COUNCIL OF THE CITY OF PHILADELPHIA

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PUBLIC MEETING

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COMMITTEE OF THE WHOLE
COMMITTEE ON FISCAL STABILITY

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Room 400, City Hall
Philadelphia, Pennsylvania
Monday, May 24, 2004
(technically May 25, 2004)
12:45 a.m.

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Bill Number 040009, an Ordinance amending Chapter 19-1500 of The Philadelphia Code, entitled "Wage and Net Profits Tax," by decreasing the rates of the tax, by making technical amendments, changing the effective dates for rate changes, and, repealing certain provisions, all under certain terms and conditions.

Bill 040010, an Ordinance amending Section 19-2604 of The Philadelphia Code, relating to tax rates, credits and alternative tax computation for the business privilege tax, by reducing certain tax rates, all under certain terms and conditions.

Bill Number 040011, an Ordinance amending Title 2 of The Philadelphia Code, entitled "City-County Consolidation," by removing the authority of the Board of Revision of Taxes to hear appeals and reassigning that authority, with the power, functions and duties of hearing and deciding appeals, from the Board of Revision of Taxes assessment, to a newly appointed independent City agency to be known as the Property Assessment Appeals Board; imposing the duty on the Board of Revision of Taxes to adopt and publish Assessment Standards and Practices that include certification of full and averaged assessments; providing for submission of such amendment for the approval or disapproval of the qualified electors of the City of Philadelphia; fixing the date of a special election for such purpose; prescribing the form of ballot questions to be voted on; and authorizing the appropriate officers to publish notice and to make arrangements for the special election, all

under certain terms and conditions.

Bill Number 040012, an Ordinance amending Chapter 19-2600 of The Philadelphia Code, entitled "Business Privilege Taxes," by amending the definition of "Net Income" to determine the net income of unincorporated businesses by allowing deductions of payments to certain proprietors or partners.

Bill Number 040013, an Ordinance amending Chapter 19-1300 of The Philadelphia Code, entitled "Real Estate Taxes," by specifying a rate for tax year 2004, specifying that rates thereafter be dependent on total taxable assessed values certified by the Board of Revision of Taxes.

Bill Number 040014, an Ordinance amending Chapter 19-2600 of The Philadelphia Code, entitled "Business Privilege Taxes," by providing a minimum number of estimated tax payments in the last six months of the City's fiscal year and authorizing additional estimated payments in the first six months of the subsequent fiscal year.

Bill Number 040015, an Ordinance amending Chapter 19-1300 of The Philadelphia Code, entitled "Real Estate Taxes" to mandate a phase-in of equal percentages of the Target Tax Billings to be imposed upon lands and buildings for real estate tax purposes.

Bill Number 040016, an Ordinance repealing Section 19-2500 of The Philadelphia Code, entitled "Real Estate Non-Utilization Tax," effective January 1, 2005, all under certain terms and conditions.

Bill Number 040017, an Ordinance amending Chapter 19-2600 of The Philadelphia Code, entitled "Business Privilege Taxes" by amending the definition of "Net Operating Loss" with respect to carryforward period for net operating losses.

Bill Number 040018, an Ordinance amending Chapter 19-1302 of The Philadelphia Code, entitled "Installment Payments" to provide for the Department of Revenue to accept payment of real

estate taxes in four equal payments, all under certain terms and conditions.

Bill Number 040019, an Ordinance amending Chapter 19-1400 of The Philadelphia Code, entitled "Realty Transfer Taxes," by amending the definition of "Value" to include deeds in lieu of foreclosure.

Bill Number 040020, an Ordinance amending chapter 19-1300 of the Philadelphia Code, entitled "Real Estate Taxes" by providing discounts and penalties related to the installment payments and new fiscal year billing, and to guarantee that payments are applied to current year tax first to avoid accumulation of additions and penalties.

Bill Number 040021, an Ordinance amending Chapter 19-500 of The Philadelphia Code, entitled "Taxes and Rents-General," by providing for uniform time limitations on collections, examinations and assessments, under certain terms and conditions.

Bill Number 040022, an Ordinance amending chapter 19-1300 of The Philadelphia Code, entitled "Real Estate Taxes," by providing that no change by the Board of Revision of Taxes to the ratios it uses to calculate assessed value shall be effective unless Council by ordinance adjusts real estate tax rates so that such change is revenue neutral or unless Council otherwise approves such change by ordinance, all under certain terms and conditions.

Bill Number 040255, an Ordinance adopting the Operating Budget for Fiscal Year 2005.

Bill Number 040256, an Ordinance amending Chapter 19-1200 of The Philadelphia Code, entitled "Parking Tax," by establishing a rate of taxation on parking transactions for Fiscal Year 2005 and thereafter, under certain terms and conditions.

Bill Number 040257, an Ordinance to adopt a Capital Program for the six Fiscal Years 2005 to 2010 inclusive.

Bill Number 040258, an Ordinance to adopt a Fiscal 2005 Capital Budget.

Bill Number 040259, an Ordinance amending Section 19-1801 of The Philadelphia Code, entitled "Authorization of Tax," to further authorize the Board of Education of the School District of Philadelphia to impose a tax on real estate within the City of Philadelphia, under certain terms and conditions.

Bill Number 040260, an Ordinance amending Chapter 19-1800 of the Philadelphia Code, entitled "School Tax Authorization," by amending Section 19-1804, entitled "Authorization of Net Income Tax," to further authorize the Board of Education of the School District of Philadelphia to impose a tax on net income from real property and tangible and intangible personal property of residents of the School District of Philadelphia, all under certain terms and conditions.

Bill Number 040261, an Ordinance amending Chapter 19-1500 of The Philadelphia Code, entitled "Wage and Net Profits Tax," by establishing certain tax rates, amending the effective dates of various tax rate changes, and by amending the definition of Excess Growth Rate, all under certain terms and conditions.

Bill Number 040262, an Ordinance amending Chapter 19-1800 of The Philadelphia Code, entitled "School Tax Authorization," by amending Section 19-1806 to further authorize the Board of Education of the School District of Philadelphia to impose a tax on the use or occupancy of real estate within the School District of Philadelphia, under certain terms and conditions.

Bill Number 040313, an Ordinance amending Chapter 19-2600 of The Philadelphia Code, entitled "Business Privilege Taxes," by making permanent and clarifying the pilot program under which a Job Creation Tax Credit will be given to certain businesses that create new jobs within the City of Philadelphia, all under certain terms and conditions.

Bill Number 040397, an Ordinance amending Chapter 19-1500 of The Philadelphia Code, entitled "Wage and Net Profits Tax," by decreasing in six stages the rates of the tax imposed upon certain low income persons, providing for refunds of excess taxes paid, and directing the Revenue Department to prepare forms for use by eligible taxpayers seeking such refunds, all under certain terms and conditions.

Bill Number 040421, an Ordinance amending Titles 3 and 6 of The Philadelphia Code, the "Air Management Code" and "Health Code," respectively, by increasing the fees or establishing new fees for various health-related licenses, permits, certificates, approvals and variances issued by the City and for various inspections, examinations, reviews and other services provided by the Department of Public Health, all under certain terms and conditions.

Bill Number 040422, an Ordinance amending Title 9 of The Philadelphia Code, entitled "Regulation of Businesses, Trades and Professions," by adding a new Section establishing a fee schedule for reinspections conducted by the Department of Licenses and Inspections for failure to comply with the provisions of Title 9; and amending Title 4, Subcode "A," Section A-901.10, entitled "Reinspection Fees," to amend the fee schedule for reinspections conducted by the Department of Licenses and Inspections for failure to comply with the provisions of certain technical codes, all under certain terms and conditions.

Bill Number 040423, an Ordinance amending Section 11-203 of The Philadelphia Code, entitled "Sewer and Water Pipe and Other Underground Services," by increasing permit fee charges for breaking and excavating of any paved or macadamized street, under certain terms and conditions.

And for the Committee on Fiscal Stability, Resolution 040276, Resolution providing for the approval by the Council of the City of Philadelphia of Revised Five-Year Financial Plan for the City of Philadelphia, covering Fiscal

Years 2005 through 2009, and incorporating proposed changes with respect to Fiscal Year 2004 which is to be submitted by the Mayor to the Pennsylvania Intergovernmental Cooperation Authority, pursuant to the Intergovernmental Cooperation Agreement, authorized by an Ordinance of this Council, approved by the Mayor on January 3, 1992, by and between the City and the Authority.

PRESENT:

COUNCIL PRESIDENT ANNA C. VERNA
COUNCILWOMAN BLONDELL REYNOLDS BROWN
COUNCILMAN DAVID COHEN
COUNCILMAN W. WILSON GOODE, JR.
COUNCILMAN JACK KELLY
COUNCILMAN JAMES F. KENNEY
COUNCILMAN JUAN F. RAMOS
COUNCILMAN FRANK RIZZO
COUNCILMAN FRANK DI CICCO
COUNCILWOMAN JANNIE L. BLACKWELL
COUNCILMAN MICHAEL A. NUTTER
COUNCILMAN DARRELL L. CLARKE
COUNCILWOMAN JOAN L. KRAJEWSKI
COUNCILMAN RICHARD T. MARIANO
COUNCILWOMAN DONNA REED MILLER
COUNCILWOMAN MARIAN B. TASCO
COUNCILMAN BRIAN J. O'NEILL

COURT REPORTER:

David A. Deik,
Registered Professional Reporter

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Whole & Fiscal Stability Meeting - 5/24/04

P R O C E E D I N G S

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COUNCIL PRESIDENT VERNA: We will now go into our public meeting.

And the Chair recognizes Councilman Nutter, regarding Bill Number 040009.

COUNCILMAN NUTTER: Thank you, Madam Chair.

Madam Chair, hopefully amongst all the other paper there should be proposed amendments to Bill 040009. I'd like not to directly read all the amendments, but at least acknowledge what they are and then answer any questions.

COUNCIL PRESIDENT VERNA: Do all the Council members have copies of the amendments?

COUNCILMAN NUTTER: It should say proposed amendments to Bill 040009 at the top.

COUNCIL PRESIDENT VERNA: Councilman, would you please give a brief summary of the amendment.

COUNCILMAN NUTTER: Sure.

Whole & Fiscal Stability Meeting - 5/24/04

Thank you, Madam President. This is the wage and net profits tax bill. There was a... There was a transposing error on Page 1 which fixes what was listed as 2.58 percent. That should have been 2.85 percent.

On Page 2, for the non-resident, there was an error in the year. That should be 2004, not 2005.

The same transposing error was made on Page 3. The 2.58 should be 2.85.

And on Page 4, onto Page 6 -- I'll talk about section two in a second. This is... The rest of that section of the Code in Chapter 1900 are the two components of previously passed bills.

