COUNCIL OF THE CITY OF PHILADELPHIA

COMMITTEE OF THE WHOLE

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Room 400, City Hall
Philadelphia, Pennsylvania
Tuesday, April 13, 2010
10:20 a.m.

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PRESENT:
COUNCIL PRESIDENT ANNA C. VERNA
COUNCILMAN DARRELL L. CLARKE
COUNCILMAN FRANK DiCICCO
COUNCILMAN W. WILSON GOODE, JR.
COUNCILMAN WILLIAM GREENLEE
COUNCILMAN CURTIS JONES, JR.
COUNCILMAN JACK KELLY
COUNCILWOMAN JOAN L. KRAJEWSKI
COUNCILWOMAN MARIA QUINONES-SANCHEZ
COUNCILWOMAN BLONDELL REYNOLDS BROWN
COUNCILWOMAN MARIAN B. TASCO

BILLS 100115, 100116, 100117, 100118, 100131 and RESOLUTION 100141

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COUNCIL PRESIDENT VERNA: Good morning, everyone. This is a continued public hearing of the Committee of the Whole.

MR. McPHERSON: Our first department is the First Judicial District.

(Witnesses approached witness table.)

COUNCIL PRESIDENT VERNA: Good morning, Your Honor.

PRESIDENT JUDGE DEMBE: Good morning, President. How are you?

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

MR. LAWRENCE: Good morning, Council President Verna and members of the Committee of the Whole. I'm David Lawrence. I'm the Court Administrator for the First Judicial District of Pennsylvania, and with me today is the President Judge of the Court of Common Pleas and Chair of the Administrative

Governing Board, Judge Pam Dembe, and Kevin Cross, Deputy Court Administrator for Financial Services. We are here to submit testimony in support of the District's FY2011 General Fund and Grants Revenue budget request. In addition, this testimony will highlight our outstanding issues and concerns, position reductions, partnerships and revenue contributions.

The FJD acknowledges and appreciates the Administration's regard for the Judiciary as exhibited by not seeking to reduce our current General Fund budget. We feel the District has assumed its fair share of reductions, having had its budget reduced from 114.5 million to 99.1 million, or 13.5 percent, since December 2008. We also recognize that the Administration and City Council value the Judiciary as a capable, independent partner in government. With these pursuits in mind, the District has implemented initiatives to reduce costs, increase efficiencies and strengthen partnerships.

The reduction of 15.5 million, along with other previous reductions, has had a substantial impact on the District and has forced the elimination of 379 General Fund positions in less than six years, with 167 attrited in one year. Part of this reduction is the transfer of 52 positions to the American Recovery and Reinvestment Act grant funds. The funding for these positions expires at the end of FY11, or June 30th 2011, and the FJD will seek to have these 52 positions placed back on the City's General Fund in FY12.

The FJD further acknowledges the additional funding in the court-appointed counsel appropriation for FY10. This $2 million will allow for continuous payments to assigned counsel through June 30th, 2010. In the event the entire two million is not expended, the FJD seeks to transfer the remaining balance into FY11. This amount will be used to supplement the FY11 appropriation which was reduced in FY10 by $600,000. While the intent of this supplemental appropriation is to ensure uninterrupted payments to assigned counsel for the balance of this fiscal year, the City must consider developing a strategy to fund a fee increase for criminal appointments, which have had only minor increases since 1996 and for which the City and the District are in litigation.

Included in our FY11 budget submission in the Grants Revenue Fund are three new grants that are funded through the Pennsylvania Commission on Crime and Delinquency with federal American Recovery and Reinvestment Act funds. All three programs are two-year grants for Class 100 and personnel only, with the intent to hire additional adult and juvenile probation officers and expand our DUI Treatment Court.

With this testimony, the FJD

provides an update on the status of statewide funding at the local judiciary. On December 8, 2008, the County Commissioners Association of Pennsylvania filed an application for enforcement of the prior Supreme Court orders. A number of counties and other organizations such as the Register of Wills and Orphans Court Associations intervened and briefs were filed in September and October 2009. Oral arguments were heard by the Supreme Court on December 8, 2009, and no decision has been issued as of this date.

Through the City's Criminal Justice Advisory Board, the District with our justice partners has seen increased cooperation in resolving criminal justice-related issues. Board members include, among others, the Courts, the DA, the Public Defender, Deputy Mayor, City Council, Police and Prisons. This collaboration has created a targeted approach to creating defined results. For example, while the Commonwealth has had an overall increase of 4.3 percent in prison population, through the coordinated efforts of CJAB, Philadelphia has seen a significant reduction of 15 percent in its prison population, from 9,854 inmates in January '09 to 8,369 in March 2010.

We believe that a great part of this reduction is due to the many programs initiated by the Philadelphia criminal courts in cooperation with our justice partners. Among these are Remote Video Conferencing, Accelerated Violations of Parole and Probation hearings, and Advanced Reconciliation and Consolidation hearings. Through the application of Video Conferencing, the Courts have saved the Sheriff's Office approximately $292,000 in transportation costs and 350,000 to the State prison in reducing the number of days per inmate. In addition to these programs, FJD continues to monitor 780 offenders on electronic monitoring, bringing substantial savings in cost and logistics to the prison population and its justice partners.

The FJD is pleased to announce the continuation of the Philadelphia Community Court through ARRA funds and the enhancement of the DUI Treatment Court. The success of the specialty courts rests in the ability to identify targeted populations, remove offenders from the general caseloads and place them into diversionary and reentry programs. During FY10, the Courts have implemented the Mental Health Court and Veterans Court. We are using grant funds for their start-up costs and will seek to incorporate these programs into our overall administrative structure.

To make problem-solving courts effective, it takes concerted efforts from the many justice partners, such as the DA, the Defender, the Veterans Administration, PennDOT, behavioral and mental health providers and other organizations like the University of Pennsylvania. The FJD recognizes their efforts and dedication to these programs and are grateful for their continuous contribution and help in their success.

Other highly successful problem-solving courts are the Mortgage Foreclosure Diversion Court, Commerce Court, Drug Treatment Court and the Nuisance Night Court.

The FJD is working with the Mayor's Recovery Office for its ARRA-funded programs to maintain compliance with State and federal reporting requirements and for coordinating City Council approval of our Recovery funding. Through this cooperative effort, the FJD received funding for three additional ARRA grants, eight Recovery grants in total, contributing to the City's overall recovery efforts, while maintaining accountability and transparency for the citizens of Philadelphia.

Applying the model of the statewide Office of Children and Families in the Courts, the juvenile branch of the Philadelphia Family Court has established the Philadelphia Roundtable. The Roundtable group is comprised of the Department of Human Services, the Department of Behavioral Health, the School District of Philadelphia, the Support Center for Child Advocates, the Philadelphia Defender's Office, the City Solicitor's Office and Community Legal Services. The goals of the Roundtable are to decrease out-of-home care for dependent children, decrease out-of-state care for both dependent and delinquent children, and reduce the length of stay for dependent and delinquent children in out-of-home care. This roundtable approach has been successful in reducing the number of children placement by nine percent and continues to strive for permanency of every child in dependency court.

The Courts are pleased to announce that progress is being made on the Family Court facility. The proposed site is 15th and Arch Street. The 14-story glass and concrete design was presented to the Art Commission in late February and will house the two separate facilities at 1801 Vine Street and 34 South 11th Street. We are grateful for City Council's support of this most worthwhile project.

While it would appear that the Court's budget for FY11 is just short of 100 million, we hasten to point out that roughly 55 million in revenue, including $1 million increase from FY10, will be turned over to the City for fines, fees and various State reimbursements. Thus, the net amount of the Court's budget would actually be closer to $44 million. We will continue to examine our fee structure to make sure we are charging appropriately without infringing on the public's right to access to justice.

Contracting and procurement functions of the District are regulated by policies established by the Administrative Office of Pennsylvania Courts. However, participation by minority, women and disabled businessowners is important to the Court, and our current FY10 participation level is 37 percent. We expect that to continue in FY11.

The Philadelphia Judiciary appreciates this opportunity to present to you some of its accomplishments, concerns and the realities it faces and has overcome. We have demonstrated our ability to do more with less, thereby providing honest value on the investment and remain a cooperative justice partner. We are also hopeful you will allow the Judiciary to remain a strong and committed partner by approving our budget request as outlined.

On behalf of the Philadelphia Judiciary, the Administrative Governing

Board and employees of the First Judicial District, we respectfully seek City Council's consideration of our FY11 General Fund budget request of $99,096,000 and Grants Revenue budget request of $58,058,000. We seek this request consistent with past City of Philadelphia and FJD budget agreements which allow retention of any and all savings generated by the District.

Thank you for your consideration, and we will be happy to entertain any questions members of Council might have.

COUNCIL PRESIDENT VERNA: Thank you very much.

The Chair recognizes Councilman Greenlee.

COUNCILMAN GREENLEE: Thank you, Madam President.

Good morning, everyone.

(Good morning.)

COUNCILMAN GREENLEE: I just had a couple of questions regarding the issue you raise in the top of Page 3, Ms. Lawrence, with the probation officers.

MR. LAWRENCE: Yes.

COUNCILMAN GREENLEE: You said that to your grants, the intent to hire additional adult and juvenile probation officers. Do you know how many we're talking about here or what is your goal?

MR. LAWRENCE: We are 57 probation officers, adult probation officers, below our FY08 targeted staffing level of -- when we were targeted for 1,965 employees in the General Fund. In juvenile, we are down probably closer to 100 probation officers as to where we should be against JCJC standards. So our staffing levels in the probation area are down dramatically.

We have moved many probation officers over to the Byrne grants. We had probation officers on supervision fee. It is shaky funding and we are not happy with that. We're only doing it to preserve the jobs that we can, which begs the whole issue of the compensation of probation officers, which we've maintained for years is too low and --

COUNCILMAN GREENLEE: Don't you lose people because of that? Don't they go other places?

PRESIDENT JUDGE DEMBE: Yes. They'll make less than social workers in the system as they move along.

COUNCILMAN GREENLEE: Right. Right. Again, that, I would guess, has like a ripple effect on the system generally when they don't -- or they have an over caseload, if you will?

MR. LAWRENCE: What we've been forced to do -- and we would have done this regardless because it's just a better business model -- we've realigned our caseloads based on the risk presented by the offender, so that we are deploying, as best we can, more resources to those offenders deemed to be higher risk than someone who, according to the risk models, is less likely to recidivate or engage in some other criminal activity. So, yeah, it does cause a tremendous strain on our existing resources.

COUNCILMAN GREENLEE: But just so I'm clear, is there a -- I know you said you're 57 below on adult, close to 100 on juvenile. Is there a target, I mean, realistic -- we all know we have budget problems here -- that you're looking to hire? I mean, is there a target number?

MR. LAWRENCE: Well, the first thing I'd like to do is get my 57 back.

COUNCILMAN GREENLEE: All right. And how much money would that cost about, roughly?

MR. LAWRENCE: Probably about $3 million.

COUNCILMAN GREENLEE: Okay. And in the juvenile where there's even more of a gap, but is the need as high, in your opinion?

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MR. LAWRENCE: The juvenile world and the adult world of probation are two very diverse creatures. The juveniles, according to State standards, federal standards, require much lower caseloads than adults do. These kids are still fragile, they're still in their development years. So I don't want to diminish in any way the need to augment existing probation staff, and we are roughly 100 positions below where the Juvenile Court Judges Commission feels we should be in terms of staffing levels.

COUNCILMAN GREENLEE: Like I said, I would guess that would have, like I said, that ripple effect on the whole system when you don't have enough people. And there actually is a freeze right now, you have not been hiring any?

MR. LAWRENCE: Actually, as of roughly late December, beginning January, we have been able to meet our $99.1 million budget, so that as people leave, we are now able to replace them and still hit that budget number.

COUNCILMAN GREENLEE: Okay.

MR. LAWRENCE: We did have the freeze in effect for roughly 18 months.

COUNCILMAN GREENLEE: Okay. Like I said, I know we got budget problems, but that does seem to be a serious matter.

MR. LAWRENCE: It is. It's very serious.

COUNCILMAN GREENLEE: All right. Thank you all.

Thank you, Madam President.

COUNCIL PRESIDENT VERNA: You're welcome.

The Chair recognizes Councilman Jones.

COUNCILMAN JONES: Thank you, Madam President.

Good morning, Your Honors and Administrators.

MR. LAWRENCE: Good morning.

PRESIDENT JUDGE DEMBE: Good morning.

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COUNCILMAN JONES: One of the things that is near and dear to me and one of the issues that I've always been a proponent of is the alternate court, alternate sentencing process ever since our trip up to Red Hook, New York where we saw community courts in a holistic kind of approach. I raise the issue of holistic because community courts, alternate courts can mean many different things. There's a wide range from drug treatment to mental health to a number of courts. My question becomes -- and there are a lot of people who are spending a lot of brainpower to try to figure out how this works administratively to kind of codify, combine some of these things that might reduce some of the expense.

In Red Hook, one of the things that I noted was that they had multiple jurisdictional authorities. I don't know if I said that in the proper context of the legal ramifications, but they were able to decide on things like housing court, whether a person who committed a crime would be displaced out of public housing. They were able to oversee child support issues. They were able to oversee traffic violation issues, all in one courtroom, which gave a holistic approach to the defendant, a holistic approach and cut down on the victims having to take off work, and it was able to solve things in a quicker, more efficient, effective way where everybody in that courtroom was happy. And I wanted to know if we have done any research on how we can kind of combine some of those things so that they meet the worthwhile goals, but yet not have to have duplication by way of administration and to come up with a matrix, a hybrid of what those community courts might be by combining a couple of those kinds of jurisdictions.

PRESIDENT JUDGE DEMBE: I'll answer that one, Councilman. As you know, we opened our first Veterans Court this year and we opened it because there are special services that are available to veterans that aren't available to others and there are special problems, like brain injury issues and the like that others don't have, and as with any new court, it takes a couple of months to really get it moving smoothly.

We are now beginning to have the judges in that courtroom collect data on the defendants who come in, because to our surprise, it wasn't young veterans. These are people who are in the bulk tend to be 40-ish, which means they're probably the first Gulf War folks.

And anyway, we're collecting data on other problems they have that bring them into the courts, domestic issues, debt issues, housing issues. And so that is probably going to be the first model that we use. I've already designated a couple of Municipal Court judges so that they're able to serve as Common Pleas judges, because, as you know, in Pennsylvania judges have limited jurisdictions and so it's not as easy as it looks on paper to use a wide umbrella.

When we do that, as with anything else, we'll figure out how to make it work well. It will be much easier, I think, to begin doing cross jurisdictional things when Family Court is a half block away as opposed to several blocks away. We're already doing things like when someone is picked up or surrenders on a criminal bench warrant, we're using video to hook them right up with Traffic Court now so we take care of those things.

So we are moving in those directions. I am very sensitive to the idea that you can't treat an issue and not look at the whole person, and that bringing people back to court and back to court isn't good for them and isn't good for us.

COUNCILMAN JONES: I agree, Your Honor, that this is a work in progress, and the most encouraging thing you said is that you're compiling data that quantifies what the savings are and so, therefore -- or the cost and where the chips fall where they may, where there are efficiencies, that we evolve our thinking to try to minimize duplication, try to create convenience for victims and try to create justice in a holistic fashion.

So as long as I hear that, I am encouraged. And I do not think it will happen overnight, but there are varying groups ranging from CJAB to other groups that I've met, along with the DA, to talk about how we evolve this into even something that might even be considered the vessel of a non-profit that kind of gets things remanded to them by the Courts. Nothing in stone, but just an evolving dialogue and thought process to that. So I'm encouraged by that.

You mention in your testimony about electronic monitoring saving the

Courts. I'd like you to elaborate by telling me how much have we saved and what are the expansion plans based on that utilization.

PRESIDENT JUDGE DEMBE: Electronic monitoring costs about $9 a day and we're now looking at GPS monitors.

COUNCILMAN JONES: Right.

PRESIDENT JUDGE DEMBE: Where are your kids? If only they'd had them when I had teenagers. Which, again, there's always a cost outlay, but it's significantly cheaper than keeping people in jail.

COUNCILMAN JONES: So how much have we saved this year?

MR. LAWRENCE: Well, if I may, the savings would be to the City in terms of days in prison. We have 780 people on active monitoring.

COUNCILMAN JONES: That would otherwise be incarcerated?

MR. LAWRENCE: Yes. So 780

times $90 a day is what the City would purportedly be saving in housing costs if these people were to remain in the Philadelphia County jails.

Now, let me also state that in addition to the 57 probation officers we're down, we're down 20 warrant investigators. I don't have the capacity to monitor any more people. The monitors cost $1,300 a piece, and it takes people to make sure that they're monitored effectively and efficiently.

COUNCILMAN JONES: So wouldn't the probation officers and others in that realm of your responsibility be the perfect candidates to kind of take that on? And I'm saying one and one equals two. If you're saving money by doing this and you can increase the ability to monitor incrementally to the savings justification, doesn't that make sense to do?

MR. LAWRENCE: Absolutely. If I'm provided with the resources to increase the number of people that I have on electronic monitoring, I'm the first guy in line that wants to do it.

COUNCILMAN JONES: So it is the probation officers that might take that on?

MR. LAWRENCE: Well, right now the electronic monitoring function is performed by Pretrial Services.

COUNCILMAN JONES: Okay.

MR. LAWRENCE: So if we want to expand electronic monitoring and provide Pretrial Services with additional resources so that we can get additional people on electronic monitoring, I'm --

COUNCILMAN JONES: So the savings that you derive by using this, you're not realizing back in your budget to reinvest?

MR. LAWRENCE: No. No. Any savings that are realized from electronic monitoring would accrue to the City in its Prison budget.

PRESIDENT JUDGE DEMBE:

Councilman, we did a -- ran the numbers if we were to upgrade with another 800 units, and if you add the equipment, the personnel to monitor it, the equipment that uses the monitoring as well as the actual units, the fringe benefits, it would come out to cost us $10 and change per person per day. So the savings would be --

COUNCILMAN JONES: Have you presented this to the Budget Officer?

PRESIDENT JUDGE DEMBE: Excuse me?

COUNCILMAN JONES: To the City. Have you made this request, said, Listen, we're saving the Prisons X amount of dollars? Have you made an official request? Can we actually use some of that savings to reinvest in a process that will give us additional savings? Have you made that kind of briefing?

MR. LAWRENCE: We've had these conversations with the City over the years. Going back in time, this function used to be performed by the Prisons, by the City. And going back to the days of the Rendell Administration, they came to us and asked us to assume the function.

COUNCILMAN JONES: I got back in the day, but this year, have you made the City --

MR. LAWRENCE: The City is very much aware of what our EM costs are and what the Prison costs are.

COUNCILMAN JONES: See, you've been in too many courtrooms. You won't answer. Have you made a specific request this year?

MR. LAWRENCE: No.

COUNCILMAN JONES: So can we do that?

MR. LAWRENCE: Of course.

COUNCILMAN JONES: I mean, is that a subject of CJAB? Is that a subject of these budget processes?

MR. LAWRENCE: Absolutely.

COUNCILMAN JONES: Can we make a specific request that makes sense in times of budget crisis to save money and invest in a way that makes sense?

MR. LAWRENCE: The answer is yes.

COUNCILMAN JONES: All right. So you're going to make an official request to the Budget Officer for that?

PRESIDENT JUDGE DEMBE: And copy you on it.

COUNCILMAN JONES: All right. I'm going to -- I know the clock isn't on, but I won't do what my colleagues do. I will pass -- not you. There's one in particular, but --

COUNCILMAN DiCICCO: He's not here.

COUNCILMAN JONES: And that's a wonderful thing.

I'm going to raise a touchy issue of the Clerk of Quarter Sessions and ask how we got to this point and then some specific questions about where we are. Can you tell us what prompted this takeover, if that's the correct way to couch it? And I'm very concerned. I got a lot of calls, I got a lot of letters, I got the information, this information, counterpoints. Can you for the record tell us what's going on?

PRESIDENT JUDGE DEMBE: Yes. For years there have been very grave concerns about the Clerk's operations in the two major areas of its function. Despite the fact that it has a lot of talented, hard-working, smart people working there, they have been consistently unable to create accurate records and to get those records where they need to be so that people go to jail who should go to jail, get out of jail who should get out of jail, things like that.

They have been similarly unable to manage the money on the criminal side. And, again, there are talented, hard-working people there. It is --

COUNCILMAN JONES: How many talented, hard-working people?

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PRESIDENT JUDGE DEMBE: I think the total is 110, 109, something like that. It has been -- has always been a management issue, and the Chief Justice finally hit the wall on it.

Now, you have to understand the sort of context as stated in the letter that I sent you, this is the trend both nationally and in Pennsylvania. This really is entirely a court function. It's keeping criminal records. It's disbursing and managing monies that come in because of the criminal system. And we've gone in there. We've got accountants looking at the monies. It will be a couple of weeks before we can give you details beyond what's in the various bank accounts and how much of it is principal and how much is interest. We're using a performance auditing firm to give us some ideas, but we're sending in the management team that turned our civil operation into the best one in the country to go in there and figure out how we develop the supports and the training and the retraining for folks so that they can do their job and the courts function properly.

COUNCILMAN JONES: So what is the legal standing that was used to usurp -- I don't know if that's the correct word to say in this case, but to take over that function?

PRESIDENT JUDGE DEMBE: The Chief Justice's order directed that as of March 4th, the duties and functions of the Clerk's Office would be absorbed by the First Judicial District. It did not touch the political office of the Clerk. That is strictly within the province of City Council.

It's not going to seem to me to make much point to continue to elect someone for a job that is going to have no function and to pay that person, but that's certainly entirely up to you folks.

The Clerk then resigned, so the

office is vacant.

COUNCILMAN JONES: What happened to -- what is the status of the 110 employees?

PRESIDENT JUDGE DEMBE: They're working every day sitting in the courtrooms. They are meeting with Joseph Evers, who is our Prothonotary. They are developing programs to -- they are offering us a lot of help as well. This isn't Darth Vader coming in from the inside and --

COUNCILMAN JONES: I know the Prothonotary. He's not Darth Vader, but I'm concerned about the status of a lot of those -- what's the percentage of women that work in that office? I mean, that's --

MR. LAWRENCE: It's high.

COUNCILMAN JONES: That's a Blondell Reynolds Brown question, but -- and most of them, a lot of them are single parents, I understand, and I'm very concerned about -- are they represented by a union?

PRESIDENT JUDGE DEMBE: Yes.

COUNCILMAN JONES: Which one?

MR. LAWRENCE: District Council 33.

COUNCILMAN JONES: Okay. So they haven't been displaced at all?

MR. LAWRENCE: No.

PRESIDENT JUDGE DEMBE: Believe me, I don't want them to leave. Really, I don't want them to leave. If I had to, we could, I guess, operate without them, because we didn't get the funding when we had to do it and we could operate without them, but it would be a pretty ragtag operation for quite a while.

I want those people there. Over the years, most of the clerks I've worked with have been absolutely fantastic. It's not their fault that management didn't bother to train them when the computer systems changed. It's not their fault that management never figured out how you work it out so that you have clerks in the courtrooms while things are going on so that they can make accurate records. It's not their fault that management never figured out how to manage the monies.

I want them there. I want to give them all the support we can. I want them in a couple of years winning the kind of national awards that the civil employees have gotten with Mr. Evers.

COUNCILMAN JONES: I appreciate that comment, and here's why: All too often when CEOs, executives argue, the grass gets trampled, meaning when the elephants fight, the grass gets trampled. A lot of times the workers who are taking direction from management get put in a situation where they're damned if they do and double damned when they don't. And whether it is the BRT, whether it is the Clerk of Quarter Sessions, one of the things that this body will always do is be concerned about the welfare of the employee, because if you're talking about retooling and retraining, upgrading skill-sets, those are the kinds of things -- no, I don't want to be inefficient in that process, but I do not want someone else being the fall guy of Enron, and the only persons who wind up getting hurt are the stockholders and the people who actually work for a living.

So I'm encouraged by -- I do not take a part in whether or not there was malfeasance or mismanagement. That's not for me to decide. But what is important to me is that the people who go to work for a living that pay our taxes and are doing their thing to support their families be protected when the elephants fight.

PRESIDENT JUDGE DEMBE: We don't need fewer taxpayers and we don't need fewer clerks. This is a function that needs a body in the courtroom while courtroom operations are going on, period, paragraph. So their jobs are not in jeopardy. We have already -- we've been working for months with the union. Some of these people are going to see an immediate pay raise because they're getting paid less for equivalent functions on the court side. With other people, we're going to do what we do with our employees, which is we have programs to encourage them to train and upgrade themselves so that they will be eligible for better salaries.

COUNCILMAN JONES: Madam President, I'm going to hold my continued questions and allow my colleagues to weigh in on questions.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair recognizes Councilman Goode.

COUNCILMAN GOODE: Thank you, Madam President.

Good morning, President Judge.

PRESIDENT JUDGE DEMBE: Good morning.

COUNCILMAN GOODE: Last year we

had a somewhat interesting and lively debate about whether the criminal justice system was broken. I had the same debate last year with the former District Attorney. I'm not really interested in revisiting that debate as much as since the Inquirer wrote an article saying the justice system was broken, since the Chief Justice of the Supreme Court decided the system was broken, it seems that everyone is somewhat on the same page now that there are problems. Not totally on the same page, because there's still some finger-pointing in terms of whether the problem is defense attorneys. I think the problems in some cases was practices of the former District Attorney's Office. I'm just interested in knowing what you've learned in the year and how your perspective may have changed over the last year in terms of what needs to be reformed in the criminal justice system.

PRESIDENT JUDGE DEMBE: Well, I

think one of the significant changes is that the Supreme Court is interested in supporting change. The previous year they were, I think, very much involved in that horror show in Luzerne County, and so unless there were actually grenades going off down here, it wasn't getting as much attention. We can get a lot more done and a lot more quickly with the support and attention of the Supreme Court.

The new District Attorney is an innovator, I think. I think he's willing to -- also a person who wants to get information, do research, learn, so that we can then all share the data and go forward. He's not sort of stuck in concrete.

For instance, at the last CJAB meeting, he told us he had just gotten an interesting proposal for sort of an ankle bracelet type equivalent that I guess monitors if you've had anything to drink from what comes through your skin. So I don't think that would have come in the last Administration, and so we all went, Oh, that's neat. So we're going to collectively look at that, and we'll all talk about whether that kind of thing can go forward. And it's just a small example.

Over the last couple of years, there's been a real level of trust that's developed all throughout the system, I think.

So I think that, by and large, things are working pretty well. The Inquirer story is not accurate in all respects, but nonetheless, it's pointed at a number of concerns that we all share, so we're working toward fixing them.

COUNCILMAN GOODE: I guess my question was somewhat have you discovered that some things were broken that you did not believe were broken before? And beyond that, what is your focus and priority in terms of reform?

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PRESIDENT JUDGE DEMBE: At this point, we're -- I don't think that we've entirely figured out exactly what will make Municipal Court work to the satisfaction of everybody, and that's where the issues are. That's where the bench warrants are. Never mind that a lot of them are old and unenforceable, but that's where they are. That's where the dismissals are. We're going to have to do some balancing.

For instance, Justice McCaffery rightly points out that in the other counties, preliminary hearings are very fast or non-existent and things go right to the Common Pleas Court. And that's great from the point of view of many victims, particularly for low-to-moderate-level crimes. If your car has been stolen or your window has been smashed, you don't want to spend a lot of time coming to court. And, in fact, I think we're probably going to have to resign ourselves to the fact that an awful lot of citizens won't come to court even if we offer them free breakfast when they do come. So you're always going to have some no-shows.

The thing that we're going to have to find a workaround for is if we have these very brief preliminary hearings, in those really serious cases where there is intimidation of witnesses, that longer preliminary hearing was a barrier against the intimidation, because there had been enough cross-examination that legally that could be introduced at trial, so there was no longer any point in intimidating the witness. So I don't know exactly how we're going to solve that one.

When cases get to Common Pleas Court, there's a 77 percent conviction rate. The Courts are chewing up more cases than are coming into the system at this point. So I think things are working pretty well once they're in Common Pleas Court, but I think that without finger-pointing, everybody has to work on how we work on the beginning of the process.

And one of the most -- one of the things that I think I didn't realize quite how broken things were is with the information transfer. For the life of me, I can't figure out why we still have policemen taking reports on pieces of paper. That's so stupid. It should be done electronically on one of those little hand-held pads. It should go right into the district, and while the cop is still there with the victims and the witnesses, the detective on duty can go, You didn't get this, what about that, so that you get the information while you've got the witnesses, because it's real hard to find them afterwards. And then that information should go right into a database that goes instantly to the District Attorney's Office, and it's very easy to take that information and redact sensitive information that shouldn't go out to the wide-wide world, so that defense lawyers have information right away. Because you cannot, as a defense lawyer, advise a defendant to plea or go to trial until you know enough about the case so that you're not committing malpractice.

In New York City, they have that information the same or, at best, the next day to everybody in the system. But if we're still starting doing things on paper, we're not going to get there. So that will, I think, be the next big thing that we really have to work on.

COUNCILMAN GOODE: Thank you, President Judge.

Thank you, Madam President.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair again recognizes Councilman Jones.

COUNCILMAN JONES: Thank you.

One of the other issues that I'm concerned about and there was a move, Resolution 75, I believe it was, where under that resolution individuals that owed child support were -- there was a decision, an administrative decision, to not go after certain accounts. Are you familiar with that?

MR. LAWRENCE: Yeah.

PRESIDENT JUDGE DEMBE: No.

COUNCILMAN JONES: At which point -- I'm not the feminist that my colleagues, some of them, are, but I have listened. I've listened very carefully and have become an enlightened male, Madam President, having a mother, having a daughter that will tend to enlighten you.

But under this -- and I'll paraphrase -- this order 75 said that we're just not going to go after this because we're going to lose federal money that we get when we don't collect on these deadbeat accounts. And I got a couple of calls that struck a nerve to me, because some of the mothers who had been handling the responsibilities of the household for decades, for decades, going down, re-filing, going down, doing what they thought would be in the end some justification for them sticking in with their children were told that we're just not going to go after these accounts anymore, so we're closing the books on them. And with heavy hearts, they accepted their fate, but a couple of them even said they got -- which really bothered me -- the callbacks from deadbeat parents -- and I won't say dads or moms -- deadbeat parents that said, Na-na-na-na-na, I told you I wasn't going to pay it, which seems to me, under every definition of justice, unjust. Can you explain why we are doing that?

MR. LAWRENCE: We know that -- and I apologize. I thought Judge Dougherty was going to be here, who is very familiar with this issue, but Resolution 75 has caused a tremendous amount of controversy and a tremendous amount of disappointment, if you will, and I believe it's based on the formula that the federal government uses to reimburse counties for their child support operations. Unfortunately, I am not as conversant in it as others in our organization and, if I may, Councilman, can I have Judge Dougherty get in touch with you and explain exactly what the ramifications and reasoning behind that resolution is?

COUNCILMAN JONES: He can attempt to. I'll grant him that. But there's no amount of justification that says that if I hold out long enough and if I just ignore every attempt to collect and if I can just evade the Courts long enough, that eventually it gets written off. That sends a really poor signal to custodial parents that stick in there, overwhelmingly wind up being working moms with dependent children. Not that there aren't dads that also are in that situation. It just seems to me that just because we want to be penny wise by way of getting these dollars from the federal government, that the small people, once again, who carry the load every day, become the unintended victims of an unjust act. And we have to do something about that that kind of restores the faith in a parent that if I do the right thing, at the end of the day, people will be held accountable. Because if not, it will only serve to send the message that if I duck long enough, it will be all right.

So he can attempt to justify it, but to me there's no justification.

MR. LAWRENCE: I don't know that he can justify it, Councilman. I know he does have a tremendous amount of background with it that hopefully will shed some light on the why's and the wherefore's.

COUNCILMAN JONES: Would you send the answer to the Chair so that all of Council --

MR. LAWRENCE: Certainly.

COUNCILMAN JONES: -- can be made apprised of this. Because every person in here has a constituent that is impacted by this, every one of us, and when you saw the disappointment or heard it in their voice, not one but dozens have called or mentioned it and said what are we doing about it, I thought I would take this opportunity to find out.

I was this close to introducing a resolution about it or an ordinance about it, but I thought I would give you this opportunity.

MR. LAWRENCE: And I think Council always has that option, to pass a resolution or an ordinance of some sort, but I will have the answer supplied to the Chair.

COUNCILMAN JONES: I'm going to talk to some of my more enlightened colleagues and see if we can't get something going with that.

Thank you, Madam President.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair recognizes Councilman Kelly.

COUNCILMAN KELLY: Thank you, Madam President.

Good morning, Your Honor.

PRESIDENT JUDGE DEMBE: Good morning.

COUNCILMAN KELLY: I just had a quick question, and I apologize if you have already answered this, but it has to do with are you working with the Police Commissioner and the District Attorney as far as helping them out with cutting down on police overtime?

PRESIDENT JUDGE DEMBE: Yes.

COUNCILMAN KELLY: It seems like that's their biggest problem in the Police Department.

PRESIDENT JUDGE DEMBE: Yes. We, through the CJAB, have put together a smaller subcommittee that's working right directly on that issue, because we all agree that it's an issue and it takes everybody involved in doing that. For instance, one of the things that we're going to need to do is in training the Quarter Sessions Clerk personnel, they're going to need to be very specific about continuances, who asked for it and for what reason and the like, so that we can start leaning on folks.

COUNCILMAN KELLY: So you can cut down on continuances; therefore, the police won't be coming back and back and back again --

PRESIDENT JUDGE DEMBE: Right.

COUNCILMAN KELLY: -- and then driving up the overtime costs?

PRESIDENT JUDGE DEMBE: Discovery Court has already made a direct impact on that, because it used to be the case would get called, it would be listed for trial, and the lawyers, of course, would wait until the day of trial to show up and go, Oh, I don't have necessary discovery. The judge sometimes would decide that the case had to be continued because otherwise it was going to come back because it hadn't been fair, and so the witnesses, including the police, were coming for no good reason. And it was actually kind of amusing, we announced that we were starting the Discovery Court a month or two before we actually did begin this Discovery Court, and all of a sudden, the amount of discovery rose substantially. So that's been an effective method.

COUNCILMAN KELLY: And then eventually witnesses get tired of coming and eventually these cases are dropped.

PRESIDENT JUDGE DEMBE: Absolutely.

COUNCILMAN KELLY: Well, I wish you a lot of luck, because it seems to me that every year we ask the same thing and it's the same problems and the same overtime, the same cost and it goes on and on. I wish you all the best in working with the Administration, the

Police Commissioner and the District Attorney in trying to cut down on this problem. And not only will it, of course, help us revenue-wise, but it will also help the Police Commissioner in distributing his personnel.

PRESIDENT JUDGE DEMBE: Absolutely. This is a cooperative effort. It isn't about finger-pointing, and I think by the time we come back next year, we're all going to be able to give you some good numbers on that.

