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COUNCIL OF THE CITY OF PHILADELPHIA
PUBLIC HEARING - COMMITTEE OF THE WHOLE

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Room 400, City Hall

Philadelphia, Pennsylvania

Wednesday, April 6, 2005, 10:15 a.m.

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Bill Numbers 050001, 050002, 050003, 040789, 040767, 050007, and 050007.

Resolution Number 050022.

PRESENT:

COUNCIL PRESIDENT ANNA C. VERNA
COUNCILWOMAN JANNIE L. BLACKWELL
COUNCILWOMAN BLONDELL REYNOLDS BROWN
COUNCILMAN DARRELL L. CLARKE
COUNCILMAN FRANK DI CICCO
COUNCILMAN W. WILSON GOODE, JR.
COUNCILMAN JACK KELLY
COUNCILMAN JAMES F. KENNEY
COUNCILWOMAN DONNA REED MILLER
COUNCILMAN MICHAEL A. NUTTER
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COUNCILMAN FRANK RIZZO
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P R O C E E D I N G S

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COUNCIL PRESIDENT VERNA: Good morning, everyone.

This is the continued public hearing of the Committee of the whole regarding Bills 050001, 050002, 050003, 040789, 040767, 050007 and 050008; also Resolution number 050022.

We will now hear from the Free Library. May I ask that they approach the witness table, please.

Good morning. Welcome. May I ask that you please identify yourself for the record, and I would suggest that you identify who is with you, please.

MR. SHELKROT: I'd be happy to. President Verna and members of City Council, I am Elliot Shelkrot. I am the President and Director of the Free Library of Philadelphia.

And with me at the podium is former Mayor Wilson Goode, who is Chair of the Board of Trustees of the Free Library of

Philadelphia, and also Kevin Vaughan, who is the Associate Director of the Free Library.

I believe that Mayor Goode would like to speak first.

COUNCIL PRESIDENT VERNA: That would be fine.

MAYOR GOODE: Good morning, President Verna and esteemed Council members. I am W. Wilson Goode, Sr., and I'm here today as Chair of the Board of Trustees of the Free Library of Philadelphia.

Shortly you will hear from Library Director Elliot Shelkrot. I would like to discuss two issues before he speaks which I know are at the top of your mind.

I want to tell you that both the Board of Trustees and the Board of Directors are delighted to serve the library. We deeply appreciate your interest in the library system.

Members of these boards contribute their time and money to help the library system in so many ways. Through their efforts, hundreds of thousands of dollars have been raised for the various programs at the library.

In fact, through the efforts of these men and women, about $40 million in private funds were raised for renovations of the branch libraries. They are a group of committed men and women, and it's a pleasure to serve with them at this time.

Let me, before I close, take a minute to talk about the central library. A great city needs a great central library. And great doesn't just men bigger. Great doesn't mean only repairing the broken windows and falling plasters and adding more shelving for material. It means recognizing that central libraries today reflect the best aspirations of a city, now the vehicles for civic engagement, for breaking down barriers between cultures that become virtual town halls, with discussion lectures and meetings.

City after city has invested in their central library in recent years: Seattle, New York, Vancouver, Minneapolis, Kansas City, Salt Lake City, to name a few.

And they have become the heartbeat of their cities, a locus for intellectual, civic and economic growth. For us a new central library will be the people's place on a revitalized Ben Franklin Parkway.

Finally, we are fortunate to have a library system in Philadelphia which provides service in every part of this very diverse city.

We must work together to keep it strong and make it a better place in the future.

Thank you very much.

COUNCIL PRESIDENT VERNA: Thank you.

Mr. Shelkrot.

MR. SHELKROT: Thank you, President Verna and members of the City Council.

As my written testimony before you indicates, and I believe everybody has a copy of that, the Free Library today requests a fiscal year '06 total budget of over $47 million, nearly $48 million, including $35 million in city general funds and $12.6 million in grant revenue funds from the

Commonwealth, of which over $1 million represents funding for the Mayor's Commission on Literacy which, as you know, became part of the Free Library's budget at the beginning of the current fiscal year, '05.

Rather than reading the rest of the testimony, because you have it, many of you have read it and you certainly can read it.

COUNCIL PRESIDENT VERNA: We will give the stenographer a copy of your testimony.

MR. SHELKROT: Oh, sure.

COUNCIL PRESIDENT VERNA: It will be made part of the record and you can simply summarize, if you will.

MR. SHELKROT: Okay. Yes, I can do that. Okay. Would you like that right now?

COUNCIL PRESIDENT VERNA: We have it.

MR. SHELKROT: Oh, you do have it. Okay. Fine.

You know, a great deal has been said in the last several weeks about the new pattern of service. A great deal has been written, and there's a great deal of concern, since the last -- Especially since the last time I had an opportunity myself to address Council back in December. At the time we were presenting testimony on the central library.

At that discussion on December 8th, at that presentation on the central library and at that hearing, the Mayor's Office had already put out -- had already announced that there would be layoffs and cuts in City budget.

And I was asked at that time if the funding for the central library would hurt the operations of the library.

And I said no.

I also was asked about the layoffs, if that was going to hurt the branch system of the Free Library.

At that time I was aware that we needed to lay off four people. That was early December. And we intended to lay off four people as part of our downsizing operation and that would affect -- that would only change some of the behind the scenes and administrative functions of the library.