One is a trigger that was implemented by Bill 020092 from two years ago. The wage tax restoration bill had a 3.5 percent trigger in that bill.

This proposed amendment would delete that trigger. At the same time in that same section, by agreement with Councilman Mariano, who I want to acknowledge his work

and support and agreement on this, which will lead to stabilized wage tax rates.

The proposed trigger coming from property tax growth resulting in wage tax reduction would also be deleted, as a result of amending the bill to incorporate those sections into the bill and then bracketing them so as to delete them.

Lastly, on Page 6 there's a small amendment in language to Section 2, making this ordinance effective as of January 1, 2004. So... Well, there might be a question.

Madam Chair, unless there are any questions, what I'd like to do is move the adoption of the proposed amendments to Bill 040009.

UNIDENTIFIED COUNCILMAN PERSON: Second.

COUNCIL PRESIDENT VERNA: It has been moved and seconded that the amendments be adopted.

All in favor will say signify by saying aye.

(Chorus of "ayes.")

COUNCIL PRESIDENT VERNA: Those opposed?

(No response.)

COUNCIL PRESIDENT VERNA: The ayes have it, and the amendment is adopted.

Chair again recognizes Councilman Nutter.

COUNCILMAN NUTTER: Thank you, Madam Chair.

Madam chair, I move that Bill 040009, as amended, be reported out of this Committee with a favorable recommendation, and a further recommendation that the Rules of Council be suspended so as to permit first reading at our next session.

COUNCILMAN MARIANO: Second.

COUNCIL PRESIDENT VERNA: It has been moved and seconded that Bill 040009 be reported out of Committee with a favorable recommendation, as amended; further that the Rules of Council be suspended so as to permit consideration at our next Council session.

All in favor will signify by saying aye.

(Chorus of "ayes.")

COUNCIL PRESIDENT VERNA: Those opposed?

COUNCILMAN COHEN: No.

COUNCIL PRESIDENT VERNA: I think we'll do a roll call.

MR. McPHERSON: Councilwoman Blackwell.

COUNCILWOMAN BLACKWELL: No.

MR. McPHERSON: Councilman Clarke.

COUNCILMAN CLARKE: No.

MR. McPHERSON: Councilman Cohen.

COUNCILMAN COHEN: No.

MR. McPHERSON: Councilman DiCicco.

COUNCILMAN DiCICCO: Aye.

MR. McPHERSON: Councilman Goode.

COUNCILMAN GOODE: Nay.

MR. McPHERSON: Councilman Kelly.

COUNCILMAN KELLY: Aye.

MR. McPHERSON: Councilman Kenney.

COUNCILMAN KENNEY: Aye.

MR. McPHERSON: Councilwoman

Whole & Fiscal Stability Meeting - 5/24/04

Krajewski.

COUNCILWOMAN KRAJEWSKI: Aye.

MR. McPHERSON: Councilman Mariano.

COUNCILMAN MARIANO: No.

MR. McPHERSON: Councilwoman Miller.

COUNCILWOMAN MILLER: No.

MR. McPHERSON: Councilman Nutter.

COUNCILMAN NUTTER: Aye.

MR. McPHERSON: Councilman O'Neill.

COUNCILMAN O'NEILL: Aye.

MR. McPHERSON: Councilman Ramos.

COUNCILMAN RAMOS: No.

MR. McPHERSON: Councilwoman Reynolds Brown.

COUNCILWOMAN BROWN: No.

MR. McPHERSON: Councilman Rizzo.

COUNCILMAN RIZZO: Aye.

MR. McPHERSON: Councilwoman Tasco.

COUNCILWOMAN TASCO: Aye.

MR. McPHERSON: Council President Verna.

COUNCIL PRESIDENT VERNA: Aye.

MR. McPHERSON: One, two, three, four, five, six, seven, eight, nine. It

passes. Nine to...

COUNCIL PRESIDENT VERNA: Vote is nine eight.

MR. McPHERSON: Yes.

COUNCIL PRESIDENT VERNA: And the bill passes.

The Chair again recognizes Councilman Nutter, regarding Bill Number 040010.

COUNCILMAN NUTTER: Madam Chair, move that Bill 040010 be reported out of this Committee with a favorable recommendation, and a further recommendation that the Rules of Council be suspended so as to permit first reading at our next session.

UNIDENTIFIED COUNCIL PERSON: Second.

COUNCIL PRESIDENT VERNA: It has been moved and seconded that Bill Number 040010 be reported out of Committee with a favorable recommendation; also, a recommendation that the Rules of Council be suspended so as to permit first reading at

our next Council session.

All in favor will indicate by saying aye.

(Chorus of "ayes.")

COUNCIL PRESIDENT VERNA: Those opposed?

(Chorus of "no.")

COUNCIL PRESIDENT VERNA: Okay. A roll call again.

MR. McPHERSON: Councilwoman Blackwell.

COUNCILWOMAN BLACKWELL: No.

MR. McPHERSON: Councilman Clarke.

COUNCILMAN CLARKE: No.

MR. McPHERSON: Councilman Cohen.

COUNCILMAN COHEN: Aye.

MR. McPHERSON: Councilman DiCicco.

COUNCILMAN DiCICCO: Aye.

MR. McPHERSON: Councilman Goode.

COUNCILMAN GOODE: Aye.

MR. McPHERSON: Councilman Kelly.

COUNCILMAN KELLY: Aye.

MR. McPHERSON: Councilman Kenney.

COUNCILMAN KENNEY: Aye.

Whole & Fiscal Stability Meeting - 5/24/04

MR. McPHERSON: Councilwoman Krajewski.

COUNCILWOMAN KRAJEWSKI: Aye.

MR. McPHERSON: Councilman Mariano.

COUNCILMAN MARIANO: No.

MR. McPHERSON: Councilwoman Miller.

COUNCILWOMAN MILLER: No.

MR. McPHERSON: Councilman Nutter.

COUNCILMAN NUTTER: Aye.

MR. McPHERSON: Councilman O'Neill.

COUNCILMAN O'NEILL: Aye.

MR. McPHERSON: Councilman Ramos.

COUNCILMAN RAMOS: No.

MR. McPHERSON: Councilwoman Reynolds Brown.

COUNCILWOMAN REYNOLDS BROWN: No.

MR. McPHERSON: Councilman Rizzo.

COUNCILMAN RIZZO: Aye.

MR. McPHERSON: Councilwoman Tasco.

COUNCILWOMAN TASCO: Aye.

MR. McPHERSON: Council President Verna.

COUNCIL PRESIDENT VERNA: Aye.

MR. McPHERSON: Eleven six.

COUNCIL PRESIDENT VERNA: That is eleven in favor, six in the negative. The bill passes.

Again, the Chair recognizes Councilman Nutter, regarding Bill Number 040012.

MR. McPHERSON: How about 11?

COUNCILMAN NUTTER: 11, I'm not going to call that, but I think I need to state that.

COUNCIL PRESIDENT VERNA: I'm sorry. Councilman Nutter, may I ask what your position on Bill Number 040011 is?

COUNCILMAN NUTTER: Madam Chair, I'm not calling that bill up.

COUNCIL PRESIDENT VERNA: Okay. Then I recognize you on Bill 040012.

COUNCILMAN NUTTER: Thank you, Madam President, Madam Chair.

Madam Chair, there are amendments to Bill 040012. They, I believe, have been distributed.

This bill generally refers to the deductions with regard to sole

Whole & Fiscal Stability Meeting - 5/24/04

proprietorships, partnerships and unincorporated businesses.

The amendments are... There's a small one on the first page that apparently strikes a number 1 and makes it a small letter I.

The significant changes on Page 2 is a change in the implementation schedule. As you'll see, when the Tax Reform Commission proposed this bill, they had a schedule with a deductibility factor of 50 percent starting in 2005, going through 2010, at a hundred percent.

The amendment here starts at 25 percent and reaches a hundred percent at 2015. And then there is language in number 2, small Roman vi, related to the phase-in schedule, and technical language to ensure how that is implemented. And there are no other amendments to 040012.

COUNCIL PRESIDENT VERNA: Thank you. Are there any questions?

COUNCILMAN COHEN: What is the amendment's purpose?

Whole & Fiscal Stability Meeting - 5/24/04

COUNCILMAN NUTTER: The purpose of the amendment, Councilman, is to lower the cost of this particular bill.

As I mentioned, on Page 2, the proposed schedule by the Tax Reform Commission was that starting in FY 2005 there would be a 50 percent deductibility factor, going to 60 percent in '06, 70 percent in '07, 80 percent in 2008, 90 percent in 2009, and 100 percent in 2010.

The amendments lengthen the period of time for the phase-in and start at a lower rate, such that the phase-in is now 10 years, starting with a 25 percent deductibility factor in 2005, as opposed to the present 50 percent factor and then reaches 100 percent in 2015.

So it is lengthening the amount of time and decreasing the cost in the present five-year plan.

COUNCILMAN COHEN: Does that mean there's less of a tax or more of a tax as the years roll along? I don't know what's meant by deductibility factor.

COUNCILMAN NUTTER: It means there's less of a tax cost to the City of Philadelphia because the business would be able to deduct less in the early years, as compared to how the bill was written.

So instead of being able to deduct 50 percent, the business can only -- in 2005, they would only be able to deduct 25 percent.

And rather than being at 100 percent deductibility in 2010, you don't reach 100 percent deductibility until 2015. So it's a... It's cutting the cost in half and stretching out the amount of time over which it's implemented.

COUNCILMAN COHEN: All right. Thank you.

COUNCILMAN NUTTER: You're welcome.

Madam Chair, with that...

COUNCIL PRESIDENT VERNA: Excuse me. Councilman.

I believe Councilman Clarke wants to be recognized.

COUNCILMAN NUTTER: I'm sorry.

COUNCILMAN CLARKE: Yeah. I just wanted to ask... I'm not sure if I can ask this in a public meeting.

But we're referencing the changing of the time line associated with the bill from five to ten years.

COUNCILMAN NUTTER: Right.

COUNCILMAN CLARKE: And I don't know what the cost is associated with that, if there's a real cost associated with that.

I know earlier on there was some questions about the reference of a particular number by one entity, and it was -- I think there was, like, three or four different numbers.

COUNCILMAN NUTTER: Right.

COUNCILMAN CLARKE: And I guess my question is, what is the real number? Or do we know what the real number is? Or will we know next year once we implement the bill? And if we do have a real number, how do we get there?

COUNCILMAN NUTTER: Councilman, I understand what you're saying. And there

have been a number of numbers.

The latest document that we received earlier is now quantifying this for FY '05 at $9,450,000, FY '06, 9.3, FY '07 --

COUNCILMAN CLARKE: Councilman, the latest document was which one?

COUNCILMAN NUTTER: That's a good question.

COUNCILMAN CLARKE: I've got so many documents over here, I can't see over them.

