COUNCIL OF THE CITY OF PHILADELPHIA

COMMITTEE OF THE WHOLE

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Room 400, City Hall
Philadelphia, Pennsylvania
Tuesday, March 7, 2006
10:25 a.m.

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PRESENT:
COUNCIL PRESIDENT ANNA C. VERNA
COUNCILWOMAN JANNIE BLACKWELL
COUNCILMAN DARRELL L. CLARKE
COUNCILMAN FRANK DiCICCO
COUNCILMAN JACK KELLY
COUNCILMAN JAMES F. KENNEY
COUNCILMAN MICHAEL A. NUTTER
COUNCILWOMAN BLONDELL REYNOLDS BROWN
COUNCILMAN FRANK RIZZO
COUNCILWOMAN MARIAN B. TASCO

BILLS 060001, 060002, 060003, 060004, 060006, 060007, 060008, 060014, 060089 and 060090

RESOLUTIONS 060019, 060099, 060100 and 060119

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COUNCIL PRESIDENT VERNA: Good morning, everyone. This is the continued public hearing of the Committee of the Whole, and I would ask Mr. McPherson to merely read the bill numbers and the resolution numbers so that we could proceed.

MR. McPHERSON: Bill No. 060001, Bill No. 060002, Bill No. 060003, Bill No. 060004, Bill No. 060006, Bill No. 060007, Bill No. 060008, Bill No. 060014, Resolution 060019, Bill No. 060089, Bill No. 060090, Resolution 060099, Resolution 060100 and Resolution 060119, which is a resolution proposing an amendment to Bill No. 060003, which provides for the Operating Budget for Fiscal Year 2007, and a corresponding amendment to Resolution 060019, which provides for the Five-Year Financial Plan, to establish a 2.5 million fund to provide a Witness Protection and Relocation Program on behalf of the District Attorney's Office.

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COUNCIL PRESIDENT VERNA: Thank you.

We will first hear from the Police Department. Is the Commissioner here?

Good morning and welcome.

COMMISSIONER JOHNSON: Good morning, Council President.

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

COMMISSIONER JOHNSON: Commissioner Sylvester M. Johnson, Police Commissioner of the City of Philadelphia.

COUNCIL PRESIDENT VERNA: Please proceed.

COMMISSIONER JOHNSON: I'm not sure exactly. This is about the $5 million or this is the regular budget hearing?

COUNCIL PRESIDENT VERNA: This is the regular budget hearing.

COMMISSIONER JOHNSON: Okay. Good. I'm sorry.

Good morning, Council President Verna, members of City Council. I am Sylvester Johnson, Police Commissioner. With me today are Deputy Commissioners Patricia Giorgio-Fox, John Gaittens, Charlotte Council, Richard Ross, Chief of Staff Kimberly Byrd, our attorney Zorz Horgus (ph) and Fiscal Officer Thomas DeWaele.

The Police Department Fiscal Year 2007 General Fund budget request is $498,497,141. It's over 23 million higher than the FY06 estimated obligations. The additional funding supports a three percent salary increase for both uniform and civilian employees and an additional 10 million to support overtime costs associated with the implementation of Operation Safer Streets, a City-wide initiative formulated to address the upsurge in violent crime. Supplementing the General Fund budget is $12,826,227 provided by the Aviation Division and $19,442,660 received through various grant applications.

Personnel levels in FY07 remains constant from FY06. The FY07 General Fund request will provide for 6,424 sworn personnel, including 327 recruits, 884 civilians and 1,037 school crossing guards. With the addition of 151 sworn officers funded through the Aviation budget, the total sworn strength of the Police Department at year end FY07 will be 6,575.

Budgeted amounts in Class 200, 300 and 400 will remain consistent with FY06 budget allocations. Although these allocations have been sufficient in the past, the decrease in grant funding in the above classes may adversely impact equipment purchases.

Our objective: While overall crime in the City has remained consistent with that of the past few years, the upsurge of gun violence and homicides has grabbed our collective attention. Much of this increase stems from spontaneous acts of violence, crimes of passion and of the moment, with the remainder of violent gun crime and homicides directly linked to narcotics, including retaliatory shootings.

The Police Department cannot fight this fight alone. To reduce the number of these violent assaults within our communities, the Violence Reduction Strategy, a comprehensive and multi-pronged attack focusing on violent criminals, was implemented by the Police Department on December the 19th, 2005. This operational plan has been incorporated into the City comprehensive Operation Safer Streets program introduced in February 2006. Operation Safer Streets utilizes the cooperative efforts of clergy, business, communities, legislators, prosecutors and law enforcement, concentrating these resources in specified areas of excessive violent crime. Working together, we can bring about change.

Operation Safer Streets is the conduit to our objectives. The focus of the Department has not changed. It has become more comprehensive. Through this initiative, I hope to finally eradicate gun violence and drug activity by committing all of our resources. I wish to enhance the quality of life for residents of our City, restore citizen confidence and recover their feelings of safety, and finally, I want to bring Philadelphia to the rank of the safest city in the country.

Some of the initiatives we have: In order to achieve these objectives, the Department relies on many proven programs, such as the Gun Recovery Reward Information Program called GRRIP and Operation Safe Schools and newly implemented ones such as Operation Safer Streets. These programs are highlighted below.

Operation Safer Streets:

Introduced in February 2006, Operation Safer Streets is a comprehensive multi-pronged initiative focused on violent criminals and a corresponding reduction in the number of violent assaults within our community.

Operation Safer Streets rests on a foundation of criminal data, intelligence and field input that will identify "hot spots" in each of the City's six police divisions. Hot spots are locations that experience relatively high amounts of serious crime, particularly gun-related crime.

Operation GRRIP disburses cash rewards up to $1,000 to citizens who provide the Department with information leading to the arrest of those who illegally possess or traffic in firearms.

Operation Safe Schools: Operation Safe Schools utilizes a community policing approach incorporating the services of a task force comprised of numerous organizations, universities and law enforcement agencies, to reduce opportunities for criminal anti-social activities involving young people.

Anti-Drug and Gang Education Program: The Police Department sponsors numerous programs aimed at the prevention of anti-social behaviors relating to adolescents and teens. They are addressed through Drug Abuse Resistance Education, called DARE, and Gang Resistance Education and Training, called GREAT, school programs and through HEADS UP, Heroin Education and Dangerous Substance Understanding Program.

Supporting Gun Legislation Revision: Pending legislation includes Senate Bill 516, Faheem's Law, which would make possession or use of guns within 1,000 feet of a school or 500 feet of a recreation center or a playground a crime. House Bill 871 and 1013 propose the limitation of handgun purchases to one a month per buyer. It requires handgun owners to be responsible to report lost or stolen handguns.

Some of our accomplishments: During the past year, the Police Department realized many goals and achieved numerous successes. Highlights of the Department's accomplishments for FY06 and '05 include implementation of new technology, the continued upgrade of Police facilities, and our successful performance during the Live 8 concert, for which the Department provided a safe and peaceful venue for the event. I am proud to report that with nearly 1 million people in attendance at the concert along the Benjamin Franklin Parkway and adjacent areas, the Department safeguarded an event that was free of significant criminal activity or disruptions.

With a limited capital budget, the Police Department addressed the needs of various Police facilities through a number of approaches. While capital funds provided for a large-scale roofing project at Police headquarters and a new gymnasium floor at the Police Academy, other avenues were pursued in order to accomplish many other smaller-scale projects.

The Training Bureau has continued to facilitate the development of the Department's workforce by partnering with various local and national colleges and universities to provide undergraduate and graduate degrees for employees.

Computer-Aided Dispatch: Together with the Departments of Public Property and Fire, the Police Department is currently in the process of installing its improved Computer-Assisted Dispatch system. The hallmark of this technology advancement is simultaneous communication and linkage among the dispatch systems at Police, Fire and Public Property for the first time, allowing for emergency information to be assessed by any of the three departments.

Phase One and Phase Two of the Wireless Technology: In fall 2005, the Department began testing of the Phase One of Wireless Technology Project. Phase One technology provides 9-1-1 call-takers with a cell phone caller's information, cell phone provider, tower location and phone numbers. Phase Two technology will begin testing upon completion of Phase One. Phase Two provided a caller's approximate location within 400 feet.

I can assure you that Philadelphia is a safe city. The City continues to be safe because of the dedicated efforts and continuous improvements made by members of the Philadelphia Police Department. Since the last time I sat before you, I can report that school violence has decreased. I can also inform you that the Department is effectively processing an increasing number of citizen calls for assistance and completing service dispatches. Due to outreach efforts, there has been an upsurge in the number of adolescents participating in the Department's various anti-drug programs, as well as the long-standing Police Athletic League program. Finally, the Department's increasing utilization of advanced technology, such as DNA analysis, has contributed to the arrest and subsequent successful prosecution of offenders.

Make no mistake about it, this Department will not rest on its achievements. We reaffirm and reassert our efforts to eradicate gun violence and the crime resulting from it.

One fact is clear, and I can't emphasize this point enough, the Police Department cannot remedy the gun violence problem alone. It requires the cooperation and coordinated efforts of City departments and agencies, along with outside public and private organizations. But most important, it needs the engagement and the commitment of all

Philadelphians from all neighborhoods and communities working together in this cause. With the support of so many, we will overcome this problem.

Thank you very much, Council President.

COUNCIL PRESIDENT VERNA: You're welcome, Commissioner. I certainly want to thank you and your department for all the fine work that you do.

Commissioner, can you tell us how you arrived at the cost of $10 million for overtime for Operation Safer Streets and what funding is included in the outer years of the Five-Year Plan for the continuation of this program?

DEPUTY COMMISSIONER GAITTENS: Good morning, Madam President.

COUNCIL PRESIDENT VERNA: Good morning.

DEPUTY COMMISSIONER GAITTENS: Good morning, members of Council. I'm Deputy Commissioner Jack Gaittens.

That $10 million figure was given to us by the Mayor, and that covers Fiscal Year '07. As of today's date, we have no information on any continuation of that past Fiscal '07.

COUNCIL PRESIDENT VERNA: So actually we don't know if we're going to be able to maintain this program in the future; it's simply for the one year.

DEPUTY COMMISSIONER GAITTENS: That funding is simply for the one year, yes, ma'am.

COUNCIL PRESIDENT VERNA: So that would literally bring the police overtime to $58 million; is that correct?

DEPUTY COMMISSIONER GAITTENS: Yes, ma'am. That would be including abatements. Looking on Page 9, the Column No. 9 for the obligation level down the bottom for uniformed forces, Section D, the amount of overtime listed is 54,133,811, which if you look at the last column, Column 11, is an increase of $10,170,517 for the uniformed forces.

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COUNCIL PRESIDENT VERNA: Right. Let me just ask a question. I would assume that you would agree that with the expenditure of the additional $10 million in overtime, it will certainly result in additional arrests. Would you agree?

COMMISSIONER JOHNSON: Yes, ma'am. What the $10 million will do is give us immediate help right now. And hopefully we're not going out there just to arrest a lot of people; we're trying to prevent crime. That $10 million will give us the ability to put more people in the hot spots for longer periods of time than we would normally be able to do if we didn't have the $10 million.

COUNCIL PRESIDENT VERNA: Well, my only concern is if in fact there are additional arrests as a result of the additional $10 million in overtime and we have not increased the departmental budgets that compromise the justice system -- do you know what I'm saying?

COMMISSIONER JOHNSON: Yes, ma'am. I understand exactly what you're saying.

COUNCIL PRESIDENT VERNA: We have not increased the Clerk of Quarter Sessions. We haven't increased the DA or the Public Defender. I don't know how we do that.

COMMISSIONER JOHNSON: Well, again, our whole plan is not based on going out to make a lot more arrests. Our plan is to go out there and go into these areas to prevent crime from happening. We're trying to be more proactive. Hypothetically, will it commit more -- I mean, will there be more arrests? There is a possibility. There's also a possibility there will be lesser arrests because less crime will be committed.

COUNCIL PRESIDENT VERNA: Would you say that there's less crime that's been committed last year than there is this year this time?

COMMISSIONER JOHNSON: I'm not sure of the overall crime at this point. I believe that last year compared to this year, I think we're about even, maybe approximately one percent minus or even. So, again, violent crime, other than homicide, has been reduced. Again, these things fluctuate. Hopefully we're being more focused now than we've ever been. We're being more focused in the hot spots than we've ever been.

In addition to that, when we started this initiative, there was 804 outstanding warrants in the City of Philadelphia and an additional 466 warrants of people who have already been arrested who failed to appear in courts. We have been out there and we arrested close to 450 people on these warrants.

In addition to that, I met with people from the state, federal and local probation, and we have partnered with them to go out there. We're focusing on the bad guys. We're not focusing on everybody. We're focusing trying to eliminate as much crime as we possibly can by identifying the bad guys and going after these bad guys and putting them where they should be. Hopefully we'll eliminate and decrease the amount of criminal activity that's happening in the City.

COUNCIL PRESIDENT VERNA: Commissioner, can you tell us if we still have approximately, is it, 30 police officers leaving on a monthly basis?

DEPUTY COMMISSIONER GAITTENS: Deputy Commissioner Jack Gaittens.

That has actually slacked off a little bit. We're estimating now approximately 22 officers going out.

COUNCIL PRESIDENT VERNA: Rather than the 30, which has been traditional?

DEPUTY COMMISSIONER GAITTENS: Yes, ma'am.

COUNCIL PRESIDENT VERNA: And how many of the police officers do you anticipate will be going on the DROP program in this coming year?

DEPUTY COMMISSIONER GAITTENS: In Fiscal Year '07, we've identified 163 sworn personnel going out at various ranks.

COUNCIL PRESIDENT VERNA: And hopefully we are going to be replacing --

DEPUTY COMMISSIONER GAITTENS: Yes, ma'am, we hope so.

COUNCIL PRESIDENT VERNA: -- all of those?

DEPUTY COMMISSIONER GAITTENS: We do have Academy classes scheduled throughout the year. I can give you the dates and the approximate numbers, and it will all depend on the attrition rate as we go along.

We currently have an Academy class in now, which started in February, which has 73 recruits. We anticipate putting another class in in May 30th, with about another 75 recruits. Through Fiscal Year '07, we are looking at putting in altogether 327 recruits throughout the course of the year, starting with Class 347 around July 17th, 348 around October 9th, and 349 around March 12th of next year. Again, that depends on the attrition rate, but we fully intend to keep our manpower level at exactly where it is now.

COUNCIL PRESIDENT VERNA: Glad to hear that.

Commissioner, can you explain why you're proposing to use overtime for Operation Safer Streets instead of using these funds to hire additional police officers?

COMMISSIONER JOHNSON: Well, because one is that when this plan was implemented, the intention of even overtime was not even mentioned, but at the same time, the $10 million gives immediate help. Right now if we put a class in place, we will not see these police officers approximately until February or March of next year, and the

Mayor had indicated this money should go directly towards overtime, and that was the mandate from the Mayor's Office, the mandate from the City, that this money be used in overtime, put in overtime.

COUNCIL PRESIDENT VERNA: On Page 1 of your testimony, you state that "decrease in grant funding may adversely impact equipment purchases."

Will this in any way jeopardize the health and/or safety of our officers?

DEPUTY COMMISSIONER GAITTENS: Deputy Commissioner Jack Gaittens.

No, ma'am, that will not. That was for specific equipment dedicated towards the Forensic Science Center or information and technology. We're looking at things such as microscopes, computers, things of that nature. So that would not affect it.

COUNCIL PRESIDENT VERNA: All right. I see there are a number of Councilmembers that want to be recognized. I just have a few more questions I'd like to ask.

On Pages 4 through 6, you detail for the General Fund you reflect various savings due to delay in filling positions and turnover. These savings for the General Fund total $4.1 million.

Could you explain for the record how you achieve these savings and the impact they have on your ability to maintain sworn personnel levels? Doesn't this $4.1 million equate to approximately 100 police officers -- vacancies, I should say -- which must be maintained at all times?

DEPUTY COMMISSIONER GAITTENS: Deputy Commissioner Jack Gaittens again.

That figure there is based on the concept that we don't replace people immediately. There is a certain lag time. That figure is estimated by central finance. There is a lag time in hiring, whether it's due to background investigations, the time we get to put a recruit class in, if we have to wait for a promotional list.

The actual cost for a recruit class, we had put in a recommendation to hire an additional 100 officers for this year, and we figured out what the additional cost would be, and that would be approximately $3 million the first year. $2,850,000 would be for salary, another $230,000 in equipment and uniforms, because we would have to spread that out over the course of the year, but after that, the cost does go up.

COUNCIL PRESIDENT VERNA: All right. I have a number of other questions and I don't want to dominate the hearing, so I'm going to start recognizing my colleagues.

The Chair recognizes Councilman Rizzo.

COUNCILMAN RIZZO: Thank you, Madam Chair.

Good morning. Commissioner, first of all, I want to thank you for responding to an issue that you know I had a lot of interest in for many years, and I understand that, at least I hope, that this Police Reimbursable Overtime program is now a fixed program within the Police Department where we are -- because it was troubling to see that Controller's report that $483,000 of unpaid bills for that program were written off by the City. And, again, thank you. From what I understand, this is fixed, and if you could have one of your staff comment on the fixes to this program. And, again, we all believe that it does serve a good purpose, where we allow police officers to work on their days off for the private sector, but it's also very important that we get paid for that service.

DEPUTY COMMISSIONER GAITTENS: Yes, sir. Good morning. Deputy Commissioner Jack Gaittens.

As you pointed out, Councilman, the Department has lost a significant amount of money over the years from non-payment from some of the clients that we've had. The change in the Reimbursable Overtime program, we are working together with the Revenue Department to transfer the billing and collection process from the Police Department over to the Revenue. With that in mind, we have two different contractors, Anexinet and Information Systems Partners, working on this online billing system.

But in the interim, we have changed the Police Department's directives. We are now requiring that first-time users of this system pay for 50 percent up front if this is going to be a continuing contract. If it's a one-time deal, we are requiring 100 percent up front, and that was because the Managing Director's Office did an analysis and they found out that it's around 65 to 70 percent of the first-time users default on their payments. So this should seriously impact on that.

COUNCILMAN RIZZO: Well, it's

really appreciated that you took this issue. I know you guys have a lot on your plate, and $480,000 in your budget isn't a lot of money, but it is, and you took it real seriously and fixed it, and I appreciate that.

DEPUTY COMMISSIONER GAITTENS: Thank you.

COUNCILMAN RIZZO: The other issue that I have is, I hope some day we're going to be at the end of this road on this issue of the expressway police. I understand we have 80 to 90 police officers assigned somewhere between that to do that work.

The Governor indicated in his budget that the State Police will be on site on January 1 to take over that responsibility. I think that's a mistake, because the state to do that same work is going to have to spend close to $10 million to patrol the roadway, where we do it for 5.6 million.

So I would hope that the

Governor would get his calculator out and see where the best value is to do it, let us continue to do it, but get paid.

If the Commonwealth does bring the State Police into the County of Philadelphia, Commissioner, I hope that there's been some -- that's 90 officers. That's like graduating a police class. Is that being considered in the fact that we wake up January 1 and we don't have our police on the roadway? What are we going to do with all those officers? Because there's suggestion to hire more, which would probably be a good idea. The temporary fix is, I guess, overtime, but what are you going to do with 80 officers that may become available this January?

DEPUTY COMMISSIONER GIORGIO-FOX: Good morning, Councilman. Deputy Commissioner Giorgio-Fox.

There are currently 63 officers that patrol the expressways, and we have been meeting on a regular basis with a state transition committee, because there are a variety of issues that come into play with this transition, not the least of which is some degree of responsibility that Philadelphia may or may not still have when we talk about the exit ramps. And so at this point, it is so early in the transition that our ability to assign those 63 elsewhere is a little premature.

However, we have discussed repeatedly the fact that we would have these 63 officers. While we would have them not in the expressway units, that they would be necessary to maintain some responsibilities that we will still have.

The transition is extremely complicated, and the committees meet on a fairly regular basis and have given us updates, but it's early.

COUNCILMAN RIZZO: Commissioner, is there a chance that they'll see the light in Harrisburg and allow us to continue to do that work or do you believe that the State Police will take over that responsibility? Based on meetings, I assume that that is the direction that we can expect to go?

COMMISSIONER JOHNSON: Well, I think we're having difficulty. I would personally prefer, and it's my personal opinion, prefer that the Philadelphia Police Department continues to patrol the highways, with the experience that they've already had in patrolling these areas.

In addition to that, I think that it would be important that they just pay us the $5.6 million. It would benefit not only the State Police, but it will benefit the Philadelphia Police Department.

Now, I've been in communication with the State Police and Colonel Miller, and we have a very good working relationship with them. They have some issues involving their unions and other issues. We're trying to work that out, but, hypothetically, if they do take it over, we will assist them in every way possible that we can do. Our preference is that we continue to work on it and get the money.

COUNCILMAN RIZZO: Commissioner Fox, in a publication or a report that was submitted by the Administration, I believe the Police Department, the number that was posted, unless those numbers have gone down, were closer to 90 officers. So there's a discrepancy with a report that we received recently to the number that you just disclosed. So have we reduced the number of people on the expressway?

DEPUTY COMMISSIONER GIORGIO-FOX: No. I can check that for you. My last count of -- expressway officers are combined within the Traffic Division, and so how many of them are assigned specifically to the expressway, my understanding was, there were 63 that were full-time expressway officers.

When we have major events or other reasons to add additional personnel there, we get them from the Traffic.

COUNCILMAN RIZZO: I'm interested in how you get the 5.6 million. I'd appreciate you providing to the Chair the number of police officers, including supervisors, that do that work. Because, again, we get a number as high as 90 on some reports and today a different number.

DEPUTY COMMISSIONER GIORGIO-FOX: Okay.

COUNCILMAN RIZZO: So if you can come up with a real number, I'd appreciate it.

COMMISSIONER JOHNSON: We will get that report back to you as soon as possible, Councilman.

COUNCILMAN RIZZO: Thank you, Commissioner.

Thank you, Madam Chair.

COUNCIL PRESIDENT VERNA: You're welcome.

The Chair recognizes Councilman Clarke.

COUNCILMAN CLARKE: Thank you, Madam President.

Good morning.

COMMISSIONER JOHNSON: Good morning, sir.

COUNCILMAN CLARKE: Commissioner, a couple of quick questions. One, the current deployment as it relates to Operation Safer Streets, I understand you've ramped up some of the activities in some of the hot spots?

COMMISSIONER JOHNSON: Yes.

COUNCILMAN CLARKE: And that is happening approximately, what, two, three weeks ago?

COMMISSIONER JOHNSON: Well, approximately two or three weeks ago, but what we basically do, when we started the program, we identified based on an analysis and information and intelligence of the hot spot, but we also meet each week with the Mayor and the Managing Director and our own people to analyze what had happened in there. So the people that we have in place are very flexible. They're our tactical people. Based on crime, based on other information, then we can move these people based on where we need them to be.

The main focus is that we have people who are assigned to the division, because there are six Detective Divisions here in the City of Philadelphia, six Police Divisions in the City of Philadelphia, but those officers who will be in those divisions will stay in those divisions and they will fluctuate from spot to spot based on the crime pattern that's happening.

COUNCILMAN CLARKE: So it's a redeployment of existing person power?

COMMISSIONER JOHNSON: We're trying to be very, very focused of the areas that we should be in.

COUNCILMAN CLARKE: Have you found the need to utilize any overtime for the current deployment for Safer Streets?

COMMISSIONER JOHNSON: I believe that we have. I think Deputy Commissioner Fox can speak a little more about that, but I believe that especially in the area of homicides. The majority of our homicides happen between 12 and 7 o'clock in the morning, and most of our tactical people work from 6 o'clock at night to 2 o'clock in the morning. That's where we figure these are the high-crime areas.

So there's times that we put people, instead of working and getting off at 2:00, they work until 4:00, work until 5:00 based on the request from the commanders, based on the request that we have from other people.

So I don't think we utilize too much overtime at this point, but the overtime has been utilized.

COUNCILMAN CLARKE: With respect to the current overtime, do you think this will be consistent with the overtime that you're requesting for the next fiscal year? I mean, will you still have a similar type of pattern -- the $10 million that you're requesting is for the next fiscal year. So the question is, will it be consistent with the overtime that you're using currently for the current deployment of Operation Safer Streets?

COMMISSIONER JOHNSON: Well --

COUNCILMAN CLARKE: Or will there be a different strategy?

COMMISSIONER JOHNSON: Well, it will probably be a different strategy, because we're constantly looking at things. Because some of this overtime, I think was mentioned earlier, will be used for court time from the arrests that these officers make, and depending on what happens during the time that the City -- whether there's another event or a Live 8 or something else that happened. It's hard to predict where overtime will go.

Now, we have things in place,

say, for example, of our court system where right now the officers check into City Hall, then they walk over to the Criminal Justice Center and punch out and back over here to leave.

Within the next year, hopefully we will have something in place where they will just go straight to court, and when they leave the court, they would just sign out right there, that they would have a card. We are estimating approximately it saves about a million dollars a year.

But based on the question, the answer to your question, we're not so much in a planning stage, but we really have to analyze what's going on and how we're going to do it with this overtime, whether it's going to be enough right now, but hopefully right now the $10 million is a plus. It gives us the ability to put more officers for longer periods of time out there where we need them, which we wouldn't have if we didn't get the $10 million.

COUNCILMAN CLARKE: You said that the bulk of the violent crime happens between the hours of 12:00 to 7:00? I'm sorry.

COMMISSIONER JOHNSON: We analyzed the majority of our homicides happened between 12:00 at night and about 7, 8 o'clock in the morning.

COUNCILMAN CLARKE: Which requires you to have overtime. Is there a way that you can simply change the hours of operation -- I know the FOP has a very strong bargaining agreement -- to focus those officers in the latter hours as opposed to paying people overtime to work in those high-priority times?

COMMISSIONER JOHNSON: No. Because of budgetary strength -- not budgetary strength, but because of our unions and things, we can't just change officers' hours. But when you really analyze the homicides, even during those hours, a large amount happened indoors.

So having officers out there wouldn't prevent them anyway.

I constantly say one homicide is too many. Say, for example, the homicide over the weekend where we had a 40-year-old male that was killed in an elevator at 3:30 in the morning.

I mean, the overtime is used to prevent crime from happening and go out there and make sure that people have a good quality of life. But there's 380 homicides last year, 215 arguments, 100 indoors, 97 percent victim specific, somebody meant to kill that person, maybe not at that location but at a different location at a different time.

So what we're trying to do is go out there and be more proactive, show a presence, show a physical presence, to prevent crime from happening.

COUNCILMAN CLARKE: Okay. Commissioner, the Homeland Security funds that the City of Philadelphia gets from the federal government, are they blended into the police operations at all? You may not be able to talk specifically about some of the levels of activity, but how does that come --

DEPUTY COMMISSIONER GAITTENS: Deputy Commissioner Jack Gaittens.

Yes, we do utilize Homeland Security money for a variety of reasons. Mostly it's for equipment. We do utilize it for some overtime.

The current trend going into this next fiscal year under the UASI is for more intercounty cooperation. So it's not specific to Philadelphia anymore. They're looking for us to do more cooperation with Delaware County, Bucks County, et cetera.

Looking at the grants specifically, the Byrne Grant and the Local Law Enforcement Block Grant were replaced by the Jag Grant. And I'm sure you're aware, in the federal '07 budget, the President has indicated he's going to zero that out. So we're going to lose that. However, we are fortunate that we got Jag One and Jag Two. Jag One we acquired in '04. That was $1.5 million. Jag Two we got in Fiscal '05. That was 1.2 million. They are both four-year grants. So we do have money going out to '08 and '09 respectively. And we are still looking for more federal and state money. We have a Grants Management Unit and that is their full-time function, to look for grants and to manage the ones that we have.

COUNCILMAN CLARKE: What are the limitations on Homeland Security dollars as it relates to the --

DEPUTY COMMISSIONER GAITTENS: Generally speaking, it can't be to replace City monies. You can supplement, but you can't supplant. And additionally, it's not for bricks and mortar. So there is very little capital application.

COUNCILMAN CLARKE: Is there a way of utilizing Homeland Security funding to assist you in policing of local activities, meaning that -- give you an example. We went to --

DEPUTY COMMISSIONER GAITTENS: Generally speaking, it would only be if it's terrorist related.

COUNCILMAN CLARKE: All right. That's kind of what I thought.

DEPUTY COMMISSIONER GAITTENS: Otherwise, they will say we're supplanting our current --

COUNCILMAN CLARKE: When we went to Baltimore -- and I'm getting to this video camera surveillance issue. We'll deal with that on Thursday. I know we have a hearing.

There were some issues with respect to some of the funds that they got for homeland security, and they were able to make a case that they could utilize some of that money to support surveillance systems within the city of Baltimore, and they talked about the fact that they had to secure infrastructure, had to secure public transportation, and somehow they were able to use that money.

Do you think we have that level of flexibility in the event that we want to have --

DEPUTY COMMISSIONER GAITTENS: Sure. Grants can be written in any number of ways for any number of applications. We have priority lists, and while cameras are a very useful tool, I think they would be further down on our priority list. As you said, we can get into that a little deeper Thursday.

COUNCILMAN CLARKE: They would be further down?

DEPUTY COMMISSIONER GAITTENS: Yes, sir.

COUNCILMAN CLARKE: You're not coming to testify Thursday, are you?

DEPUTY COMMISSIONER GAITTENS: Yes, I am.

COUNCILMAN CLARKE: Commissioner, I want to ask you not to send the Deputy to Thursday's hearing.

It's not the answer that we would like.

Well, my understanding, to be brief -- I know we have a lot of people that want to talk -- we do have or it's my understanding that there is surveillance used by the Philadelphia Police Department now in specific cases, more investigatory-type of cases.

COMMISSIONER JOHNSON: There is areas that we have put up pole cameras as far as surveillance. There is times that we put up cameras in other areas for surveillance.

I will also be here to testify.

COUNCILMAN CLARKE: I appreciate that.

COMMISSIONER JOHNSON: Thank you.

COUNCILMAN CLARKE: Do you use capital funds for those surveillance cameras or operating funds?

DEPUTY COMMISSIONER GAITTENS: Those were already purchased. I believe some of them were purchased through grant money.

COUNCILMAN CLARKE: But I'm saying, do you use capital or operating? I know you --

COMMISSIONER JOHNSON: They were probably operational monies.

COUNCILMAN CLARKE: Operation dollars?

COMMISSIONER JOHNSON: Yes, sir.

COUNCILMAN CLARKE: So in the event that we were able to use surveillance systems at a broader level for monitoring local activities, non-terror related, we could possibly use operating dollars?

COMMISSIONER JOHNSON: Yes, sir.

COUNCILMAN CLARKE: Okay. Thank you.

COUNCILMAN RIZZO: Point of information.

Commissioner --

COUNCIL PRESIDENT VERNA:

Councilman Rizzo, please refer your point of information to the Chair.

COUNCILMAN RIZZO: Point of information.

COUNCIL PRESIDENT VERNA: The Chair recognizes Councilman Rizzo for a point of information.

COUNCILMAN RIZZO: Just to comment on what Councilman Clarke just asked you about the surveillance cameras, is there anything right now that would prevent you from installing a camera at a location legally, law? Is there anything stopping you from installing a camera today at a particular location, ABC and XYZ, and have a monitor at Police headquarters watching activity there?

COMMISSIONER JOHNSON: No, sir.

COUNCILMAN RIZZO: Nothing?

COMMISSIONER JOHNSON: No, sir, as long as we don't have any audio. I mean, any sound. But to put those in place, there is nothing that would stop us.

COUNCILMAN RIZZO: Thank you, Commissioner.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair recognizes Councilman Nutter.

Oh, I'm sorry. Councilman Clarke, were you completed with your line of questioning --

COUNCILMAN CLARKE: Not officially.

COUNCIL PRESIDENT VERNA: -- before Councilman Rizzo asked for a point of information?

COUNCILMAN CLARKE: I just had one related question.

It probably should wait until Thursday, but I'm going to ask it anyway. As it relates to the audio on camera systems, currently you don't have the -- well, I assume you have the capability, but you would have to get a court order or something?

COMMISSIONER JOHNSON: That's

correct.