COUNCILMAN KELLY: Thank you.

Thank you, Madam President.

COUNCIL PRESIDENT VERNA: You're welcome.

Your Honor, what is the present backlog? Do we have any idea, the present backlog?

PRESIDENT JUDGE DEMBE: We don't have a backlog in the sense that we've eaten up or disposed of more cases than we've brought in.

COUNCIL PRESIDENT VERNA: Wow.

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PRESIDENT JUDGE DEMBE: Yeah.

COUNCIL PRESIDENT VERNA: That's music to our ears.

PRESIDENT JUDGE DEMBE: Yup. You folks are funding what I still think is the best court system in the country.

He's always got brand new statistics.

COUNCIL PRESIDENT VERNA: Your Honor, that's fine. If you tell us that there is no backlog, I think that is absolutely wonderful. It's the first time that I ever heard that.

MR. LAWRENCE: There's always cases in --

COUNCIL PRESIDENT VERNA: Absolutely, but in past years, many, many, many cases.

MR. LAWRENCE: And there are roughly 12,000 cases in the Common Pleas Court inventory. There's roughly 25,000 cases in the Municipal Court inventory. And as long as you are turning them over with acceptable time standards, you don't consider that a backlog. Now, we would like to turn over the inventory a little more quickly than we have been doing, and that's one of the reasons we've instituted Discovery Court. We've instituted the Accelerated Review Program. But by and large, at least -- and, again, we have the criminal courts, the civil courts, the family courts. So the numbers are going to swing wildly between them, but basically we are turning over our inventory in a time period that is fairly acceptable. We'd like to do it quicker. Justice delayed is justice denied. Prison costs go up. Everything goes up the longer you keep a case in the system. And we can provide Council with the numbers for every program we have, how many we have this year, how many we had last year and whatnot. We'll be happy to get that to you.

COUNCIL PRESIDENT VERNA: That's great.

PRESIDENT JUDGE DEMBE: Just to give you a small flavor for it, in 2008, we were in Common Pleas criminal trial disposing of about 1,200 cases a month. It worked out to 14 and a half thousand by the end of the year. In 2009, we pushed that up to 1,330 a month and we got rid of 16,000 cases. So that is a result of the various programs that we've been developing and the use of video and the consolidation of probation violations and the like. So we're really pretty proud of that.

COUNCIL PRESIDENT VERNA: I think you're all doing a fabulous job.

Your Honor, while you're here, I just want to thank you and the members of CJAB for initiating the process whereby we're reducing the population of inmates. I think that's wonderful. It's saving the City quite a bit of money, and you're all to be applauded.

PRESIDENT JUDGE DEMBE: Well, thank you.

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COUNCIL PRESIDENT VERNA: That's great.

PRESIDENT JUDGE DEMBE: Thank you.

COUNCIL PRESIDENT VERNA: The Chair once again recognizes Councilman Jones.

COUNCILMAN JONES: It's a wonderful thing when my good friend and colleague Councilman Green is not here with his points of information that turn into questions. I have an opportunity to talk about some things.

Real quick question. We have a lot of town and gown issues related to universities and conflicts with residents within those communities. In one case up at St. Joe's -- and I don't mean for you to answer the specifics of that case, because you couldn't, but generally what happened was the owner of the property, based on issues of overcrowding, putting too many students into that, we took him to court. He just didn't show up, and the judge dismissed the case, which is -- which again confuses me, because it sends the wrong signal to the owner, if I just don't show up, this thing may once again go away. And is that a general policy or maybe just one isolated instance?

PRESIDENT JUDGE DEMBE: If I had to guess, I would guess that what happened is that they weren't able to get service on the guy.

COUNCILMAN JONES: So how do we deal with that? Because if they duck us, then we don't get our day in court literally, and something I'd like to know about. Because including a couple of my colleagues who live in Wynnefield, that issue pops up more and more, and I would imagine any university community, including my colleague Councilman Clarke and Councilwoman Miller have a number of university -- Blackwell as well, a couple of those universities that have similar problems. Is that something that you could at least research for us and get that?

MR. LAWRENCE: Absolutely. That bothers me, what you just brought to our attention. If you could have your staff get us specific cases, we'll be glad to look at the dockets there and see exactly what happened to the case and why it happened.

COUNCILMAN JONES: We appreciate that.

Can you explain to me the role of probation and parole within your department? Because I kind of understand we had a hiring freeze --

MR. LAWRENCE: Yes.

COUNCILMAN JONES: -- with that, and I didn't understand -- I think they kind of play that role of being the intermediary, being the monitor of inmates, felons, others that are accused that kind of keep -- get a thin line between incarceration and those people out on the streets that if left unattended, could wind up hurting themselves and others.

PRESIDENT JUDGE DEMBE: Well, years ago Dr. Lawrence Sherman from the University of Pennsylvania began studying this stuff, and it took quite a while until there were computers big enough to crunch all the data for all the people who for the last 20-odd years or 30 years or whatever gone through the Philadelphia system, and what they discovered is that there are an awful lot of people that you put them out on the streets and you say, Stay below the radar, and by golly, they'll stay below the radar and they'll show up and they're sorry for what they did and that's it.

There's another group, smaller, that kind of needs to be dope-slapped a little bit, needs to be brought in and monitored some, and so you put more resources there.

There is at the top of this pyramid, if you will, a small and frightening bunch of people, often young men between -- I forget what age and what age, who have a pretty significant likelihood that within two years, they'll either be killed or be involved in a shooting, and with those folks, what they're doing -- and they're doing this in other jurisdictions as well. I mean, Philadelphia is one of the pioneers, but it's not the only one. They are on them 24/7. They're showing up on their block at midnight. They're showing up when they're hanging out with the pals that got them into this trouble. They're watching when their buddy gets arrested or that they know this kid has been doing bad stuff with in the past. So they're really concentrating on those young people to see if we can get them turned before we end up just sending them to State prison and throwing them away.

COUNCILMAN JONES: One of the concerns I have is, what currently is their caseload per parole, probation officer? Do you have figures on that?

MR. LAWRENCE: It varies according to the specific nature of the caseload. There are low --

COUNCILMAN JONES: What are the average?

MR. LAWRENCE: -- low-risk caseloads that appear staggering, 600 clients.

COUNCILMAN JONES: Per?

MR. LAWRENCE: Per officer. And these are, at least according to the statistical model, people who don't need much supervision at all. They don't need to come in and see their probation officer every month, and their risk of recidivating is very low.

In the high-risk caseloads where you talk 40 or 50 people, they're the people who need much more attention than the low-risk people. These are the people that the Judge referenced who are likely to be involved in some sort of very negative type of incident without close supervision.

So you can't just say the caseload is 125. It varies.

COUNCILMAN JONES: Let's assume -- and I'd like to assume this -- that you know what you're doing when you do the assessment part.

MR. LAWRENCE: Yes.

COUNCILMAN JONES: But let's assume based on -- let's know based on statistics that obviously something is ajar. What I know is that, again, like the law of averages, that at 600 to one, if they go to two a day, they may get to that person a year later, and circumstances and risks change left unmonitored. And that's my concern. If there has been a study that shows of that 600 to one caseload, how many of them wind up graduating into that high-risk area and is it a cause and effect of not being monitored?

I didn't know that you relapsed and I didn't know that you were without a job and your economic pressures are on you. I didn't know that you got kicked out of the house and, therefore, are on your own and that you moved into a household environment with other felons.

To what degree do we analyze that kind of graduated, progressive problem where people go from low risk to very risky?

MR. LAWRENCE: The model is still young and it's under constant evaluation. Yes, it does need to be validated some more, because people do progress in the manner that you outlined, and what we need to do is to try and find out some predictive value as to who these people are who are going to graduate into these higher-risk categories.

The bottom line, Councilman, is, if we distributed the entire caseload equitably across the board, you can give me a hundred more probation officers and it still wouldn't be enough. So we need a way to find out how we can focus our attention on the people we feel really need that attention.

COUNCILMAN JONES: And I understand the challenge there, because predictably, if we could predict, then we can prevent.

MR. LAWRENCE: Yes.

COUNCILMAN JONES: We have to figure better ways to predict it. But one of the things is, if I'm a -- I don't want to put that on me. But those people that wind up in that situation also know that there's a great degree of turnover by way in that department, and I think higher than average of other departments. Is that --

MR. LAWRENCE: Actually, it's just slightly higher than other departments. It's more noticeable because the department is the largest department we have. So in terms of raw numbers, we do see what would appear to be higher numbers moving on to other opportunities. As a percentage of the workforce, it's not too bad.

COUNCILMAN JONES: Something that I think you need to address, because we are losing them to good places. Like they'll go and become police officers or they wind up in the State system, which pays, I think, a differential of about $5,000 per. So you wind up training them, giving them the Police Academy training; is that right?

MR. LAWRENCE: Well, no. No, it's not Police Academy training. I mean, if they move on to a police officer's position, they still have to go to the Academy.

COUNCILMAN JONES: Yeah, but they get that level of training that is desirable to our competitors up in Bucks County. If they can get --

MR. LAWRENCE: If they move on to other probation departments, federal probation, Bucks County and some other counties, sure, they're already trained.

COUNCILMAN JONES: So we're a good breeder ground for people to steal

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our employees that probably by the time they learn the streets -- and I understand at the State level they pay $5,000 extra differential pay if you have to do Philadelphia County.

PRESIDENT JUDGE DEMBE: Yeah.

COUNCILMAN JONES: And that's an interesting statistic to note.

I'm going to yield again, Madam President, and eventually, Madam President, you'll realize that I should be on CJAB, and I'm going to keep asking these criminal justice questions until you appoint me.

COUNCIL PRESIDENT VERNA: And you try, I know. Well, you'll have to talk to Councilman Green about that.

COUNCILMAN JONES: Thank you, Madam President.

COUNCIL PRESIDENT VERNA: Thank you.

Are there any other questions from members of the Committee?

(No response.)

COUNCIL PRESIDENT VERNA: Thank you very much and, again --

PRESIDENT JUDGE DEMBE: Thank you.

COUNCIL PRESIDENT VERNA: -- I think you're all doing such a fabulous job.

MR. LAWRENCE: Thank you.

PRESIDENT JUDGE DEMBE: Thank you for your support and help. And I have brought with me, President Verna, something to distribute to all of Council. It's the 2009 Judicial Education Report. It's a list of the educational programs that the First Judicial District puts on for its judges and a list of some of the educational things that we do for and with the judges, just to let you all know that we really try to keep our judges the best educated.

COUNCIL PRESIDENT VERNA: That's wonderful. Thank you very much.

MR. McPHERSON: The next

department is the Department of Public Property.

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4.13.10 COMMITTEE OF THE WHOLE (FY '11 BUDGET)

(Second-shift stenographer Josephine Cardillo relieves first-shift stenographer Michele Murphy at 11:25 a.m.)

COUNCIL PRESIDENT VERNA: The next department is the Department of Public Property.

(Witnesses come forward.)

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

COMMISSIONER SCHLOTTERBECK: Council President Verna and members of City Council, I am Joan Schlotterbeck, the Commissioner of the Department of Public Property. It's a pleasure to appear before Council today in support of Public Property's budget request for FY '11.

I would like to briefly outline the role of the Department of Public Property, detail some of our accomplishments during '10, FY '10, and

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discuss our initiatives for FY '11.

The Department of Public Property's FY '11 Budget request totals approximately $194 million in all funds, an increase of approximately 117,000, or less than 1 percent over the FY '10 estimated obligations.

In the General Fund and Class 100, we are requesting approximately $6.9 million, an increase of approximately 151, or 2.2 percent, from FY '10, due to the addition of a Facilities Assessment Team in the Capital Projects Division.

The department is budgeted for 136 positions. In Class 200, we are requesting approximately $136 million, an increase of 2 million, or 1.5 percent, from FY '10.

In addition to the approximately $65 million for City-supported SEPTA, the Class 200 General Fund request includes approximately $15 million for space rentals, 32 million for utility charges, and 51 million for our core departmental operations.

In Class 300, we are requesting approximately $826,000, reflecting no change from FY '10.

In Class 400, we are requesting approximately $98,000, a decrease of $42,000. We're a little bit over 30 percent from FY '10 due to the IT consolidation in the Division of Technology.

We are requesting approximately $21 million in Class 800, a decrease of 4.3 from FY '10.

In the Water Fund, we are requesting approximately 2.5 in Class 200, a decrease of approximately 1.1, or 30.8 percent from our FY '10 estimated obligations.

In the Aviation Fund, we are requesting approximately $27 million, reflecting no change from FY '10 estimated obligations.

The Department of Public

Property's mission is to efficiently maintain the physical infrastructure that supports government operations, including City-owned buildings and leased space. Our current initiatives will produce results in the core service areas of public safety, health, and sustainable communities, and customer service.

As part of the department's efforts to improve the management of our public facilities, we continue to focus on increasing efficiencies in order to better serve the various facilities and user agencies.

The department currently has maintenance responsibilities for over 150 facilities, including Police, Fire, and department facilities. I'm sorry, including Police and Fire Department facilities.

The department plans to enhance efficiency by establishing a Construction Trade Unit to handle smaller-scale maintenance and repair jobs. The unit will thus reduce and potentially eliminate the need to contract with outside vendors for smaller jobs.

The department continues to work with the Division of Technology to implement an enhanced work-order and asset-management system.

Other ongoing initiatives include Police District consolidation, L&I and district improvements, and City Hall tenant renovations.

The department has partnered with the Office of Sustainability on two projects. The first focuses on reducing energy usage and cost in the triplex facilities and City Hall through an investment trade audit for a potential use of an energy savings company, ESCO. The second project will establish and implement a utility-management database to monitor utility and usage and their costs associated.

The Capital Projects Division provides architectural and engineering support for project-management services for Police, Fire, Prisons, Recreation, Fairmount Park, Health, Library, Human Services, Fleet, Office of Supportive Housing, Art Museum, Zoo, Public Property, the departmental operating facilities as well. Collectively, these departments include in excess of 1,000 facilities comprising over 11 million square feet and over 10,000 acres of park and recreation land.

Major projects currently underway include the President's House; Robin Hood Dell renovation; City Hall exterior renovations, final phase (thank you very much); new Fire Engine 38; new police swat bomb tactical facility; Benjamin Parkway improvements, Phase 1; the new Youth Study Center; City Hall life-safety sprinkler installation; and the Criminal Justice chiller central plan upgrades.

The Capital Projects Division is developing a plan to reduce carryforward funding backlogs and improve project timelines by restoring staffing levels, implementing a job contracting program, reorganizing the division for greater efficiencies. A facility assessment team will be established to identify, coordinate, and prioritize all infrastructure capital and maintenance issues.

DPP is continuing to identify new opportunities for lease savings as existing leases expire as well as monitoring the use of City-owned space to ensure efficient allocation.

As part of this plan -- of these planning efforts, we have developed new City space standards as well as purged -- we've been in the process of purging all excess equipment and files.

The department has engaged with -- was engaged with 61 planning projects to date in FY '10, including the design, construction, and project management of those projects.

The renegotiation in FY '10 of several leases and the relocation of several agencies from lease bases into City-owned space has generated an annual savings of $475,000.

The department is also generating efficiencies with our City-as-lessor leases as well as our City surplus property sales. These efforts resulted in over $7 million in General Fund revenue in FY '09, with an additional $5 million in revenue expected in FY '10.

DPP was successful in its bid to acquire two federal-based realignment and closures, better known as BRAC, properties located on Wissahickon and Woodhaven Roads. The planning process for the reuse of these two BRAC sites continues.

The City will take title during calendar year 2011 and will hire a variety of Police Department functions -- and will house, I'm sorry, a variety of

Police Department functions. The design work with commence prior to taking title.

The department is also examining a building located at 4601 Market Street as a future site for Police and Health Department functions. We have engaged a building-assessment study to determine the feasibility of moving forward with the project.

I now close my testimony and would like to take this opportunity to thank you for your continued support of the Department of Public Property. I am available to answer any questions you may have. I'm joined here by all three of my deputies.

The department is committed to supporting the Administration's goal of 25 percent minority-, women-, and disabled-owned businesses participating in City contracts. Therefore, based on the department's available contracting opportunities for FY '11, the anticipated goal -- here I want to draw everyone's attention. We've missed a major contract, and it states here for the record that it was 30.6, but it's really 49.7 percent.

COUNCIL PRESIDENT VERNA: Thank you.

COMMISSIONER SCHLOTTERBECK: You're very welcome.

COUNCIL PRESIDENT VERNA: On page 1 of your testimony, you mention the addition of a Facilities Assessment Team in the Capital Projects Division.

What will the assessment team do, and who will make up the team? And can you tell me if these are new or existing positions?

COMMISSIONER SCHLOTTERBECK: Okay. They are new positions, and I'd like to invite Deputy Commissioner Gary Knappic to address the other parts of your question.

COUNCIL PRESIDENT VERNA: Thank you.

DEPT COMM. KNAPPIC: Madam

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President, Gary Knappic, Deputy Commissioner for the Capital Projects Division.

COUNCIL PRESIDENT VERNA: Good morning.

DEPT COMM. KNAPPIC: The assessment team that we're going to assemble is really going to further what was originally started by the PICA assessment report.

The PICA assessment report really identified corrections and facilities, and they only dealt with 156 facilities; they were more or less a point-and-show type of corrections. They really didn't give us any indication of the life cycle of those facilities nor of the various systems that are housed in those facilities.

The HVAC systems really weren't looked at from an engineering perspective and a life cycle perspective to give us an indicator of what is going to happen in the future.

I really project this team to be kind of a hit squad on -- for the 1100 facilities that are under our care, custody, and control from the capital sense; that would be a constant type of thing. Allow us to better evaluate those facilities. And because of limitations associated with the Capital Budget, to be able to allow us to really prioritize the capital projects that we're going to go forward with.

COUNCIL PRESIDENT VERNA: Thank you.

Commissioner, on page 2 of your testimony, you mention that the Capital Projects Division is developing a plan to reduce carryforward funding backlogs and improve project time (indiscernible) in the Capital Fund by restoring staffing levels, implementing a job order contracting program, reorganizing the division for greater efficiency.

When do you anticipate the completion of the plan?

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COMMISSIONER SCHLOTTERBECK: Oh, at this point in time, we have complete support of budget to fill vacancies that we have, and we're working very closely with HR to make that happen.

So I guess if I had to put a timeframe on completion of all of that, I don't know that we could fairly do it right now, but hiring the folks to get onboard and then start the process, I think sometime in FY '11.

Is that fair Gary?

DEPT COMM. KNAPPIC: Madam President, I think the first step in moving forward is to bring our staffing level back up. We're down from 54, in FY '09, to 38 personnel in the Capital Projects Division. We have to bring that up. And when we're able to do that, we'll be able to hopefully keep our head above water with the projects that are at hand.

The second initiative there would be to reorganize the division, slightly tweak it, to create an administrative division within -- I'm sorry, an administrative team within the division, and also to create a construction team within the division.

The idea behind that is going to be able to -- the construction team will take more ownership of the projects when they go out into the field, and we'll concentrate in the office in getting those projects out into the field.

The job order contracting system, I'm hoping, will be up and running in a year. And what that is, it's a unit -- it's a requirements-based type of practice that's bid -- it's a public works bid on a unit price basis.

And what that will allow us to do, as Council has many times in the past really suggested to us, is that there are a number of projects that require -- the small- to medium-range projects that require little to no engineering. And that will allow us, with a very basic description of scope, to get these projects accomplished in a more timely manner.

COUNCIL PRESIDENT VERNA: Thank you.

On page 1 of your testimony, you mention that your department has maintenance responsibility for over 150 facilities, including police and Fire facilities.

The Controller's Office issued a report detailing the deplorable conditions of our Police facilities. Does your budget have the resources to correct these maintenance issues?

COMMISSIONER SCHLOTTERBECK: No.

COUNCIL PRESIDENT VERNA: How much would you need?

COMMISSIONER SCHLOTTERBECK: Actually, Madam President, I believe you asked me the same question --

COUNCIL PRESIDENT VERNA: You talk about an assessment team.

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COMMISSIONER SCHLOTTERBECK:
Right.

COUNCIL PRESIDENT VERNA: Have you taken an assessment of the Police facilities?

COMMISSIONER SCHLOTTERBECK:
Well, actually, the PICA report did do that for us, and also the City Controller. But frankly, I also knew the condition of the buildings, without being told.

COUNCIL PRESIDENT VERNA: I'm sorry. The buildings without...?

COMMISSIONER SCHLOTTERBECK: I mean the Police and Fire facilities, the conditions of them.

I mean, I -- well, I inherited them in already, you know, rundown conditions, and it's been a challenge to just even establish some kind of a standard of delivery of maintenance service. It's been a challenge.

So last year, you had asked me the same question, and we put together an answer that said that we estimated at that time that we would need approximately 210 trades people to have, like, a three-shift operation to maintain facilities 24/7.

I think I might have to take a look at that again now, at this point, to see if that's still an acceptable level. I haven't done that, but...

COUNCIL PRESIDENT VERNA: Have we made any improvements whatsoever in any of the --

COMMISSIONER SCHLOTTERBECK: Yes.

COUNCIL PRESIDENT VERNA: -- Police facilities?

COMMISSIONER SCHLOTTERBECK: Yes. We worked together with the Capital Project Team, and we had the high-priority items -- not all be but a lot of them started and some of them completed.

We've also worked on -- I don't want to call it "cosmetic," but in some instances, it was more or less cosmetic changes, which would clean up and freshen up and put some new work stations in different locations.

And I actually would like Deputy Commissioner Bob Murray to address those.

COUNCIL PRESIDENT VERNA: Thank you.

COMMISSIONER SCHLOTTERBECK: you're welcome.

DEPT. COMM. MURRAY: Good morning, Madam President. Bob Murray, Deputy Commissioner for Facilities, with Public Property.

We've been tackling a lot of the issues that were brought to our attention as a result of those various reports, whether it's the PICA or even the Controller's report.

It is an ongoing issue, but we have identified some projects that we can tackle on a priority basis. Working closely with the Capital Projects Office, we have a roof-repair project underway.

We also have a mechanical, electrical, and plumbing project underway that's identified some of the poorer-condition locations that we have to maintain.

So, like I said, we are doing an ongoing overhaul. And, hopefully, we'll get there someday.

But as the Commissioner pointed out, we have our facilities that are operating 24/7, 24 hours a day, in most cases, when you're looking at a firehouse when you're looking at a police station. Basically, with our current level of staffing, we really have a single shift, basically an eight-hour-day shift.

Ideally, we would like to expand that to a second or third shift. If we had appropriate staffing levels, we could get into buildings when there is a problem rather than just acting on an emergency basis, like an after-hours call, for instance, or on a weekend if a call comes in.

So those were some of the

things, yes, we were thinking about ideally with -- ideally if we had the appropriate staffing levels.

COUNCIL PRESIDENT VERNA: Commissioner, what does the deferred maintenance cost in the Capital Budget?

COMMISSIONER SCHLOTTERBECK: I honestly don't know that I can answer that. I mean, we could estimate it, I guess. I don't think any of us have an absolute answer to that.

COUNCIL PRESIDENT VERNA: Well, can you estimate it and send it to my office?

COMMISSIONER SCHLOTTERBECK: Okay.

COUNCIL PRESIDENT VERNA: And I will have that information distributed.

I'm sorry. I don't mean to dominate the time. We do have a number of Councilmembers that would like to be recognized, the first being Councilman Goode.

COUNCILMAN GOODE: Thank you,

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Madam President.

Good morning. Commissioner.

COMMISSIONER SCHLOTTERBECK: Good morning.

COUNCILMAN GOODE: First, let me congratulate you on your track record in regard to business diversity, not only in what you've accomplished but in the aggressive goal-setting that you have done for next year as well.

And in that regard, I just have one question. I'm usually reluctant to talk about specific contractual relationships, but this one does not actually involve public money, per se, so I'll just ask the question.

Under the previous administration, there was a relationship with a commercial real-estate services company that was wholly-owned and operated by minority professionals, and it's my understanding that that relationship was commission-based, so it was not actually a paid contractual relationship.

Is there some reason why that relationship was severed?

COMMISSIONER SCHLOTTERBECK: No. The contract was actually, I believe, 12 months, and we extended it for another 6 at the time.

We haven't used that type of a relationship since. Every time I reevaluate the best way to deal with real estate, I come up with a new way, and it's mostly so that I can keep as much of the revenue in the General Fund as possible.

COUNCILMAN GOODE: And so you can do it internally; the relationship is not necessary?

COMMISSIONER SCHLOTTERBECK: Right, if we could, but we haven't gone back in that type of a relationship. It was key advisers, yes. We -- and it was a good relationship.

And it was about 18 months, right, John? (Addressing Mr. Herzins.)

And --

MR. HERZINS: Yes.

COUNCILMAN GOODE: And so, if you were in need of those services, that would be an organization you would definitely use?

COMMISSIONER SCHLOTTERBECK: Well, they would be -- absolutely. I'm sure they would respond to the RFP, or whatever we would put out, absolutely.

COUNCILMAN GOODE: Okay, thank you.

Thank you, Madam President.

COUNCIL PRESIDENT VERNA: The Chair now recognizes Councilman Jones.

COUNCILMAN JONES: Thank you, Madam President, again. I love this. This is -- we're getting around.

I echo Councilman Goode's praise of your department by way of what you've been able to accomplish with major reductions during a budget crisis.

COMMISSIONER SCHLOTTERBECK: Thank you.

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COUNCILMAN JONES: But I also want to know if -- and I raise this question with Recreation and Fairmount Park, and I'll raise it with you, and it's really directed at higher-ups in the Administration to kind of give me an answer.

Have we done a quantitative analysis of what it costs to contract out a job, whether it's a rec center, a rehab, or police a department upgrade versus something that could be done with a GC internally controlled that, from time to time, took on these projects?

Have we done an analysis cost comparison as to whether it is cheaper to do it internally or whether it is better to continue on the contracting-out, bidding-out process?

COMMISSIONER SCHLOTTERBECK: No, we haven't, but we're happy to take a look at that.

COUNCILMAN JONES: All right. I love your politeness on that, and that's -- you guys, when you testify, but I really -- I guess I'm saying it to you but I'm actually charging the Administration and the Budget Office to kind of take a look at this because it's a recurring theme that seems to go unaddressed, that there probably is a stimulus package within our own ability to delivery if we can take smaller jobs, where we can demonstrate that we can do them better here, hire folk internally from neighborhoods, and really save it from going to contractors over in Jersey, quite frankly.

And I want us to take a look at it in a combined effort of Public Property and Recreation, because you guys now do their work and they do your work. It's kind of confusing to us, but somebody needs to be looking at that.

Matter of fact, Mr. Agostini, maybe you can come up and address that issue for me.

(Mr. Agostini comes forward.)

COUNCILMAN JONES: I mean, Councilwoman Sanchez came up with an excellent idea -- I try to give credit where credit is due. She talked about the internal use of stages and pavilions in some festival areas that might be a more cost-effective way to have designated areas, and maybe she'll touch on that a little bit. I thought it was a great idea that I will gladly plagiarize if she doesn't take credit for it.

But I guess the question is -- and I'll repeat it for you. And I've related this question to a number of departments. There has not been a quantitative analysis, a cost comparison, of whether or not in certain small jobs -- whether, say, rec center rehab or this or that or police station upgrade -- where we could take a GC approach internally and, even from a contractor's perspective, pick up people on a case-by-case level, even if they're temporary workers, to rehab publicly-owned facilities.

And that in so doing, create our own stimulus package. It would be much more local, much more targeted towards neighborhoods and residents of Philadelphia than our current contracting-out process that seems to stimulate more of Camden County in New Jersey than Philadelphia County, here at home.

MR. AGOSTINI: Well, for the record, Steve Agostini, Budget Director for the City.

I think it's important that we need to break the funding sources 'cause the funding sources matter here.

The Capital Funds cannot be used for rehabilitation or maintenance; they will not meet the test of our existing policy, nor will they meet the tests of the Controller's Office in terms of spending for an appropriate capital asset.

So once you remove those

dollars from that mix, then we're back to the operating side, and I think, given the last 18, 24 months and very difficult financial pressures, it's been difficult for us to provide the appropriate resources.

Were we to have the resources to do, I think that what you have suggested, what your colleague has suggested, would probably make some sense for us to look at and to actually cost out in the manner you've described to see if there are instances where it's more cost-effective to do it.

COUNCILMAN JONES: And, specifically, we do about a million dollars per district for upgrade of recreation centers.

MR. AGOSTINI: But those funds, the (indiscernible)-related funds, are capital funds that are new and must meet the capital test.

COUNCILMAN JONES: So when you say "capital test," that means --

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MR. AGOSTINI: There needs to be a useful life associated with it. It needs to be -- it can't be, for example, replacing certain items that would be considered maintenance -- or even major maintenance in many instances. And we'd be happy to give you that, that determination.

COUNCILMAN JONES: When we erect a fence, when we put up a scoreboard, those are capital dollars that we expend to do that, correct?

MR. AGOSTINI: In those instances, yes.

COUNCILMAN JONES: Yes. We could have simply put those scoreboards up, bought the materials ourselves, and that -- I don't understand the prohibition from us doing that. That is not maintenance, that is not maintenance. It's a capital improvement that meets the test of a life span of five years, which I'm familiar with.

We could have just as easily

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done that internally, and I don't understand what the prohibition would have been to do that.

MR. AGOSTINI: I think if you're saying, could we do it internally with staff, I think we've got some staff constraints. If you're -- if I understand what you're asking, could we have done that, where we looked at hiring people or brought them on, on contracts --

COUNCILMAN JONES: On a contract basis.

MR. AGOSTINI: I think that's something we probably should look at. We've -- you know, my knowledge in this area is not as comprehensive, but I know that there have been instances when we have had -- and I've had this conversation with Councilmember Quiñones-Sanchez.

There have been instances when we've had, you know, some non-performance by some contractors that have turned into big problems for us.

But, yes, I think we should have looking at that, and we probably need to go back and do the cost analysis, as you've suggested, to be sure that we can move these projects more quickly and do them effectively and have the outcome that you've just described.

COUNCILMAN JONES: So --

COUNCIL PRESIDENT VERNA: Councilman, Jones, I'm sorry. Your time is up.

COUNCILMAN JONES: Just a closing a comment. So I have a commitment from you --

MR. AGOSTINI: Yes.

COUNCILMAN JONES: -- that we're going to look at it.

MR. AGOSTINI: Yes.

COUNCILMAN JONES: Thank you, Madam President.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair recognizes Councilman

Kenney.

COUNCILMAN KENNEY: Thank you Madam President.

I have this recurring theme through these budget hearings that I had brought up with the Administration when they first testified. And we talked to RDA and to -- not OHCD yet, but RDA.

And I'm curious as to whether or not you're aware and the Department of Public Property how much excess public property that's not in use do we own? That's not an active rec center, an active police station, an active firehouse, that it's either vacant land or a dilapidated structure that we have in our portfolio outside of RDA and OHCD.

MR. HERZINS: We do.

For the record, John Herzins, Deputy Commissioner for Real Estate.

Councilman, we have approximately 6900 properties that would fall into that category.

COUNCILMAN KENNEY: And what

are we doing with them?

MR. HERZINS: Well, we are currently working with DOT. First of all, hopefully this week, they will be --

COUNCIL PRESIDENT VERNA: I'm sorry. Madam President, I don't think his microphone is on. I'm sorry.

(Microphone is adjusted.)

COUNCIL PRESIDENT VERNA: That's better. Thank you.

MR. HERZINS: We have been working with the Division of Technology to first put these inventory -- what we call surplus inventory on the public website. So that will be a help for the public as well as other agencies to see what is in our inventory.

And there will be some search capacities on that. You will be able to search by Council District and zip code.

COUNCILMAN KENNEY: I raised this issue with the Administration, when they testified, and I'll raise it again with you guys.

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Is there some reason, over a short period of time, we cannot be putting this property on the table at no cost for development in the event that the plan of development that the developer comes forward with meets the community's agreement and the District Councilperson's agreement? We would not tax-abate that particular project because we're giving them land.

We need to start -- we need to jump-start this economy. And one of the few things we have -- we don't have a good tax structure, we don't have, you know, a good utility-rate structure; we have all kinds of problems.

But we have land. And giving it away to an appropriate development project will get people working on a jobsite, will get tax ratables in line immediately 'cause we won't tax-abate.

That would be the deal: You come to the table with a plan of development, we give you the land; it's not tax-abated. You start pay real-estate taxes immediately.

Why don't we use our assets to get our economy moving again and get people back to work?

MR. HERZINS: I'd like to comment on that, Councilman Kenney.

The majority of the property in our inventory are infill lots and infill vacant homes. The larger parcels are mostly in the Redevelopment Authority's inventory.

COUNCILMAN KENNEY: How did they get them; were they yours?

MR. HERZINS: I couldn't say.

COUNCILMAN KENNEY: I mean, there is a delineation on ownership between Public Property and RDA, correct? They're two separate --

MR. HERZINS: They're two separate --

COUNCILMAN KENNEY: -- owners --

MR. HERZINS: Yes.

COUNCILMAN KENNEY: -- so to speak.

Even with the infill lots, if I gave you the property and said to a developer, some guys from Onion Flats up in Northern Liberties or some of the more sustainable, new type of developers, and said, Here, here's a bunch of empty lots, they're yours. Build houses on them, market them, and you have to start paying taxes on 'em right away.

Why would we let them sit fallow? I guess we're as much to blame as anybody 'cause I've been here 19 years, and haven't done anything with 'em since, since then.

So, I mean, why don't we start fresh and take a new approach and try to give this property away to legitimate developers who can get the job done?

MR. HERZINS: Well, we are trying something fresh right now. We have a pilot program. We are going to try to market -- we are marketing a number of lots. And the initial response in the last two weeks has been great.

So we're hoping to at least generate revenue for the General Fund and sell these lots, get them developed, get them on the ratables, and reduce our liability.

COUNCILMAN KENNEY: What is the issue vis-a-vis selling it as opposed -- I mean, why do we need to sell it? I've had the same conversation with Terry Gillen relative to the property RDA owns.

We are not in a seller's market right now, and we don't have anything -- there's no nails and hammers being banged in this city at all. And, again, I'll say it again: The only asset we have to bring to the table to do a deal is property.

And I'm not saying we should do it for a hundred years or ten years; how about for the next two, till the economy gets back to rolling again?

MR. HERZINS: Councilman, on

eight of those lots, we are going to settlement this month for over $800,000, so there is value to a lot of these lots.

COUNCILMAN KENNEY: To some of these lots. There are some of them in areas that have no value, correct?

MR. HERZINS: I agree.

COUNCILMAN KENNEY: Okay. I would really like to see -- if you can send me a -- is it all on the website now?

MR. HERZINS: It should be this week.

COUNCILMAN KENNEY: All right. Could you send me a link through the e-mail, if you can?

