

1
2 COUNCIL OF THE CITY OF PHILADELPHIA
3 PUBLIC HEARING BEFORE COMMITTEE ON APPROPRIATIONS
4 FY '01 TRANSFER ORDINANCE

5 - - -
6 Room 400, City Hall
7 Philadelphia, Pennsylvania
8 Monday, 2/12/01
9 10:00 a.m.
10 - - -

11 BILL 010006 - Authorizing transfers in
12 appropriations for Fiscal Year 2001 within the
13 Aviation Fund from certain or all City offices,
14 departments, boards, and commissions to certain or
15 all City offices, departments, boards, and
16 commissions.

17 BILL 010007 - Authorizing transfers in
18 appropriations for Fiscal Year 2001 from the
19 General Fund to certain or all City offices,
20 departments, boards, and commissions and from the
21 Grants Revenue Fund, the Mayor - Office of Housing
22 and Community Development, the Department of
23 Public Health, and the Director of Finance -
24 Provision for Other Grants to the General Fund,
25 certain or all City departments, offices, boards,
or commissions.

BILL 010062 - authorizing transfers in
appropriations for Fiscal Year 2001 from the
Grants Revenue Fund - The Director of Finance
Provision for Other Grants to the Hotel Room
Rental Tax Fund, the City Representative, and the
Director of Commerce

PRESENT: COUNCILWOMAN JOAN L. KRAJEWSKI, Chair
COUNCILMAN MICHAEL A. NUTTER, Vice Chair
COUNCILMAN DARRELL L. CLARKE
COUNCILMAN W. THACHER LONGSTRETH
COUNCILMAN ANGEL L. ORTIZ
COUNCILMAN BRIAN J. O'NEILL

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1 2/12/01 - APPROPRIATIONS COMMITTEE

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2 P R O C E E D I N G S

3 COUNCILWOMAN KRAJEWSKI: Good morning.

4 Thank you all very much for waiting. We were
5 waiting for Councilman O'Neill to come in.

6 (Laughter.)

7 COUNCILWOMAN KRAJEWSKI: The Committee
8 on Appropriations is now in session.

9 Will the clerk please read the bills.

10 THE CLERK: Bill No. 010006, an
11 ordinance authorizing transfers in appropriations
12 for Fiscal Year 2001 within the Aviation Fund from
13 certain or all City offices, departments, boards,
14 and commissions to certain or all City offices,
15 departments, boards, and commissions.

16 Bill No. 010007, an ordinance
17 authorizing transfers in appropriations for Fiscal
18 Year 2001 from the General Fund to certain or all
19 City offices, departments, boards, and commissions
20 and from the Grants Revenue Fund, the Mayor -
21 Office of Housing and Community Development, the
22 Department of Public Health, and the Director of
23 Finance - Provision for Other Grants to the
24 General Fund, certain or all City departments,
25 offices, boards, or commissions.

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2 And Bill No. 010062, an ordinance
3 authorizing transfers in appropriations for Fiscal
4 Year 2001 from the Grants Revenue Fund - The
5 Director of Finance Provision for Other Grants to
6 the Hotel Room Rental Tax Fund, the City
7 Representative, and the Director of Commerce.

8 COUNCILWOMAN KRAJEWSKI: Thank you.

9 Is there someone from the
10 Administration here to testify?

11 (Witness comes forward.)

12 COUNCILWOMAN KRAJEWSKI: Good morning.

13 MR. DUBOW: Good morning.

14 COUNCILWOMAN KRAJEWSKI: Please state
15 your name for the record.

16 MR. DUBOW: My name's Rob Dubow, the
17 City's Budget Director, and I'm here to offer
18 testimony on Bill No.'s 1007, 1006, and 10062,
19 which make FY 2001 budget appropriation transfers
20 between and among classes and departments in the
21 City's General Fund Grants, Revenue Fund, Aviation
22 Fund, and Hotel Room Tax Fund.

23 And I'll start with 1007, which is the
24 General Fund Grants Revenue Fund midyear transfer
25 ordinance. It includes 56 transfers, including 42

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2 that total \$37.7 million for one-time employee
3 bonuses that were part of the labor agreements
4 with uniform and civilian bargaining units of the
5 City. In addition to the funding for bonuses, the
6 transfers include the following requests:

7 The largest request is for \$10 million
8 from the Sinking Fund to the Indemnity Count, to
9 cover the increased counts of settlements of
10 lawsuits against the City;

11 We're also requesting increases in the
12 Law Department appropriation of 1.9 million to
13 fully fund expected contractual obligations for
14 outside legal counsel;

15 And \$188,182 to fund an Affirmative
16 Litigation Unit for half a year. The Affirmative
17 Litigation Unit will initiate cases that can
18 generate revenue for the City;

19 Additionally, the Administration
20 requests \$1,070,121 to fund increases in the
21 City's contracts for legal services with the
22 Defender Association of Philadelphia, Community
23 Legal Services, and the Support Center for Child
24 Advocates. The contract increases will help funds
25 additional costs created by a growing number of

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2 cases;

3 The Administration also requests
4 \$960,000 to be appropriated to the Department of
5 Licenses and Inspections for implementation of a
6 lot-cleaning programming as part of the
7 Neighborhood Transformation Initiative;

8 And increase of \$882,818 is requested
9 in the Health Department to fund the purchase of
10 pharmaceuticals, dental chairs for the health care
11 centers, and a fluoroscope for the Medical
12 Examiner's Office;

13 An increase of \$420,000 is also
14 requested for the Fire Department to cover vendor
15 costs associated with increased EMS billing and
16 collection activity;

17 The Administration requests a net
18 increase of \$209,861 to the City Commissioners,
19 with \$73,139 transferred internally from Class 100
20 to 300 and 400. The Class 200 funds are needed to
21 cover the shortfall in the amount budged for the
22 maintenance expenses of the existing voting
23 machines resulting from the unexpected delay in
24 the contract negotiations for the purchase of new
25 electronic voting machines;

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2 An increase of \$579,959 is requested in
3 the appropriation for the Sheriff, of which
4 \$200,000 is needed to cover costs associated with
5 RNC overtime. \$33,587 is needed for the purchase
6 of bulletproof vests and the remainder is for the
7 one-time employees bonuses;

8 A final increase of appropriation of
9 \$151,028 is needed for the Department of
10 Recreation to cover additional prize money for the
11 Mummers Parade. The contract with United Way for
12 the administration of a citywide after-school
13 consortium, and the Department's share in
14 supporting the City's Office of Fun and fitness.
15 The Department requests to transfer \$30,836 from
16 Classes 3 and 400 to help offset the class 200
17 shortfall;

18 The Office of Fleet Management requests
19 an internal transfer of \$574,000 from Class 200 to
20 Classes 100 and 3 and 400 to cover vehicle parts
21 spending and repairs that will be performed by
22 City workers, rising fuel prices in the one-time
23 salary bonuses;

24 Another internal transfer involves the
25 Police Department requesting \$282,737 to be

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2 transferred from Classes 3 and 400 to 1 and 200 to
3 help cover wage increases determined by the
4 interest arbitration award, cellular phone
5 charges, and helicopter pilot contract costs.

6 These increases in the appropriations
7 are possible made through savings of \$10 million
8 in appropriations for the Sinking Fund, resulting
9 from the postponement of new debt issued and
10 lower-than-projected interest rates on short-term
11 borrowings.

12 Additionally grants revenue for the
13 Mayor's Office of Housing and Community
14 Development in the amount of 18.7 million and the
15 Department of Public Health for \$2.8 million are
16 available.