COUNCILMAN CLARKE: So in the case of the Chicago systems where they respond to sounds to gun shots --

COMMISSIONER JOHNSON: I think we would be allowed to do that as long as we don't pick up voices and we don't -- I mean, I have to look into it more, but I think from my information, if it's going to respond to sound and sound only and just push the cameras to the direction the sound is going, that would be permissible.

COUNCILMAN CLARKE: Okay. All right. Thank you.

Thank you, Madam President.

COUNCIL PRESIDENT VERNA: You're welcome.

The Chair recognizes Councilman Nutter.

COUNCILMAN NUTTER: Thank you, Madam Chair.

Good morning, Commissioner.

COMMISSIONER JOHNSON: Good

morning, Councilman.

COUNCILMAN NUTTER: And Deputy Fox and Deputy Gaittens.

Let's go back. The Council President I believe asked a question with regard to the $10 million that has been designated by the Mayor for overtime; is that correct?

COMMISSIONER JOHNSON: Yes, sir.

COUNCILMAN NUTTER: And in response to a question, which I think was how did you arrive at the $10 million figure, the answer was that's what you were told.

COMMISSIONER JOHNSON: The $10 million was the figure that was given to us by our budget people.

COUNCILMAN NUTTER: Did you have a different request going in when you started the budget process? What did the Police Department ask for?

COMMISSIONER JOHNSON: As far as overtime is concerned?

COUNCILMAN NUTTER: As far as any budget request, when you go through the normal budget process.

COMMISSIONER JOHNSON: I think we had asked for 100 officers per year for the next five years.

COUNCILMAN NUTTER: 100 officers per year for each of the next five years?

COMMISSIONER JOHNSON: Yes, sir.

COUNCILMAN NUTTER: And what did your budget office estimate the cost of that?

COMMISSIONER JOHNSON: I believe it was over $20 million per year.

COUNCILMAN NUTTER: And what was the basis for the request?

COMMISSIONER JOHNSON: Well, we just thought that the things that were happening and the attack of violent crime, to put more officers out there, anticipating whether it would be going up or down, that in my opinion, four thousand -- I mean 6,424 officers in the next year may not be enough, but we wasn't sure. But it also is my opinion that, one, that I think additional police officers by itself is not going to change the quality of life. What we decided to do based on the information that I got from my deputies and their idea of looking at the other things, that because of the things that are happening here in the City of Philadelphia and because Philadelphia's Police Department, it's more service oriented than almost any other city in the nation -- and what I mean by "service," we have police officers that go out there in neighborhood surveys, we have community relations officers, we have victim assistance officers, we have officers that are assigned to PAL. We have officers that other cities don't have. And my idea, during the next five years, is that hopefully -- and I'm not sure I will not be around for the next five years -- that they have to analyze it.

Putting the request in doesn't necessarily mean that we're going to get these officers, but the factors that if we needed those officers, they would be put into the budget in case we could use them.

The idea also is that when the $10 million came in and the surge of homicides and violent crime is happening in the City of Philadelphia, it gave us an immediate ability to put experienced officers out there right away, and I think that that was a help.

So also I understand that the Police Department has to be fiscally responsible, and I understand that. So, again, in the combination of everything, to have it in the budget and request the budget, we may not have needed them based on what had happened. I didn't want to go into next year and all the sudden we have 480 homicides and more crime that is happening here.

So my opinion was to put it in there. It's better to have them and not need them than need them and not have them, but at the same time, our request was based on my commanders, based on my deputies, based on other departments that we will put the requests in --

COUNCILMAN NUTTER: The request being 100 officers per year for the next five years?

COMMISSIONER JOHNSON: Right.

COUNCILMAN NUTTER: That was the analysis by the Police Department, the recommendation of your top command staff, and that was a request made to the budget office?

COMMISSIONER JOHNSON: Yes, sir.

COUNCILMAN NUTTER: Okay. And what happened?

COMMISSIONER JOHNSON: Well, we got $10 million from the Mayor's Office from the budget people for this fiscal year. And I say based on that and based on the fact that we feel as though we have sufficient amount of officers right now to be able to handle these things and that, again, if we put the officers -- and it is approved, we wouldn't be able to get those officers out in the street until February or March of next year.

Now, we had a class just started. We have scheduled for classes in the next two or three years. So again --

COUNCILMAN NUTTER: I want to ask you about that, but let me go back for one second.

When you made the request, how did you receive the response that it was $10 million for overtime?

COMMISSIONER JOHNSON: I didn't know we were getting the $10 million of overtime until the Mayor's budget address.

COUNCILMAN NUTTER: So earlier that day or during the address?

COMMISSIONER JOHNSON: I

received it probably the day before, if I can recall correctly, that it was mentioned at a Cabinet meeting, and that was probably the day before, and I did not know that we were getting that money --

COUNCILMAN NUTTER: It was mentioned at a Cabinet meeting?

COMMISSIONER JOHNSON: Yes, sir.

COUNCILMAN NUTTER: So the address was on, I believe, the 24th, which I think was a Tuesday. There was a Cabinet meeting that Monday and it was mentioned in the meeting that you were to get $10 million for overtime?

COMMISSIONER JOHNSON: It was one or two days prior. I'm not sure exactly when, but I did not know until it was mentioned to me and I did not know it, again, until it was at the Mayor's budget hearing.

COUNCILMAN NUTTER: Okay. Well, let me ask this question: When you go through the budget process -- and I don't know whether this is a correct assumption or not, but I'll assume for the moment and you'll correct me if I'm wrong, your budget people sit down with the City's budget office and you made your recommendation. The Department, in addition to possibly other items or other budgetary matters, you wanted 100 officers per year for five years.

COMMISSIONER JOHNSON: That's correct.

COUNCILMAN NUTTER: You gave them that information?

COMMISSIONER JOHNSON: Yes, sir.

COUNCILMAN NUTTER: Was that pretty much the end of the conversation or they said they'll get back to you? I mean, just how does it work?

COMMISSIONER JOHNSON: That was pretty much the end of the conversation. And I says, again, this is a request anticipating in case we may need them.

We may not have needed them.

COUNCILMAN NUTTER: I understand.

Do you recall when the request was made?

COMMISSIONER JOHNSON: No, sir, I do not. It was prior to the $10 million being allocated to the Police Department.

COUNCILMAN NUTTER: Well, I understand that. I'm just trying to get a sense of the timing. Was it in December? Was it in early January? Was it in November when the request would have gone in?

DEPUTY COMMISSIONER GAITTENS: That would be in December, Councilman.

COUNCILMAN NUTTER: So sometime in December the request went in, and the day before the budget address or so at a Cabinet meeting you were told that the response was $10 million in overtime.

COMMISSIONER JOHNSON: I don't know if it was a response to my request, but it was --

COUNCILMAN NUTTER: Well, you were just told.

COMMISSIONER JOHNSON: That's correct.

COUNCILMAN NUTTER: Okay. Was there any further discussion about the hundred officers per year for five years or did you just take it that that conversation was pretty much over and you should be happy about the $10 million in overtime?

COMMISSIONER JOHNSON: When the Mayor gave us $10 million, I was satisfied with that.

COUNCILWOMAN BROWN: Point of information.

COUNCILWOMAN BLACKWELL: Point of information. Councilman Reynolds Brown.

COUNCILWOMAN BROWN: To put this in some perspective for me, can you share with us what the increases have been over the last three years or the last two years? And I'm presuming increases. Shame on me. But what the budget has been for the Police Department over the last few years?

COMMISSIONER JOHNSON: Hold on one second.

DEPUTY COMMISSIONER GAITTENS: The General Fund obligations for Fiscal Year '05 was $477,186,098; for Fiscal '06 original appropriations, $480,230,753; and for Fiscal '07, the obligation level is $498,497,141.

COUNCILWOMAN BROWN: I thank you for that, the background. Thank you very much.

Thank you, Madam Chair.

COUNCILWOMAN BLACKWELL: You're welcome.

Councilman Nutter.

COUNCILMAN NUTTER: Thank you, Madam Chair.

Deputy Gaittens, I'm sure it was inadvertent. If we're reading from the same page, which is Section 34-3, did you for some reason skip the column that says Fiscal 2006 Estimated Obligations?

DEPUTY COMMISSIONER GAITTENS: No, sir. I already talked about Fiscal '06 original appropriations.

COUNCILMAN NUTTER: I understand the original appropriation, but your estimated obligations are $475,032,339. What does that mean to you?

DEPUTY COMMISSIONER GAITTENS: The original was what we put in first. The estimated obligations are what we believe we're going to end up at the end of the year.

COUNCILMAN NUTTER: And isn't that actually lower than what was in Fiscal '05?

DEPUTY COMMISSIONER GAITTENS: That is correct, sir.

COUNCILMAN NUTTER: So from that, is it correct that the budget went down in '06 as compared to '05?

DEPUTY COMMISSIONER GAITTENS:

The spending went down, yes, sir.

COUNCILMAN NUTTER: Why is that?

DEPUTY COMMISSIONER GAITTENS: There was a significant reduction in overtime.

COUNCILMAN NUTTER: Significant reduction in overtime?

DEPUTY COMMISSIONER GAITTENS: Yes, sir.

COUNCILMAN NUTTER: And why would overtime go down in the Police Department?

COMMISSIONER JOHNSON: Well, I think there's a couple of reasons. One, because of the new things we have in place working along with the District Attorney's Office for court overtime, and there is a number of other things. What we try to do is constantly monitor and talk to our commanders about the reduction of overtime in every possible way that we possibly can.

One of the things is, a couple

years ago, just for an example, we had people going through our homicide cases maybe 50, 60 at a time. Talking to the District Attorney, we decided that any time there's over 10 that appeared even in the homicide case, they have to get the permission of their supervisors, even at the District Attorney's Office.

So we constantly monitor our overtime to make sure that -- we're not saying police officers can't get overtime, but make sure that if overtime is needed, that it is definitely needed.

COUNCILMAN NUTTER: Well, I'm probably way over my time, and you're commended for monitoring your overtime. I mean, obviously we're now in a discussion about increasing targeted overtime.

Let me, I guess, kind of conclude with this, and I'd like to come back, Madam Chair.

Commissioner, how long have you been with the Philadelphia Police

Department?

COMMISSIONER JOHNSON: October of this year will be 42 years.

COUNCILMAN NUTTER: 42 years?

COMMISSIONER JOHNSON: Yes, sir.

COUNCILMAN NUTTER: You are known as a consummate professional, probably could, if you chose to, could be virtually a diplomat for the federal government, if you chose, and ultimately you are a tremendously loyal person, which is a credit to you. I do want to, though, go back to your statement earlier. If you put in for and received recommendation from your top command staff for 100 officers per year for five years, I do want to query you a little bit on your comment earlier that notwithstanding that request, when you received the proposed $10 million in overtime, you were satisfied with that. Knowing your police professionalism, I would only be left with the impression that the more appropriate word might be that you accepted it. As compared to given the size of that request and what the response has been, I'd be a little surprised but for your diplomacy to hear that you're satisfied.

MR. RAMOS: Councilman, Pedro Ramos, Managing Director.

Councilman Nutter, may I --

COUNCILMAN NUTTER: Well, can I get a response from the Police Commissioner first?

MR. RAMOS: May I ask to be able to supplement the answer given by the Commissioner previously on which you're premising this question? Because I do think that you've asked questions in a way that certainly paints a particular picture, but I'm not sure that --

COUNCILMAN NUTTER: Sir, I'm not trying to paint a picture. They are factual.

MR. RAMOS: Well --

COUNCILMAN NUTTER: But I guess

if I could, Managing Director, Mr. Managing Director, in accordance with the Chair's desire, since my time is over, I would just like to get a response from the Police Commissioner, as I did ask him a question, and then I'd be pleased to entertain anything that you'd like to respond to, with every respect.

MR. RAMOS: I'd like for permission to speak on behalf of the Administration. I was here to speak on your proposed resolution on February 28th on this question and on which the hearings did not happen, and I think they're pertinent to the line of questioning that you've led so far. And while you make reference to the Commissioner's ambassadorial skills, your interrogation and cross-examination skills are also worthy of high acclaim, and I think you've framed this budget process as well as the overtime issue in a way that misses a very substantial point, which the Commissioner has tried to make, which is that for this -- just for year one of this Five-Year Plan, for Fiscal '07, for which the Administration has proposed an additional $10 million, 100 extra police officers would have cost about $602 million. Also, that the request of 100 additional officers per year over five years is a Five-Year Plan impact of $102 million. And the numbers that have been given by the Police Department, as often is the case in budget testimony, refers to their own salary expenditure. It does not reflect the full expenditure by the City, which, as you know, carries for each dollar of salary expense an increment of about 38 to 40 percent of benefits. And I'd be happy after the Commissioner responds to your question, Councilman, to go through the analysis with you of how $10 million of proposed overtime provides greater flexibility, more hours and more hours of service in Fiscal '07 than either the Police Department's proposal or the amounts identified in your proposed resolution.

COUNCILMAN NUTTER: Okay. Well, I look forward to the conversation. I'd just like to get a response. I am way over my time. I'm tremendously sensitive to that particular issue, and I'd just like to get a response, and then I'll come back for a second round and you and I will have the rest of the day to each other.

Commissioner.

COMMISSIONER JOHNSON: Okay.

COUNCILMAN KENNEY: What was the question again?

COUNCILMAN NUTTER: I kind of got lost myself.

MR. RAMOS: Did you satisfy or did you just settle?

COMMISSIONER JOHNSON: What happened is that every Police Chief in the nation would love to have more people. There's no way that I would not ask for more people, and I don't think any police department would not ask for more people. The facts are that I work for a city government and there is a process. I put and requested 500 police officers for the next five years. They make the final decision whether I should get them or not. The facts are that for this particular year, Fiscal Year '07, that they decided, whether it was a compromise or not a compromise, that we will give you $10 million. That $10 million gave me the ability immediately to attack the crime problem in the City of Philadelphia. And with the surge of crime and violence that we have in the City of Philadelphia, it gave me the ability, especially with this initiative, to put more police officers on the street immediately for a wider period of time and more officers. And I think with that $10 million, I think instant results will come out of it.

COUNCILMAN NUTTER: Okay. I appreciate the diplomacy of the answer.

Thank you, Commissioner.

I'll come back, Madam Chair.

COUNCIL PRESIDENT VERNA: You're welcome.

There are a number of Councilmembers that want to be recognized and I know I gave latitude to the first Councilmembers that wanted to be recognized, only because there weren't that many who were interested in asking questions, I guess, and many weren't here.

COUNCILMAN DiCICCO: I was here.

COUNCIL PRESIDENT VERNA: Who was here? But since you were here, Councilman DiCicco, we're going to give each Councilmember seven minutes for the first go-around.

COUNCILMAN DiCICCO: I will probably be less, but thank you, Madam President.

COUNCIL PRESIDENT VERNA: You're welcome.

COUNCILMAN DiCICCO: Good morning, Commissioner.

COMMISSIONER JOHNSON: Good morning, Councilman.

COUNCILMAN DiCICCO: I echo the comments made by the Council President earlier today about the fine work that the Department does and all the folks with you today, the hard work that goes into making the City of Philadelphia a great place.

COMMISSIONER JOHNSON: Thank you.

COUNCILMAN DiCICCO: Is there a ratio for big cities, cities similar the size of Philadelphia, police versus population, some sort of a ratio that is like a general rule?

COMMISSIONER JOHNSON: Yes, sir.

COUNCILMAN DiCICCO: What is that number normally?

COMMISSIONER JOHNSON: I don't have it and I think the Managing Director may have it or Deputy Commissioner Gaittens.

MR. RAMOS: I can share with you the federal stats by the Department of Justice FBI UCR statistics, which the last year, which I think were published --

COUNCILMAN DiCICCO: You can just give me a general number.

MR. RAMOS: I can --

COUNCILMAN DiCICCO: X amount of police --

MR. RAMOS: The way the Department of Justice measures staffing levels is, they do it by population, by 10,000 people in the population. The City of Philadelphia compared to other cities ranks fifth in total population, as you hear all the time, and in terms of police officers per 10,000 people, on the last reported UCR was fourth per 10,000 people among cities and staffing per 10,000 people. And overall crime was about 16th or 19th in crime per 10,000 people.

COUNCILMAN DiCICCO: I guess what I'm getting at is probably what the conversation that's been going on for the last half hour or so is, the complement of police officers that we have today based on the current population, does that meet the standard? Are we above? Are we below? Are we about where we should be? And I'm not getting into this to be critical, because I have another follow-up question to it.

MR. RAMOS: I think if you looked at it by UCR, if you're just looking at numbers, even when you look at the poverty ranks in UCR, we're about where we should be in terms of total staff in the Police Department.

One of the things that the Police Department has been extraordinary at over the last several years and under Commissioner Johnson has been in continuing to flatten out the Police Department and get more of its resources on the streets.

COMMISSIONER JOHNSON: I think what happens -- I'm sorry, Councilman -- is that a couple years ago, we sat down with the Managing Director at that time, Phil Goldsmith, and the Budget Director and we reconfigured the Police Department. We basically reduced our command staff. What we didn't want to do is reduce the amount of officers on streets, which we did not. Say, for example -- and I'm just giving these as an example -- we went from six deputy commissioners to two, went from 21 chief inspectors down to 14, went from 41 inspectors down to approximately 20, went from 129 captains down to 89, 90. And the way we did that, we combined units. Say, for example, you had a captain for K-9, a captain for mounted, a captain for aviation, a captain for marine unit. Four captains. We made one captain in charge of all four units.

So my concern was that at that

period of time, we came to a conclusion by talking to the Budget Director and the Mayor's Office that 4,424 officers was sufficient to run the Philadelphia Police Department.

COUNCILMAN DiCICCO: With its current population. And this is where I'm going with this, and you and I have had a conversation a few months ago in my office with some of your deputies. Fortunately for Philadelphia, I think our darkest days in terms of losing population are over.

COMMISSIONER JOHNSON: Yes, sir.

COUNCILMAN DiCICCO: All indications are that we're either going to be stabilized at the current population or we will see an increase, which is a good thing. My concern is -- and it's not any criticism to you and/or this Administration, because in a very short time, there will be a new Administration.

Are we going to be ready for the increase, the inevitable increase in not only the population but the increase in terms of retail and commercial and entertainment venues? We have the potential -- not the potential. We will have two slot casinos in the City of Philadelphia. We're not sure exactly where they're going to be, but definitely one will be in my district along the Columbus Boulevard, Delaware Avenue corridor. There's anticipation of somewhere between 15,000 and 20,000 patrons per day just going to one individual casino. If I wind up with two in my district, the math is close to 40,000 more people a day.

But in addition to that, currently there are a number of residential projects that are underway or are on the drawing board literally as we speak, all of which have the potential to increase population dramatically. Today north of Market Street to about Girard from 5th Street east to the Delaware River and including the Delaware River, which also includes my colleague, Councilman Clarke's district, Northern Liberties, there is a realistic number of about 4,000 to 6,000 new units that will have been built in the next two years, possibly even more. Two persons per unit. You can do the math. We're going to see a significant increase in population.

Will we be ready as a city in 2008, 2009, 2010 when the residential population is increased and will hopefully continue to increase when the slot parlors are in place? Will we have enough police then, and should this be something that we should be looking at today as part of the Five-Year Plan? I know we can do it next year and the year after, but it really tightens up that window of opportunity, because it takes a certain amount of time to get 100 police through the Academy. If I heard correctly, it's generally a year or so for a class?

COMMISSIONER JOHNSON: Yes, sir.

COUNCILMAN DiCICCO: So best case scenario, if we were today to say, Well, we're going to get ready for that increase in the casinos and all the other issues that we definitely know we're going to have to deal with, the best case we'll have is 200 new police officers on the street if we talked about or budgeted for that today.

Should this be something that we should be talking about in terms of being progressive as opposed to waiting for that to happen and then try to figure out how to get enough police personnel out there?

COMMISSIONER JOHNSON: I think one of the reasons why we put that many police officers in the Five-Year Plan, we will visit this again in Fiscal Year 2008. I think the question to me was will the $10 million help us for a year, and it did, what I try to do with our command staff, anticipating crime, like you said, anticipating population.

I agree with you 100 percent. The Sixth District has really expanded and the amount of officers and the amount of things that are happening in the Sixth District with Old City and other things. There are about the same level of police officers there that may have been three or four years ago. So they're working harder and smarter.

But right now, I think that when we revisit it in Fiscal Year 2008, that we would have to. Depending on also our crime pattern. So what I try to do is anticipate what's going to happen in the future. The problem is that what's happening now is what I'm main concerned about, is what's happened here in 2006 and the amount of homicides that we're having today.

COUNCILMAN DiCICCO: And I

appreciate that. I know my time is up. I appreciate that, and I'm not sure on the $10 million either way. I understand that it's more for preventive measures. And you and I have talked about a plan that I may be coming to you with in the not too distant future about hopefully preventing crime before it happens. But, again, I just think that as a body, as this Council deliberates this budget and looking towards next year, working with your department, that I think a much broader plan, a more futuristic plan, needs to be looked at, because it's coming. I mean, there's no question about all these things we're talking about. And it's not just the Sixth Police District, as you know. It's in other parts of the City as well.

COMMISSIONER JOHNSON: Yes, sir.

COUNCILMAN DiCICCO: And that growth is a good thing, but will we be ready is the question on my mind for the future.

Thank you.

Thank you, Madam President.

COUNCIL PRESIDENT VERNA: You're welcome.

The Chair recognizes Councilwoman Blackwell.

COUNCILWOMAN BLACKWELL: Thank you, Madam President.

Good morning, Commissioner.

COMMISSIONER JOHNSON: Good morning, Councilwoman.

COUNCILWOMAN BLACKWELL: As you know, because you were kind enough to speak at our hearing on school violence, we're just requesting if we could have information from you to include with regard to your Juvenile Violence Intelligence section of your new Criminal Intelligence Unit as it relates to school violence. I read here where you say you have 65 officers assigned daily with incidents with regard to neighborhood services, highway, narcotics, strike force, and we're interested in it, because you mentioned safe corridors and how it relates to school and any school violence so that we may include it in our school violence report.

COMMISSIONER JOHNSON: Okay. There is a couple things that we did with the schools, more than a couple things. We have a pretty good working relationship with the School Board, and what I've done is put police officers, especially in all the high schools, public high schools, there's a police officer assigned to every single high school in the City of Philadelphia. Not just to come there and monitor, but, I mean, actually assigned to that school. In addition to that, we took our administrative people that work indoors to go out on the street for arrival and dismissal.

In addition to that, we have approximately 40, 45 police officers available every day after 2:00 p.m., our

Neighborhood Survey Unit. If we're contacted by the School Board that there is a problem in a certain area, if they give us the information, we will have police officers out there to monitor it at the school that they designated us to monitor.

So, again, my thing was not that we didn't want police officers in school, because they can secretly go inside the school. I don't have a problem with that. I have a problem with them patrolling the schools. If there is an incident inside the school that we need to go into, they can go inside the school. I didn't say they could never go inside the school, but I wanted them to be patrolled by their supervisor and by the Police Department instead of the vice principals and the principals, and I did not want them go into the hallway enforcing school rules. I wanted them to enforce crime.

So, again, we have a numerous

amount of police officers, and I've told the School Board that anything that we can possibly do for the school children, we will do. If this child is not safe in school, it's not going to be safe out of school.

If we get the information -- and we do have our School Safety Unit right now to get the intelligence if someone calls, but it seems like there's not a lot of people calling there. I'm not sure whether they don't have confidence in that phone number. And we're monitoring that.

But everything that the Philadelphia Police Department can do to make sure our children are safe in and out of schools, we will do.

COUNCILWOMAN BLACKWELL: Thank you, Commissioner.

Thank you, President.

COUNCIL PRESIDENT VERNA: You're welcome.

The Chair recognizes

Councilwoman Brown.

COUNCILWOMAN BROWN: Thank you, Madam President.

Let me echo first the remarks of Councilman Frank DiCicco and I'm sure the sentiments of many of us, that your department and professionals do an enormously good job.

I want to follow up to Councilwoman Blackwell's question regarding school safety. Your testimony indicates that you currently have -- and I should say that I recall it was Councilman Jim Kenney who did the comprehensive look at what was happening around our schools with regards to young children being hit by cars.

So with that, you currently have 1,037 crossing guards. Speak to me, if you will, about whether or not that's an increase, do you have vacancies, what are the procedures for filling those vacancies, et cetera.

DEPUTY COMMISSIONER GAITTENS:

Good morning, ma'am. Deputy Commissioner Jack Gaittens.

That is correct. Our staffing level is 1,037. As of today's date, we have 1,002 that are active. We have about 20 that are on different types of leaves, FMLA, medical. And we are going to be in the process within the next two weeks of hiring about 15 more crossing guards. We're waiting for their uniforms to come in.

We do have a significant turnover rate in the crossing guard unit. So that is an ongoing battle all year long. In 2005, we hired 87 and we lost 98. So that's a constant battle.

COUNCILWOMAN BROWN: And the reason for that would be?

DEPUTY COMMISSIONER GAITTENS: In some of the cases, they actually get full-time employment with the City. They get a job as a core or other entry-level positions, and others, they just decide that's enough.

COUNCILWOMAN BROWN: Is there a wait list? Do you have wait lists, schools that are waiting to have crossing guards deployed?

DEPUTY COMMISSIONER GAITTENS: Each of the individual districts has a list of all the schools and all of their corners, and they put them in priority order as to where they would want them. When you say is there a wait list, sometimes there are corners that have not traditionally had a crossing guard out there and the principals will ask for a corner to be established.

Currently, our staffing level is 1,037. We may want to revisit that, but that's what the staffing level is now. So if a captain wants to put up a corner, then he or she would have to take down a corner.

COUNCILWOMAN BROWN: Training is a part of that, I would presume; is it not?

DEPUTY COMMISSIONER GAITTENS:

That is correct.

COUNCILWOMAN BROWN: When a crossing guard is not able to be at school that day, I know that one practice is for the principal to contact the local police district and have presence.

DEPUTY COMMISSIONER GAITTENS: Well, from my experience generally, the first thing that happens is, they look within their staff, to have a non-teaching assistant or possibly a teacher or another volunteer go out there and cover the corner. Otherwise, if it is a particular busy intersection, such as when I was in the 35th, along 5th Street, along Olney, yes, they would call the district, and the district captain would send one of the administrative people out there to cover the corner.

COUNCILWOMAN BROWN: Is that standard operating procedure?

DEPUTY COMMISSIONER GAITTENS: Generally speaking, yes, ma'am.

COUNCILWOMAN BROWN: In the

request of Councilwoman Blackwell, when you provide the information to the Chair, if you could, just indicate the Safe Corridor Program. Is that universal around the City as well?

COMMISSIONER JOHNSON: Yes, ma'am. What's happened is that for the Safe Corridor Program, we have a lot of community groups at schools themselves. I know Men United for a Better Philadelphia and other groups have put men out there. Some of the labor unions have also volunteered to come out. I know there is a group -- I'm not sure exactly. It's in West Philadelphia around Cobbs Creek. I'm not sure of the exact location, but you have senior citizens who patrol safe corridors.

COUNCILWOMAN BROWN: So they are all volunteers?

COMMISSIONER JOHNSON: They're all volunteers.

COUNCILWOMAN BROWN: Is there any formal training?

COMMISSIONER JOHNSON: Normally the police captain will give them some training, and it's not -- they don't need a whole lot of training. The main thing is to make sure that the visibility of adults in those areas will prevent anything from happening. So you don't need a whole lot of training. You just need the volunteers to come out there to make sure the children are safe and that they be able to cross the street and no one bothers them.

COUNCILWOMAN BROWN: Okay. Let's go quickly to the Operation Safe Streets (sic). You mention in your testimony that there are, and I quote, a number of organizations.

Could you provide to the Chair a listing of those organizations that make up the task force, who they are, et cetera, provide that to the Chair?

COMMISSIONER JOHNSON: You mean for Operation Safer Streets?

COUNCILWOMAN BROWN: No, no.

Operation Safe Schools.

COMMISSIONER JOHNSON: Sure. Basically --

COUNCILWOMAN BROWN: The task force, the composition of the task force.

COMMISSIONER JOHNSON: I would have to get that for you.

COUNCILWOMAN BROWN: Sure. Sure. Okay. How often do they meet, the task force?

COMMISSIONER JOHNSON: I'm not sure how often the task force meets, but we have it co-located. The school police and the Philadelphia Police meet every day because they work together.

COUNCILWOMAN BROWN: I see.

COMMISSIONER JOHNSON: It's a unit by itself. I mean, they just don't come maybe once a week or once every two or three weeks. That is their assignment. That's their permanent assignment. That's their permanent assignment for the school police and the Philadelphia Police. They work together on a daily basis.

COUNCILWOMAN BROWN: I see.

You say that the centerpiece of their work is, and I quote, intelligence-gathering analysis.

What does that do? How does that inform the actions of the task force once you collect that data?

COMMISSIONER JOHNSON: Well, what happens sometimes is that, one, if there's information that's given to these people about a possible fight or a possible incident that's going to happen in certain schools, then they would send people out there to make sure that doesn't happen. Say, for example, too, it's information about Gaittens is going after Johnson and there's going to be a fight or an argument, there's some sort of confusion between these two groups. They would go out there and talk to these individual children, but also talk to their parents to prevent things from happening.

COUNCILWOMAN BROWN: Escalating.

COMMISSIONER JOHNSON: So, again, there is times that if there's information about drugs or other sort of criminal activity, they would go out there and do an intelligence, do an evaluation and talk to the children. It's to try to prevent things from happening. So as soon as they get the phone call, they will go out there.

I mean, we had one incident where a mother was concerned about her child is going to get beat up by another child. They intervened by going out there and talking to both parents, talking to the children to prevent anything from happening.

So, again, if there's information about it's going to be a big fight with a weapon or anything like that, we go out there to prevent that. They can get information based on their information what they can do instead of going out there themselves. Say, for example, it's narcotics. Then they will assign the narcotics unit. If it's something involving guns or weapons, they would let other people know. If it's about a fight, they will let the uniformed people know that there might be a possible fight, so they will put actually uniformed police officers out there that particular day.

So they get the intelligence and they share the intelligence with other agencies within the Philadelphia Police Department.

COUNCILWOMAN BROWN: So in cases where -- and I do know of a very specific case that I'll leave nameless I do want to discuss at side-bar.

In cases where you have a principal who, in my view, is not doing the necessary follow-through, because parents have brought to their attention that their children are being threatened to be jumped and the like, the instruction for the parent would be to write a letter to get the attention of whom since the principal is not doing the follow-through?

COMMISSIONER JOHNSON: They wouldn't even have to write a letter. All they have to do is make a phone call.

COUNCILWOMAN BROWN: To?

COMMISSIONER JOHNSON: To this unit. And I will give you that number. All they have to do is make a phone call, and sometimes they don't even have to leave a name. We act on anonymous phone calls to make sure that nothing happens. That's the whole purpose of the units being informed.

COUNCILWOMAN BROWN: Okay. All right. Thank you. I will be back on the next round.

Thank you, Madam Chair.

COUNCIL PRESIDENT VERNA: You're welcome.

The Chair recognizes Councilwoman Tasco.

COUNCILWOMAN TASCO: Thank you very much.

Commissioner, I'm sure Councilman Nutter will come back to this, and I just want an answer on this. How much does $10 million in overtime buy? What does that buy us?

DEPUTY COMMISSIONER GAITTENS: Deputy Commissioner Jack Gaittens.

Looking at $10 million, at a rate of 38.26 per hour, that would give us the ability to hire officers for 250,000 hours of overtime, and utilizing that in four-hour-tour extensions, that would be a total of 62,500 extended shifts.

Now, in our collective bargaining agreement with the FOP, there is a requirement that when an officer works more than 11 hours, they get $7 meal money. So looking at 62,500 shifts, that adds up to over $400,000. So all together, we would have the ability to hire the officers for 250,000 hours.

COUNCILWOMAN TASCO: Well, how much time is that? How long is that?

MR. RAMOS: Councilwoman Tasco, I can share with you the budget analysis take on this that went behind the $10 million overtime, if you wish, in terms of hours to hours.

COUNCILWOMAN TASCO: I just want to know how long does the $10 million last.

MR. RAMOS: Because if you walk through how dollars actually get spent, starting with for overtime, the Office of Budget and Planning Evaluation's estimate of hours purchased on $10 million was about 333,000 hours purchased -- I'm sorry; versus the purchase of 270,000 hours of straights if he were to do it as an FTE.