One other question relative to in-house capital projects, and I've had this conversation with the Rec Department, and I've been beating them up a little bit on the length of time it takes to build a rec center.

And I've learned, through my conversations with them, that their staffing is down; obviously, they have less people doing more work. And they also told me something I didn't realize until now: That there's 135 or 138 steps that a development -- that a city capital project needs to go through before it gets approval, and that's why we wind up at some point in time spending seven year building a rec center from conception to finish?

Can you explain to me, if you know, whether I'm accurate on these steps, approval steps? Certain approvals that are required --

DEPT COMM. KNAPPIC: Councilman Kenney, you're correct. This is Gary Knappic.

COUNCILMAN KENNEY: How many steps?

DEPT COMM. KNAPPIC: I have the exact number if you can give me a few seconds.

COUNCILMAN KENNEY: Well, say it's 135. For argument's sake, let's say it's 135.

DEPT COMM. KNAPPIC: Yeah, it's between 138, depending on what takes place, and 178.

COUNCILMAN KENNEY: I'm going to ask you the same thing I asked the Recreation Department and the Capital Office: Tell me what steps you want to get rid so we can get rid of them.

I mean, it kind of makes no sense whatsoever to have District Council people every year talking about capital projects in their district that don't get done. I talked to Councilman DiCicco; he said it's about seven years it took to build Columbus Rec Center, from inception to turning the key. That's insane.

And if there's something internally, regulatory, that we are doing to hamper your progress, tell us what it is, and we'll get rid of it. If it's bypassing a couple different agencies that sit on these projects and take time to approve them, tell us what they are, and we'll get rid of it.

DEPT COMM. KNAPPIC: Certainly we're working on that and we'd certainly welcome that discussion for sure.

COUNCILMAN KENNEY: Could we do it -- like expedite it.

DEPT COMM. KNAPPIC: Sure.

COUNCILMAN KENNEY: I really would like to do it expedited. I've asked the Recreation Department for the same thing.

There's no reason why we should take this long to do this stuff. And if the regs are what's hampering you, we can change the regs.

Okay, thank you, Madam President.

DEPT COMM. KNAPPIC: Thank you.

COMMISSIONER SCHLOTTERBECK: We are working on that.

COUNCIL PRESIDENT VERNA: Do you mind repeating how many surplus properties we have?

MR. HERZINS: Slightly under

7,000.

COUNCIL PRESIDENT VERNA: Okay. The Chair recognizes Councilwoman Sanchez.

COUNCILWOMAN SANCHEZ: Thank you, Madam President.

I'll continue the line of questioning that Councilman Kenney had on some of the issues because I think this is an important piece of the discussion about how the Administration is going to articulate a disposition process that is long-term versus short-term.

And right now, the goal of the agencies, both RDA and Public Property, is to make short-term money, so they have a goal that they're meeting; is that not right?

What is the Public Property goal for money raised to the General Fund this year?

COMMISSIONER SCHLOTTERBECK: The...

MR. HERZINS: We expect to

raise $5 million.

COUNCILWOMAN SANCHEZ: So that's an important piece of this, because if we want the Administration to work with District Council folks around disposition, around project base, then it is only fair that then their commissioners not be -- having to be upheld to a goal that we might agree at this particular time, given the market, is unattainable.

What is the goal? What was last year's goal?

MR. HERZINS: We sold $7 million.

COUNCILWOMAN SANCHEZ: And what was the goal?

MR. HERZINS: About 7 million.

COUNCILWOMAN SANCHEZ: Was it 7? I thought it was 9.

MR. HERZINS: 9?

COUNCILWOMAN SANCHEZ: It was 9.

Okay. What is the Department

of Public Property's understanding of the philosophy for property disposition, as charged by the Administration?

COMMISSIONER SCHLOTTERBECK: We're actually working with the committee to develop that.

COUNCILWOMAN SANCHEZ: So I think that the conversation is very timely, because I do think that -- again, I think the department needs to have the charge and the support of the Administration around disposition so that when we do have projects at the district level, that they can dispose of them, without the added pressure of needing to make some money, although in those properties where there is some value, obviously, we want to capitalize that, although I will caution, in the discussions with the vacant property and what we end up doing with vacant property, sometimes short-term gains will not lead to long-term neighborhood stabilization.

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So I'm a little concerned about that. The commissioner have talked, conversations I've had with RDA and others.

I wanted to talk in that regard a little bit to how Public Property does its disposition process. What is your current process now?

COMMISSIONER SCHLOTTERBECK: For ...?

COUNCILWOMAN SANCHEZ: For properties.

COMMISSIONER SCHLOTTERBECK: Well, basically, we're now proud to say we finally have a list that's going to be made public.

COUNCILWOMAN SANCHEZ: Mm-hmm.

COMMISSIONER SCHLOTTERBECK: So that's a big step forward for us.

COUNCILWOMAN SANCHEZ: Mm-hmm.

COMMISSIONER SCHLOTTERBECK: And we're going to work in conjunction with the Mayor's Office and their policy, whatever that will be citywide. I'm part of a committee that's working on this.

COUNCILWOMAN SANCHEZ: Right. But as it relates to the properties, once you go live on the web, what is going to be the process if someone's interested in purchasing a property?

MR. HERZINS: Councilwoman, right now, we're prohibited by the Charter from selling directly other than a bidding or auction process.

So when the inventory is made live, if someone is interested in a property, we have two options rights now: Either to transfer the property to PAID and have them sell it for us; or we can do a bidding-auction scenario, which we have just started a pilot program for online.

COUNCILWOMAN SANCHEZ: And how is that bidding process going to work?

MR. HERZINS: There's a time period for the bids.

COUNCILWOMAN SANCHEZ: Is that going to be individual parcels, or are we going to be bundling?

MR. HERZINS: Well, I think we're going to look to other agencies for development issues on bundling.

But as far as single infill lots, single vacant rowhomes, where there's more than one person interested or it could bring value, some money to the General Fund, we would definitely do the bidding on that.

COUNCILWOMAN SANCHEZ: The value of the bidding or the start process, how is at a going to be determined?

MR. HERZINS: We're not going to get appraisals on it; it would go to the highest bidder.

COUNCILWOMAN SANCHEZ: So it's going to go to the highest bidder?

MR. HERZINS: That's what we have to do according to the Charter.

COUNCILWOMAN SANCHEZ: Are we not a little bit concerned about potential speculation as it relates to that?

MR. HERZINS: Well, there's always that problem. But with this pilot program, we are going to track the 50 properties we eventually do with this.

I mean, the pros are, you have money for General Fund, you have ratables, and you have reduction of liability.

Sure, there may be someone maybe buying it to sell it later, but if they're going to pay a high value for the property, I would hopefully that the speculation would be lowered.

COUNCILWOMAN SANCHEZ: Is the sale going to be contingent? Are we going to do like redevelopment agreements that RDA has? If they don't do it in a few years, we can pull 'em back?

MR. HERZINS: Not on this pilot program.

COUNCILWOMAN SANCHEZ: Not on this pilot project?

MR. HERZINS: We are trying to

see how it works, trying to use the business model.

COUNCILWOMAN SANCHEZ: Mm-hmm.

COMMISSIONER SCHLOTTERBECK: If I had a lot and I wanted to sell it, I would get the price for it; I wouldn't have to worry. If it's not developed in two years, I'm going to take my lot back. We want to see if that would work.

But we have to follow it through the years to see if they were developed.

COUNCILWOMAN SANCHEZ: Okay. I'm a little bit concerned because I do have parts of my district where there is a lot of vacant land that may have high value, but it's where I need to ensure affordability.

MR. HERZINS: Mm-hmm.

(Timer bell rings.)

COUNCILWOMAN SANCHEZ: So you may get a short-term gain, I may get a long-term problem with displacement.

How are you going to articulate

that back with District Council folks and the Administration?

MR. HERZINS: Are you talking about larger parcels?

COUNCILWOMAN SANCHEZ: Even the infill ones, because in some cases, Public Property may have five parcels, RDA may have two, PHA may have two, and I have two that are delinquent; there's a whole project there in terms of infill projects.

So how are we making those decisions?

MR. HERZINS: We have been working with the Council District representatives on which ones they would want us to do with this marketing program.

COUNCILWOMAN SANCHEZ: Okay. So you're going to give us what you believe -- you're going to give us an opportunity to go over and say, These make sense, these don't make sense?

MR. HERZINS: Correct.

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COUNCILWOMAN SANCHEZ: Okay. Are any of those parcels going to be community garden agreements or someone that thinks they have ownership into it?

MR. HERZINS: That have current urban garden agreements?

COUNCILWOMAN SANCHEZ: Mm-hmm.

MR. HERZINS: I don't believe so. We would look to the Council District for that advice.

COUNCILWOMAN SANCHEZ: Okay.

COUNCIL PRESIDENT VERNA: Councilwoman, your time is up.

COUNCILWOMAN SANCHEZ: Thank you, Madam President.

COUNCIL PRESIDENT VERNA: You're welcome.

The Chair recognizes Councilwoman Miller.

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

I have several questions too regarding your surplus property sale. When you raised the 7 million, was it just on properties, or was it other -- do you sell equipment?

MR. HERZINS: No. That was all surplus property.

COUNCILWOMAN MILLER: Okay. And how long do you envision any of this taking from the listing of the properties to the auction or the transfer? You said you could transfer some of the properties to PAID and then have PAID...

MR. HERZINS: Up until now, that is how we have sold property.

COUNCILWOMAN MILLER: Right.

MR. HERZINS: Any interested party, we've worked with the Council representative, we've transferred the property to PAID, and did the sale. But this is the first time we're trying it a different way.

COUNCILWOMAN MILLER: Okay.

MR. HERZINS: So I couldn't give you a length of time of how long this will take to complete the transaction, but it probably should be shorter.

COUNCILWOMAN MILLER: It should be shorter, okay. Shorter than what, a year, two years?

MR. HERZINS: Yes.

COUNCILWOMAN MILLER: Okay. What about some of these lots that have been vacant for, like, 20 or 30 years and it appears that no one wants them? What are you going to end up doing with those?

I guess what worries me is that you're going to do appraisal and then put in fair market value on a particular lot that no one has had an interest in for 30 years.

COMMISSIONER SCHLOTTERBECK: No, that's more of something that the Administration is working on as a long-term policy. That's a totally different issue.

COUNCILWOMAN MILLER: Okay. So the goal is to sell the lots to raise revenue.

COMMISSIONER SCHLOTTERBECK:

It's a pilot we have right now, yes, for a limited number.

COUNCILWOMAN MILLER: All right, because I just wonder what's going to happen if the lots don't sell. Neighborhoods will still remain the same, we'll have blighted lots throughout the neighborhood.

Someone called me Saturday about a lot that he's been cleaning for, like, 25 years and was going to clean it again Saturday during the big cleanup, and it just remains a lot. And he put sweat equity into it, he has cleaned the lot, he has put a fence there.

So do people, or will people, get credit for any of their sweat equity if they want to purchase a particular lot that they've been cleaning?

COMMISSIONER SCHLOTTERBECK: Again, those are things that we're dealing with right now as a committee for a policy because we have come across that already.

COUNCILWOMAN MILLER: I know.

COMMISSIONER SCHLOTTERBECK: So it's not an unknown to us, yes. We are working on it.

COUNCILWOMAN MILLER: Okay. I'd be interested too in seeing what the results are of your meetings, your plans, what policies you're developing around disposing of this surplus property.

And I'm sure other people are, so if you could just forward information to Council President Verna, 'cause we would like to keep up with that.

COMMISSIONER SCHLOTTERBECK: Okay. At this point, we're simply doing meetings. I mean, the policy would have to be vetted through Council, I would assume.

COUNCILWOMAN MILLER: Well, the further along you get, just let us know every now and then.

COMMISSIONER SCHLOTTERBECK: Okay.

COUNCILWOMAN MILLER: Okay?

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COMMISSIONER SCHLOTTERBECK:
Not a problem.

COUNCILWOMAN MILLER: I also have a question about the facilities and particularly the firehouse at Germantown and Carpenter Lane.

A couple of budgets ago, I raised the issue of that firehouse needing repairs; and, now, it's in need of desperate repairs to the flooring.

COMMISSIONER SCHLOTTERBECK:
Right.

COUNCILWOMAN MILLER: Are you familiar, or is anyone familiar, with those needs there?

COMMISSIONER SCHLOTTERBECK:
Yes.

COUNCILWOMAN MILLER: At some point, there needs to be an answer as to when --

DEPT COMM. KNAPPIC:
Councilwoman, yes, I believe you brought that up at the capital.

COUNCILWOMAN MILLER: I did,

right.

DEPT COMM. KNAPPIC: Since that time, Finance has -- we've taken some CR funding. And we're in the process right now of obtaining bids to replace the apron out front. Actually we have a contractor onboard. I believe they're going to start, within the next week, doing the apron out front.

I had looked at that fire station a while ago, and the floor itself is structurally sound; it's the topping on the floor that is bad.

COUNCILWOMAN MILLER: Right.

DEPT COMM. KNAPPIC: So the contractor we're bringing in right now is going to redo the aprons out front. He's also going to demolish the floor, and we're going to have another contractor come in and do another floor topping there.

COUNCILWOMAN MILLER: So that should be good, so that that should probably be completed?

DEPT COMM. KNAPPIC: Within the next two months because you have to cure that floor too before anyone can come back in.

COUNCILWOMAN MILLER: Well, that's really good; I'm really happy to hear that.

And I had one other question. I know someone -- I think when I came into the chamber, someone was asking the question around the construction trades unit that you're planning.

Will that unit be similar to what Recreation has?

COMMISSIONER SCHLOTTERBECK: Yes. I mean, I'm assuming Recreation uses -- this is not -- these are City employees that are existing?

COUNCILWOMAN MILLER: These are City employees.

COMMISSIONER SCHLOTTERBECK: Yes. The idea is to take jobs that otherwise, in the past, unfortunately have sometimes been incorporated into a larger job.

(Timer bell rings.)

COMMISSIONER SCHLOTTERBECK: And, you know, borrowed money was used to complete them. We're going to try to take those little, small pieces of operations that we can do with the existing staff away from the capital project.

COUNCILWOMAN MILLER: All right. Thank you.

Thank you, Madam President.

COUNCIL PRESIDENT VERNA:

Before I recognize Councilman Green, we were talking about bidding the surplus properties when they have come to City Council for approval --

MR. HERZINS: Yes.

COMMISSIONER SCHLOTTERBECK: Yes.

COUNCIL PRESIDENT VERNA: -- would it expedite things if, legally, we were able to put into the ordinance or resolution the minimum bidding amount?

MR. HERZINS: You mean to set a price, a minimum price for each?

COUNCIL PRESIDENT VERNA: Mm-hmm.

COMMISSIONER SCHLOTTERBECK: That's worth looking at.

MR. HERZINS: We can look at that, yes.

COUNCIL PRESIDENT VERNA: Would you?

As I said, it seems like we wait forever and ever for anything to be -- from the time we start it to completion, and I just thought that if we could possibly do that, it's worth looking into.

The Chair recognizes Councilman Green.

COUNCILMAN GREEN: Thank you, Madam Chair.

I heard that Councilman Jones desired my presence, so I decided to come over and join you.

(Laughter.)

COUNCIL PRESIDENT VERNA: Yes, he did.

COUNCILMAN GREEN: I would just like to go last, so whenever everybody else is finished, I'll ask my questions.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair recognizes Councilman Clarke.

COUNCILMAN CLARKE: Thank you, Council President.

Good afternoon. A couple of quick questions and, actually, to some degree, in preparation of a future hearing.

How many facilities in total does the City of Philadelphia have in the its inventory, starting from City Hall down?

COMMISSIONER SCHLOTTERBECK: I don't know. Can we get back to you on that? I don't know if I have that off the top of my head.

Do you John? You do?

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COUNCILMAN CLARKE: In the thousands, would you say?

COMMISSIONER SCHLOTTERBECK: No, more than a thousand.

COUNCILMAN CLARKE: In addition to which, I need to know the method of providing energy to all of those buildings. Are all of them -- do they all use electricity or --

COMMISSIONER SCHLOTTERBECK: So you're asking of those buildings that are occupied, what type of utility?

COUNCILMAN CLARKE: Buildings that are occupied.

COMMISSIONER SCHLOTTERBECK: Okay.

COUNCILMAN CLARKE: Or if they're unoccupied, the possibility that they may be occupied at some point in time.

COMMISSIONER SCHLOTTERBECK: Okay.

COUNCILMAN CLARKE: I'm simply trying to determine the energy use of all of those buildings. Do they all use energy, energy provided through PECO? Or if there is any other buildings that have energy use that are alternative sources of energy.

COMMISSIONER SCHLOTTERBECK: Okay. Right. At this point, when we use Trigen and PECO, PGW, and --

COUNCILMAN CLARKE: So multiple uses?

COMMISSIONER SCHLOTTERBECK: Right.

COUNCILMAN CLARKE: Okay. So if you can just get a list of, first of all, the total number of buildings and the energy use associated with those building.

COMMISSIONER SCHLOTTERBECK: Okay.

COUNCILMAN CLARKE: And the providers of the energy and the distributor of that energy.

COMMISSIONER SCHLOTTERBECK: Okay.

COUNCILMAN CLARKE: Do we know, say, for instance, right now, PECO is the distributor for pretty much all of the City, both residential, commercial, institutional.

COMMISSIONER SCHLOTTERBECK: Right.

COUNCILMAN CLARKE: Do we have in terms of the City of Philadelphia have a sense of who was the actual supplier of that energy to the distributor and subsequently the distributor --

COMMISSIONER SCHLOTTERBECK: I don't know the answer, but I certainly could call Ed McBride. I mean, I don't know. I don't know that they have that level of detail, but I can ask.

COUNCILMAN CLARKE: Well, they will. The question is, do we? If we don't, that's fine.

COMMISSIONER SCHLOTTERBECK: I don't think we do.

COUNCILMAN CLARKE: Okay. Well, the most important aspect, I really need to get the entire inventory of all of the City-owned buildings, particularly those that are currently in use but those that are not in use.

COMMISSIONER SCHLOTTERBECK: Okay.

COUNCILMAN CLARKE: Energy source, type of energy, provider of the energy, distributor of the energy.

COMMISSIONER SCHLOTTERBECK: Okay.

COUNCILMAN CLARKE: Is that something you can get to me relatively quickly?

COMMISSIONER SCHLOTTERBECK: I think so. I don't think that's an impossible request.

COUNCILMAN CLARKE: Okay. And what I also need in preparation for another hearing is properties that have on-street parking along the perimeter of those publicly-owned facilities.

COMMISSIONER SCHLOTTERBECK: Oh. So now...

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COUNCILMAN CLARKE: I think you know where I'm going.

COMMISSIONER SCHLOTTERBECK: That's a little bit more challenging but it's not impossible.

COUNCILMAN CLARKE: I mean, as best you can. I mean, you know --

COMMISSIONER SCHLOTTERBECK: Okay.

COUNCILMAN CLARKE: -- if there's a rec center.

COMMISSIONER SCHLOTTERBECK: Right.

COUNCILMAN CLARKE: You know. I know we own some buildings where -- that may be in Center City, where there's clearly maybe not on-street parking, or it might be metered parking, but buildings that have the street frontage, I guess, basically.

COMMISSIONER SCHLOTTERBECK: So you're just talking about street parking; you're not talking about parking lots.

COUNCILMAN CLARKE: No.

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On-street parking.

COMMISSIONER SCHLOTTERBECK: On-street, okay.

COUNCILMAN CLARKE: That have street frontage around the perimeter of the building.

MR. HERZINS: Councilman, there are around 700 facilities.

COUNCILMAN CLARKE: I'm sorry, sir.

MR. HERZINS: There are around 700 facilities.

COUNCILMAN CLARKE: Total?

MR. HERZINS: Yes.

COUNCILMAN CLARKE: That's of all types.

COMMISSIONER SCHLOTTERBECK: They're occupied, though.

COUNCILMAN CLARKE: That's fine.

COMMISSIONER SCHLOTTERBECK: Okay. Is that what -- you're only looking for occupied --

COUNCILMAN CLARKE: No, I'm not

on the -- my preference is that they're actually occupied. Okay.

So if you can get that as soon as possible through the Chair to us.

COMMISSIONER SCHLOTTERBECK: Sure.

COUNCILMAN CLARKE: Thank you, Madam Chair.

(Councilwoman Tasco assumes chairmanship of committee at this time.)

COUNCILWOMAN TASCO: The Chair recognizes Councilwoman Sanchez.

COUNCILWOMAN SANCHEZ: Thank you.

I wanted to talk a little bit our leases in the City. Do we have a protocol about what we're willing to pay per square footage in our leases for our departments, or is this done based on the market and where we're moving?

COMMISSIONER SCHLOTTERBECK: Yeah, we negotiate it directly.

COUNCILWOMAN SANCHEZ: You negotiate?

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COMMISSIONER SCHLOTTERBECK: Yes.

COUNCILWOMAN SANCHEZ: And the reason I ask that is because I know that there were some discussions -- or there have been some discussions around our Curtis Center lease, which -- for one floor. How much square footage is that, in there?

MR. HERZINS: I'll find out.

COUNCILWOMAN SANCHEZ: And that's our BRT offices and the Human Relations Commission?

COMMISSIONER SCHLOTTERBECK: And human relations, yes.

MR. HERZINS: It's 78,695.

COUNCILWOMAN SANCHEZ: And then our Spring Garden, 990 Spring Garden, how many square feet is that?

MR. HERZINS: 86,646.

COUNCILWOMAN SANCHEZ: And the reason I point those out is 'cause the leases are almost the same amount for -- oh, it's 86,000. I thought you said 186

--

MR. HERZINS: 86.

COUNCILWOMAN SANCHEZ: Oh, okay. So they are comparable, okay. I wanted to make sure that was the case as it relates to that.

In terms of our programming, DHS, in their budget, talked about potentially moving some of their offices to the community. Is there any thought process about moving some of Center City offices into neighborhoods, potentially into some of our buildings?

COMMISSIONER SCHLOTTERBECK: Yes. The desire is, as leases come to term, we want to fill the City-owned building first, to eliminate rented space.

And also, DHS is definitely interested, and the Mayor is interested, in having some more community centers for services out there rather than bringing everyone downtown.

COUNCILWOMAN SANCHEZ: Right.

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So what's the plan for that? I mean, there's discussion? Are we going to see any of that movement in the next year?

MR. HERZINS: Councilwoman, we have to usually wait until the lease term. We have a whole lease schedule of what comes up. I think the next big lease comes up in '12.

COUNCILWOMAN SANCHEZ: Well, that's why I ask, 'cause if we're going to move to potentially some of our vacant buildings, there needs to be some capital improvements.

COMMISSIONER SCHLOTTERBECK: Right.

COUNCILWOMAN SANCHEZ: So I want to make sure that we're not backed against the wall, where we're not making the capital investment over the next year to be able to move into some of the facilities.

COMMISSIONER SCHLOTTERBECK: We have been talking to Ann Marie Ambrose, and we are aware of her desire to have less central and more out in the community.

COUNCILWOMAN SANCHEZ: Well, I also wanted us to look at some of these other places. You know, I know we spent at the ARA Tower -- that's the Health Department and Behavioral Health. We spent $2.5 million, where we -- all of those services are services to people; there's no need for those folks to be downtown.

COMMISSIONER SCHLOTTERBECK: They're pretty much administrative offices.

COUNCILWOMAN SANCHEZ: Mm, they're not.

COMMISSIONER SCHLOTTERBECK: Behavioral Health may not be.

COUNCILWOMAN SANCHEZ: Okay. Yeah, and the Health Department.

COMMISSIONER SCHLOTTERBECK: Yeah.

COUNCILWOMAN SANCHEZ: It's monthly administrative stuff? Okay.

In terms of the properties that we have in our inventory, the 6900 of those properties, how many of those are we paying for either water or electrical services to?

MR. HERZINS: (Looking through notes.)

COUNCILWOMAN SANCHEZ: I think it would be an important part of what Councilman Clarke was talking about, his piece. And I just want the make sure that we add that kind of to that discussion.

Are there any vacant properties that we are currently paying service to?

MR. HERZINS: Vacant? I guess you mean like parks and those kind of properties?

COUNCILWOMAN SANCHEZ: Any of those vacant buildings or any parcels.

MR. HERZINS: We vetted that list with the Water Department --

COUNCILWOMAN SANCHEZ: Okay.

MR. HERZINS: -- and took out

all of the properties that had an active water (indiscernible).

COUNCILWOMAN SANCHEZ: Mm-hmm. So you did deactivate them?

MR. HERZINS: Yes.

COUNCILWOMAN SANCHEZ: 'Cause I do know there was some discussion in last year's --

MR. HERZINS: Right.

COUNCILWOMAN SANCHEZ: Okay.

COMMISSIONER SCHLOTTERBECK: Yea. We're slowly working on the connection between utilities and -- not slowly. We're working on it. It's a challenge, but we are working on it.

COUNCILWOMAN SANCHEZ: What's the challenge? Are all of those properties metered or not?

MR. HERZINS: Well, that was a challenge too because some of the meters have addresses that are not the address of the building. So it was a challenge to look at the bill and see what actually that meter was for.

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COUNCILWOMAN SANCHEZ: Mm-hmm.

COMMISSIONER SCHLOTTERBECK: Because a meter often is the point of entry. So if they put it in the back of the house, they put the address at the backside as opposed to the front.

COUNCILWOMAN SANCHEZ: Mm-hmm.

COMMISSIONER SCHLOTTERBECK: It happens all the time, even in the City buildings.

COUNCILWOMAN SANCHEZ: Okay. We'll be interested in looking at that.

I wanted to finish off. You talked about staffing both in the Construction Trades Unit and staffing up or restoring staffing levels at the Capital Projects Division.

Can you give us a list of those vacancies and what the job requirements are going to be?

And then my question is: How are we going to ensure that -- what are we going to do different to help us diversify in our recruits for that staffing?

COMMISSIONER SCHLOTTERBECK: Okay. We'll get you the list.

COUNCILWOMAN SANCHEZ: Are those all civil service positions?

COMMISSIONER SCHLOTTERBECK: I would say 90 percent of them. There may be one exempt.

COUNCILWOMAN SANCHEZ: Are there active lists for all of those positions?

COMMISSIONER SCHLOTTERBECK: Not all. And that's why we're working real close right now with Budget and HR to get it done and get it done as quickly as possible.

COUNCILWOMAN SANCHEZ: Okay.

COMMISSIONER SCHLOTTERBECK: I think it's only one exempt.

COUNCILWOMAN SANCHEZ: One exempt position?

COMMISSIONER SCHLOTTERBECK: Yes.

COUNCILWOMAN SANCHEZ: I'm

going encourage you, as I did yesterday to Mike D. We're going to keep getting the same thing if we don't look at our job applications and update that.

And Civil Service comes in here, and they say, Well, this is what the departments ask us. I'm almost scared to ask you what your numbers are in your division in terms of diversity. Do you have those?

COMMISSIONER SCHLOTTERBECK: No, but I can get them. You mean my whole department?

COUNCILWOMAN SANCHEZ: Mm-hmm.

COMMISSIONER SCHLOTTERBECK: Yes, I can get those.

COUNCILWOMAN SANCHEZ: What do they look like?

COMMISSIONER SCHLOTTERBECK: I don't know. I would think we're pretty diverse, considering what we -- I mean, we when go from the trades to the professional, I would think we're pretty diverse, but I don't know.

COUNCILWOMAN SANCHEZ: Okay. Well, I --

COMMISSIONER SCHLOTTERBECK: I can get that for you.

COUNCILWOMAN SANCHEZ: I would appreciate that 'cause I think it's a hard time for us to be justifying adding staff and then adding staff and it not meeting a bigger goal about trying to hire Philadelphians in some of the diverse communities that have been underrepresented in the City. I think we're at 2 percent in terms of Latino representation in the City.

And so, I think we need to work at it. And unless you guys work at it -- and I understand the contracting end. And, quite frankly, sometimes I am dismayed at how razor-focused Wilson Goode has been and how little response he's gotten. And I hate to think that I'm going to sit here for twelve years and in every budget ask the same questions.

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So since I know we're not going to be looking to increase government in those departments where, you know, I agree, I think we can have some long-term savings if we brought in some folks to do some of this work, but they then not meet another goal of diversifying the work force and are so underrepresented in the City.

So I would appreciate it if you would look at those job classifications and the opportunity to diversify.

You know, we have some job descriptions that have not been rewritten in 30 years. And I think government has changed, technology has changed. And so, I think it's important wherever we have an opportunity to do that.

COMMISSIONER SCHLOTTERBECK: Okay.

COUNCILWOMAN SANCHEZ: Thank you.

That's all, Madam Chair.

COUNCILWOMAN TASCO: Now,

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Councilman Green, right now, there's no one after you, and you have eight minutes.

(Laughter.)

COUNCILMAN GREEN: Thank you, Madam Chair. I might take slightly more than eight minutes since I've had no previous rounds of questioning.

COUNCILWOMAN TASCO: That is no excuse.

(Laughter.)

COUNCILMAN GREEN: The Capital Projects Office was dissolved by executive order in 2008, almost two years ago. According to the order, the purpose of disbanding the office was to more effectively achieve the goals of completing capital budget projects on time and on budget, managing more effectively the continuing maintenance needs of City facilities to prevent new capital needs from arising.

How effectively is the City meeting these goals today?

COMMISSIONER SCHLOTTERBECK: We are doing the very best to improve the condition every day, but I can't say that we're stellar, but we're working very hard towards making things better.

COUNCILMAN GREEN: Are you meeting the goals more effectively than before CPO was dismantled?

COMMISSIONER SCHLOTTERBECK: Yes.

COUNCILMAN GREEN: Do you have any sort of statistics that can demonstrate that other than subjective belief?

COMMISSIONER SCHLOTTERBECK: I don't know that I have statistics, but I'm not quite -- what is it, August of '08, when they transferred the division back into the department, and we've been working together with maintenance and the capital for a vision as opposed to just a single-minded approach.

And so, I don't know that I can statistically tell you; I just know from being in the job now for 28 years that there is marked improvements in communications. And I anticipate that we'll continue to improve.

COUNCILMAN GREEN: The FY '10 Budget includes $100,000 Class 200 professional services appropriation to Derousseau Management Services for MP2 Work Order System Administrator. I didn't see a line item in the FY '11 Budget for this.

To what extent is DPP's work-order process automated?

COMMISSIONER SCHLOTTERBECK: It's pretty much almost dead at this point. We are working with the Division of Technology to roll out an implementation of a new work-order system hopefully before -- you know, hopefully before the end of this fiscal year but certainly in Fiscal '11. And the Derousseau contract has been gone for a long time.

COUNCILMAN GREEN: Okay. So

for several years, we've been asking the Administration to sort of go through the PICA report and the properties that it identified to create a work-order entry system that applied to each property to connect that work-order entry system also to the Capital Budget.

COMMISSIONER SCHLOTTERBECK: Right. And asset management and maintenance system, yes.

COUNCILMAN GREEN: Right. And there's been a lot of money spent over the years and a lot of effort put into attempting to do this. Are we starting from scratch again?

COMMISSIONER SCHLOTTERBECK: No. We're going to do a data migration. No, it's not from scratch. There's going to be data migration from existing preventive maintenance. And we have a lot of information already in our MP2; we're going to migrate that over.

So it's not like starting over.

COUNCILMAN GREEN: Our people

still putting data into MP2?

COMMISSIONER SCHLOTTERBECK: No, not really, 'cause it's now --

COUNCILMAN GREEN: So how long have they not been doing that?

DEPT. COMM. MURRAY: Bob Murray, Deputy Mayor of Facilities.

Roughly about a year. We have a rudimentary database that were using now just to get us day-to-day in terms of getting work orders complete and assigned, but it really hasn't been populated because of the problems that we've had with it and the lack of maintenance on that system.

So probably about a year, I would say.

COUNCILMAN GREEN: So we're working off of handwritten notes and spreadsheets at this point?

COMMISSIONER SCHLOTTERBECK: No, it's not quite that bad, but yes. But we have -- I mean, there's like six or seven years' worth of information that didn't exist. So I mean, it's not -- I realize that it's not an ideal situation, but we have a lot of information that will be migrated over so --

COUNCILMAN GREEN: Next year, by budget time, do you think we'll have a work-order system that will identify the needs of every single property under your control?

COMMISSIONER SCHLOTTERBECK: I don't know if I'll have every single property under my control, but we will be -- we have a work-order system.

Here's Allan Frank.

(Witness comes forward.)

MR. FRANK: I'm Allan Frank, the Chief Technology Officer for the City.

Councilman Green, we actually expect, in current progress, by the time we get into the second quarter of the 2011 fiscal year, so the fall. The system should be fully operational.

And as the Commissioner

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indicated, there will be a conversation of data associated with that effort, and there's two elements to it: One, as you mentioned, was work-order management; and the second was actually asset inventory, which relates to the property and equipment.

So to answer to the question, I personally at this point feel, with a high degree of confidence, that we won't be sitting here, you know, a year from now.

COUNCILMAN GREEN: Are we purchasing am off-the-shelf property-management system that's, say, used by public company rates or something else, or are we building it ourselves?

MR. FRANK: It's a package, sir.

COUNCILMAN GREEN: Okay, thank you.

So for each department with respect to newly created or newly filled positions, I've been asking how jobs have gotten done, who's doing the job today, why we need to make this expenditure.

And so, with respect to the Department of Public Property's real estate operations, there's a $46,000-per-year Architectural Projects Coordinator 3 position that's open. What are the job duties of that position?

COMMISSIONER SCHLOTTERBECK: Primarily, space planning, but I'll let John answer that for you.

MR. HERZINS: We currently only have one employee assigned to space planning, and we need a second employee to help us with that.

COUNCILMAN GREEN: How are the job duties getting performed today?

COMMISSIONER SCHLOTTERBECK: They're not.

MR. HERZINS: We're doing it on a priority basis; we're not getting everything done that we need to get done. We have made improvements. This fiscal year to date, we've had 62 space-planning projects; those are projects as requested.

We also are going through the MSB Building at One Parkway slower than we'd like to, but we have made a start on one floor, doing what we call a reorg, using space (indiscernible) and purging excess equipment and files, so --

COUNCILMAN GREEN: We're doing all of that in-house, without contractors? I thought we had contractors looking at MSB.

MR. HERZINS: We had a pro bono firm helping us develop the space standards and made some recommendations, but the actual work is all done in-house.

COUNCILMAN GREEN: That's great. So you'll be able to be proactive as opposed to just being reactive --

(Indiscernible; parties talking over each other.)

MR. HERZINS: And we also want to do space planning in the leased spaces.

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COUNCILMAN GREEN: So in theory, we could consolidate lease spaces and save money as leases come up.

COMMISSIONER SCHLOTTERBECK: Right.

COUNCILMAN GREEN: Is that the purpose of that position?

COMMISSIONER SCHLOTTERBECK: Yes.