17 The Director of Finance - Provision for
18 Other Grants will provide \$22 million.

19 Internal transfers with no change in
20 appropriation level include 300,000 from Class 100
21 to 200 within the Mayor's Office of Information
22 Services to cover contracted staff support; 210,00
23 from Classes 3 and 400 to 200 within the District
24 Attorney's Office to cover office renovation
25 expenses, and 400,000 from Class 200 to Classes 3

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2 and 400 within the Department of Public Property
3 to cover fuel oil costs. The Department of Public
4 Property also requests an increase of \$451,294 in
5 Class 100 to cover both the one-time salary
6 bonuses as well as overtime expenses incurred for
7 the RNC.

8 Now I'll go on to the other bills now.

9 For 010006, that's the Aviation Fund
10 transfer, there are two transfers totaling
11 \$492,460 coming from the Sinking Fund that go to
12 the Police Department for \$325,460 and the Fire
13 Department for 160,000 to cover Class 100 salary
14 increases included in the 2000 labor agreements.
15 The Fire Department is also requesting 7,000 in
16 Class 300 to pay for the uniform replacement
17 allowance.

18 And the final bill is 010062, and
19 that's Grants Revenue Fund, Hotel Room Rental Tax
20 Fund. We're requesting 2.9 million from the
21 Provision for Other Grants to go to the Hotel Room
22 Rental Tax Fund, and the increase would allow the
23 Administration to allocate increased hotel tax
24 revenues to the Convention Center, the GPTMC and
25 the Convention and Visitors Bureau.

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2 That concludes my testimony, and
3 representatives from the Administration are here
4 to answer any questions you might have.

5 COUNCILWOMAN KRAJEWSKI: Thank you.

6 Mr. Dubow, I believe last year at this
7 time, there has been -- we have discussed
8 allocations for outside legal counsel, and it was
9 suggested that the Law Department would be
10 exploring ways to reduce the amount of money spent
11 by outside legal counsel.

12 MR. DUBOW: Yeah.

13 COUNCILWOMAN KRAJEWSKI: Could you
14 explain that to me.

15 MR. DUBOW: What they're exploring --
16 I think I'd like to call the City Solicitor up to
17 talk about their plans.

18 COUNCILWOMAN KRAJEWSKI: I believe
19 Councilman Ortiz had brought this question up last
20 year at this time.

21 MR. DUBOW: Yeah.

22 (Witnesses come forward.)

23 MR. TRUJILLO: Good morning, Madam
24 Chairman. I'm Ken Trujillo, I'm the City
25 Solicitor. Seated with me is Chris Lane, the

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2 Director of Administration for the Law Department,
3 and it's my pleasure to be here this morning.

4 You may also recall my very first day
5 as City Solicitor was February 28th of last year
6 in which I presented testimony on the budget for
7 the Law Department. At that time, I spoke about
8 some of the initiatives that the Law Department
9 would be undertaking, and I'm happy to talk a bit
10 about that.

11 This year's use of outside counsel is a
12 bit unusual for a number of reasons. First of
13 all, the amount that was spent both with respect
14 to stadium negotiations, and those expenditures
15 continue; and secondly, with respect to labor
16 negotiations for the municipal unions from last
17 year. Those are unusual expenditures in the total
18 amounts and make up a large portion of the amount
19 that's being requested today.

20 Your question was as to the kinds of
21 initiatives that the Law Department is seeking out
22 in order to reduce the amount of outside counsel
23 -- the fees that are being spent for outside
24 counsel. Two of things that we are doing include
25 -- first of all, we have created an Affirmative

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2 Litigation Unit, and that Affirmative Litigation
3 Unit is both in-house and also utilizes outside
4 counsel. What that unit does is seeks appropriate
5 cases in which the City is an appropriate
6 plaintiff to seek money for the City. We have a
7 couple of those initiatives that are already
8 underway; and in fact, we have at least two
9 lawsuits that have just recently been started,
10 seeking recovery of tax revenues that would not
11 otherwise have been collected but for the
12 affirmative litigation unit.

13 We have revamped over the last several
14 months the manner in which we are going to be
15 paying outside counsel. A year ago, I testified
16 about the amount of salaries and how those
17 salaries have been dramatically increasing with
18 private law firms. The -- for instance, we've had
19 a presumptive cap of \$150 per hour for outside
20 counsel, which, as far as I've been able to
21 determine, has been in the City for 18 years.
22 Eighteen years ago, when I was a little bit
23 younger than I am today, outside counsel would be
24 paid an average -- a partner rate at a big firm
25 would be 150, 170, \$180 an hour. Today, it's hard

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2 to do find an outside law firm whose first-year
3 associates are charged out at any less than \$150
4 an hour.

5 And so one of the things that we are
6 doing is paying a higher rate on partner time and
7 trying to maintain a lower rate on associate
8 time. And part of our review of legal bills
9 indicated that there was a significant incentive
10 for outside counsel to use a lot of associate
11 time. First-, second-, third-, fourth-year
12 lawyers out of law school were doing a substantial
13 amount of our work.

14 A substantial part of the reason that
15 we go to outside counsel is because of the
16 expertise of outside counsel. What I wanted to
17 say was more of an incentive for partners to be
18 doing the work that we're going to them for. So
19 one of the things that we've done is we've
20 revamped that, so we will be paying more on an
21 hourly basis, but it's my expectation that we will
22 ultimately not be paying a significantly amount
23 more of outside counsel fees.

24 The additional part of what we've done
25 is -- the third area where we've spent a lot of

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2 money on outside counsel has been in the labor
3 areas, not just with respect to labor
4 negotiations, but with arbitrations with, you
5 know, police and fire and the like when employees
6 either file a grievance and then ultimately an
7 arbitration. We've revamped the Law Department's
8 employment and labor practice so that previously,
9 all of the employment cases were under a unit
10 called Special Litigation. Separately, we had the
11 Labor Unit. I have merged the two units and I
12 have a new chief deputy that's in charge of those,
13 Peter Weinbreak (ph.), and so we're seeing some
14 significant efficiencies there, and we expect we
15 will hire one or two more lawyers in-house. And
16 it is our expectation that we will see fewer cases
17 for arbitrations going to outside counsel.

18 COUNCILWOMAN KRAJEWSKI: It just seems
19 like each year we're continuing to transfer money
20 to cover the costs, you know, the fees because the
21 original amount designated is not enough. I mean,
22 will we do this again?

23 MR. DUBOW: One of the things we've
24 done in the '02 budget is put additional money in
25 the base for outside counsel fees, so that should

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2 help avoid the problem next year.

3 COUNCILWOMAN KRAJEWSKI: Thank you.

4 Any other questions from members?

5 Councilman Clarke and then Councilman
6 Nutter.

7 COUNCILMAN CLARKE: Thank you, Madam
8 Chair.

9 Since we're talking about outside legal
10 fees, I have a question. I saw in the newspaper,
11 I think it was Thursday or Friday, it was a
12 certain election case that has finally some
13 resolution to. I have a little percentage
14 interest in that, and I understand that --
15 Mr. Trujillo, you are familiar with that case?

16 MR. TRUJILLO: Absolutely.

17 COUNCILMAN CLARKE: All right. I
18 understand that there was substantial outside
19 legal fees associated with that case, and it was a
20 substantial amount of internal resources used for
21 that case. Last year, I recall the City
22 commissioners were testifying and I understood
23 that they had outside legal fees associated with
24 that. And at that time, I tried to get a sense of
25 what that cost -- here we are a year later and

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2 it's finally resolved, I hope.