So with using 10 million in overtime rather than buying new -- the time of new officers gets you about 20 percent more hours with overtime than you would get paying for new officers, because you have to take into account, first of all, when you talk about police personnel spending, what percentage of your total payroll is available at any given point. And even in private industry, you have about 85 percent of availability, meaning at any point about 15 percent of your workforce you're paying, but is unavailable.

You also have to take into account benefits are not necessarily proportionate to salary dollars. So you pay less benefits for the additional hour when you're paying for overtime than you pay when you're on the first dollar of a normal salary. And then things like equipment also you only buy once in the case of overtime as opposed to the additional equipment and supply cost of new personnel.

So the Office of Budget Planning Evaluation --

COUNCIL PRESIDENT VERNA: I'm sorry. I don't mean to interrupt you. I don't know if the Councilwoman is really following what you're saying.

COUNCILWOMAN TASCO: Well, really, what I want to know is how much -- all I want to know is, how long does it last?

COUNCIL PRESIDENT VERNA: How long does it last, and I would like to know what was the average salary that they were using to get to this figure if you have to consider time and a half. What is the baseline salary that you've been using?

DEPUTY COMMISSIONER GAITTENS: Deputy Commissioner Jack Gaittens.

One year out of the Police Academy, the annual salary for an officer is $65,000 a year. That's what it costs with salary and benefits. So we would get approximately --

COUNCIL PRESIDENT VERNA: What is the base salary?

COUNCILWOMAN TASCO: My name is Marian Tasco, not Michael Nutter, and all

I want is the bottom line. How much time does it buy? I don't need all the detail. You'll give that to Michael. I'll ask him. Just tell me -- I want to know, what does 10 million buy, for how long and also -- well, let's just get that answer.

COMMISSIONER JOHNSON: Okay. Councilwoman, with the $10 million -- and to be very honest and candid with you, I'm not sure exactly how long it will last. It depends on what's going on. It depends on the crime. It depends on if there is an incident. It depends on so many other things. Like last year when we had 2001 with the Mardi Gras, we had a riot, and then all the sudden -- it depends. If we get a Live 8 concert that we had a month to do it, it cost us a million dollars.

So I think it's hard for anybody at this point to estimate how long that $10 million will last.

MR. RAMOS: And different

budget people may make different assumptions about what the salary is that you're working off of, but the Budget Office's estimation of the value of $10 million is 333,333 hours of overtime hours compared to only being able to buy 270,270 hours through new police officers.

COUNCILWOMAN TASCO: But the police officers will remain. I mean, they stay. For what time period is --

MR. RAMOS: This is looking at how many hours of service you buy, and you get anywhere from 18 to 20 percent more hours in that first year with overtime dollars than you would by investing in new officers.

COUNCILWOMAN TASCO: But you have the officers in those hours beyond those first year hours, and in terms of what Councilman DiCicco stated, the growth in Center City and the extension of Center City to Girard Avenue, you're going to have more people, and also, you can't forget the need for additional manpower in the neighborhoods. And so the whole analysis of what the Police Department should look like and should be should be calculated based on what's happening in the City -- and he knows the crime spots -- what's happening in the neighborhoods and what would be an adequate number of police officers we need in this City to help us maintain some sense of safety. And I think that would be better than trying to fight over, Well, he asked for police officers, but he was given $10 million and said, Look, use this and make it due until 2008, then I don't have to worry about that anymore.

The other thing I want to ask a question -- so that's my take on that.

On Page 5 of your testimony, you talk about the 9-1-1 calls. Sometimes when I'm at community meetings, my constituents complain that when they make phone calls to the Police Department or to the dispatcher, to 9-1-1, the police will show up at their door. And we've told, No, that doesn't happen, but I hear it too often to know that maybe sometimes they do go there, because maybe what the person called for is not happening on the street, so they might want more information.

The other question, though, how is this 9-1-1 identification of cell phone callers going to impact whether people begin to call now from their cell phone 9-1-1 if you will be able to identify them calling? I know it has a value to it, but what is the downside?

DEPUTY COMMISSIONER GAITTENS: Deputy Commissioner Jack Gaittens.

The idea behind this is, the number of cell phone calls that we're receiving is drastically increasing over the years. It's replacing the land lines more and more.

COUNCILWOMAN TASCO: And people say, Well, I'll use my cell phone because they don't know who I am, and won't use their land line phone because you do know who they are.

DEPUTY COMMISSIONER GAITTENS: And that is correct as of today's date. The Phase One Wireless Technology Program is working with the different vendors to identify the specific phone number of the cell phone that's calling in. When we get into Phase Two, we will be able to get the triangulation to find out the exact location, which will help us in different types of investigations as we go on. Sometimes we have instances where people call pizza delivery shops or other food delivery shops with the intent of robbing them, and then the only thing we have is a cell phone number. We don't know. Or we're getting bomb scares or bomb threats at schools or other locations. All we know is that it's coming from a cell phone. We have no idea who that individual is. Or on the other side, if somebody is having a medical emergency and they just get to the point where they can call 9-1-1 and haven't been able to identify who they are, their problem or where they're located, once this technology is fully in place, we'll be able to get the XY coordinates and know where that person is within 30 feet. So it will be a very good benefit for us.

COUNCILWOMAN TASCO: Well, again, I do agree with you on that value of it. I just always look to the other side of it where we hear from the neighbors.

I just want to say, Madam President, to the Commissioner and to the Police Department, I thank them so much for what they're doing in the City and particularly in my district.

I want to thank you for helping us close down the Jaguar, and I appreciate the task force's participation and the wonderful things that we're doing in the Ninth Councilmanic District. I want to say to you that I do appreciate your comments about the whole activity around crime. There are societal issues that impact on the increase in crime, and dealing with the prevention and your having to deal with stopping crime, I appreciate your understanding that there are other issues, such as parenting and drugs and lack of home supervision and a lot of other problems that contribute to crime. And I do think those thoughts on your behalf are meaningful, and I don't discount them. I agree with you.

So while we put more money in police cameras and that kind of thing, I do think we need to focus on early childhood intervention and family intervention. So I thank you.

COMMISSIONER JOHNSON: Thank you very much, Councilwoman.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair recognizes Councilman Kenney.

COUNCILMAN KENNEY: Thank you, Madam President.

Part of the unsettling nature of this discussion on staffing and costs is that I look at the table and with the exception of Deputy Commissioner Fox, who is not at the table, and I look at the people who are sitting here, including Deputy Commissioner Fox, there's a lot of experience at that table that I have a lot of confidence in, confidence in the deputies, confidence in the commissioner. And in some ways, the professionals are telling us what we need, and the non-law enforcement professionals are telling us what we're going to get.

And when it comes to public safety, the Fire Department, the Police Department and the like departments, I think we should be listening to the law enforcement professionals who have practically between the three of them 100 years of experience in this business.

I mean, Councilman Nutter

commented to me, it's like your accountant telling you when you should be discharged from the hospital, despite what your doctor says.

And I also find it somewhat unsettling that these three people can't testify on their own. When it comes to staffing and cost issues, as soon as the issue is raised, the Managing Director starts moving towards the table. I mean, I'd like to have a discussion about policing, and I can't think of three better people that I'd rather have the discussion with.

So just for the record, I find it a little bit -- I won't go as far as offensive, but I find it a little unsettling that I can't get a straight, honest answer, which I know they would love to give, about what our needs are. And they're the professionals and they're the people we should be listening to.

So with that said, Commissioner, in a homicide where the people are not related, what's one of the most difficult factors in trying to bring that case to closure? I'm not talking about somebody --

COMMISSIONER JOHNSON: Witnesses.

COUNCILMAN KENNEY: What is the issue relative to the witnesses?

COMMISSIONER JOHNSON: Well, one, I think there's a fear factor, the fear factor that people don't want to come forward and testify in court, with the idea they might be injured or hurt themselves.

COUNCILMAN KENNEY: Do you think -- and I think I know the answer to the question -- there would be some value in people having confidence that either through extensive protection or relocation, that these witnesses would have the freedom to come forward as the investigation and trial comes, which often takes a period of time, to not be in the same neighborhood where the killer is?

COMMISSIONER JOHNSON: Yes, sir.

COUNCILMAN KENNEY: I have recommended that through the District Attorney's Office, with the help from the Police Department and from the U.S. Attorney's Office, that we seriously look at a significant Witness Relocation and Protection Program.

I know that there's been discussion in the media with the state doing some reduction in those resources and allocating it a different way, but these are our people and we have responsibility, and I know you agree with this, to protect them. And sometimes we're going to have to potentially relocate or protect a bad guy, but when I think about all of those people who are watching the stuff from behind their curtains or through the crack in their door, and they're good, honest, hard-working people, who will never come forward -- I would never expect them to come forward -- and risk their own death or the death of their family or the fire bombing of their home because we don't have the ability or the resources to protect them.

So I'm going to continue to push for our own Witness Relocation and Protection Program. And I know we're going to have the accountants tell us that it's expensive, but I can't think of a more important spending of resources, to protect honest people who have the courage to come and testify against people who kill other people.

I would like at some point your input. We're going to have a hearing with the District Attorney when she comes in about this potential, but I can't think of a more basic right that a person has, to be protected from a criminal when they have the courage to stand up in court and point them out.

COMMISSIONER JOHNSON: Yes,

sir. I agree with you.

COUNCILMAN KENNEY: Thank you.

Let me talk a little bit about -- how much time do I have?

MR. McPHERSON: Four minutes.

COUNCILMAN KENNEY: Can we talk a little bit about port security? I know we've had a lot of discussions in the national media about this contract with the United Arab Emirates, and Philadelphia is one of the ports involved in the discussion.

What is the Police Department's responsibility, role, input in the issue of port security? And I want you to answer the question, if you can, from the perspective of the neighborhoods that border our port. We have a pretty long linear port and there are many neighborhoods, from South Philadelphia all the way up to the Northeast, that have some impact from port operations and potential port disasters.

What do we do and how are we

involved?

COMMISSIONER JOHNSON: Well, really not a whole lot. I think what happens is that we have the marine unit that's out there that actually goes from one location to another location. And we work very, very closely with the Coast Guards and we work very, very closely with the FBI and our intelligence units to get the intelligence.

Since I've been Commissioner, we used to have one person assigned to the FBI for our counter-terrorist unit. We now have close to 60, 70 people that's involved in the terrorist unit in the department, and it has six or seven that are assigned specifically to the FBI on a continuous basis.

So we try to -- I think the important thing is get the intelligence and communicate. We now communicate very, very closely with the federal sector and with the port people meeting with the U.S. Coast Guards and other people. The districts that monitor or are on those areas go over there basically if there's crime. If there is no crime -- but the intelligence is from our intelligence people and basically from our terrorist unit.

COUNCILMAN KENNEY: Do we have any type of plan or do we contemplate plans relative to evacuations, people surrounding port areas in the event that there is some terrorist activity? There's very compacted, close rowhouse neighborhoods all along our port, from South Philadelphia through Center City up into Port Richmond and Tacony and places like that.

Do we have any types of plans as far as a terrorist attack, either biological or otherwise, that would --

COMMISSIONER JOHNSON: Yes, sir, we do. The Police Department has a very sophisticated plan. The Managing Director and the Mayor have now informed the whole committee that analyze the entire thing at the marina, but as it stands, we have plans in place right now and we have talked to people, that no matter where in the City of Philadelphia we designated or have identified certain spots that we feel as though there might be a biological or chemical incident that may happen -- and some of our plans is not so much to evacuate, but to stay in place. We don't want them to come out. We're in constant communications with our Sunoco and other areas possibly that these things may happen.

So we're constantly monitoring, we're constantly getting intelligence and we're constantly training for these type of things happening.

COUNCILMAN KENNEY: Do we have physical jurisdiction on the port facilities? I know many of them are owned by the Commonwealth through the Regional Port Authority and some are privately owned, but do we have jurisdiction to enter onto a facility, whether it's Packer Avenue Marine Terminal or Tioga Marine Terminal or any of the other facilities?

COMMISSIONER JOHNSON: As far as I know, we do, unless it's a federal installation. If it's not a federal installation and it is an installation inside the City of Philadelphia, that we have jurisdiction.

COUNCILMAN KENNEY: And do we coordinate with the Coast Guard at all?

COMMISSIONER JOHNSON: Yes, we do. Matter of fact, our marine unit is located with the Coast Guard.

COUNCILMAN KENNEY: All right. Fine.

Thank you, Madam President.

COUNCIL PRESIDENT VERNA: You're welcome.

Commissioner, could you explain why civilian overtime is increasing by over 100 percent, from $2.1 million in 2006 to $4.3 million in 2007?

DEPUTY COMMISSIONER GAITTENS:

Deputy Commissioner Jack Gaittens.

There are several reasons for that. We had civilian layoffs the year before, as you are aware. Certain positions were cut. We are in a position right now with corrections officers that we have to use mandatory overtime to staff the positions down in the Police Detention Unit.

Additionally, at this time, we're going through the CAD upgrade, Computer-Aided Dispatch, so we are sending our dispatchers through a training program that's lasting a little while. While that training program is going on, we are unable to hire more dispatchers. We are down about 15 right now. So for those vacancies, to fill the vacancies that we have and to cover the people who are out on training, we must pay overtime to replace them.

Additionally, with the advent of all of these different CSI programs, there is becoming a great demand for forensic analysis and evidence. So the people in our chem lab are working a significant amount of that overtime, both on evidence intake and on processing.

COUNCIL PRESIDENT VERNA: But is it cost effective to be spending that kind of money on overtime when we could be rehiring many of the employees?

DEPUTY COMMISSIONER GAITTENS: It is better to hire some more employees. In the short term, overtime is very effective. I do believe there is a need to increase the staffing in certain civilian positions.

COUNCIL PRESIDENT VERNA: Well, has that request been made of the Administration?

DEPUTY COMMISSIONER GAITTENS: Not formally, no.

COUNCIL PRESIDENT VERNA: Well, what do you think it would take to be more effective?

DEPUTY COMMISSIONER GAITTENS: What we would like to see is some more corrections officers, some more people in police radio and additional personnel for the chem lab.

COUNCIL PRESIDENT VERNA: How many people are you short in police radio?

DEPUTY COMMISSIONER GAITTENS: Right now about 15 dispatchers.

COUNCIL PRESIDENT VERNA: That's a lot of dispatchers.

DEPUTY COMMISSIONER GAITTENS: Yes, ma'am. Unfortunately, even if I could hire them today, I couldn't train them, because we're going through the CAD upgrade.

We do have plans to hire those 15 personnel in April. So we've already got the backgrounds done. We're ready to go. As soon as we're able to train them, we will be hiring shortly.

The same goes with the corrections officers. Our background unit now is doing the background checks on individual candidates. So hopefully we'll be able to start the hiring process within the next few weeks.

COUNCIL PRESIDENT VERNA: So if you are able to rehire many of these employees, would you still need that amount of overtime in your budget?

DEPUTY COMMISSIONER GAITTENS: Well, no. The overtime would go down as we have more people on straight time. However, as I said, the demand for forensic evidence and analysis is going up continuously.

COUNCIL PRESIDENT VERNA: That I could understand, but I'm talking about -- no wonder people complain that they call 9-1-1 and they can't -- if we don't have enough dispatchers, how can we even respond to the calls?

DEPUTY COMMISSIONER GAITTENS: Well, our manpower level stays the same. As I said, we have a required minimum mandatory staffing level in police radio. So the number of call-takers and dispatchers remains about the same. The amount of people who are sitting in those chairs on overtime varies depending on the day.

COUNCIL PRESIDENT VERNA: While I have the mike and while you have the mike, there's just one puzzle that I have here. On Page 6 of the detail, you're requesting a $444,515 increase for delay in filling positions. Can you explain how a delay can cost you money?

DEPUTY COMMISSIONER GAITTENS: I don't see what page you're on.

COUNCIL PRESIDENT VERNA: That's Page 6, the top of Page 6. Is that a mistake? Or maybe you can explain it.

DEPUTY COMMISSIONER GAITTENS: I'm being told that is a mistake, yeah. Delay in filling positions would save money, not cost money.

COUNCIL PRESIDENT VERNA: That's what I thought, and that's why I said I was somewhat puzzled.

COUNCILMAN NUTTER: What line

was that?

COUNCIL PRESIDENT VERNA: Page 6. It's on the top of Page 6, Line 28.

So that is a mistake and will be corrected?

DEPUTY COMMISSIONER GAITTENS: Yes, ma'am.

COUNCIL PRESIDENT VERNA: Thank you very much.

The Chair recognizes Councilman Clarke.

COUNCILMAN CLARKE: Madam President, Councilman Kelly has his first round and I'll defer to him.

COUNCIL PRESIDENT VERNA: Well, see, then I lose you on the board, but that's okay.

Councilman Kelly.

COUNCILMAN KELLY: Thank you.

Thank you, Councilman Clarke.

Thank you, Madam Chair.

Good afternoon, Commissioner.

COMMISSIONER JOHNSON: Good afternoon, Councilman.

COUNCILMAN KELLY: Let me just say, first of all, I think that you have a very, very difficult job to do. You really you do, I think you and your deputy commissioners and the entire police force. You do a commendable job under really, really tough situations sometimes, and I think it's unfair to see that just the number of homicides, the way they print them and whatnot, it seems to be a negative impact on the Police Department, and I don't think that if you could have 10,000 police, it would prevent some of the homicides that go on. For instance, between spouses and whatnot, you can't prevent that any more than anyone can at this point.

Let me just say that I agree with Councilwoman Tasco when she says I think that they would rather see a lot of things done to prevent people to get into your hands to begin with, and I think that's where we really should be providing more of an effort and more financial aid to these youth programs and a lot of other things to get people off the streets. I think that's one of the things I would like to see.

But in your questioning -- and I apologize if you have already answered this in previous questions, but you mention that you were currently spending funding for overtime now to attack the homicide problem that we have in this City.

COMMISSIONER JOHNSON: Well, what we're basically doing is that we're using the overtime in areas, especially in our hot spots, to go out there to try to prevent some of the crime. Actually, in homicide --

COUNCILMAN KELLY: Well, are you budgeted for that now?

COMMISSIONER JOHNSON: Yes.

COUNCILMAN KELLY: Are you budgeted for the overtime for this year?

DEPUTY COMMISSIONER GAITTENS: Deputy Commissioner Jack Gaittens.

The overtime that the program is costing us right now is more on the form of investigative overtime that is coming from arrests that are being made and from shootings there. The overtime is not actually being spent for deployment at this current time.

We are aware of the fact that we get the $10 million as of July 1, and then for deployment purposes, the cost will go up, because then we're in the middle of summary vacation period. So the bodies won't be there on straight time. We will have to replace them with overtime. So the overtime costs in the summer will be a lot higher than what they currently are now.

COUNCILMAN KELLY: Okay. I have another question on cameras. I don't know what the Police Department's position is on cameras, on installing cameras and using cameras. Have you done any studies on this to see what hot spots you could put them on? Would there be a pilot program? How much would each of these locations cost?

COMMISSIONER JOHNSON: Well, I'll say this, because we have different opinions: I talked to the Police Chief in Chicago when I was in Florida, and matter of fact, we both gave different presentations. The presentation that he gave, I was impressed with. I can't argue with success, and it appears like in Chicago, it has been successful. At least in 2004 it was successful. Now, their homicide rate went up a little bit in 2005.

But I am not opposed to putting cameras here in the City of Philadelphia. I know Wilmington has cameras, Baltimore has --

COUNCILMAN KELLY: Excuse me, Commissioner. When they did those studies, in other words, did they prevent the homicides from those areas that they have cameras?

COMMISSIONER JOHNSON: Well,

see --

COUNCILMAN KELLY: In other words, did the number go down?

COMMISSIONER JOHNSON: Well, their numbers went drastically down, but that's the same as our numbers went drastically down when we put up Operation Safe Streets. It's like a chess game. As we put things in place, the criminals put things in place, and we're still changing. The facts are that when you put those cameras up, can you move those cameras? Because they're going to realize the cameras are there. They use the cameras for court presentations. They use the cameras for a whole lot of different things.

So the cameras were successful in Chicago, at least during that year, until the criminals will adjust to it. I didn't go to Baltimore, but I understand that they're being used in Baltimore. At least the Baltimore Police are saying that it is a positive thing for them.

Wilmington said it was a positive thing for them. So I'm not objecting to putting cameras.

COUNCILMAN KELLY: Well, the neighborhood that has the cameras, their crime rate is going down, but is it going up in other areas which doesn't have the cameras?

COMMISSIONER JOHNSON: Well, Chicago is starting to go back up.

COUNCILMAN KELLY: Okay.

COMMISSIONER JOHNSON: I think Councilman Clarke is having Chicago and Baltimore come in here on Thursday. I will be here, and I think we really have to listen to the people where the cameras are at to really get a true analysis of what's going on with the cameras.

COUNCILMAN KELLY: Okay. Thank you.

Thank you, Madam Chair.

Thank you, Commissioner.

COUNCILWOMAN TASCO: Thank you.

The Chair recognizes Councilman

Clarke.

COUNCILMAN CLARKE: Thank you, Madam Chair.

Commissioner, I would like to talk a bit about Safer Streets. The Administration had a series of meetings to announce the roll-out of the program and one was in my Council District, and a big part of the process was the community component, but in all honesty, to date, I haven't really seen that on the ground level. A lot of people came to the meeting extremely optimistic about being able to participate, and while you may not be in charge of that part of the process, you're here and I need to ask you about where is the follow-up. Because a number of people have called me and said, Well, Councilman, we had a great meeting with the Mayor and Police Commissioner. We haven't heard from anybody since.

Where does this thing go from here?

COMMISSIONER JOHNSON: I've been to approximately three meetings since then down there myself. I mean, we didn't bring all the different groups in there. I went to one of the meetings in North Philadelphia. I went to some of the community groups and I'm scheduled to go to three or four different churches, I am along with some of my deputies.

The Mayor through the Managing Director's Office is planning something additional, and I think that will be very, very soon, but as far as the Department is concerned, our outreach program, I had a meeting over on Erie Avenue not too long ago, maybe a couple weeks ago. I had two meetings up in Germantown. So I'm constantly going out with our deputies and talking to the people in those communities, because I think that at these meetings -- we didn't have a lot of dialogue there, but I think at the meetings that we're having now, there's dialogues on both sides of about quality of life. And I know that Mothers in Charge, Men United, the Managing Director and the immigration program and a lot of other groups, Friday I met with about ten different groups in my office to make sure that we're all on the same page, because we have different groups doing different things and going all kinds of different ways. I thought it's important that we call that meeting, because we all have the same goal in mind, that's to eliminate the violence in our city, and we have to get rid of the egos. There's a lot of egotistical self-centered people in there. It isn't about individual people. It's about us working together and all the groups working together and supporting one another. So that meeting was in my office on Friday.

We had scheduled another meeting for later on this month. I've asked them, say, for example, if there's problems in your area or anybody else's areas, that we just not need to send one group, we need to all go as a group. I also met with Reverend Moore, the leader of the Black Clergy, and one of his people last week also, who has committed to getting involved and getting the churches involved on a continuous basis.

So I really believe that it has to be a wholistic type of approach. We met with people from the DHS and other people to form those groups.

But the answer to your question, that is still a plan that we have all the community groups and all the Police Department and other people coming into the communities and tell the community what we're going to do, because we need their help. We need everybody's help.

I also have scheduled a meeting with some of the business people who want to get involved. I also met with the leader of the business wards of the Chamber of Commerce. He wants to bring some of the business people, say, for example. What I've asked them to do -- what I asked the churches to do basically is to do things in your church, in your community, to have outreach programs for people who are ex-offenders, people in recovery. I asked the business people to put money into youth groups, kids that don't have -- give summer jobs to them to prevent them from going out there and doing certain things, because we need those things. They have the money. They take a lot of money from the neighborhoods. A lot of these communities that have a lot of business in their community, the business people need to put back into those communities to help the kids out there, help for training, help for other things.

So I'm going to every area that I can possibly go to and ask them for their help, and a lot of them have agreed to get involved with this, which is something totally different than happened in the past.

COUNCILMAN CLARKE: So by and large, we're getting a positive response from the community, the groups that you've met with?

COMMISSIONER JOHNSON: Yes, sir. And even from the business communities and even from the clergy.

I see in the last month or two months they're doing more now than -- and I don't want to say the wrong thing. They just opened up their churches on Wednesday for prayer and Sunday for collections, but they're starting to get involved and they're reaching out to us. And I've gotten calls from other churches to say, Can you come to our church, come in there with the HEADS UP Program, come in to talk to the youth, come in there and -- now, there's one thing that we've never done before that I've gotten a lot of calls from a lot of different people, and these are the people who are so-called thugs, who want to meet, and we're setting up a meeting with them. And at that meeting will be Bernard Hopkins, who is an ex-offender who wants to get involved, and other people, because they basically said to me that, We try to do things, but we have a bad past and the police don't want to talk to us, but we have the answers, we have solutions, we want to help, we want to go to the corners. We don't want to go help with the kids and we get locked up.

So we're having a City-wide meeting. I don't have a date or a time, but it's in process of planning right now to meet with the people who are doing more damage to our cities than anybody else. The one group that we never sat down and talked to now are saying, We want to help. And I also got calls from Graterford Prisons from the Lifers Association that say, We want to help. When you have prisoners who are incarcerated who want to help, then we need to get the men out there in the cities who are free to help.

COUNCILMAN CLARKE: That's encouraging.

Commissioner, getting back to the policing side of this Safer Streets Program, in terms of the police presence on the street on a daily basis and your ability to create a quality of life within the law, where are your limitations as it relates to loitering but full well knowing -- and I'm assuming the police know, everybody in the community knows it -- these people are selling drugs? You don't see it, or these people are gambling on the sidewalk or they're doing whatever. What are your limitations in terms of your ability to limit it?

COMMISSIONER JOHNSON: We can't break the law to enforce the law. So we don't go out there and just do stop and frisk, but at the same time, since December 19th to the present, I guess our pedestrians in our car stops have went up almost 500 percent that we're stopping people, and when they stop a person, they can't profile. They have to put down on their incident report why they stopped and the reason they're stopping them.

Our curfew has went up almost in the short period of time well over a thousand, almost 4,000. We're enforcing the curfew laws. We're enforcing the truancy laws. What we try to do, those who are gambling on the highways, we're enforcing those. Those who are out there drinking 40's on the highways, we're enforcing those. So we're enforcing quality of life laws that we really didn't enforce a whole lot the last time, but we're enforcing them a lot more now. We're being more focused.

So there is no limitation. If there is a complaint of a neighborhood -- and I know we had a discussion at the last two or three, four Council meetings -- that we want to make sure that people can walk through the streets and walk to the stores and kids can sit on those steps.

So we're enforcing things now, more quality of life issues, than we've done in the past.

COUNCILMAN CLARKE: Okay. My time is up. I'll come back. Thank you.

COUNCILWOMAN TASCO: Thank you.

Councilman Rizzo.

COUNCILMAN RIZZO: Thank you, Madam Chair.

Commissioner, you said something that got my attention. You said a lot today that got my attention, but one area specifically. You talked about the $10 million that we're going to use for overtime, and the focus is prevention, to hopefully stop crime, because when President Verna asked the question about possible ripple effect with cost, courts, et cetera.

I'd like to know, seeing the activity in the Philadelphia Police Department, it's just incredible the amount of activity and the amount of crime that the Police Department responds to, but let's use homicides as an example of a particular issue that we want to discuss. Is it safe to say we had somewhere around 380 homicides in 2005?

COMMISSIONER JOHNSON: Yes, sir.

COUNCILMAN RIZZO: Many of the homicides we talked earlier were people that knew each other. So there was an apprehension made in most cases almost immediately?

COMMISSIONER JOHNSON: No, sir.

COUNCILMAN RIZZO: No?

COMMISSIONER JOHNSON: No. There was 380 homicides that happened last year, and 215 were arguments. Ninety-seven percent was victim specific, somebody meant to kill that person. Seventy-one percent or 76 percent of those who were the victim of crimes or victim of homicides had a criminal record, and 74 percent of those who committed those crimes that we arrested had a criminal record.

There is times that there's a homicide happen, and there is about close to 100 -- I think it was 97, 98 -- of the homicides happen indoors. But we are just not concerned about the homicides. We're concerned about the shootings, because there was over 1,700 shootings, which means there was a potential for 1,700 people to be killed. A lot of times it depends on how bad a shot the person was or how close to a good hospital he was. So we're going to the overall big picture of the shootings and everything else.

I think we solve approximately 64, 65 percent of the homicides. Probably close -- 62.86 percent of the homicides we've cleared by arrests, but probably close to 98 percent or somewhere in that area, we know who did it. We just can't get the person to come forward to testify. The family normally gets the information exactly who committed the crime. They will call us up and give us the information, but they won't come forward. And for even a child homicide, you know, we got numerous amount of calls who gave us the names, and they don't have a problem giving us the names, but we have to have probable cause to make the arrest. We just don't want to arrest them on a conviction. At the same time, what's happening is that people are afraid to come forward. We know who did it, but we don't have enough evidence to arrest the person.

COUNCILMAN RIZZO: So in our City, we obviously have a lot of people that have committed violent, vicious crime that are still walking the streets of our City. So that is obviously a startling issue here.

Clearance rate in our Police Department -- and, again, that's a word I don't like to use a lot, because sometimes people think that the wrong person could be scooped up or arrested and incarcerated.

Based on like all the crime you said, all the shootings and everything that happens, burglaries, robberies, all of that stuff, I know we do a great job in bringing those people to justice. Do you have some numbers that you could share with us on how good a job we're doing? Because 65 percent is okay, but I understand what you just said in the area of homicides. You would hope that it would get better and a lot of those folks would eventually be arrested and tried, right?

COMMISSIONER JOHNSON: Yes, sir. Okay. Last year we had a total arrests of 352, and 264 of those were actually charged with murder. Now, last year we arrested 68,000 people, but this is just for homicides. And the person may possibly be arrested for -- in our statistics of homicides, they may not have necessarily been arrested for the homicide, but been an accessory or some other areas that was involved in that particular case. But people who was arrested for the actual homicide last year in 2005 was 264 people we arrested.

COUNCILMAN RIZZO: Arrested, but --

COMMISSIONER JOHNSON: Arrested and charged with murder.

COUNCILMAN RIZZO: Convicted?

COMMISSIONER JOHNSON: I don't have the conviction rate here, sir.

COUNCILMAN RIZZO: That's pretty good. That's good. We would like to see how many of them have actually been convicted, though. That would be an interesting number.

But clearance rate in the Police Department for all the time that goes on, from car thefts to -- my point is that we're so busy responding to crime, I'm always curious about the other side of the coin. What's the follow-up? What's the investigative side of it?

Does it just continue just to pile up? I just can't imagine how like a Detective Division just stays -- are they putting out fires? Do they have active ability to have -- Monday a crime occurs. Is the crime that occurs on Tuesday still -- does it replace the job that happened on Monday? How do you stay current on all of this violent crime that goes on and really have a quality investigation?

DEPUTY COMMISSIONER GIORGIO-FOX: Councilman, Deputy Commissioner Fox.

I'll be happy to forward you the UCR clearance rates. I didn't bring them with me, but I will tell you this, that one of the things we've been doing with the Detective Divisions for a while now, and I think you'll recognize this when I show you multiple arrests, is that we attempt to try to find immediate patterns of crime, and so that when we have a burglary, one of the things we do on a regular basis is, we process those scenes, the purpose of which is that we all know that a small percentage of people are committing a large percentage of the crimes in this City. And so what we attempt to do in the Detective Divisions right now is combine assignments, look for trends, and then when we make an arrest, either try to use evidence or get a statement for multiple clearances. And I can tell you without having the figures in front of me the number of multiple clearances has arisen in this Police Department as a result of both investigative work and technology that we have now that we didn't use in the past.

COUNCILMAN RIZZO: Is part of that 10 million, Commissioner, is that overtime being spread to the investigative areas of the Police Department? Because earlier you said something which I mentioned, that you were going to spend a lot of that money to extend tours to prevent crime. What about spending some of it to solve some of the crime?

COMMISSIONER JOHNSON: Well, it has, and I think that -- every person that we arrest, especially in our hot spots, we debrief by crimes that have happened in that area.

In addition to that, I believe, and Deputy Commissioner Fox can speak for herself, the detectives were using some of the overtimes to go out there and serve these warrants, that we have the Detective Bureau going out there serving warrants on a daily basis now.