COUNCILMAN NUTTER: I think this is a document that was sent to us by the Administration in some of the later discussions into this evening.

And I'm looking at a two-page document that's titled City Council Proposed Amendments to FY '05, '09 five-year plan. And it's on the second page, that shows... I believe this was put together by the City Administration.

Proposed tax changes. And it lists Bills 9, 10 and 12. I'm reading from that line. This is a chart that was put together by the City?

Whole & Fiscal Stability Meeting - 5/24/04

COUNCIL PRESIDENT VERNA: By the Mayor.

COUNCILMAN NUTTER: It was sent up as a part of the earlier discussions today.

So, it's being valued at 9.45. I think, based on the... cutting the schedule in half and stretching it out over ten. That's my best explanation.

COUNCILMAN CLARKE: In the... I know I shouldn't be asking these questions in the public meeting.

Since this is stretched out over a ten-year period, do we have estimates beyond the five, although I know we're not required to do that? I just wonder, since we're changing that.

COUNCILMAN NUTTER: Councilman, I do not have an estimate beyond FY '09, at least as provided by the City Administration.

There could have been a schedule developed at some time beyond FY '10, but I don't know who would have put that schedule together. The original Tax Reform

Whole & Fiscal Stability Meeting - 5/24/04

Commission proposal only through '10 anyway.

COUNCILMAN CLARKE: Went for five. Year '10.

COUNCILMAN NUTTER: Right, FY '10. That's when I got to 100 percent.

COUNCILMAN CLARKE: Okay. The reason I asked that because it's being stretched over a period of time. I was just wondering what those extra five years would be. That's fine.

COUNCIL PRESIDENT VERNA: The Chair recognizes Councilman Ramos.

COUNCILMAN RAMOS: Thank you, Madam President.

My concern with this bill has been that numbers of how much revenue we would lose with this bill, and it's fluctuating from $50 to $96 million in revenue losses. And now it's down to $9 million per year.

You know, I have a very big problem because if... with those $9 million, maybe we could restore arts and culture and the rec centers that the public has been so

much concerned about.

But if we give this break -- and God knows that I have plenty of good lawyer friends that I would like to give them this, and small businesses that also can stand to gain from this. But I have a problem with the way these numbers have fluctuated on Bill Number 12.

COUNCIL PRESIDENT VERNA: Thank you. Councilman Nutter.

COUNCILMAN NUTTER: Thank you, Madam Chair.

I'm going to take that more as a statement from Councilman Ramos expressing his concern. And I don't want to ignore what you said. I understand what you said.

I don't really feel like I have a response to give, but I don't want to ignore the statement.

COUNCILMAN RAMOS: I respect that as well, Councilman Nutter.

COUNCILMAN NUTTER: Okay. Thank you.

COUNCIL PRESIDENT VERNA: Councilman

Nutter.

COUNCILMAN NUTTER: Thank you, Madam Chair.

Madam Chair, I would move the...

COUNCIL PRESIDENT VERNA: Adoption.

COUNCILMAN NUTTER: Move the adoption of the amendments to Bill 040012.

COUNCILMAN COHEN: Seconded.

COUNCIL PRESIDENT VERNA: It's been moved and seconded that the amendments be adopted.

All in favor will signify by saying aye.

(Chorus of "ayes.")

COUNCIL PRESIDENT VERNA: Those opposed.

(Chorus of "no.")

COUNCIL PRESIDENT VERNA: Roll call.

MR. McPHERSON: Councilwoman Blackwell.

COUNCILWOMAN BLACKWELL: No.

MR. McPHERSON: Councilman Clarke.

COUNCILMAN CLARKE: On the amendments?

COUNCIL PRESIDENT VERNA: Yes.

COUNCILMAN NUTTER: We're on the amendments. I moved the adoption of the amendments. We had ayes; we had nays; and there was a roll call.

UNIDENTIFIED COUNCIL PERSON: Why don't we try it again.

COUNCILMAN NUTTER: Just start over.

COUNCIL PRESIDENT VERNA: All in favor of the adoption of the amendments to Bill Number 040012, will please signify by saying aye.

(Chorus of "ayes.")

COUNCIL PRESIDENT VERNA: Those opposed?

(No response.)

COUNCIL PRESIDENT VERNA: The ayes have it. The amendment is adopted.

The Chair again recognizes Councilman Nutter.

COUNCILMAN NUTTER: Thank you, Madam President, Madam Chair.

I move that Bill 040012 as amended be reported out of the Committee with a

Whole & Fiscal Stability Meeting - 5/24/04

favorable recommendation, and further recommendation that the Rules of Council be suspended so as to permit first reading at our next session.

COUNCILMAN DiCICCO: Second.

COUNCIL PRESIDENT VERNA: It has been moved and seconded that Bill Number 040012 be reported out of Committee with a favorable recommendation as amended; and a further recommendation that the Rules of Council be suspended so as to permit first reading at our next Council session.

All in favor will say aye.

(Chorus of "ayes.")

COUNCIL PRESIDENT VERNA: Those opposed?

(Chorus of "no.")

COUNCIL PRESIDENT VERNA: Roll call, please.

MR. McPHERSON: Councilwoman Blackwell.

COUNCILWOMAN BLACKWELL: No.

MR. McPHERSON: Councilman Clarke.

COUNCILMAN CLARKE: No.

MR. McPHERSON: Councilman Cohen.

COUNCILMAN COHEN: No.

MR. McPHERSON: Councilman DiCicco.

COUNCILMAN DiCICCO: Aye.

MR. McPHERSON: Councilman Goode.

COUNCILMAN GOODE: No.

MR. McPHERSON: Councilman Kelly.

COUNCILMAN KELLY: Aye.

MR. McPHERSON: Councilman Kenney.

COUNCILMAN KENNEY: Aye.

MR. McPHERSON: Councilwoman Krajewski.

COUNCILWOMAN KRAJEWSKI: Aye.

MR. McPHERSON: Councilman Mariano.

COUNCILMAN MARIANO: No.

MR. McPHERSON: Councilwoman Miller.

COUNCILWOMAN MILLER: No.

MR. McPHERSON: Councilman Nutter.

COUNCILMAN NUTTER: Aye.

MR. McPHERSON: Councilman O'Neill.

COUNCILMAN O'NEILL: Aye.

MR. McPHERSON: Councilman Ramos.

COUNCILMAN RAMOS: No.

MR. McPHERSON: Councilwoman

Whole & Fiscal Stability Meeting - 5/24/04

Reynolds Brown.

COUNCILWOMAN REYNOLDS BROWN: No.

MR. McPHERSON: Councilman Rizzo.

COUNCILMAN RIZZO: Aye.

MR. McPHERSON: Councilwoman Tasco.

COUNCILWOMAN TASCO: Aye.

MR. McPHERSON: Council President Verna.

COUNCIL PRESIDENT VERNA: Aye.

MR. McPHERSON: It's nine eight.

COUNCIL PRESIDENT VERNA: Vote is nine eight. The Bill passes.

Councilman Nutter, what is your position on Bill Numbers 040013 and 040014?

COUNCILMAN NUTTER: Madam Chair, on Bill 040013, I am not calling that bill up for a vote.

On Bill 040014, this bill creates the two estimated payment dates for the BPT, and I am not calling that bill up for a vote either.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair recognizes Councilman Nutter regarding Bill Number 040015.

Whole & Fiscal Stability Meeting - 5/24/04

COUNCILMAN NUTTER: Thank you, Madam President.

If you will allow me, Madam President, I just want to point out, at least for the record, as we go through these various bills as proposed by the Tax Reform Commission, the three bills that have not been called up, 040011, 040013, 040014 have, as best we can tell, either no financial impact or are not directly related to lowering tax rates or any particular direct financial benefit to any citizen or taxpayer, but have more to do with systems and process and billing dates.

So, I don't want there to be any confusion on the record as to whether the Council is dealing with the substantive tax related bills.

I am calling up, Madam Chair, Bill 040015. And I will be making a motion with regard to that bill because it needs to be called up.

My making of the motion will have no relationship to how I actually vote in this

particular matter, but there is a will by this body, I believe, to take action on this bill.

Bill 040015 is a bill generally referred to as the land tax bill. And I do not believe that there are any amendments.

And so, I would move that Bill 040015 be reported out of this Committee with no recommendation.

COUNCILMAN COHEN: Second.

COUNCIL PRESIDENT VERNA: It has been moved and seconded that Bill Number 040015 be reported out with no recommendation.

All in favor will signify by saying aye.

(Chorus of "ayes.")

COUNCIL PRESIDENT VERNA: Those opposed?

(Chorus of "no.")

COUNCIL PRESIDENT VERNA: Do we need a roll call?

COUNCILMAN NUTTER: We're going to need a roll call.

Whole & Fiscal Stability Meeting - 5/24/04

MR. McPHERSON: Roll call.

Councilwoman Blackwell.

COUNCILWOMAN BLACKWELL: No.

MR. McPHERSON: Councilman Clarke.

COUNCILMAN CLARKE: No.

MR. McPHERSON: Councilman Cohen.

COUNCILMAN COHEN: No.

MR. McPHERSON: Councilman DiCicco.

COUNCILMAN DiCICCO: Aye.

MR. McPHERSON: Councilman Goode.

COUNCILMAN GOODE: Aye.

MR. McPHERSON: Councilman Kelly.

COUNCILMAN KELLY: No.

MR. McPHERSON: Councilman Kenney.

COUNCILMAN KENNEY: No.

MR. McPHERSON: Councilwoman Krajewski.

COUNCILWOMAN KRAJEWSKI: No.

MR. McPHERSON: Councilman Mariano.

COUNCILMAN MARIANO: No.

MR. McPHERSON: Councilwoman Miller.

COUNCILWOMAN MILLER: No.

MR. McPHERSON: Councilman Nutter.

COUNCILMAN NUTTER: No.

MR. McPHERSON: Councilman O'Neill.

COUNCILMAN O'NEILL: No.

MR. McPHERSON: Councilman Ramos.

COUNCILMAN RAMOS: No.

MR. McPHERSON: Councilwoman Reynolds Brown.

COUNCILWOMAN REYNOLDS BROWN: Aye.

MR. McPHERSON: Councilman Rizzo.

COUNCILMAN RIZZO: No.

MR. McPHERSON: Councilwoman Tasco.

COUNCILWOMAN TASCO: No.

MR. McPHERSON: Council President Verna.

COUNCIL PRESIDENT VERNA: No.

MR. McPHERSON: It's 3 to 10. It fails.

COUNCILMAN NUTTER: I thought it was 14 to 3.

MR. McPHERSON: It's getting late.

COUNCIL PRESIDENT VERNA: Councilman Nutter, what is your position on Bill Number 040013?

COUNCILMAN NUTTER: You mean 16, Madam President?