3 Could -- I'd like to get the final
4 number on how much tax dollars were spent on that
5 particular case, if you can.

6 MR. TRUJILLO: I have an approximation
7 right now. I'd also be happy to give you a final
8 number in writing after this, if that's
9 appropriate, however you wish.

10 COUNCILMAN CLARKE: Well, you can give
11 me --

12 COUNCILWOMAN KRAJEWSKI: Would you see
13 that we receive that information?

14 MR. TRUJILLO: I'd be happy to do that.

15 And there are a couple of things, Madam
16 Chair, if I might digress just a bit. We've had
17 some extraordinary victories over this last year,
18 and I'm actually going to distribute to members of
19 this committee a couple of publications that I've
20 shared with the Budget Director and with the
21 Mayor.

22 Over the last year -- last year, the
23 City of Detroit spent \$35 million in indemnities
24 on civil rights cases. Last year, the City of Los
25 Angeles spent over \$100 million on civil rights

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2 cases. The City of Philadelphia over the last
3 three years, during the time that we've seen
4 increased arrests, increased police activity, our
5 numbers have significantly declined in what we
6 spend on outside fees in the civil rights area and
7 what we spend in the indemnities budget. The City
8 of Washington D.C. recently was cited by a federal
9 judge having its law department as being in
10 absolute dire straits, and there was a tremendous
11 criticism and published opinions about how they've
12 handled a number of their cases.

13 You mentioned, Councilman Clarke, just
14 last week this victory that the -- and the Third
15 Circuit handed down a final victory on this
16 matter. On Friday, two of our lawyers finished a
17 five-week trial in which the final demand from the
18 plaintiffs in a civil rights case was between 3
19 and \$4 million. We got a defense verdict on
20 Friday. It didn't appear on any Saturday or
21 Sunday or Monday newspapers and it probably won't
22 appear tomorrow, but some of the work that's being
23 done out of the Civil Rights Unit and Claims Units
24 and Commercial Litigation, all of the Law
25 Department, I think, is extraordinary, and I'm

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2 very proud of it.

3 Part of what happens is, we have a
4 relatively sophisticated use of outside counsel.
5 Very often, for instance, in a civil right case
6 like this, we as the Law Department represent the
7 City, we represent the Police Department, but
8 often have to go to outside because of the
9 potential conflict. And so it's a coordinated
10 effort with outside counsel representing the
11 police officers or the Fire Department or whoever
12 has been sued directly.

13 But part of what I will do is, I will
14 submit some of this information, which I think
15 it's difficult for you to see what you're getting
16 -- the bang that you're getting for your buck
17 until you compare it with what other law
18 departments throughout the country of this size
19 and magnitude are doing, and I'm just
20 extraordinarily proud of the work that our Law
21 Department does and the coordination that we have
22 with your outside counsel.

23 COUNCILMAN CLARKE: Thank you.

24 I don't have any other questions of
25 this witness, Madam Chair.

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2 COUNCILWOMAN KRAJEWSKI: Councilman

3 Nutter.

4 COUNCILMAN NUTTER: Thank you, Madam

5 Chair.

6 Mr. Trujillo, in the first page of the
7 testimony, it talks about the largest single
8 appropriation requested as a \$10 million transfer
9 from the Sinking Fund to the Director of Finance
10 Indemnity Account to cover the increased costs of
11 settlements of lawsuits against the City.

12 Can you give us a little information
13 about that? Why -- what's the trend of the
14 settlements, are they occurring in one particular
15 area? And tell us a little bit about that.

16 MR. TRUJILLO: I'd be happy to do that.

17 As to that specific item, there are two
18 areas that are largely covered by that. First of
19 all, so far to date, we have spent out of the
20 Indemnities Budget, I believe, \$4.997 million on
21 the Osage Avenue settlements. And as you may
22 recall, there are still 26 homeowners that have
23 not settled; they filed a federal lawsuit. We are
24 responding with a motion to dismiss.

25 In the event that that motion is --

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2 either we win or we lose, we have -- we may be in
3 a position where the remaining 26 homeowners may
4 be in a position to settle. If that's the case,
5 that makes up a substantial amount of that
6 \$10 million.

7 We also have several environmental
8 cases that we are defending, and in the event that
9 we either settle or those cases go to judgment, we
10 have to have that money available for purposes of
11 a settlement within this fiscal year.

12 COUNCILMAN NUTTER: That's 40-some-odd
13 homeowners at the -- what was the rate -- 150,
14 175?

15 MR. TRUJILLO: It was 30 -- I believe
16 the total was 61 less, the 26 that did not settle,
17 and we paid \$150,000, with the exception of two
18 that settled late; and the later ones, we've
19 spent, I believe, 130 or \$135,000 per homeowner.

20 COUNCILMAN NUTTER: Okay, all right.
21 So that covers about half of the ten. What was
22 the other half?

23 MR. TRUJILLO: The other half is
24 primarily made up of the possibility of judgments
25 or settlements in three environmental matters new.

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2 COUNCILMAN NUTTER: Three environmental
3 matters, okay.

4 The second item I have for you, the
5 Affirmative Litigation Unit, is that the unit
6 that's being headed by Shelly Smith?

7 MR. TRUJILLO: It is.

8 COUNCILMAN NUTTER: Okay, and that was
9 a brilliant choice on your part.

10 MR. TRUJILLO: Thank you.

11 COUNCILMAN NUTTER: I commend you for
12 that; I've worked with her on a couple of
13 occasions.

14 MR. TRUJILLO: She's actually a part of
15 the trial team that won the case I was talking,
16 about on Friday.

17 COUNCILMAN NUTTER: Very good.

18 Madam Chair, I don't have any more
19 questions for the Law Department. If you have
20 other questions.

21 COUNCILWOMAN KRAJEWSKI: Thank you.

22 Councilman O'Neill?

23 COUNCILMAN O'NEILL: Just one for the
24 Law Department.

25 Mr. Trujillo, could you explain the

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2 insurance -- I know we're self-insured, but at any
3 level, do we have insurance?

4 MR. TRUJILLO: Yes.

5 COUNCILMAN O'NEILL: Okay, and what
6 level is that?

7 MR. TRUJILLO: Well, it's not a -- it's
8 not a -- what you would think in terms of excess
9 insurance. It's specific insurance. Risk
10 management, for instance, on specific events, it
11 requires insurance sometimes of other parties;
12 also for other contracted matters, there are times
13 that we will get insurance, but that is the
14 exception rather than the rule.

15 I think it's been reported that there
16 are some elements -- for instance, when you have
17 something like the Republican National Convention,
18 there's some elements of that where we have taken
19 insurance. For instance, if we do things in the
20 stadiums. Again, there are some elements of the
21 build-out where we would require the other side to
22 obtain insurance and insure us.

23 But -- so insurance is the exception
24 rather than the rule, but when you have a
25 potential of substantial liability or where the

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2 City's relying on other parties, it is when we
3 would go out and, with Risk Management, seek
4 insurance.

5 COUNCILMAN O'NEILL: Have you
6 considered excess insurance?

7 MR. TRUJILLO: Generally?

8 COUNCILMAN O'NEILL: Yeah.

9 MR. TRUJILLO: I have not looked
10 into --

11 COUNCILMAN O'NEILL: At some
12 catastrophic level?

13 MR. TRUJILLO: Since I have been here,
14 that is not something that I have looked into, no,
15 but it's something that I --

16 COUNCILMAN O'NEILL: Let me tell you
17 two things that might happen. One, you'd have
18 catastrophic insurance, which I think is prudent
19 from the taxpayer's standpoint.