In addition to that, we now have detectives for the first time that I can recall patrolling in the streets of Philadelphia.

So we use it for a lot of things, but we definitely cannot use it for patrol. We don't use it for the detectives. It's used both ways.

COUNCILMAN RIZZO: Great. Thank you both, Commissioners.

Thank you, Madam Chair.

COUNCILWOMAN TASCO: The Chair recognizes Councilman Nutter.

COUNCILMAN NUTTER: Thank you, Madam Chair.

Commissioner, I need to go back to the earlier discussion, because I'm not exactly sure that we reached a conclusive answer.

You indicated with regard to the $10 million that you weren't exactly sure how long it would last. There were a series of numbers laid out. I think there was an attempt at a calculation with regard to $10 million, number of hours or cost per officer leading to a certain number of hours, I guess then divided by eight, which gets you a certain number of shifts.

Can we maybe go at it from a different direction? For the hot spots, I guess, that you have -- and I don't know how many there are and you may not want to say here under this situation --

how do you figure out or how do you even get close to figuring out how long these funds will last? They come in July 1st, as Deputy Commissioner Gaittens mentioned. You're going to have the summer schedule, vacations. Is it true crime tends to go up a little bit in the summer?

COMMISSIONER JOHNSON: Yes, sir.

COUNCILMAN NUTTER: So, I mean, what exactly will happen with the $10 million? How many officers can work, I guess -- are they working eight-hour shifts?

COMMISSIONER JOHNSON: No. Normally -- well, it really depends. I mean, right now because there's no vacations, we're using most of the overtime that we're going to use for extended tours. Probably during the summertime and during vacation --

COUNCILMAN NUTTER: An extended tour is what? You work your --

COMMISSIONER JOHNSON: An extra two hours, an extra four hours.

Probably in the summertime, we will use it for replacements for probably an eight-hour tour.

COUNCILMAN NUTTER: Okay. Let me go at it from this perspective. How much money was spent on overtime in the original Operation Safe Streets?

COMMISSIONER JOHNSON: I have no idea. Let me say this, though: The original plan of Operation Safer Streets did not involve overtime.

COUNCILMAN NUTTER: What did it involve?

COMMISSIONER JOHNSON: Straight time.

COUNCILMAN NUTTER: Straight time?

COMMISSIONER JOHNSON: Yes, sir. The original plan of Operation Safer Streets.

COUNCILMAN NUTTER: That's Safe Street No. 2?

COMMISSIONER JOHNSON: Well, we had about three or four of them since then, but the original plan, the initiative that we have in place right now did not involve overtime. The additional overtime -- because if we put them in hot spots, we would still have warm spots all over.

So our original plan that we had was all straight time. The $10 million will let us suspend our tours of duty and anticipate during the summertime that we will have people who will either be on vacation and we have a number of officers who are injured or out sick. So they would give us a replacement. With the overtime, we can probably keep the same level of officers that are in these areas on a continuing basis.

COUNCILMAN NUTTER: If you plan to run the program on straight time and you're not increasing the number of officers, how do you do that?

COMMISSIONER JOHNSON: I said

the original plan, our original plan of Operation Safer Streets, was all straight time. We identified what --

COUNCILMAN NUTTER: That was about two weeks ago? I mean, Safer Streets came into play about two, three weeks ago, right?

COMMISSIONER JOHNSON: No. The Police Department came into place in December. The policing began in December 19th of 2005.

COUNCILMAN NUTTER: Okay. But we were all --

COMMISSIONER JOHNSON: This was prior to the budget.

COUNCILMAN NUTTER: -- together at a church just a few weeks ago when the big --

COMMISSIONER JOHNSON: That was the comprehensive plan. That was the whole plan, but the Police Department's plan began December the 19th of 2005. We were on the street.

COUNCILMAN NUTTER: Okay.

Let's go back. Operation Safe Streets, my recollection is that operation started on May 1st, 2002; is that correct?

COMMISSIONER JOHNSON: Correct.

COUNCILMAN NUTTER: Now, when did it end?

COMMISSIONER JOHNSON: It hasn't ended.

COUNCILMAN NUTTER: We have overlapping operations?

DEPUTY COMMISSIONER GIORGIO-FOX: Excuse me. Operation Safe Streets is a program whereby we placed officers on corners. We identified 306 corners. As of about ten days ago, my latest survey is, there are still 114 corners that we periodically cover on straight time in an effort to ensure that those corners never again become problematic.

COUNCILMAN NUTTER: Deputy Commissioner, what do you mean by "periodically"?

DEPUTY COMMISSIONER

GIORGIO-FOX: Periodically, we call it random interval coverage. So the captain will identify the hours where that corner is most problematic, and then for some period of time each night, I'm assuming it's an evening hour, the corner is covered. An officer may be given three corners in an eight-hour tour to cover. So they drive to a corner, they get out and they walk for an hour and a half, they then get back into their car and they drive to a second corner.

COMMISSIONER JOHNSON: If I can say, with Operation Safe Streets, and we analyzed Operation Safe Streets, we identified 300 of the worst corners in the City of Philadelphia based on our intelligence, based on data and based on a lot of other things to go after open-air drug marketers. When I talk about an open-air drug market, I'm talking about corners where people line up like car washes to sell their drugs. And during that period of time, that's when we put 600 police officers on 300 of the worst drug corners on May 1st to eliminate the open-air drug corners.

I think that was very, very successful. That was the purpose of Operation Safe Streets, to eliminate the open-air drug market, not to always just keep police officers there on those corners forever. If there is no problems going on -- you know, realistically, and I try to be as realistic as I possibly can, as long as you have a person who is going to buy drugs, somebody is going to sell them drugs. Have we eliminated all drugs? No, we haven't. Have we eliminated almost all of the open-air drug corners? Yes, we have.

COUNCILMAN NUTTER: Okay. Is Deputy Commissioner Gaittens, is he like the finance person for the department?

COMMISSIONER JOHNSON: Yes, sir.

COUNCILMAN NUTTER: Deputy, I know you were getting your documents and papers together there. Can you tell me on a yearly basis since May 1st, 2002 what the yearly overtime has been for Operation Safe Streets?

DEPUTY COMMISSIONER GAITTENS: Yes, sir. In Fiscal Year '02, we spent $12 million; '03, $36.8 million; '04, 23.2; '05, 6.7. So far this fiscal year for Fiscal '06, we spent about 2.6 million. We estimate it will come in a little bit under $5 million for this fiscal year.

COUNCILMAN NUTTER: So let me go back through that. FY02 was 12 million. FY03?

DEPUTY COMMISSIONER GAITTENS: 36.8.

COUNCILMAN NUTTER: FY04, 23.2; FY05, 6.7. Your year to date on FY06 is 2.6 and you think the end-of-the-year number is going to be 5.

DEPUTY COMMISSIONER GAITTENS: It will come in around 5 million, yes, sir.

COUNCILMAN NUTTER: Okay. That's about 71?

DEPUTY COMMISSIONER GAITTENS: 81,464,141.

COUNCILMAN NUTTER: I'll take the 81.

Has there been an independent analysis of Operation Safe Streets?

COMMISSIONER JOHNSON: I believe there was one by Temple University, which we disagreed with.

COUNCILMAN NUTTER: Is it available?

DEPUTY COMMISSIONER GIORGIO-FOX: I can get you a copy of it, yes.

COUNCILMAN NUTTER: Could you forward a copy to the Chair?

DEPUTY COMMISSIONER GIORGIO-FOX: Absolutely.

COUNCILMAN NUTTER: Okay.

Am I done?

COUNCIL PRESIDENT VERNA: Yes.

COUNCILMAN NUTTER: Okay.

COUNCIL PRESIDENT VERNA: We'll get back to you.

The Chair recognizes Councilwoman Brown.

COUNCILWOMAN BROWN: Thank you, Madam President.

Just a couple of follow-up questions. I too was struck by the stats you shared in response to Councilman Nutter and Councilman Rizzo's questions; namely, you mention, and forgive me if this is a misquote, 97 percent about are crimes done indoors.

COMMISSIONER JOHNSON: No. I didn't say 97 percent. What I said was that out of 380 homicides last year, 97 were committed indoors.

COUNCILWOMAN BROWN: And to narrow the question even further, you mention that in many instances, they know each other. They're victim specific, is what you said.

COMMISSIONER JOHNSON: Right. That's the same figure. Ninety-seven percent of those who are killed either are relatives, friends or associates. They know that person.

COUNCILWOMAN BROWN: Okay. So let me narrow it further. Do you know of those how many are domestic relations related?

COMMISSIONER JOHNSON: Yes, ma'am. Last year there were ten, which came to 2.6 percent. Now, let me say this: This year, the same time period that we compared last year to this year, we had one domestic homicide last year. This year we have seven.

COUNCILWOMAN BROWN: Okay. So if you tie that to the questions raised about more police officers when so many of the crimes are indoors, and if there's an interest in the preventive or intervention arm of this, if you know now that there are ten, when there are domestic arguments reported, is there some kind of follow-up, if you will, with that family of an intervention type of nature so that it doesn't end up in ultimately a killing?

COMMISSIONER JOHNSON: Well, we have a Domestic Violence Committee that I'm Co-Chair. And I don't do much work because I think Tracy does all the work. We have a group that goes out there on a continuous basis for education and for training. With the Women's Group, we really have partnered with them.

In the orders of the Department, if they go to a house and there's indication of domestic violence, there's an arrest. There's an immediate arrest. So the Police Department takes it very, very serious, and we approach it in that way.

COUNCILWOMAN BROWN: Okay. Finally, I, too, was curious by the comment that we know the priorities are huge and the list is long, but I was curious to know the why, for why cameras don't rank as high in terms of priority attention.

COMMISSIONER JOHNSON: Well, I mean, I don't want to say, Well, it's a priority, because I think with all the other things that we have in the Department at this point, we really have to analyze that. I mean, the reason -- and I appreciate Councilman Clarke bringing the people here -- because cameras are stationary and criminals are not, and criminals will leave where they feel as though they've been identified and go to different areas.

So I think we're still in the process of evaluating whether they work or not work based on the amount of money that they will cost, because we just can't take these expensive cameras and just put them in each place. And as long as cameras are stationary and criminals are not, then we have to look at that.

COUNCILWOMAN BROWN: Surely.

Finally, on Page 4 of your testimony, you give discussion to the professional development opportunities that you have in the Department. Can you just speak to how many officers and civilian employees take advantage of the program that you have ongoing with the colleges and the universities and tell us which colleges and universities are currently involved in that partnership?

DEPUTY COMMISSIONER GAITTENS: Deputy Commissioner Jack Gaittens.

The current times we don't have the exact statistics. We'll be able to get them for you, but Deputy Commissioner Council has made contact with several different colleges in the area. The ones that are actually participating in the program now include Widener, Immaculata, Eastern, Cabrini, DeVry, Holy Family, Rosemont, Chestnut Hill, Peirce, Arcadia, Philadelphia-Wilmington, Phoenix and Mountain State.

COMMISSIONER JOHNSON: And Community College.

COUNCILWOMAN BROWN: Sure. There's a lot of options.

Who pay for what exactly? When it comes to the professional development, who pays for that?

DEPUTY COMMISSIONER GAITTENS: For the college education, that's basically on their own. Now, we do have department training within the Philadelphia Police Department, and that is through a request from the commanding officer. The officer fills out a memorandum identifying the particular type of training, seminar or whatever it is they're looking for. It goes through the commanding officer.

They make a recommendation as to whether or not this is a benefit to the Police Department, whether we offer this type of training in-house or if we have a contract with anybody to provide that type of training, and then it would come up through me through the budgetary process. We do have funds available for training.

COMMISSIONER JOHNSON: I think

in addition to that, we have Kal Rudman who has paid tuition for approximately 100 or more officers to go --

COUNCILWOMAN BROWN: Repeat that. I can't hear you, Commissioner.

COMMISSIONER JOHNSON: Kal Rudman has paid for approximately over 100 police officers to go to Community College and pay their tuition. And that's just a figure I threw out there, but it's probably more officers. Each semester officers can put in a request to go to Community College. Their tuition has been paid by Kal Rudman.

COUNCILWOMAN BROWN: Okay. And whom shall I speak with with regards to young people who are intimidated outside of school areas for follow-up? Whom on your team should I speak with related to the task force?

COMMISSIONER JOHNSON: Deputy Commissioner Fox.

COUNCILWOMAN BROWN: Okay. Thank you for your testimony.

COMMISSIONER JOHNSON: Yes, ma'am.

COUNCILWOMAN BROWN: Thank you, Madam Chair.

COUNCIL PRESIDENT VERNA: You're welcome.

The Chair recognizes Councilman Kenney.

COUNCILMAN KENNEY: Thank you, Madam President.

Quickly, Commissioner, you had indicated in your previous testimony that car stops and ped stops are up about 500 percent?

COMMISSIONER JOHNSON: Yes, sir.

COUNCILMAN KENNEY: As a result of that increased activity, what were the number of guns that have been --

COMMISSIONER JOHNSON: Well, I can go by since December the 19th. I think I may be off one or two figures. This time last year we had approximately 36, 37. We're now up to like close to 80 just in that time period just by car stops and pedestrian stops. Our weapons procedure has definitely went higher.

COUNCILMAN KENNEY: So obviously it's a very effective tool used in a legal way. It's very effective in getting guns out of people's hands.

COMMISSIONER JOHNSON: Yes, sir. And what we try to do is, we're not going to break the law to enforce the law, but sometimes when robberies and shootings, they're on the corners drinking 40's or gambling and doing other things, and we can make these type of stops just -- there is a probable cause of stopping them. We're finding weapons, we're finding drugs, we're finding all kinds of things.

COUNCILMAN KENNEY: I mean, I think you agree that a car stop and a ped stop does not have to be a violent act. It can be done in a professional and considerate manner, but getting that gun out of that waistband is a huge accomplishment.

COMMISSIONER JOHNSON: Yes, sir.

COUNCILMAN KENNEY: So we haven't had any push-back from the community?

COMMISSIONER JOHNSON: Not at all, and one of the things that I monitored based on the car stops and pedestrian stops, I monitored the complaint on police, which has been very minimal.

COUNCILMAN KENNEY: Are the numbers, are they staying stagnant or are they going up, too?

COMMISSIONER JOHNSON: They're going down.

COUNCILMAN KENNEY: So obviously it's not been a major civil rights issue as far as citizens are concerned.

COMMISSIONER JOHNSON: No, sir.

COUNCILMAN KENNEY: So we're going to continue that high level of activity?

COMMISSIONER JOHNSON: Yes, sir, we will.

COUNCILMAN KENNEY: Great. Thank you.

One other issue on enforcement. Councilmember Brown had been talking earlier about safe corridors and crossing guards. Do we have any indication as to the number of tickets written for speeding in school zones? Can we find out whether or not we've had increases, where they've been? Because it seems to me to be an issue that would be best promoted by the captain of a district telling people that, Be aware of what's going on in schools zones and write these tickets.

I know, for example, on North Broad Street coming down, I dropped my son off at school, there's a school speed zone outside of Ben Franklin High School. I mean, no one pays attention to it. I get honked at because I'm going 15, and

I'm pointing up to the sign.

So I'm trying to get an idea as to what we're doing enforcement-wise, because, as I said, when we had this discussion earlier on crossing guards and school safety, in the suburbs when you hit a school zone, you automatically put your foot on the brake and get down to 15 because you know you're going to get a ticket if you don't. Here we have a different, I guess, cultural experience that people seem to ignore school zones, they ignore crosswalks, they ignore red lights and stop signs, and it creates an environment in the community that's pretty dangerous in itself. As you know, you have a better chance of getting killed getting run over by a car than being shot.

What do we do about this kind of traffic enforcement?

COMMISSIONER JOHNSON: Well, I know last year what we did, and I'm not sure whether it's still going on, we have assigned to problem schools and problem areas our traffic people. Even the State Police had came in to assist us and help us to make sure that citations were being issued in those areas. I'm not sure whether it's still going on, but I believe we had a whole committee. I think the Managing Director was involved in it, where we analyzed all the different schools and the areas where there was kids hit at.

So I think that committee is still going on, but we put additional resources into those areas to prevent those things from happening.

COUNCILMAN KENNEY: Could you try to break down the numbers a little when you get a chance as far as how many have been written and actually where they are?

DEPUTY COMMISSIONER GIORGIO-FOX: Sir, every week a detail of Traffic Division officers choose five or six or seven schools, depending upon what else we have to do that week, and they forward me the statistics every week. And so I can give you from the inception what's been written and where.

COUNCILMAN KENNEY: Finally, cities like Houston, Los Angeles and Boston -- I'm not sure. We're still researching what New York and Chicago do -- have field training programs for their cadets where at some point in time at the end of their training process, they're actually on the street in a limited capacity. Some cities certify their cadets early on in the firearm process; some wait until the end.

It occurred to me that it would be a good experience for our officers to have some citizen contact in a regular environment, in a normal environment, not necessarily in high-crime areas like some of the high-crime districts, but the Center City area, the Penns Landing area, South Street, Manayunk, places where it's more personal contact with people.

Do you find any value in that or potential value?

COMMISSIONER JOHNSON: We did that. I'm not sure whether we're still doing it. I'm sorry.

COUNCILMAN KENNEY: You're not.

COMMISSIONER JOHNSON: Well, what we used to do is put the officer out there. Before he graduated, they would put him in the streets with the senior officer for a month and then come back to the Academy before graduation. And I think that that's a good program. If we're not doing it, then I will look and see into reimplementing that.

COUNCILMAN KENNEY: Do you think there's any value in having higher visibility of police in areas that are not as crime ridden but have a tourist and hospitality effect? I mean, for example, one of the things that impresses me about New York when I go is the Theatre District always has officers directing traffic, getting people across the street safely. Sometimes as the Academy of Music empties out, people are dodging cars that are making right-hand turns running through people. To me, it's a better environment, even if the officer doesn't have a firearm or isn't allowed to have a firearm, either not have the firearm or be with someone who has a firearm, so that you can have this kind of additional presence. And I think what the value of it is, these recruits or cadets have a chance to interact with people, which is going to be their main responsibility on the force, is interacting with the public.

COMMISSIONER JOHNSON: Well, I think that's a good idea. They're like ambassadors. We give them an idea. Because what happens sometimes, at least in my opinion, you have a lot of officers who go to the Police Academy and graduate and are assigned to areas that they never even rode through before, that there's no interaction.

So we will look into that, and I think that would be a good idea.

COUNCILMAN KENNEY: And my staff will provide some research information on what other cities do and forward that to you also.

COMMISSIONER JOHNSON: I appreciate that, Councilman.

COUNCILMAN KENNEY: Thank you very much.

Thank you, Madam President.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair recognizes Councilman Nutter.

COUNCILMAN NUTTER: Thank you, Madam Chair.

Commissioner, I'm winding down. I think I have maybe four or five questions.

Did you indicate at the beginning of the testimony, is there a class at the Academy now?

COMMISSIONER JOHNSON: Yes,

sir.

COUNCILMAN NUTTER: How many recruits are in that class?

COMMISSIONER JOHNSON: I believe it's 70.

COUNCILMAN NUTTER: 70?

COMMISSIONER JOHNSON: Yes, sir. 73. I'm sorry.

COUNCILMAN NUTTER: 73. And can you share any information on average class size in the past?

COMMISSIONER JOHNSON: Well, if I can recall correctly, we had over 100 and sometimes we had less than 70. One of the problems that we were having is that -- and we're going by attrition and maybe to keep our numbers that we have agreed to keep, but sometimes it's hard to get a class. It's hard to get a class for a number of reasons. They put a lot of things in place now that they didn't have in place before. Say, for example, the agility test now has to be done before the class starts.

COUNCILMAN NUTTER: The what?

COMMISSIONER JOHNSON: The agility test. When the recruits went up to the Academy, before they graduated, that had to do agility. They have to do sit-ups and runs and stuff like that. Now they have to do them prior to getting into the Academy.

The candidate who is --

COUNCILMAN NUTTER: So is that eliminating some people?

COMMISSIONER JOHNSON: The person who was number one on our list could not pass the sit-ups, who was number one on the list, came up number one. He did it five times, could not pass. And we're losing so many people with that. Surprisingly, and probably discouragingly --

COUNCILMAN NUTTER: So I guess just from your perspective, how many sit-ups do you have to do?

COMMISSIONER JOHNSON: I think you had to do 35 in one minute. I'm not sure of the exact figure, but I believe it's 35 in one minute. Then you have to do the run. And this is all state mandated.

COUNCILMAN NUTTER: Okay. But stay with me for a moment. You're 42 years in the Department. You're a highly decorated officer. My recollection of your background is, I think you've spent a little bit of time at the FBI Training Academy. You've been to Quantico. You've literally guarded various presidents of the United States and possibly other foreign dignitaries.

How critical is it, in your opinion, for overall police work that you be able to do 35 sit-ups in a minute?

COMMISSIONER JOHNSON: My personal opinion, I don't think it's very critical, but the point, unfortunately, is that the state mandates these things and we can't get around them.

COUNCILMAN NUTTER: I understand.

COMMISSIONER JOHNSON: I think we should be flexible.

COUNCILMAN NUTTER: Okay. So in some classes you've had more, in some classes you've had less. Is this a class that started in 2005?

COMMISSIONER JOHNSON: It started in 2006.

COUNCILMAN NUTTER: Started in 2006. How many more classes do you expect in 2006?

DEPUTY COMMISSIONER GAITTENS: Jack Gaittens.

The next class would be Class 346. We intend to start them around May 7th, and after that into Fiscal '07, a class --

COUNCILMAN NUTTER: Fiscal '07 but post --

DEPUTY COMMISSIONER GAITTENS: Fiscal '07, but the starting date is tentatively July 17th of '06. And the next class still starting in '06 would be Class 348, and that would start around

October 9th of '06.

COUNCILMAN NUTTER: Hold on for a second. There's 73 in a class now. That started when?

DEPUTY COMMISSIONER GAITTENS: That started February 13th of '06. We started with 75 recruits. Two have dropped out already.

COUNCILMAN NUTTER: How many anticipate to be in the May class?

DEPUTY COMMISSIONER GAITTENS: We are anticipating another 75.

COUNCILMAN NUTTER: How many in the July class?

DEPUTY COMMISSIONER GAITTENS: Based on attrition, we are anticipating possibly up to 125.

COUNCILMAN NUTTER: And how many in the October class?

DEPUTY COMMISSIONER GAITTENS: 100.

COUNCILMAN NUTTER: So you are trying to bring in a total of 375?

DEPUTY COMMISSIONER GAITTENS:

That's correct. Again, that depends on the attrition rate.

COUNCILMAN NUTTER: I understand that.

How many police officers do you expect to lose from retirements or other reasons in the course of Calendar Year 2006?

DEPUTY COMMISSIONER GAITTENS: The class schedule is based on maintaining the same level of manpower, that as we lose --

COUNCILMAN NUTTER: 62/24?

DEPUTY COMMISSIONER GAITTENS: Yes, sir.

COUNCILMAN NUTTER: Okay. Now, how many non-Philadelphia police officers do we train at the Academy?

DEPUTY COMMISSIONER GAITTENS: That varies depending on the time of the year. Sometimes it's 12 to 14. Sometimes it could be only three or four.

COUNCILMAN NUTTER: These are for other police departments?

DEPUTY COMMISSIONER GAITTENS: That is correct.

COMMISSIONER JOHNSON: We train SEPTA police.

COUNCILMAN NUTTER: Okay. Do these other entities pay for the service?

COMMISSIONER JOHNSON: Yes, sir.

COUNCILMAN NUTTER: Now, Commissioner, is it fairly accurate to say that the Police Department would be considered, in essence, a paramilitary organization?

COMMISSIONER JOHNSON: Yes, sir.

COUNCILMAN NUTTER: And it functions primarily based on command and control --

COMMISSIONER JOHNSON: Yes, sir.

COUNCILMAN NUTTER: -- methodology?

How many individuals, based on the current provisions of the Home Rule

Charter, how many people do you directly appoint to positions?

COMMISSIONER JOHNSON: Well, going by the Home Rule Charter, I believe --

COUNCILMAN NUTTER: I'm sorry?

COMMISSIONER JOHNSON: I'm allowed to appoint two deputy commissioners, and we now have two who are assigned to the Managing Director's Office detailed to the Philadelphia Police Department.

COUNCILMAN NUTTER: What was that last part again?

COMMISSIONER JOHNSON: There's two officers who are assigned to the Managing Director's Office detailed to the Philadelphia Police Department.

COUNCILMAN NUTTER: What is their rank?

COMMISSIONER JOHNSON: Deputy commissioners.

COUNCILMAN NUTTER: So what are they, like assistant managing directors or something?

COMMISSIONER JOHNSON: Deputy managing directors.

COUNCILMAN NUTTER: So they're in exempt positions, and then we reroute them to get around the two-deputy limit?

COMMISSIONER JOHNSON: Yes, sir.

COUNCILMAN NUTTER: And is that it?

COMMISSIONER JOHNSON: That's all I can appoint.

COUNCILMAN NUTTER: So two deputies directly and then you get two assigned from MDO. You've known many police commissioners from across the country. What's the experience in other cities with regard to how police commissioners are able to put together their top management structure?

COMMISSIONER JOHNSON: Almost every other major city that I know of are allowed to pick their own executive staff of the 35, 40 people.

COUNCILMAN NUTTER: So how does your management staff end up in place?

COMMISSIONER JOHNSON: Civil service test.

COUNCILMAN NUTTER: They take a test?

COMMISSIONER JOHNSON: Yes, sir.

COUNCILMAN NUTTER: And they move up through the ranks and then --

COMMISSIONER JOHNSON: In the police --

COUNCILMAN NUTTER: What's after the four deputies?

COMMISSIONER JOHNSON: Chief inspector. So in the Philadelphia Police Department, every promotion is by civil service test. So up until the rank of chief inspector, it's all by civil service.

COUNCILMAN NUTTER: And so chief inspectors would be considered a part of the -- what was that term, executive?

COMMISSIONER JOHNSON: It's part of our executive staff.

COUNCILMAN NUTTER: Part of your executive staff, okay.

To your knowledge, have there been discussions in the past about whether the Police Commissioner of Philadelphia should have more authority with regard to appointing the executive staff?

COMMISSIONER JOHNSON: I believe -- not to believe. I know for a fact that it has. It's been going on for the last 10, 15, 20 years.

COUNCILMAN NUTTER: What happened?

COMMISSIONER JOHNSON: It's a Charter change.

COUNCILMAN NUTTER: Well, I understand that.

COMMISSIONER JOHNSON: Nothing has happened.

COUNCILMAN NUTTER: Well, I know that, too.

From your perspective as a Police Commissioner, a long-time officer, should the Police Commissioner of Philadelphia have more control, authority and then accountability over the top executive staff?

COMMISSIONER JOHNSON: My opinion is that if I'm going to be held accountable for everything that happens in the Police Department, I should be able to have my executive staff that thinks like I do, going to the direction that I go. Not that I'm saying the people there don't right now, but I think he should have the ability and the authority and the capability of putting his own executive staff in place.

COUNCILMAN NUTTER: And how far down in the ranks does -- down to what rank is the executive staff? I mean, I understand the police commissioner at the top, then you have chief inspectors, and then how far does it go down?

COMMISSIONER JOHNSON: In most

cities, it's captains and above.

COUNCILMAN NUTTER: So the police commissioner --

COMMISSIONER JOHNSON: Or above the rank of captain. Every city is different.

COUNCILMAN NUTTER: Above the rank of captain, the police commissioner, what, makes an appointment or issues an order or directive, or how do you --

COMMISSIONER JOHNSON: He makes an appointment. Say, for example, Commissioner Timoney went from captain to first deputy in New York.

COUNCILMAN NUTTER: Okay. And then what? Police Commissioner Timoney situation in New York City as, what, first deputy?

COMMISSIONER JOHNSON: First deputy commissioner.

COUNCILMAN NUTTER: Do you serve at the pleasure of your appointing authority at that point?

COMMISSIONER JOHNSON: That's

correct.

COUNCILMAN NUTTER: So if you did a good job, you get to stay, and if you don't do a good job, what happens?

COMMISSIONER JOHNSON: He can have the authority to put him back to his previous rank. Now, when the new commissioner comes, he also has the authority to put him back to their previous rank.

COUNCILMAN NUTTER: Well, that gives you a lot of incentive to --

COMMISSIONER JOHNSON: To do a good job.

COUNCILMAN NUTTER: -- pay attention. Right. Interesting.

Do you think a structure like that would better serve the Philadelphia Police Department?

COMMISSIONER JOHNSON: Yes, sir. That's my opinion.

COUNCILMAN NUTTER: That's your opinion, okay. All right.

Last question.

COUNCILMAN RIZZO: Point of information on that.

Madam Chair, point of information.

COUNCIL PRESIDENT VERNA: Yes. The Chair recognizes Councilman Rizzo for a point of information.

COUNCILMAN RIZZO: Commissioner, I was confused. A year or so back when there was a rank in the Philadelphia Police Department that was for many years eliminated, I think it was called staff inspector. And you made some staff inspectors. Is that still a current rank in the Police Department?

COMMISSIONER JOHNSON: Yes, sir, it is.

COUNCILMAN RIZZO: How did that rank ever come back? Was it some court thing, or what?

COMMISSIONER JOHNSON: The FOP filed suit and they won it, and what happened is that at the time that they won it, it was like last year, I believe it was, and there was some negotiation, because at the time, staff inspectors in the Department more or less did our internal investigations, and up until two years ago, we had one. When they won in court, we did a civil service test and I promoted so far seven.

COUNCILMAN RIZZO: So that is part of our organization chart, staff inspector, progression?

COMMISSIONER JOHNSON: Yes, sir.

COUNCILMAN RIZZO: That's captain, then staff inspector?

COMMISSIONER JOHNSON: Well, you can go from captain to staff inspector and then you can skip staff inspector rank and go to full inspector. When you take the test, you take two tests, staff inspector and inspector. Say you don't score high enough to be inspector, but you score high enough to be a staff inspector. So you can actually skip the staff inspector rank and go to full inspector.

COUNCILMAN RIZZO: Thank you, Commissioner.

Thank you, Madam Chair.

Thank you, Councilman.

COUNCIL PRESIDENT VERNA: You're welcome.

Councilman Nutter, are you finished?

COUNCILMAN NUTTER: One last question.

Commissioner, I've read news accounts, but I'd like get it directly from yourself. Since July 1st, 2003, how many officers is the Police Department down?

COMMISSIONER JOHNSON: I believe it's 544, but I'll give you the exact number.

617.

COUNCILMAN NUTTER: 617 officers fewer since July 1st, 2003?

COMMISSIONER JOHNSON: Yes, sir.

COUNCILMAN NUTTER: 617, did you say?

COMMISSIONER JOHNSON: Yes, sir.

COUNCILMAN NUTTER: Okay.

Thank you, Madam Chair.

COUNCIL PRESIDENT VERNA: You're welcome.

The Chair recognizes Councilman Kenney.

COUNCILMAN KENNEY: Thank you, Madam President.

I just want to make a public comment that last year's budget hearings were not a particularly pleasant experience for you and your staff, because your numbers were switched up at the last minute and you weren't aware of it. I just want to compliment you on tremendous testimony this time. You had both financial numbers at your fingertips, staffing numbers at your fingertips, very few things you're going to have to get back to us on, and I just wanted to compliment you on the quality and substance of your testimony this year. I know you would have done the same last year had your numbers not been removed from you at the last minute. But I just wanted to make a public comment that I thought it was a tremendous set of testimony.

COMMISSIONER JOHNSON: Thank you very much, Councilman.

COUNCILMAN KENNEY: Thank you.

COUNCIL PRESIDENT VERNA: Any other questions or comments from members of the Committee?

(No response.)

COUNCIL PRESIDENT VERNA: Seeing none, I thank you very much.

COMMISSIONER JOHNSON: Thank you.

MR. McPHERSON: The next witness is Rob Dubow from the Pennsylvania Intergovernmental Cooperation Authority.

COUNCIL PRESIDENT VERNA: Good

afternoon and welcome. Nice seeing you again, Mr. Dubow.

MR. DUBOW: Thank you, and thank you for inviting us to come today to give our comments on the Plan.

