 role the Water Department has had in monitoring the
5 quality of the drinking water at our school
6 buildings given the concerns highlighted a couple
7 years ago about lead in the water.

8 COMMISSIONER KISHINCHAND: Generally,
9 Councilman, we do not go inside a property to
10 monitor on a regular basis on a private property.
11 We do monitor the quality of life in the district
12 from 60 different points in the City, but we
13 generally take it, you know, as close to the main
14 as possible.

15 In the case of the School District, we
16 were invited by the EPA to take a look at that and
17 to advise the School Board on, you know, how they
18 should go about testing it, 'cause this has to be
19 done privately by them by their own laboratories.

20 So our Director of Bureau of Lab Services,
21 Jeffrey Brock, has been in constant touch with the
22 School Board and the EPA, giving them counsel on
23 how to sample these and how to have it tested.
24 Unfortunately, he's not in this room to give
25 further details, but if there's a specific

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 question, I'll try to answer that.

3 COUNCILMAN NUTTER: Well, I mean, I
4 appreciate the update, but if you could touch base
5 with him and maybe report to us through, the Chair,
6 just what the recent contact has been, the -- any
7 update on water quality or other activities that
8 may be taking place in terms of getting a
9 resolution to this particular issue, I would
10 greatly appreciate it.

11 COMMISSIONER KISHINCHAND: All right. In
12 fact, there is a consent decree that the School
13 Board signed with the Health Department, so we are
14 actually counseling both the Health Department and
15 the School Board in resolving this particular
16 issue.

17 COUNCILMAN NUTTER: Okay. The second
18 issue is the use of septic systems throughout the
19 City. You know from your experience and -- is this
20 your first time here since you had almost lost
21 complete track of your senses --

22 (Laughter.)

23 COUNCILMAN NUTTER: -- and had an out-of-
24 body experience over at PGW? Is this your return
25 to the reality of City government?

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 COMMISSIONER KISHINCHAND: Yes, this is my
3 first return to this Council since then.

4 COUNCILMAN NUTTER: Commissioner, welcome.
5 We have missed you.

6 COMMISSIONER KISHINCHAND: Thank you.

7 COUNCILMAN NUTTER: Many good things did
8 happen during your absence. Dick Roy and I have
9 bonded closer in our relationship.

10 (Laughter.)

11 COUNCILMAN NUTTER: And I know that he and
12 many others are very glad about your return,
13 because they can now pawn all of those calls off on
14 you when I and some others call you.

15 (Laughter.)

16 COUNCILMAN NUTTER: We've had in our
17 ongoing relationship a lot of discussion and some
18 resolution, in many instances, to particular
19 septic-system issues, at least in the district that
20 I represent, but today I wanted to ask on a more
21 citywide basis, how many do we have, or do know of?
22 And, second, do we have a citywide plan to reduce
23 in a targeted fashion annual reduction in the
24 number of septic systems throughout the City; and
25 naturally, conversely, getting more and more people

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 on the municipal water system or the municipal
3 sewer system?

4 I know we have other people who are not on
5 municipal water because they have wells still in
6 the City of Philadelphia.

7 Can you tell me what we're doing to get
8 more people on the system.

9 COMMISSIONER KISHINCHAND: The septic
10 systems are actually monitored and regulated by the
11 Health Department. We -- when we are advised of a
12 failing septic system, if it is cost-effective to
13 go and provide this service over there, we go
14 forward and do it, sometimes even when it's not
15 cost-effective because nothing else is available at
16 the time.

17 The Water Department has not actively gone
18 out and sought those places to provide municipal
19 services. The capital cost of doing so is rather
20 high. So we would work with the folks who have
21 failing systems to see how we can assist them in
22 getting them into the municipal system.