20 But, secondly, while we all think, you
21 know, we do everything right and we know
22 everything, you get the review of somebody, a
23 company, a set of risk managers, sort of oversight
24 case managers that can come in because it's all
25 they do and just give you a review, you for your

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2 department, and a review of how we are tracking
3 our cases, are we covering -- I mean, you know,
4 I'm not criticizing anyone. It's always good to
5 get a fresh look, though, and I think that's one
6 thing that may come out of that. I mean, we can
7 have some private conversation, I have some ideas
8 on it.

9 But I'd also like to know, you know,
10 what other large cities do, and not just as large
11 as ours, but starting, you know, with cities above
12 a certain, you know, population and budget. I
13 think just leaving yourself open and, you know,
14 hoping that it doesn't happy might not be the way
15 to go in the future.

16 MR. TRUJILLO: And I accept that. I
17 think that's something we will take a look at and
18 I will be happy to follow up with you.

19 COUNCILMAN O'NEILL: Okay, thank you.

20 COUNCILWOMAN KRAJEWSKI: Thank you.

21 Are there any other questions for the
22 Law Department?

23 (No further questions.)

24 COUNCILWOMAN KRAJEWSKI: Thank you,
25 gentlemen.

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2 MR. TRUJILLO: Thank you, Madam Chair.

3 COUNCILWOMAN KRAJEWSKI: Is there
4 someone here from L&I?

5 (Witnesses come forward.)

6 COUNCILWOMAN KRAJEWSKI: Good morning.

7 MR. SOLVIBLE: Good morning.

8 COUNCILWOMAN KRAJEWSKI: Good morning,,
9 gentlemen. Please state your name for the
10 record.

11 MR. SOLVIBLE: Robert Solvible,
12 S-O-L-V-I-B-I-L-E, First Deputy Commissioner of
13 Licenses and Inspections.

14 MR. PROSPERO: Jerry Prospero, Budget
15 Officer of L&I.

16 COUNCILWOMAN KRAJEWSKI: Okay, I just
17 have one question. I believe that there's an
18 allocation of \$960,000 to be used for a citywide
19 vacant lot-cleaning program. Since none of us
20 have been briefed on it, can you give me an idea
21 of exactly where and when?

22 MR. SOLVIBLE: That is a -- not even in
23 our budget. It's there to assist the Managing
24 Director's Office in the endeavor to clean all
25 vacant lots within a year in the City of

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2 Philadelphia. It's part of the money needed that
3 we're going to give them to assist them in this
4 endeavor.

5 COUNCILWOMAN KRAJEWSKI: See, none of
6 us have been briefed on this, and I'm sure all of
7 the committee members are interested as well as
8 all of Council. And I'm sure, Darrell, you have
9 some questions regarding this too.

10 Councilman Clarke?

11 COUNCILMAN CLARKE: Yes, thank you,
12 Madam Chair.

13 Good morning, gentlemen.

14 MR. SOLVIBLE: Good morning.

15 COUNCILMAN CLARKE: As the Councilwoman
16 said, we have not in fact been briefed about the
17 specifics of this program. We understand that,
18 you know, it's --

19 MR. SOLVIBLE: It's the lot-cleaning
20 program.

21 COUNCILWOMAN CLARK: Well, not just the
22 lot-cleaning program, but also the Neighborhood
23 Transformation Initiative. I'm hoping we're going
24 to receive a follow-up from the one we received
25 later last year.

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2 One question in particular I have about
3 this allocation of funding as it relates to
4 lot-cleaning. One of the biggest concerns and one
5 of the basis for the NTI Program was to stop the
6 redundancy of these vacant lot cleanings where we
7 would call you guys, you come out and clean up a
8 lot, eight months, maybe a year later, that lot
9 has to be cleaned up, and it just increasingly
10 causes a burden on the City services and the
11 City's budget.

12 And my understanding, the Neighborhood
13 Transformation Program was to hopefully get a
14 final resolution to that particular vacant lot,
15 that it would immediately be some sort of a
16 short-term interim reuse of that lot and then a
17 long-term reuse of that lot that would then afford
18 us an opportunity to move on to other things, as
19 opposed to coming back and continually cleaning
20 that vacant lot.

21 As a result of this allocation, is
22 there any thought given to the reuse strategy,
23 both short-and long-term, or is this just the
24 simple old coming out and cleaning up vacant lots
25 until you get called to clean it up again? I

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2 mean --

3 COUNCILWOMAN KRAJEWSKI: I'd also like
4 to ask if this is for just one part of the City or
5 is this citywide?

6 MR. SOLVIBLE: It's citywide, it's
7 citywide, Councilwoman.

8 Councilman, I can answer that based on
9 a few meetings I've attended -- I believe one in
10 your district -- where the Neighborhood
11 Transformation group is working with City
12 Planning, and they're going to put together the
13 reuse and what's going to happen with the lots
14 after they're cleaned, working with communities on
15 how to best -- what the community wants with them
16 and how to bet keep 'em clean, to get rid of, as
17 you said, the redundancy of us going back year
18 after year, time after time to clean the lots.

19 COUNCILMAN CLARKE: Who's working on
20 that again? Community organizations?

21 MR. SOLVIBLE: Pat Smith's group, the
22 Neighborhood Transformation Group, and City
23 Planning will work on it with their planners. I
24 believe it's --

25 COUNCILWOMAN KRAJEWSKI: Excuse me,

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2 Bob, excuse me. Is there one contact person that
3 Council can call or --

4 MR. SOLVIBLE: Pat Smith, the Director
5 of Neighborhood Transformation.

6 COUNCILMAN CLARKE: Respectfully, there
7 were actually more than -- I actually attended a
8 couple meetings in the District and I'm not aware
9 of any discussion particularly at a community
10 level that we're talking about a reuse strategy.

11 MR. SOLVIBLE: I believe that's in the
12 future.

13 COUNCILMAN CLARKE: It was just in
14 general terms.

15 MR. SOLVIBLE: In the future, that's
16 what they plan to do, not that it's going on right
17 now.

18 COUNCILMAN CLARKE: So the allocation
19 of this funding will essentially be banked until
20 we can come up with that strategy? I mean, is
21 this --

22 MR. SOLVIBLE: Well, I -- I --

23 COUNCILMAN CLARKE: Do we just identify
24 a number of lots that we are required to clean,
25 and until we get a use strategy, we will not

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2 implement this lot-cleaning program? 'Cause what
3 I don't want to see is having us going out and
4 cleaning up a bunch of lots.

5 MR. DUBOW: You want to see this as a
6 part of a larger strategy. I mean, that's what
7 you're saying, right?

8 COUNCILMAN CLARKE: I'm sorry?

9 MR. DUBOW: You want to see that it's
10 part of a larger strategy.

11 COUNCILMAN CLARKE: Exactly.

12 MR. DUBOW: And in last week's hearing,
13 the Chief of Staff said that we'd be doing a
14 briefing within the next couple of weeks on NTI,
15 and how this money ties into the larger strategy
16 will be a part of that briefing.

17 COUNCILMAN CLARKE: Okay. And that's
18 with Councilmembers?

19 MR. DUBOW: Yes.

20 COUNCILMAN CLARKE: Okay. Thank you.

21 COUNCILWOMAN KRAJEWSKI: Councilman
22 Nutter.

23 COUNCILMAN NUTTER: Thank you, Madam
24 Chair.

25 In the same area, do we know what is

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2 going to happen to these lots after the cleaning?
3 Do we though when the cleaning is going to take
4 place, and do when know when what lots going to be
5 cleaned? Is there a list?

6 MR. SOLVIBLE: All lots in the City of
7 Philadelphia is the goal and the desire of the
8 Managing Director, to clean all lots, just like
9 the piggyback on the vacant car-towing survey
10 initiative, to do all lots that need cleaning will
11 be done.