My name is Rob Dubow. I'm the Executive Director of the Pennsylvania Intergovernmental Cooperation Authority. With me today is Uri Monson --

COUNCIL PRESIDENT VERNA: Mr. Dubow, just a minute, please.

We are still trying to conduct our hearing.

Please proceed.

MR. DUBOW: With me today is Uri Monson, our Deputy Executive Director, and in the audience is Chairman of our Board, Lauri Kavulich, and our Director of Capital Analysis, John Daly.

COUNCIL PRESIDENT VERNA: We welcome you.

MR. DUBOW: What I wanted to do is walk through the letter that we distributed to Councilmembers yesterday that summarized our views on the Plan.

COUNCIL PRESIDENT VERNA: That would be fine.

MR. DUBOW: Thank you.

In reviewing the Plan, PICA asked two basic questions: Is the Plan balanced and does it address the key long-term financial issues facing the City. I'll talk first about whether the Plan is balanced.

As presented, the Plan appears balanced, but it contains a series of speculative revenue enhancement and expenditure reduction assumptions that we believe do not meet the tests of reasonableness included in the PICA statute. If those speculative items were removed from the Plan, it would not be balanced. Unless the Administration can demonstrate either that those items are not speculative or that the Plan would be balanced even without those items, PICA staff will not be able to recommend to the PICA Board that it approve the Plan.

Among the speculative items in the Plan, perhaps the most significant is that the Plan assumes state reimbursements that are $132 million more than the amount that's required by law. This $132 million consists of $10.6 million annually beginning in Fiscal Year '07 for prevention services, 4.4 million annually beginning in Fiscal Year '07 for increased adoption services subsidies, and 19.3 million annually beginning in Fiscal Year '09 for increased reimbursements for the costs of social workers.

The prevention services funding is above the amounts that the Commonwealth is required to pay under existing matching formulas. The adoption services subsidies increase would require state legislation, and according to the Plan, the increase in social worker reimbursements would require state and federal legislation.

The PICA Act requires that

revenues from other governments that are included in a five-year plan be consistent with historical patterns, currently available levels, or levels in the state or federal budget. None of these revenues meet that test.

The Plan also assumes that PGW will be able to repay the City's $45 million loan in Fiscal Year '09. There's a strong possibility that PGW will not be able to repay this loan during the life of this Plan. In fact, PGW's fiscal health and the repercussions of its potential financial failure are perhaps the biggest threat facing not just the Plan but the overall health of the City.

The Plan also includes about $60 million for future fee increases in future government efficiencies. The fee increases would add 12 million annually beginning in Fiscal Year '09, and the future government efficiencies would provide 12 million annually beginning in Fiscal Year '10.

The Administration has yet to demonstrate that either of these assumptions is reasonable, given the cuts to departmental budgets made over the last 14 years and the City's recent fee increases. Last year, PICA was so concerned about the future government efficiencies that the FY06-FY10 Plan was approved only when the Administration was able to demonstrate they did not need those savings to balance the Plan. PICA further required that the Administration no longer include these savings as a means to achieving a balanced budget in future plans.

The Plan also assumes that the state will provide funding to completely eliminate the City's costs for the Convention Center beginning in Fiscal Year '09. While state legislation allows the Commonwealth to assume the City's share of funding for the Convention Center, it does not require the Commonwealth to assume that funding.

Convention Center authority officials project the authority will require about $65 million in subsidies from FY09 through FY11.

The Plan also assumes that the City will receive more than $18 million annually from the Philadelphia Parking Authority, but the Parking Authority's budget includes an $18 million payment to the City, and Parking Authority officials have told PICA staff that the City will not receive more than that 18 million for the foreseeable future. The Plan includes up to 24 million a year by 2011.

The Plan also assumes the Administration will reduce health insurance costs by $46 million over the last four years of the Plan by implementing reform such as self-insurance or consolidating prescription drug purchases. It does not appear that either of these initiatives would produce the kind of savings that the Plan projects.

The combined value of the speculative items included in the Plan is over $386 million. If all of the speculative items were removed from the Plan, we would have a negative fund balance in FY08 of $51 million and then would have negative fund balances in each succeeding year reaching $330 million in Fiscal Year 2011.

In addition to those speculative items, the Plan has a number of other risks that could threaten the City's ability to maintain positive fund balances. While any long-term spending plan will contain some unknowns, the substantial amount of speculative revenues in this Plan greatly increases the threat posed by these additional risks. Among the risks are the following: That the City will successfully implement a strategic marketing initiative and begin to receive revenues from the initiative in Fiscal Year '07. The Plan projects that the

City will receive 2.5 million in FY07 and 5 million annually thereafter. While there is clearly revenue potential from this initiative, it has been under discussion for several years with no tangible results.

The Plan also assumes the Administration will be successful in appealing the health/medical insurance award provided to the Fraternal Order of Police. If the Administration's appeal is not successful, the award would cost $57 million over the life of the Plan.

The Plan assumes the City will be able to stop the increase in the prison census and not see any increases in the cost of its prison health contracts. The Administration projects that the prison census will grow three percent in FY06 and would grow about four percent annually thereafter if the Administration took no action to slow that growth. While the Administration intends to work with the consultant to develop ways to stop that growth, until those prison population management strategies are developed and implemented, there will continue to be a risk that these costs will exceed the Plan's projections.

The Plan assumes the City will receive $25 million annually in gaming revenues beginning in Fiscal Year '09 from the state tax imposed on gaming institutions. The Plan also assumes the City will receive those revenues but does not include any increased service costs that may be associated with that gaming.

The Plan also assumes that the number of shelter beds will stop growing. The Plan projects the number of shelter beds, which grew from 2,109 in Fiscal Year '03 to a projected 2,763 in FY06, will grow slightly in FY07 and then remain stable for the rest of the Plan period. Stabilizing the number of beds is dependent on the implementation of initiatives that are still being designed.

In addition, the Plan assumes there will be no increases in employee salaries after FY08. This is consistent with earlier plans, but does present an additional risk.

If all of these quantifiable risky assumptions were removed from the budget, the Five-Year Plan's gap would grow to $480 million. The gap would be even larger, however, if future collective bargaining agreements contain any salary increases. Each one percent annual increase City workers got would add about $80 million over the life of the Plan, which means that future labor contracts that had one percent annual increases in salaries would push the gap to over $550 million.

And that gap could get even larger in the years immediately after the end of the FY07 to FY11 Plan. By FY11, the size of the deficit is growing by over $120 million annually. If the gap continued to grow at that rate, it would near a billion dollars by 2015.

I'm going to move on now to our second question, which is does the Plan address the key long-term financial issues facing the City.

PICA has spent much of the last six months highlighting the key long-term financial issues facing the City. We believe the Plan could have proposed any number of steps to address those critical issues. While the proposed Plan does have some limited steps to address these issues, it largely ignores them. Specifically, the Plan responded to concerns in the following ways. The first one we'll talk about is long-term obligations.

The City's long-term obligations have grown much more quickly than its revenues and are putting an increasing burden on the City's General Fund. Instead of reducing the City's long-term obligations, however, the Plan increases them. In addition to two new standard general obligation bond issues for basic infrastructure, the Plan includes $150 million for a bond issue to fund improvements to cultural assets and commercial corridors.

Debt service is projected to be at least $13 million higher in each year of the Plan than it was in last year's Plan. From FY07 through FY10, the Plan includes $73 million more in debt service than did last year's Plan. And the Sinking Fund's purchased service line, which consists primarily of repayments of debt issued through authorities, is projected to be at least $92 million in each year of the Plan. That's more than double Fiscal Year '01's $42.6 million.

The next issue is the Rainy Day Fund. PICA has long recommended the City should establish such a fund. A Rainy Day Fund would help the City build a contingency against the effects of downturns in the economy or other potential events that could have a negative impact on the General Fund. This Plan does not recommend the establishment of a Rainy Day Fund.

The City's tax structure: As has been documented in a number of analyses, the City's tax structure puts it at a competitive disadvantage. For a variety of reasons, taxes in Philadelphia are substantially higher than taxes in other cities. In order to narrow the gap, the City must realign its tax rate so as to be in line with other jurisdictions. The Plan slightly accelerates the business privilege tax cuts included in last year's Plan, but does not significantly narrow the competitive disadvantage. The total value over five years of the accelerated cuts is $24 million. The Administration has proposed legislation that would lock those rates into place for three years, but as described during testimony before City Council in November, PICA believes the benefits of having a predictable set of tax rates makes it prudent to have tax rates that are set in law for the life of the Five-Year Plan.

The Plan also proposes to eliminate the low-income tax credit that was enacted two years ago. If that credit is not eliminated, the Administration will have to reduce revenue estimates by 15 million in FY10 and 30 million in FY11.

The next issue I want to talk about is the unfunded pension liability, which is too large and has been growing. As PICA recommended, the City has lowered the fund's investment earnings assumption from nine percent to eight and three-quarters. That change reduces the risk the City will miss its earnings assumption, but even at eight and three-quarters, the City's earnings assumption is well above the median of eight percent in other cities recommended.

And while we're happy that the City took that action, the Plan does not propose implementation of any of the pension fund benefits restructuring recommendations included in the pension paper. Changes to the pension benefit formula are essential if the City is to reduce its unfunded pension liability without incurring dramatic increases in pension costs.

And, finally, infrastructure. The City is grossly underfunding its infrastructure maintenance and improvements. The FY07 to FY11 Plan includes the same insufficient level of funding for infrastructure as did last year's Plan. An analysis by the City Planning Commission said the City needed to invest $185 million annually to keep its infrastructure in good condition. Instead, the Capital Program includes only $52 million in FY07, with slightly lower amounts from FY08 through FY11. It's likely that there will eventually be substantial costs stemming from the Administration's failure to invest in its infrastructure.

That concludes my testimony, and we'd be happy to answer any questions.

COUNCIL PRESIDENT VERNA: Thank you very much.

Mr. Dubow, you did not include the $25 million the Administration has included in the revenues of the Five-Year Plan for patrolling state highways. Does this mean that PICA believes the City will receive these funds? And I know that's one of Councilman Rizzo's questions.

MR. DUBOW: From our discussions of people and from looking at last year's state budget, we believe that what the state will do is patrol the highway with its own officers. So what the City would need to do is take those revenues out of the Plan, because I don't believe they're going to get them, and to keep the Plan balanced, make a corresponding reduction in the number of officers who would have been patrolling the highways.

COUNCIL PRESIDENT VERNA: Thank you.

The Administration has proposed the repeal of what has become known as the Cohen bill. I'm sure you remember that.

MR. DUBOW: Yes.

COUNCIL PRESIDENT VERNA: Is there any reason as to why you have not included that in your list of concerns?

MR. DUBOW: Our assumption was that one way or the other, that issue will resolve during the Council process, and if the bill is not repealed, then the Administration would have to make changes to the Plan to keep it in balance.

COUNCIL PRESIDENT VERNA: What is that, $46 million?

MR. DUBOW: It's roughly $45 million over the last two years of the

Plan.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair recognizes Councilman Kenney.

COUNCILMAN KENNEY: It's 45 or 42?

MR. DUBOW: It's about 45 over two years.

COUNCILMAN KENNEY: That most likely would go immediately back into the economy, in my estimation. I mean, it's going to be a lot of money for people that are getting back to buy treasury bills. I would suspect that the necessities of life will be purchased as a result of that tax reduction, things like appliances and clothing and things that people need to survive, right back into the economy. So I think the analysis on that particular bill needs to be done in that regard as opposed to just the loss of the tax revenue.

I may be alone in this, but

isn't his testimony somewhat scary? I don't get the impression that the same level of urgency that should be here relative to this testimony is here. I mean, these revenues that he has articulated are extremely speculative, and I don't know how we even in good conscience allow this to go forward.

The question I have for PICA and the Board is, as Sean Connery said to Kevin Costner in the Untouchables, what are you prepared to do? I mean, we've heard this kind of testimony before, not I guess at this particular urgency, but what is within PICA's ability or authority to effect a change in this whole situation?

MR. DUBOW: Let me try to answer it this way: If the Plan is not changed from the way it looks now, we as a staff would propose to the Board that they not approve the Plan.

COUNCILMAN KENNEY: What happens if the Plan is not approved by the Board?

MR. DUBOW: The City then has to take corrective action to demonstrate that it can bring it back into balance. If it doesn't, eventually the state begins withholding funds.

COUNCILMAN KENNEY: Do you see that scenario as a potential?

MR. DUBOW: It's a potential if the City doesn't make changes to its Plan. Our hope is that the City does.

COUNCILMAN KENNEY: And what is the time line you're looking at to make this decision?

MR. DUBOW: We have 30 days from when the Plan is officially submitted to us to make that decision.

COUNCILMAN KENNEY: And how many days have ticked off the clock?

MR. DUBOW: It has not been officially submitted to us.

COUNCILMAN KENNEY: It doesn't have to be submitted until we pass it?

MR. DUBOW: Right.

COUNCILMAN KENNEY: So if we send this over, the clock starts ticking and you guys will decide whether to approve it or not?

MR. DUBOW: That's correct.

COUNCILMAN KENNEY: I want to go back to another looming fiscal concern. That's the City's pension liability. We had extensive debate when the Pension Board was here, and the Administration gave us the impression that by changing the earnings assumption and investing in, of all things, real estate at a time when real estate is beginning its slide the other way, we would correct the unfunded liability problem. Could you share your thoughts on that issue?

MR. DUBOW: I think that's overly optimistic. I don't think that those actions by themselves would correct the unfunded liability problem. They might help around the edges. I think in the long term, in order to get at that problem without increasing the City's costs exponentially, you have to look at changing the benefits.

COUNCILMAN KENNEY: I know you talked a bit about benefits for pensioners going forward.

MR. DUBOW: Yes; not for existing pensioners. It's not really clear that you can do that under existing law, but for new employees.

COUNCILMAN KENNEY: Has PICA attempted an analysis of that --

MR. DUBOW: Yes.

COUNCILMAN KENNEY: -- what would be necessary going forward with new employees?

MR. DUBOW: We have. We did a paper that we released in December that contains a number of recommendations for changing benefits.

COUNCILMAN KENNEY: Has that been circulated to anyone?

MR. DUBOW: It was circulated to Councilmembers and it was put on our website.

COUNCILMAN KENNEY: I want to go back to the issue now of infrastructure and capital expenditures. I mean, it seems in many ways that -- I have this discussion with Councilman Nutter -- that we're asking to go into debt for an additional $250 million or so and only putting 50 of that towards what we already own and need to maintain, and most of the other money is going to projects that may be or intended to go to projects that may be well meaning and worthwhile, but we seem to be ignoring totally, almost totally, the existing infrastructure of the City. What effect is that going to have on us long term?

MR. DUBOW: Over the long term, it will mean that the condition of City facilities will decline.

COUNCILMAN KENNEY: And get more expensive to correct.

MR. DUBOW: And get more expensive to correct or get to the point where they're not usable. So you'll have a choice of putting in major investments or not using facilities.

COUNCILMAN KENNEY: That's all for now.

Thank you, Madam President.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair recognizes Councilman Rizzo.

COUNCILMAN RIZZO: Councilman Kenney's statement just reminded me of a statement this morning. So I don't know. Maybe when Mr. Dubow is finished, the Budget Director can come forward.

This morning in the media, the Capital Programs Office Executive, Mr. Hess, was quoted, and the report, and I'm paraphrasing, is that there's parts of the building, City Hall building, that are falling into the sidewalk and that they had to go to the extreme to put netting around some of these attachments, architectural attachments to the building. Obviously they're concerned about the public safety of the building falling into the footpath.

I just can't imagine that there isn't money available, and we have to have an executive of the Administration go to the media and say that the building is falling onto the sidewalk. I mean, that really gives a lot of confidence to people that walk around this area, that they had to put nets around this stuff because there's no money to repair it. I mean, I think that's your point.

MR. DUBOW: Yes.

COUNCILMAN RIZZO: So when you're finished, I'd like the Budget Director come and explain why we can't take care of public safety. I mean, that's all we need to have, is someone injured or killed as a result of an object falling from this building.

Thank you, Madam Chair. I'd appreciate that after Mr. Dubow the Budget Director come up to address the fact that we've got a dangerous condition here at City Hall reported in the media today, what we're going to do about it.

COUNCIL PRESIDENT VERNA: Okay. Do you want an answer now?

COUNCILMAN RIZZO: I can wait until Mr. Dubow is finished.

COUNCIL PRESIDENT VERNA: Okay. Fine.

The Chair recognizes Councilman Nutter.

COUNCILMAN NUTTER: Thank you, Madam Chair.

Mr. Dubow, thank you for your comments and for your letter.

I'd like to focus in on two areas. One is on the unfunded pension liability.

Either based on the Five-Year Plan or any discussions that you're able to discuss, has there been any proposal to significantly attack this particular issue in the current Five-Year Plan?

MR. DUBOW: The Plan includes a

proposal to reduce the earnings assumption on the pension fund, which will help make our earnings assumption look a little more like those on other funds. I don't think they were really proposals that got at the structural -- the long-term unfunded liability.

COUNCILMAN NUTTER: And in your opinion, what kind of actions would need to take place in order to get to the long-term structural problem?

MR. DUBOW: I think you need to look at the benefits that new employees receive and look at changing them. I think you also probably want to start offering a defined contribution plan in addition to the defined benefit plan. The key benefit of that is that it really switches the investment risk over from the employer to the employee. At the same time you do that, you need to make sure that you make investment counseling, good investment counseling, available to employees.

COUNCILMAN NUTTER: And are you suggesting that solely for new employees or for any current employee who might want to make -- I mean, why would a current employee make a shift?

MR. DUBOW: It depends on how long they've been in the system and how old they are. Depending on your age and your years of service, it may make sense to go into a defined contribution if you think that investing in yourself will be better for you in the long run.

And to answer the first part of your question, I think that should be offered to new and existing employees as an option.

COUNCILMAN NUTTER: Short of that, it sounds like there needs to be some -- we're presently at what's referred to, I guess, as the minimum municipal obligation level --

MR. DUBOW: That's correct.

COUNCILMAN NUTTER: -- in terms of payment? And the current unfunded liability level is?

MR. DUBOW: We are at about 60 percent funded.

COUNCILMAN NUTTER: Is there a standard in the pension industry as to where we should be?

MR. DUBOW: I think --

COUNCILMAN NUTTER: Other than 100.

MR. DUBOW: Well, I think it's 70 percent you're able to pay for all current employees and retirees, but not future employees. So you want to be at at least 70 percent.

COUNCILMAN NUTTER: Have you had an opportunity to develop a schedule or have you taken a look at a schedule? What would it take over ten or 15 years, I guess, to get to 70 percent?

MR. DUBOW: I've seen --

COUNCILMAN NUTTER: And is that an appropriate time frame or is it a shorter time frame?

MR. DUBOW: I've seen a

schedule from an actuary that shows if you paid at what's called the City's funding policy, the policy we had before we switched to the minimum municipal obligation, that within five years, you'd be to about 66 percent. It didn't go beyond that, but I'm assuming at the way it was growing, it would probably get you there within five to ten years.

Now, there's substantial costs to that. It's probably about $60 million a year in the General Fund.

COUNCILMAN NUTTER: Could you, and if you had to work with others, could you work to develop a schedule and forward it to the Chair that would show the City reaching the 70 percent funded level in a ten-year period of time?

MR. DUBOW: Yes. We can definitely look at that, and it would require working with the City's actuary and people at the Pension Board.

COUNCILMAN NUTTER: Okay. The second area I wanted to look at, you mentioned about infrastructure. We had some conversation in these Chambers during the capital budget hearing. The $52 million for FY07 may be one of the lowest capital budgets in a long time. On the other hand, by your testimony, and I think it came out at that hearing, City Planning Commission based on, I guess, some kind of infrastructure assessment or capital improvement needs has the City needing to invest about $185 million?

MR. DUBOW: That's correct.

COUNCILMAN NUTTER: Annually?

MR. DUBOW: Annually to keep City facilities in good condition.

COUNCILMAN NUTTER: At the same time, this year it's also proposed that we separately and, I guess, through quasi public agency or at least technically off the books, borrow upwards of $150 million, 65 to go to art and culture organizations for capital, 65 for commercial corridor improvement. It's not particularly clear where the other 20 goes, but let's assume that between issuance costs and maybe there's some side program.

I mean, given what we're proposing to borrow, given what our needs are and then this separate proposed borrowing, how do you either reconcile that or do you have an opinion about the current proposed borrowing schedule?

MR. DUBOW: We start by saying everything in the $150 million seems like things that are worthy and beneficial. That said, it seems -- I've been trying to force an analogy on my mind in it. In some ways it's like putting an addition on your house while the roof is leaking. The addition may help your house, but if the core of your house is going to start to crumble because of the leak, you haven't done yourself much good in the long run.

COUNCILMAN NUTTER: Although I think at least within the 65 for art and culture, some of the anticipated spending is on facilities owned by the City.

MR. DUBOW: I think that's correct. I haven't seen what the detail -- I haven't seen the detail of what the 65 would be for.

COUNCILMAN NUTTER: Well, neither have we. Don't feel bad.

Given the numbers that you have laid out, and I was in and out of the room, but when you go through this document, for round number purposes, you're suggesting that this proposed Five-Year Plan in front of us has anywhere from, is it, $480 million to $550 million in questionable --

MR. DUBOW: Well, we looked at it in a couple of ways. We looked at if you took out the items that we think are clearly speculative, if you took those out, you wind up with about a $330 million problem and including about a 50 --

COUNCILMAN NUTTER: These are items that are speculative on the revenue side?

MR. DUBOW: Mostly on the revenue side. There's one expenditure item, which is a reduction in health insurance costs.

In addition to that, we think there are some other items that are risky in that there's more chance they'll happen, but there's still a substantial risk they won't. If you took those items out of the Plan, then you get to a $480 million problem. And on top of that, if there's even a one percent increase in salaries, a one percent annual increase in salaries beyond Fiscal Year '08 when the current collective bargaining agreements expire, then you get to about 550 million.

COUNCILMAN NUTTER: Last question. I'm assuming this has been shared with the City Administration?

MR. DUBOW: Yes, it has. We distributed it to City officials the same time we distributed it to Council yesterday.

COUNCILMAN NUTTER: Has there been any reaction? Do they agree or disagree?

MR. DUBOW: We haven't heard back from them. We only gave it to them yesterday, so they haven't had much time.

COUNCILMAN NUTTER: I understand. Okay. Thank you. This will make things that much more interesting. Thank you.

Thank you, Madam President.

COUNCIL PRESIDENT VERNA: You're welcome.

Are there any other questions or comments of Mr. Dubow?

(No response.)

COUNCIL PRESIDENT VERNA: Thank you very much. We appreciate your coming in.

MR. DUBOW: Thank you again for inviting us.

COUNCIL PRESIDENT VERNA: Thank you.

May I ask Ms. Reed to please approach the witness table.

Councilman Rizzo, would you repeat your question, please?

COUNCILMAN RIZZO: Thank you.

I understand yesterday during the Finance Committee hearing that the Capital Budget Office indicated that there were some issues associated with this building that, in their opinion, were very dangerous. Are you familiar with that testimony?

MS. REED: Dianne Reed, Budget Director.

Yes. I was listening on the squawk box.

COUNCILMAN RIZZO: And I understand what that's all about, the capital budget for 2006, but short of putting nets up there to catch whatever may fall onto the roadway or the sidewalk, do you know what the long-term plan is to address this? Because I don't know how long the life expectancy of safety nets to catch objects that are attached to this building will function appropriately.

What is the plan? I asked you to get Mr. --

MS. REED: Tustin. I have requested him to come here. He's in another meeting. He's trying to make it over here.

COUNCILMAN RIZZO: How do we deal? This is, I think, a very serious issue.

MS. REED: I can give you a high-level response to that, and, that is, that we need the loan authorization to pass or we'll run out of money to continue the City Hall restoration in August. And the long-term plan to address problems like the crumbling facade is to complete the facade restoration.

COUNCILMAN RIZZO: I understand that, but if this is for effect to get our attention, it has. I would think that Capital Programs, Mr. Tustin, would be able to figure out a way short of putting nets up to catch these projectiles or these attachments to the building, they need to get a little bit more creative to get this problem resolved, because I'm not so sure -- and I had a person e-mail me indicating they're not so sure after a month or so with weather, I don't know what they put up there to catch these devices or how heavy they are. I mean, we could have someone killed or seriously injured, probably killed if they're hit with an object that falls from this very tall building.

Again, you're the Budget Director, and I understand you're not the right person to be asking this question of, but I think they might come to you and ask you where to get some of the money until the other issue is resolved, to get these repairs done or get the equipment removed or the architectural attachments removed from the building until we figure all this out. I mean, I think it's terribly embarrassing to an Administration that says that they've got attachments to a building called City Hall that may kill you.

MS. REED: Well, the entire project costs hundreds of millions of dollars, and I'm not familiar with exactly the part of the building, so I think Mr. Tustin really is the person that you want, and we'll get him to respond in writing if he doesn't get here before this hearing is over.

COUNCILMAN RIZZO: Because we're going to have to get him back to talk about this and to find out exactly what his plan is, Public Property's plan is. And if putting the nets up is the answer, then that's the answer. But we have the Fire Department, et cetera, so I don't know if it will be appropriate, since he's not here, to hold him here to the end or interrupt the Fire Department or other operating departments. But we need to talk about more about this, because I'm concerned. Thank you.

Thank you, Madam Chair.

COUNCIL PRESIDENT VERNA: You're welcome.

The stenographer would like a ten-minute break. So we will stand in recess for ten minutes.

(Short recess.)

COUNCIL PRESIDENT VERNA: We're now resuming the public hearing of the Committee of the Whole.

Mr. Tustin, would you mind approaching the witness table, please. Thank you.

COUNCILMAN NUTTER: Was I next?

COUNCIL PRESIDENT VERNA: Mr. Tustin, just a moment, please.

I thought that Councilman Rizzo had asked --

COUNCILMAN NUTTER: I got a question for Ms. Reed. We went on a break. I assumed she was coming back.

3/7/06 - WHOLE - BILL 060001, ETC.

COUNCIL PRESIDENT VERNA: Is Ms. Reed here?

Mr. Tustin, you could sit there. It doesn't matter.

COUNCILMAN NUTTER: Plenty of room.

COUNCIL PRESIDENT VERNA: Good afternoon, Ms. Reed. Please identify yourself for the record.

MS. REED: Dianne Reed, Budget Director.

COUNCIL PRESIDENT VERNA: The Chair recognizes Councilman Nutter.

COUNCILMAN NUTTER: Thank you, Madam Chair.

Ms. Reed, you were here earlier when Mr. Dubow and other PICA representatives were at the table; is that right?

MS. REED: Yes, sir.

COUNCILMAN NUTTER: And you have a copy of their letter, I believe it's dated March 6th, to the Council President.

MS. REED: Yes. I read it this morning.

COUNCILMAN NUTTER: And recognizing that you may have just received the letter this morning or read it this morning, in the back there are what appear to be five issues which, as best I can tell, are not new issues, as I believe they were raised a couple months back by PICA in the context of the City's announcement or maybe it was PICA's announcement, I can't remember, on the pretty significant anticipated positive fund balance. I think this was back in the fall. Do you recall that?

MS. REED: Yes.

COUNCILMAN NUTTER: So notwithstanding the fact that you may have received the document yesterday, it re-raises issues that are probably about three or four months old, and so in that light -- which I will then assume because you're our Budget Director, you read the document back at that time -- can you comment on these five items? And they would be long-term obligations, Rainy Day Fund, City's tax structure, unfunded pension liability and infrastructure.

MS. REED: Yes.

COUNCILMAN NUTTER: What's the Administration position on these critical issues?

MS. REED: I will try to respond, but I wanted to start with an analogy. Mr. Dubow picked the analogy of adding an addition to a house while the roof is leaking, and I would say that if you're in a race and you have a racing car and you have the opportunity to put a new engine in it or fix some rust on a door that might affect you in three years' time, which would you choose to do for competitive purposes?

But as to specifics, long term --

COUNCILMAN NUTTER: Is that a trick question? Is there like a real answer to that?

MS. REED: No. No. No; just something to think about.

COUNCILMAN NUTTER: Engine in a car versus rust on a door. Is that where we are?

MS. REED: Yes.

COUNCILMAN NUTTER: Okay.

MS. REED: Or a leaky roof on the car. But I think that the spending proposals of the Administration are intended to help prime the economic engine of the City to help us carry the economic success that we are experiencing so far and the notoriety that we have to the next level, and a number of the items that are in the PICA list are risks to the Plan, but they are mostly in the out years and they are items that we feel are important as goals for us to achieve for the City's future fiscal health also.

COUNCILMAN NUTTER: I think I better understand. You would consider these five items to be the rust on the door?

MS. REED: No, not -- no. I'm saying many of the items that are in the highest risk category are in the out years. They will not affect '07 and '08, but they do affect the balance of the whole Five-Year Plan. That is what I was trying to draw attention to.

COUNCILMAN NUTTER: Okay. I appreciate that. And if I were 98 years old, I possibly might not worry too much about the out years. But I'm not. I'm 48. So I think we actually have some reason to be concerned about the out years, right?

MS. REED: Yes, we are concerned about the out years.

COUNCILMAN NUTTER: Let's talk about the five items.

MS. REED: Long-term debt, the City's long-term obligations are high if you include the unfunded liability. For the purposes of rating agencies, you could assume that our debt-to-revenue ratio is actually much lower, which is the acceptable standard for some of them, and the actual debt cost per year after the first year is 12.15, not 13.5.

COUNCILMAN NUTTER: So you're saying they're off by a million dollars? This is additional?

MS. REED: Right. So just slightly overstated. But, I mean, on the whole, the City's debt-to-revenue ratio, if you take out the unfunded liability, is well within the range of many other jurisdictions. So we looked at this --

COUNCILMAN NUTTER: But I don't think we can take out the unfunded liability.

MS. REED: We looked at the issue of what additional increment the new borrowing adds to our debt-to-revenue ratio, and it does make us a little higher at the upper end of the range if you're looking at a debt-to-revenue ratio that includes the unfunded liability, but if you take that out, then we're in a good place.

COUNCILMAN NUTTER: I understand that, but Ms. Reed, we'll spend many days together. I mean, that would be like saying for my own debt-to-equity ratio, if you took out the mortgage on my house, I'd have a lot of money. Yeah, but that's not realistic. What are you talking about?

MS. REED: Well, this is about do you or do you not do the $150 million borrowing based on an idea --

COUNCILMAN NUTTER: I didn't ask you that question.

MS. REED: -- of how we look to the marketplace or our fiscal health or anything else.

COUNCILMAN NUTTER: I understand that, but I didn't ask you that question. I know you have developed this --

MS. REED: Well, you asked me to comment, so that left it kind of open-ended.

COUNCILMAN NUTTER: -- sense of

anticipating my question. Okay. All right.

MS. REED: Rainy Day Fund, Rainy Day Fund would be a good thing. We've taken a look at this. It was not selected for the suite of proposals for this year because it does restrict spending opportunities in a way that would not allow us to do something really creative, as has been proposed this year.

COUNCILMAN NUTTER: When do you think it will make it into the suite of options?

MS. REED: I don't know.

COUNCILMAN KENNEY: I'm sorry. Point of information.

COUNCIL PRESIDENT VERNA: The Chair recognizes Councilman Kenney for a point of information.

COUNCILMAN KENNEY: I am sure this is prior to your time, but didn't the Administration oppose a Rainy Day Fund ordinance that I submitted and was defeated and they came and testified against it?

MS. REED: That was before my time. I know there was one.

COUNCILMAN KENNEY: From an historic institutional perspective, the Administration never supported a Rainy Day Fund. They actively sought to defeat it with testimony and phone calls and vote no. I mean, I don't know how you can sit there and say that they support it when they never supported it. As a matter of fact, I have an ordinance that's still spending coming to the Finance Committee for a hearing, and maybe the opportunity to show that you support it now is --

MS. REED: What I was saying is, it was examined and it is not in the budget because it was not selected.

COUNCILMAN KENNEY: What you said was that the Administration supports it, it would be a good thing, but they chose not to do it.

MS. REED: I said I personally

could see that it has value, but it was not selected because it constrains expenditure too much.

COUNCILMAN KENNEY: We don't want to constrain spending, God forbid. You know, a good legacy is also fiscal soundness. It's not only just projects; it's fiscal stability. That's a good legacy, too. So keep that in mind.