23 COUNCILMAN NUTTER: Okay. With regard to
24 the rates, I saw the newspaper story and then --
25 which was a longer version, and you have a shorter

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 version here in your testimony. It was certainly a
3 great pleasure to see that while in some instances,
4 we're ranked low on some listings for various
5 things, but it was certainly a pleasure to see the
6 Philadelphia Water Department down at the bottom or
7 I think maybe second from the bottom on the
8 newspaper listing of water and sewer charges
9 throughout the entire area. And I don't know if
10 we'll get people necessarily moving back because we
11 have lower water rates, but it is certainly not one
12 of the things driving anyone anywhere.

13 So first let me commend you for keeping
14 the rates lower than the surrounding counties and
15 townships and authorities.

16 COMMISSIONER KISHINCHAND: Thank you.

17 COUNCILMAN NUTTER: To what do you
18 attribute the significantly lower water and sewer
19 rates in Philadelphia as compared to surrounding
20 jurisdictions?

21 COMMISSIONER KISHINCHAND: Well, there are
22 a number of factors that contribute to that. The
23 number-one factor is the folks sitting behind me
24 and the 2000 folks working on the streets. They're
25 very efficient and very dedicated.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 Number two, we do not pay taxes like the
3 private sectors do, and many of the surrounding
4 counties have private companies that pay taxes.
5 There is then a return on their investment that
6 they need to take into account. So those factors
7 add up.

8 And besides that, and at least at this
9 juncture, while the sprawl hasn't quite spread, the
10 underground infrastructure has to go much longer
11 distances to provide a limited number of
12 properties.

13 So all of those factors contribute to
14 their higher, you know, costs.

15 COUNCILMAN NUTTER: One last question.
16 Tell me about the quality of the water here in
17 Philadelphia. And are there -- I mean, I know
18 that, you know, every entity has various
19 measurements of performance, there are all kinds of
20 recognition programs.

21 Tell me a little bit about how the quality
22 of Philadelphia water compares with either nearby
23 jurisdictions or others where these comparisons are
24 made and...

25 COMMISSIONER KISHINCHAND: In terms of

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 quality of water from the health perspective, I
3 think ours is as good as it can get. In some
4 areas, they may not be using as much chlorine; for
5 instance, if it's well water, etc. It depends on
6 how much disinfectant that they use, so it's a
7 taste and odor issue more than actually the quality
8 of water from the health perspective is concerned.

9 And I think we're better than many here,
10 as I mentioned in earlier testimony, six times
11 better than what the regulations require. As far
12 as the turbidity is concerned, we are 0.06
13 nephelometric turbidity units, the standard for the
14 federal government standard, which went into
15 effect. The new one that went into effect in
16 January is 0.3. So we're five times better
17 already.

18 So I think the people in Philadelphia
19 should rest assured that they're getting the best
20 quality water that they can get anywhere.

21 COUNCILMAN NUTTER: Okay. Last question.

22 From a business standpoint and actually a
23 possible revenue-enhancement, have you taken a look
24 at -- we've jokingly had the conversation about the
25 possible bottled Philadelphia water showing up on

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 shelves in various stores and supermarkets. Have
3 you given further thought to the prospect of
4 actually getting into the water sales business?

5 COMMISSIONER KISHINCHAND: We've sort of
6 talked about it every so often. We do sell, as you
7 know, to the Coca Cola Company, which bottles our
8 water -- it's called DiSani (ph) I believe. That
9 is Philadelphia water, but they probably put it
10 through some filtration process, (indiscernible)
11 carbon or something to remove the chlorine, and
12 then they very likely add ozone because ozone does
13 last a long time in sealed bottled water.

14 It would be an expensive project, we would
15 have to put a business plan together and market it.
16 So, you know, it would be another burden, but we
17 can look at that as a business expense.

18 But because we feel our water, drinking
19 water, is the best that you can get, we haven't
20 been very, you know, enthusiastic about bottling
21 it.

22 Now, Dic Roy is itching to say about it so
23 I'll let him go. So while I was away, perhaps he
24 had some other plans.