MR. HERZINS: Correct.

COUNCILMAN GREEN: Okay. So next year's budget hearings, I'll ask you what we've identified in terms of lease savings as a result of --

COMMISSIONER SCHLOTTERBECK: And we'll be able to.

COUNCILMAN GREEN: -- hiring that person.

MR. HERZINS: We'll be ready.

COUNCILMAN GREEN: In the trades section, there's an unfilled building maintenance mechanic position. How long has this position been vacant?

COMMISSIONER SCHLOTTERBECK:

Building trades are some of my bigger challenges, not -- it's difficult to recruit, it's difficult to maintain people. I mean, that's a great deal of turnover in those areas.

So we tend to request probably every variety of trade to have an existing list. And I'm not -- I'm not sure I know what kept us specifically from the maintenance mechanic. It could have been that the list didn't exist.

It's always difficult. It's timing.

COUNCILMAN GREEN: How long has that position been vacant and the Carpenter One position been vacant?

DEPT. COMM. MURRAY: I believe -- this is Bob Murray again, Deputy for Facilities.

The carpenter's been vacant roughly four to five months. And the building maintenance mechanic, I'm saying, roughly two months.

COUNCILMAN GREEN: Okay. These

were both unfilled in November, I think.

COMMISSIONER SCHLOTTERBECK: Um --

COUNCILMAN GREEN: Maybe one was filled and a new one opened up.

COMMISSIONER SCHLOTTERBECK: We actually have a -- like I said, recently, we had three people leave. It's a pretty dynamic --

COUNCILMAN GREEN: Sure. How about the administrative officer position in Capital Projects, 44,000 per year? It's a new position?

COMMISSIONER SCHLOTTERBECK: Right. What we've done is, we had -- the division, when they transferred over, they had a larger group that ran the administrative support part of it; not the budget, but the administrative part.

And a couple of people went for greener pastures, and they left abruptly. So we were left with really one person doing very a limited amount of paperwork. So I took one of my senior people in another division in Public Property, and I moved him over there. So I'm trying to flip-flop positions to keep a higher-level person and bring in a lower level to support.

COUNCILMAN GREEN: Okay.

COMMISSIONER SCHLOTTERBECK: There's a lot of paperwork that's not getting done.

COUNCILMAN GREEN: Well, let's just eliminate the paper and do that electronically.

COMMISSIONER SCHLOTTERBECK: Well, I didn't mean to take you down that path.

(Laughter.)

COMMISSIONER SCHLOTTERBECK: What I mean is, there's a lot of reporting and a lot of analysis that's not getting done.

COUNCILMAN GREEN: Okay.

COMMISSIONER SCHLOTTERBECK: Be it paper or on computer.

COUNCILMAN GREEN: And same

question for the architectural projects trainee 35,000 a year, Capital Projects Office.

COMMISSIONER SCHLOTTERBECK: Yeah, that's probably the one that's on our assessment team.

COUNCILMAN GREEN: That's a new position in the Capital Program Operations section.

COMMISSIONER SCHLOTTERBECK: Yes.

COUNCILMAN GREEN: It's not the assessment team?

DEPT COMM. KNAPPIC: There were three positions maybe. I'm getting confused; I have to apologize.

COMMISSIONER SCHLOTTERBECK: They are five.

COUNCILMAN GREEN: It's section 22, page 70, in Capital Program Operations, line 5.

COMMISSIONER SCHLOTTERBECK: Are you on the Capital Budget or the Operating Budget?

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COUNCILMAN GREEN: Operating.

COMMISSIONER SCHLOTTERBECK: Where is it? I'm sorry.

COUNCILMAN GREEN: Page 70, line 5.

COMMISSIONER SCHLOTTERBECK: It's a part of the assessment, I believe, isn't it?

DEPT COMM. KNAPPIC: I believe, yes.

COUNCILMAN GREEN: It's not on the assessment team.

DEPT COMM. KNAPPIC: No, it's not. Okay, that position is one of, I believe, two vacancies currently that reside in our --

COUNCILMAN GREEN: It's a newly-created position; it was not in the '09 or '10 budgets.

COMMISSIONER SCHLOTTERBECK: Right. It's filling in an existing vacancy.

COUNCILMAN GREEN: There's no vacancy; it's a newly-created position

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for FY '11.

DEPT COMM. KNAPPIC: I can't respond to that; I'd have to get back to you.

But I do know where it's going; it's going to reside in the recreation team staff, which is currently down from, I believe, 13 positions. I can give you the exact number.

COUNCILMAN GREEN: If you could get back to us about it.

DEPT COMM. KNAPPIC: Sure.

COUNCILMAN GREEN: If you're having that much trouble figuring it out, maybe --

COMMISSIONER SCHLOTTERBECK: I think the important thing you have to remember is, the operating part of the divisions have been emerged. So the Capital Division Operating vacancies have been merged with Public Property.

So a vacancy that -- maybe I had a plumber and I decided to take the position -- I don't know.

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COUNCILMAN GREEN: Okay. If you could just get back to me rather than take everybody's time with that.

The detail shows a five-person section being created in FY '11 entitled, Maintenance Assessment Team," with a Class 100 salary allocation of $300,000. The positions are:

42K a year, architectural projects trainee.

83,000, design and construction project manager.

50,000, facilities maintenance engineer.

And two 62000-per-year staff engineers.

We all agree with the goal of the team to identify, coordinate, and prioritize all infrastructure, capital, and maintenance issues. I guess, what are the projected savings from coordinating and prioritizing this work, including by preventing preferred maintenance from slipping over to the

Capital side?

DEPT COMM. KNAPPIC: I think one of the purposes of creating that team was to more closely work with our own facilities maintenance department to be able to establish those priorities so that we don't take capital money and expend it in any way other than a very highly prioritized element of a building.

I think right now, considering the age of the buildings and the obsolescence of the buildings -- I mean, we're up at the effective life almost of all of the police and fire, for example -- that we start extending -- we obviously won't have the money to replace those facilities.

So we have to look at ways of extending the life cycle in those facilities and to be able to expend those dollars appropriately is really one of the major focuses of that.

COUNCILMAN GREEN: Well, I mean I understand that, you know, especially once we get our new property management system, work-order entry system, et cetera, we'll need people to go around and, you know, do the assessments in the buildings and be able to populate so we know what the delta is, in terms of deferred maintenance, what is in the capital side that we have to accomplish, et cetera, in one place, in one data system.

And are you saying that you're going to use these people for that task or a different task?

DEPT COMM. KNAPPIC: It would be more of an integral function. These people would be evaluating these facilities from the life cycle side of the assessment.

COUNCILMAN GREEN: So they won't be entering work -- I -- they won't be doing work-order entries or figuring out what deferred maintenance exists in these facilities?

DEPT COMM. KNAPPIC: No, they'd

be doing that as well.

COUNCILMAN GREEN: Okay.

DEPT COMM. KNAPPIC: Rather than just -- whereas the PICA report really just established a correction, it was a visual type of thing.

This staff will be looking at it from a systems standpoint. That would mean where it looks at delivery, generation, transport of a HVAC system, where each element of that particular system has a different life cycle.

And as they're looking at that system, they're going to establish the components of that system, the amount of life cycle left on that component. And then that would be entered into the system so that we could plan the maintenance of that particular element at some point in time and also anything that would need it --

COUNCILMAN GREEN: Well, how are we doing that today with respect to an HVAC system that requires annual maintenance of oiling this or whatever that or...

COMMISSIONER SCHLOTTERBECK: That was what I was talking about earlier, where we aren't starting from scratch.

There is -- I guess we started about five or six years ago, where we started to identify the type of systems in the buildings, what is the appropriate amount of maintenance. We have some contracted HVAC people, and we have some in-house; and we know the difference between the two and what the schedules are.

I mean we have that kind of -- that's how we're broken out.

COUNCILMAN GREEN: Okay. So if we have that and we're performing that function now, why do we need to spend $300,000 next year additionally on it?

COMMISSIONER SCHLOTTERBECK: No, that's -- what I'm talking about is basic, bare minimum. Like you know you have a fan in the window, you know the filter has to be changed or it breaks down, and you know you have to call out the contractor.

What we're talking about is establishing details about the systems in the buildings, how they integrate with each other, what condition they're in, what is the investment we should put in in the future.

It's much, much more detailed.

COUNCILMAN GREEN: And is this team going to be capable of actually making those assessments without bringing in a private contractor to evaluate the --

COMMISSIONER SCHLOTTERBECK: The answer is yes.

COUNCILMAN GREEN: The answer is yes?

COMMISSIONER SCHLOTTERBECK: Yes.

COUNCILMAN GREEN: So -- okay.

COMMISSIONER SCHLOTTERBECK:

That's why we're hiring.

DEPT COMM. KNAPPIC: Councilman, that would be the intent, yes. They would be engineers, architects capable of evaluating a system, experienced in that regard.

COUNCILMAN GREEN: And are the civil service job descriptions written for these people yet?

DEPT COMM. KNAPPIC: Yes. We're using existing civil service titles to do it. Actually, depending on the nature of the experience, we have people on staff right now that are handling projects that have sufficient experience to do that type of work.

COUNCILMAN GREEN: So you anticipate being able to spend the entire $300,000 by having the positions fully staffed by July 1st?

DEPT COMM. KNAPPIC: That -- I don't know.

COMMISSIONER SCHLOTTERBECK: Yeah. And I don't think so. I mean, that's a great ambition, but I don't see it happening by July 1. I mean, we're going to do our very --

COUNCILMAN GREEN: When do you think you'd fill 'em by, September 1?

COMMISSIONER SCHLOTTERBECK: Yeah, hopefully by the first quarter.

COUNCILMAN GREEN: By...?

COMMISSIONER SCHLOTTERBECK: By September, by the first quarter, yea.

COUNCILMAN GREEN: By September 1.

COMMISSIONER SCHLOTTERBECK: Well, hopefully.

COUNCILMAN GREEN: Thank you.

Thank you, Madam Chair.

COUNCIL PRESIDENT VERNA: Are there any further questions?

(No response.)

COUNCIL PRESIDENT VERNA: Thank you again very much.

MR. McPHERSON: The next department is the Office of Fleet Management.

4.13.10 COMMITTEE OF THE WHOLE (FY '11 BUDGET)

(Witnesses come forward.)

COUNCIL PRESIDENT VERNA: Good afternoon, welcome.

Kindly identify yourself for the record and proceed with your testimony.

MR. MULLER: Good afternoon, President Verna and distinguished --

COUNCIL PRESIDENT VERNA: The noise level is much too high.

Please proceed.

MR. MULLER: Good afternoon, President Verna and distinguished members of City Council. I am James Muller, Fleet Manager. Thank you for the opportunity to present testimony in support of our FY '11 Operating Budget request.

Our General Fund request is $54.9 million, including 3 million for the purchase of radio patrol cars and 4.5 million for finance payments to purchase approximately 130 pieces of the most expensive and critical public and health and safety vehicles, at a cost of $28 million.

Our FY '11 budget is 6.8 million higher than FY '10 estimated obligations. Budgetary variances from 2010 to 2011 are the result of a variety of factors:

Class 100 decreased by $182,810.

Class 200 increased by $5,011,000.

Class 300 increased by 1.7.

And Class 400 increased by $249,074.

This year's Class 100 had a series of elements leading to a decrease of $182,810. They include the reduction of technology and human resource employees. However, those decreases are substantially offset by increases that are the result of a campaign to retain our most valuable asset -- our technicians.

Recently, we have lost

technicians to quasi-agencies because our salaries are not competitive. Over the two last years, Fleet Management has taken the necessary steps to strengthen our competitive position by upgrading our technicians' salaries.

In FY 2011, OFM continues transforming its facility store profession by restructuring the jobs of 18 storeroom employees.

OFM has invested thousands of dollars in employee training and it is imperative that these employees be retained.

Class 200 costs have increased by approximately 5 million, and this includes 4.5 million for the finance payments that will go towards paying a loan for the purchase of $28 million worth of equipment.

A recent study of the City's fleet by a nationally-recognized professional in this class showed the City had $91 million worth of equipment that had exceeded its useful life cycle.

The Office of Fleet Management is introducing an initiative to purchase the City's most expensive vehicles, with vehicle financing equipment with a per-cost of $150,000 and as high as $750,000 per unit.

Today, the purchase of large equipment in excess of $150,000 impacts OFM's ability to purchase other vehicles. Negative effects are compounded on heavy-duty vehicles such as compactors, fire equipment, street sweepers, dump trucks, equipment costing the City an average of $9,000 in maintenance costs. Financing these vehicles will offset the expenses because the vehicles will be covered by a full warranty.

It should be noted that the vehicles purchased with these funds take almost one year to build and delivery. Consequently, the City will be able to acquire over a hundred new vehicles sometime in the calendar year 2012.

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Under normal conditions, we would not have been able to receive all of these pieces of equipment until 2015 at its earliest.

Class 300 increases are due to fuel cost and repair -- vehicle repair costs. The cost of unleaded and diesel has risen on an average of 75 cents, from $1.70 last July to 2.45 today. This has increased the total amount of our fuel by almost $95,000 a month. Consequently, the fuel budget has been increased by over a million dollars. OFM will continue to monitor fuel prices in the months ahead and make informed decisions regarding future fuel purchases.

And even though there will be a sizeable increase in new vehicles, these vehicles will not arrive until the fourth quarter of 2011. So Fleet will continue to budget for rising costs.

Environmental program. The introductions of the compressed natural gas compactors. Diesel engines are a major contributor to air pollution, and at least 60 percent of our fleet is fueled by diesel engines. As an alternative, OFM is now very interested in compressed natural-gas vehicles because they have cleaner- burning engines.

In the past ten years, technology has improved greatly. (Indiscernible) reputable manufacturers have entered the market and are producing dedicated compressed natural-gas engines.

The use of biodiesel. OFM now operates five active biodiesel sites. Since FY 2008, the City's biodiesel fuel program increments cost is funded by the Pennsylvania Department of Environmental Protection. The City now has 676 vehicles, or nearly 14 percent of our fleet, using biodiesel fuel

Hybrid vehicles. OFM continues to research avenues for the use of hybrid vehicles. Over the past two years, we have instituted 12 new vehicles and bring in the total fleet of hybrids to 104. The purchase of hybrids initially is $4,000 higher than our standard vehicle.

Fleet Management will be entering FY '11 with the understanding that we have an even older fleet, but we have some of the finest City employees, folks that work hard every day to maintain a safe and reliable vehicle.

This is my -- this concludes my testimony, and I'd be happy to answer any questions at this time

COUNCIL PRESIDENT VERNA: Thank you. Thank you.

From the onset, I would like to say I think your department does a fabulous job.

MR. MULLER: Thank you very much.

COUNCIL PRESIDENT VERNA: Thank you so much.

I just have a few questions. You mention on page 2 of your testimony that you want to lease 130 vehicles worth

$28 million. Can you detail these vehicles by type and department?

MR. MULLER: Yes, yes. We're talking like 35 pieces for the Fire Department. As you know, a pumper costs $450,000. A ladder truck is $750,000. So when you go and buy them every year, we can't afford to -- the smaller departments to get their vehicles. So this is a one-shot deal.

Every major city in the United States do it. They finance-purchase vehicles, the same we do with houses, our personal vehicles; we do the same thing. And it's $4.5 million a year for the next five years but we'll have $28 million in less than a year that will be delivered.

COUNCIL PRESIDENT VERNA: Will the leasing program be with a third party, or will bonds be issued? And what is the assumed interest rate if we are leasing?

MR. MULLER: Can I get Steve to, uh...

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COUNCIL PRESIDENT VERNA: Please.

(Mr. Agostini returns witness table.)

MR. AGOSTINI: Good afternoon. Steve Agostini, Budget Director.

I think for planning purposes, we've assumed four-and-a-quarter as the interest rate.

We have not decided on exactly the financing vehicle. We've talked about doing an operating lease. We've talked about doing a lease that would resemble what we did with Motorola for replacement of the 800 megahertz.

We'd like to see sort of what the advantages between those before we make a decision. Obviously, we would come before Council and give you all of the details of that before we would proceed.

COUNCIL PRESIDENT VERNA: Thank you, Steve.

What amounts have been budgeted

in the out-years for the Five-Year Plan for this program? Steve?

(Witness comes forward.)

MR. FOX: Robert Fox, Fleet Management.

The money for the payback of this financing will be parked in Fleet Management's budget in 2011, '12, '13, '14, and '15, and $4.5 million have been allotted for the payback.

COUNCIL PRESIDENT VERNA: Thank you.

How many sedans and SUVs does the City have in its fleet?

MR. FOX: Not counting radio patrol cars, there's 346 sedans and 925 SUVs.

COUNCIL PRESIDENT VERNA: I'm sorry?

MR. FOX: 925 sports utility vehicles.

COUNCIL PRESIDENT VERNA: Will you be kind enough to supply us with a detailed listing by department, by fund and vehicle, of the 5,811 vehicles and/or equipment that you maintain?

MR. FOX: Surely.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair recognizes Councilman Greenlee.

COUNCILMAN GREENLEE: Thank you, Madam President.

Good afternoon.

I just first want to second the Council President's comments on the great job you do. Thank you.

PANEL MEMBERS: Thank you.

COUNCILMAN GREENLEE: Mr. Muller, I don't think this is actually in your testimony. Do you have a figure on how much the City spends annually for the maintenance of vehicles? Is there a figure, or could you get us a figure?

MR. MULLER: Yes. We could provide that to the Chair.

COUNCILMAN GREENLEE: Okay. I

appreciate that.

And along those same lines, with these new vehicles that you're talking about, the cost savings, has that been estimated yet, by having new vehicles, how much you'll save in maintenance costs? And can you get us that if we don't have it?

MR. MULLER: I'm going to let Bob take that one.

COUNCILMAN GREENLEE: Okay.

MR. FOX: The vehicles that we're going to be replacing are our most expensive vehicles to maintain. On average, it's costing us about $9,000 a year in parts and labor.

And once we receive the new vehicles, they will be under full warranty. So except for very minor repairs, we'll save that money.

COUNCILMAN GREENLEE: And it's a hundred new vehicles.

MR. FOX: We hope as many as 135.

COUNCILMAN GREENLEE: 135?

MR. FOX: It depends on how they're bid.

COUNCILMAN GREENLEE: Okay. Thank you.

Thank you, Madam President.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair recognizes Councilman Green.

COUNCILMAN GREEN: Thank you, Madam Chair.

I've been asking each department about unfilled or newly-created positions, and you have several of them, two of them in your department.

District Maintenance Centers Division, section 23, page 15, there's an additional fleet maintenance supervisor position being added to the 8601 Ashburner site. Has that position been filled?

MR. MULLER: I believe that position is still vacant because the person who is in that position is still there. He's in the DROP and he didn't leave yet.

COUNCILMAN GREEN: So this is not a new -- well, that doesn't make -- increment run to increment, it looks like you're filling a vacant position or you're creating a new position.

MR. MULLER: See what happened is, we put in because the person's going to leave. He's in the DROP now. Four years and he has to go, so he'll be leaving, and we need that spot to --

COUNCILMAN GREEN: So it's not an extra position.

MR. MULLER: No.

COUNCILMAN GREEN: It's filling the same position.

MR. MULLER: That's correct.

COUNCILMAN GREEN: So what's the salary of that position?

MR. MULLER: 46 to 59.

COUNCILMAN GREEN: Okay. So you only need one of those positions.

MR. MULLER: So far, yes.

COUNCILMAN GREEN: At Delaware and Wheatsheaf, there's an unfilled heavy-duty vehicle maintenance technician position. How long has that been vacant?

MR. MULLER: I'd have to check. There's probably somebody left in the DROP. We're going to fill positions and we're looking to hire people right now.

MR. FOX: It's a promotion.

COUNCILMAN GREEN: It's a promotion?

MR. FOX: Yes.

COUNCILMAN GREEN: So what position are you eliminating?

MR. FOX: We are not backfilling.

COUNCILMAN GREEN: I'm sorry?

MR. FOX: We are not backfilling that position.

(Witness comes forward.)

COUNCIL PRESIDENT VERNA: You're going to have to identify yourself for the record.

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MS. STONE: Marie Stone.

COUNCIL PRESIDENT VERNA: Marie, you're going to have to come up further for to the microphone, to be heard.

MS. STONE: My name is Marie Stone. I'm executive assistant.

And for the Delaware and Wheatsheah, there's an automotive maintenance tech we would like to promote to a heavy-duty vehicle maintenance tech. And we're not going to backfill the AMT position, the automotive maintenance tech.

COUNCILMAN GREEN: Okay, got it.

MR. MULLER: That's a promotion.

COUNCILMAN GREEN: I understand, yes, and your increment run shows you're going from 3 to 2 in that position.

The FY '10 Budget detail included $48,000 in Class 200, repair and maintenance charges; and 450,000 in Class 400 equipment charges for bookmobiles.

I didn't see expenditures related to bookmobiles reflected in Class 200 or 400 for the -- in the FY '11 proposed spend.

MR. FOX: That money was returned in the Plan B reduction.

COUNCILMAN GREEN: Okay. So you have nothing in your budget to purchase bookmobiles.

MR. FOX: No, sir.

COUNCILMAN GREEN: In your testimony, you highlighted several initiatives that should produce savings for the City. First, you noted that the new vehicle financing program should help -- soon help drive down maintenance costs.

What is your projection about how much costs will go down? And I assume that means a reduction in personnel through attrition? Or is it just parts?

MR. FOX: Right now, our budgeted -- right now, our vehicle fleet, if we were to replace it at its useful life, we would need some $91 million. Instead, we're going to finance $28 million. So we're really not in a position to decrease the position level.

However, there will be significant savings.

We spend on an average of 9 to $10,000 on the vehicles that we're going to replace. Once they're replaced, they'll be under full warranty. So there will be a significant amount of time when that entire maintenance cost will be avoided.

COUNCILMAN GREEN: And where is that reflected in your budget?

MR. FOX: Right now, we're reflecting to have in our Class 300 budget to, in fact, still show an increase in spending, because we will not receive those vehicles in FY '11.

COUNCILMAN GREEN: Okay.

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MR. FOX: And because the other $600 million worth of equipment that we can't replace will get older.

COUNCILMAN GREEN: Okay. But still, on 28 million of the 90 million, we're going to save $9,000 per vehicle. How many vehicles is that?

MR. FOX: We hope 135.

COUNCILMAN GREEN: So it's 135 times 9,000 we should be able to take out of FY '12 maintenance costs budget.

MR. FOX: We would want to be a little more conservative with that, Councilman, because as the vehicles get older --

COUNCILMAN GREEN: Okay, that's fine.

MR. FOX: -- the maintenance costs rise.

COUNCILMAN GREEN: So is it 5,000 times 135?

MR. FOX: Again, as the --

COUNCILMAN GREEN: Well, I understand, but we're making this

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investment, and there should be an amount, and you're saying that there's going to be savings. The savings are not reflected in your budget.

MR. FOX: Sure. I'll get something to you.

COUNCILMAN GREEN: Okay. Next, you testified that OFM has taken over management of the off-street parking program for City cars and plans to bid out the contract for competitive pricing, which will help save substantial amounts in the coming years.

When will the contract be bid?

MR. FOX: In 2011.

COUNCILMAN GREEN: What is the savings projection?

MR. FOX: We have to wait and see how they're going to be bid. The City has never bid these contracts before; they've always been done by direct payment. So we don't really have a benchmark.

COUNCILMAN GREEN: Well, your

testimony is that there will be savings. I assume that there's some estimate of those savings or you wouldn't have made that statement.

MR. FOX: Well, competitive bidding is the assumption that we're using, that once we pit the companies against one another, the competitive bidding will force the prices down, but I will get you something if you'd like to see some more numbers.

COUNCILMAN GREEN: Thank you.

Thank you, Madam Chair.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair recognizes Councilwoman Sanchez.

COUNCILWOMAN SANCHEZ: Thank you.

Good afternoon.

I just have one issue here for the sake of my colleagues who are not here.

As it relates to your OEO

planning, you say that you are in line to do 21 percent, but you don't state what you did last year. Do you have a number for last year?

MR. FOX: Yes, we do.

COUNCILWOMAN SANCHEZ: Okay.

MR. FOX: In Fiscal Year '10, our number was 20 percent. The most significant reason why it increased to 21 percent is that we lost a contract. A significant contract went to DOT $140,000 worth for --

COUNCILWOMAN SANCHEZ: That was a minority contract?

MR. FOX: So our denominator was --

COUNCILWOMAN SANCHEZ: Okay. So who made the decision just to go up one percentage point?

MR. FOX: There wasn't a conscious decision to increase it one percent.

COUNCILWOMAN SANCHEZ: Okay.

MR. FOX: We have very few

Class 250 contracts at all; we only have five that we do.

COUNCILWOMAN SANCHEZ: Yes, but you have -- it's $38 million worth of materials and purchase of services in Class 200 alone.

MR. FOX: Yes.

COUNCILWOMAN SANCHEZ: So you're saying, of the 38 million, you could only increase 1 percent?

MR. FOX: All but very little of that is not bid by Fleet Management; we have no control over who wins those bids; only the professional services contractor. We choose the vendor.

COUNCILWOMAN SANCHEZ: Okay.

MR. FOX: But that doesn't mean that we aren't paying --

COUNCILWOMAN SANCHEZ: I would encourage you, because if Councilman Goode was here, he would not take that response.

MR. FOX: I agree with you.

COUNCILWOMAN SANCHEZ: I'm

going to be much nicer and say to you to really go back to Procurement and look at that number, only because when you look at the items that you purchase, those are items that we would hope we were identifying Philly-based companies and potentially some minority- and women-owned companies.

You're one of the few departments that has items that lend themselves to that particular type of purchasing.

MR. FOX: Yes, Councilwoman. We met with OEO two weeks ago, and there was even some discussion about more of a delineation on the national suppliers that we use and whether or not they are a minority and that we could start including them, so --

COUNCILWOMAN SANCHEZ: And I encourage you to use Mayor Nutter's 5 percent local preference as a way of getting there also 'cause that would help you with that number.

MR. FOX: Agreed.

COUNCILWOMAN SANCHEZ: As it relates to your staffing diversity, do you happen to have those numbers?

MR. FOX: I do.

COUNCILWOMAN SANCHEZ: Okay. You guys came prepared.

MR. FOX: Would you like me to give it to the Chair?

COUNCILWOMAN SANCHEZ: Please.

MR. FOX: I will.

COUNCILWOMAN SANCHEZ: Thank you very much.

Thank you, Madam Chair.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair recognizes Councilwoman Krajewski.

COUNCILWOMAN KRAJEWSKI: Thank you, Madam Chair.

My question is: Could you walk me through when you trade in the old automobiles, what you do?

MR. MULLER: Yes. What we do,

Councilwoman, is, the vehicles are deemed condemned. What happens is, once we decide there's 80 percent of the life cycle of that vehicle determined, you know, its useful life cycle, then we will take the vehicle, take it to our auction yard at 3900 Richmond.

And from there, we take pictures of the vehicle and give it to the Procurement Department. They write it up, and then it goes to what they call a public auction -- govdeals.com. The pictures are all sent by the Procurement Department to an Internet service.

And we have people coming up, bidding on these vehicles, various types of vehicles from all over. It's amazing. Since we started this thing, we have a lot of people from down South -- Florida, North Carolina -- coming up and winning the bids on these vehicles.

COUNCILWOMAN KRAJEWSKI: Well, does it have to go through that? Like suppose a Councilperson wanted to buy the

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car; is there a possibility of that?

MR. MULLER: Not that I'm aware of, because it has to go to the Internet auction and it's fair for everybody.

COUNCILWOMAN KRAJEWSKI: They would actually probably make out better if they sold it privately.

MR. MULLER: Right. Well, City employees are not allowed to bid.

COUNCILWOMAN KRAJEWSKI: Not just the councilmembers; it could be anyone that has a car.

MR. MULLER: Yes, yes. See, the problem we had with that, Councilwoman, was that when we were selling vehicles to people, they were -- we found them -- the people leaving them abandoned on the streets. They'd pull the engine or the transmission and leave the vehicle abandoned.

And then the Police Department would have to go with abandoned autos and tow 'em. So what we did was --

COUNCILWOMAN KRAJEWSKI: Only

because the City sold them the car?

MR. MULLER: That's correct.

COUNCILWOMAN KRAJEWSKI: I mean, couldn't that happen to any car?

MR. MULLER: That's true, yes.

COUNCILWOMAN KRAJEWSKI: It doesn't make sense to me.

MR. MULLER: Well, we found that to happen a lot.

So with this Internet auction, you have to be a certified auctioneer to actually buy the City vehicles. Not a single person can buy it; you have to be an auctioneer person so that we can control our titles and that kind of stuff.

So we know if we give you the title, it's not going to show up somewhere and somebody's using it that shouldn't be using it, so to speak.

So it's all on the Internet auction and --

COUNCILWOMAN KRAJEWSKI: Is it just one auctioneer or what?

MR. MULLER: No. Whoever bids, whoever gets the bids. There's various bids.

MR. FOX: Councilwoman, by the time our vehicles are put up for auction, they're very tired.

COUNCILWOMAN KRAJEWSKI: They're what?

MR. FOX: They're very tired, and they're pretty much not worth very much at all.

So what people do is, they're buying the vehicle for parts. The reason why Jim was saying that you find them on the street is that an individual would buy the vehicle and then just strip it and leave it.

COUNCILWOMAN KRAJEWSKI: Well, I don't think mine's tired.

MR. MULLER: That's good.

COUNCILWOMAN KRAJEWSKI: I don't have that many miles on mine.

MR. MULLER: Glad to hear it.

COUNCILWOMAN KRAJEWSKI: I

mean, wouldn't that be better to sell it to someone like myself or others like that?

MR. MULLER: But usually with Council vehicles, when they get tired, we usually send them to the Police Department to get them killed, then they kill it the rest of the way.

COUNCILWOMAN KRAJEWSKI: So the answer is no.

MR. MULLER: That's correct. The answer is no.

COUNCILWOMAN KRAJEWSKI: Thank you.

MR. MULLER: Yes.

COUNCIL PRESIDENT VERNA: Thank you.

Any other questions?

The Chair recognizes Councilwoman Sanchez.

COUNCILWOMAN SANCHEZ: One more question.

We passed a cell phone ban here in Council, and there's adjoining state legislation. How are we preparing these new cars and purchasing them so that our folks are in compliance? Are they getting Blue Tooths in them?

I wanted to ask this when Greenlee was here since it was his bill, Bill Greenlee.

Have we considered that at all?

MR. FOX: No, we have not.

COUNCILWOMAN SANCHEZ: Okay. Just wanted to know.

Thank you.

COUNCIL PRESIDENT VERNA: You're welcome.

Okay. I think this concludes your testimony. Thank you very much.

PANEL MEMBERS: Thank you.

COUNCIL PRESIDENT VERNA: This committee will stand in recess until 2 o'clock.

Thank you.

(Committee stands in recess.)

(Proceedings resume at 2:15 p.m.)

4.13.10 COMMITTEE OF THE WHOLE - FY '11 BUDGET

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

The first department we'll hear from this afternoon...

MR. McPHERSON: ... is the Water Department.

(Witnesses come forward.)

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

COMMISSIONER BRUNWASSER: Good afternoon, President Verna and members of City Council. I am Bernard Brunwasser, Water Commissioner.

I'd like to introduce some of my staff. On my right is Debra McCarty, Deputy Mayor for Operations. And on my left is Joseph Clare, Deputy Mayor for Finance and Administration.

We also have some of the other department experts here in case the questions get too difficult for me.

Anyway, the Philadelphia Water Department's 2011 Operating Budget request is why we're here.

Our proposal for a Water Department budget of $299.3 million is augmented by an additional $328.7 million for other Water Fund activities, including the Water Revenue Bureau, debt service, employee fringe benefits, the central agency support, for a total Water Fund budget of $628 million.

The Water Department Class 100 budget request of $91.1 million is $2.8 million under the FY '10 appropriation levels due primarily to the net reduction of 54 full-time positions, 51 of which were transferred to the Department of Technology.

Class 200 budget requests of $110.1 million for contractual services are $4.2 million over FY '10 appropriations, and $10.7 million over FY 2010 estimated obligations, due primarily to an estimated $6.3 million increase in electric costs resulting from the removal of the current electricity rate caps.

The department is working closely with the Mayor's Office of Transportation and Utilities on electricity-purchasing strategies to mitigate the impact of the rate cap removal.

Class 300 and 400 budget requests of $46.6 million are $7.1 million below FY '10 appropriation levels due primarily to a reduction in FY '10 chemical costs associated with the department's water treatment and water pollution control plants.

In total, the proposed FY 2011 total Water Fund Operating Budget of $627.9 million is $2.7 million lower than our FY '10 appropriation. This decrease is primarily the result of reduced chemical costs and continued scrutiny of all purchase orders and contracts to minimize costs wherever possible.

As you know, the Philadelphia

Water Department is a municipal utility serving the citizens of the Philadelphia region by providing integrated water, waste water, and storm water services.

Our primary mission is to operate and maintain the infrastructure necessary to provide high-quality, affordable drinking water to protect the public health; to provide an adequate and reliable water supply for all residential business and public needs; and to sustain and enhance the region's watersheds and quality of life by managing waste water and storm water effectively.

All of our citizens should take great comfort in the fact that Philadelphia's drinking water meets or surpasses the requirements of state and federal standards one hundred percent of the time.

Since voluntarily joining the U.S. Environmental Protection Agency's Partnership for Safe Water in 1996, the Water Department has committed itself to reduce turbidity, an industry standard measure of water purity.

In Fiscal Year '09 and Fiscal Year '10, the turbidity of Philadelphia's water was 80 percent lower than the amount required by state and federal regulations, and 50 percent lower than the Partnership's turbidity goal.

Nationally, the Philadelphia Water Department's three water-treatment plants are among an elite group of 31 facilities that have received the Director's Award from the Partnership for safe water for meeting the Partnership goals for ten consecutive years.

To put this in perspective, there are over 400 water-treatment plants enrolled in the Partnership, and there are over 4700 water utilities nationwide.

The Water Department is also treating waste water to award-winning levels in more than 150 years and making progress in protecting our watersheds to keep our streams and rivers clean.

In Fiscal Year 2009, the Philadelphia Water Department's three water pollution control plants were selected to receive two platinum and one gold Peak Performance Award from the National Association of Clean Water Agencies.

The Southwest Plant received a Platinum Peak Award for six years of perfect compliance. Southeast received a Platinum Award for nine consecutive years of perfect compliance, and the Northeast Plant received a Gold Peak Award for four consecutive years of perfect compliance.

The association's Peak Performance Awards Program recognizes member-agency facilities for excellence in waste-water treatment, as measured by their compliance with their national pollution discharge elimination permits.

This year, I am very pleased to report that all three waste-water treatment plants will, for the first time, simultaneously be receiving the

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Platinum Peak Performance Awards.