COUNCIL PRESIDENT VERNA: 16. I'm sorry.

COUNCILMAN NUTTER: Madam President, this bill is not being called up for a vote. There is... Present there is valid legislation on the books.

Councilman Clarke amended this bill back in 2001. I am not sure that the Tax Reform Commission... I do not know whether the Tax Reform Commission took into consideration that there had been an amendment to this particular bill.

Councilman Clarke is working, as I understand it, with the Revenue Department, trying to actually get them to implement either this bill or another version of this bill.

I think he wants to speak on the bill. But I'll let him speak, and then...

COUNCIL PRESIDENT VERNA: Thank you.

The Chair recognizes Councilman Clarke.

COUNCILMAN CLARKE: Thank you, Madam President. Thank you, Councilman.

Also, Council President and members of Council, I have had discussions with the Administration on the possibility of seeking a lifting of the injunction.

As many of you recall, upon the attempted implementation of the bill in its original form by Councilman John Anderson, there was a court order sought and an injunction was imposed by a judge.

The City at that time decided not to fight the injunction, and essentially walked away from it.

I have since talked to the Administration and the Law Department. And upon orders from the Mayor, they will be fully prepared to ask for the injunction to be lifted, and move forward with the implementation of the bill, with some additional amendments, of which I have submitted earlier.

And I have talked to Councilman Nutter about this particular bill because I know he was a very close friend and confidant of Councilman Anderson on the

original bill.

COUNCILMAN NUTTER: Thank you, Councilman.

Therefore, Madam President, there's no need to call this bill up. The bill would repeal the real estate non-utilization tax, which is an action I think we do not want to take, under the circumstances. So this bill is not being called up.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair recognizes Councilman Nutter again, regarding Bill Number 040017.

COUNCILMAN NUTTER: Thank you, Madam President.

There should have been circulated a proposed technical amendment to Bill 040017. This is extending the net operating loss carryforward provisions, amending this bill, extended from three years to ten years.

There are two small amendments. There is a deletion of the item number two, a phrase which led to some confusion about

implementation, and there is a replacement of the word "act" by the word "ordinance" on the second page.

These were worked out with the Law Department and are purely technical in nature.

COUNCIL PRESIDENT VERNA: Okay. Any questions on the amendment?

(No response.)

COUNCIL PRESIDENT VERNA: The Chair recognizes Councilman Nutter.

COUNCILMAN NUTTER: Thank you, Madam Chair.

Madam Chair, I move the adoption of the proposed amendments to Bill 040017.

UNIDENTIFIED COUNCIL PERSON: Second.

COUNCIL PRESIDENT VERNA: It has been moved and seconded that the amendments be adopted.

All in favor will say signify by saying aye.

(Chorus of "ayes.")

COUNCIL PRESIDENT VERNA: Those

opposed?

(No response.)

COUNCIL PRESIDENT VERNA: Amendments is adopted.

The Chair recognizes again Councilman Nutter.

COUNCILMAN NUTTER: Thank you, Madam Chair.

I move that Bill Number 040017 as amended be reported out of this Committee with a favorable recommendation, and a further recommendation that the Rules of Council be suspended so as to permit first reading at our next session.

UNIDENTIFIED COUNCIL PERSON: Second.

COUNCIL PRESIDENT VERNA: It's been moved and seconded that Bill Number 040017 be reported out of Committee with a favorable recommendation, as amended; and also a suspension of the Rules for our next session of Council.

All in favor will say aye.

(Chorus of "ayes.")

Whole & Fiscal Stability Meeting - 5/24/04

COUNCIL PRESIDENT VERNA: Those opposed?

(Chorus of "no.")

COUNCIL PRESIDENT VERNA: Roll call.

MR. McPHERSON: Councilwoman Blackwell.

COUNCILWOMAN BLACKWELL: No.

MR. McPHERSON: Councilman Clarke.

COUNCILMAN CLARKE: Excuse me. Madam President, will this bill require state-enabling legislation?

COUNCIL PRESIDENT VERNA: Yes.

COUNCILMAN CLARKE: Has that been introduced in the state?

COUNCIL PRESIDENT VERNA: I don't know.

COUNCILMAN NUTTER: I have no idea.

COUNCILMAN CLARKE: You don't know if there's any movement?

COUNCIL PRESIDENT VERNA: We're not aware of it, if they have.

COUNCILMAN CLARKE: All right.

COUNCIL PRESIDENT VERNA: They have not.

Whole & Fiscal Stability Meeting - 5/24/04

COUNCILMAN CLARKE: At this time I'm not prepared to vote for this bill.

COUNCIL PRESIDENT VERNA: And since it does require state legislation... Since it does require state legislation and it has not even been introduced yet... (can't

COUNCILMAN NUTTER: Withdraw the motion.

COUNCIL PRESIDENT VERNA: Pardon me?

COUNCILMAN NUTTER: Madam Chair, withdraw the motion.

COUNCIL PRESIDENT VERNA: All right. Fine.

And what is your position on Bill Number 040018?

COUNCILMAN NUTTER: Madam Chair, that bill is not being called up at this time.

COUNCIL PRESIDENT VERNA: Thank you.

COUNCILMAN NUTTER: That is... This is quarterly payments, establishing quarterly payments on real estate taxes. It is significantly complicated at this time.

Whole & Fiscal Stability Meeting - 5/24/04

Again, I don't necessarily know that this would qualify, in the whole scheme of things, as tax reform. This is a system issue, and I don't think has anything to do with lowering the overall tax burden on residents in the City.

COUNCIL PRESIDENT VERNA: Chair recognizes Councilman Cohen.

COUNCILMAN COHEN: Is there currently a system whereby monthly payments could be made on the real estate tax?

And I wonder why there should be concern about quarterly, if there are monthly payment arrangements that can be made. Does anybody have the answer to that?

COUNCILMAN NUTTER: Councilman, I have to admit to you that I'm not -- in the whole scheme of things, I'm not sure why the Tax Reform Commission felt that this was important at this particular moment.

But I think we've kind of answered our own question for the moment because the bill's not moving.

So I don't know what... I don't know what the... I don't know what the rationale was.

Someone on the Tax Reform Commission felt that it was a very important issue. It was studied. It was a part of the package. There was a group of bills that came over.

It does not necessarily mean that we had to move them. It's not moving. So, I mean, it's kind of a moot issue.

All right. 18 is being held.

(Councilman Cohen said something away from the microphone, not reportable.)

COUNCILMAN NUTTER: Well, I mean, you know, we do that. We do that. That's our thing.

COUNCIL PRESIDENT VERNA: So Bill Number 040019 is being held --

COUNCILMAN NUTTER: No. 18, Madam President.

COUNCIL PRESIDENT VERNA: I'm sorry. Excuse me.

COUNCILMAN NUTTER: That's all

Whole & Fiscal Stability Meeting - 5/24/04

right.

COUNCIL PRESIDENT VERNA: It's being held.

COUNCILMAN NUTTER: 19.

COUNCIL PRESIDENT VERNA: Yes. 040019.

COUNCILMAN NUTTER: Thank you, Madam Chair.

There is again a technical amendment that would literally appear to be one word. It's item number 14, "value."

This is seeking to close one of the variety of real estate transfer tax loopholes. And this actually should help generate some money for the City.

So, it is adding a word that was apparently missing in the definition section.

I would move the adoption of the amendment to Bill 040019.

UNIDENTIFIED COUNCIL PERSON: Second.

COUNCIL PRESIDENT VERNA: It has been moved and seconded that the amendments

be adopted.

All in favor will signify by saying aye.

(Chorus of "ayes.")

COUNCIL PRESIDENT VERNA: Those opposed?

(No response.)

COUNCIL PRESIDENT VERNA: The ayes have it, and the amendment is adopted.

The Chair again recognizes Councilman Nutter.

COUNCILMAN NUTTER: Thank you, Madam Chair.

I move that Bill Number 040019 as amended be reported out of this Committee with a favorable recommendation, and a further recommendation that the Rules of Council be suspended so as to permit first reading at our next session.

UNIDENTIFIED COUNCIL PERSON: Second.

COUNCIL PRESIDENT VERNA: It has been moved and properly seconded that Bill Number 040019 be reported out of Committee

with a favorable recommendation, as amended; further, a recommendation that the Rules of Council be suspended so as to permit first reading at our next Council session.

All in favor will indicate by saying aye.

(Chorus of "ayes.")

COUNCIL PRESIDENT VERNA: Those opposed?

(No response.)

COUNCIL PRESIDENT VERNA: The ayes have it. Motion carries.

Councilman Nutter, what is your position on Bill 040020?

COUNCILMAN NUTTER: That bill is not being called up, Madam President. It's tied into Bill 18.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair recognizes Councilman Nutter, regarding Bill Number 040021.

COUNCILMAN NUTTER: Thank you, Madam Chair.

Is there an amendment? Yes.

COUNCIL PRESIDENT VERNA: Yes.

COUNCILMAN NUTTER: To Bill 21. Should be on members' desk.

COUNCIL PRESIDENT VERNA: Does everyone have copies of the amendments?

COUNCILMAN NUTTER: It may have been one of the first ones given out.

Madam Chair, there is one technical amendment on Page 1, designating that there is a three-year period with regard to returns.

There are lettering amendments on Page 2. And there is a substantive amendment on Page 3, letter b, that the department may promulgate regulations setting forth requirements for adequate disclosure, consistent with this ordinance.

That's 21 on Page 3. Bill 21. You should have an amendment for that. It's a three-pager.

Again, these are technical amendments, Madam Chair, that were assisted in drafting by the Law Department, for implementation purposes.

This bill creates the three-year time period during which the City can go back only three years for back taxes and citizens can go back three years to get refunds or credits if the City owes the taxpayer money. Presently there's an imbalance between those.

COUNCIL PRESIDENT VERNA: Thank you.

Any questions on the amendments?

(No response.)

COUNCIL PRESIDENT VERNA: Seeing none, the Chair recognizes Councilman Nutter.

COUNCILMAN NUTTER: Thank you, Madam Chair.

I move that the amendments to Bill 040021 be adopted.

COUNCIL PRESIDENT VERNA: It has been moved and seconded that the amendments be adopted.

All in favor will signify by saying aye.

(Chorus of "ayes.")

COUNCIL PRESIDENT VERNA: Those

opposed?

(No response.)

COUNCIL PRESIDENT VERNA: The ayes have it, and the amendment is adopted.

The Chair again recognizes Councilman Nutter.

COUNCILMAN NUTTER: Thank you, Madam Chair.

I move that Bill 040021, as amended, be reported out of Committee with a favorable recommendation; further recommendation that the rules of Council be suspended so as to permit first reading at our next session.

UNIDENTIFIED COUNCIL PERSON: Second.