I'm sorry, Madam President.

COUNCILMAN NUTTER: That's okay.

Tax structure.

MS. REED: This passage seems to suggest, and I did ask Rob about this yesterday, that we should accelerate the tax cuts even faster than we've proposed to do this year. There are tax cuts that are in the budget through 2015 for the wage tax, and we have shown and have included in our budget projections a pattern beyond just the three years that are in law to the end of the Five-Year Plan, and those are at a pace that we can adjust our spending to with hopefully as little trauma as possible, although what we had to do last year illustrates that's not working perfectly. And if we start to accelerate cuts even more rapidly, we will be looking at many years when we have to consider truly draconian cuts in services.

COUNCILMAN NUTTER: All right. That's in maintaining the party line that any reduction in tax rates automatically leads to service cuts, because there's obviously no benefit to --

MS. REED: I would not say there's obviously no benefit, because I would dare say, although nobody has done the study to prove it, that part of the reason why property values have increased is that the wage tax has gone down, because the contrary has been held --

COUNCILMAN NUTTER: I think that was --

MS. REED: -- in the literature for many decades that the reason

Philadelphia's property values were so low was because the wage tax was so high. That has been well known. So you would think that the reverse would also be true.

COUNCILMAN NUTTER: So is it your position that because we're cutting the wage tax, that's why property values are going up?

MS. REED: I think it has a role in that, yeah.

COUNCILMAN NUTTER: Okay. Is that a good thing?

MS. REED: Yes, that's a good thing. And also we need to cut the wage tax because of the competitive contrast with the suburbs around here where the wage tax is five times any rate around us.

COUNCILMAN NUTTER: Well, aren't we slightly uncompetitive on the business tax side, too?

MS. REED: We are uncompetitive on the business side tax as well, not on the real estate tax.

COUNCILMAN NUTTER: Even though BPT revenues are up, correct?

MS. REED: BPT revenues are up.

COUNCILMAN NUTTER: What do you attribute that to?

MS. REED: I attribute it partly to the fact that businesses have been more profitable, which is reflected by the higher NI rates, relative NI hit on paying the tax now that the gross receipts side has been reduced, so that in fact, the tax proceeds will depend more on profitability than they have in the past, and, fortunately, '05 turned out and early '06 to be quite profitable.

COUNCILMAN NUTTER: Okay. Pension liability.

MS. REED: We do have an unfunded liability. The main issue with the unfunded liability, I think, really is the risk issue, which is all based on how many people are going to retire and whether the City can afford to pay for their retirement benefit should that occur in a large group.

We are ten percent from fully funded at 60 percent. It would be better to be at 70 percent. I think we need to work our way there. We have talked with the actuaries about the --

COUNCILMAN NUTTER: Hold on for a second. I thought at least from Mr. Dubow, I thought 70 percent allowed you to at least take care of the current workforce. That's not fully funded.

MS. REED: That's true, too. That's also true. No, but 70 percent is considered to be full funding as a thumbnail gauge.

COUNCILMAN NUTTER: So what's the Administration plan to get to 70 percent?

MS. REED: We will, I guess, annually be looking at our earnings assumption and see whether we can move it up or down, because optimally the earnings for the fund would have to keep it stable and so there would be more money there.

COUNCILMAN NUTTER: Well, you're proposing to reduce it. Doesn't that actually result in spending more money?

MS. REED: Yes, it does, but I mean both things have an impact on the fund's ability to pay.

COUNCILMAN NUTTER: Okay. So let's go back. What is it that's proposed in this Five-Year Plan that's going to lead toward a more fully funded pension plan?

MS. REED: Well, dropping the earnings assumption from 9 percent to 8.75 has increased the payment that we're making. So, in fact, we're putting more into the fund as we would if we were assuming another policy like the one the City formerly had in place.

COUNCILMAN NUTTER: Could you forward to the Chair a comparative schedule between what the payments would be or what payments you would make based on the 9 percent actuarial assumption versus the 8.75, and simultaneously with that comparison on the same lines side by side show the amount of, depending on how you want to do it, either the funded or the unfunded liability and what those different schedules result in ten, 15, 20 years down the line.

MS. REED: We can do that.

COUNCILMAN NUTTER: I know you could.

Infrastructure.

MS. REED: The combination of low assessments and the constitutional debt limit that we have has been constraining the amount of money that we have to spend every year. So that I think that if the City goes to full valuation and we begin to see that also creeping into the constitutional limit, which we can't really do anything about, that we should, as each year is added, see our opportunity to spend more money and increase. Our only alternative in the short run given that we have the constraints in place is to pay for infrastructure out of the operating budget. Then that would result in a lot of tough decision-making.

COUNCILMAN NUTTER: Well, let me ask this question. This will be my last question. Our own City Planning Commission says the City needs to spend $185 million annually to keep our own infrastructure in good condition. That's one. Do you agree with that?

MS. REED: I'm sure that they have done a good analysis.

COUNCILMAN NUTTER: The current budget proposal is to spend $52 million in FY07 for capital on our own facilities and at the same time there's an off-the-books transaction for $150 million in borrowing for in all but a couple instances, I believe, items that are not City-owned facilities.

How do you justify the $150

million off-the-books borrowing in the context of, I say only, only proposing to spend $52 million on City-related facilities when our own Planning Commission says we should spend $185 million?

MS. REED: Well, that was really a policy decision to embark on a borrowing to help stimulate the City's economy through arts and culture and neighborhood corridors. So the question would be would you rather have spent all that money on infrastructure and really have not had the opportunity to increase our rate of growth.

COUNCILMAN NUTTER: Well, let's go back to your analogy. When are we going to fix the rusty door on your car? I mean, at what point? I mean, all this later years, back end, down the road, I don't have to worry about it, somebody else will. I mean, there is a debt. There is a time when someone is going to pay for the deferred maintenance, the neglect, the let's-just-have-a-ball, spend it now and we'll worry about all of our own stuff later.

I mean, we've been through this a couple times where we have neglected all of our own infrastructure, paid exorbitant amounts of money to subsequently fix it. What is the justification? I mean, what's the economic impact? Has someone done an analysis of what the economic impact will be of the $150 million borrowing?

MS. REED: Well, yeah. I mean, part of that is known, and that is the impact on the Art Museum, because the Art Museum --

COUNCILMAN NUTTER: That's 30.

MS. REED: -- will lose its accreditation.

COUNCILMAN NUTTER: That's 30.

MS. REED: Right. That's 30 of it. I don't know if a study has been done on the economic impact of the neighborhood corridors part of the project.

COUNCILMAN NUTTER: Do you have a schedule for the other $35 million in art and culture spending?

MS. REED: No. I'm not participating in deciding what the projects are.

COUNCILMAN NUTTER: I'm sorry?

MS. REED: I am not participating in deciding what the projects are. Is that what you meant?

COUNCILMAN NUTTER: Deciding, know of, might be aware of, were you possibly in a meeting where it kind of might have been mentioned?

MS. REED: No, I have not been.

COUNCILMAN NUTTER: Okay. Well, what I'd like to ask you to do is, first, if you could forward to the Chair a fuller response when you've had some opportunity, but kind of soon, to the various items laid out in the six-page letter from PICA to the Council President. And, second, Ms. Reed, I know you to be a person of seriousness with regard to your job, a tremendous quest for knowledge and information. Have you asked anyone how the other $35 million on the art and culture side would be spent? I mean, as the Budget Director, do you kind of want to know?

MS. REED: I'm curious, but it's really being decided by the people who make the economic development policy decisions.

COUNCILMAN NUTTER: Who are they?

MS. REED: It would be the Chief of Staff, the Commerce Director and others.

COUNCILMAN NUTTER: He's at the table and I'll take advantage.

Mr. Tustin, you're the Capital Program Director, right? Do you know what the schedule is on those same items?

MR. TUSTIN: On the $150 million?

COUNCILMAN NUTTER: Yes.

MR. TUSTIN: No, I do not know the schedule on that funding yet.

COUNCILMAN NUTTER: At all?

MR. TUSTIN: Excuse me?

COUNCILMAN NUTTER: At all? No information?

MR. TUSTIN: I do not have that information.

COUNCILMAN NUTTER: Okay. So, Ms. Reed, you'll get a more formal response to the PICA letter to the Council President?

MS. REED: Yes, sir.

COUNCILMAN NUTTER: Okay. Thank you.

Thank you, Madam President.

COUNCIL PRESIDENT VERNA: Thank you.

Councilman Kenney, do you have questions of Ms. Reed?

COUNCILMAN KENNEY: Yes.

Just quickly on the pension fund. You've testified that we're going to reduce the earnings assumption from

9.0 to 8.75; is that correct?

MS. REED: Yes.

COUNCILMAN KENNEY: Are you revising the MMO?

MS. REED: That will be -- the amount that we pay will be the MMO. That will be the minimum municipal obligation, actuarially determined.

COUNCILMAN KENNEY: I understand that. All we're doing here is shifting the burden from the earnings to the General Fund and not changing the MMO; therefore, not making a dent in the problem.

MS. REED: No. We are making a larger payment.

COUNCILMAN KENNEY: I understand.

MS. REED: We've gone from 52 to about 60 percent coverage.

COUNCILMAN KENNEY: No doubt. But if you're reducing the earnings estimate and increasing the payment from the General Fund so that it's a zero sum gain, it's a zero sum gain. If you're not increasing the minimum municipal obligation, then you're not putting a dent in the problem. You're just shifting it from the earnings to the General Fund. You shouldn't get credit for reducing the earnings projection, which the actuary does, that's their job, so we pay more money out of the General Fund. There's no overall decrease. It's still the minimum obligation. You're just shifting it from earnings to the General Fund.

MS. REED: I'd rather have it come out of earnings, yeah.

COUNCILMAN KENNEY: So would I. That leads me to my second question. I called my investment broker the other day and I inquired about a property I was looking to perhaps acquire, and he almost choked and said, Don't even think about it, because the way the fed is going with the interest rates, they had 20 minor upticks over the last few months. He said, Stay away from real estate. And what I see is the Administration moving in the direction of investing in real estate to improve our earnings. Why are we doing it now when real estate values are going the other way overall?

MS. REED: I don't know anything about the investment of real estate.

COUNCILMAN KENNEY: Well, that was testified to by the Pension Board, the Board of Pensions.

MS. REED: Yes. I actually didn't hear that. I think I was, unfortunately, on my Blackberry. I apologize.

COUNCILMAN KENNEY: You got to get rid of that Blackberry.

So there's really no overall improvement to the condition of the fund because we're simply paying the minimum payment required by law; we're just shifting it from the earnings to the General Fund. Is that a safe assumption?

MS. REED: Yes. That's what happened.

COUNCILMAN KENNEY: I don't care what the actuary says. In reality, we're not improving the condition of it.

MS. REED: Yes. The thing about the earnings assumption is that we had to change it because it was too high.

COUNCILMAN KENNEY: No doubt. No doubt. But if we're only making up the difference between the lost earnings or the unrealized earnings and the minimum municipal obligation, how are we improving the condition of the fund? We're not. We're paying our minimum obligation. We're not moving anywhere off of the 59 percent funded towards the 70. We're making the minimum payment and we're not making any more money in earnings.

MS. REED: I think what also is happening is that the Board is holding their money managers accountable for increasingly improved financial performance. So hopefully we'll get it on the back end of it, which is --

COUNCILMAN KENNEY: Now that the horse is gone, we need to bard that door.

I mean, again, I will reiterate I think that in addition to the issues discussed by Councilman Nutter and in addition to the issues discussed by Mr. Dubow, I'm going to harp on this pension fund, because I'm telling you, it's a weight around our neck. It's going to sink us. You might not be here to see it, but some of us will be, and I'm not looking forward to going back to 1991.

Thank you.

COUNCIL PRESIDENT VERNA: Thank you very much.

The Chair recognizes Councilman Rizzo.

COUNCILMAN RIZZO: Thank you, Madam Chair.

Mr. Tustin, I'm not a member of

the Finance Committee, but I understand you testified yesterday before the Finance Committee, and you were quoted this morning in the media of a very dangerous condition that exists here at City Hall, and I'm sure there's other situations throughout other City-owned property. But specifically the media reports this morning and your testimony yesterday that -- and I think you alleged that the fact that there's been no budget, capital budget, for 2006, that the conditions here at City Hall, there are certain attachments that you had to put nets around to prevent them from falling because they already have fallen and could kill someone if they hit them or seriously injure them. I hope that's not just a statement.

Yeah, that could kill you.

COUNCIL PRESIDENT VERNA: Oh, my.

MR. TUSTIN: Would you like to see the actual --

COUNCILMAN RIZZO: I got the gist of it. That's part of the limestone face of the cast iron.

COUNCIL PRESIDENT VERNA: Is that what fell?

COUNCILMAN RIZZO: It looks like an EP Henry paver.

MR. TUSTIN: A few pieces.

COUNCILMAN RIZZO: I think your statement was for effect. Don't tell us that there isn't the money there to make these repairs. There's money that's been reprogrammed. Let's get to it and find out why a dangerous condition -- you're probably spending thousands, if not hundreds of thousands of dollars, eventually to put netting up. It's not cheap to put steeple jacks on top of a building to install netting that might have a life of who knows how many months or years because it's in the elements. I don't know that.

But would you tell us the facts on what is going on here, what you said yesterday in the Finance Committee, which I'm not a member or I would have been there, and the actual condition of your existing budget, your 2005 budget, to do what needs to be done to make City Hall a safe place?

MR. TUSTIN: Good afternoon, Council. Rick Tustin, Capital Program Director.

I did give testimony yesterday in support of the FY06 loan authorization that we will hope will be passed so that it can get on the May ballot and we will get some funding hopefully in July.

My references to City Hall yesterday had to do with our exterior restoration project that we've been in the process of doing since the year 2000. The project consists of, in general, replacement of the roof because of roof leaks, rusting of the cast iron, which is around the top of the roof, which is some of the articles I've just shown you, as well as rotting windows and disintegration of the stone, again, a piece that I've just shown you that has fallen off the building, and statues around the building, which we've lost sections and pieces of those as well.

Over the years, there have been these type of pieces that have fallen from the building, luckily landed on the rooftop of City Hall or in the gutter system around City Hall. Recently, just a year or so ago, we had a condition happen on the south side of the building, which is where we're working right now, where we went up and retrieved actually, I think it's, this 50-pound cast iron ball, which is ornamental to the rooftop, and at that time, a decision was made to go through the rest of the roof and around the exterior of the building and to literally check all of the pieces to make sure that they were secure. We identified quite a few pieces that were not secure, some pieces that were being held on by gravity, quite frankly, and we took the proactive means of either strapping them with stainless steel straps to hold them in place until we can get to do the final fix or netting those areas with a netting that's commonly used around construction sites.

We feel at this point in time that we've identified all of the pieces and, in fact, those pieces are secure temporarily until we have an opportunity to get to those areas of work.

Now, in regards to the City Hall exterior funding, in general, this project started in 2000 and will probably go through 2010. We've done a cash flow for ten years to show what the cost will be for the full duration of the project. We've budgeted that amount over each fiscal year so that we could stay, if you will, ahead of the curve on cash to the project. And, quite frankly, we've been a little ahead of schedule and actually a little bit more on budget than we anticipated, which is good.

When we came to this past July, we had hoped to get the 2006 capital funding, which I believe was $5 million, for the exterior of City Hall, and that money didn't develop because of the loan authorization not passed. What we were able to do is take whatever funding we still had in that capital line for City Hall and reprogram it, as you just suggested, in order to keep the project going, and that's why we're still going today.

Eighteen months ago when we bid the southern portion of the project, we bid it at one time as opposed to three separate bids, because we figured we could get better pricing, which we did, and we knew that we could partially certify that contract and do a third of it at a time. In other words, fund a third of that south side at a time, still maintaining the good price because we bid it a year and a half ago.

We're continuing that work

right now. We have just about exhausted all of the prior year funds, '05 and before, and if we do not get some additional funding by August, the project will stop. We were hoping that we would get this '06 funding July 1st, which would allow us to keep the project moving forward.

COUNCILMAN RIZZO: But you're not suggesting that this problem that you identified here, the show and tell, is a result of any funding issue; it is --

MR. TUSTIN: It is --

COUNCILMAN RIZZO: Let me finish my thought. You're talking about what normally happens in a construction project, where you begin something, you identify a problem and deal with the problem, and normally the project catches up to itself. That's what's occurring here, correct?

MR. TUSTIN: It was, but I would say that not having the FY06 funding does have a direct impact on intensifying the fact that the temporary measures we've taken to hold everything in place won't last forever, and the longer we delay doing that work, the greater the chances are that some of our temporary measures could fail and we could have a piece fall.

We feel that we were on schedule, and that had we had gotten the money on July 1st, we would have been further along than we are now in doing the exterior of the project, and, quite frankly, we would have gotten to these temporary Band-Aids holding things in place sooner and made permanent repairs.

Without having an '06 budget, and hopefully we'll have one in July, if this doesn't happen and we go another fiscal year without a budget, I truly believe we have to go back and reevaluate every one of those temporary measures we've taken to secure these pieces to the building, because temporary measures mean temporary. And every year you delay it, the chances are greater that it won't last.

COUNCILMAN RIZZO: But right now you can imagine that report in the media today has concerned a lot of people.

MR. TUSTIN: Well, I thought I was pretty clear yesterday in saying that the strapping and the netting was there in place to hold everything and this was a temporary measure that we had taken.

COUNCILMAN RIZZO: I'm not talking about your Finance Committee testimony. I'm talking about your media interview.

MR. TUSTIN: Right.

COUNCILMAN RIZZO: You said that in the media interview?

MR. TUSTIN: I did. I said the same thing. I said that the temporary measures that we took, we felt safe that it would keep everything secure until we caught up with the project, but that if we did not get '06 funding this July, it would have a definite impact on what we did going forward.

COUNCILMAN RIZZO: This is obviously a very good -- if you're going to have a strategy to get people's attention, obviously that is a very good one, when you're talking about something, no question, could kill a lot of people if it weren't. And I compliment you for making sure that the netting and temporary fastening devices were installed, at least in areas where you believe there's a problem, but from my experience, there's probably other areas that you haven't identified that could fail at any moment.

MR. TUSTIN: Well, we did an extensive survey of the exterior of the building, the structural engineers, and we literally went over the whole exterior of the building, and I'm fairly confident that we've captured all of the major areas of concern.

COUNCILMAN RIZZO: Well, I feel

a lot better now knowing at least you've done this, but I don't feel comfortable that we have a situation like this that is the Band-Aid approach, but I guess it's better than not and having things come down onto the roof or to the gutters or to the, worse, the walkway of City Hall.

MR. TUSTIN: Right. I'd feel a whole lot better if we got that funding in July 1st of '06.

COUNCILMAN RIZZO: Well, I understand your strategy. It worked with me at least.

MR. TUSTIN: I also wanted to say that there were many other projects that I mentioned yesterday that were equally as concerning to us and that are life and safety issues that need to be addressed.

COUNCILMAN RIZZO: Well, one of the great things that you made a commitment that you would do, and I appreciate it, is the fact that there's new elevators in the building. I mean, they're nice and make a visit to City Hall a better experience than we once had. Once they're all finished, obviously, it will be good.

But we understand the situation you're under, but when you hear a story like you told yesterday, you can understand at least my reaction to it.

MR. TUSTIN: I guess the -- I probably spoke to the reporter for a good 20 minutes and you were lucky to get maybe three minutes of that sound bite --

COUNCILMAN RIZZO: That was enough.

MR. TUSTIN: -- on the radio. So I'm sure he picked the best portions to air.

COUNCILMAN RIZZO: Well, thank you. We interrupted you. I know you were doing something else. But as you can imagine, this is important.

Thank you, Madam Chair.

COUNCIL PRESIDENT VERNA:

You're welcome.

Any other questions from members of the Committee?

(No response.)

COUNCIL PRESIDENT VERNA: Mr. Tustin, thank you very much.

MR. TUSTIN: You're welcome.

COUNCILMAN NUTTER: Sorry, Madam President.

COUNCIL PRESIDENT VERNA: Councilman Nutter.

COUNCILMAN NUTTER: When you were here for, I think it was, capital budget?

MR. TUSTIN: Correct.

COUNCILMAN NUTTER: You had put on the record that there had been some thought with regard to this disputed $7 million and that there had been a facilities assessment done some time ago, I guess, City-wide for Recreation.

MR. TUSTIN: For the Level A and B facilities.

COUNCILMAN NUTTER: A and B.

And that the cost estimate on that was approximately $4 million or so?

MR. TUSTIN: Our estimate to do all -- the assessment looked at the condition of the buildings and broke them down into six levels or six condition levels, Level 6 being the most dangerous and critical and should be taken care of right away. The cost to do Level 6 City-wide is estimated at about 1.25, $1,250,000. If we were to take it to the next level, which is Condition 5, and Condition 5 is also serious -- we also list that as extremely dangerous and critical, compromises structure and something that should be replaced immediately -- it represents another $3.3 million. So what we were hoping is to address --

COUNCILMAN NUTTER: So 4.2.

MR. TUSTIN: -- Level 6 and Level 5 items, which is about 4.5.

COUNCILMAN NUTTER: So what, if any, discussion was there about the remaining 2.8?

MR. TUSTIN: At the Council hearing?

COUNCILMAN NUTTER: No; just in your meetings, discussions, conversations.

MR. TUSTIN: My suggestion to the Administration was to consider Level 6 and Level 5 items only and I'd be thrilled if I could get funding to take care of that across the City. There was no other discussion concerning the balance of the funding, not with me.

COUNCILMAN NUTTER: Would you be comfortable with or would it make any sense as we try to work our way through this situation -- you've done an assessment. You know that there are issues. You've identified $4.2 million of need. You know that there is authorized $7 million through the whole District Council procedure. This is FY05 funding, right?

MR. TUSTIN: Correct.

COUNCILMAN NUTTER: So the money is there. You've not been authorized to spend it. Is that the --

MR. TUSTIN: Correct.

COUNCILMAN NUTTER: Does it make any sense to you that since we already -- I mean, you could show us on paper through the assessment process, you can identify your six levels. We know what Level 6 and Level 5 is going to be. We know what the facilities are. I mean, as a way of trying to work through this, does it make any sense to you to try to designate those dollars for those items -- I don't remember what the full list is, and, of course, I've not looked at it City-wide -- and have the balance, in essence, go to us, come back to us, which is generally where it was supposed to go in the first place before we got into this dispute a couple years ago?

MR. TUSTIN: Councilman, as the head of the Capital Program Office, I'm somewhat focused on the 15 operating departments that we do project management for. We don't do any work for the Airport or Streets or Commerce or any of the other agencies around the City. I wouldn't want to presume to suggest to the Mayor how to spend the money City-wide. I can bring to him and his attention the areas of my concern.

COUNCILMAN NUTTER: Well, I mean, you understand that normally the $7 million would have come to the Council anyway. The various departments, mostly Recreation, Fairmount Park, but sometimes the other departments, would invariably come and make a proposal, make a request, whatever the case may be.

MR. TUSTIN: Correct.

COUNCILMAN NUTTER: So I'm not asking you or suggesting to you that you suggest how the dollars get spent, but you obviously identified a very critical need. Most of the dollars probably end up getting spent, the bulk of them, on Recreation, maybe Fairmount Park next anyway, but it might just be a way to work ourselves through what has been a difficult process if we already know pretty much guaranteed where slightly more than half of the money is going.

We all benefit when our facilities get repaired, whether we designate it or not, and at least preserve the other third or so of the overall funding to be used as has been the tradition.

I mean, just as a manager, a government person, does that seem to make any kind of sense to you in terms of trying to work through this?

MR. TUSTIN: I don't have a problem with what you're suggesting, Councilman. It makes sense to me, but, again, the balance of the funding, there may be items more critical than I'm aware of that the Administration would like to funnel those dollars in other areas. And I'm not saying there are. There's actually been no firm commitment on any of this at this point in time.

COUNCILMAN NUTTER: Right.

MR. TUSTIN: But as a manager of the Capital Program Office and knowing the need that we have, I think that would be an ideal start to using some of that money.

COUNCILMAN NUTTER: Okay. All right. Thank you.

Thank you, Madam Chair.

COUNCIL PRESIDENT VERNA: You're welcome.

Are there any other questions of Mr. Tustin?

(No response.)

COUNCIL PRESIDENT VERNA: Seeing none, I thank you, sir.

MR. TUSTIN: You're welcome.

COUNCIL PRESIDENT VERNA: And we will now hear from the Fire Department.

Commissioner, I know that you have been patiently waiting to be recognized. We do have a copy of your testimony. So if you care to abbreviate it, we will make certain that the stenographer has a copy and it will be transcribed in full.

COMMISSIONER AYERS: Thank you.

COUNCIL PRESIDENT VERNA: You're welcome.

COMMISSIONER AYERS: Madam President, I understand the importance of your work, so it's okay to be --

COUNCIL PRESIDENT VERNA: I'm sorry. I didn't hear you.

COMMISSIONER AYERS: I do understand the importance of your work here, so it's not a problem being patient.

COUNCIL PRESIDENT VERNA: Okay. Thank you.

COMMISSIONER AYERS: Good afternoon. I am Fire Commissioner Lloyd Ayers. With me is Deputy Commissioner Ernest Hargett, Deputy Commissioner John Devlin, Deputy Commissioner Ronald Augustyn and Dave Beatrice, our Fiscal

Officer.

The Fire Department's Fiscal Year '07 budget proposes $175,961,146 for the General Fund; $5,252,250 for the Aviation Fund; and $1,710,000 for the Grants Funds, for a total operating budget of $182,923,396. This represents an increase of $2,839,267 over the Fiscal Year '06 total estimated obligations.

The amount budgeted for Class 100 personnel services includes funding for contracted civilian wage increases and anticipated uniform wage increases. Also included is an overall savings of $3,329,000 to be achieved from the Department's redirection of Services Plan. This plan was originally initiated in the Fiscal Year '05 operating budget proposal, but it is still on hold pending further litigation in Commonwealth Court. The current plan calls for the deactivation of three engine companies and two ladder companies. As part of this redeployment plan, the Department will increase the size of its Emergency Medical Services Division by adding eight new advanced life support medic units during peak demand periods to enhance the delivery of pre-hospital care and transport services to the public.

These changes will enable the Department to direct its available resources appropriately to meet the increasing demand for EMS services in the face of continuing structure fire decreases. These service trends for Fiscal Year '05 showed a 53.3 percent decrease in structure fires since Fiscal Year '90 and a 90.8 percent increase in emergency service responses for the same period.

As presented in previous budget testimony, this plan entails keeping all existing fire stations open and reducing authorized personnel levels without laying off firefighters, while maintaining safe fire suppression services and improving emergency medical service to the public.

In Fiscal Year '05, the Fire Department responded to 73,380 fire-related incidents and 206,670 emergency medical service incidents. The number of fire-related incidents was 2.6 percent less than in Fiscal Year '05. There were 2,191 structure fires in Fiscal Year '05. This represents a 6 percent reduction from structure fires in Fiscal Year '05. At the same time, the number of emergency medical incidents for first-responders increased 12.6 percent over Fiscal Year '04, increasing from 62,334 to 70,154. The number of emergency medical incidents for advanced life support units rose 2.89 percent over Fiscal Year '04, 206,670 incidents in Fiscal Year '05 compared with 200,849 incidents in Fiscal Year '04. These numbers reemphasize my testimony from last year on the need to redirect departmental resources to meet the ever-increasing demand for emergency medical service delivery.

In Fiscal Year '05, there were 60 fire deaths. This number represents a 50 percent increase over Fiscal Year '04 and a 17 percent increase over the ten-year average on fire deaths from Fiscal Year '95 through Fiscal Year '04 despite the number of fire prevention outreach activities conducted by the Fire Department in Fiscal Year '05. An analysis of these deaths shows that ten of the deaths were from three arson incidents, two of which involved multiple casualties. An additional five deaths resulted from one incident in which a child was playing with matches. In 16 of the 42 fire death incidents, no smoke alarms were present, and in nine of the 42 incidents, the batteries had either been deactivated or removed from existing detectors. This demonstrates dramatically the need for the installation and maintenance of working smoke alarms in all City residences.

In Fiscal Year '05, the Department's Fire Prevention Division conducted 9,765 fire prevention programs, an increase of 22 percent over the previous year. In Fiscal Year '05, the Fire Prevention Division initiated the Take It Outside Campaign, aimed at reducing smoking-related fires, the leading single cause of fire deaths in 2004 and 2005. The campaign utilized 100 billboards throughout the City, as well as door-to-door distribution of Take It Outside literature by local fire companies.

During Fiscal Year '05, the Fire Prevention Division also assisted 200 families with children who cause fires through the Juvenile Firestoppers Program. The Fire Prevention Division, in conjunction with the Department's field fire suppression companies, installed smoke alarms in 2,942 homes and instructed families on home escape planning and fire drills, an increase of

563 homes over the previous fiscal year. These programs have been successful in continuing to reduce the yearly number of structure fires in the City.

In Fiscal Year '05, the Fire Marshal's Office conducted 3,311 investigations of fire-related activities, which resulted in the arrests of 176 adults and 78 juveniles for fire-related offenses, including the arrest of a serial arsonist, which resulted in a conviction for 23 counts of arson and one count of aggravated assault to a firefighter.

In Fiscal Year '05, the Fire Marshal's Office also completed the Vehicle Arson Awareness Training for 75 percent of the Department's field forces.

In Fiscal Year '05, the Technical Rescue Operations Unit of the Department's Special Operations Command increased the number of available technical rescue specialists on every platoon from six to 16 and the number of hazardous materials specialists from ten to 20. These individuals were trained and assigned to the Department's new squad companies, which augment the capabilities of Rescue Unit No. 1 and Hazardous Materials Task Force 1 in various technical rescue operations.

In Fiscal Year '05, the Department's Technical Services Unit took delivery of two new American LaFrance Ladder Trucks to upgrade the Department's fleet of emergency response vehicles. The Technical Service Unit also installed accident-preventing hose-netting on 70 front-line engine pumpers to increase public safety during emergency responses. In conjunction with Special Operations Command and field suppression forces, the Technical Services Unit developed and implemented emergency planning for the Live 8 and Welcome America events.

In Fiscal Year '05, in response to the attrition of experienced uniformed supervisory personnel in the DROP program, the Philadelphia Fire Academy conducted in-house officer development programs for 54 newly promoted fire officers and coordinated off-site training at the National Fire Academy for 25 fire officers, as well as 32 additional fire officers in the National Fire Academy's Pennsylvania Weekend training session.

Additionally, 16 officers received Pennsylvania State and International Fire Service Congress certificates accreditation at the Firefighter I and II and Fire Instructor I and II levels. The Academy also administered safety officer training, resulting in state certifications for eight deputy chiefs, 44 battalion chiefs and ten company captains. This training qualifies these members to operate as incident safety officers on fire grounds and at other emergency incidents.

In Fiscal Year '05, the Fire Department merged its fire suppression and emergency medical services warehouse functions. This resulted in an 88 percent decrease between the time of supply orders and the delivery of emergency supplies and equipment to all field suppression and emergency medical services units, upgrading the readiness of these units for response to emergency fire and other emergency medical incidents.

The number of injuries in the Philadelphia Fire Department for Fiscal Year '05 were 307, representing a reduction of 12 percent from Fiscal Year '04, in which the number of injuries was 349. Total injuries for Fiscal Year '05 were 22.3 percent below the ten-year average from Fiscal Year '95 to Fiscal Year '04.

Technical improvements for Fiscal Year '07: The Philadelphia Fire Department's Communications Center is transitioning to an upgraded 9-1-1 phone system scheduled to be completed in late

Fiscal Year '06 for early Fiscal Year '07. This system will be interfaced with the Department's newly acquired Computer-Aided Dispatch system to provide dispatchers with currently available wireline 9-1-1 caller information in a mapping format.

The Fire Department will be expanding its Mobile Data Computer program, currently available only to its medic units, to include field deputy and battalion chiefs, as well as critical staff support units and a pilot program for engine and ladder companies. This enhancement will provide responding supervisors with vital event information for firefighting and other emergency responses for more effective resource deployment and pre-scene strategic planning.

This completes my testimony. On behalf of the men and women of the Philadelphia Fire Department, I would like to thank City Council for your continuing support.

COUNCIL PRESIDENT VERNA: Thank you. Thank you very much, Commissioner. We certainly thank you and the Fire Department for the wonderful work that you do.