The department has initiated numerous measures to improve service, reduce costs, and enhance revenues over the past decade. The cost of operating the waste-water facilities has been reduced. The refinancing of more than $2 billion in revenue bonds has resulted in a cumulative net present-value savings in excess of $78 million in debt-service expense.

A revenue protection unit, created in Fiscal Year 2000, has recovered -- and I'm making an update here -- more than $23 million to date.

The department has steadily improved the credit rating of the revenue bonds so that all three of the major rating agencies -- Moody's, Standard & Poor's and Fitch -- currently rate the department's debt in the A range.

All six of the major plant facilities have been winning national performance awards on an annual basis.

In Fiscal Year 2010, the department intends to continue its successful energy-management program. The department will implement electric energy curtailment programs in cooperation with PECO at its three waste-water plants and the Schuylkill River raw-water pumping facilities. This is expected to save $350,000 per year.

Also, the department will switch to lower gas transportation rates at the Baxter and Belmont water-treatment plants, with an expected savings of $50,000.

In cooperation with the City's Office of Sustainability and Philadelphia's Solar American Cities Program, the department is preparing for the construction of a 250-kilowatt solar electric demonstration project at its Southeast -- now this may be wrong in your copy. The Southeast water pollution control plant, and is planning to obtain proposals for a larger solar electric installation at its Baxter water-treatment facility.

The latter project is intended to be implemented through a solar energy agreement in which a private firm asphalts solar capacity at the facility and sells power back to the Water Department over an economical long-term agreement.

Other projects, including a biogas cogeneration project, are in the planning and design phases.

The 5.6-megawatt Northeast water pollution control facility biogas cogeneration project design has been completed, and the Water Department is exploring funding options such as a Pennvest loan to finance the construction.

In terms of rates, the Philadelphia Water Department continues to have some of the lowest rates in the region for water, waste-water, and storm-water services.

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In April of 2008, the Water Department announced the revision of rates for the period covering Fiscal 2009 through Fiscal Year 2012. The new rates will enable the Philadelphia Water Department to meet its obligations under the City Charter of having a balanced budget through June 2012 and to meet its bond covenants.

The new rates will allow the Water Department to meet rapidly-escalating costs of fuel, chemicals, employee benefits, regulatory demands, and debt service, and to continue a variety of initiatives that are critical to protecting Philadelphia's drinking-water quality, preserving its waterways, and improving its storm-water management programs.

Unfortunately, demographic changes in the City over recent decades has caused the department's fixed costs, which are to maintain water mains, sewer main, pumping stations and plants, has to be spread over fewer and fewer customers.

Beginning July 1, 2010, a typical residential customer bill will increase by an additional $3.20, or a total monthly bill of $59.44. This change is for the period July 1, 2010, through June 30, 2011.

A typical senior citizen's monthly bill will change by an additional $1.88, or a monthly total bill of $36.91. For those seniors who qualify for the department's 25 percent senior citizen discount, the income test to qualify for this discount is currently at $28,900.

In addition, the department has adopted rate changes for Fiscal Year 2012. These changes include a $3.49 increase in the typical monthly bill from July 1, 2011, through June 30, 2012.

Unlike many neighboring communities, where sewer bills are separate from water bills or assessed through an annual charge, Philadelphians receive a bill that combines water, waste-water, and storm-water charges.

Unfortunately, this combined billing sometimes leads to the impression that our water rates are high. In fact, even with the most recent revisions to rates, Philadelphia's water and sewer charges continue to be among the lowest in the region.

As shown on the table in my written testimony, the Water Department's water rates are less than half of those charged by many neighboring investor-owned utilities.

The Water Department has not been immune to the national economic turmoil. Problems in the credit and debt markets, difficulty with collections, and cost increases in energy and chemicals have conspired to created extremely tight financial conditions for the Water Department.

In Fiscal '09 and Fiscal '10, the Water Department has needed to significantly scale back spending and delay some large capital expenditures in order to keep the budget in line with its rate plan and required bond covenants.

The Water Department's Fiscal 2011 budget has been scrutinized to reduce costs wherever possible, without increasing any risk to public health.

While focusing on cost savings has helped maintain affordable rates, the department has also taken a leading role in helping to achieve the City's goal of becoming greener and more environmentally sustainable.

Many of you may be aware that the department has been working to finalize its combined sewer overflow long-term control plan. The final component of this plan embraces the development of regional watershed partnerships committed to the development of integrated watershed management plans. These plans are guided by a 20-year vision to restore our region's waterways to fishable, swimmable, and beautiful rivers and streams that are life-sustaining and are an amenity to our communities.

In September 2009, the Philadelphia Water Department released its Green City Clean Waters Plan for meeting its regulatory obligations while also looking to ensure that investments in the storm-water system also help revitalize Philadelphia environmentally.

The department determined that a green storm-water management infrastructure approach would provide maximum return in environmental, economic, and social benefits within the most efficient timeframe.

Green storm water infrastructure includes planters, rain barrels, green roofs, permeable pavements, and enhanced networks of street trees and restored creek corridors.

In the next five years the Water Department will lay the foundation

Green City Clean Waters vision over the full 20-year implementation period of this plan and beyond.

In a related program, the department's initiated new storm water regulations in 2006. The new regulations are an important tool in the City's efforts to reduce flooding and to protect our rivers and streams.

Accordingly, all development projects that disturb more than 15,000 square feet of earth must comply with water quality and non-structural site design requirements that are consistent with state and federal storm-water best-management practices.

The results of this program, since inception, have been significant. The program has approved 1,275 acres of the proposed development. Based on this area, approximately 1.2 billion gallons of storm-water runoff is managed annually, reducing excess burden and stress on the City's storm-water infrastructure and its treatment plants.

The department is also taking full advantage of available economic stimulus funding under the American Recovery and Reinvestment Act of 2009 and has received approval for low0interest funding of numerous projects through the existing state revolving-loan fund program.

In Pennsylvania, these programs are managed by the Pennsylvania Infrastructure Investment Authority, all known as Pennvest. In April of 2009, the Water Department received funding approval for four of its five submitted applications to Pennvest, totalling $184,890,000 for traditional water and sewer infrastructure repair, replacement, and upgrades, and an additional $30 million for green infrastructure projects primarily related to flood control and combined sewer overflow mitigation.

The department appreciates and

acknowledges the stimulus funding from ARRA for making the funding possible and available for these important projects.

The Water Department remains committed to providing utility services consistent with the highest level of customer services, as set forth in the City's strategic plan. This would not be possible without the Water Department's dedicated and professional staff, many of whom hold leadership positions in the American Water Works Association, the National Association of Clean Water Agencies, the Delaware River Basin Commission, the Eastern Meter Management Association, the Partnership for the Delaware Estuary, the Coastal Zone Management Steering Committee for Pennsylvania, the Water Environment Federation, the Pennsylvania DEP (Department of Environmental Protection) Water Advisory Council, and the Pennsylvania Section of the American Water Works Association.

We look forward to continued partnership with City Council toward further improvement in Fiscal Year 2010 and 11 and the years ahead.

At this time, I would be happy to answer any questions that you may have.

COUNCIL PRESIDENT VERNA: Thank you very much, Commissioner.

When the Fire Department was testifying, they were asked how the costs associated with the fire hydrant system were determined, and they did not know. Can you tell us how the $6.5 million that was requested was determined?

COMMISSIONER BRUNWASSER: Well, we set all of our rates on the cost of service, on the cost of service basis. And the fire hydrant rates, or the charges to the Fire Department, are really systems cost for the hydrants themselves, which number over 25,000 that we maintain.

And, also, the system fire

protection extra-capacity costs. In other words, the pipes in the street that need to be sized for firefighting is also a part of the capital and -- that we have to service the debt on.

So we have 25,000 hydrants and capacity costs also allocated to the Fire Department.

I should tell you -- and I know you remember this -- several years ago, we decommissioned the old high- pressure fire system, which had become obsolete; that system was about a hundred years old and was built when we had a lot of garment factories in Center City and some of the early skyscrapers.

And with upgrades to our regular firefighting system and the new firefighting equipment that the Fire Department has, we were able to divest ourselves of that system and thereby save the Fire Department several million dollars in payments to us every year for keeping that system going.

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COUNCIL PRESIDENT VERNA: Thank you, Commissioner.

Can you update us on the Biosolids Initiative?

COMMISSIONER BRUNWASSER: Yes. Everything is moving ahead, on schedule, as far as the Philadelphia biosolids program.

As you probably remember, they took over the operation of our current facilities back in October of 2008, I believe. They have really removed a tremendous amount of material while treating -- while also getting rid of and treating the material that comes in on a daily basis.

So -- and this is all before they've even begun construction of the new facility, which is a heat-drying palletization plant.

They have all of their funding in line now. They've gotten approval for their loans.

And they are moving ahead

probably with the construction beginning very shortly. They have their building permit, I understand, and they've done demolition of those parts of the plant that are no longer necessary. And everything has been moving ahead very well.

Financially, we've actually been saving a little more money than we had anticipated.

COUNCIL PRESIDENT VERNA: Wonderful.

On page 4 of your testimony, you mention difficulties with collections. Can you tell us what your collection rate is and how it compares to other utilities?

COMMISSIONER BRUNWASSER: Well, I believe that collections, for some reason -- and I'm not exactly sure why -- have actually picked up more recently.

We had a very weak July and August of last year, 2009, which kind of surprised us and led us to really begin to cut back on our spending, or delay spending.

And ever since, I guess it's September, revenues have picked up and have not -- and have gotten us pretty much on target with projections that the Water Revenue Bureau has made for us.

What typically happens in collections for the Water Department is that in a given year, they will -- the Water Revenue Bureau will typically collect somewhere around 94 or 95 percent of what they bill.

Eighty-five percent or so -- maybe a little higher now -- will come in from that year's billings. In other words, the last complete year is Fiscal '09, so on July 1, 2008, they sent out their first bills for Fiscal '09, and those billings continued through June 30th.

Now, the billings that went out in late June, mid-June, were not due yet. But of the billings that were sent out in

Fiscal Year '09, 85 percent of the dollars were paid by June 30th of '09, so that's the current collection factor.

Now, typically, the Water Revenue Bureau will collect about 8 or 9 percent of the immediate prior year, which would bump that up to 93, 94 percent, and then collect 1 to 2 percent of all years prior to that.

And, as you know, we keep the counting conventions of the City; it forces up to keep receivables on the books for up to 15 years, which I think is being addressed now because it tends to pull people's attention off what is truly collectible, you know, in the more recent times.

COUNCIL PRESIDENT VERNA: That's incredible. Fifteen years is a long time.

Commissioner, how many suburban water suppliers buy water from the City, and who are they?

COMMISSIONER BRUNWASSER: We

have two wholesale customers for the water side of our utility.

One is Bucks County Water and Sewer Authority, which provides water to Lower -- within Lower Bucks County.

And the other is Aqua, Pennsylvania, which purchases water and uses it in, I believe, both Montgomery and Delaware County, to augment its supplies in those areas.

COUNCIL PRESIDENT VERNA: How are the rates we charge them determined?

COMMISSIONER BRUNWASSER: They are also done on the basis of cost of service rates. And the way -- interestingly enough, Bucks County Water and Sewer, their 45-year contract is up next year.

COUNCIL PRESIDENT VERNA: Really?

COMMISSIONER BRUNWASSER: That was signed in 1966.

There are some provisions in that contract that are being changed because they were signed way back when, before we had full cost-of-service determination on those rates.

But the way -- the way we charge from now on -- and, in fact, we signed a contract with Aqua, I believe, at the end of 2000 or 2001. Yeah, so we've had Aqua on bored for about nine years now.

They pay their full cost of service and then depreciation and return on investment and a service and a management fee on top of that, of 10 percent.

We're going to have something similar with Bucks County, which will yield a lot more revenue than we've been getting under the old 1966-vintage contract.

COUNCIL PRESIDENT VERNA: How much revenue do we actually collect from them?

COMMISSIONER BRUNWASSER: From all of the townships?

COUNCIL PRESIDENT VERNA: Well, from Bucks County and Aqua.

COMMISSIONER BRUNWASSER: I think we have it.

Go ahead, Joe.

MR. CLARE: In Fiscal '09, we got $5,620,000 from Bucks County and 3,064,000 from Aqua, Pennsylvania. The total wholesale water sales were $8,685,000.

COUNCIL PRESIDENT VERNA: Thank you.

COMMISSIONER BRUNWASSER: We do a bit better on the waste-water side because we have ten customers, and all Pennsylvania communities that touch our border are our customers on waste-water service.

So combined, we pick up roughly $40 million annually from the suburbs.

COUNCIL PRESIDENT VERNA: Great. Thank you.

The Chair recognizes Councilman Goode.

4.13.10 COMMITTEE OF THE WHOLE - FY '11 BUDGET

COUNCILMAN GOODE: Thank you, Madam President.

Good afternoon, Commissioner.

COMMISSIONER BRUNWASSER: Good afternoon.

COUNCILMAN GOODE: Commissioner, you have one of the largest budgets in City government. How much do you anticipate doing in business contracting in Fiscal '11?

COMMISSIONER BRUNWASSER: I think on -- as far as the -- well, our entire budget is very large.

I guess a combination of Classes 200 for purchase of services and Classes 300 and 400 for materials supplies and equipment. I have to take a quick look at the budget.

It looks like about $156 million between Classes 200, 300, and 400.

COUNCILMAN GOODE: In the testimony that was circulated, I noticed there were no goals for contracting with disadvantaged businesses. Why was that?

COMMISSIONER BRUNWASSER: I think there was a misunderstanding as to whether it was supposed to be a part of the written testimony or an addendum or an addition, attachment to that.

COUNCILMAN GOODE: In your testimony today, did you state a goal? I know I stepped out for a minute.

COMMISSIONER BRUNWASSER: Yeah. Our goal for 2011 is 25 percent.

COUNCILMAN GOODE: Okay. And what was your goal for Fiscal Year '10?

COMMISSIONER BRUNWASSER: I believe it was probably 20 percent.

COUNCILMAN GOODE: And what are you achieving so far?

COMMISSIONER BRUNWASSER: I know that we had about 17-and-a-half, I think, so far. I got my papers out of order, I believe.

Right now, we're only running about 14 percent.

COUNCILMAN GOODE: Okay.

You're about 14 percent for Fiscal Year '10.

COMMISSIONER BRUNWASSER: Yes.

COUNCILMAN GOODE: For Fiscal '09, what was your goal?

COMMISSIONER BRUNWASSER: I believe that was 20 percent.

COUNCILMAN GOODE: Okay. And what did you achieve in Fiscal Year '09?

COMMISSIONER BRUNWASSER: About 12.55 percent.

COUNCILMAN GOODE: Okay. And what was your goal in Fiscal Year '08.

COMMISSIONER BRUNWASSER: I believe that may have also been 20 percent.

COUNCILMAN GOODE: I believe your goal was 32 percent.

COMMISSIONER BRUNWASSER: In Fiscal '08?

COUNCILMAN GOODE: Yes.

COMMISSIONER BRUNWASSER: Oh. That particular year, we achieved 17.23 percent.

COUNCILMAN GOODE: First question is: Why has your participation dropped since Fiscal Year '08?

COMMISSIONER BRUNWASSER: We had some periods of time where we could not let our public works contracts. We had some kind of fiscal disconnect.

In order for us to spend capital, we have to have the appropriation authority that comes from City Council. We also have to have the Capital Budget appropriation, and we also have to have the cash in hand.

And when those things get screwed up --

COUNCILMAN GOODE: You've spent money in the years since Fiscal Year '08.

COMMISSIONER BRUNWASSER: Pardon?

COUNCILMAN GOODE: You've spent money in the years since Fiscal Year '08.

COMMISSIONER BRUNWASSER: Oh, absolutely, absolutely.

COUNCILMAN GOODE: The question

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was: Why did participation drop? The question was not: What money was available?

COMMISSIONER BRUNWASSER: Right. We do best on our public works contracts; that's what I was kind of getting to.

COUNCILMAN GOODE: Okay.

COMMISSIONER BRUNWASSER: When these contracts go through, you know, the normal procurement process in Classes 300 and 400, we tend not to fare as well.

COUNCILMAN GOODE: Okay. So how was the goal set for Fiscal '11?

COMMISSIONER BRUNWASSER: This was set in cooperation with the Office of Economic Opportunity, and we've sat down and taken a good look at what vendors we know of that can do the kinds of contracts that we seem to have lined up for Fiscal '11.

It's never -- we're never a hundred percent sure which contracts are going to go out in '11 this early. But from what we've seen, we are going to make a very strong effort to meet the 25 percent goal.

We think we have hit 18-and-a-half percent on the ARRA funds, which are, for our purposes, Pennvest loans; we were able to achieve 18-and-a-half percent on those. And we think we can push even harder.

One of the things that we do is, we really talk to the vendors who have now had more and more experience with minority participation and female participation as far as their contracts are concerned. And the added push of the state and federal government looking at this, I think, has helped us to convince them to add --

(Timer bell rings.)

COUNCILMAN GOODE: Last question.

COMMISSIONER BRUNWASSER: Yes.

COUNCILMAN GOODE: What do you anticipate in terms of public-works spending, and do you have a separate goal for that?

COMMISSIONER BRUNWASSER: Well, Councilman, we have a budget in Fiscal '11 of $171 million; part of that is for our own capital staff. But it's a significant amount of work, which would be probably in the order of 140 to 145 million for projects.

COUNCILMAN GOODE: And do you have a separate goal for that since you say the public-works contracting will help you get to 25 percent --

COMMISSIONER BRUNWASSER: I think we're going to attempt to exceed 25 percent on our public-works contracts in Fiscal '11 so that they make up for any shortcomings in some of the other ways that we purchase, as in through the Procurement Department and low bid, et cetera.

COUNCILMAN GOODE: Thank you, Commissioner.

Thank you, Madam President.

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COUNCIL PRESIDENT VERNA: You're welcome.

The Chair recognizes Councilwoman Brown.

COUNCILWOMAN BROWN: Thank you, Madam President.

Councilman Goode, I'm willing to yield. Are you finished your line of questioning? Okay.

Good afternoon.

COMMISSIONER BRUNWASSER: Good afternoon.

COUNCILWOMAN BROWN: Diversity with disadvantaged businesses is important on the outside; internally, it matters as well.

And factoring in what I've learned from other departments with regards to hiring, just give me a makeup of the composition of your department of those in position of leadership and responsibility.

COMMISSIONER BRUNWASSER: Well --

COUNCILWOMAN BROWN: Women and people of color.

COMMISSIONER BRUNWASSER: Right. Well, let me see.

We have just appointed a new budget director for the Water Department, Miss Arwilla Jones, who has been with us for quite a while and has succeeded her boss, who has retired. And she is our new budget director.

We also just hired our new accounting director, who is also a minority female.

And both of these appointments have come within the past two months.

COUNCILWOMAN BROWN: Okay.

COMMISSIONER BRUNWASSER: As far as --

COUNCILWOMAN BROWN: So that's two people of color in -- let's approach it this way: Give me the total number of persons in a position of leadership and responsibility first. Just a number.

COMMISSIONER BRUNWASSER: I

guess it depends on how far down in the government we go. We have obviously a female who is head of our operations.

COUNCILWOMAN BROWN: Okay.

COMMISSIONER BRUNWASSER: And also a female who is head of our public affairs.

COUNCILWOMAN BROWN: Okay. Isolated numbers don't help me have a picture.

COMMISSIONER BRUNWASSER: Right.

COUNCILWOMAN BROWN: I need the total number and then I need the breakdown -- women and people of color.

COMMISSIONER BRUNWASSER: Can we get back to you on that?

COUNCILWOMAN BROWN: How soon?

COMMISSIONER BRUNWASSER: That shouldn't take us very long, a day or two.

COUNCILWOMAN BROWN: Okay. You mentioned -- provide detail, if you will, to the extent that the clock will allow, on the solar -- solar... Your testimony spoke briefly to a solar contract, if you will --

COMMISSIONER BRUNWASSER: Yes.

COUNCILWOMAN BROWN: -- that is going to be let?

COMMISSIONER BRUNWASSER: Yes.

COUNCILWOMAN BROWN: Speak in greater detail on that.

COMMISSIONER BRUNWASSER: I think I'm going to get a little assistance on that one.

COUNCILWOMAN BROWN: Okay.

(Witness comes forward.)

COMMISSIONER BRUNWASSER: This is Dr. Christopher Crockett, who's head of our Planning and Research Unit.

DR. CROCKETT: There are actually two solar opportunities. One is the construction of the 250-kilowatt solar panels at the Southeast waste-water plant through the ECBG plants through the Mayor's Office.

COUNCILWOMAN BROWN: Mm-hmm.

DR. CROCKETT: The other is, we're in the process of developing requests for proposals for a power purchase agreement to use the area at our Baxter water-treatment facility, where we have underground water storage. On top of that water storage, we would look at putting in upwards of five megawatts of solar panels and buying the energy from the company that builds it and operates that because they can take advantage of the solar tax, the private tax credits, for building solar.

COUNCILWOMAN BROWN: Well, thank you for your testimony.

And the process for the awareness of those RFPs is what?

DR. CROCKETT: The RFPs have to be advertised like normally for every RFP, but there actually was a recording that's through the Mayor's Office of Sustainability. I was aware that they've reached out to City Council to have educational sessions about this RFP and about this project.

COUNCILWOMAN BROWN: Mm-hmm.

DR. CROCKETT: And I think they're continuing to move forward with -- to set up those educational sessions with City Council. And I'll make sure that they forward that information to you, and we'll move forward from that point.

But that RFP, because it's going to be a multiple-year contract, will have to come back to City Council for their approval. So you will get a chance to see this in multiple places along the way.

And I believe we reached out to City Council staff to invite City Council staff to be a part of the RFP process.

COUNCILWOMAN BROWN: Okay. We thank you for that.

For my own understanding, Commissioner, who is your direct report?

COMMISSIONER BRUNWASSER: Who I report to? That's Deputy Mayor Rina

Cutler.

COUNCILWOMAN BROWN: Okay. All right, then. Thank you very, very much.

Thank you, Madam President.

COUNCIL PRESIDENT VERNA: You're welcome.

The Chair recognizes Councilman Jones.

COUNCILMAN JONES: Thank you, Madam President.

Commissioners, Deputy Commissioners, how are you this afternoon? Good.

My first question is about the Green City Water Plan, and I was wondering if the EPA had gotten back with an approval for your plan and the submission of it.

COMMISSIONER BRUNWASSER: Unfortunately, not yet, Councilman. We are waiting. And we -- it's not unusual for the regulatory agencies to take their time, particularly when the stakes are so high.

COUNCILMAN JONES: Do you anticipate it being much longer? Can you estimate, guesstimate when that will be?

COMMISSIONER BRUNWASSER: We're not -- I honestly don't know but --

COUNCILMAN JONES: I guess let me rephrase.

When you get to a federal regulatory agency, is there a average time, mean time, mode, any of those?

COMMISSIONER BRUNWASSER: I would hope that they would try to avoid coming around to the one-year mark, which would be September 1st.

COUNCILMAN JONES: Okay.

COMMISSIONER BRUNWASSER: So hopefully, we would hear something by late spring, early summer.

COUNCILMAN JONES: And if that -- and we are hopeful that you are successful in getting it approved. That would trigger your plan or the department's plan for the bio retention basins and rain gardens?

COMMISSIONER BRUNWASSER: Yes, yes.

COUNCILMAN JONES: And are we still on track to do how many of them? What was the number?

COMMISSIONER BRUNWASSER: I don't recall a specific number, but I think that some of this would happen regardless of how the EPA reacts to our plan. Clearly, if they like what we are proposing and accept it, that would really move this forward quickly.

COUNCILMAN JONES: So when should we see some of those bio retention basins, rain gardens being installed? Do we have a estimate. The ones independent of the EPA?

COMMISSIONER BRUNWASSER: I would -- there certainly is a lot of push to begin work on that because of the way we are beginning to charge for storm water based on a parcel basis. And so, some of the larger parcels within the City, the owners of those parcels would certainly find it to their advantage to adopt some of these measures on their own property.

And so that business -- and I know you're very interested in the business model that this would bring about in green-collar jobs and so forth. That should be something that will be starting up relatively soon.

And as the demand gets greater for this type of work, then I think the demand will start to invigorate the need for people who actually can do this for the various consultants and contractors in the City.

COUNCILMAN JONES: Well, one of things -- and I really do applaud you for being one of the departments that is interested in creating these type of job opportunities particularly that may have the potential for hiring regular folk from regular neighborhoods that can be trained to build, install, maintain beautiful gardens that are also environmentally-friendly.

I will ask you what I ask each of the departments that do this kind of procurement work: Have we done a study -- and I want the Administration always to know that I will be consistent about this -- as to how much of the work could actually be done in-house and where there is a break-even point or some type of model that says, This is better to farm out, this is the kind of thing that we should contract out for, these are the things that we could maintains and/or install, create on our own.

And so, I think it's -- when we are starting to talk about budget deficits and trying to sharpen our pencils, it's time to look at -- all things should be on the table in that process.

So, again, I'm not -- I'm directing this at you so it's on the record, but I'm directing it at big departments that have large procurement budgets, that probably have similar skill sets that are required by Public Property by Recreation, by Fairmount Park, that we could probably synergistically work to create a team that could do those minor things. And then at that equilibrium point, we'll contract the rest out.

But by doing it in-house or serving as our own GC that we could possibly get it done more effectively and create jobs in Philly and not the Commonwealth or the State of New Jersey, which we tend to do when we procure outside services a lot.

Having said that, it brings up one of my favorite topics, which are the laterals we had talked about and discussed because of the aging infrastructure of water in particular, the dual systems that we have creating a fund that, in cases of emergency, we could utilize to get that which on average is about how much, about $4500 worth of dollars worth of repair that the average person has to pay for.

And I'm wondering if we could find a fund in cooperation with some dollars that might be at the federal government level to create that fund and our progress in that regard.

(Timer bell rings.)

COMMISSIONER BRUNWASSER: Yes. I know -- I know of your interest in this.

As you know, at this point in time, the department has a help loan program, which is a zero-interest loan program for those people who have -- who have those types of problems; either their water line or their sewer lateral is damaged or broken, and clearly, it's not easy for everybody to find 3, 4, $5,000 unexpectedly and deal with this problem.

And so, we did develop the help loan program, which is zero interest for 60 months, or five years, to pay back the loan to the Water Department.

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The problem -- you know, one of the issues that we have -- and I'm not saying there's no way to get around it, and we have to continue to explore this perhaps with the Law Department and perhaps with others -- is the fact that ownership of those lines still remain with the homeowner. And it's difficult for us to use public money for private purpose.

COUNCILMAN JONES: Understood. Here's the thing. Whether it's you, whether it's L&I, whether it's whoever, these are the kinds of conditions that can make a renter wind up in a shelter.

COMMISSIONER BRUNWASSER: Right.

COUNCILMAN JONES: It's the kind of thing that if L&I goes out and sees -- we had, I swear to you, a lady, a constituent called up and said, "Councilman, my landlord is irresponsible. We have a problem with our drainage, sewage thing going on underground. And the smell you can smell in the basement."

We sent L&I out there to help them, an act of kindness. And they said, "Yeah, you're absolutely right. This is filthy, it should not be loud, and you can't live here anymore. You have to go. Vacate now."

And the unintended consequence was that we made another person homeless.

So as a municipality and as responsible stewards of the public trust, it seems like we shouldn't penalize the victim; we should hold the people that are responsible.

COMMISSIONER BRUNWASSER: Yes.

COUNCILMAN JONES: If we could come up with a creative way to do this, we wind up saving money in a different pocket. It may not be in yours, it may not be in L&I's, but for sure, in homelessness -- and this was one of those cases -- it cost us several hundred dollars a day to house this, when we could have spent $4500 to permanently take care of that and put a lien on the property and --

COMMISSIONER BRUNWASSER: I understand. And we would be fine with administering the program.

It's the funding aspect of it that can be difficult for at least the Water Department, based on all of our bonds covenants and so forth.

COUNCILMAN JONES: The good thing about these hearings -- and I'll pass the mic here -- is that as we see issues that turn out to be patterns, they will turn out to be public-policy changes we make.

And so, I thank you for your candor.

Thank you, Madam President.

COUNCIL PRESIDENT VERNA: The Chair recognizes Councilwoman Tasco.

COUNCILWOMAN TASCO: Thank you very much.

Last Monday, I had the opportunity to visit the Wissahickon

Creek watershed up in Ambler, with the Montgomery County Controller Diane Morgan. And the purpose of the visit was to see the 38-acre (indiscernible) asbestos superfund site. And it comes up from along the banks of the Wissahickon Creek, and it's just massive.

We saw asbestos waste in the Wissahickon Creek. We walked down into the creek.

Has the Water Department ever screened the water intake at Henry Avenue, which is 12 miles from the superfund site, for asbestos contamination?

COMMISSIONER BRUNWASSER: I don't know -- yeah, we have filtered it out in our Queen Lane plant. The Wissahickon would theoretically affect the Queen Lane plant.

Whether the asbestos has made it down that far, we have not seen any of that, I don't think, in our intakes or certainly not in our finished water.

Yeah the water-treatment process that we have is a very sophisticated, very intense filtration, which should take care of any of that in our system. That's why our turbidity levels are as low as they are.

COUNCILWOMAN TASCO: Okay. The question raised by the advocate for the cleanup of this site was that the water from the Wissahickon Creek and so much of that asbestos is in that creek, and the mounds of dirt, or you think is dirt, it's not; dirt it's asbestos. Asbestosis was made there. And so, they just used the large dumping site that's there, and the asbestos is in the creek.

COMMISSIONER BRUNWASSER: We're certainly going to keep our eye on that 'cause we were alerted to this also a few months back. And obviously, this goes back a long time.

And it has not been proven to be a problem for Philadelphia drinking water, but we will -- we will continue to keep our eyes on it. And we want anything above us, north of us, to be treated properly.

And that site -- we'll make our opinions known to the Pennsylvania Department of Environmental Protection and so forth.

COUNCILWOMAN TASCO: One of the young ladies stated that the creek -- I think there's a lock-off or a drop-off or some intake into Philadelphia in Roxborough?

COMMISSIONER BRUNWASSER: I don't think we have intakes there.

COUNCILWOMAN TASCO: There's no collection of the creek into the Roxborough site? Do you have a water site there that you can collect water or there's a...

MS. McCARTY: The site in Roxborough, the Queen Lane water-treatment plant that's right at Henry and Fox and Queen Lane, right by Route 1, that does withdraw water from the

Schuylkill, but it's pumped down right where the Wissahickon comes into the Schuylkill River.

Our intake or the pumping station is right below the Wissahickon Creek, where it comes into the Schuylkill River, but it pumps up the hill, up to that treatment plant at --

COUNCILWOMAN TASCO: Okay.

MS. McCARTY: And the water basin is right there on the -- on Route 1, excuse me. So if you looked up -- when you're a passenger, not driving -- you would see, you know, the banks of the raw-water basin.

COUNCILWOMAN TASCO: You would see the banks of the what?

MS. McCARTY: Of the raw-water basin, the basin where we pump the water from the Schuylkill River, and then it gets treated. So it's raw water before we treat it.

COUNCILWOMAN TASCO: Do you ever test the water at that site?

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MS. McCARTY: Oh, yes. We constantly test the water as we go through all the processes.

COUNCILWOMAN TASCO: You haven't seen any high levels of asbestos in the water at that site?

MS. McCARTY: I can tell you that we test for particles and the particles which would be asbestos. You know, because of the turbidity, as the Commissioner mentioned, our turbidities are very low, so we -- and we test for turbidity, which is an indication of anything, in addition to asbestos.

So we're not seeing any issues in the (indiscernible) of our drinking-water plants at this time.

COUNCILWOMAN TASCO: Okay. Thank you. That's certainly why my interest was raised because of the large amount of asbestos that's on that Wissahickon Creek.

MS. McCARTY: Right. It's definitely a concern, and we're paying attention to it.

You know, I do know that asbestos forms naturally -- is naturally occurring in soil. You know, so asbestos is still in our break, on our breaks. And it's all over the place, really, unfortunately.

COUNCILWOMAN TASCO: Okay.

MS. McCARTY: But, yes, we do pay attention to that.

COUNCILWOMAN TASCO: My office has receive various calls from small-business owners with concerns about the implementation of the storm-water management fee. Can you describe the implementation process of this fee?

(Timer bell rings.)

COUNCILWOMAN TASCO: And the other point I want to make is, there are some churches in my district that have large land masses. And when they bought the land to build their church, we did not have this fee, so their financial situation was based on the cost and construction at that time.

So now you're going to add another cost.

COMMISSIONER BRUNWASSER: Yeah, I certainly understand that question. And you know that up until this period of time, we have used the size of a property's meter as a surrogate for the property's parcel size or contribution to the storm-water system.

So a number of churches in the about seven, eight years ago actually contacted us to check their property and downsize their meters so their service charge would go down, because some of the churches, obviously, are filled pretty much on Sunday and don't use very much water but were paying a large service fee because of the large size of their meter.

So we did downsize a lot of churches, hundreds probably, back in the early part of the decade.

Now, of course, we're getting away from meter size as a surrogate for storm-water contribution to our system.

And that is due to begin on July 1st, beginning of Fiscal '11, where we now have, after 20, 25 years of exploring this and trying to get to a point where we actually can charge appropriately for the size of property and the quality of the property. You know, whether they're impervious or not, we are going to begin charging in stages for storm water based on parcel size and characteristics.

We were kind of drawn into this over the years through rate cases where we were challenged on using the system that we use today, which is the meter size.

Meter size is an accepted surrogate by the American Water Works Association. But in the '80s, when this first became an issue through the rate cases, we couldn't do it because we didn't have the technology to do it.

But now, since we have GIS and

we have computerization of records and digitization of maps, we are now, for the first time, able to actually charge parcels on the basis of their size and characteristics.

And so, we had to go down this road because we were compelled in the rate cases to do that by interveners in the rate cases, including large -- interveners representing large customers who said, What's fair is fair; we want you to do this appropriately, on the basis of lot size, parcel size, and characteristics.

And we've gone through this for many years. We had a Storm Water Citizens Advisory Committee back in the mid-1990s that actually came up with our approach, and it was very rational, very logical. And customers representing every stripe that we have in the City were on this committee. And they came up with the way that storm water should be charged.

And it's basically scientifically based on what your parcel's contribution would be during a storm to our system. And we now can -- we weren't able to implement this in the '90s; we're now able to implement this beginning in Fiscal 2011.

COUNCILWOMAN TASCO: Do you have any estimate of what the difference in costs will be for, say, a large church that would be charged more? I mean, would it be significantly more?

COMMISSIONER BRUNWASSER: It's difficult to say, because storm water's only a piece of the whole water bill, as you know. There's -- the service charge -- if they have a large meter, if they have a large meter today, if it's a three-inch meter, which is considered a large meter, they're paying a considerable amount for storm water already.

Some of these churches will go down in cost. Some will go in cost. It really depends on the specifics of their parcel.