COUNCIL PRESIDENT VERNA: It has been moved and seconded that Bill Number 040021 be reported out of Committee with a favorable recommendation, as amended; also a recommendation that the Rules of Council be suspended so as to permit first reading at our next Council session.

All in favor will say aye.

Whole & Fiscal Stability Meeting - 5/24/04

(Chorus of "ayes.")

COUNCIL PRESIDENT VERNA: Those opposed?

(No response.)

COUNCIL PRESIDENT VERNA: The ayes have it, and Bill Number 040021 has been reported out of Committee with a favorable recommendation.

The Chair recognizes Councilman Nutter, regarding Bill Number 040022.

COUNCILMAN NUTTER: Thank you, Madam Chair.

Just to note for the record, Madam Chair, we have completed action on the proposed bills, whatever the actions were, from the Tax Reform Commission.

Bill 040022 was not a part of that package. This bill would seek to ensure that if the Board of Revision of Taxes moves to a hundred percent valuation, as they have proposed, that that action would take place in conjunction with this Council being able to adjust real estate property tax rates at an appropriate level so as to

be revenue neutral. There are no amendments.

UNIDENTIFIED COUNCIL PERSON: Yes, there is.

COUNCILMAN NUTTER: Now there are. Yes. I'm sorry. There's a single page. I'm sorry. I lost track of that. I'm sorry.

There is one amendment, one single sheet of paper.

Yes. That is not this bill. Right. Right. There are no amendments to 22. 422. I've got 022.

Madam Chair, I would move that Bill 040022 be reported out of this Committee with a favorable recommendation, and a further recommendation that the Rules of Council be suspended so as to permit first reading at our next session.

UNIDENTIFIED COUNCIL PERSON: Second.

COUNCIL PRESIDENT VERNA: It has been moved and seconded that Bill Number 040022 be reported out of Committee with a

favorable recommendation; also a further recommendation that the Rules of Council be suspended so as to permit first reading at our next Council session.

All in favor will signify by saying aye.

(Chorus of "ayes.")

COUNCIL PRESIDENT VERNA: Those opposed?

(No response.)

COUNCIL PRESIDENT VERNA: The ayes have it and the motion carries.

The Chair at this time recognizes Councilwoman Blackwell, regarding Bill Number 040255.

COUNCILWOMAN BLACKWELL: Thank you, Madam President.

We have a proposed amendment to Bill Number 040255, our Operating Budget, which has been circulated to all members.

We request that you take note that this amendment reflects the changes that Council submitted.

Also note that a summary of these

Whole & Fiscal Stability Meeting - 5/24/04

amendments are listed on the last page by fund and class.

Thank you.

COUNCIL PRESIDENT VERNA: Thank you. Everyone has copies of the amendments?

Councilwoman Blackwell, I believe you'd offered amendment or amendments to Bill Number 040255.

COUNCIL PRESIDENT VERNA: Did not hear a second.

UNIDENTIFIED COUNCIL PERSON: Second.

COUNCIL PRESIDENT VERNA: It has been moved and seconded that the amendments offered to Bill Number 040255 be adopted. All in favor will say aye.

(Chorus of "ayes.")

COUNCIL PRESIDENT VERNA: The Chair recognizes Councilman Nutter.

COUNCILMAN NUTTER: Thank you, Madam President.

Madam President, I just want to get some clarity on this proposed amendment. There is a page that the... the last page.

Whole & Fiscal Stability Meeting - 5/24/04

This is 040255?

COUNCIL PRESIDENT VERNA: Yes.

COUNCILMAN NUTTER: I think there had been some concern earlier, based on one of the charts or sheets that have been handed out, that the FY '05 budget would possibly be out of balance.

And I just needed to ask a question with regard to this last sheet. There appears to be an adjustment in one of the line items that would put the budget back in balance. And I just want to make sure that I'm reading this correctly.

The fringe benefits line item, I thought I saw in a previous iteration of this that that number was about $11 million plus.

Now that line is $16 million. Does that then cover the $4.558 million that the earlier sheet showed the budget being out of balance?

COUNCIL PRESIDENT VERNA: Yes. But hopefully it's back in balance.

COUNCILMAN NUTTER: So the answer is

yes.

MR. McPHERSON: Yes.

COUNCIL PRESIDENT VERNA: Yes.

COUNCILMAN NUTTER: So with this amendment, we will have a balanced FY '05 budget?

COUNCIL PRESIDENT VERNA: Yes.

COUNCILMAN NUTTER: Okay. Thank you.

COUNCILMAN COHEN: Point of information.

COUNCIL PRESIDENT VERNA: Did you want to be recognized, Councilman?

The Chair recognizes Councilman Cohen.

COUNCILMAN COHEN: At what point do we get a chance to make changes in specific items?

COUNCIL PRESIDENT VERNA: This is it. This is it, David.

COUNCILMAN COHEN: What's that?

COUNCIL PRESIDENT VERNA: This is it.

COUNCILMAN COHEN: This is it? But

what part of it is it? Is there an amendment?

COUNCIL PRESIDENT VERNA: Do you have the copy of the amendments?

COUNCILMAN COHEN: Do we, Ellen?

Madam President, I would like to hear...

COUNCIL PRESIDENT VERNA: Councilman Cohen, you're requesting the amendments be read into the record?

COUNCILMAN COHEN: Madam President, I would like to hear -- I would like to hear read into the record a brief summary. Doesn't have to include all the items, but a general characterization of what the changes are.

COUNCIL PRESIDENT VERNA: Okay.

COUNCILMAN COHEN: To the budget.

COUNCIL PRESIDENT VERNA: Chair recognizes Councilman Nutter.

COUNCILMAN NUTTER: Is Councilman Cohen asking what the substance of the amendments are, and what's being restored?

COUNCILMAN COHEN: Yes, just a brief

Whole & Fiscal Stability Meeting - 5/24/04

summary of what these amendments are.

COUNCILMAN NUTTER: Councilman, what you're talking about is items like the Philadelphia Activity Fund is getting $800,000 back.

The Art Museum is getting $2.25 million back.

The recreation centers are getting $3 million back.

The Atwater Kent Museum is getting $292,000 back.

The African American Museum is getting $30,000.

The Cultural Fund, $1.4 million.

The Cultural Office, $380,000.

Historic Philadelphia, $60,000.

The Film Office, $29,000.

Community College, $750,000.

You want to look down the...

COUNCILMAN COHEN: Well, I think --

COUNCILMAN NUTTER: ...the right-hand column. Anything that doesn't have --

COUNCILMAN COHEN: Very impressive

list of additions, and I think it's important to be referred to.

COUNCIL PRESIDENT VERNA: I agree. I agree.

COUNCILMAN COHEN: Otherwise, you just get a collection of material that nobody knows ever what's been done.

COUNCIL PRESIDENT VERNA: You're absolutely right, Councilman.

COUNCILMAN COHEN: Is that complete it or are there many more?

COUNCILMAN NUTTER: All right.

The Mural Arts Program, $48,000.

The District Attorney's Office, $1.486 million.

The Free Library, $1.3 million.

And the Fire Department, $4 million.

I think, Councilman, that represents all of the restorations under this proposed amendment, as well as indications of where the funds are coming from to cover them.

COUNCILMAN COHEN: Well, I think those who negotiated on behalf of the Council ought to be congratulated for a

fine achievement. And I think the people of Philadelphia owe them a real vote of thanks.

UNIDENTIFIED VOICE: You're welcome.

COUNCILMAN NUTTER: At this point we'll congratulate ourselves tomorrow.

COUNCILMAN COHEN: Councilwoman Krajewski has already congratulated herself.

COUNCILMAN NUTTER: Later today we'll have a party. For the moment I'd like to move the amendment.

COUNCILMAN COHEN: Second.

COUNCILMAN NUTTER: No. No, no, no. That's not a motion. That's not a motion. This is Councilwoman Blackwell's amendment.

COUNCIL PRESIDENT VERNA: I believe it was seconded, wasn't it?

UNIDENTIFIED COUNCIL PERSON: Yes, it was.

COUNCIL PRESIDENT VERNA: It has been moved and seconded that the amendments offered to Bill Number -- Oh, I'm sorry. Councilman Clarke.

COUNCILMAN CLARKE: Madam President, for point of clarity, these fringes, the fringes are related to municipal worker's contracts?

COUNCIL PRESIDENT VERNA: Charley, can you respond?

MR. McPHERSON: Yes. It's the pot of money that the City used to pay the fringe benefits for its employees.

COUNCILMAN CLARKE: I'm sorry?

MR. McPHERSON: It's the allocation that the City pays the employee benefits out of to the unions, and it's for the City administered plan.

COUNCILMAN CLARKE: So we're taking the money from the pool of dollars that we would use to fund fringe benefits for the City employees.

MR. McPHERSON: Yes.

COUNCILMAN CLARKE: Okay. Just wanted a point of clarity. Thank you.

COUNCILMAN NUTTER: Just a point of information. Can you give us, at least for some context, what's the total amount in

the fringe benefits line in the budget?

MR. McPHERSON: It's being reduced from $713,724,000 to $697,424,571.

COUNCILMAN NUTTER: So the overall size of the fringe benefits line is about $700 million?

MR. McPHERSON: Yes.

COUNCILMAN NUTTER: Okay. Okay. Thank you.

COUNCILMAN CLARKE: I just wanted to know where it was coming from.

COUNCIL PRESIDENT VERNA: Councilman Clarke?

COUNCILMAN CLARKE: No. I'm fine. I just wanted to know...

COUNCIL PRESIDENT VERNA: Your light was still on. I didn't know whether...

COUNCIL PRESIDENT VERNA: It's been moved and seconded. Any other questions?

(No response.0

COUNCIL PRESIDENT VERNA: It has been moved and seconded that the amendments offered to Bill Number 040255 be adopted.

All in favor will signify by saying

aye.

(Chorus of "ayes.")

COUNCIL PRESIDENT VERNA: Those opposed?

COUNCILMAN CLARKE: No.

COUNCIL PRESIDENT VERNA: Okay. The record will indicate that Councilman Clarke is voting negative.

Anybody else?

(No response.)

COUNCIL PRESIDENT VERNA: Okay. So the amendment is adopted.

The Chair again recognizes Councilwoman Blackwell.

COUNCILWOMAN BLACKWELL: Thank you, Madam President.

Are you talking about the next bill?

COUNCIL PRESIDENT VERNA: No.

We have 255. The amendment was just adopted.

COUNCILWOMAN BLACKWELL: Madam President, I move that Bill Number 040255 be reported out of Committee as amended, with a favorable recommendation.

Whole & Fiscal Stability Meeting - 5/24/04

COUNCILMAN NUTTER: Second.

COUNCIL PRESIDENT VERNA: And suspension?

COUNCILWOMAN BLACKWELL: And also that the Rules be suspended so as to permit first consideration at our next session of Council.