During the current fiscal year, you downgraded some EMS units from advanced life support to basic life support; is that correct?

COMMISSIONER AYERS: It is correct.

COUNCIL PRESIDENT VERNA: Would you explain what the difference is between an ALS unit and a BLS unit?

COMMISSIONER AYERS: Yes, Madam President. Advanced life support medic units in the Philadelphia Fire Department have one or two trained fire service paramedics on board. In the case where there is one fire service paramedic, there will be one emergency medical service technician.

The basic life support medic

units that the Philadelphia Fire Department currently deploy have two emergency medical technicians on board.

COUNCIL PRESIDENT VERNA: Commissioner, can you explain for the record why this was done, where it was done and why you believe that it was prudent to do this?

COMMISSIONER AYERS: The emergency medical technicians were placed into service and deployed in medic units in the Philadelphia Fire Department because of, one, a decreasing amount of paramedics that we have in the City, which is a national trend, a trending across the country, as well as an analysis of the data that we have been doing over several years, and more especially, this last year, which we have found that 80 percent of the runs that our medic units -- that our Philadelphia Fire Department respond to is, 80 percent is basic life support calls, which means that it can be handled by an emergency medical technician and that person can receive proper services and treatment and be transported to a hospital. Only 20 percent of those calls were advanced life support calls, where the emergency medical treatment for that person required a higher level, a skill level of intervention for that person to have a satisfactory outcome.

So it's a higher level of intervention at 20 percent of the calls. Basic life support calls represented 80 percent.

We looked at that data and we saw that we could deploy emergency medical technicians that we have all over the City. We have emergency medical technicians who are licensed by the state of Pennsylvania, who are trained on an annual basis and who are certified by the state of Pennsylvania to have interventions into emergency medical calls. They respond now and before as first-responders as well. We saw not just the opportunity, but the prudent move to ensure that we had the proper number of people on board of our medic units to deploy in certain areas where we saw these high percentages of basic life support, only basic life support requests, what was presented, that we could actually deploy emergency medical technicians instead of advanced life support paramedics in those areas.

We have those medic units in North Philadelphia, in South Philadelphia, in West Philadelphia and in lower Northeast Philadelphia, as well as that we found that a by-product of this redeployment and structuring of our emergency medical system, which has experienced an increasing number of calls, a by-product of that was that we had the ability to put two additional medic units in service, which we did. We put two additional medical units in service. So we increased our fleet from 40 to 42. So now we have 42 medic units serving the City's citizens now.

COUNCIL PRESIDENT VERNA: Can you be more specific -- I think I did ask -- where this was done?

COMMISSIONER AYERS: Yes. 24th and -- Engine 24 station. I remember the exact --

COUNCIL PRESIDENT VERNA: I don't know where Engine 24 station is.

COMMISSIONER AYERS: Okay. Engine 24 station is at 24th -- I apologize. 20th and Federal. Engine 24, 20th and Federal Streets. We have a company downgraded there. Not downgraded but emergency medical technicians. Also at 22nd and Hunting Park, 56th and Market. We have a new unit at 54th and --

COUNCIL PRESIDENT VERNA: We're talking about the areas that were downgraded?

COMMISSIONER AYERS: We're talking about the areas that are downgraded, and I will add the other ones at the end of this. The four that were put into service is --

COUNCIL PRESIDENT VERNA: No. Give me --

COMMISSIONER AYERS: -- 20th and Federal -- I'll start over for you?

COUNCIL PRESIDENT VERNA: 20th and Federal, 22nd and Hunting Park, 56th and Market.

COMMISSIONER AYERS: 56th and Market. And the other unit is at Boudinot and Hart Lane.

COUNCIL PRESIDENT VERNA: I'm sorry. Where?

COMMISSIONER AYERS: Boudinot and Hart Lane. Those are the four. And the two additional that we put in service, they're at -- one at 54th and Lancaster Avenue and -- excuse me; 63rd and Lancaster Avenue, and the other one is at Roosevelt Boulevard at Langdon.

COUNCIL PRESIDENT VERNA: Commissioner, when you were in my office and we spoke about 20th and Federal, I asked you how close the nearest fire station would be that would be able to provide the necessary service that was being taken away from 20th and Federal. You were to get back to me, and I don't believe I ever got the information from you. So I am again asking, how close is the nearest fire station that would be able to provide the same services as they did at 20th and Federal?

COMMISSIONER AYERS: We have a company at Engine 1. Engine 1 is at Broad and -- the exact location is Broad and Fitzwater, 711 South Broad Street, but that is Fitzwater.

COUNCIL PRESIDENT VERNA: So they have, what, one there? That's a big area to be covered.

COMMISSIONER AYERS: Well, we also have at Engine 11, which is at 6th and South.

COUNCIL PRESIDENT VERNA: Where? 6th and South?

COMMISSIONER LLOYD: 6th and

South.

COUNCILMAN RIZZO: Point of information, Madam Chair.

COUNCIL PRESIDENT VERNA: Yes, sir.

COUNCILMAN RIZZO: Commissioner, I'm confused. In the beginning of your testimony when you started to talk about originally the four engine and ladder companies that you wanted to close, and the Mayor, I believe, from your recommendation, it's down to five, and that's in a court challenge. In your testimony, you just said that you were going to add advanced life support units. What's your motivation to reduce them and then in your next breath you say you're going to add them? Why do that if you plan to add advanced life support units? Is that what you said?

COMMISSIONER AYERS: I said that we were going to correctly deploy the resources, is what I said. And I said that we looked at the data, and at that time, we saw that we could reduce the medic unit to a basic medic unit and still deliver the same service to the citizens.

COUNCILMAN RIZZO: But when this was being -- indulge with me just for another moment.

Commissioner, when you were going to close the four engine and ladder companies, the spin was that we were going to add advanced life support units. Matter of fact, I think Fleet Management even ordered those units. Then now we get the spin that -- well, not the spin. You used the right word, downgraded them. Earlier you used some other word. But why are we doing this if your original plan was to close engine and ladder companies and add, what was it, eight or ten medic units? What was the initial? Was it eight --

COMMISSIONER LLOYD: It was eight medic units.

COUNCILMAN RIZZO: And they were all supposed to be advanced life support, correct?

COMMISSIONER LLOYD: They're advanced life support, yes, that's correct.

COUNCILMAN RIZZO: Forgive me for being confused here.

COMMISSIONER AYERS: Well, for one reason is, that we don't have paramedics available. We've been losing paramedics at a regular pace.

COUNCILMAN RIZZO: I'll come back. This is just a point of order, Commissioner. I apologize to the President, but I'll come back when it's my turn, because I have some questions about that.

COMMISSIONER AYERS: Did you understand this point?

COUNCILMAN RIZZO: Go ahead, finish up. I'm sure she won't mind.

Thank you. I didn't want to --

COUNCIL PRESIDENT VERNA:

You're welcome. That's a long point of information.

Commissioner, how many paramedics are we short?

COMMISSIONER AYERS: Right now I'll say we're short approximately 40 paramedics. Around 40.

COUNCIL PRESIDENT VERNA: 4-0?

COMMISSIONER AYERS: 4-0.

COUNCIL PRESIDENT VERNA: And what does it take to get 40 paramedics in the Department?

COMMISSIONER AYERS: Well, we --

COUNCIL PRESIDENT VERNA: Who does the training?

COMMISSIONER AYERS: Well, we have several hospitals and private companies that do the training in the area, and we've canvassed those companies. We have approximately 63 paramedics in training. They will be coming out a few here and a few there throughout the fiscal year.

COUNCIL PRESIDENT VERNA: So you will have your full complement before the end of the year?

COMMISSIONER AYERS: No, we won't.

COUNCIL PRESIDENT VERNA: How many will you be short?

COMMISSIONER AYERS: We will still be short several paramedics. By the end of the year, I don't expect to see more than ten graduating.

COUNCIL PRESIDENT VERNA: So we're still going to be short 30?

COMMISSIONER AYERS: Yes. And when they become available, we will hire them.

COUNCIL PRESIDENT VERNA: That's something we're going to have to look into. I don't understand that at all.

COMMISSIONER AYERS: They're in school. And also there's a national shortage. It's not just Philadelphia. It's all through the system. These decisions that we make, we make along with our doctor, our emergency medical doctor, Dr. Mechem. We sit down. We look at the numbers. We look at the data.

He just came back from Dallas with a group, a conference, of doctors, all emergency service doctors from all over the country, from Chicago, from Houston, from Los Angeles, from New York, from Dallas, and we come back and we discuss these things. We look at the problems that everyone is facing and we deal specifically with Philadelphia and then we make decisions.

We look at the things like the American Heart Association information that they give us, which tell us that the big problem is not having fire service paramedics to intervene with chemicals in the blood. But the problem across the nation is the fact that we don't have a high rate of bystander CPR to help people with heart situations or heart conditions and we don't have enough vehicles to carry patients so that we can dig into the 80 percent presenting to the paramedics -- I mean presenting to the entire emergency medical service fleet, and we need those types of units in there, and the units are basic units. They're the ones who come and they do the carry, get people to the hospital.

Some of the good things that we have here in Philadelphia is the location of the hospitals and teaching hospitals, that they're close.

COUNCIL PRESIDENT VERNA: All right. Commissioner, on Page 1 of your testimony, you mention that you have been assigned $3.3 million in savings as a result of your Department's redirection of Service Plan.

Can you explain why the Fire Department was cut when no other agency is being reduced?

COMMISSIONER AYERS: The Fire Department presented a Reallocation

Resource Plan in Fiscal Year 2004. What was to happen was to redirect the resources so that we could capture this increasing demand for fire emergency medical services and to also take into consideration the continuing decrease not only in fires but also in structure fires so that we could reallocate our resources, and in doing that, with the budget presented, this is what we came up with.

We have not been able to implement it at this point. We haven't been able to implement because it's in Commonwealth Court.

COUNCIL PRESIDENT VERNA: All right. What are the three engines and ladder companies you plan on eliminating? How did you determine which units to eliminate, and what is the impact on response time?

COMMISSIONER AYERS: One of the things, again, as I said, we can't implement.

COUNCIL PRESIDENT VERNA: I know you can't implement, but you have a plan.

COMMISSIONER AYERS: Sure. The plan, they will come from the list that was presented that everyone has, and when we hear from the court, we'll stop and we'll reevaluate exactly what we have in front of us and we'll make those reorganizations.

COUNCIL PRESIDENT VERNA: You mention in your testimony as part of your redirection plan you would be adding eight new advanced life support units. If you are adding eight new ALS units in 2007, I have to assume that you feel they are needed and justified. Could you then explain if the need is there for eight new ALS units why you downgraded some ALS units to BLS units in 2006?

COMMISSIONER AYERS: The reason is, as I stated before, because of the review of the data and what actually is most effective and most efficient for our system here in Philadelphia. Again, we have 80 percent of our calls are actually BLS. The advanced life support paramedics don't have the opportunity to practice their skills.

You go from station to station and one of the complaints that they have over and over is the uselessness of them making a call for some person who had a tummy ache, for some person who only had a headache, for some person -- and this is over and over again. These calls put pressure on our paramedics. They put pressure on our men and women, and we've made the adjustment. We need to put our emergency medical technicians, who we pay for on a regular basis annually to be trained at the Philadelphia Fire Academy and when their time for recertification comes to be recertified and relicensed by the state of Pennsylvania and we use them in our first-responder program and sometimes at special events, doing this, putting them into the system, one, it will reduce the pressure on the paramedics, as well as enable our emergency medical technicians to keep their skill level up, and hopefully as we move forward and have more units in the system like the other two that I added, we'll have advanced life support units more available to make the calls where we need an advanced life support unit.

So with this dynamic system that we have in Philadelphia, sometimes during the day every unit is out. They're running, they're crisscrossing. They're going all over the place. As we continue to add the units and as we continue to be able to properly deploy the units, we're going to see some satisfaction in the system. We're going to start to see the run times for -- the national run times for emergency medical units decrease even more.

COUNCILMAN RIZZO: Madam President.

COUNCIL PRESIDENT VERNA: Well,

Commissioner, I'll tell you, living on South Broad Street, all night long, all night long I hear the sirens of the emergency patrols, and I think if somebody is having a heart attack and you're saying they crisscross all over the place, if they're so busy, if somebody is having a heart attack, I am told that three to four minutes can mean their life.

COMMISSIONER LLOYD: That's correct.

COUNCIL PRESIDENT VERNA: It's correct. And can we sit here assured that we will have the necessary wherewithal to help someone who is having a heart attack?

COMMISSIONER AYERS: Madam President, our system now is three-tiered. We run with first-responders, we run with basic life support units and we run with advanced life support units. The most important thing that you have with a person who is having a heart attack is to get someone started with CPR on that person, and the next most important thing is to get that automatic external defibrillator and other professionals there at your side so that they can start the things that save your life in that situation.

The next thing is to make sure that you are packaged and taken to the nearest hospital so that you can have the advanced medical care that only a hospital can give.

I do understand what your question is. One of the other things that we're doing in the Philadelphia Fire Department is, we're partnering with our other agencies, the American Heart Association, we're partnering with Red Cross to ensure that we start to train our members who -- not our members, excuse me, our citizens who have a four percent literacy rate in this City for CPR. The other thing that we want to do is to raise that level in the homes, in the workplace, because if you have a heart attack, your first best chance is that if someone is there with you that they start CPR immediately. That's another piece that we want to converge on this issue and this problem. It's all a part of the life chain. So that's the important thing.

I can assure you only one thing, that if you have a heart attack in the City of Philadelphia, that we're going to get --

COUNCIL PRESIDENT VERNA: Commissioner, I don't want to cut you short. I really don't, but I think public safety has to be our top priority, as I am sure it's yours.

COMMISSIONER AYERS: It is.

COUNCIL PRESIDENT VERNA: I'm very concerned about the response time of someone who is having a heart attack and, as I said, three minutes could mean his or her life. I'm not being assured that our constituents are really getting the type of service that they need. And as I said, you could talk about somebody in the household giving some assistance, but I don't think that's enough for me.

COMMISSIONER AYERS: One of the reasons that we are even asking for those units is because what we realize that we want more units on the street, as I explained before.

COUNCIL PRESIDENT VERNA: Well, you're putting them on the street, but you're taking them away from my area, I'll tell you that. 20th and Federal is my backyard practically.

COMMISSIONER AYERS: We're not doing this in a vacuum. We're working with our doctors, as I said, who give us the advice, who work with us and monitor the system and see exactly what's presenting. We do the metrics on this. We don't just make these changes without doing the numbers and understanding where the service is needed, where the basic life support units have the best impact on our system so that we could make available the advanced life support units more readily.

Also, we have the shortage. When they become available, we will hire them.

COUNCIL PRESIDENT VERNA: Commissioner, I'll tell you, I have to give you credit for being able to save money in your department. It's $3.3 million in savings as a result of your department's redirection of the Service Plan. Then on Page 4 of the detail, you show a savings of $5.4 million in overtime due to service delivery reorganization, and $2.6 million in other overtime savings.

Can you explain how you arrived at these savings amounts and how you're going to achieve them?

COMMISSIONER AYERS: Which pages are you speaking of?

COUNCIL PRESIDENT VERNA: I beg your pardon?

COMMISSIONER LLOYD: Which pages?

COUNCIL PRESIDENT VERNA: I believe it's Page 4.

COMMISSIONER AYERS: In the testimony?

COUNCIL PRESIDENT VERNA: Detail.

I don't know of too many departments that have come in here saying that they're going to be able to save all of that money in overtime, when other departments have come in and --

MR. BEATRICE: Madam President, if I may. I'm Dave Beatrice, the Fiscal Officer for the Fire Department.

COUNCIL PRESIDENT VERNA: Welcome.

MR. BEATRICE: Thank you.

The savings in overtime by the redeployment of three engines and two ladders, that has an overall savings of, without my glasses, 5 million.

COUNCIL PRESIDENT VERNA: 5.4

million.

MR. BEATRICE: 5.4 million. That would be offset by the additional eight medic units at a cost of 2 million. So that's where the 3 million net savings is arrived at.

Now, we're closing the engines, but we are adding eight medic units, whether we prefer ALS. If we can't get the paramedics, we're going to hire them with EMTs, but you will have eight new units. And as the Commissioner already has added, two more than we had last month.

COUNCIL PRESIDENT VERNA: How about the 2.6 and the other overtime savings? What is that?

MR. BEATRICE: We are hiring a class of 160 firefighters starting in May. So the overtime savings will -- you see a large number in overtime savings, but the regular salaries would increase, so there's an offset there.

COUNCIL PRESIDENT VERNA: Okay.

I don't want to dominate this. I see that Councilman Kenney would like to be recognized.

COUNCILMAN KENNEY: Thank you, Madam President.

Commissioner, what was your understanding of the budget deal that was made last year as a result of the proposed cuts and closure of engine and ladders companies? What was your understanding that once Council -- it was certainly a much ballyhooed deal and everybody was all happy and everything was fine.

What was your understanding of the deal?

COMMISSIONER AYERS: What I understood was that Council added $3.4 million back to the Fire Department budget.

COUNCILMAN KENNEY: In return for?

COMMISSIONER AYERS: In return for?

COUNCILMAN KENNEY: What did Council --

COMMISSIONER AYERS: At that point, the only thing we knew, that it was $3.4 million --

COUNCILMAN KENNEY: As opposed to 6.8, right?

COMMISSIONER AYERS: That's correct.

COUNCILMAN KENNEY: As a result of that, what was not going to happen? Was there anything that wasn't going to happen?

COMMISSIONER AYERS: From what I understood, we were still waiting for court. At the time, we had been ordered to arbitration and that we were waiting for the results of the arbitration.

COUNCILMAN KENNEY: Well, if we made a deal, what did we need court or the arbitration for? Wasn't it a deal that was made as a result of 3.4 as opposed to 6.8, and wasn't the constituency or the citizens getting something in return and, that was, engines and ladders not being deactivated? Maybe I misunderstood the deal.

COMMISSIONER LLOYD: One of the things that happened was, we were in a process and we were going through that process. Money was added to the budget, as I saw, but at the same time, we went through the process. We weren't allowed to do any action.

COUNCILMAN KENNEY: I've been involved in court cases before. I'm not a lawyer, but I've been involved in representing constituents in court cases. You go before a judge. People have different sides of opinion, and sometimes a judge says, Go out in the hallway and go settle this thing.

So I thought last year's budget, we went out in the hallway and we settled this thing. So why are we still talking about Commonwealth Court, arbitrators? I thought we had a deal with the Administration last year on these closures. Either we did or we didn't. Why, if we both agreed, are we even talking about the court or the arbitrator?

DEPUTY COMMISSIONER AUGUSTYN: I'm Ron Augustyn, the Deputy Commissioner for Administrative Services.

The fact of the matter is that these are -- the union brought -- are in the grievance process before the Pennsylvania Labor Relations Board. There were no cuts that were allowed to be made, no closings.

COUNCILMAN KENNEY: But still as far as the testimony and the City's position in the arbitration are still intended. Is it the City's position in the arbitration proceedings that the closure of eight fire companies is still on the table?

COMMISSIONER AYERS: That's not what's in the budget or what I read.

COUNCILMAN KENNEY: No. What

is the City's position vis-a-vis its arbitration position in front of the arbitrator? My understanding is, we still have eight fire companies on the table.

COMMISSIONER AYERS: The position is that the decision is still in Commonwealth Court. What the City is here is what I just read into the budget testimony.

COUNCILMAN KENNEY: Maybe I'm being unfair to you because you're not attorneys and you don't have the City position as far as the legal position. But when we finished last year, the people in the community were of the belief that these closures weren't going to happen because we made the deal. The Mayor gave it back to us with great fanfare. And now we're still talking about the potential, at least in your testimony, of closing three engine companies and two ladder companies, or at least in the arbitration proceedings position of the City, we still have the eight fire companies on the table. I mean, which is it?

COMMISSIONER AYERS: We're not in arbitration at this point about closing of any companies. Right now it's in Commonwealth Court.

COUNCILMAN KENNEY: Are we closing any companies or not?

COMMISSIONER AYERS: It's in Commonwealth Court.

COUNCILMAN KENNEY: I understand where it's at -- with all due respect, and you've been very responsive since you've been Commissioner and I do appreciate and respect your position. We left this budget process last year with a very clear understanding in the community that they would not close. We're still talking about it. I don't care whether it's Commonwealth Court or the Supreme Court of the United States. If the Administration comes out with a position that says we are not closing them, we don't need to be in Commonwealth Court. We don't need to be in any court. We made a deal. So the deal that was made last year, from my perspective, is meaningless, because we're still talking about the potential of closures.

Now, I go to a moment to the issue of fire deaths. Now, I understand your caveat on the arsons, but whether or not the fire starts with an electrical cord or a Molotov cocktail, the house is still on fire and we need to get there. Why would we even consider talking about closures if in fact we're having an increase in fire deaths?

COMMISSIONER AYERS: Well, there's not an increase in fire deaths. I don't know where you received that information. It's not correct. It's not correct.

COUNCILMAN KENNEY: Let me take a look.

COMMISSIONER AYERS: There has not been an increase in fire deaths as related to last fiscal year and the last half of the fiscal year that we're currently measuring and this annual year that we're measuring.

COUNCILMAN KENNEY: Hold on a second. I have a lot of paper. It's part of the confusion.

How many fire deaths did we experience in 2005?

COMMISSIONER AYERS: FY05, 52.

COUNCILMAN KENNEY: 52. And so far in 2006, we're up to what?

COMMISSIONER AYERS: In 2006, we have --

COUNCILMAN KENNEY: 13?

COMMISSIONER AYERS: No. We have 14 total deaths. We have four murders.

COUNCILMAN KENNEY: No, no.

COMMISSIONER AYERS: Four arson murders, which is important.

COUNCILMAN KENNEY: Commissioner --

COMMISSIONER AYERS: And we

have ten accidental.

COUNCILMAN KENNEY: Commissioner, whether the person is dead through murder, arrest or dead through an accident, the house was still on fire and we still need to get there. And even in the murder case where we have this increased incidence of retaliation on other issues by arson, it's even more important we get there faster, because the accelerant is going to burn the house down faster than the electrical cord. Is that a fair statement?

COMMISSIONER AYERS: That's a fair statement.

COUNCILMAN KENNEY: So why would we be talking about closing any companies and why do we need to always link reductions, potential closures and deactivations with increase in the EMS service? Why does one improvement mean a deterioration of another service?

COMMISSIONER AYERS: Because what it does is, it reflects the need for us to respond with the resources we have available and have the flexibility to utilize those resources as we best can.

COUNCILMAN KENNEY: Let me talk about the resources that are available. The FY2000 (sic) budget calls for how many positions in the Fire Department?

COMMISSIONER AYERS: FY?

COUNCILMAN KENNEY: FY07.

COMMISSIONER AYERS: '07 calls for --

COUNCILMAN KENNEY: 2,200?

COMMISSIONER AYERS: 2,224.

COUNCILMAN KENNEY: 2,224. That's about how many less than two years ago, a year ago?

COMMISSIONER AYERS: 180.

COUNCILMAN KENNEY: Of that 180, we're obviously experiencing a savings in the reduction of that personnel; are we not?

COMMISSIONER AYERS: Not at this point because it's still in Commonwealth Court. We haven't realized that.

COUNCILMAN KENNEY: Well, I'll tell you what, this Commonwealth Court is a powerful court. It's going to determine whether we close stations, whether we deactivate companies, whether we get savings from personnel cuts. I mean, you can hide in Commonwealth Court forever, but we're not giving people the right answers. And the right answers are we have less firefighters, and that's fine because structure fires -- I understand that. We turn back money to the treasury on our collection for insurance reimbursements for medic units. So we're saving money in personnel. We're turning money back to the City. And we're reducing service? I mean, I've never seen a department that is run so efficiently and it sends money to the City, but it's the same department that take a hit every year potentially. I don't get it. And it's the one department that has the most contact with the public, besides the Police Department. I mean, what basic City service could you provide other than medical attention and fire protection? And at some point in time, when does this department stop taking kicks in the rea rend? It's not fair. I mean, you're running the department efficiently. You're saving money in overtime. You're reducing the size of the force. You're saving money in personnel. Your collections are great when it comes to reimbursements on the medic service, and you're turning money back over to the City, and every year we come in here, we talk about closures, deactivations, reductions. I don't get it. I just don't understand it.

Again, I apologized to Commissioner Johnson. I'll apologize to you. I know you don't make the final decision on what happens here, but it is disgraceful that we made a deal last year with this Administration on these closures and they're still on the table. Commonwealth Court, Supreme Court, whatever court aside, we should not be talking about any deactivations, and I'll help you get more money to expand fire medical service. I think it's a terrific idea, but not at the expense of engine and ladder companies that need to respond to dwelling fires where people's houses are being fire-bombed. It just to me makes absolutely no sense.

And, again, I apologize for my passion and my animation, and I'm not directing it at anybody at this table, because I know you're doing your best to take care of your people and you're a career firefighter and I respect that, but what this Administration does to this department every year is a disgrace, considering the amount of money it saves and the amount of money it earns. And I think that me and this Council ought to one time at least have the courage to put it all back. Thanks.

3/7/06 - WHOLE - BILL 060001, ETC.

(Applause.)

COUNCIL PRESIDENT VERNA: The Chair recognizes Councilman Rizzo.

COUNCILMAN RIZZO: Thank you.

Commissioner, I feel the same way about everybody that works with you, but we have to ask some questions occasionally. And the issue which still confuses me -- and I'll say it again. President Verna I think said it better than I did. Did you mean what you said when you were going to close the four fire companies that you needed eight additional advanced life support units?

I just can't figure that that was what you were going to do. You were going to close eight units and to replace those eight units, you were going to use those firehouses, et cetera, to house the advanced life support units.

What happened in the short period of time from needing eight advanced life support units to now downgrading, and that's the best word, the existing -- forget the eight; existing advanced life support units to basic life support units?

I know the residency requirement for hiring medics is an issue, and likewise, your organization was supposed to get back to me about that and they never did. Got lots of calls that someone would get back to us about -- Chief Williams, I kept calling him back -- residency requirement.

Was your decision based on the fact that you are short medics? And my question is, you pointed out that there's a national issue with medics. Have you been authorized to hire the 40 medics that you're short? If you could get 40 medics today from someplace in the United States if there wasn't a residency issue, are you authorized to hire them?

COMMISSIONER AYERS: If that was the case, that would be yes.

COUNCILMAN RIZZO: What have you done as the Fire Department? I haven't seen any recruiting to bring or hire those 40 medics, those technicians. What can you show us that's been done? I mean, we talked about recruitment. We talked about if it's an emergency, some temporary waiver to deal with the residency issue.

What has the Fire Department done? And, again, explain to me how we could go from having eight advanced if you got the firehouses closed or the engine and ladder companies downgraded -- and I think Councilman Kenney said the same thing, what's one have to do with the other. What happened from needing eight to where we are today without the eight, downgrading what we already have?

COMMISSIONER AYERS: The eight that we talked about in the redeployment was looking at moving forward with eight system status 12-hour advanced life units. The decision that was made to actually put basic life support units within our system to take the ones that we had and do ten percent, four units, ten percent, and make them basic life support units and deploy them in the area, in the system, where we're getting 80 percent was made after that, was made after that. And not only did we take and redeploy the resources into four medic units, we put advanced life support paramedics, ALS paramedics, we put them, paired them with other paramedics where there was just one here or overtime here and things like that and we added two additional units. We added two additional basic life support units. That's what we did.

COUNCILMAN RIZZO: But the point that President Verna made was that -- and you agreed. You said this last week when we had the hearing about the defibrillators. If you have a heart attack, there's nothing more important than speed that we get there and the ability to administer drugs, where the basic life support unit cannot do that, and if a person is in serious heart arrest, that there's nothing that's going to replace advanced life support. I believe you said this to me. I asked you that question. You said there's nothing, when a person is having severe heart failure, than an advanced life support can do beyond what the basic life support unit can do. I think, paraphrasing that, you suggested that.

COMMISSIONER AYERS: I suggested that that was the best that we had in our system to support a heart attack.

COUNCILMAN RIZZO: But then we hear constantly that there's a delay in getting an advanced life support unit to where it needs to be. I mean, I just can't figure. It just doesn't make any sense to me, that we went from needing eight, now we're downgrading and now we are concerned just on the kind of service that we're going to be getting. I mean, if a person has a heart attack and the best service they can get is advanced life support and we can't get it there, they're dead when we get there. It's not what I want to be part of.

COMMISSIONER AYERS: Is there a question?

COUNCILMAN RIZZO: It was a statement and a question, how we could go from needing eight -- and I hear your explanation to that, but then the second part of that question was, what are you doing to bring in these 40 people that we need to get these advanced life support units possibly back on track again?

COMMISSIONER AYERS: The decision to use basic life support units within our system was made based on an analysis of what our system does, what the services are, what's presenting to the paramedics, the firefighters, when they get there and what we actually have deployed. And what we did was, we looked at -- talked with the doctors, looked at other systems and everything else, and one of the things that we saw was that we could deploy more carrying units. We have two additional units that carry part of that 80 percent that's basic life support issues to the hospital.

COUNCILMAN RIZZO: So, Commissioner, the decision to add eight units if you close the four engine and ladder companies was a bad decision?

COMMISSIONER AYERS: No. That was not a bad decision. That is not what I said. That is not what I said. I said that if we -- we're waiting to find out what happens with Commonwealth Court. We're going to put those units in. If we don't have the paramedics to go in right away, then we're going to look at other solutions, and the first solution that we would use would be to hire emergency medical technicians, firefighters, to run in those units.

The biggest problem that we have in the City of Philadelphia and across the country is an ever-increasing amount of calls to the emergency medical systems that the cities deploy. That's not changing.

COUNCILMAN RIZZO: And I admire the fact that you in a meeting told me that as long as you're Commissioner -- and, again, I'm paraphrasing -- that you will never build a system that will deny a response from our medics, no matter what the severity of the injury is.

COMMISSIONER LLOYD: I beg your pardon?

COUNCILMAN RIZZO: I believe you said to me when there was a suggestion to maybe not service people that have a cut finger or something minor, I admired your position that said you would not deny service, because a person with a cut finger could turn out to be a more serious issue. So I admire that, but tell me, before I finish up here, what we're doing as a fire department, as a city, to fill -- when we first had this conversation, it was well beyond 40. I think the number was much higher than 40.

What is the Fire Department or the central personnel doing to get these 40 technicians that we need here?

COMMISSIONER AYERS: Well, one of the things that -- pardon me.

The Deputy Commissioner reminded me that one of the things that we did do was to survey, which we had -- we worked with Dr. Mechem to survey the schools in the City and to monitor when they were coming out so that we could get them on a list through personnel, get them hired and into our system. And that was one of the things. We found 63. And we're looking at -- it's an opportunity to get them into our system.

One of the long-term things that we're doing is, we're looking at teaching our children and educating our children that there's an opportunity to work in the City of Philadelphia as a firefighter or as a paramedic. And we're currently doing that right now.

So we understand that this is a long-term problem. This isn't just a problem that is going to be solved in the next couple of years in any city, and what we're doing here in Philadelphia is, we're making sure that we have the opportunity for people to come up in our system, get a job, become a responsible citizen, working here in the City of Philadelphia, be a part of this City and work and do a service like that for our citizens. And it just makes good sense that we prepare for it now. We started both of those things.

COUNCILMAN RIZZO: Well, thank you. Commissioner, I think you understand that this has really been a very sensitive issue for us.

COMMISSIONER AYERS: I do.

COUNCILMAN RIZZO: And it's not personal. It's about being able to understand the issue to be able to communicate back to the people that I represent, because when they hear that word "downgrade," that scares them, especially our older folks.

Also, what President Verna said, when you talk about downgrading a unit that can't provide advanced life support and know that it's going to take two, three minutes longer for an advanced life support unit to get to a location, that scares people. And we shouldn't be in the business of frightening people. So you understand our concern.

COMMISSIONER AYERS: It is a frightening thought without understanding. When we sit down with the doctors and we bring in in the information and we use the information from the experts like the American Heart Association and others, it kind of takes the fright away, but the citizens don't sit in those meetings with us. The citizens don't have the opportunity to see what -- working with the system and dealing with the metrics and then having the flexibility to make those decisions. They don't feel safe if people pull the alarm and say, oh -- they don't say we have more medic units. They say we have downgrades, we have this, and it's a negative connotation that's attached to it.