One of the other things -- now, we're phasing this charge in over the next three years. Actually, it's one quarter at a time.

Beginning July 1, 2010, the large-meter customers will now get a bill that is one-quarter based on parcel size and characteristics and three-quarters based on their meter size, the old system.

Then the year after, July 1 of 2011, it will be 50 percent new charge, 50 percent old charge. Again, 50 percent parcel-based, 50 percent meter-based.

And then, the following year, it will be three-quarters based on parcel size, and only one quarter based on meter size.

And finally, that fourth year, it will be one hundred percent based on their parcel size.

So we're giving people an

opportunity to plan for the future.

This whole reallocation of storm water is revenue-neutral to the Water Department. We are not -- our intent is not to make a nickel more on storm-water costs from our customer base; it's just that we are reallocating it more equitably because we now have the ability to do it, where no one had the ability to do it in the past.

And once been you've along this long road decades, which has been this meter-size surrogate, to change it to a more accurate method -- parcel size and characteristics -- there's hell to pay in some respects because it's a difficult road to change.

I should tell you that most of the large customers, most of the large-meter customers, will actually see a decrease or very little change, about two-thirds. It's that one third that is going to see some large upticks in storm water. They're the ones that are going to have some difficulty.

And what we're doing with them in order to help them cope with this difficulty is, we've hired an expert firm to help them come up with a way to handle their storm water onside to the degree that they can reduce their future storm-water bill, by not releasing as much storm water to us, in the street.

So we're working with them to get them storm0water credits so they can reduce their storm-water bill. And we're giving them four years, a phase-in period of time, to plan ahead. And that's how we're dealing with it.

But some of these businesses, their storm-water fee is going down; and other businesses, their fees are going up.

If you have a small meter and a large lot, or no meter at all and a large lot, you're going to see some major, major increases.

If, however, you have a large

meter and a relatively small lot, you're going to get credits -- I mean, your fee is going to go down significantly.

And that's the way it operates.

COUNCILWOMAN TASCO: So how are you going to educate the businesses, one-by-one? Are you going to have a collective education process about this issue?

COMMISSIONER BRUNWASSER: We have been reaching out to all of the customers who -- all of the major customers who are getting large increases.

Through our public affairs group, Ms. Joanne Dahme, who's head of our public affairs group, has launched a very aggressive program of bringing these folks in and explaining what we're doing.

All of these folks got letters, beginning in February, telling them of what we're going to be doing and also giving them a map of their parcel and telling them to take a look at the map;

does this look accurate. If not, let us know.

There are opportunities for credits against this charge. If you do something about storm water onsite -- this is part of what Councilman Jones was talking about, this business of green-collar-type jobs being developed from just this type of change in approach to how we charge for storm water.

The way we're doing it is probably the way it's going to be done in the future most places in the country. We're a little ahead of the curve because we were addressing storm water as an equity problem, not as a green Philadelphia goal, back in the '80s and '90s.

We've had over seven workshops with over 700 people attending so far. And there are certain churches -- we happen to know of, for instance, a Mt. Zion that may be in your district church.

COUNCILWOMAN TASCO: There are about a hundred Mt. Zions; there is not just one Mt. Zion.

COMMISSIONER BRUNWASSER: One of them is going down.

MS. DAHME: (Inaudible off-mic.)

COUNCIL PRESIDENT VERNA: Either come to the mic or...

(Witness comes forward.

MS. DAHME: Hi. I'm Joanne Dahme, Public Affairs.

Councilwoman, we did meet with Chief of Staff, Derek Greene, and he did mention that one of his major concerns is a lot of the congregations in your district. I think Mt. Zion was one of the new ones on Cheltenham Avenue. It's a very large congregation.

COUNCILWOMAN TASCO: Enon, Enon.

MS. DAHME: Yes, that's correct.

And they had seen their rates

go down just because, as Bernie had mentioned, depending on the size of their meter.

But we have had -- as Bernie was mentioning, we've been doing a very targeted campaign. I'm ideally trying to get this information out to everybody. So when sent the February notifications out to over 90,000 customers, we had set up a number of workshops. We had three in February, four in March, and we'll have some more scheduled if needed.

Essentially, we had over a hundred people coming out to these workshops. Most of the people coming out were people who either didn't understand what it was all about or impacted in a bad way. You know, they saw their rates going up significantly.

So during these workshops, we provide information about, you know, appeals, you know, letting us know if the information we have is correct.

But more importantly, looking

for information regarding, are there any managing storm water onsite? And if there are not, we provide information about how they can do these retrofits so they can see their bills go down somewhat.

Moving over the next few months, we're meeting with a number of faith-based organizations. We have a meeting with the Archdiocese on Thursday. I think they have over 200 parish representatives coming -- probably not all happy parish representatives.

We're meeting with the Episcopalian congregation, Presbyterian.

So, you know, any suggestions you have -- and Derek sort of set us on that path. Any suggestions you have as to how we can better get the word out, 'cause we are continually doing advertisements about these workshops and, you know, as Bernie mentioned, offering some conceptual services.

So that's been a challenge for

us. If people don't read the letters they received, you know, our concern is they're going to get this bill on July 1 and be pretty shocked, so we're hoping people are paying attention.

COUNCILWOMAN TASCO: So what would -- what would the size be? Do you have a set size, or it's just different sizes and different characteristics?

MS. DAHME: I mean, there's a general rule of thumb. So we say if a property is fairly large and impervious, lots of hard surfaces and has small meters at the property, they're properties that are going to see an impact.

They may see their rates -- you know, as Bernie said, it can vary a few hundred dollars per month and some of them up to a few thousand per month, depending on how big that is.

I mean, you look at someone like the large auto dealers, whom we met with yesterday, are seeing a thousand, two thousand dollars a month. Some of the churches we've worked with, some of the large churches, not quite so big, so they are seeing a few hundred dollars sometimes.

But that's what we're saying is an unassessed parcel. You know, when we send this information to the customer, we don't know whether or not they're doing any kind of management, and some of that management can be done on landscape. It could be that they have some green areas or their downspouts are disconnected and going into these, sort of what Councilwoman was talking about, rain gardens and that sort of thing.

So one of the initial steps is to sit down with them and find out, What are you already doing so you can get a credit? because we can't charge them if they are managing their own storm water. And, really, that's good for us; you know, less of a burden onto our system.

COUNCILWOMAN TASCO: What

impact does it have on the school system?

MS. DAHME: Overall, the School District is -- it almost breaks even. Some of the schools are seeing increases, and some of them are seeing decreases. But, again, many of those that are seeing a reduction in their storm-water fees have large meters on school properties, so they're already paying -- they're one of the properties, parcels that are sort of subsidizing those customers who haven't been paying quite as much because their meters are so large.

So overall, the School District is not impacted in a bad way. I think -- I'm trying to think of what that number was; I think it was about a $100,000 a year for all of the school districts.

But, again, we were saying that's not knowing what they're already doing on their property, and many of those school properties have done renovations, so they have triggered our storm-water regulations, where they're managing that first one inch of storm water.

So we are meeting with the School District to sort of go down parcel by parcel what each property is doing.

COUNCILWOMAN TASCO: When the stadiums were constructed, was there any discussion about storm-water management with them? Did they consider storm-water management in their plans for construction?

COMMISSIONER BRUNWASSER: I don't know that much in the way of details, but they have some specific issues down there simply because they're -- the water table is very high, they're right at sea level, and those fields are low, you know, relatively speaking.

Someone else could speak probably much better to that specific question.

MS. DAHME: I was just going to mention, partly if the stadiums or their

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districts were developed before 2006, they didn't have to adhere to our new storm-water regulations. So anything developed after 2006 was required to capture that first one inch, you know, to manage that rain water.

I mean, we are having some discussions with some of the large-parcel owners in that area about things they can do when they're retrofitting now, but many of them are not capturing that first inch because they already had their zoning permits in place.

COMMISSIONER BRUNWASSER: Right. January 1, 2006 is when the storm-water regulations were changed and made more difficult to comply with. In other words, all parcels that disturb more than 15,000 square feet of ground, you have to meet certain storm-water requirements, including capturing the first inch of a rain event onsite, either infiltrating it into your soil or retaining it in a basin or a detention pond.

And so, the stadiums -- both stadiums were built prior -- or they received -- they were built, I guess, prior to 2006, and they certainly got their permits and whatnot prior to that time. But, you know, that's a -- they are parcels -- you know, their parcels are subject to the same kinds of fees that everybody else is.

COUNCILWOMAN TASCO: Well, I don't know too much about storm water, so you could tell me anything. Thank you.

Thank you, Madam President.

COUNCIL PRESIDENT VERNA: Thank you.

I gave you a lot of latitude because I think that many of us are very concerned about this one issue, about the storm-water issue, and I know that I too have been receiving numerous calls regarding that.

Commissioner, are the surrounding counties going to be facing the same issue about storm water?

COMMISSIONER BRUNWASSER: Well, they face the same issue. In fact, some of the surrounding counties have stricter storm-water regulations than we have, actually.

But as far as how they charge for storm water, they -- most of them probably are just charging it through their real-estate tax. That's my guess.

Those who are doing what we are doing here on the parcel-base system include Wilmington, Delaware, and, I think, St. Louis and Washington, D.C.

And this is -- what we're doing here today, or beginning July 1st, is something that is going to be happening throughout the country. As I know -- I know we've spoken on this. We may be a bit ahead of the curve simply because we've been dealing with this issue for a longer time, again, as matter of equity and not as a matter of green infrastructure.

COUNCIL PRESIDENT VERNA: Commissioner, I think I heard you testify that we receive sewage from the suburbs?

COMMISSIONER BRUNWASSER: Yes.

COUNCIL PRESIDENT VERNA: How does their flow impact our system during heavy rains?

COMMISSIONER BRUNWASSER: We certainly get more flow from them, but I have to tell you that our three waste-water treatment plants, the ones that are winning the platinum awards, are designed to handle their flow. They were built with 75 percent federal dollars back in the beginning of the late '70s through the early '90s.

And those plants, those three plants, cost us about $850 million; again, the majority of the money coming from the feds. And those plants were sized appropriately to handle the flow from those townships and counties and municipalities that we handled today.

So we handle -- we can handle a

very great deal of flow, more than double, let's say, our average. Maybe quadruple our average flow, really.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair recognizes Councilwoman Sanchez.

COUNCILWOMAN SANCHEZ: Thank you, Madam President.

I'll continue on the line of storm-water management, and then I'll save my other questions for the next round.

Clearly, we all appreciate the fact that we want to move and definitely want to be ahead of the curve as it relates to storm-water management, but I think there are some unintended consequences here that now we got to kind of manage.

And since our discussions, one of the things that has come to my attention in particular, in addition to churches, is the impact that this has on our affordable housing, on the construction side and the management in our affordable rentals, where we are, as a government, are subsidizing this housing.

So have we given any thought about what we're going to do in those cases? because all they're going to do is pass the bill pack to us somehow, so...

COMMISSIONER BRUNWASSER: You know, the change that we are doing today -- I mean that we're doing beginning July 1st, we did some storm-water reallocation back in Fiscal Years 2002, 3, and 4, when we shifted, appropriately shifted the burden of storm water from residential customers, the 5/8ths-inch meter customers, to the large-meter customers because we didn't need a very sophisticated system to enable us to know that we were charging the residentials too much at that time.

COUNCILWOMAN SANCHEZ: Mm-hmm.

COMMISSIONER BRUNWASSER: So we

shifted that burden. And the service charge, the storm-water charge, specifically went down to residentials between the years fiscal '02 and '04.

COUNCILWOMAN SANCHEZ: Mm-hmm.

COMMISSIONER BRUNWASSER: In '04, the residentials were now properly allocated for storm water. Any housing that is, you know, on a residential-size lot or as a 5/8ths-inch -- well, no, a residential-size lot, if it's considered residential, it should not be affected.

COUNCILWOMAN SANCHEZ: But in cases where we have nonprofits that manage these affordable rentals, they're seeing an increase in their parcel.

COMMISSIONER BRUNWASSER: Because they are handled as a commercial customer?

COUNCILWOMAN SANCHEZ: Probably.

COMMISSIONER BRUNWASSER: Okay.

COUNCILWOMAN SANCHEZ: That's an issue we have to address.

COMMISSIONER BRUNWASSER: Okay. Now, again, all of this depends on the size of the parcel and the meter size that they're paying now, or the service charge that they're paying today based on meter size.

COUNCILWOMAN SANCHEZ: Mm-hmm.

COMMISSIONER BRUNWASSER: So, in some cases, they may be go up; in some cases, they may go down. The -- what else is there to say about that.

COUNCILWOMAN SANCHEZ: Well, I guess the concern is, we're going to have to think about those a little bit differently only because, since we're subsidizing them, it creates a problem.

COMMISSIONER BRUNWASSER: Right.

COUNCILWOMAN SANCHEZ: 'Cause all you're doing is, you know, you're shifting your costs to another unit that then we got to fund and we got to figure out if there's -- again, in our review, what we can do about that.

COMMISSIONER BRUNWASSER: Yes.

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COUNCILWOMAN SANCHEZ: 'Cause that may mean we want to graduate them differently because, again, now the burden's going to be on another department.

COMMISSIONER BRUNWASSER: Now, any of these developments that have put in for permits after January of 2006 has presumably done the storm-water work upfront.

COUNCILWOMAN SANCHEZ: Yeah, they have done the work.

COMMISSIONER BRUNWASSER: So they're in good shape.

COUNCILWOMAN SANCHEZ: Yeah -- no, but I --

COMMISSIONER BRUNWASSER: They're not --

COUNCILWOMAN SANCHEZ: But I did want to warn us that -- I'm only -- the reason I'm concerned about that is -- and, you know, we went through it, and I appreciate your help on the one Lawrence Court piece.

But it's sort of like there is an added burden to construction on affordable housing projects. And to the extent -- and in that case, we were able to get to somewhat of a win/win.

We need to keep that in mind because it's -- we have less and less money to do affordable housing. So I would think that, as part of your projections moving forward, that we ensure that when we're going to put this mandate on these affordable housing pieces that we continue to work with them to make sure the numbers work.

COMMISSIONER BRUNWASSER: Mm-hmm, mm-hmm.

COUNCILWOMAN SANCHEZ: 'Cause it could throw off our numbers in terms of affordable housing.

COMMISSIONER BRUNWASSER: And again --

COUNCILWOMAN SANCHEZ: And again, in that case, we were able to work something out, but I have some other pipeline projects.

And now everybody is fearing this a little bit because they're concerned about it and not looking at the other issues.

(Timer bell rings.)

And I'll end with this one, and that leads us to the issue that President Verna brought up earlier.

We saw a million-dollar water increase in the Fire Department in particular. And when you were explaining to President Verna, you said you did this based on an assessment of usage and so forth and so on, and I was trying to understand and follow your thought training.

Does that mean that the Fire Department is the on one that gets charged for the fire hydrants?

COMMISSIONER BRUNWASSER: For the fire hydrant system?

COUNCILWOMAN SANCHEZ: Mm-hmm.

COMMISSIONER BRUNWASSER: Yes.

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Well, let's put it this way: It's the General Fund officially that really pays this.

COUNCILWOMAN SANCHEZ: Right.

COMMISSIONER BRUNWASSER: And this is through interfund payments, I believe, at the end of the fiscal year.

And where we pay the General Fund for all of the services that they provide to the Water Department and the General Fund pays the Water Department for all of the water and waste-water services and firefighting services that we provide to the General Fund to the City.

COUNCILWOMAN SANCHEZ: My only concern, if that's the basis of it, you know, how do we allot for, like, play streets and construction sites that use fire hydrants? Are they the only department shouldering the burden of the fire hydrants?

COMMISSIONER BRUNWASSER: Well, we issue -- there are permits issued for legitimate use of fire hydrants.

COUNCILWOMAN SANCHEZ: Mm-hmm.

COMMISSIONER BRUNWASSER: And we -- I know Councilman Rizzo pointed out, in the past, that we probably were not charging enough, and he was correct. And we have -- in our rates, we have the fees up where we believe they're fairly accurate to recover the costs associated with the use of that water, because, otherwise, it's non-revenue water for us.

COUNCILWOMAN SANCHEZ: Mm-hmm.

COMMISSIONER BRUNWASSER: So that's not on the Fire Department, per se.

COUNCILWOMAN SANCHEZ: There's a 20 percent increase in their -- they went from 5 to 6 million. You know, we're kind of looking -- 'cause, again, you departments shuffle and balance your books; we're looking at one bottom line.

And so, the bottom line for me is, that seems severe in one year. And unless you can explain that to me --

COMMISSIONER BRUNWASSER: Sure, we'll -- we can explain that. I will, of course, tell you that, you know, our rates did go up, and they went up for the General Fund as well. And --

COUNCILWOMAN SANCHEZ: And that's -- again, I -- and we can talk about the legalities of all things don't have to be equal; we're the government. You can't just take it from one balance sheet to the other.

So I really think the Administration, before we finalize the budget, really has to look at all those Water Fund interfacings that happens in departments.

COMMISSIONER BRUNWASSER: Now --

COUNCILWOMAN SANCHEZ: Because when you see jumps like that, department-by-department, again, we're going to authorize and appropriate by department, but it's all one general fund.

COMMISSIONER BRUNWASSER: Roughly, I have to tell you that virtually all of the General Fund is metered, and their bill is based on meters.

COUNCILWOMAN SANCHEZ: No, I understand that. But this notion that our rates went up and, therefore, we're going to charge ourselves more money, we're charging ourselves.

COMMISSIONER BRUNWASSER: The difficulty is that we do not -- we're a separate enterprise fund, and we are supposed to be made whole no matter who we provide services to; otherwise, our bond ratings would suffer; otherwise, we may not be able to sell bonds to have a capital program because, basically, people would -- potential bond buyers would say, Well, if the General Fund can siphon off money from the Water Department or charge the Water Department for more than they deserve or withhold money from the Water Department, then our bonds are not worth what they think they are.

COUNCILWOMAN SANCHEZ: Well, we'll have a financing discussion on my next round.

Thank you.

COUNCIL PRESIDENT VERNA: The Chair recognizes Councilwoman Brown.

COUNCILWOMAN BROWN: Thank you, Madam President. I did have a couple more questions.

Commissioner, on page 15, under "Professional Services," there's a $25,000 increase for the apprenticeship program at CCP.

Provide details on that. And in your details, speak to the rates of minority participation in the apprenticeship program.

COMMISSIONER BRUNWASSER: Councilwoman --

COUNCILWOMAN BROWN: Yes.

COMMISSIONER BRUNWASSER: -- one of the folks who is most responsible for this program in the department was invited, but I think, unfortunately, was not able to attend today.

COUNCILWOMAN BROWN: Okay.

COMMISSIONER BRUNWASSER: And she certainly knows a lot about this program, and I know she works with some of the organizations that -- oh, excuse me.

(Witness comes forward.)

COUNCILWOMAN BROWN: Good afternoon.

MS. DiGIULIO: Hi. I'm sorry. My name is Nicole DiGiulio, and I'm the training and development manager.

COUNCILWOMAN BROWN: If you could speak to detail that include such things as how old the program is, the types of things you do for recruitment and outreach, the number of enrollees in the program, the length of the program, et cetera.

MS. DiGIULIO: Okay. The program started in 2007. We started with -- our first class was eleven students that were selected from the Philadelphia Academy, Electrical Academy.

COUNCILWOMAN BROWN: Mm-hmm.

MS. DiGIULIO: They came from Swenson High School -- all Philadelphia School District high schools. And also, we used Mercy Vocational Tech.

COUNCILWOMAN BROWN: Sure.

MS. DiGIULIO: Okay. And I think -- did I mention there were eleven of those that year. And that year, we sent those students to Orleans Technical School for -- to become electrical trades --

COUNCILWOMAN BROWN: Okay.

MS. DiGIULIO: -- workers.

That takes about three -- approximately three years, two-and-a-half years of school, and those students are graduating from that program at the end of this month.

COUNCILWOMAN BROWN: Okay.

MS. DiGIULIO: In 2008, we

recruited for science technicians and construction-projects technicians. Those students also came from the Philadelphia School District. They came from the Environmental Academy at Lincoln High School. They also -- we had about six or seven students from West Philadelphia High School.

COUNCILWOMAN BROWN: Mm-hmm.

MS. DiGIULIO: We had -- sorry. I'm trying to remember off the top of my head.

COUNCILWOMAN BROWN: That's quite all right.

MS. DiGIULIO: We had -- oh, I'm sorry. We also had five students from Bok High School.

COUNCILWOMAN BROWN: Okay.

MS. DiGIULIO: So, and they were -- and some of them were in the Construction Academy, and some of them were in the Academy of Process technology.

COUNCILWOMAN BROWN: Okay.

MS. DiGIULIO: And those students -- that program actually runs at Community College of Philadelphia. The students who are studying to be science technicians are in the chemical technology program at Community College --

COUNCILWOMAN BROWN: Okay.

MS. DiGIULIO: -- getting associates degrees.

COUNCILWOMAN BROWN: Okay.

MS. DiGIULIO: And the students who are in the construction projects technician program are in the construction technology program at Community College, and that actually takes several years because they're only taking two classes a semester.

COUNCILWOMAN BROWN: I see.

MS. DiGIULIO: So it will take approximately four years for them to go through the program.

COUNCILWOMAN BROWN: Okay. The good news is about that is the positive relationship with CCP and to get young people into the pipeline into those non-traditional careers.

Who funds that program?

MS. DiGIULIO: We fund that program.

COUNCILWOMAN BROWN: The Water Department?

MS. DiGIULIO: They're City employees.

COUNCILWOMAN BROWN: Okay.

MS. DiGIULIO: Those students do an apprenticeship program with us; it's actually an internship program that starts in April of their senior year. And then, in the summer, they do an internship program with us, a full-time internship.

If they're successful in the full-time internship, they're hired into civil service and start school. They're in a class called Engineering and Science Technician Trainee. And the other students in the trades are in a class called Utility Maintenance Apprentice.

COUNCILWOMAN BROWN: That's terrific.

Any related or similar type of relationships with area colleges who have young people coming out with degrees in the skill set areas that the Water Department looks for, like engineering?

COMMISSIONER BRUNWASSER: We've had an ongoing relationship with Drexel University, through their work-study intern program, for probably close to 50 years, which was a program started by the first Water Commissioner, Sam Baxter.

COUNCILWOMAN BROWN: Is that still in place?

COMMISSIONER BRUNWASSER: Yes, yes, it is. And we have, over the years, been able to recruit a number of Drexel students as employees, graduate engineers or chemists, people of that type of skill set.

COUNCILWOMAN BROWN: I see.

COMMISSIONER BRUNWASSER: And

to tell you about what Nicole has just commented on, it's become apparent to us -- it became apparent to us some years back that we could not seem to attract the highly-skilled labor force that we needed at some of these plants that we have.

(Timer bell rings.)

And we decided that we have to do something about growing our own.

COUNCILWOMAN BROWN: Mm-hmm.

COMMISSIONER BRUNWASSER: And, again, we've reached out to some of these organizations and to some of the schools. And we need -- and I know that you certainly have a lot of contacts with the schools, and we certainly look to foster that kind of relationship in Philadelphia.

COUNCILWOMAN BROWN: Okay. I will look forward to a subsequent discussion and/or meeting to broaden and deepen the outreach.

Lastly, please tell us your

full name again and role in the department.

MS. DiGIULIO: My name is Nicole DiGiulio, and I'm the training and development manager.

COUNCILWOMAN BROWN: Thank you very much for your testimony.

MS. DiGIULIO: Thank you.

COUNCILWOMAN BROWN: Thank you, Madam President.

COUNCIL PRESIDENT VERNA: The Chair recognizes Councilman Jones.

COUNCILMAN JONES: First of all, I was remiss in not thanking your department for your participation in the mid-week workshop, where you guys came out and highlighted a number of contract opportunities to minority and female companies and did so. As a result, a lot of interest was developed, and, hopefully, some people got some jobs out of it.

As we look at your participation goals from last year and what you intend to do so this year, those kinds of outreach efforts are critical.

On the note of my colleague Councilwoman Reynolds-Brown, are you planning to be a worksite for some of the jobs programs offered by Obama in the stimulus money.

It seems to me that I recall a program called SETA, where a lot of young people and trainable folk got a first-time opportunity to work in a City department and took advantage of that, took tests, wound up becoming a part of the workforce.

And some of them -- God bless their souls -- are retiring from the City from those opportunities.

COMMISSIONER BRUNWASSER: Yes, yes.

COUNCILMAN JONES: It seems to me that what is old becomes new.

And is the Water Department going to be one of the sites where some of the workforce that we're trying to recruit through this program, are you going to take advantage of that opportunity?

COMMISSIONER BRUNWASSER: We hope to, yes.

I mean, we want to find out a little bit more. But certainly, we have a lot of opportunities in the Water Department.

And as you see in looking at the budget and the list of positions, we have probably the most number of different titles, job title, in the City.

So we have lots of -- we do lots of different things. We have lots of specialties and interests.

And so, you know, we hope to fill the bill for some of these people.

COUNCILMAN JONES: It's -- and God knows, it is difficult to take advantage of all of these opportunities in a timely fashion that present themselves from the federal government. It is a hurry-up-and-wait-and-then-hurry-up proposition.

But if, indeed, we can do this in a situation where these temporary jobs, even a small portion of them, matriculate into a permanent opportunity, it is well worth all of the back-and-forth this city has had to go to accommodate the federal sources of money.

Finally, on the capital projects side, how are we doing with the underwater basins up in Manayunk that we are installing; have they have been completely installed?

And wait a minute. Before you answer that, also -- 'cause I know that bell's going to ring -- how are we doing with our post-9/11 mandates for security?

And I'll leave it at that.

COMMISSIONER BRUNWASSER: Right. I'll answer the second question first.

We are doing well with our mandates. As you know, we met recently about the Queen Lane water plant and some issues that the neighbors might have with some of the security measures that we're taking. But we are on target for the security measures that we need to take within the water, the streams, the rivers, and water plants.

COUNCILMAN JONES: And have we come to some kind of compromise? I see you're head shaking no. Is it where it was when we last left it?

COMMISSIONER BRUNWASSER: I -- I think -- I think it's -- we haven't moved yet. I mean, we have met the folks halfway literally but, you know, they're -- we're --

COUNCILMAN JONES: You know, I was in the meeting. So I just want to know if we've made any further progress with that.

COMMISSIONER BRUNWASSER: Yes. We're making another analysis based on the last meeting that we had.

COUNCILMAN JONES: Fair enough.

COMMISSIONER BRUNWASSER: Yes.

COUNCILMAN JONES: Fair enough.

COMMISSIONER BRUNWASSER: And the first question that you had was the Manayunk tank --

COUNCILMAN JONES: Yes.

COMMISSIONER BRUNWASSER: -- on Venice Island.

COUNCILMAN JONES: Yes.

COMMISSIONER BRUNWASSER: That has just about been -- the design for that has been just about completed. And it's a very good project, I think, for the area.

And I'm not sure when the go-ahead will come. We have some funding issues because it's a -- it's an expensive project for us, but it's one that needs to be done.

And the regulatory agencies are looking for us to have that completed within a relatively short time.

COUNCILMAN JONES: Okay. Thank you.

COMMISSIONER BRUNWASSER: By

the way, I should tell you that the project -- I know you're interested in the Dobson's Run.

COUNCILMAN JONES: The Dobson's Run, yes. That was my first sewer that I actually walked through.

COMMISSIONER BRUNWASSER: Yes.

COUNCILMAN JONES: Thank you very much for that experience.

COMMISSIONER BRUNWASSER: That's an amazing engineering feat. That's drawing to a close and, hopefully, will be out of East River Drive before June.

(Timer bell rings.)

COUNCILMAN JONES: Okay. And thank you for not having -- there was minimal invasiveness to the community, the dynamite under their buildings was barely heard, and we appreciate that professionalism, we really do.

Thank you.

(Councilwoman Tasco assumes chairmanship.)

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COUNCILWOMAN TASCO: The Chair recognizes Councilwoman Brown.

COUNCILWOMAN BROWN: Thank you, Madam Chair. I'm done.

COUNCILWOMAN TASCO: All right. Any more questions?

COUNCILWOMAN SANCHEZ: I have one.

COUNCILWOMAN TASCO: The Chair recognizes Councilwoman Sanchez. You can proceed.

COUNCILWOMAN SANCHEZ: Thank you.

Going back to the storm-water management issue. We had a conversation around how do we break down some of the silos, particularly in capital and in our recreation? And I wanted to know if you had any updates for me.

I'm talking about in particularly, as we look at areas where we have storm-water management issues and where, in some cases, there were some rain garden plans, and there's a potential to do a recreation development project, where if we were to layer storm-water management with recreation, we could probably do a much better job.

Have you reviewed some of the instances that I had shared with you? And is that a discussion that we can continue to pursue?

COMMISSIONER BRUNWASSER: We certainly can continue to pursue it.

As you may not know, the Water Commissioner serves on the Board of Parks and Recreation, so it -- the Water Commissioner position used to serve on the old Fairmount Park Commission.

COUNCILWOMAN SANCHEZ: Mm-hmm.

COMMISSIONER BRUNWASSER: Which did not include very much of recreation, per se, as in the Recreation Department. But now I'm getting a lot closer to that.

And we certainly are looking for opportunities, when we address storm water in the City, for using some land that is the City's owned land --

COUNCILWOMAN SANCHEZ: Mm-hmm.

COMMISSIONER BRUNWASSER: -- and helping the City achieve what it is needs to achieve onsite, while addressing storm water maybe from the community. And so, we're certainly interested in that, and we will continue to look for opportunities in those areas.

COUNCILWOMAN SANCHEZ: Okay. So I had given you some particular sites. How do you want me to pursue that? because those are areas where -- again, I guess my -- the response that I got from your staff was that what you were planning to do in that area was a lot smaller than the projects in line.

But it just -- for me, it just makes total sense, as we break down silos and reach mutual goals, that we look at every capital project, particularly in underserved communities, to reach the storm-water management goal that would also probably help us offset some of the hikes around areas -- in poorer areas.

You know, I'm going back to the issue before where people are going to get hit with some rate hikes.

So how do you want to us pursue those projects? I have, like, six projects in my district, all of them, which, I believe, qualify, but you may not.

But I just think that this is a great opportunity for us to do some good stuff around recreation, children, science, storm-water management, and I want to make sure that we capitalize on those opportunities.

COMMISSIONER BRUNWASSER: We certainly will continue to look at any of the sites you are particularly interested in.

Again, there has to be -- the word is synergies, I guess, for want of a better word, that work for us. In other words, if these projects are in single, you know, in the combined sewer area, that's a good thing because we will avoid combined sewer overflows, you know --

COUNCILWOMAN SANCHEZ: Right.

COMMISSIONER BRUNWASSER: -- if this is managed right. And those tend to be in the older sections of the City. So, typically those are the areas that perhaps need the most work.

COUNCILWOMAN SANCHEZ: Well, I mean, I'm also concerned 'cause these are areas where we're doing neighborhood revitalization where there are a lot of vacant parcels, where we're not going to be able to enter into some sort of a storm-water management agreement until we redevelop them.

So we have an opportunity where we're creating some infrastructure to capture some of that until we redevelop some this those sectors.

So even in the short term, on paper, it may not look like, Okay, this didn't fit apples to apples. I think when we look at the long term, where we're sitting on thousands of vacant parcels that are either privately owned or that the City owns, and we're not going to be able to move 'em in a little bit.

So I just think that -- so I'm just asking for the criteria for selection to be that where we kind of think outside the box.

COMMISSIONER BRUNWASSER: Our folks in watersheds who do this type of work and who are looking for these kinds of projects and locations in the City should definitely become aware of those that you're thinking of and check them out.

With our fancy GIS system and other technology that we now have in the Water Department, we could have a pretty good idea of what makes sense for us to pursue.

COUNCILWOMAN SANCHEZ: And as we move forward as it relates to some of the -- again, the nonprofit discussion we'll continue to have as it relates to storm-water management. But as you address the business sector, if you could continue to keep us informed.

I mean, I like the fact that you're having those seminars, and we may want to do some of those seminars for some of the harder-to-reach communities -- you know, the Asian community, the Latino community, and others -- to clarify some of those issues.

I'd be happy to -- particularly I know I had the list of my top ten worst, but I don't know how far down the list you've gotten now. If you want to share that, I'd be happy to co-host that with you in the district.

COMMISSIONER BRUNWASSER: Okay.

COUNCILWOMAN SANCHEZ: Thank you.

Thank you, Madam Chair.

COUNCILWOMAN TASCO: Okay. No more questions? Okay. I know you're glad. Time to go, right?

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MR. McPHERSON: The next department is the Streets Department.

(Witness come forward.)

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

COMMISSIONER TOLSON: Good afternoon, Council President Verna and members of City Council. I am Clarena Tolson, Commissioner of the Streets Department, and I'm here today to present testimony on behalf of the department's proposed FY 1011 Operating Budget.

I'd like to share some highlights of our budget.

We request a General Fund appropriation of $113 million and an All Funds Appropriation of $248 million. Our budget request for 2010 allows the department to maintain the core services that support our mission of clean and safe streets.

The budget request sustains

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funding for trash collection, single-stream recycling, roadway maintenance. In addition, it will enable us to maintain and expand innovative efficiencies, including incentive-based recycling and the solar-powered litter baskets that we implemented this past year.

The Department of Streets is committed to supporting the Administration's goal of 25 percent minority-, women-, and disabled owned businesses participating in City contracting. The Streets Department participation, including although professional services contracts, has exceeded 30 percent since Fiscal '08, and we expect to meet that target again for 2011.

In the Sanitation Division under the Leadership of Deputy Commissioner Carlton Williams, we managed the City's municipal solid-waste plant and developed and implemented strategies to trash and recycling collection.

Currently, we receive $25.89 per ton for recycling materials. This, coupled with the avoided landfill cost of $65 a ton, generates a savings of $90 a ton for materials that are diverted from landfills. Our weekly single-stream recycling collection continues to generate the highest levels of recycling in the City's history.

Since Mayor Nutter took office and with the support of City Council, the recycling diversion rate has more than doubled, and our combined recycling rate from curbside residential and commercial is at 39 percent.

In February of 2010, the department launched Philadelphia Recycling Rewards, an incentive-based recycling program that rewards residents for recycling. By July, every resident with City-provided trash collection will be able to earn rewards. City Council's assistance in launching this program has been significant.

We expect that this initiative will increase our diversion rate between 5 and 10 percent over the next few years. The City has a performance-based contract with RecycleBank, our rewards partner, only if specific goals are obtained.

Since I testified before you last year, the department dramatically changed the way litter is managed in Center City. The deployment of 500 solar-compaction litter receptacles is the largest anywhere in the country, and it has allowed the department to realize significant improvements in our collection system, slashing weekly collections from 17 to 5.

We have also placed 200 public recycling units on the street, diverting tons of waste from landfills.