12 COUNCILMAN NUTTER: All right. So --

13 MR. SOLVIBLE: That's citywide, that is
14 citywide.

15 COUNCILMAN NUTTER: I understand. But
16 does that mean that there is not a list of those
17 lots that each of us could have and make sure that
18 they're all covered? I mean, I understand the
19 analogy between the lots and the cars; you know,
20 the cars tend to kind of come and go. The lots
21 are pretty stable; they don't usually disappear.

22 MR. SOLVIBLE: But lots tend to be
23 cleaned -- some tend to stay cleaned and some tend
24 to get dirty.

25 COUNCILMAN NUTTER: Right.

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2 MR. SOLVIBLE: And what's clean today
3 might not be clean tomorrow.

4 But to answer your question, we can
5 make available to Council a list of the vacant
6 lots citywide and also possibly by district. I
7 believe that the Managing Director is putting
8 together such a list for a briefing for Council,
9 with maps.

10 COUNCILMAN NUTTER: Okay.

11 MR. SOLVIBLE: So we'll be able to
12 provide you a list of the lots citywide but also
13 more than likely in your districts also.

14 COUNCILMAN NUTTER: When do you
15 anticipate the lot-cleaning to start?

16 MR. SOLVIBLE: July 1, this summer or
17 this spring.

18 COUNCILMAN NUTTER: Okay. I mean, I'm
19 certainly in favor of lot-cleaning, but I guess in
20 response to that, if the program's not going to
21 start until the next fiscal year, I mean, before I
22 even ask the question, why don't you get the
23 answer for Mr. Dubow who knows where the question
24 going.

25 MR. SOLVIBLE: Councilman, we --

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2 COUNCILMAN NUTTER: Why are we doing
3 this now if you're not going to start until July
4 1?

5 MR. DUBOW: No, we anticipate that it
6 will start earlier than July 1st, more like April.

7 COUNCILMAN NUTTER: I thought you might
8 want to give that answer, Mr. Dubow.

9 MR. DUBOW: Thank you for the
10 opportunity.

11 COUNCILMAN NUTTER: Yes, yes, I could
12 see it already evolving.

13 So, okay, we'll ask some more
14 questions, I'm sure, at the briefing.

15 Okay, thank you.

16 COUNCILWOMAN KRAJEWSKI: Are there any
17 other questions?

18 Councilman Clarke?

19 COUNCILMAN CLARKE: Yes, just a
20 follow-up to that April start date. Is that -- is
21 that going to be in coordination with the City's
22 citywide cleanup? You know, every year, we do,
23 what, three or four citywide cleanups per police
24 district, so is that lot-cleaning program going to
25 be coordinated with that or --

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2 MR. DUBOW: I don't know. We'll get
3 back to you on that.

4 COUNCILMAN CLARKE: So, see, I'm a
5 little concerned. I -- you know, we've been
6 talking about this for a while, and I would have
7 hoped that, you know, requesting a million dollar
8 transfer, that we would have a little more level
9 of specificity as it relates to the implementation
10 of this lot-cleaning program, as it relates to the
11 broader Neighborhood Transformation Program.
12 Because, you know, I'm really looking forward to
13 this particular program. Unfortunately, a
14 substantial amount of those lots will be in my
15 Councilmatic District, but I really want to see
16 some level of coordination that I will not have to
17 sit here next year and have you ask for another
18 million dollars to clean the same vacant lots.

19 MR. DUBOW: Right.

20 COUNCILMAN CLARKE: So if we're talking
21 April, this is February now, I think at a minimum,
22 we should have some sense of what we're going to
23 do with these lots in the short term as we move
24 ahead. So -- and I really -- I'm a little
25 concerned.

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2 MR. SOLVIBLE: Councilman, we can
3 supply Council with a list of lots not necessarily
4 the addresses, but we can -- it's on my desk. We
5 can supply you with a list of the vacant lots in
6 each district.

7 COUNCILMAN CLARKE: Well,
8 unfortunately, I know where they are, so I'm not
9 particularly interested in knowing where, you
10 know, the list is because I know where they are.
11 Actually, I have one not too far from where I
12 live.

13 What I'm trying to get at is a sense of
14 some reuse strategies, and we're talking in two
15 months out, we're going to embark on this massive
16 program and you referenced the abandoned car
17 removal and I don't know if the Mayor's going to
18 give a 40-day deadline -- I would probably think
19 it won't be 40 days. I think that we should be
20 quite far along in that reuse strategy, I would
21 think.

22 MR. DUBOW: Right. And that's part of
23 what the briefing will cover.

24 COUNCILMAN CLARKE: All right, okay.

25 Thank you, Madam Chair.

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2 COUNCILWOMAN KRAJEWSKI: Thank you.

3 Councilman O'Neill.

4 COUNCILMAN O'NEILL: Yes, will City
5 lots be on the list?

6 MR. SOLVIBLE: Yes.

7 COUNCILMAN O'NEILL: Okay. And how
8 about lots that are privately owned or owned by
9 other governments that cause the same problem?
10 And with privately-owned, I got different railroad
11 companies, they're all different names now. They
12 were CONRAIL at one time, they were pretty
13 derelict in cleaning them up. They sometimes
14 create more blight in the neighborhood than any
15 other lots. And there may be some reimbursement,
16 just as we would bill a private owner, a business
17 owner that we were going in on.

18 Is there any thought to that kind of
19 thing?

20 MR. SOLVIBLE: The lots --

21 COUNCILMAN O'NEILL: I'm rally thinking
22 of PennDOT right-of-ways. They just -- there's
23 grass, nothing but trash, and they, you know,
24 clean it every 20 years or something. It doesn't
25 matter to the person that's affected by it who

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2 owns it.

3 MR. SOLVIBLE: The railroad
4 right-of-ways would be in coordination with the
5 railroads, 'cause you need to get permission to go
6 on the land 'cause there are active railroads and
7 flagmen that type of work. And in the past, in
8 several locations citywide, they were doing a
9 cleaning up of the whole strip in areas of the
10 City. And I attended one meeting where they were
11 starting in Southwest Philadelphia and going all
12 the way through to the Northeast, wherever the
13 railroad ran.

14 PennDOT right-of-ways, I'd have to get
15 back to you on that.

16 COUNCILMAN O'NEILL: Okay.

17 MR. SOLVIBLE: I'm not sure of the
18 thinking there.

19 But any kind of activity on railroad
20 property needs to be coordinated with the
21 railroads. If it's a regular street-type lot
22 owned by a private agency, yes, that would be
23 something that we would clean.

24 COUNCILMAN O'NEILL: And would we try
25 to get them to pay for it?

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2 MR. SOLVIBLE: Yes. We bill for all
3 work that we do.

4 COUNCILMAN O'NEILL: Okay, thank you.

5 COUNCILWOMAN KRAJEWSKI: Are there any
6 other questions?

7 (No further questions.)

8 COUNCILWOMAN KRAJEWSKI: Thank you,
9 gentlemen. Thank you.

10 Do we have anyone here from MOIS?

11 (Witness comes forward.)

12 COUNCILWOMAN KRAJEWSKI: Good morning.

13 DR. BORTNIK: Good morning.

14 COUNCILWOMAN KRAJEWSKI: Please state
15 your name for the record.

16 DR. BORTNIK: I'm Dr. Karl Bortnik, the
17 Acting Chief Information Officer. And with me, on
18 my left, is Jackie Henry, our Administrator.