UNIDENTIFIED COUNCIL PERSON: Second.

COUNCIL PRESIDENT VERNA: It has been moved and seconded that Bill Number 040255 be reported out of Committee with a favorable recommendation, as amended; also, a further recommendation that the Rules of Council be suspended so as to permit consideration of our next session of Council.

All in favor will signify by saying aye.

(Chorus of "ayes.")

COUNCIL PRESIDENT: Those opposed?

COUNCILMAN MARIANO: No.

COUNCILMAN CLARKE: No.

COUNCIL PRESIDENT VERNA: The record

Whole & Fiscal Stability Meeting - 5/24/04

will indicate that Council members Mariano and Clarke voted no.

All others have voted in the affirmative.

Am I correct? So be it.

So the bill is reported out favorably.

The Chair recognizes Councilwoman Blackwell, regarding Bill Number 040256. Oh it's being held.

COUNCILWOMAN BLACKWELL: Madam President, I understand that Bill Number 040256 is being held.

Thank you.

COUNCIL PRESIDENT VERNA: Thank you.

COUNCILWOMAN BROWN: Point of information.

COUNCIL PRESIDENT VERNA: Point of information by Councilwoman Brown.

COUNCILWOMAN BROWN: It's my understanding that this bill was a part of the package of bills recommended by the Tax Review Commission. Help me remember why it's being held.

COUNCIL PRESIDENT VERNA: It's not part of the Tax Reform Commission, to the best of my knowledge. I think this was an Administration bill; was it not?

COUNCILMAN NUTTER: The Tax Reform Commission, I believe, recommended increasing the parking tax as one of their proposals to help fund tax reform.

COUNCILWOMAN BROWN: Right.

COUNCILMAN NUTTER: But they did not write a bill to increase the parking tax.

It was not a part of the package of bills that they printed in their report that was sent over.

All of the bills that the Tax Reform Commission wrote were introduced. And we went through that package from Bill 9 to 21.

COUNCILWOMAN BROWN: Right.

COUNCILMAN NUTTER: I think what happened here is, the Administration in reading the report recognized that I think the Tax Reform Commission suggested that increasing the parking tax was a way to pay

for tax reform. But the Administration wrote the bill and submitted it as an Administration bill.

So, the parking tax was not a bill that the Tax Reform Commission wrote and submitted to us as a part of their package.

COUNCILWOMAN BROWN: Thank you, Councilman Nutter.

COUNCIL PRESIDENT VERNA: The Chair recognizes Councilman Clarke.

COUNCILMAN CLARKE: Thank you, Madam President.

So is the sole reason why the bill is not being called up is because it's not a tax reform bill or is it because it's an Administration bill?

COUNCIL PRESIDENT VERNA: Are you asking that it be considered?

COUNCILMAN CLARKE: I'm not the sponsor. I'm just...

COUNCIL PRESIDENT VERNA: Pardon me?

COUNCILMAN CLARKE: It's a bill on the calendar that raises revenue.

COUNCIL PRESIDENT VERNA: The Chair

Whole & Fiscal Stability Meeting - 5/24/04

recognizes Councilman Goode for a point of information.

COUNCILMAN GOODE: I believe it's still possible that if we want to pass this bill after we pass the budget, we could still do so, to make up revenue, if we want to do so, even after we pass the budget.

The bill does not necessarily have to be passed today along with the budget. That's my understanding. If the staff could respond to that.

MR. McPHERSON: As long as the tax measure is adopted prior to July.

COUNCILMAN CLARKE: What budget is that? Our budget? The Administration's budget.

COUNCILMAN GOODE: Doesn't make a difference. We can pass a tax measure after we pass the budget, as long as we still pass it before June 30th, in order to help that budget along.

COUNCIL PRESIDENT VERNA: But we have to pass it before July 1.

COUNCILMAN CLARKE: Councilman, are

you suggesting that we're going to be dealing with this issue --

COUNCILMAN GOODE: I'm suggesting --

COUNCILMAN CLARKE: -- late into June?

(Councilman Goode speaking simultaneously with Councilman Clarke, not reportable.)

COUNCILMAN RAMOS: Might as well vote on it.

COUNCILMAN CLARKE: That's fine.

COUNCIL PRESIDENT VERNA: The Chair recognizes Councilman Mariano, whose lights on.

COUNCILMAN MARIANO: I think Councilman Clarke answered my question.

COUNCIL PRESIDENT VERNA: Okay. Councilwoman Miller.

COUNCILWOMAN MILLER: Oh, Councilman Clarke answered my question, too.

COUNCIL PRESIDENT VERNA: Okay. The Chair recognizes Councilman Ramos.

COUNCILMAN RAMOS: Madam President, I make a motion that we take this up for a

vote.

COUNCIL PRESIDENT VERNA: Okay. All those in favor of passing Bill Number 0402... Are we voting on the motion? Okay. There was a motion on the floor to call that the bill be considered.

All in favor will say aye.

(Chorus of "ayes.")

COUNCIL PRESIDENT VERNA: Those opposed?

(No response.)

COUNCIL PRESIDENT VERNA: The ayes seem to have it.

UNIDENTIFIED COUNCIL PERSON: There's a question.

COUNCIL PRESIDENT VERNA: Whose question? I didn't hear -- If your microphone's not on, I can't hear you.

COUNCILMAN NUTTER: Just from the flow of the legislation, the bill came over, I'm assuming, from the Administration; came to the Council President; the President gave it, as is tradition, to the Majority Leader.

Whole & Fiscal Stability Meeting - 5/24/04

The Majority Leader, who introduced the bill, when asked, said the bill was not being called up for consideration.

Then out of that, there was a motion made that the bill be called up, which members can make any kind of motions that they want.

I'm just trying to make sure I'm following the flow of what happened here. Is that...

COUNCIL PRESIDENT VERNA: Yes.

The Chair recognizes Councilwoman Blackwell.

COUNCILWOMAN BLACKWELL: Madam Chair, I'm happy to withdraw my statement that it not be considered, and support the resolution for consideration.

Madam President, I move Bill Number 040256 be reported out of Committee with a favorable recommendation, and a recommendation for suspension of the Rules so as to be considered at our next session of Council.

UNIDENTIFIED COUNCIL PERSON:

Second.

COUNCIL PRESIDENT VERNA: It has been moved and seconded that Bill Number 040256 be reported out of Committee with a favorable recommendation; also a recommendation that the Rules of Council be suspended so as to permit first reading at our next session of Council.

All in favor will indicate by saying aye.

(Chorus of "ayes.")

COUNCIL PRESIDENT VERNA: Those opposed?

(Chorus of "no.")

COUNCIL PRESIDENT VERNA: Roll call.

MR. McPHERSON: Councilwoman Blackwell.

COUNCILWOMAN BLACKWELL: No.

MR. McPHERSON: Councilman Clarke.

COUNCILMAN CLARKE: Aye.

MR. McPHERSON: Councilman Cohen.

COUNCILMAN COHEN: Aye.

MR. McPHERSON: Councilman DiCicco.

COUNCILMAN DiCICCO: No.

MR. McPHERSON: Councilman Goode.

COUNCILMAN GOODE: No.

MR. McPHERSON: Councilman Kelly.

COUNCILMAN KELLY: No.

MR. McPHERSON: Councilman Kenney.

COUNCILMAN KENNEY: No.

MR. McPHERSON: Councilwoman Krajewski.

COUNCILWOMAN KRAJEWSKI: Aye.

MR. McPHERSON: Councilman Mariano.

COUNCILMAN MARIANO: Aye.

MR. McPHERSON: Councilwoman Miller.

COUNCILWOMAN MILLER: Aye.

MR. McPHERSON: Councilman Nutter.

COUNCILMAN NUTTER: No.

MR. McPHERSON: Councilman O'Neill.

COUNCILMAN O'NEILL: No.

MR. McPHERSON: Councilman Ramos.

COUNCILMAN RAMOS: Aye.

MR. McPHERSON: Councilwoman Reynolds Brown.

COUNCILWOMAN REYNOLDS BROWN: Aye.

MR. McPHERSON: Councilman Rizzo.

COUNCILMAN RIZZO: No.

MR. McPHERSON: Councilwoman Tasco.

(Pause.)

COUNCIL PRESIDENT VERNA: She's counting.

COUNCILWOMAN TASCO: No.

MR. McPHERSON: Council President Verna.

COUNCIL PRESIDENT VERNA: No.

MR. McPHERSON: Seven to ten. Fails.

COUNCIL PRESIDENT VERNA: Seven ten.

MR. McPHERSON: Seven ayes and ten nos.

COUNCIL PRESIDENT VERNA: Okay. Motion fails.

The Chair again recognizes Councilwoman Blackwell, regarding Bill Number 040257.

COUNCILWOMAN BLACKWELL: Madam President, do we have an amendment for that?

COUNCIL PRESIDENT VERNA: We do. Yes, we do. Okay.

COUNCILWOMAN BLACKWELL: Madam

Whole & Fiscal Stability Meeting - 5/24/04

President, I submit an amendment for Bill Number 040257, that has been circulated.

COUNCIL PRESIDENT VERNA: Does everyone have copies of the amendments being circulated?

COUNCILWOMAN BLACKWELL: I don't think so.

COUNCIL PRESIDENT VERNA: The amendments are presently being circulated.

COUNCILWOMAN BLACKWELL: Madam President, it is being circulated for those who do not have it.

Section one of the bill is deleted in entirety and a new section one is substituted.

COUNCIL PRESIDENT VERNA: Councilwoman, do you mind waiting until we all get a copy.

COUNCILWOMAN BLACKWELL: Not at all.

COUNCIL PRESIDENT VERNA: So we could share it with you.

Does everyone have copy of the amendments to Bill Number 040258? I'm sorry. 57. But I was given amendments

Whole & Fiscal Stability Meeting - 5/24/04

to Bill Number 040258.

COUNCILWOMAN BLACKWELL: Madam President, yes, because they both have amendments.

Madam President, this Capital Program is for Fiscal Years '05 through '10 to the tune of $5,085,572,000. It has been circulated. Everyone should have a copy.

COUNCIL PRESIDENT VERNA: All right. Can I have a copy, please?

Everyone has a copy now of the amendments being proposed on Bill Number 040257. Everyone has copies? You do? All right.

Councilwoman Blackwell.

COUNCILWOMAN BLACKWELL: Thank you, Madam President.

I move that Bill Number 040257 be reported out --

COUNCIL PRESIDENT VERNA: No. The amendments to be adopted.

COUNCILWOMAN BLACKWELL: After all this; on the amendments.

That the amendments to Bill Number

040257 be adopted.

UNIDENTIFIED COUNCIL PERSON: Second.

COUNCIL PRESIDENT VERNA: it has been moved and properly seconded that the amendments -- I'm sorry. The Chair recognizes Councilwoman Brown.