Using Recovery Act dollars and funding from the Commerce Department, we have worked with Councilmembers to bring solar-powered litter baskets to business corridors throughout the City.

Beginning in Fiscal 2011, the Administration proposes to institute a "Clean Philly Fee" to support sanitation services in both collections and cleaning. The fee will allow collections to be maintained at current levels of service and full implementation of incentive-based recycling and support neighborhood cleaning and restore leaf collection.

Now moving to the Transportation Division. Under the leadership of Deputy Commissioner Steven Buckley, we have performed well in the face of budget reductions, resulting in an 8 percent reduction in staff for our Highway Division.

For 2010, the Smooth Streets program continued with a new target of three days to fill potholes.

The Streets Department has instituted a new highway-opening permit process to improve operation for the utilities that work within the City's right-of-way.

In the past, the Streets Department had a 45-day turnaround for street-opening permits. We have since created a two-tier permit system and slashed the department's response time from 45 days to 5 days or 25 days, depending on project complexity.

Our Design Unit received funding for, designed, and bid three ARRA-funded projects worth over $18 million. These projects will result in the resurfacing of nearly 28 miles four our high-volume neighborhood streets and upgrading over 2,000 ADA ramps.

Last year, the Design Unit advertised four capital projects, surpassing a recent historic average of two or three projects a year. In addition to its planned work program, the Design Unit advanced over twenty RESTORE projects and two PennDOT grant projects worth over $4 million.

The $65 million South Street Bridge construction project continues to advance and is on budget and on schedule for a November 2010 opening.

Beginning in a few weeks, using Recovery Act funding, the Traffic and Street Lighting Unit will convert 55,000 incandescent traffic signals to energy-efficient LED signals.

My testimony would not be complete if I did not take a moment to talk about winter weather.

The City experienced a record-breaking 75 inches of snow this winter. What could have been a disaster instead represented a triumph of City employees in a real winter emergency. Our city's half-a-billion-per day economy was functional in short order, while other cities were closed for days.

I'd like to thank our citizens for their patience as we cleared nearly every block in the City. I'd like to thank City Council for your support throughout the storm and for sharing information both from and with constituents.

Most of all, I'd like to thank the men and women of the Streets Department, Fairmount Park, the Water Department, Licenses and Inspections, Public Property, Fleet Management, Recreation, Prisons, 311, CLIP, and the Managing Director's Office. These employees sacrificed greatly to keep Philadelphia safe and on the move.

And I'd like to add a personal note of thanks on behalf of the citizens to the leadership from Kevin Koch, who was the operations manager throughout, and Steve Buckley and Nancy (indiscernible) for their leadership.

In conclusion, I'd like to say that the Streets Department and its employees continue to rigorously pursue our mission of clean and safe streets. In 2000, we were budgeted for 2232 employees, and our Fiscal 2011 request is

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for 1826 employees, over 400 positions less than a decade ago.

We continue to consistently deliver services in an effective and cost-efficient manner that directly impacts the quality of life for all City constituents.

The budget proposed here allows the department to continue to provide such core services; therefore, we request your favorable consideration of this budget request.

And I'm here to answer any questions that you may have.

COUNCIL PRESIDENT VERNA: Thank you very much.

Commissioner, on page 1 of your testimony, you mentioned that the City has performance-based contracts with RecycleBank, our rewards partner, which shares savings only if specific goals are obtained.

What are the goals and savings contained in the contract?

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COMMISSIONER TOLSON: I'll let Deputy Commissioner Williams outline the details of how that contracts works.

COUNCIL PRESIDENT VERNA: Thank you.

DEPT. COMM. WILLIAMS: Good afternoon. Thank you, Madam President. My name is Carlton Williams, and I'm Deputy Streets Commissioner for The Sanitation Division.

One of the things that we're very excited about that we launched this year was a performance-based contract with RecycleBank. As you know, the history of our program with RecycleBank is that the program originally had originally cost too much money for the City to invest in, and we were able to work together with RecycleBank to come up with a process that that would only pay the fee unless recycling rates increase.

This performance-based project is based in three tiers. If recycling rates increase above the baseline levels, where they currently are right now, they obtain a percentage of the savings from the City of Philadelphia through avoided disposal and the recycling revenue, which is currently $25 a ton, as the Commissioner said earlier.

So, for example, if recycling rates went from a diversion rate of 18 percent to 24 percent, that would be $40,000 in additional tonnage in which we would split the avoided disposal cost and the revenue that is gained from that with RecycleBank, because the program directly increased the program -- increased the recycling rates and tonnages in those areas.

And it's only paid per area that they're currently rolled out in. So this year, right now, we're in Areas 1, 2, and 3. And so, the performance-based contact will only be in the areas that they're currently started in.

COUNCIL PRESIDENT VERNA: What are Areas 1, 2, and 3?

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DEPT. COMM. WILLIAMS: Right now, West Philadelphia, North Philadelphia, and South Philadelphia. But we're in North Philadelphia right now and Center City.

COUNCIL PRESIDENT VERNA: Thank you.

DEPT. COMM. WILLIAMS: You're welcome.

COUNCIL PRESIDENT VERNA: Commissioner, how many vacant General Fund positions do you have currently have?

COMMISSIONER TOLSON: One moment, Councilwoman, and I'll give you that exact number.

It's 140, Councilwoman.

COUNCIL PRESIDENT VERNA: I beg your pardon?

COMMISSIONER TOLSON: 140.

COUNCIL PRESIDENT VERNA: And what positions are they?

COMMISSIONER TOLSON: The positions vary. They go from clerical positions, construction-project positions, engineers. Most of them are laborers and drivers.

COUNCIL PRESIDENT VERNA: And are you confident that you could efficiently do your job with 140 less employees?

COMMISSIONER TOLSON: No, Councilwoman. The positions that we had budgeted, as part of our plan, all of them are not hired at the beginning of the year, the beginning of the fiscal year. It's part of our strategy, particularly with Sanitation, which has the largest piece of those vacancies.

We hire people at the height of our need for people. So we allow our staffing to attrit, the numbers to go down. And then we hire up in the springtime.

The same thing for our Paving Operations and our Highways Division.

COUNCIL PRESIDENT VERNA: You mention in your testimony that you expect

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to increase your diversion rate between 5 percent and 10 percent over the next few years; is that correct?

COMMISSIONER TOLSON: That's correct.

COUNCIL PRESIDENT VERNA: Can you explain why the revenue estimates contained in the Five-Year Plan are held flat, at the 2011 rate, for the out-years of the plan?

COMMISSIONER TOLSON: Yes. The reason why we have not made -- we've held them flat over the next several years is because of the volatility of the recycling market, though we expect our tonnage to increase dramatically as more people participate and they are recycling more materials.

We do not, however, know what's going to happen with our recycling rate. Over the last year, our rate has a varied from payments of 25.89, where we are right now, we're getting paid 25.89 to us paying $14.52. That's just in this one

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year. In the year prior to that, we were getting paid as high as $44, and we paid as much as $32.

Those numbers vary by quarter. And the nature of our relationship with the recycling market and processing means that our costs will fluctuate based upon how the commodities markets fluctuate.

So we have left the numbers flat, at zero, not projecting any cost nor any revenue.

COUNCIL PRESIDENT VERNA: Well, assuming you do increase your diversion rate by 5 percent, how much do you save in landfill costs? And are these savings reflected in the out-years of the Five-Year Plan?

COMMISSIONER TOLSON: The tonnage is reflected; however, there is no revenue or cost associated with that.

And the in terms of recycling revenue, it is also reflected in the reduction in our disposal costs. So we accounted for it in disposal, but we have not taking credit for it in recycling.

COUNCIL PRESIDENT VERNA: Thank you.

Commissioner, I know that we had a horrible, horrible winter; and the potholes tell us so.

COMMISSIONER TOLSON: Yes.

COUNCIL PRESIDENT VERNA: How are we addressing the issue of the potholes?

And I notice -- I don't know. How are they filling the potholes now? because, apparently, whatever they're doing it, a week after they've filled the potholes, there's another dent.

So it's not like they did it in years gone by. There's a new process apparently?

COMMISSIONER TOLSON: Yes.

COUNCIL PRESIDENT VERNA: Do you think this new process is correcting the problem?

COMMISSIONER TOLSON: During the winter months, when it's colder, we were doing some temporary patching, something that would allow us to fill a hole on a temporary basis. However, that is often washed out by rain, requiring a replacement patch.

However, since the weather has changed, we are doing it with a permanent patch, either with asphalt or through a process where we use an automated repair system.

Both -- all three of those processes are the same as they have been in the past years. In past years, we've done the temporary patches during the winter months or the colder months, the colder times, and we've done the permanent repairs in the warmer times.

So nothing is very different; it's just --

COUNCIL PRESIDENT VERNA: I just don't remember the temporary.

COMMISSIONER TOLSON: Yes, we've always done it.

COUNCIL PRESIDENT VERNA: I

don't recall that. Maybe we didn't have as many potholes in the past as we have today.

COMMISSIONER TOLSON: That is the problem.

COUNCIL PRESIDENT VERNA: Uh-huh.

COMMISSIONER TOLSON: Last year, in 2009, we had 11,000 potholes that we repaired. This year, year-to-date -- and there's still a lot more to be done -- we've done almost 15,000 potholes.

So that is a difference, that is why we all feel that they are not being repaired or that there is a problem with potholes, because there are so many, and as a direct result of the winter that we had, a very bad winter, lots of freeze-thaw cycles. I think the month of February, we were under snow almost every day, it felt like.

So as a result, we had a significant number of potholes to repair.

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COUNCIL PRESIDENT VERNA: How were --

COMMISSIONER TOLSON: And they will continue to "bloom," as we say; they will continue to pop up probably for another few months.

COUNCIL PRESIDENT VERNA: How are we doing with resurfacing?

COMMISSIONER TOLSON: Resurfacing has just begun. We expect to do approximately 46 miles this year. That number is down dramatically because of the requirements to do ADA ramps, which takes about half of our money.

COUNCIL PRESIDENT VERNA: Well, 46 miles tells me nothing about what will be resurfaced in my district.

COMMISSIONER TOLSON: We'll glad to share information about that with you.

COUNCIL PRESIDENT VERNA: Would you, please?

COMMISSIONER TOLSON: Yes, indeed.

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COUNCIL PRESIDENT VERNA: Thank you.

The Chair recognizes Councilman Greenlee.

COUNCILMAN GREENLEE: Thank you, Madam President.

Good afternoon, everyone.

And thank you for your -- all of everybody's hard work during those couple of snowy months.

Just as the President talked about the potholes, let me just ask: Is the target date still three days, given that there's a lot more going on out there, "sprouting up," as you call it?

COMMISSIONER TOLSON: Yes. We are still meeting our three-day goal -- in fact, we are a little underneath that -- for potholes.

COUNCILMAN GREENLEE: Great, okay.

Now, with plumber's ditches -- and I know the difference here where the street is opened either -- you know, most of the time by private people. I know there's a given time where the private person is supposed to maintain it, right?

COMMISSIONER TOLSON: Yes.

COUNCILMAN GREENLEE: How long a period is it?

COMMISSIONER TOLSON: The plumber's supposed to maintain it for at least 30 days.

COUNCILMAN GREENLEE: Okay. Now, I assume, from what we hear, a lot of that doesn't happen, you know, for whatever reason. Either they don't know or they don't -- is -- does the City do anything in that time period if people complain about a plumber's ditch that was just left open?

COMMISSIONER TOLSON: Yes. We do go back to the plumber, or whoever may have opened the street, to require that they do the temporary fill properly.

So if they throw in stones, which is not the proper way to fill it, then we'll have 'em go back, and their clock begins again.

COUNCILMAN GREENLEE: Is there a violation you actually issue them or --

COMMISSIONER TOLSON: Yes. They may receive a violation for that.

COUNCILMAN GREENLEE: Okay. So they can be fined if they don't follow through?

COMMISSIONER TOLSON: Yes.

COUNCILMAN GREENLEE: Okay. Just one question on alley lights; I know I've brought this up before.

What -- I know the streetlights seem to be fixed except when there's an electrical problem or something, a pretty quick time frame. But the alleyway lights, sometimes we get complaints that they go a long time.

Do you have an average of what alley lights -- when you try to get them fixed?

COMMISSIONER TOLSON: We try to tackle most of them in the spring, those that we can access and can repair.

COUNCILMAN GREENLEE: Mm-hmm.

COMMISSIONER TOLSON: It's a matter of replacing a bulb. If there's that's something than that, then it may be a bigger challenge.

COUNCILMAN GREENLEE: Mm-hmm.

COMMISSIONER TOLSON: But we try to stay fairly on top of those and tackling most of them in the spring months.

COUNCILMAN GREENLEE: Mm-hmm. And I guess access is a big problem 'cause there are --

COMMISSIONER TOLSON: Access is a big problem.

COUNCILMAN GREENLEE: Either they're blocked intentionally by a gate or sometimes by debris or whatever, right?

COMMISSIONER TOLSON: Yes.

COUNCILMAN GREENLEE: One last thing. Just so I'm clear on what you get per ton for recycling, just I'm clear on what you said.

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COMMISSIONER TOLSON: Yes.

COUNCILMAN GREENLEE: I know in your testimony, you said we receive $25.89 per ton per recycling material, but then you said something in the answer to the President that there's tons that the City pays. Can you explain that a little bit?

COMMISSIONER TOLSON: Yes. So this quarter, beginning in April, we're receiving $25.89. However, if I'd gone back to -- and that number fluctuates every quarter.

COUNCILMAN GREENLEE: Mm-hmm.

COMMISSIONER TOLSON: There are indices that we use to evaluate our costs or revenue for recycling. And that fluctuates.

So if I go back to a prior quarter... I just want to get you the exact numbers, so give me second, please.

COUNCILMAN GREENLEE: Mm-hmm.

COMMISSIONER TOLSON: So last quarter, from January through March, we were receiving $5.04. The quarter prior to that, we were paying 38 cents.

COUNCILMAN GREENLEE: Mm-hmm.

COMMISSIONER TOLSON: The quarter prior to that we were paying $14.52.

COUNCILMAN GREENLEE: Mm-hmm.

COMMISSIONER TOLSON: So it fluctuates, almost like the stock market.

COUNCILMAN GREENLEE: Mm-hmm.

COMMISSIONER TOLSON: It depends upon the value of the commodity it's based upon, how the processes can sell them, you know, how well the Asian markets may be doing in terms of receiving the materials to use for new commodities.

COUNCILMAN GREENLEE: I didn't know it was that complicated. And is that broken down? I know we have single-stream recycling.

COMMISSIONER TOLSON: Yes.

COUNCILMAN GREENLEE: But is that broken down through material as far as, I mean, paper versus plastic and all that kind of stuff?

COMMISSIONER TOLSON: Yes. We get different rates for paper, newspaper versus cardboard versus bottles, clear bottles, colored bottles, versus aluminum cans.

COUNCILMAN GREENLEE: Mm-hmm.

COMMISSIONER TOLSON: And we actually do an assessment or an evaluation of our recycling stream to determine how much is composed of aluminum, how much is paper, how much is each of the commodities, that given the value and, based upon that, a formula is developed for the value of our commodities, and we stick with that formula for a fair amount of time.

We're actually in the midst of doing a composition study right now, a trash composition study to understand what's in our materials.

COUNCILMAN GREENLEE: Mm-hmm.

COMMISSIONER TOLSON: And we

are able to adjust that.

Now, obviously, that formulation is different community-to-communities. In some communities, you're going to see more paper; in some communities, you're going to see more bottles; others, you see more cans.

COUNCILMAN GREENLEE: What is the better or the -- what do you get more for? Or does that vary also? I mean, is paper more?

COMMISSIONER TOLSON: It can vary.

COUNCILMAN GREENLEE: Is paper worth more than plastic? I'm sorry.

COMMISSIONER TOLSON: It can vary.

COUNCILMAN GREENLEE: It can vary?

COMMISSIONER TOLSON: It depends upon the need in the market, where the processors can go.

COUNCILMAN GREENLEE: Mm-hmm.

COMMISSIONER TOLSON: So paper

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may be up this year; and two years ago, it may have been down.

COUNCILMAN GREENLEE: Mm-hmm.

COMMISSIONER TOLSON: Aluminum tends to stay up, plastic stays up. Plastic is -- it takes a lot of material or a volume in order to make a ton of plastics.

COUNCILMAN GREENLEE: Mm-hmm.

COMMISSIONER TOLSON: But the values are always there.

COUNCILMAN GREENLEE: Do you have any statistics on the cost per material that you get, or anything like that?

(Timer bell rings.)

COUNCILMAN GREENLEE: I'd just be interested to see what the differences are.

COMMISSIONER TOLSON: By commodity?

COUNCILMAN GREENLEE: Yeah.

COMMISSIONER TOLSON: We'd be glad to share that with you.

COUNCILMAN GREENLEE: If you could.

COMMISSIONER TOLSON: And we'll send that in.

COUNCILMAN GREENLEE: Okay, great. Thank you.

COMMISSIONER TOLSON: Certainly.

COUNCILMAN GREENLEE: Thank you very much.

Thank you, Madam President.

COUNCIL PRESIDENT VERNA: You're welcome.

Recycling is picked up by the Streets Department. Who actually sorts it out, as far as paper and plastic? Is that done by the recycling company?

COMMISSIONER TOLSON: That is done by Blue Mountain, located at 29th and Ellsworth.

COUNCIL PRESIDENT VERNA: Really?

COMMISSIONER TOLSON: Yes.

COUNCIL PRESIDENT VERNA: In our old neighborhood.

COMMISSIONER TOLSON: All of our materials are presently going there.

COUNCIL PRESIDENT VERNA: Thank you.

COMMISSIONER TOLSON: I thought you would like to know that location.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair now recognizes Councilman Jones.

COUNCILMAN JONES: Thank you, Madam President.

Commissioner, I just want to get the good part out first, and there's a lot of good parts, but the good part is that during a snow event like we had last year, I have been around long enough to see other events, and I can't think of a better opportunity that you took to test what you had with limited resources and did well.

We were able to chronicle over 50 different requests that I immediately did two things. I sent it to 311, and then I sent it to you.

In 95 percent of those cases, we got favorable responses back, and we kept track. So no one can expect a city department to control the weather. But what you did was control our streets to the degree that you could with the resources you were able to marshal. And I just want to thank you from all of the residents from my district.

Carlton Williams I also have on speed-dial. That is not going to help you when football season happens. The Monarchs will crush you. But that's another story for another day.

But I just wanted to publicly thank all of offer staff for being so responsive.

COMMISSIONER TOLSON: Thank you, Councilman. On behalf of the team, I do thank you.

COUNCILMAN JONES: All right.

COMMISSIONER TOLSON: It was a major effort on everyone's part. And we were all together in this, and it worked.

COUNCILMAN JONES: I saw you personally out, shoveling snow, and I was impressed.

COUNCIL PRESIDENT VERNA: And she did admit that she had many sleepless nights.

COUNCILMAN JONES: Yes, she did.

Also, I want to thank you for being responsive. I asked you about, as we consider revenue enhancements such as fees for trash, to give -- I asked your department to give me a matrix of what surrounding counties did. And not only did you give me a matrix of it; you gave me a map as to where they did it. And this is very interesting and will be a part of our deliberations as we start to consider what options we have.

But the information request and response was real good.

More recently, I asked you about a old issue with our bridges in the

City of Philadelphia, of which we have over 300 of them. I sent a e-mail to you on the 9th, and I wanted to know, between you and the City and Deputy Mayor Cutler, if you've had an opportunity to respond to some of those information requests.

COMMISSIONER TOLSON: Yes. Thank you, Councilman.

I'm going to allow Deputy Commissioner Steven Buckley to address your questions.

COUNCILMAN JONES: Okay.

COMMISSIONER TOLSON: We have had the chance to review them. And we do have answers. I apologize that we have not yet put that in writing to respond to you, but we did come prepared today to discuss it.

COUNCILMAN JONES: It was only Friday. I know you have some potholes to fix, so we'll be a little understanding of the time.

And some of those questions were that, do we have a complete list of bridges -- and I think this is a easy answer -- in the City of Philadelphia? And more importantly, their ownership.

COMMISSIONER TOLSON: Yes, we do.

COUNCILMAN JONES: All right. And are there different levels of responsibility by way of ownership? If we don't own the bridge, do we sill have to maintain it? Are there different agreements per bridge?

COMMISSIONER TOLSON: Yes, yes.

COUNCILMAN JONES: Can you describe some of those types of agreements for me?

COMMISSIONER TOLSON: Sure, sure, we can. I'll let Deputy Commissioner Buckley address that.

DEPT. COMM. BUCKLEY: Thank you. Steve Buckley, Deputy Commissioner for Transportation.

So, Councilman, the question is basically, you were asking about number of bridges within Philadelphia.

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There's almost 1500 bridges within the City of Philadelphia. Of the total, the City of Philadelphia has maintenance responsibility for about 422 structures.

We are the largest. PennDOT has about 338 bridges. SEPTA has about 400 bridges. And then we have various agencies such as Conrail, Amtrak, private entities, DRPA, railroads, and other agencies who make up the list, somewhere in the order -- most of 'em are under a hundred bridges each.

So there is a large number of bridges.

In general, most bridges, the maintenance responsibilities are the responsibility of the owner. There are some anomalies to that. The City actually does some maintenance on some PennDOT bridges, but that tends to be the exception and not the norm.

For the most part, I think that the biggest bridge that you kind of raised with us is 52nd Street?

COUNCILMAN JONES: We'll get there.

DEPT. COMM. BUCKLEY: Okay.

COUNCILMAN JONES: I have a series of question that are very leading to get to where I want to be.

DEPT. COMM. BUCKLEY: Okay. So the inspection frequency? The Streets Department specifically has responsibility for what we'll say is 156 major vehicular bridges, and what we classify as major bridges are typically structures over 20 feet.

And the bridges -- these bridges are eligible for both state and federal funding for rehabilitation and replacement.

The bridges, all 156 major bridges, are inspected at least once every two years, and that's a federal requirement.

COUNCILMAN JONES: So does that include bridges that are not necessarily

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in our ownership?

DEPT. COMM. BUCKLEY: Typically, no. Typically, the bridge owner is responsible for that.

COUNCILMAN JONES: So in cases -- so we do not necessarily inspect bridges that are not in our specific ownership.

(Timer bell rings.)

DEPT. COMM. BUCKLEY: Correct.

COUNCILMAN JONES: Can I --

COUNCIL PRESIDENT VERNA: You can finish your line of questioning.

COUNCILMAN JONES: Thank you, Madam President.

In cases where bridges have been deemed unsafe and/or dangerous, what is responsibility?

DEPT. COMM. BUCKLEY: Unsafe and dangerous is -- well, I'll say I'm not sure what that definition is.

In the industry, there's typically two triggers: One is that it's functionally obsolete; and the other is that it's structurally deficient.

Functionally obsolete bridges tend to mean that the characteristics of the bridge -- the lane widths, the shoulder widths -- are not up to current standards, so they don't necessarily impose an imminent safety threat.

COUNCILMAN JONES: So when you define "safety threat," does that include pedestrians that travel under them?

DEPT. COMM. BUCKLEY: That is typically not a characteristic of a bridge inspection, but it does not necessarily mean that bridges -- I mean, there are bridges where there are materials on top of 'em that they can fall off due to either accident or purposefully being thrown.

COUNCILMAN JONES: Yes. Exhibit A, this is a railroad spike that I picked up from the 52nd and Jefferson Street Bridge.

DEPT. COMM. BUCKLEY: Yes, sir.

COUNCILMAN JONES: There are

hundreds, if not over a thousand, pedestrians that walk under that bridge, drive under that bridge, take mass transportation under that bridge every day.

We have sent a series of correspondence to Amtrak since we have been in elected office, and we've gotten excuses, we've gotten justification. In our last meeting, after Congressman Fattah made them, and I do mean made them meet with us, after ignoring those correspondence, we were told that there was good news, that the repairs were coming, and that this was going to happen.

What we got was fencing put up on either side of the bridge or plans for it that protect their interests from pedestrians walking across their property, not a safety net for the children that go to the schools around there.

And I'm telling you now -- I've

been very patient with this, and this is not directed at, but this is directed at my level of frustration about it, that we -- we're not going to -- we are not going to abdicate the City's responsibility in keeping people, pedestrians, people on transportation safe in our city.

And when we cite from their own reports, from their own reports, that these bridges are, quote, dangerous and that they've deferred maintenance for decades and that they don't see anything, quote, wrong with it, when you can visit -- I don't have to be an engineer to look up under a bridge and see daylight or to look down on the ground and see rocks that are supposed to be for the securing of the track on the ground. I don't have to see any of this and be an engineer to know that we have a problem. And then that we are planning to put high-speed Acela trains on those same bridges.

Now, I'm saying to you, there was money transferred to the City of Philadelphia for that specific bridge, for that specific bridge in past administrations. And due to transfer ordinance and this and that, it was not repaired.

I'm saying to you I don't understand of all of these structural who's responsible for what and what is deemed dangerous, but this is dangerous in a layperson's term.

And either we will step up or we will take a court action and sue everyone involved so that those people are safe.

And I'm telling you now I'm going to follow the protocols. I sent the letters, I'm doing my due diligence, but I guarantee you, without fear of successful contradiction, I will shut that corner down before a kid gets hurt.

Thank you very much for your patience, Madam President.

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COUNCIL PRESIDENT VERNA: The Chair recognizes Councilman Green.

COUNCILMAN GREEN: Thank you, Madam Chair. I notice you used the green timer on Captain Ahab over there.

(Laughter.)

Did you get that white whale, Councilman? Okay. I'm following Councilman Jones on Facebook, so those are those references.

Good afternoon Commissioner and everybody. It's good to see you.

I have been asking every department about vacant positions or newly-created positions. And I understand there's been some discussion on that, so I won't go through the -- in detail the eight new or unfilled positions in -- I don't know what division that is; I guess it's Administrative -- Engineering Designs. Or the two -- four newly-created positions in Districts and City Plans, or the 44 new or unfilled positions in

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Highways, or the 7 new or unfilled positions in Traffic Engineering or the 175 new or unfilled positions in Sanitation or the 8 new or unfilled positions in General Support, but I will touch on several of 'em.

First of all the Sanitation Division you're creating, just with respect to new positions, three new sanitation crew chief positions. Why do we need three new positions when there are seven currently unfilled?

COMMISSIONER TOLSON: One moment, Councilman. I just want to get up to the same page where you are.

COUNCILMAN GREEN: It's section 44, page 86, line 10.

COMMISSIONER TOLSON: Councilman, those three positions represent positions that will be added to support the services that we would add if the fee is passed as we propose it.

COUNCILMAN GREEN: How many positions here are related to new services that are from the fee, out of these 175 positions?

COMMISSIONER TOLSON: One moment.

COUNCILMAN GREEN: And you can apply that question to every division with new or unfilled positions.

COMMISSIONER TOLSON: One moment, Councilman.

Councilman, I'm looking for my notes. I don't have it at my fingertips, but I believe the number is 43.

COUNCILMAN GREEN: 43.

COMMISSIONER TOLSON: Yes.

COUNCILMAN GREEN: In Sanitation?

COMMISSIONER TOLSON: Yes.

COUNCILMAN GREEN: Okay. Of the other unfilled positions -- and let's just take the seven unfilled street crew chief positions; how is that work getting done now, and who's doing it?

COMMISSIONER TOLSON: Councilman, the way we handle much of the operational work, particularly in the transportation side and in collections, we staff up when we have our heaviest amount of work. And during other periods, we allow ourselves to attrit down.

So it may look as if we're carrying vacancies that we do not need. However, we wait until the time when we need them, which is the springtime for, say, highway pavings, when you want to make sure that you have all of your staff in place for that.

The same thing for collections.

COUNCILMAN GREEN: I understand, I understand. These are crew chief positions, though, and I'm asking specifically with respect to those seven unfilled positions. How long have they been unfilled?

COMMISSIONER TOLSON: One second, Councilman. Could you tell me which page you're on?

COUNCILMAN GREEN: 86, line 10.

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COMMISSIONER TOLSON: Councilman, I'd like to be able to look at this a little more clearly and get back to you on that.

COUNCILMAN GREEN: Okay. So with respect to every unfilled position in your department, I'd like to know how long it's been unfilled, how the job function is currently being performed.

(Timer bell rings.)

And if the sky would fall, and explain why it would fall if we didn't fill it this year.

What positions are seasonal that go up and down? I imagine, you know, that's like labor and other people like that.

And what positions are considered permanent positions by your department? You know, and specifically, what are the 43 positions in Sanitation related to the proposed trash fee?

And what other positions in any other division or department of your --

or division of your department that meet the same category?

And, obviously, I'm looking to -- how long do you think it will take you to prepare that information?

COMMISSIONER TOLSON: Councilman, I will certainly do my best to capture much of what you requested. Some of it I'm not sure that the data exists very easily to account for each position in terms of how long it's been unfilled.

Let's say with laborers, we have people come in and out of those fairly frequently, but I will do my best to give you as much information as I have.

COUNCILMAN GREEN: Okay. Doing your best, how long do you think it will take you to get it to me?

COMMISSIONER TOLSON: I can do my best and respond by Monday with whatever I have.

COUNCILMAN GREEN: By Monday of

next week?

COMMISSIONER TOLSON: Yes.

COUNCILMAN GREEN: Okay.

COMMISSIONER TOLSON: Would that be sufficient? Whatever I have, I will give you what I have.

COUNCILMAN GREEN: Thank you.

Do you happen to know the dollar-amount associated with the 43 people in Sanitation?

COMMISSIONER TOLSON: I will include that with the analysis.

COUNCILMAN GREEN: You don't know that?

COMMISSIONER TOLSON: I'm looking for my sheet, Councilman. I can't put my fingers on it right away.

COUNCILMAN GREEN: Okay, thank you.

COUNCIL PRESIDENT VERNA: The Chair recognizes Councilwoman Sanchez.

COUNCILWOMAN SANCHEZ: Thank you, Madam President.

I had a question pertaining to

your M/W/DBE participation and the fact that you got 30 percent in Fiscal Year 2008 and that you expect to get there this year.

Is there any reason why you -- your number is not increasing? You're one of the few departments that actually obtains this. I'm trying to help out the Mayor in getting a 25 percent government goal.

What areas does that 25 percent represent?

COMMISSIONER TOLSON: I'm not sure I understand what you mean by "what areas."

COUNCILWOMAN SANCHEZ: What types of contracting are you able to successfully contract to minority- and women-owned businesses?

COMMISSIONER TOLSON: We have -- our largest piece is with regard to our disposal contracts.

COUNCILWOMAN SANCHEZ: Okay.

COMMISSIONER TOLSON: And then

we also have some other personal services contracts.

COUNCILWOMAN SANCHEZ: What types of services? I'm trying to identify if there are any services -- we've been told by many departments that we can't do daycare, cut lawns, cut trees. So I'm trying to find out what areas we have been successful in identifying providers.

COMMISSIONER TOLSON: Training has been quite successful. We recently had added some engineering contracts, historical and signal timing.

COUNCILWOMAN SANCHEZ: Okay.

COMMISSIONER TOLSON: So it runs the gamut.

COUNCILWOMAN SANCHEZ: Is there ever an opportunity for departments to share some of those lists in terms of professional services where they have identified good minority contractors? Do you guys ever talk about that at the executive team level?

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COMMISSIONER TOLSON: I don't recall there being a time when we shared the tiles, but we certainly could.

COUNCILWOMAN SANCHEZ: Okay. Yeah, I think that would be important. I want to applaud you because your department is doing well, and I think there might be some things that you're doing that you might be able to help some of your colleagues in other departments in terms of, you know, deliberately going out there and looking at what services are out there and where they might be able -- I look at engineering, for instance, and that may be something that could cross several different departments 'cause we hire engineering services for different ones.

So if you've identified good minority- or women-owned businesses, it would be good to share that with your colleagues since some departments are not doing as well as you are.

I wanted to ask about the

impacts if we don't do the trash fee, so I'd like a delineation of what you consider to be what is going to be enhanced services that is currently not being offered today.

COMMISSIONER TOLSON: If we don't do the fee, what would be enhanced?

COUNCILWOMAN SANCHEZ: Yeah. What is the enhanced services -- one, two, three bullets of enhanced services that the Streets Department is not offering today that this fee would allow you to do?

COMMISSIONER TOLSON: Okay. We shared previously some of the services, but we will give that you in a bullet form.

COUNCILWOMAN SANCHEZ: Okay. What are we doing as it relates to graffiti, for instance?

COMMISSIONER TOLSON: We're going to be increasing our graffiti efforts, removing more graffiti. Also vacant lot cleanup and neighborhood commercial corridor cleaning. We propose it to happen in our first year of our activity.

And in the second year, we propose to consider significantly -- and also, I should say, in the first year is the addition of -- the re-addition of leaf collection.

In the second year of the program, we'll be considering things such as bulk collection and other expansions with regard to cleaning.

COUNCILWOMAN SANCHEZ: What is our backlog on vacant lot cleanups right now?

COMMISSIONER TOLSON: I'll get you that information.

COUNCILWOMAN SANCHEZ: Okay. The last I heard from 3-1-1, it was about 800. So I'm wondering, our enhanced services, how much are we going to be able to break down that 800?

COMMISSIONER TOLSON: Okay, we'll check that.

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COUNCILWOMAN SANCHEZ: You'll have to get back to me on that one too?

COMMISSIONER TOLSON: Yes.

COUNCILWOMAN SANCHEZ: Okay. Again, I think that we're trying to get to a situation where we understand exactly what the additional services would get us as it relates to a backlog.

I think there's a -- and I'm happy that the Pew study and others are saying that people are pleased with our city services, but there are clearly some City services that we have not bee doing as well as in past, and I want to put that in a context to folks, because those are the services that districts like mine request frequently, which is a vacant lot cleanup, some of the graffiti removal.

So if we're going to do any cuts, I want to make sure that we're not doing it in the areas that while there's a level of satisfaction, clearly there's a continuous backlog of services. So I want to get to that number so as we're looking through the budget we could be helpful.

(Timer bell rings.)

And then I'll end by thanking you and your department for your responsiveness. This is my third budget. And so, over the years, we've gotten better at this. And I'm proud of my increased recycling rates

Are we at 10, Carlton? Are we at 10?

DEPT. COMM. WILLIAMS: Very close to it, Councilwoman. Very close to it.

COUNCILWOMAN SANCHEZ: Okay. But more importantly, the litter index reduction, and I want to thank your team and your department for that. We do numerous, numerous cleanups, and you're incredibly responsive.

And I know I'm incredibly demanding, but I want you to know that I truly appreciate it, and I thank your guys all the time in the field; I hope they tell you that, that I appreciate them.

And I look forward to continuing to work as we deal with those challenging issues on the ground. So thank you.

COMMISSIONER TOLSON: And, Councilwoman, I just want to add a thank-you in there as well. I don't know if you and Councilman Darrell Clarke are in a contest.