19 COUNCILWOMAN KRAJEWSKI: Well,
20 Mr. Bortnik, during last year's hearings, the
21 subject of the outdated computers and systems that
22 Councilmembers are experiencing is so outdated.
23 Is there any plans? What do you expect to do with
24 our computers here in Council? Any plans made?

25 DR. BORTNIK: The City of Philadelphia

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2 currently, together with the Law Department, is
3 looking at the opportunity to enter into an
4 agreement for leasing equipment. And in that type
5 of strategy, then there would be the opportunity
6 for a more general replacement of equipment and
7 management solution for not only your department
8 but also FOR other City departments. So this is
9 one of the things that's currently underway and
10 under study, together with the Budget Department.

11 COUNCILWOMAN KRAJEWSKI: Do you expect
12 to replace the aging computers?

13 DR. BORTNIK: We expect in that
14 strategy to replace the aging computers and to put
15 departments more on a standard basis in a cycle of
16 three- to four-year replacement rather than the
17 current situation, which requires individual
18 departments to have foreseen or a budget with
19 limited resources.

20 COUNCILWOMAN KRAJEWSKI: Are there any
21 questions?

22 Councilman Nutter.

23 COUNCILMAN NUTTER: Thank you, Madam
24 Chair.

25 DR. BORTNIK: Might I add simply that

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2 this type of strategy, Councilpeople, is also
3 being used in other governmental entities, states,
4 and local governments, and so we are working with
5 the --

6 COUNCILWOMAN KRAJEWSKI: Excuse me.

7 DR. BORTNIK: Yes?

8 COUNCILWOMAN KRAJEWSKI: That's the
9 same answer you gave us last year.

10 DR. BORTNIK: Not in terms of leasing
11 equipment. No, that's a new initiative that we're
12 looking at, together with the Budget Department.
13 I don't believe that that was discussed -- at
14 least I didn't at that time.

15 COUNCILWOMAN KRAJEWSKI: Well, it's
16 been a year and I have not seen any changes.

17 I'm sorry, Councilman.

18 COUNCILMAN NUTTER: That's okay, Madam
19 Chair.

20 Are you sure that's not the same answer
21 you gave last year?

22 (Laughter.)

23 DR. BORTNIK: Well, I'm pretty sure
24 because I wasn't up here last year myself, and --

25 COUNCILMAN NUTTER: I mean, we have the

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2 notes of testimony.

3 DR. BORTNIK: Sure, I understand. I'm
4 only too happy to look with you on that.

5 COUNCILMAN NUTTER: Yeah, we could
6 check into that.

7 DR. BORTNIK: Surely.

8 COUNCILMAN NUTTER: We have a few
9 things on computer too, you know.

10 (Laughter.)

11 DR. BORTNIK: Certainly.

12 COUNCILMAN NUTTER: Mr. Bortnik, you
13 know, this kind of one of those pimple-on-the-
14 elephant-behind kind of things, but unfortunately
15 for you, you're here today, and I am trying to
16 understand why it takes so long to have a person's
17 e-mail I.D. transferred from one department to
18 another. This is someone who's already in the
19 government, transferred positions within the
20 government, and two weeks later, I can't
21 communicate with that person through the CC mail
22 system.

23 Can you tell me why it takes so long to
24 have that done? Now, I'm not a computer expert so
25 I'm sure there's a very involved and detailed

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2 answer, but could you enlighten me?

3 DR. BORTNIK: No, Councilman, that is
4 not a complex task to perform, and perhaps the
5 solution would be for it to be escalated better if
6 it's taking more time than --

7 COUNCILMAN NUTTER: I'm sorry, I didn't
8 hear you.

9 DR. BORTNIK: Perhaps the solution is
10 on our side to escalate better if this is taking
11 longer than it should.

12 COUNCILMAN NUTTER: Did you say
13 "escalate"?

14 DR. BORTNIK: Escalate. That means
15 that initially, the request goes in through a help
16 desk and there's the creation of a request.
17 Subsequently, this request is acted on by an
18 individual within the network group. And if it's
19 taking longer than it should, then perhaps the
20 solution here is that it should be escalated more
21 quickly in terms of time elapsed in order to
22 accomplish the change.

23 These routine changes should not take a
24 great deal of time.

25 COUNCILMAN NUTTER: Okay. Could you

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2 escalate it, please?
3 (Laughter.)
4 DR. BORTNIK: Yes, we certainly will.
5 I will ask that they be flagged.
6 COUNCILMAN NUTTER: I need you to
7 escalate it before I escalate on you and your
8 department, okay?
9 DR. BORTNIK: Yes.
10 COUNCILMAN NUTTER: Two weeks is a long
11 time. I'd like to be able to communicate with my
12 folks, okay?
13 DR. BORTNIK: Yes.
14 COUNCILMAN NUTTER: All right, so we'll
15 be talking later together?
16 DR. BORTNIK: Yes, we will.
17 COUNCILMAN NUTTER: And maybe we can
18 escalate together.
19 DR. BORTNIK: Yes, we certainly will.
20 (Laughter.)
21 COUNCILMAN NUTTER: Okay, thank you.
22 Thank you, Madam Chair.
23 COUNCILWOMAN KRAJEWSKI: Are there any
24 other questions?
25 Councilman Clarke.

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2 COUNCILMAN CLARKE: Yes, one quick
3 question.

4 Good morning.

5 DR. BORTNIK: Good morning, Councilman.

6 COUNCILMAN CLARKE: With respects to
7 the purchase of services, is that done through the
8 normal procurement process? Or how does that work
9 in your department? Cause it's a little bit
10 different than most other departments. Are you
11 like on the 'Net, or how do you do that?

12 DR. BORTNIK: Purchase of services,
13 these are contracts for support services that go
14 through the Law Department.

15 COUNCILMAN CLARKE: Through the Law
16 Department?

17 DR. BORTNIK: Yes.

18 COUNCILMAN CLARKE: The normal
19 process?

20 DR. BORTNIK: The normal process, yes.

21 COUNCILMAN CLARKE: All right. How
22 does it start. Because of the nature of your
23 nature of your department (inaudible) a more
24 efficient way because of the technology
25 association with your department that you can just

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2 kind of like going on that 'Net, and boom, you got
3 a contract. Would we still have that long,
4 cumbersome process?

5 DR. BORTNIK: We use -- we enjoy the
6 same processes of contracting that the rest of
7 City does.

8 COUNCILMAN CLARKE: That's
9 unfortunate. All right, thank you.

10 Thank you, Madam Chair.

11 COUNCILWOMAN KRAJEWSKI: Are there any
12 other questions?

13 (No further questions.)

14 COUNCILWOMAN KRAJEWSKI: Thank you very
15 much.

16 DR. BORTNIK: Sure.

17 COUNCILWOMAN KRAJEWSKI: You will be
18 hearing from us, believe me.

19 DR. BORTNIK: Okay, thank you. Thank
20 you, Councilwoman.

21 COUNCILWOMAN KRAJEWSKI: Is there
22 someone here from the Recreation Department?

23 (Witnesses come forward.)

24 COUNCILWOMAN KRAJEWSKI: Good morning.

25 COMMISSIONER RICHARD: Good morning.

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2 COUNCILWOMAN KRAJEWSKI: Please state
3 your name for the record.

4 COMMISSIONER RICHARD: Hi, I'm Vic
5 Richard, Recreation Commissioner.

6 MS. MANGANO: Joanne Mangano,
7 Administrative Services Director.

8 COUNCILWOMAN KRAJEWSKI: I have a
9 question regarding the, I believe, approximately
10 175 recreation centers in this city. How old are
11 the fences surrounding the playgrounds? Has there
12 been any discussion to review the replacement of
13 these fences? Most of the fences I see are pretty
14 unsightly, rusted, and buckling from age.