We're serving the citizens. We have more units running, and we plan on putting more in, because we need them.

COUNCILMAN RIZZO: Thank you, Madam President.

COUNCIL PRESIDENT VERNA: Thank you.

Commissioner, I just have one last question. You keep referring to a doctor and I just didn't get his name. Is he an employee of the Fire Department? You keep referring to a particular doctor.

COMMISSIONER AYERS: Yes. I apologize.

COUNCIL PRESIDENT VERNA: That's all right.

COMMISSIONER AYERS: Dr. Mechem is the doctor who has the emergency services contract. He's a doctor with the Hospital of the University of Pennsylvania.

COUNCIL PRESIDENT VERNA: Okay. Is he on --

COMMISSIONER AYERS: He's the emergency room medicine doctor. He deals with the emergency room.

COUNCIL PRESIDENT VERNA: So does he train paramedics? Is he able to do that?

COMMISSIONER AYERS: He licenses every paramedic and every -- well, excuse me. He gives medical command to every paramedic and every emergency medical technician as far as --

COUNCIL PRESIDENT VERNA: What does "medical command" mean? I don't know.

COMMISSIONER AYERS: Medical command means that he monitors their practice. He gives them authority to make the intervention, to actually put something in your vein or whatever. He authorizes also a call board through a series of hospitals where paramedics call back to a doctor, tell them what's presenting, the doctor will give them assistance and also tell them, Bring him directly to this hospital or try this other drug versus that, those types of interpersonal conversations that happen during a medical event. It's called medical command, and he's the one who monitors those licenses and ensures that they use medical command, that they keep their skill levels up, things like that.

COUNCIL PRESIDENT VERNA: I'm sure he doesn't work 24/7. So does he have doctors that work under him that do respond to these calls?

COMMISSIONER AYERS: No. The doctors don't respond to the calls. These doctors don't respond to calls.

COUNCIL PRESIDENT VERNA: Well, if this one doctor is not available --

COMMISSIONER AYERS: No. The way the system works is, the paramedics, the firefighters, emergency medical technicians, they are the front line. They go to the patient. It's actually the second part of the life safety chain. They're there. They do the intervention. The paramedic will make a phone call to the doctor or -- and it may not be Hospital of the University of Pennsylvania. It could be Temple University. It could be Hahnemann. They'll make the phone call.

COUNCIL PRESIDENT VERNA: So they can call any hospital in the City; is that what you're saying?

COMMISSIONER AYERS: They actually only call the hospitals who are licensed under the medical command, and they're called base hospitals

COUNCIL PRESIDENT VERNA: And how many of them are licensed under the medical command?

COMMISSIONER AYERS: I beg your

pardon?

COUNCIL PRESIDENT VERNA: How many hospitals are licensed under the medical command?

COMMISSIONER AYERS: I believe right now it's approximately four or five. I'll have to get that exact information. I can get that for you.

COUNCIL PRESIDENT VERNA: I'll tell you, I think we've belabored this long enough at this point, but I think at another point in time, I would like you to come in and walk Councilmembers through the process whereby a 9-1-1 call is made and just take us through so that we fully understand the system. I don't want you to do that now, but at a later date, I think that we would all be very much interested in that.

COMMISSIONER AYERS: Yes. I just made sure that we set that up for you.

COUNCIL PRESIDENT VERNA: I'd appreciate it.

COMMISSIONER AYERS: And, also, I apologize for -- you stated that there was some information that didn't get to you.

COUNCIL PRESIDENT VERNA: Right.

COMMISSIONER AYERS: I'm going to track that and make sure that it happens. I apologize.

COUNCIL PRESIDENT VERNA: I'd appreciate that.

COMMISSIONER AYERS: Okay.

COUNCIL PRESIDENT VERNA: As I said, we all become very frustrated because many of us consider public safety as our number one priority, and as I told you when you were in my office, I have a next-door neighbor who apparently has a very bad heart, and I would say that the Fire Department is called, 9-1-1 is called at least twice during the month. My fear is, if she doesn't have immediate attention, it could be her life. That bothers me with anybody, whether it be my neighbor or yours. I don't think that we should take that type of chance.

So as I said, at a later date, I would really appreciate it if you and whoever from your department would be kind enough to come in and actually let Council know from the time of a call, an emergency call, is made what the process is. And we talk about the lack of and the shortage of the medics, paramedics. We are going to have a shortage of nurses, we're being told. We're going to have a shortage of teachers. But we simply can't sit back and say that there's nothing we could do about it. And I know you're trying very hard, but I think we're going to have to try a little harder.

Any other questions or comments from members of the Committee?

(No response.)

COUNCIL PRESIDENT VERNA: Seeing no one, Commissioner, thank you very much. Again, we thank you and your department for all of your hard work, and I appreciate your patience in sitting here for as long as you did. Thank you.

COUNCILWOMAN BLACKWELL: Madam President, I wanted to say thank you as well. He works very hard in our neighborhoods. Thank you.

COUNCIL PRESIDENT VERNA: Thank you.

COMMISSIONER AYERS: Councilwoman, members of Council, thank you.

COUNCIL PRESIDENT VERNA: Thank you.

Water Department next. This will be the last department for the day.

Good afternoon, Commissioner.

COMMISSIONER BRUNWASSER: Good afternoon.

COUNCIL PRESIDENT VERNA: We have copies of your testimony, so I would really appreciate it if you would abbreviate your testimony. We will give the stenographer a copy, which will be transcribed in full.

COMMISSIONER BRUNWASSER: Yes. Thank you.

COUNCIL PRESIDENT VERNA: Thanks.

COMMISSIONER BRUNWASSER: That's fine.

I know the hour is late and I'll try to just keep my remarks quite brief.

I am Bernard Brunwasser, Water Commissioner, appearing before you today to testify on behalf of the Philadelphia Water Department's Fiscal Year 2007 operating budget request.

My proposal for a Water Department budget of 255.3 million is augmented by an additional 287.9 million for other Water Fund activities, including the Water Revenue Bureau, debt service and central agency support, for a total of $543.2 million.

As you know, the Philadelphia Water Department is a municipal utility serving the citizens of the Philadelphia region by providing integrated water, wastewater and storm water services. We operate three drinking water treatment plants, processing an average of nearly 270 million gallons of Delaware and Schuylkill River water each day; three wastewater treatment plants cleaning over 450 million gallons per day of sewage, biosolids recycling facility, a sophisticated testing lab; and a range of customer services. In addition, the Department maintains 3,300 miles of water main, 3,000 miles of sewers, 78,000 storm water inlets, 26,000 fire hydrants and an extensive related infrastructure.

I can report that our drinking water is safer than ever before, and we are substantially better than state and federal regulations for water purity. We are also treating wastewater to award-winning levels. In fact, all six of these plants, the three water plants and the three wastewater plants, have been winning awards pretty much on an annual basis for the past dozen years or so.

As you know, we've had a rate revision, which has us with an approved rate plan through June 30th of 2008. Our rates are still among the lowest in the region. And I have a table in my testimony which indicates that, as we compare ourselves to some of our suburbanites. Our rates for water are actually less than half of the rates that the majority of our suburban neighbors pay for water service alone.

We have a lot of highlights. Many of them are in my formal testimony. We have some new initiatives that you're aware of. We are looking into storm flooding in certain areas of the City that are flood prone, and we're making some real progress there. We should have an interim report to you, a second interim report, on that storm water study. It should be released within the next few days or week.

None of the financial or service improvements that I have listed in my testimony, my written testimony, would have been possible without the hard work and professional achievements of the people in the Philadelphia Water Department. We are one of the largest publicly owned water, wastewater and storm water utilities in the nation, and we employ a dedicated and talented group of laborers, skilled trades workers, engineers, scientists, technicians, managers and other support employees to provide high quality services to the public.

As in recent years, I would like to recognize these workers, some of whom are with me today, and to call your attention to their professional achievements. The Water Department staff holds leadership positions and participates in the American Water Works Association, Association of Metropolitan

Sewerage Agencies, Delaware River Basin Commission, Eastern Meter Management Association, Partnership for the Delaware Estuary, Coastal Zone Management Steering Committee for Pennsylvania, Water Environment Federation, Pennsylvania Department of Environmental Protection Water Advisory Council and the Pennsylvania section of the American Water Works Association. All of us look forward to continued partnership with City Council toward further improvement during Fiscal '07 and the years ahead.

At this time, I'd be happy to answer any questions you may have.

COUNCIL PRESIDENT VERNA: Thank you. And, Commissioner, we certainly applaud the work that your department does. You have some very dedicated employees, and I know that they have great respect for you.

Commissioner, on Page 4 of your testimony, you mention the Biosolids Recycling Center and that $10.8 million has been requested in Class 200 for FY07.

If Council does not pass the required legislation, what's the impact on your budget?

COMMISSIONER BRUNWASSER: That particular appropriation would go away. The $10.7 million is actually the incremental amount that we would need to add to our Class 200 budget in order to avail ourselves of a new contract with this provider that we have proposed. If that goes through and we use the $10.7 million, then other costs would drop out in Class 300 and 400 and certain capital costs, which are not shown of course here in the operating budget, and also Class 100 would be absorbed within the appropriations of other units of the Department as workers are moved to other operating units, like distribution or sewer maintenance or any of our six --

COUNCIL PRESIDENT VERNA: So they would stay within the Department?

COMMISSIONER BRUNWASSER: Yes.

COUNCIL PRESIDENT VERNA: Commissioner, last year you explained to us the savings associated with abandoning the old fire hydrant system and you provided us with estimated savings. Can you tell us the savings by the Fire Department for FY07 and how they were arrived at?

COMMISSIONER BRUNWASSER: I'm going to introduce -- oh, I should have introduced already. To my left is Joseph Clare, Deputy Commissioner for Finance and Administration, and to my right is Debra McCarty, Deputy Commissioner for Operations, and Mr. Clare has the detail on the savings for the Fire Department.

COUNCIL PRESIDENT VERNA: Mr. Clare.

DEPUTY COMMISSIONER CLARE: Hi, President Verna. The high pressure system original cost in the last rate study was approximately $2 million a year, 800,000 of which was capital and 1.2 million was operating. The plan at that time, I believe the system was shut down in January last year, and the capital costs continued for some time because there's a bond indebtedness and other costs related to that. So after January 5th, I believe, of last year, the operating cost disappeared. So we saved approximately $600,000 in last fiscal year, and we'll save approximately 1.2 million in operating costs in this and every succeeding fiscal year.

In addition, the capital costs are dropping over a four-year period. Last year they were 800,000. This year they're 600,000. Next year they're 400,000, and the last and final year in Fiscal '08, I believe, they're 200,000. So at that point, there will be no cost to the General Fund for the operation or capital costs related to the high pressure system.

COUNCIL PRESIDENT VERNA: Thank you very much.

Commissioner, can you tell us

what the impact of the River City initiative is on the water rate payer?

COMMISSIONER BRUNWASSER: Yes. I believe it has very little, if any, direct effect on the water rate payer for a couple of reasons. Some of the work that's part of the initiative is probably projects that we would have undertaken in any event. We understand that we will eventually take over the water sewer infrastructure of the Navy Yard.

The problem at this current time is that the Navy Yard system is not quite up to our standards, and so some of that money I know is geared for the upgrade of the Navy Yard and it would be coming out of this particular pot of money.

The other thing is --

COUNCIL PRESIDENT VERNA: Excuse me. I don't mean to interrupt you, but I believe that when PIDC was in here to testify several months ago, they indicated that they did not need money to do the necessary work that you're referring to.

COMMISSIONER BRUNWASSER: I'm working off of the ordinance, the attachment to the ordinance that was introduced recently, and I believe there's a $30 million item there related to the Navy Yard.

COUNCIL PRESIDENT VERNA: How much? 4 million?

COMMISSIONER BRUNWASSER: 30.

COUNCIL PRESIDENT VERNA: 30 million? I have to go back to the notes of testimony. I recall PIDC being in here indicating that they did have the necessary funds in which to address the Navy Yard problems. However, that's for another day, and I will definitely -- please proceed.

COMMISSIONER BRUNWASSER: As you may recall, the Sinking Fund reserve actually is a reserve for the benefit of the bond holders of water and revenue bonds, and under the ordinances that were enacted, including the general ordinance of 1993, this reserve may be replaced with a surety bond or an insurance policy, and so that will be -- so long as the insurance or the bond covers the $125 million, then this should be seamless to the bond holder. And that's the source for the money. It should have virtually no effect on the water rate payer.

COUNCIL PRESIDENT VERNA: I know I was distracted and you may have answered this, but since the source of these funds is revenue bonds, why wouldn't you be requesting to spend them through the City's capital budget?

COMMISSIONER BRUNWASSER: Well, I think what this program is designed to do, the River City program, is to target water and sewer infrastructure in those areas, those special areas that are looking for a boost to bring in more business and more activity, economic vigor to the Philadelphia waterfront. And, actually, I applaud that, because ever since I've been with the Water Department, and that goes back a long time, the City has continued to lose population, and for a utility like the Water Department that is so capital intensive, we have all of these pipes out there in the street and if 30 out of 40 rowhouses are demolished or unhabitable, we cannot get rid of that water main and sewer main in the street. We still have to maintain that.

So for a department like ours -- what I've seen happen over the years, and it's still happening, is a reduction of water being used by the public, and anything that helps to reverse that trend has to be applauded by us, otherwise we die of a thousand cuts.

COUNCIL PRESIDENT VERNA: Commissioner, I just asked Councilman DiCicco if we have recently received a report from the Water Department concerning the flooding that took place, I guess, last year this time in our community and we had all of our constituents almost literally blocking the streets in protest.

Will we be getting a report shortly on what you're doing, what you have been able to determine from your study, and when can we expect that?

COMMISSIONER BRUNWASSER: The second of our interim reports is scheduled to be released any moment. It's basically done. And what we've done is, we have inspected well over 60 blocks within the problem area in great detail. We've modeled some of the system as far as actual water going in and what exactly happens. We've certainly checked for debris, and the debris has been cleaned out wherever we found it, and we also checked for mechanical difficulties, hydraulic difficulties.

A couple of blocks I know are already scheduled to be redone. The sewers are failing. And so that is happening. The other thing that we're doing is, we are beginning to look for projects which can offload some of the storm water from the existing system, which can get surcharged, as we've seen. And we don't have to wait for the end of the report, which may be two years -- maybe another year and a half or so before it's complete, because we're checking out all of the areas in the City that are prone to this kind of problem.

But in South Philadelphia, we have a job currently on Snyder Avenue. I think it's replacing and increasing the capacity of 800 feet of sewer, and also I think we're doing 2,000 feet of water main on Snyder Avenue, I guess, near Front Street. And that, when complete -- and it should be, I guess, complete later this year -- will help relieve some of the flooding issues at that area.

We are looking very closely at some of the new construction that has happened, even if it's reconstruction, in South Philadelphia, because sometimes even though there was a property there before, the new property has been designed so efficiently to get the storm water into the system that it actually exacerbates some of these problems in these very high intensity storms.

So we're looking at ways to offload that and maybe send that directly to a creek or river and then relieve the system, which is handling sanitary sewage and storm sewage in that older part of the City.

COUNCIL PRESIDENT VERNA: Thank you. I look forward to seeing that report.

Councilman Nutter has asked if I could direct a question to you. How many septic systems are there in the City and can we have a map that identifies them by Council District?

COMMISSIONER BRUNWASSER: I know that -- I'm not sure we have all of that knowledge, because if this is a private type of ownership, but I believe we have approximately 1,700 water-only customers in the system, which means they're not tied into our sewer system. They're not paying for sewer service. That may give us an idea of how many have septic systems. Obviously I have some experts in the room that may be able to help me.

I'm being told that the policing of the septic systems is actually under the Health Department's auspices.

COUNCIL PRESIDENT VERNA: Thank you very much.

The Chair recognizes Councilman Rizzo.

COUNCILMAN RIZZO: Thank you, Madam President.

Commissioner, first of all, thanks for your department's always prompt response to constituent issues. It's greatly appreciated.

Commissioner, last week I introduced a resolution asking for hearings on the relationship that we have with PennDot as it comes to the 390 miles of state-maintained highways in the City of Philadelphia, and as you know, we have had numerous conversations and, again, some of the concerns that I have are above and beyond your control, but I think that we can control an issue that's becoming a real problem. It has to do with contractors that are working for the Water Department and also for other utilities, the management, the project management, of those contractors.

Again, coming from the utility industry, I know how these guys work. They put money in for work area protection. They put money into the old "for restoration," temporary restoration, and then they try to get away with as much as they can, and that money goes in their pocket.

The issue that we have is that I think we need more oversight. I believe there's an engineer or personnel assigned to every project. They should see what the constituent sees. They should see what I see. And it's a disgrace on how some of these jobs -- and I'm not going to name names, but you know the job that I'm talking about. It was absolutely a disgrace that that contractor left a very major roadway in the condition as -- and I understand there were some other circumstances because of the problems that he had with the particular job, but that's not just that job. It's everywhere you go. A plumber -- you know the job that I'm talking about -- just left the place. I would wish he comes back at night and forgets he did that job and hits that excavation that he left. I pray that that would happen to him. That he would leave that job in the condition it was in on a state highway, working on a private service, and I'm even confused on how -- he obviously had to have a permit to do that work, to dig up the street, issued by the Streets Department or Water Department.

I just can't figure why we can't do it right, where when the Water Department has a contractor doing work, that the oversight makes them do what they're supposed to do in the deal; that when a plumber digs up the street, at the end of the day, they fix it in a way that will survive that -- I can't believe it takes 30 days to go back and have the Streets Department go back and fix it.

We've had this conversation before. Maybe you need to take over the whole project. You figure out a way to convince the Streets Department that you really need to involve yourself at least in the temporary repair.

Commissioner, all I know is, it's really frustrating to hear people tell me stories they come home on a rainy, dark night. They're older folks. They wind up hitting one of these ditches. They destroy their car, if they don't hurt themselves.

Why can't we get this thing organized City-wide? I know they've got this Ditch Committee that PECO sits on and PGW sits on. Intelligent minds should be able to fix this very basic problem that we have when we open up a street in the City of Philadelphia.

Could you just comment on what you believe the problem is here?

COMMISSIONER BRUNWASSER: Well, Councilman, I certainly appreciate your concern about the way these job sites are left. I mean, they are construction sites and there are some difficulties at times, but we have to impress upon all of our contractors that if they get work from us and the City, they've got to do it right and they can't scrimp on things that matter. And safety, of course, is paramount. And then just -- we want the site to be presentable. We don't want it to be a mess.

And I heartily agree with you,

and I will -- some of the folks are back here. I will impress upon them that this is an important issue for us.

As far as the speed at getting to some of these trenches and not let them fester and go bad on us before the Streets Department has an opportunity to resurface that, I think the Streets Department has been given additional funds this year for, I believe it's called, Project Smoother Streets and for more personnel and equipment in order to get to these sites much quicker and so we don't have to continuously do a patch job.

COUNCILMAN RIZZO:

Commissioner, one of my observations, we refer to a pothole, but most of the failures in the highway, in my opinion coming from the utility industry, if you look at most of the problems that we have to steer around or hit, it's not a natural -- it's an opening that has failed because it wasn't restored properly. These bellies, these dips in the road that we hit, God didn't put that there. Somebody dug up that street and didn't restore it properly, didn't compact it properly, didn't put -- there obviously is a standard that needs to be met for restoration of excavations. And, again, if we're not watching these contractors that work for us to make sure they're doing it right, they're not going to do it right.

So it's something that I think we really need to try to do, and I know that you'll try your best, because you always do when it comes to trying to make things safer, as you mentioned earlier.

COMMISSIONER BRUNWASSER: Well, thank you, Councilman, but I know others in the Administration have certainly heard your plea here, and I think we're moving --

COUNCILMAN RIZZO: It is. It's a plea.

COMMISSIONER BRUNWASSER: I

think things are moving in the right direction.

COUNCILMAN RIZZO: Good. Thank you, sir, and, again, thanks for all of your quick responses to various requests. I appreciate it.

COMMISSIONER BRUNWASSER: Sure. Thank you.

COUNCILMAN RIZZO: Thank you, Madam President.

COUNCIL PRESIDENT VERNA: You're welcome.

The Chair recognizes Councilman DiCicco.

COUNCILMAN DiCICCO: Thank you, Madam President.

And good afternoon, Commissioner. I'd like to echo the comments made by the Council President and my colleague, Councilman Rizzo, on the service that my office has benefited from by your department, and pick up on the Council President's comments earlier, questions about the report as it relates to the flooding issues we had a year and a half ago.

As you know, you were in my office with some of your team and you did give me a preliminary report, and I appreciate that as well.

My understanding is that with new construction, developers are now required, or maybe have been for a while, required to put in two separate systems, two ferrule systems, one for the waste discharge line and the other for the rainwater coming off of roofs. Is that accurate? And my question is, are we keeping pace -- those systems should go into two separate lines as far as the sewer system is concerned?

I would suspect that they -- you're smiling. I mean, the theory, I think, was to take the rainwater off and let it go into a separate system than the sewer systems are.

COMMISSIONER BRUNWASSER:
You're correct, yes.

COUNCILMAN DiCICCO: Is the Water Department keeping pace with -- if a new development were to occur today, and there is a new development in my district at 4th and Reed, the Jefferson Square Housing Development. I think that they were required to install two separate water systems, runoff systems. Are the sewer systems, are they compatible with that yet?

COMMISSIONER BRUNWASSER: Well, I think --

COUNCILMAN DiCICCO: Maybe not necessary for that location, but generally speaking, are we keeping pace?

COMMISSIONER BRUNWASSER: Right. I mean, obviously the sewer infrastructure in the older parts of the City, which encompass, of course, South Philadelphia, have one large pipe. What we have to do, and not only in that area but in all areas of Philadelphia, is something that we've done by tightening up the regulations on storm water for construction and reconstruction for any sizable parcel, and, that is, to try to get -- that is, to get less runoff from all property from now on. Any developed parcel has to give off less water than it gives off today. In fact, any large parcel I think has to be designed to take about the first inch of rain, which is a significant amount, which is most storms, of course, in Philadelphia.

This is already, just since January 1st because of the construction boom in Philadelphia, it's already saved us, I think, the equivalent of a square mile of runoff, the runoff of a square mile on the new development that's come in just in the first couple of months of 2006.

So what we're trying to do is keep as much storm water out of the sewer pipe as possible, and in areas like South Philadelphia, it's essential. It's essential to try to do that. And I think these regulations that we have now over time will really diminish some of the flooding problems that we have today, and it's also something that will reduce pollution getting to the river, because once that pipe reaches a certain level, a combined sewer pipe is going to send this diluted sewage out to the river, and that is no longer the state-of-the-art when it comes to the environment.

So this works on many levels for us, and, again, we'll certainly share that second interim report with you to kind of show you where our progress has already been made.

COUNCILMAN DiCICCO: And I appreciate that and I understand that new development. I think that was part of the conversation we had when I was curious as to why in some suburban counties, as an example, when you have big box development with large parking lots, there are these catch basins, or whatever you refer to them, that take a lot of that water off, where in

Philadelphia it just runs off the blacktop and our systems have to basically take all of it, because there's no impervious soil, land or whatever to suck that up. And I think that's one of the problems we had when we developed the Lowe's/Ikea site, which was 40 acres or so of impervious soil and now we black-topped it over. So that added to the problems that the people in that end of the City had experienced, which brings me to my next question or concern, is that using Jefferson Square as the area, immediately adjacent or part of the Jefferson Square community is a former hospital, the Mt. Sinai Hospital, which is currently being proposed to be converted into 220-some-odd condominium units with about 28 new townhouses. So you got about 250 new units on that site.

I think based on the uses that a hospital had when it was operating versus the uses that the condos will have, I think you'll see less usage or for the systems that have to take less water and sewage. But that's what I believe. It's very hard for me to convince the residents in the community that it's not going to be a worst-case scenario. And I will send your office a letter asking for a formal report, if you will, to -- and I'll give you the geographical areas that are of concern.

But that is the concern, and I'm dealing with that, and not only there, I'm dealing with it in many of the high-rise development sites along Delaware River, the possibility of the casinos. Everyone is starting now to talk about do the systems that we have in place, will they be able to maintain, are they sufficient enough to handle the additional load that they're going to have to take with all this development.

So it's a statement more or less than a question, but that is something that we need to address, and I think your department could be helpful to myself and other Councilmembers, in particular in those districts that have this increased development going on, to address some of those concerns for our constituents. Because everywhere I go, that's all I'm hearing anymore, is in addition to the parking problems, that we don't want this place developed because where are we going to park and my taxes are going to go up because you're removing blight, what about the water system.

I'm sure you're aware of it, but I think a lot more information if you can give to us on a periodic basis will be helpful.

COMMISSIONER BRUNWASSER: That's great. That is our intention, to give you more information as we go through this process of studying our storm system, but I think I can assure you that from now on, any sizable parcel that's developed in Philadelphia will give off less storm water than it does today, because it's in the regulations. We have people watching it. We get a lot of push-back sometimes. We work with the contractors and developers to tell them what will be required. As you say, it's required in the suburbs. It's also going to be required here, and you're going to see more of these detention ponds in Philadelphia.

COUNCILMAN DiCICCO: And if you need any assistance, as we spoke about in my office, if legislation of some sort may be necessary to identify a percentage of land that needs to be retained for impervious soil reasons, please let me know. I'll be more than glad to help you with that.

COMMISSIONER BRUNWASSER: Thank you.

COUNCILMAN DiCICCO: Thank you, Commissioner.

Thank you, Madam President.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair recognizes Councilwoman Blackwell.

COUNCILWOMAN BLACKWELL: Thank you, Madam President.

I have questions today for Councilwoman Marian Tasco, who had to leave. Her questions are as follows. It's one question and then a statement.

What can be done to address the problem with payment lines at the Water Department facility? Among my constituents, I have found that a number of elderly people frequently must come to Center City to pay their bills to the Water Revenue Bureau. These elderly people are forced to stand in long lines for lengthy periods of time. All of this standing is very strenuous on their bodies, particularly their fragile backs, hips and knees. There was even an incident this afternoon where an elderly woman fell down while waiting in a long line over there to pay her water bill. For now, security personnel at the building have been kind enough to reserve some older people places in line and allow them to sit in other areas of the Municipal Services Building until their turn comes. This method, however, is neither systematic nor consistent.

Would it be possible to add seating and a number to the water collections facility at the MSB so that people can sit comfortably and wait for their numbers to be called rather than having to stand for long periods? A similar system is in place at the L&I facility and at other locations.

COMMISSIONER BRUNWASSER: Actually, I will be talking to Revenue Commissioner Nancy Kammerdeiner about this request, because we don't actually collect our own revenues. But I understand the problem, and I know there is only, I guess, two official sites other than the MSB for the collection of water bills. I know there are a lot of other places that will take money, I guess, and send the bill to the Revenue Department.

But I will discuss it with Commissioner Kammerdeiner and get you a response.

COUNCILWOMAN BLACKWELL: Thank you. In fact, we should have asked her had we realized, but I'm sure the Councilwoman appreciates it, and it was a good question. Thank you.

COUNCILMAN RIZZO: Point of information, Madam President.

COUNCIL PRESIDENT VERNA: The Chair recognizes Councilman Rizzo for a point of information.

COUNCILMAN RIZZO: Thank you, Madam President.

Commissioner, for our record here during the budget, during a hearing you indicated -- and I don't want to speak for you, but I'll try my best to say what you said. I asked you the question, do you believe it would be best for the Water Department to be in the business of collecting their own water bills, and I believe you said that that would be good for the Water Department, to be actually involved in bringing in that revenue.

COMMISSIONER BRUNWASSER: I think --

COUNCILMAN RIZZO: Now, I have the transcript now.

COMMISSIONER BRUNWASSER: No, no. I believe you. I may have said that or said that it's certainly worth looking into. There are pluses that I see and there are negatives.

COUNCILMAN RIZZO: What would be a plus?

COMMISSIONER BRUNWASSER: Well, I think sometimes when your collection arm is apart from you, there's not quite the same knowledge, background --

COUNCILMAN RIZZO: Or enthusiasm.

COMMISSIONER BRUNWASSER: Or enthusiasm perhaps. You don't necessarily see the fruits of your labors if you're basically answering customer billing complaints and things of that nature and you don't see what the good is and the revenues that you do collect and what allows the Water Department to do as far as the environment and pure drinking water and things of that nature.

One of the things that I've encouraged, and I have to remember to do this again, is, we'd like to invite some of these folks from the Revenue Bureau, and we have in the past, to come and tour some of our facilities so they get a little more pride of service and understand how their work impacts on us and the rest of the City.

COUNCIL PRESIDENT VERNA: Excuse me, Commissioner.

Councilman Rizzo, can I have a point of information?

COUNCILMAN RIZZO: That's right. Keep it short now.

COUNCIL PRESIDENT VERNA: Thank

you.

Commissioner, as long as we're on that phase of questioning, can you tell us what the delinquency rate is?

COMMISSIONER BRUNWASSER:

That's always an interesting question. I can try to explain it to you in a -- it's a little bit convoluted, but I'll try my best.

There are certain terms of art that they use in the collection business, and one of them is "current collection factor" and one that is probably a bit more useful is the "cumulative collection factor."

Cumulatively over the years -- and since we went to monthly billing, it hasn't changed very much -- we get approximately 85 percent of what is billed within the fiscal year. If you just isolate the bills you send out from July 1st through June 30th and isolate the receipts for those bills, 85 percent will be collected by June 30th. Now, some of them are not even due yet. Any bill that was sent out June 15th or June 20th, they're due in July. So they're not even late, but 85 percent of that isolated segment is collected within the fiscal year.

Now, typically -- and this has been typical now for ten years -- eight to nine percent of the immediate prior year is collected in the current year. So let us say the last complete year we have was Fiscal 2005. The revenues that came in in Fiscal 2005 were probably 85 percent from 2005, eight to nine percent from 2004 and then an additional two to three percent from prior to 2004. So the cumulative amount is 85, plus eight, plus two or thereabouts, 95, 96 percent. That's basically what we get.

COUNCIL PRESIDENT VERNA: Okay. Councilman, thank you.

COUNCILMAN RIZZO: I'll finish up.

Commissioner, I got a phone

call recently, and I want to again thank all the people that you work with. The people in Bucks County were greatly appreciated when you got involved and you got hooked up with the right people up there. They feel as though what you did in dealing with some of the issues with the excess water sewage charges that they were experiencing because going over their allotment, whatever -- I don't pretend to know the entire issue, but all I know is, they said that the relationship has improved greatly and that it benefited Bucks County and this new relationship benefited Philadelphia and the Water Department.

So thanks for handling that, because they're very pleased that you were able to cut through the bureaucracy and get that resolved, whatever the big issue was.

COMMISSIONER BRUNWASSER: Right. Well, thank you for that, and thank you for putting me in touch with the right people out there and getting our story told, because it hadn't been told prior to that time. And as you know, we're a regional sewer utility and also water, but sewer particularly, because I think about 54 communities and authorities send us their sewage. And we're thankful for that in a way because it gets us to spread the enormous capital cost over a larger group of people.

COUNCILMAN RIZZO: If I recollect, the issue was when they had heavy rain, they were sending a lot of rainwater to us and being billed because it was in excess of what they would normally send, and it was really hurting them financially.

COMMISSIONER BRUNWASSER: Yes. Yes. We received $18.6 million, which helped actually to lower the last rate hike, to some degree.

COUNCILMAN RIZZO: Thank you, Madam President.

COUNCIL PRESIDENT VERNA:

You're welcome.

Commissioner, again, I thank you.

COMMISSIONER BRUNWASSER: Thank you.

COUNCIL PRESIDENT VERNA: Have a safe, enjoyable trip. I guess many of us wish we were going with you, but since we're not, enjoy.

Thank you all very much, and the Committee will stand in recess until tomorrow morning at 10:00 a.m.

Thank you all very much for your patience.

(Committee of the Whole adjourned at 4:40 p.m.)

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CERTIFICATE

I HEREBY CERTIFY that the proceedings, evidence and objections are contained fully and accurately in the stenographic notes taken by me upon the foregoing matter on March 7, 2006, and that this is a true and correct transcript of same.

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MICHELE L. MURPHY
RPR-Notary Public

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