25 COMMISSIONER ROY: I would just like to

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 add that we have followed some of our colleague
3 water companies around the country that have tried
4 this and it has not been a success. You start to
5 get away from your core business, and unless you're
6 experienced in marketing and putting -- you got to
7 get a large distribution area in order for it to
8 be, you know, a money-maker for you.

9 COUNCILMAN NUTTER: I understand.

10 COMMISSIONER ROY: We may try to hook up
11 with some bottling companies to put together some
12 PWD bottles of water that could be used for special
13 events, particularly City events, that sort of
14 thing.

15 COUNCILMAN NUTTER: Sure, I understand.
16 Maybe it is something for a more entrepreneurial
17 individual or entity to be involved with but, I
18 mean, I do think it is -- if we have good-quality
19 water and, as you said, even if it's, you know,
20 putting it in bottles with our sticker on it just
21 to either give away in the summertime, I
22 understand, Commissioner, I don't want to give you
23 a heart attack about giving away the water, but,
24 you know, there might be some circumstances that --
25 I mean, we have a good product, let's take a little

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET
2 pride in it and figure out a way to better promote
3 the good product that we have.

4 So thank you. I enjoy the working
5 relationship with the Department and look forward
6 to working with you on some more exciting project.

7 COMMISSIONER KISHINCHAND: Thank you very
8 much.

9 COUNCILMAN NUTTER: Thank you, sure.

10 COUNCIL PRESIDENT VERNA: Are there any
11 other questions from members of the committee?

12 The Chair recognizes Councilman Cohen.

13 COUNCILMAN COHEN: I just wanted to thank
14 the Commissioner for part of his past record of
15 being responsible for the Gas Works. Sometimes
16 when it's been very difficult to contact people
17 there on emergency conditions, I've reached the
18 Commissioner if it's late at night or on a weekend
19 at home, and he's already been very gracious, and
20 although he had no responsibility whatsoever, he
21 cooperated fully and the conditions were remedied.

22 And it's the kind of public service that I
23 think can help make Philadelphia a really
24 outstanding city, and I wanted to publicly express
25 that.

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 I don't always agree with the policies of
3 the Water Department on the bills, but I guess you
4 hear that from everybody, but I do want to say I've
5 always found the Water Department very cooperative
6 on any questions that are raised ever since the
7 Commissioner has been Commissioner, and to that, he
8 is my PGW Commissioner as well.

9 (Laughter.)

10 COUNCILMAN COHEN: And I wanted to
11 personally thank him for the extra duty that he so
12 graciously absorbed from time to time in the past.

13 Thank you, Commissioner.

14 COUNCIL PRESIDENT VERNA: I'm sure he's
15 much happier being regarded as the Water
16 Commissioner, Councilman.

17 (Laughter.)

18 COMMISSIONER KISHINCHAND: Thank you very
19 much. And I have to say actually all of this goes
20 to the success of the folks who stand behind me and
21 support me; they're the ones who really do the hard
22 work.

23 COUNCIL PRESIDENT VERNA: That's great.

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

1 3/5/02 WHOLE - CONT'D. FY '03 OPERATING BUDGET

2 (No further questions.)

3 COUNCIL PRESIDENT VERNA: Thank you so
4 much.

5 COMMISSIONER KISHINCHAND: Thank you very
6 much.

7 COUNCIL PRESIDENT VERNA: The Committee
8 will stand in recess until Monday, March the 11th,
9 at 9:30.

10 Thank you.

11 (Proceedings end at 2:14 p.m.)

12 - - -

13

14

15

16

17

18

19

20

21

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CERTIFICATE

I HEREBY CERTIFY that the foregoing
proceedings of the Council of the City of
Philadelphia's meeting of the Committee of the Whole
of Tuesday, March 5, 2002, are contained fully and
accurately in the stenographic notes taken by me,
and that this is a true and correct transcript of
same.

RE: Ordinance No. 020001

_____,
Josephine Cardillo
Registered Professional Reporter
and Notary Public

(The foregoing certification of this
transcript does not apply to any reproduction of the
same by any means, unless under the direct control
and/or supervision of the certifying reporter.)