COUNCILWOMAN BROWN: Yes, Madam President, only for clarification purposes. Please state again the reasons that we're amending these two bills.

COUNCIL PRESIDENT VERNA: Mr. McPherson.

MR. McPHERSON: There were technical amendments that the Administration had requested.

In addition to the technical amendments that the Administration had requested, in fiscal '05 in the Capital Budget in '05 we're increasing the Recreation Department by $7 million, and then there was a deletion in the Aviation Fund of approximately $275 million.

COUNCILWOMAN BROWN: Thank you for

that.

Thank you, Madam President.

COUNCIL PRESIDENT VERNA: Chair recognizes Councilman Clarke.

COUNCILMAN CLARKE: What's the $275 for?

MR. McPHERSON: More specifically, the $275 million in the Commerce Department in the Aviation Fund was for the parking garages.

COUNCIL PRESIDENT VERNA: Was the motion seconded? It's been so long ago I don't remember.

It has been moved and properly seconded that the amendments as proposed be adopted.

All in favor will say aye.

(Chorus of "ayes.")

COUNCIL PRESIDENT: Those opposed?

(No response.)

COUNCIL PRESIDENT VERNA: The ayes have it, and the amendments are adopted.

The Chair again recognizes Councilwoman Blackwell.

COUNCILWOMAN BLACKWELL: I assume we're up to Bill Number 258.

COUNCIL PRESIDENT VERNA: No. We're still on 257.

COUNCILWOMAN BLACKWELL: Okay. I'm rushing.

Madam President, I move that Bill Number 040257 as amended be reported out of committee with a favorable recommendation; also, a recommendation for suspension of the Rules so as to permit first reading at our next session of Council.

UNIDENTIFIED COUNCIL PERSON: Second.

COUNCIL PRESIDENT VERNA: It has been moved and properly seconded that Bill Number 040257 be reported out of the Committee with a favorable recommendation, as amended; also, a recommendation that the Rules of Council be suspended so as to permit first reading at our next session of Council.

All in favor will indicate by saying aye.

(Chorus of "ayes.")

COUNCIL PRESIDENT VERNA: Those opposed?

COUNCILMAN CLARKE: No.

COUNCIL PRESIDENT VERNA: The record will indicate that Councilman Clarke is voting in the negative.

All other members are voting in the affirmative.

The Chair again recognizes Councilwoman Blackwell.

COUNCILWOMAN BLACKWELL: Thank you, Madam Chair.

COUNCIL PRESIDENT VERNA: Regarding Bill 040258.

COUNCILWOMAN BLACKWELL: Thank you, Madam President.

I submit an amendment to Bill Number 040258, that has been passed out to every member, and move for the adoption.

COUNCIL PRESIDENT VERNA: It has been moved and seconded that the amendments to Bill Number 040258 be adopted.

All in favor will signify by saying

aye.

(Chorus of "ayes.")

COUNCIL PRESIDENT VERNA: Those opposed?

(No response.)

COUNCIL PRESIDENT VERNA: The ayes have it, and the amendments are adopted.

The Chair again recognizes Councilwoman Blackwell.

COUNCILWOMAN BLACKWELL: Thank you, Madam President.

I move that Bill Number 040258 as amended be reported out of Committee with a favorable recommendation, and also recommendation that the Rules of Council be suspended so as to permit first reading at our next session.

UNIDENTIFIED COUNCIL PERSON: Second.

COUNCIL PRESIDENT VERNA: It has been moved and seconded that Bill Number 040258 be reported out of Committee with a favorable recommendation, as amended; also a recommendation that the Rules of Council

Whole & Fiscal Stability Meeting - 5/24/04

be suspended so as to permit first reading at our next session offer Council.

All in favor will say aye.

(Chorus of "ayes.")

COUNCIL PRESIDENT VERNA: Those opposed?

COUNCILMAN CLARKE: No.

COUNCIL PRESIDENT VERNA: Councilman Clarke is voting no.

All other members are voting in the affirmative.

We will now consider Bill Number 040259. And again, the Chair recognizes Councilwoman Blackwell.

COUNCILWOMAN BLACKWELL: Thank you, Madam President.

I move that Bill Number 040259 be reported out of Committee with a favorable recommendation; and also a recommendation for suspension of the Rules, so as to permit first reading at our next session of Council.

UNIDENTIFIED COUNCIL PERSON: Second.

Whole & Fiscal Stability Meeting - 5/24/04

COUNCIL PRESIDENT VERNA: It has been moved and seconded that Bill Number 040259 be reported out of Committee with a favorable recommendation; also a recommendation that the Rules of Council be be suspended, so as to permit first reading at our next session of Council.

All in favor will say aye.

(Chorus of "ayes.")

COUNCIL PRESIDENT VERNA: Those opposed?

(No response.)

COUNCIL PRESIDENT VERNA: The ayes have it, and the motion carries.

The Chair recognizes Councilwoman Blackwell, regarding Bill Number 040260.

COUNCILWOMAN BLACKWELL: Thank you, Madam President.

I move that Bill Number 040260 be reported out of Committee with a favorable recommendation; and furthermore, that the rules of Council be suspended so as to permit first reading at our next session of Council.

Whole & Fiscal Stability Meeting - 5/24/04

UNIDENTIFIED COUNCIL PERSON: Second.

COUNCIL PRESIDENT VERNA: It has been moved and seconded that Bill Number 040260 be reported out of Committee be a favorable recommendation; also a recommendation that the Rules of Council be suspended so as to permit first reading at our next session of Council.

All in favor will say aye.

(Chorus of "ayes.")

COUNCIL PRESIDENT VERNA: Those opposed?

(No response.)

COUNCIL PRESIDENT VERNA: The ayes have it, and the motion carries.

The Chair recognizes Councilwoman Blackwell regarding Bill Number 040261. That will be held.

COUNCILWOMAN BLACKWELL: Madam President, this is related to one of the earlier bills.

COUNCIL PRESIDENT VERNA: Right.

COUNCILWOMAN BLACKWELL: That were

part of the Tax Review Commission that Councilman Nutter spoke to, with regard to 09, the first bill.

COUNCIL PRESIDENT VERNA: Right.

COUNCILMAN NUTTER: What are you saying, 61? 261 is being held?

COUNCIL PRESIDENT VERNA: It's being held.

COUNCILWOMAN BLACKWELL: That was the Mariano bill.

COUNCILMAN NUTTER: Right. Right.

COUNCILWOMAN BLACKWELL: And therefore, we understand that it would be held, and is related to an earlier bill.

COUNCIL PRESIDENT VERNA: Fine.

The Chair again recognizes -- Councilman Clarke.

COUNCILMAN CLARKE: Yes.

Can Mr. McPherson explain the differences in that bill versus 9? I think there is some considerable difference one. Is a repeal -- This is a repeal of one particular bill.

And it also has --

MR. McPHERSON: This is the bill that the Administration had submitted, along with the budget.

And this bill would do two things. One, it would delay the implementation of wage tax cuts from July to January.

It would also raise the cap from two percent to four percent on Councilman Mariano's bill.

And obviously, this bill... I mean, you can't do Bill 9 and this one. I guess you could point them out, but I mean they are inconsistent with one another, I guess is the right way to phrase it.

COUNCILMAN CLARKE: But there are differences.

MR. McPHERSON: There are a lot of differences, a whole host --

COUNCILMAN CLARKE: In terms of cost to the budget.

MR. McPHERSON: Correct. The bulk of the changes that the Administration supplied on the sheet was due to Bill 9, 10 and 12.

And of which the cost was for this fiscal year $2.3 million, and the 7... It was just -- Yeah, on this bill is just 2.3. It was 2.3 on this bill. In '05 only. And then, as going out through the program, I think it was a hundred and... Right, yeah.

COUNCILMAN CLARKE: I'm sorry. You're fading away. I know it's late.

MR. McPHERSON: I'm sorry. To the extent that, compared to the numbers that the Mayor had, I think over the life of the five-year plan, it was worth approximately a 130...

COUNCIL PRESIDENT VERNA: 140.

MR. McPHERSON: 140 somewhere... 130.

COUNCILMAN CLARKE: Okay. Over five years.

MR. McPHERSON: Over five years. He asked what the impact and the difference was of the two bills, so that...

COUNCILMAN CLARKE: In terms of reduction in taxes. Okay.

COUNCIL PRESIDENT VERNA: Okay. The

Whole & Fiscal Stability Meeting - 5/24/04

Chair recognizes Councilwoman Blackwell, regarding Bill Number 0402762.

COUNCILWOMAN BLACKWELL: Thank you, Madam President.

I move Bill 040262, be reported out of Committee with a favorable recommendation; and also that the Rules of Council be suspended so as to permit first reading at our next session of Council.

UNIDENTIFIED COUNCIL PERSON: Second.

COUNCIL PRESIDENT VERNA: It has been moved and seconded that Bill Number 040262 be reported out of Committee with a favorable recommendation; also, a recommendation that the Rules of Council be suspended so as to permit first reading at our next session of Council.

All in favor will indicate by saying aye.

(Chorus of "ayes.")

COUNCIL PRESIDENT: Those opposed?

(No response.)

COUNCIL PRESIDENT VERNA: The ayes

have it, and the motion carries.

The Chair recognizes Councilman Goode, Regarding Bill Number 040313.

COUNCILMAN GOODE: Thank you, Madam President. To briefly explain this bill, it's a job creation tax credit, that exists on the state level.

We created a pilot program a couple years ago to sort of pattern a local program after it because not only do we want people to move into the Commonwealth but into the City of Philadelphia.

Since that pilot program's been created, it has created incentives for up to 1500 to 2,000 jobs.

The two simple amendments to this bill, one dealing with the fact that we're expanding opportunities for ex-offenders, so there's a definition for ex-offenders; also, because it reserves credit for small businesses and ex-offenders, we're also amending the language of the bill to extend the cap for the first year of the program to every year in the program, so that we

can quantify the amount of credit, so that we can extend them to small businesses and ex-offenders.

And so I think all members of Council have received amendments to the bill that would make this program permanent.

And I'd move for the adoption of the amendments to Bill 040313.

UNIDENTIFIED COUNCIL PERSON: Second.

COUNCIL PRESIDENT VERNA: It has been moved and seconded that the amendments be adopted.

All in favor will signify by saying aye.

(Chorus of "ayes.")

COUNCIL PRESIDENT VERNA: Those opposed?

(No response.)

COUNCIL PRESIDENT VERNA: The ayes have it, and the amendments are adopted.

The Chair again recognizes Councilman Goode.

COUNCILMAN GOODE: Thank you, Madam President.

I move that Bill 040313 as amended be reported out of Committee with a favorable recommendation; further recommendation the Rules of Council be suspended as to permit first reading at our next Council session.