15 Can you explain to us, Commissioner
16 what we can look forward to?

17 COMMISSIONER RICHARD: Well, money's
18 always an issue. In our Capital Projects Program,
19 if we have enough money, we address the fencing as
20 well. Also, in the maintenance side, in our
21 preventive side, we have vandalism, trees falling,
22 et cetera, et cetera.

23 The wrought-iron fencing that had been
24 erected -- and I can't tell you how many years ago
25 -- very costly. We work on repairing those

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2 internally, if we have the material.

3 We do not design those type fences at
4 today's cost. We go with your regular cyclone
5 wire fencing, so it's a ongoing process. I want
6 to say last year, we spent approximately \$26,000
7 in-house, within our Operating Budget, and I want
8 to say I believe there's \$25,000 that's
9 appropriated for '01.

10 Could we use more money? I would
11 always tell you yes, but it's an ongoing issue,
12 based on the number and also the age.

13 COUNCILWOMAN KRAJEWSKI: I sympathize
14 with you. We all have problems, but they are
15 unsightly, some of these fences.

16 Are there any questions?

17 Councilman Nutter?

18 COUNCILMAN NUTTER: For Recreation?

19 COUNCILWOMAN KRAJEWSKI: Yeah.

20 COUNCILMAN NUTTER: Commissioner, are
21 you doing a good job?

22 (Laughter.)

23 COUNCILWOMAN KRAJEWSKI: I think he's
24 doing a good job.

25 MR. DUBOW: Yes, he is. I'll answer

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2 that one for him.

3 COUNCILMAN NUTTER: All right. Thank
4 you. Mr. Dubow has saved you once again.

5 COMMISSIONER RICHARD: Thank you.

6 COUNCILMAN NUTTER: You won't be so
7 lucky at Operating Budget time.

8 COUNCILWOMAN KRAJEWSKI: Mm-mm.

9 COMMISSIONER RICHARD: Thank you.

10 COUNCILMAN NUTTER: Thank you, sir.

11 COUNCILWOMAN KRAJEWSKI: Councilman
12 Clarke.

13 COUNCILMAN CLARKE: Thank you, Madam
14 Chair.

15 Good morning, Commissioner.

16 Commissioner, what's the City's Office
17 of Fun and Fitness? Can you explain that to me,
18 how it operates?

19 COMMISSIONER RICHARD: It's a part of
20 the Mayor's initiative, Fun and Fitness and
21 Healthy Employees.

22 MR. DUBOW: That's the Mayor's Fitness
23 Initiative run by Gwen Foster.

24 COUNCILMAN CLARKE: Mm-hmm. What does
25 it do? Where is it housed, first of all?

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2 MR. DUBOW: Estelle Richman's going to
3 answer that.

4 (Witness comes forward.)

5 COMMISSIONER RICHARD: Hi. I am
6 Estelle Richman, Director of Social Services for
7 the City of Philadelphia.

8 The Mayor's Office of Fun, Fit and Free
9 is housed within Social Services for the City, and
10 Gwen Foster reports directly to me.

11 COUNCILMAN CLARKE: Where's it located
12 at again? It's at DHS?

13 COMMISSIONER RICHMAN: No, it's in the
14 Municipal Service Building.

15 COUNCILMAN CLARKE: In MSB?

16 COMMISSIONER RICHARD: It's directly
17 part of Social Services.

18 COUNCILMAN CLARKE: So does it promote
19 fitness throughout the City of Philadelphia or
20 just with employees or what?

21 COMMISSIONER RICHARD: No, it promotes
22 fitness throughout the City of Philadelphia.

23 In one of the newest initiatives, we'll
24 be to look at the employees of the City directly,
25 but its focus has been on the folks that live

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2 within the City of Philadelphia.

3 COUNCILMAN CLARKE: Okay, so if I have
4 some folks that -- from time to time, people have
5 asked me about that and wanted to get a sense of
6 where they should go to participate in the
7 program, both for themselves and as it relates to
8 themselves and educational purposes. Should they
9 just contact your office?

10 COMMISSIONER RICHARD: They should
11 contact my office, and I will put them directly in
12 contact with Gwen Foster, who is the czar for Fun,
13 Fit and Free, and there are a number of
14 initiatives going on right now, probably the most
15 recent being the one, together with the 76ers, to
16 have the City lose 76 tons in 76 days.

17 COUNCILMAN CLARKE: All right. Are we
18 still Fat City? I know we were referenced that.

19 COMMISSIONER RICHARD: We are not the
20 fattest city.

21 COUNCILMAN CLARKE: We are not the
22 fattest city?

23 MR. DUBOW: We're number three.

24 COMMISSIONER RICHARD: We dropped to
25 the third fattest city, which is an improvement.

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2 COUNCILMAN CLARKE: All right, that
3 office is doing well, then.

4 Thank you, Madam Chair.

5 COUNCILWOMAN KRAJEWSKI: Councilman
6 O'Neill?

7 COUNCILMAN O'NEILL: Yes, this is for
8 the Recreation Commissioner quickly. I first want
9 to thank you for continuing to follow up on a very
10 difficult situation I have with the Chalfont
11 running track. I mean, it's the only one in my
12 district, and I just talked to your staff the
13 other day, and I hope we can continue as the
14 spring comes forward to get that vendor involved
15 in doing it right the second time.

16 COMMISSIONER RICHARD: Yes.

17 COUNCILMAN O'NEILL: But I appreciate
18 you still staying on top of that, and that's
19 something you promised me and I appreciate it.

20 COMMISSIONER RICHARD: Yes. The leases
21 as well.

22 COUNCILMAN O'NEILL: Yeah, it's moving.

23 COMMISSIONER RICHARD: I'm sure you're
24 happy with that.

25 COUNCILMAN O'NEILL: Absolutely.

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2 COMMISSIONER RICHARD: All right, okay.

3 COUNCILWOMAN KRAJEWSKI: Thank you,
4 commissioner.

5 COMMISSIONER RICHARD: Thank you.

6 COUNCILWOMAN KRAJEWSKI: I believe
7 there's someone here from the Health Department.

8 (Witnesses come forward.)

9 COUNCILWOMAN KRAJEWSKI: Good morning,
10 gentlemen.

11 DR. TSOU: I'm Dr. Tsou, the Health
12 Commissioner, and I'm joined here with Carmen
13 (inaudible), our Finance Director.

14 COUNCILWOMAN KRAJEWSKI: I believe
15 maybe this question is more geared to 2002.
16 Regarding the SPCA, they have terminated their
17 contract with the City either this June or next.
18 What do we intend to do to handle their duties?

19 DR. TSOU: Okay, we believe that --
20 they are giving us 16 more months to take over
21 this contract. We believe this is going to be an
22 important issue for Fiscal Year 2003. We are,
23 over the course of the next year, going to be
24 gearing up to assume the animal control program
25 for SPCA, which includes locating a place where we

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2 can do kennels and also to gear up for training
3 our staff for doing this, but we don't anticipate
4 this being a major expense for us until 2003.

5 COUNCILWOMAN KRAJEWSKI: Do you have
6 any idea how much money it's going to cost by
7 taking it over?

8 DR. TSOU: Well, our current contract
9 with the SPCA is about \$790,000.

10 COUNCILWOMAN KRAJEWSKI: I beg your
11 pardon.

12 DR. TSOU: 790,000 for our current
13 contract with the SPCA.

14 But we anticipate, however, that this
15 could be an important expense for us, and we'll be
16 talking with the Budget Department sometime in
17 Fiscal Year 2003 budget proposal.