COUNCILWOMAN SANCHEZ: I'm ahead; there's no contest.

COMMISSIONER TOLSON: I'm not going to judge, but I just will say that you are -- between the efforts of the two of you, I think that you have really gained a significant number of people who signed up for the rewards program, and that means -- and that's only because you go out every meeting and you talk about the importance of recycling and the need to sign up for the rewards program.

And without that leadership, it

shows. It shows when we don't have that support. So I thank you for what you're doing every day. I can tell.

COUNCILWOMAN SANCHEZ: I'm ahead, I'm ahead.

COMMISSIONER TOLSON: I think the Councilman would want to continue working hard to keep up, but it's --

COUNCILWOMAN SANCHEZ: Tell him I'm ahead and they have to work harder.

COMMISSIONER TOLSON: But your recycling numbers are showing the difference. People are recycling, and the community is getting cleaner.

And we will work with other departments that are also involved in lot cleanups to get all that you need with regard to a lot of information.

COUNCILWOMAN SANCHEZ: Thank you.

COUNCIL PRESIDENT VERNA: Thank you.

Councilman Jones?

COUNCILMAN JONES: Captain Ahab

on my white whale. I had a Snickers bar. I'm going to do this all day until that bridge gets fixed.

Do you have on record instances of reports that you may have gotten about complaints about that particular bridge?

DEPT. COMM. BUCKLEY: Councilman, we're looking into that. There's one -- in the two years I've been here, there's one known instance of a report of material falling off the bridge.

COUNCILMAN JONES: Okay.

DEPT. COMM. BUCKLEY: And it wasn't -- it wasn't verified what it was.

COUNCILMAN JONES: I could tell you there have been more instances.

DEPT. COMM. BUCKLEY: Yeah.

COUNCILMAN JONES: The other thing is, do you recall in the job action, when SEPTA had the issue and the railcar came down and caught on fire on one Lancaster Avenue?

DEPT. COMM. BUCKLEY: Yes.

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COUNCILMAN JONES: Do you know that it was less than 700 feet from that bridge? And based on the quick response of the City of Philadelphia, emergency management team, members of your department, members of the Fire Department, that story had a happy ending, because everybody was evacuated off of that car, there was no problems.

But had it moved another thousand feet down that track, it would have been at that overpass, it would have been in a area where the first responders can't get to it as easily, because it's cemented up.

To me, that is a safety hazard that needs looking into, 'cause another hundred feet -- I don't believe that the thousands of people that ride that train know how unsafe they are when they do it.

What does it take for us to intervene when even a federal government isn't doing the right thing by way of being responsible for repairs in our jurisdiction?

I need a answer to that. I'm going to keep asking the question until it gets an answer.

DEPT. COMM. BUCKLEY: Well, I would just be careful in saying "unsafe," 'cause I mean there's -- when you talk about a bridge being unsafe, that typically means that it's in a situation where it actually may collapse.

And all the bridges are inspected, and we are sure that the bridges you're referring to are actually owned by Amtrak.

COUNCILMAN JONES: According to the Paul Nessbaum's Inquirer article of September 20th and according to the his source in Amtrak, Amtrak inspectors have rated many of these structures elements of poor; some components even worse, marking serious, just one grade above failed.

I don't know; I'm not an engineer. How do you interpret that?

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DEPT. COMM. BUCKLEY: I'm not sure -- I have not seen the report so I can't comment on that.

But the Amtrak basically takes the position they are under the jurisdiction of the Federal Railroad Administration. They are a federally sanctioned organization.

COUNCILMAN JONES: Yeah. That's a good point. Did you know that Amtrak has the right to inspect its own bridges on almost like a honor system; did you know that?

Do you think that maybe we, as a municipality, might want to look into whether they're being honorable about their reporting? And when they do report it, they say that they're one step above fail. I don't know. Maybe we should send an inspector or two out there.

DEPT. COMM. BUCKLEY: Well, what we can do is, we work with your office to follow up on this, but Amtrak does not release their bridge inspection reports to the public, even through a City agent.

COUNCILMAN JONES: Oh, yes, they did. Actually, they did. Actually, it was a part of a lawsuit, and they had to. And it was damning and shocking.

And I'm saying that as a municipality, we need to be able to say, Okay, they're failing, and we need to take a look at it, because God forbid something happens on that corridor, I'm going to remind you of these transcripts, that we said please -- the Parkside community, the Lancaster Avenue Business Association, and the Councilman said, "Please come take a look at this."

DEPT. COMM. BUCKLEY: As I spoke with your aide, we are more than willing to work with you to convene Amtrak in and have them in for a meeting.

COUNCILMAN JONES: I would yield at this point and come back around 'cause...

COUNCIL PRESIDENT VERNA: The

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Chair recognizes Councilwoman Tasco.

COUNCILWOMAN TASCO: Thank you.

I have two brief questions.

One, I was at a community meeting a couple of weeks ago, and I thought we had stopped picking up bulk trash, but I was told by my constituents that no, they still get bulk trash collected.

COMMISSIONER TOLSON: I tink everyone kind of defines "bulk" in different ways. Metal, bulk-like water heaters, air conditioners, we do not pick those up any longer.

However, if there's a combustible, something that crushes like wood, which could be bulky, like a dresser, we will collect that.

COUNCILWOMAN TASCO: A bedroom dresser.

COMMISSIONER TOLSON: A bedroom dresser yes. So if that is a wooden bedroom dresser, that is considered in many communities to be a bulk item, but because it is compostable and it will crush easily in the back of our compactor, we will collect those.

But we will not collect water heaters and air conditioners or refrigerators, as we used to.

COUNCILWOMAN TASCO: Oh, okay. Thank you very much.

I felt a little embarrassed because they knew more than I did about all bulk trash (inaudible, off-mic), but they were pleased 'cause all they had to do was call the Streets Department to get that done.

The other thing is, I too want to thank you for your quick response to my office and when we call your department for service, and certainly appreciate the efforts you put forth during the snow to take care of the number of calls that we made and my constituents made.

I do want to tell you, though, that I do notice an increase in graffiti.

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And before, you know, we could handle it very quickly, get rid of it, but I see it creeping up. My Lawncrest Rec Center, up on Rising Sun Avenue, and here and there in spots, where you might see it one day, and the next day, it's gone.

So I do hope we're able to reconstitute that program to the point where we could call and get graffiti removed quickly 'cause it does change the character of the neighborhood, and so, that's very important.

COMMISSIONER TOLSON: Okay. We will certainly share that and work on that issue the best that we can with others.

COUNCILWOMAN TASCO: Thank you.

Thank you, Madam President.

COUNCIL PRESIDENT VERNA: Thank you.

Councilman Green, do you want to wait until the end or --

COUNCILMAN GREEN: Sure. Well, it sounds like Councilman Jones

(inaudible, off-mic.)

COUNCIL PRESIDENT VERNA: Okay, Councilwoman Miller.

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

Good afternoon, Clarena and Carlton and the other deputy commissioner.

A few weeks ago, I guess a couple Saturdays ago, I attended the block captain rally, and congratulations on getting so many people out; it was a good rally.

And so, it made me question how many block captains do I have in the 8th Council District? Deputy Mayor Cutler said that you have 7,000 block captains, and you need 10,000; is that correct?

COMMISSIONER TOLSON: We would certainly like to have that -- we do have 7,000, and we'd like to have as many block captains as we can get.

COUNCILWOMAN MILLER: How many blocks do we have in the City?

COMMISSIONER TOLSON: There's over 15,000. Not all of them are residential.

COUNCILWOMAN MILLER: Okay, okay.

So what I wanted to say is that I'm sure that City Council will help do whatever needs to be done in the form of -- for the purpose of recruiting additional block captains. And I think that that's important and we can play an important role in that.

I mean, block captains are, like, one of our most useful partners here, in the City, and they get a lot of things done that we certainly can't get out there and do block-by-block.

So I'd like to know how many block captains are in my district, and I'm sure other people would want to know too, so could you just break a number down by Council District and forward it to Council President Verna?

COMMISSIONER TOLSON: Yes.

COUNCILWOMAN MILLER: Okay. Now, if we do the enhanced services, will graffiti or lots fall under you, or will it stay at the Managing Director's Office? Will it fall under Streets?

COMMISSIONER TOLSON: Graffiti and some other smaller lot cleanup is part of the Managing Director's Office, and it would remain there.

COUNCILWOMAN MILLER: Right.

COMMISSIONER TOLSON: In the Streets Department, we also handle illegal dumping on lots and we tend to handle the larger projects.

COUNCILWOMAN MILLER: Say that again? Speak in the mic, 'cause I -- is the mic on?

COMMISSIONER TOLSON: Graffiti and some of our smaller vacant lot cleanup is handled in the Managing Director's Office, and it would remain there. In the Streets Department, we handle the larger illegal dumping on lots.

However, I should note that we work together very, very closely, and we coordinate. So it's not an issue, which is why I have no problem with information and sharing it about any of the concerns about graffiti or lots taking from Council here and sharing it so that it can be done.

COUNCILWOMAN MILLER: Okay. Does your department have paint? One of the things that we were talking about in my office -- because, of course, we all have seen the come back of graffiti, more and more graffiti. And we thought we would organize some paint cleanups; you know, go out and paint some graffiti.

Do you have paint, or does the Managing Director's Office have paint? Or MOCS or whatever has paint?

COMMISSIONER TOLSON: We have -- there's a paint voucher program that is run through the Managing Director's Office. And through our efforts with household hazardous waste, we also have collected paint in the past and then redistributed it to the public.

So in both locations, you can have the opportunity to receive materials.

COUNCILWOMAN MILLER: All right. Well, that's good to know.

And I think it's -- I'm glad that you did -- I know that each time you've come for the last couple of years, when you talk about the metal bulk not being collected, I don't think it registered that it was just the metal, because originally, when I would see people put out furniture, you know, living room sets and whatnot, I go, Boy, the City's not going to pick that up. But I never -- you know, you just don't think about -- you guys work and do this all the time, but I never thought about it. And you said it a million times that it's metal bulk that you won't be picking up.

So that was good to clarify

that again today.

But I too wants to thank you for your work. And I'm not trying to -- I didn't try to ignore the Deputy Commissioner; I'm actually looking for his name in the testimony, Steven Buckley.

COMMISSIONER TOLSON: Steve Buckley, yes.

COUNCILWOMAN MILLER: How are you, sir? I didn't want to make you think I wasn't saying good afternoon to you, but I couldn't remember your name.

But thank you. Thank you for all of the hard work that your department does. Thank you.

COMMISSIONER TOLSON: Thank you.

COUNCILWOMAN MILLER: That's it, Council President Verna.

COUNCIL PRESIDENT VERNA: You're welcome.

I know that Councilman Jones and Councilman Green want to be recognized. However, I want to be recognized for just a special moment.

Commissioner, one of my very favorite employees in your department is in the audience today, I understand. He's attended many, many, many budget hearings, and this will be his last budget hearing.

COMMISSIONER TOLSON: There's actually two.

COUNCIL PRESIDENT VERNA: Joe Doyle. Oh, two?

COMMISSIONER TOLSON: Yes, there is.

COUNCIL PRESIDENT VERNA: Who's the other?

COMMISSIONER TOLSON: Jack Lutz is here as well.

COUNCIL PRESIDENT VERNA: Really?

COMMISSIONER TOLSON: Jack Lutz and Joe Doyle, they're both here.

COUNCIL PRESIDENT VERNA: Both of them.

Joe, I want to publicly thank you for all of your years of experience. There was never a time that I know my office called that you did not make yourself available.

I remember us going to St. -- was it St. Edmonds rectory one night, meeting with a priest who wanted something like 25 trees to be pruned or cut.

I just thought that you were one of the hardest-working employees in the Streets Department. You were always loyal and dedicated. I certainly want to thank you.

I know it's a great loss to the Streets Department, and I know it's a great loss to my office.

Though we couldn't get any streetlights of late. You were always saying no with a smile.

(Laughter.)

COUNCIL PRESIDENT VERNA: But I do want to thank you for all your years of service. Good luck to you, Joe.

(Applause.)

COUNCIL PRESIDENT VERNA: And is Mr. Lutz there?

COMMISSIONER TOLSON: Jack Lutz must have stepped out. I did want to have you recognize him because he is the mastermind and the father of South Street Bridge.

COUNCIL PRESIDENT VERNA: Oh, and we worked with him too.

COMMISSIONER TOLSON: And he is timing his retirement to the birth of that bridge.

COUNCIL PRESIDENT VERNA: I know. And that's going very well, isn't it?

COMMISSIONER TOLSON: And he has worked very hard for years.

COUNCIL PRESIDENT VERNA: Yes. And we did work closely wit him also. God, this is like a farewell to so many wonderful good people.

COMMISSIONER TOLSON: Very good

people. And as a department, we are filled with good people, and I appreciate that. We have some of our members of the Sanitation Division sitting behind here.

And some of you know that Sanitation, I think, worked every day during the month of February. They went from collecting trash to plowing snow and back and forth.

So there's a lot of dedicated people in the department. The managers are also sitting in the audience. And they're all dedicated to serving the citizens of this city. It's more than a job.

COUNCIL PRESIDENT VERNA: Yes.

Councilwoman Brown.

COUNCILWOMAN BROWN: Thank you, Madam President.

Good afternoon.

COMMISSIONER TOLSON: Hi there, good afternoon.

COUNCILWOMAN BROWN: Let me first congratulate you on the extraordinary work that's happening with recycling. We are thrilled about that.

COMMISSIONER TOLSON: Thank you.

COUNCILWOMAN BROWN: And I'm also anxious to hear an update on pedi bikes. So I know that that's in the developmental stages, and we have a ways to go.

But now that the legislation has been passed and is soon to be real, just provide us an update on where you are with identification of those streets that will be entitled to use pedi bikes.

DEPT. COMM. BUCKLEY: Steve Buckley, Deputy Commissioner for Transportation.

We are in the process. We have prepared draft regulations, which we have met with several pedi cab operators to basically discuss with them in advance of having it posted.

We are -- probably in the next few weeks, we'll be posting the

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regulations, which will have a 30-day comment period, but we're pretty confident that we can basically get some of the operators licensed in time for probably Memorial Day weekend.

COUNCILWOMAN BROWN: Okay. Again, I thank you for working collaboratively with them in making that happen.

DEPT. COMM. BUCKLEY: My pleasure.

COUNCILWOMAN BROWN: Wit regards to bikes, my personal story is I'm afraid of bikes. I'm afraid of bikes and never owned a bike for reasons like I saw this morning, where a young man was hit on the Parkway, in the bike lane. And the sad news was that the driver never got out the car, never got out the car.

So my question is: Would it be possible going forward -- 'cause this becomes a capital expenditure -- to have bike lanes that when you see them, when the light hits them it, it -- what do you call that? Help me out.

COUNCILMAN JONES: Reflects.

COUNCILWOMAN BROWN: Reflective, right. Reflector lanes so that it is clear where the bike lanes are for bikers; but more importantly, for drivers. How real could that request be going forward?

COMMISSIONER TOLSON: We can certainly take the opportunity to evaluate that and see what that means, the implications of it financially and also safety-wise.

COUNCILWOMAN BROWN: Mm-hmm. We know the reality that we're becoming a greener city, and biking is becoming more and more popular. And so, we have some sense of duty to do what we can to keep them from harm's way to the extent that it's reasonable and to the extent that it makes sense.

So if you would look at that, 'cause right now, they're not reflecting;

is that accurate?

COMMISSIONER TOLSON: The striping is not highly reflective, but we also need to look at the requirements for the personal garments to wear for bikers in terms of reflective gear and things like that, something that we could consider and ponder.

COUNCILWOMAN BROWN: Okay.

COMMISSIONER TOLSON: It's certainly not a matter, I think, of not seeing the bike lane 'cause if there's a rider in it, you should certainly be able to see the rider.

COUNCILWOMAN BROWN: Mm-hmm.

COMMISSIONER TOLSON: Bikes are allowed to share the road, without a bike lane, and they have to be given the same courtesy that you give a bus or you give another car.

COUNCILWOMAN BROWN: Yes, I agree.

To messenger services that hire bikers to conduct their business, are there any regulations that hold the messenger business responsible for bikers that do not honor the law?

Flipping to the other side here, are there any regulations or penalties in place for entrepreneurs who have messengers as their business, who have bikers who are not honoring the law?

COMMISSIONER TOLSON: Deputy Commissioner Buckley advises me that they are not, but we could certainly look at that as well.

COUNCILWOMAN BROWN: Okay. If you could do that and maybe this time next year let us know what you looked at and what strategies you think would be appropriate to address those two items.

Does the department know which streets are slated to be resurfaced this year with new bike lanes?

COMMISSIONER TOLSON: Yes, we do. And we'll be glad to share that information with you.

COUNCILWOMAN BROWN: Please.

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And what is the cycle refreshing or repainting bicycle lanes?

COMMISSIONER TOLSON: It varies, depending upon the use of the corridor and how well the lines hold up. So maybe it could last as long as the resurfacing lasts or maybe -- probably more.

COUNCILWOMAN BROWN: Okay. Well, that takes care of my questions for this department. Thank you very much.

COMMISSIONER TOLSON: Thank you.

COUNCILWOMAN BROWN: Thank you, Madam President.

COUNCIL PRESIDENT VERNA: You're welcome.

The Chair recognizes Councilwoman Blackwell.

COUNCILWOMAN BLACKWELL: Thank you, Madam President.

I only rise to say thank you as well to -- this is a very special department and for Philadelphia More

Beautiful, the block captains, and all the things you do and all of the things we ask you to do, we say thank you.

Thank you, Madam President.

COUNCIL PRESIDENT VERNA: You're welcome.

Councilman Jones, from what I see here, Councilman Green is first on the board.

Councilman Green.

COUNCILMAN GREEN: I'd like to talk about bridges. No.

(Laughter.)

(Timer bell rings.)

COUNCIL PRESIDENT VERNA: Your time is up, sir.

(Laughter.)

COUNCILMAN GREEN: I just have a couple of quick questions.

In the budget reduction, the scenario for streets lists two items totaling 5.8 million. There's 1.9 million from a decrease in funding for sanitation disposal related to increased recycling, and a 3.8 million reduction in parking tax revenue used for street repaving.

Are both of these items already included in the FY '11 budget?

COMMISSIONER TOLSON: Yes.

COUNCILMAN GREEN: Okay. Wasn't -- okay. I've also been asking... okay. That was the question with respect to that.

With respect to the information that you're going to get me by Monday, if you could please add in if you have moved positions around from one division to another or things like that and that accounts for the discrepancy between the detail and the 140 positions that you believe are vacant, just try to share that with us. That would be helpful to us.

COMMISSIONER TOLSON: Yes, sir.

COUNCILMAN GREEN: Thank you.

COUNCIL PRESIDENT VERNA: Councilman Jones.

COUNCILMAN JONES: Thank you, Madam President.

Did I mention the bridge at 52nd and Lancaster today?

(Laughter.)

Let me go back to that. You talked about the reports from the bridges. The Inquirer was able to obtain, under the Freedom of Information Act, which is a act that we can often use, that the inspections show that 143 bridges, which is 47.4 percent, received poor or lower marks for such deficiencies as deteriorating metal plates, decaying stone walls, and some of them had eroded down to the support piers. Others, badly worn graders, elements of missing rivets. This is that.

And I'm saying to you that if we -- I know we have a cozy relationship with them, but it's getting ready to get uncomfortable because all we asked for was a net up under the bridge to make sure that falling objects would not hit pedestrians, and they have not done that, and we have not pressed them to do that. And I don't understand why.

If this was in Center City, if this were in upper-income neighborhoods, this would not be tolerated. And we deserve no less there.

We invested $80 million to bring back a decaying shopping center, and that bridge stands as a monument to the Rust Belt that manufacturing once was.

It is disrespectful to disregard the safety. We're not talking about esthetics here.

It cites that none of these evaluations were due to smaller things such as painting, lack of signs, which are not there, but those weren't the -- these are major issues and not to be ignored. It's not something -- and please understand for the record that this is not directed at you; this is directed for us to do something about.

And it's not going to go away. Yes, I'm Captain Ahab on this issue, that is my white whale, and one of us is going down. Either that bridge gets fixed or I will not let it go.

COMMISSIONER TOLSON: Can I say, "Aye, Captain"?

COUNCILMAN JONES: There you go.

COMMISSIONER TOLSON: So Councilman -- or Captain --

COUNCILMAN JONES: Yes.

COMMISSIONER TOLSON: I'd like to offer that the Streets Department will follow up on this issue in the following way:

We will meet with you or your representative or a congressman or folks from the Law Department, those who are used to working with the railroad industry. And we will determine what our options are as a city to try to bring the issues to the forefront for Amtrak.

And then we will ask Amtrak to

come in and talk about all of our options to figure out what we can do to bring some resolution to this.

I cannot promise where we will wind up, but we will do our best to at least try to bring the issue to a head.

COUNCILMAN JONES: I appreciate that, I appreciate that.

(Timer bell rings.)

That's all I've asked for the three years I've sent correspondence to Amtrak.

They first tried to use the excuse that there was a change in the administration, and oh, we just found it.

Until the Congressman Fattah intervened, we do not know where those dollars that were appropriated to fix that bridge are. I'm going to say it again: We don't know where they are, where they were reappropriated to, and I'm going to find out.

And -- 'cause these people expected to have a bridge fixed. And so, we're going to find out where those dollars are and let the chips fall where they may. But these rivets cannot fall on kids' heads.

On some things I'm going to be unreasonable. And on safety to kids, we all should be.

Thank you for your consideration.

Thank you, Madam Chair.

COUNCIL PRESIDENT VERNA: Councilwoman Blackwell, did you want to be recognized?

COUNCILWOMAN BLACKWELL: Thank you.

With Obama money and them moving up some bridges, you know, we still have two closed. You know, I have three bridges -- 40, 41st, and 42nd. One is open, one is supposed to open in 2012, and one -- the third one, I don't know, 2020 or something like that.

Can we see if we can possibly -- 'cause we were told it didn't fit whatever the criteria was so that maybe we can get that moved up and get some of the new federal funding for it?

COMMISSIONER TOLSON: We will look to see if there's opportunities to use any of the stimulus money to support (indiscernible) --

COUNCILWOMAN BLACKWELL: Thank you.

COMMISSIONER TOLSON: If we can coordinate any of it.

COUNCILWOMAN BLACKWELL: Thank you.

COUNCIL PRESIDENT VERNA: Okay. Any other questions from members of the committee?

(No further questions.)

COUNCIL PRESIDENT VERNA: Seeing none, thank you.

COMMISSIONER TOLSON: Thank you very much.

COUNCIL PRESIDENT VERNA: Thank you for the wonderful job you do.

COMMISSIONER TOLSON: Thank

you.

COUNCIL PRESIDENT VERNA: We will now here why the Aviation Division.

(Witnesses come forward.)

COUNCIL PRESIDENT VERNA: Good afternoon, good afternoon. Welcome. Thank you for your patience.

Kindly identify yourself for the record and proceed with your testimony.

MR. GALE: Good afternoon, President Verna. My name is Mark Gale and I am the Chief Executive Officer for Philadelphia International Airport, and I'm here to present testimony today on behalf of the Division of Aviation FY 2011 Operating Budget.

With your permission, Madam President, I'd like to read an abbreviated version of our testimony, seeing how you have our full testimony in hand.

COUNCIL PRESIDENT VERNA: That would be great. Thank you.

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MR. GALE: May I read an abbreviated version?

COUNCIL PRESIDENT VERNA: That would be wonderful.

MR. GALE: Thank you.

Philadelphia International Airport is the only major airport serving the City of Philadelphia and the immediate surrounding counties located the Pennsylvania, New Jersey, and Delaware.

Our airport is one of the largest economic engines in Pennsylvania, with an estimated annual economic impact exceeding $14 billion annually.

Over 200 businesses are linked to the airport and employ some 140,000 workers.

And we serve as the major transportation gateway to the world for this region.

In 2009, PHL accommodated 40.6 million passages on close to one half million aircraft takeoff and landings.

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PHL is the currently tenth busiest airport in terms of aircraft operations. Twenty-eight airlines operate nearly 600 daily flights to 120 cities, including 54 daily nonstop flights to 36 international destinations.

Despite the economic recession and downturn in overall passenger travel, international traffic through PHL remains fairly strong. Service to three new international destinations were added last spring: Oslo, Tel Aviv, and Birmingham, England.

This past December, USAirways launched PHL's first-ever direct service to South America with new service to Rio de Janeiro, Brazil.

Recently, USAirways announced service to a fourth Canadian destination, Halifax, Nova Scotia.

International traffic has grown over 108 percent since 1997, and we look forward to more international service additions in the future.

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On the domestic front, the airport continues to pursue new or expanded domestic service. In February, Southwest Airlines added new service between PHL and Boston, with five flights daily, beginning in June. This route had been plagued with high airfares, due to lack the airline competition. Southwest plans to expand this route in August from five flights a day to eight flights a day.

Also beginning June 1st, USAirways will initiate USAirways' longest-ever domestic connection when nonstop service to Anchorage, Alaska, begins.

Inclusion of low-fare service plays a key role in maintaining competitive airfares at PHL. Our airport is currently served by low-fare carriers, which constitute 17.6 percent of the domestic market in Fiscal Year 2009. As of the latest available data, PHL's average domestic one-way fare is among some of the lowest in the nation.

The airport is continuing its capital program with significant airfield and terminal projects:

A major rehabilitation of the airport's longest and widest runway, 9R/27L, is currently underway;

In the terminal buildings, the $300 million expansion and renovation of Terminals D and E continues towards completion In Fiscal '11.

Other notable projects include:

The airport's new cell phone lot, ongoing restroom creations and rehabilitation projects;

A major renovation to Terminal A East;

Several airline relocations; and

The installation of new baggage-handling systems, with the latest explosive detection systems and technology.

Looking to the future, the

airport anticipates going to the bond market in the coming months to fund several new capital projects, including a major expansion to Terminal F.

Along with advancing customer service initiatives, promoting better use of technology, expanding air service, creating economic development opportunities, and generally improving our facilities and services, PHL is committed to supporting the Administration's goal of 25 percent minority-, women-, and disabled-owned businesses' participation in City public works and professional-services contracting. Based on available contracting opportunities, the Division of Aviation's Fiscal 2011 participation goal is 32 percent.

In addition, the airport places a high priority on the participation of disadvantaged businesses with airport concessions.

All airports that receive

federal assistance come under the provisions of the airport concessioner DBE program, commonly as ACDBE, which is administered by the U.S. Department of Transportation. This program is designed to promote inclusion within airport concession activity.

Thank you for opportunity to testify here today. And I, along with other senior airport managers, will be happy to answer any questions you may have.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair recognizes Councilwoman Brown.

COUNCILWOMAN BROWN: Thank you, and good afternoon.

MR. GALE: Good afternoon, Councilwoman.

COUNCILWOMAN BROWN: Thank you for your testimony and the background on the MBE/WBE. Not following closely, I understood you to say that the federal government has a program that pays close attention to those types of numbers and, I guess, monitors, if you will, what the various airports are doing in that way; is that correct?

MR. GALE: That's correct.

COUNCILWOMAN BROWN: Okay. I don't think I heard. Did you meet goal? You said the participation goal was 32 percent.

MR. GALE: That's the airport's full MWDBE participation goal, as set forth by the Administration.

I'm going to ask my deputy, Ed Anastasia here, who oversees finance administration and currently oversees the airport's compliance unit to report on some of the numbers with respect to our MWDBE, our federal DBE program, as well as the airport's ACDBE program.

COUNCILWOMAN BROWN: Thank you for that.

Before you get started, we asked Wendy -- I believe it was the

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Managing Director was before us, that your department would come with those numbers as a part of the testimony. Did you get that message?

DEPT. DIR. ANASTASI: My name is Ed Anastasi, Deputy Director of Aviation for Finance Administration.

Councilwoman, we did provide a response to the Budget Bureau late last week; we provided a lot of that detailed information.

COUNCILWOMAN BROWN: Okay.

DEPT. DIR. ANASTASI: And I don't know if you actually received that yet.

COUNCILWOMAN BROWN: Yes.

DEPT. DIR. ANASTASI: What we had provided is specifically for the Marketplace, who is our main airport concession developer.

COUNCILWOMAN BROWN: Yes.

DEPT. DIR. ANASTASI: We provided that information. And, as a matter of fact, we showed for each of the locations that Marketplace operates, those locations that were operated by an ACDBE, and we can provide another copy of that.

COUNCILWOMAN BROWN: Well, no, no, no, that's not necessary.

But I do recall also asking that it be broken down by sector -- restaurants, retail, et cetera.

DEPT. DIR. ANASTASI: Yes.

COUNCILWOMAN BROWN: So clearly, I'm not looking at the correct thing?

DEPT. DIR. ANASTASI: Well, that is -- also in that same, response, Councilwoman, it's dated April 8, 2010. And in the facts section of it, it breaks out the Marketplace concession program by the categories that you just mentioned.

COUNCILWOMAN BROWN: Mm-hmm.

DEPT. DIR. ANASTASI: And then it provides a further breakdown by location within those categories.

COUNCILWOMAN BROWN: Okay.

That I don't have in front of me, so if I could trouble you to forward that to Madam President again.

DEPT. DIR. ANASTASI: I sure will.

COUNCILWOMAN BROWN: Okay?

DEPT. DIR. ANASTASI: Okay.

COUNCILWOMAN BROWN: So without the benefit of that information, brief us on how well you met those goals.

DEPT. DIR. ANASTASI: Well, as we state in the testimony, for the Marketplace concessionnaires, under the date that the ACDBE program, we reached -- Marketplace achieved an inclusion rate of 11.4 percent in Fiscal 2009.

Now, what we need to understand about that is that 11.4 percent is just for certified ACDBEs, which come under the federal program.

COUNCILWOMAN BROWN: Okay.

DEPT. DIR. ANASTASI: However, if you looked at Marketplace's actual inclusion for all minorities and all women, whether or not they were certified by the federal program or not, the inclusion number for minorities was actually 23 percent in Fiscal 2009.

COUNCILWOMAN BROWN: Okay.

DEPT. DIR. ANASTASI: And approximately 13 percent for women in 2009.

COUNCILWOMAN BROWN: Okay, okay. All right then. And that's not -- do you not have the numbers yet for '10?

DEPT. DIR. ANASTASI: We don't have the number its yet for 2010, but we expect the numbers will increase because we opened up three new shops when we opened up the Ehammerhead expansion back in February.

COUNCILWOMAN BROWN: Mm-hmm.

DEPT. DIR. ANASTASI: And all three shops went to ACDBEs.

COUNCILWOMAN BROWN: Okay.

DEPT. DIR. ANASTASI: And also, in December of 2008, we opened up ten additional shops in the D-E connector building, and 20 percent, or two of the ten, went to ACDBEs as well.

COUNCILWOMAN BROWN: Okay. So then help us understand how -- well, for sure, start with leadership and the department has taken seriously Council's interest in this matter, it starts there, so we thank you for that.

But then what other non-traditional measures are you using to aid you in meeting goals?

DEPT. DIR. ANASTASI: Well, one of the things we do is outreach.

COUNCILWOMAN BROWN: Forgive me?

DEPT. DIR. ANASTASI: One of the things that we do and take very seriously is outreach. In other words, when there are opportunities that come up for concessions, and Marketplace is going to put out a solicitation for this, we, along with Marketplace, do an outreach to bring perspective tenants in, specifically DBE tenants in.

And sometimes they collaborate and they team up with prime concessionnaires. And sometimes it works out so that they actually bid on the concessionaires by themselves.

COUNCILWOMAN BROWN: I see.

DEPT. DIR. ANASTASI: So that's been one of the things that's really been successful as far as bringing these numbers up.

COUNCILWOMAN BROWN: Okay. I have a follow-up question.

What has been your working relationship, if any, with the chambers -- the African-American Chamber the Latino Chamber, the Asian Chamber, and the like?

DEPT. DIR. ANASTASI: Yes. We have had some workings and relationship with those agencies, specifically with the Enterprise Center activities.

COUNCILWOMAN BROWN: Okay.

DEPT. DIR. ANASTASI: We

participated in those. We're an exhibitors in those activities as well.

COUNCILWOMAN BROWN: Very well. Well, thank you very, very much for testimony and for taking serious -- when you look at the millions and millions of dollars that come through the airport, I think you're second to -- I saw it today.

You're second to, boy, Aviation... I think you might be it in terms of number one?

COUNCILWOMAN SANCHEZ: Streets Department.

COUNCILWOMAN BROWN: Streets Department, okay. I'm not looking at this properly.

So, you are an example that we know it's possible, given the magnitude of your budget. But when we see department heads come before us that do take this seriously, it's a problem.

We thank you very, very much for your testimony.

DEPT. DIR. ANASTASI: Thank

you.

There's always room for improvement. We'll just keep doing what we're doing and try to develop new initiatives to increase that inclusion.

COUNCILWOMAN BROWN: That number.

Thank you very much.

Thank you, Madam President.

COUNCIL PRESIDENT VERNA: You're welcome.

Are there any other questions?

Mr. Anastasia, how many years have you been in service with the City?

DEPT. DIR. ANASTASI: Let's see. How can I count back that far. 1972 is when I started with the City. I started with the City Controller's Office. And so, that was what, 38 years ago.

And I came to the airport, which was the best move that I've made since coming to the City, in 1977, and been with the airport for 3 years.

COUNCIL PRESIDENT VERNA: And it's my understanding that you're on DROP, and you will be taking advantage of that in October?

DEPT. DIR. ANASTASI: That is correct, yes, the DROP.

COUNCIL PRESIDENT VERNA: We want to certainly thank you.

I know you've been around for a long time, and you've given so much service to the City.

DEPT. DIR. ANASTASI: Thank you.

COUNCIL PRESIDENT VERNA: I want to thank you, and I want to wish you well in the future, good health, and many, many years of happiness.

DEPT. DIR. ANASTASI: Thank you, Council President.

But we'll be back with a bond issue in a couple of weeks.

(Laughter.)

COUNCIL PRESIDENT VERNA: Oh, okay.

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DEPT. DIR. ANASTASI: So we'll be before you one more time.

COUNCIL PRESIDENT VERNA: That's great. Thank you so much. You're doing a great job.

DEPT. DIR. ANASTASI: Thank you, Madam President.

MR. GALE: Thank you very much.

COUNCIL PRESIDENT VERNA: This committee will stand in recess until tomorrow, Wednesday, April the 14th, at 10 a.m.

Thank you very much.

(Proceedings end at 5:30 p.m.)

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C E R T I F I C A T E

WE HEREBY CERTIFY that the proceedings of the City of Philadelphia Council Committee of the Whole are contained fully and accurately in the stenographic notes taken by us on Tuesday, April 13, 2010, and that this is a true and correct statement of same.

MICHELE MURPHY,
Registered Professional Reporter

JOSEPHINE CARDILLO,
Registered Professional Reporter

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