UNIDENTIFIED COUNCIL PERSON: Second.

COUNCIL PRESIDENT VERNA: It has been moved and seconded that Bill Number 040313 be reported out of Committee with a favorable recommendation, as amended; further, that the Rules of Council be suspended so as to permit first reading at our next session of Council.

All in favor will say aye.

(Chorus of "ayes.")

COUNCIL PRESIDENT VERNA: Those opposed?

(No response.)

COUNCIL PRESIDENT VERNA: The ayes have it, and the motion carries.

Whole & Fiscal Stability Meeting - 5/24/04

The Chair recognizes Councilman Cohen regarding Bill Number 040397.

COUNCILMAN COHEN: This is the bill that's going to be... Councilman Nutter, I'm yielding to you on that bill.

COUNCILMAN NUTTER: Councilman, point of information. Can I ask Councilman Cohen a question?

COUNCIL PRESIDENT VERNA: Councilman Cohen, Councilman Nutter would like to know if he could ask you a question.

COUNCILMAN COHEN: Yes.

COUNCILMAN NUTTER: Councilman, you have been working on this issue, which is a great public policy issue, for some time.

And what I've raised with you and discussions with a couple other members is whether or not you would give any consideration... And again, acknowledging your previous efforts.

You've now moved the implementation in this version of the bill to January 1, 2007, going through 2011.

What I'm asking is if you would, in

light of other budgetary issues involving the five-year plan, years FY '05 to FY '09, if you would consider under the circumstances moving your schedule of proposed cuts, to start in January 1, 2007 if you would consider the first cut taking place on January 1, 2010, maintaining the same schedule that you have, in terms of percentages, such that it would start in '10 to '11 to '12 to '13, and then to '14, so as to have no financial impact in the current five-year plan in front of us, because your bill would not have any financial hit in the current five-year plan, and whether you would entertain that kind of amendment to lessen the fiscal stress at this point in time.

COUNCILMAN COHEN: I would be agreeable to such a change.

COUNCILMAN NUTTER: Okay.

COUNCILMAN COHEN: Considering my youth and the financial considerations before the City, I would agree to that. I think it's very important to establish a

principle, and that seems to me that your suggestion would do that.

COUNCILMAN NUTTER: Very good. Councilman, would you view that as a friendly amendment if it was offered?

COUNCILMAN COHEN: Yes.

COUNCILMAN NUTTER: Okay. Do you want me to offer it?

COUNCIL PRESIDENT VERNA: Councilman Cohen, do you want Councilman Nutter to offer it?

COUNCILMAN COHEN: Yes.

COUNCILMAN NUTTER: Okay.

Madam Chair, I would... And unlike all the other amendments, I mean, this is really happening literally in the moment, I would move that on Page 3 of Councilman Cohen's bill, I would move that on Pages 3 and 4 that the...

Madam Chair, at the bottom of Page 2 it appears that item number one in 19-1508 there is a time period designated as January 1, 2006 through December 31, 2006. That needs to be changed to January 1, 2009

to December 31, 2009. That is the period of time that starts the consideration of what the base would be for and a distribution in starting January 1, 2010.

There are other dates on Page 4. All of the charts and dates need to be amended, such that the rates that are being laid out should start in January 1, 2010 and going forward to '11, '12, '13, and '14.

Top of Page 3, there is a date, July 1, 2005. That should be changed to July 1, 2008.

January 1, 2006 through December 31, 2006, should be changed to January 1, 2009 and December 31, 2009.

And then the schedules would be adjusted accordingly, such that the January 1, 2007 rate deduction would be 2010, and go down to 2014.

In section three where it says every year starting in 2006, that should be 2009. Going to... 2012 should be changed to 2015.

January 1, 2006 should be changed to January 1, 2008.

July 1, 2005 should be changed to July 1, 2008.

January 1, 2006 should be changed to January 1, 2009.

On Page 4, number four, the paragraph which has starting in 2006 running through 2012 should be changed to 2009 through 2015.

And the last one is January 1, 2006. That should be changed to January 1, 2009.

July 1, 2005 should be changed to July 1, 2008.

In Section 2, the first such refund shall be made no sooner than July 1, 2007. That should be July 1, 2010.

No later than September 30, 2007 should be changed to September 30, 2010.

And calendar year 2006 should be changed to calendar year 2009.

I believe that encompasses all the amendments, Madam President.

COUNCIL PRESIDENT VERNA: Chair

recognizes Councilwoman Tasco. Your light is on. You wanted to be recognized?

COUNCIL PRESIDENT VERNA: No?

Nobody moved to adopt the amendment. No one moved. No one made a motion. I'm sorry. I didn't hear you.

COUNCILWOMAN BLACKWELL: I move that the amendment just read into the record be adopted.

COUNCILMAN NUTTER: Second.

COUNCIL PRESIDENT VERNA: It's been moved and seconded that the amendments just read be adopted.

All in favor will say aye.

(Chorus of "ayes.")

COUNCIL PRESIDENT VERNA: Those opposed?

(No response.)

COUNCIL PRESIDENT VERNA: The ayes have it, and the amendments are adopted.

The Chair recognizes Councilman Cohen.

COUNCILMAN COHEN: I move that Bill Number 040397 be adopted as amended; and

Whole & Fiscal Stability Meeting - 5/24/04

that the Rules of Council be suspended to permit first reading at the next session of City Council.

UNIDENTIFIED COUNCIL PERSON: Second.

COUNCIL PRESIDENT VERNA: It has been moved and seconded that Bill Number 040397 be reported out of Committee with a favorable recommendation, as amended; and further, that the Rules of Council be suspended so as to permit first reading at our next session of Council.

All in favor will signify by saying aye.

(Chorus of "ayes.")

COUNCIL PRESIDENT VERNA: Those opposed?

COUNCILMAN O'NEILL: No.

COUNCIL PRESIDENT VERNA: The ayes have it.

The record reflect that Councilman O'Neill voted no.

All other members have voted in the affirmative.

Whole & Fiscal Stability Meeting - 5/24/04

The bill passes.

The Chair recognizes Councilwoman Blackwell regarding Bill Number 040421.

COUNCILWOMAN BLACKWELL: Thank you, Madam President.

I move that Bill Number 040421 be reported out of Committee with a favorable recommendation; and also for suspension of the Rules so as to permit first reading at our next session of Council.

UNIDENTIFIED COUNCIL PERSON: Second.

COUNCIL PRESIDENT VERNA: It has been moved and seconded that Bill Number 040421 be reported out of Committee with a favorable recommendation; also a recommendation that the rules of Council be suspended so as to permit first reading at our next session of Council.

All in favor will say aye.

(Chorus of "ayes.")

COUNCIL PRESIDENT VERNA: Those opposed?

(No response.)

Whole & Fiscal Stability Meeting - 5/24/04

COUNCIL PRESIDENT VERNA: The ayes have it, and the motion carries.

The Chair recognizes Councilwoman Blackwell regarding Bill Number 040422. This is an amendment.

COUNCILWOMAN BLACKWELL: Thank you, Madam President.

I move that the amendment to Bill Number 040422 be approved.

UNIDENTIFIED COUNCIL PERSON: Second.

COUNCIL PRESIDENT VERNA: Does everyone have a copy of the amendment to bill number --

COUNCILWOMAN BLACKWELL: Madam President, I'll read it.

UNIDENTIFIED COUNCIL PERSON: Yes, we do.

COUNCILWOMAN BLACKWELL: It's not -- It's just as easy. It amends Section 1 of the bill by deleting the word "chapter" and replacing it with the word "title" in new subsection 9-104(1) added by the bill.

UNIDENTIFIED COUNCIL PERSON:

Second.

COUNCIL PRESIDENT VERNA: The Chair -- 22.

UNIDENTIFIED COUNCIL PERSON: 21.

COUNCIL PRESIDENT VERNA: We already reported that out.

COUNCILWOMAN BLACKWELL: Madam President...

COUNCILMAN DiCICCO: This was an Administration requested amendment.

COUNCIL PRESIDENT VERNA: Did someone second adoption of the amendment?

It has been moved and seconded that the amendment be adopted.

All in favor will signify by saying aye.

(Chorus of "ayes.")

COUNCIL PRESIDENT VERNA: Those opposed?

(No response.)

COUNCIL PRESIDENT VERNA: The ayes have it, and the amendment is adopted.

The Chair again recognizes Councilwoman Blackwell.

Whole & Fiscal Stability Meeting - 5/24/04

COUNCILWOMAN BLACKWELL: Thank you, Madam President.

I move that Bill Number 040422 as amended be reported out of Committee with a favorable recommendation; and also, further, that the Rules of Council be suspended so as to permit first reading at our next session of Council.

UNIDENTIFIED COUNCIL PERSON: Second.

COUNCIL PRESIDENT VERNA: It has been moved and seconded that Bill Number 040422 be reported out of Committee with a favorable recommendation, as amended; further, that the Rules of Council be suspended so as to permit first reading at our next Council session.

All in favor will say aye.

(Chorus of "ayes.")

COUNCIL PRESIDENT VERNA: Those opposed?

(No response.)

COUNCIL PRESIDENT VERNA: The ayes have it, and the motion carries.

Whole & Fiscal Stability Meeting - 5/24/04

The Chair again recognizes Councilwoman Blackwell regarding Bill Number 040423.

COUNCILWOMAN BLACKWELL: Thank you, Madam President.

I move that Bill Number 040423 be reported out of Committee with a favorable recommendation; and further, that the Rules of Council be suspended so as to permit first reading at our next session of Council.

UNIDENTIFIED COUNCIL PERSON: Second.

COUNCIL PRESIDENT VERNA: It has been moved and seconded that Bill Number 040423 be reported out of Committee with a favorable recommendation; further, that the Rules of Council be suspended so as to permit first reading at our next session of Council.

All in favor will say aye.

(Chorus of "ayes.")

COUNCIL PRESIDENT VERNA: Those opposed?

Whole & Fiscal Stability Meeting - 5/24/04

(No response.)

COUNCIL PRESIDENT VERNA: The ayes have it. The motion carries.

Also, Resolution Number 040276, which was scheduled for today on Fiscal Stability will be recessed until Tuesday, May the 25th, at 3:30.

And I would simply add that this concludes the meeting of the Committee of the Whole.

See you all at 3:30 p.m.

(Meeting concluded at 2:20 a.m.)

CERTIFICATE

I HEREBY CERTIFY that the proceedings and evidence are contained fully and accurately in the stenographic notes taken by me upon the public meeting of The Philadelphia City Council, taken on May 24, 2004, and that this is a true and correct transcript of same.

_____

DAVID A. DEIK, RPR and
Commissioner of Deeds

(The foregoing certification of this transcript does not apply to any reproduction of the same by any means, unless under the direct control and/or supervision of the certifying reporter.)