18 COUNCILWOMAN KRAJEWSKI: Can you speak
19 up a little?

20 DR. TSOU: We'll be speaking with the
21 Budget Department about our request for Fiscal
22 Year 2003 to take over the animal control program
23 from the SPCA. And we anticipate that will be an
24 important expense for us then.

25 COUNCILWOMAN KRAJEWSKI: Thank you.

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2 Are there any other questions?

3 (No further questions.)

4 COUNCILWOMAN KRAJEWSKI: No questions
5 from any members?

6 COUNCILWOMAN KRAJEWSKI: Thank you very
7 much.

8 DR. TSOU: Okay, thank you.

9 COUNCILWOMAN KRAJEWSKI: Are there any
10 other questions from other departments?

11 COUNCILMAN NUTTER: Yes.

12 COUNCILWOMAN KRAJEWSKI: Councilman,
13 Nutter back to you again.

14 COUNCILMAN NUTTER: Mr. Dubow, on Page
15 2 of the testimony, it reads that these -- this is
16 referring to some previous testimony. These
17 increases in appropriations are made possible
18 through the savings of \$10 million in
19 appropriations for the Department of Revenue
20 Sinking Fund resulting from a postponement of new
21 debt issued and lower-than-projected interest
22 rates on short-term borrowings.

23 Can you tell me what new debt we did no
24 issue?

25 MR. DUBOW: What happened, when we

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2 expected that our general obligation bond would be
3 issued earlier in the fiscal year, and instead, it
4 was instead issued in January, and the first debt
5 service payment amount isn't due until FY '02.

6 COUNCILMAN NUTTER: Okay. So the
7 second fund still remains a good place to hide the
8 money, is that it?

9 MR. DUBOW: It was just a timing
10 issue.

11 COUNCILMAN NUTTER: A timing issue?

12 MR. DUBOW: Yeah.

13 COUNCILMAN NUTTER: Very good, good
14 answer.

15 The \$18 million in Grants Revenue Fund
16 left over at OHCD?

17 MR. DUBOW: Yes.

18 COUNCILMAN NUTTER: How is it possible
19 for OHCD to have any money not spent or accounted
20 for?

21 MR. DUBOW: Well, what we do each year
22 in the Grants Fund is put in excess appropriation
23 in case more grants than we would have anticipated
24 come in. And that has not happened this year, and
25 OHCD assures us that it would not happen to the

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2 extent that they would need any of this money.

3 COUNCILMAN NUTTER: Unfortunately, I
4 have no idea what you just said.

5 MR. DUBOW: When we put the budget
6 together, we make sure that in our grants funds --
7 and this is a grants fund --

8 COUNCILMAN NUTTER: Well, what grant
9 were you anticipating that we did not get? I
10 mean, in OHCD, it's usually not a mystery as to
11 what their funding is going to be. If they get
12 \$69 million or so in CDBG funds, they get another
13 X-amount from POPLA, another amount from I think
14 it's PHFA or AIDS-related funding. And I mean,
15 what's -- what was this unknown grant that we were
16 hoping to get?

17 MR. DUBOW: Well, what we do when we
18 set up the budget is we put in enough room in case
19 there's something that we don't know about.
20 There's a new federal program, for example, that
21 we could get grants from.

22 (Unintelligible, parties talking over
23 each other.)

24 COUNCILMAN NUTTER: So there are a lot
25 of new federal programs coming through for OHCD --

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2 MR. DUBOW: We like to leave ourselves
3 a little room.

4 COUNCILMAN NUTTER: -- In the Bush
5 administration, I'm sure.

6 MR. DUBOW: Right. Well, we didn't
7 know when we set up the budget who was going to
8 win the election.

9 COUNCILMAN NUTTER: Oh, okay, all
10 right. So there's just another place where some
11 dollars went.

12 MR. DUBOW: Yeah.

13 COUNCILMAN NUTTER: Okay. I appreciate
14 your honesty.

15 Director of Finance - Provision for
16 Other Grants will provide \$22 million. What is or
17 was this?

18 MR. DUBOW: It's the same answer as the
19 last one.

20 COUNCILMAN NUTTER: Okay. You know,
21 Mr. Dubow, we are starting to figure this out.

22 MR. DUBOW: So we'll have to change.

23 COUNCILMAN NUTTER: Over the summer,
24 let me encourage you to come up with some new
25 techniques and strategies, okay?

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2 COUNCILMAN O'NEILL: Go back about five
3 years and you'll see what they recycled from then.

4 MR. DUBOW: We figured out a new one.

5 COUNCILMAN NUTTER: Exactly. You know,
6 we have very short memories up here.

7 Hotel Room Rental Tax Fund, down at the
8 bottom, \$2.9 million. This increase in
9 appropriation would allow the Administration to
10 allocate stronger-than-anticipated hotel tax
11 revenues to make the City's payments to the
12 Convention Center, Greater Philadelphia Tourism,
13 and the Convention and Visitors Bureau. Don't
14 we --

15 MR. DUBOW: Yeah, this is the place --

16 COUNCILMAN NUTTER: -- every year have
17 to make certain payments to them, and didn't we
18 budget in the '01 budget payments to these
19 people? What does this mean?

20 MR. DUBOW: Yes. This is the place
21 where we actually kind of did the opposite of what
22 we did in grants. We appropriated too little at
23 the beginning of the year, and now the hotel tax
24 is coming in stronger than we anticipated, so we
25 have more revenues than we had appropriations in

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2 the '01 budget.

3 So we need excess appropriation power
4 and when the money flows in, it goes over to the
5 Convention Center, they use it to cover their debt
6 service and their operating deficit. And then
7 whatever's left over comes back to the General
8 Fund. So the higher these revenues are, the more
9 likely it is the money will flow through the
10 Convention Center and come back to us. But
11 without this additional appropriation power, we
12 can't do that.

13 COUNCILMAN NUTTER: What's that have to
14 do with the payments to -- I mean, excuse me, this
15 would give someone the impression that our
16 payments -- put the Convention Center aside for
17 the moment -- to the Greater Philadelphia Tourism
18 and the Convention and Visitors Bureau, aren't
19 those finite amounts that we pay them? It's not
20 on a sliding scale based on increases or decreases
21 in the hotel tax collections, is it?

22 MR. DUBOW: Well, yes, they actually
23 get -- they each get an appropriation -- they each
24 get a percentage of the hotel tax, each one of
25 these entities.

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2 COUNCILMAN NUTTER: On a percentage
3 basis.

4 MR. DUBOW: The Visitors Bureau is
5 actually capped. So at some point, they reach
6 their cap, so they won't get any more. Then the
7 rest of their portion winds up going to the
8 Convention Center, but that's all figured out at
9 the end of the year.

10 COUNCILMAN NUTTER: Okay. Thank you,
11 Mr. Dubow.

12 No further questions.

13 COUNCILWOMAN KRAJEWSKI: Thank you.
14 Are there any other questions for members of the
15 Administration?

16 (No further questions.)

17 COUNCILWOMAN KRAJEWSKI: There being
18 none, the Committee on Appropriations will stand
19 in recess until March the 13th, 2001, at 9 a.m.

20 (Adjourned 10:50 a.m.)

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C E R T I F I C A T E

I HEREBY CERTIFY that the foregoing
proceedings of the Council of the City of
Philadelphia of Monday, February 12, 2001, were
reported fully and accurately by me, and that this
is a correct transcript of same.

RE: COUNCIL COMMITTEE ON APPROPRIATIONS
RES. NO.'S 010006, 010007, 010062

_____,
JOSEPHINE CARDILLO,
Registered Professional Reporter