As the month of December advanced, we learned that significantly more layoffs would be taking place. By January the number had grown from 4 to 17, 17 full-time staff.

And we also learned that every vacancy, every vacant position -- every vacant position would be eliminated.

There was no way that the Free Library could continue the same service delivery pattern it had over the previous years, knowing that already in the first six months of the year we had 740 hours of emergency closings in that first six-month period, that all of the positions that were currently vacant were eliminated, and that we needed to lay off 17 additional people, as well as a continuing loss of people through attrition.

All told, it meant a reduction of some 130 full-time people in the last two-and-a-half to three years.

It was clear that we would have to

find a new pattern, a new way to serve the people of Philadelphia, given the realities of the budget, of the City's budget.

Based on discussions with our Board of Trustees in planning meetings, we knew that talk of closing libraries was out of the question.

So, with this as the bottom line, we began and the staff began, the senior staff, began to find ways to keep all branches open within the restrictions of reduced budgets, current labor contracts, existing Civil Service regulations.

And early in January the staff developed a pattern of service that you have heard about, a pattern of service that would keep all branches open, with 20 operating in the afternoons, to emphasize our commitment to children and youth in the Free Library, especially in the after-school programs.

To allow all branches, all branches once again to be open on Saturdays, to accommodate people who do work and who would otherwise not get to the library during the week.

It would eliminate the emergency closings, which have been plaguing the system for previous years, and it would allow every neighborhood, every neighborhood, access to library books, materials, programming, and, of course, the internet.

We remain committed to providing good quality service which we believe can continue to happen with library assistants managing these 20 branches.

In fact, our library assistants have played an essential role in minimizing the emergency closings that we have faced over the last two years, and in answering reference questions, as well as managing the branch when the librarian is away.

At full funding... At full funding this would never happen. It would not have been considered.

There's no question it would be preferable to have librarians at every branch, to have all branches open a full schedule, including Saturday, but given the current funding realities and the issues facing the City, we cannot do that.

I might point out that the job description for library assistants II and library assistant III are -- You know, both of them, although it would be the IIIs who are -- library assistant IIIs who will be in charge of the afternoon branches, included light reference work. And that's been in those job descriptions for many years.

And as a matter of fact, if you look at it statistically, the vast majority of the questions that come in to our branches are within that realm of light reference; not all, but certainly more than half.

(Moans and groans.)

MR. SHELKROT: And this is based on studies that have been done in other cities. Maybe Philadelphia is quite different than other major urban cities.

To ensure that there will be help with more complex reference questions and professional oversight, we developed the concept of a partner branch, so that nearby librarians --

(Boos.)

COUNCIL PRESIDENT VERNA: Please.

MR. SHELKROT: -- so that nearby librarians who know how important it is to help the people in our communities could assist these afternoon branches.

Additionally, the resources of our regional libraries and the central library's general information department, as well as other support offices in the central library would be available to them.

On February 24th we instituted ten afternoon branches, and expect to complete that implementation by the end of the fiscal year, that is, implementation of 20 afternoon branches.

And these branches will continue to bring programs into their neighborhoods, to provide access to books and materials, and they are open Saturday, as all of our branches are, for public -- will be for public use.

We are working with the schools and

groups who use these branches to relocate programs and meetings to nearby branches, as well as to other City and neighborhood facilities.

We believe that by keeping these branches open -- open -- we are maintaining an investment in the neighborhoods that we hope to grow back, grow back to full day service when the economy improves.

Although every school may not have a library, every neighborhood will continue to have a library that will be open for use as many hours as our budget allows. That was true three years ago, and that is true today.

The outpouring... I want to mention for a moment how gratified I and the senior staff and the board is to see the outpouring of support.

We have board members here representing both our Board of Trustees and our Foundation Board. Dr. Marcy Mattleman, who has been a member of our Board of Trustees, and is at this moment on our Foundation Board, although Herman Mattleman could not be here. He is on the Board of Trustees.

Ron Hinton, who is the President of the Allegheny West Foundation is a member of our Board of Trustees. And Rich Greenwalt. Rich Greenwalt is here, and he is a member of our Foundation Board, and one of the co-chairs of the campaign for the central library.

I also know that, if she is not here at the moment, Peggy Amsterdam from the Cultural Alliance will be here. Well, she's just walking in.

Judy Rogers, who is the Ben Franklin Parkway Foundation Executive Director and many, many other people, including staff and volunteers, and the friends of the library.

I am so pleased and it is gratifying to see that all of these people are concerned about the issues of library services to the people of Philadelphia.

And I want to thank Council for their time and their interest in supporting our libraries year after year after year.

Thank you.

COUNCIL PRESIDENT VERNA: Thank you very much.

Mr. Shelkrot, you indicated that in July you were told that you would have to reduce your staff. Can you hear me?

MR. SHELKROT: Yes. I wasn't sure that the month you said that in...

COUNCIL PRESIDENT VERNA: Was it January?

MR. SHELKROT: Yes, it was.

COUNCIL PRESIDENT VERNA: From 4 to 17. Also that the vacancies that existed would be eliminated. How many vacancies were there in January?

MR. SHELKROT: No. That's a very good question.

Kevin, can you help me with that?

MR. VAUGHAN: All told, the staff reduction was 35. So, it was 17 layoffs. So, that would be 18 vacancies that were eliminated.

COUNCIL PRESIDENT VERNA: I'm sorry. I didn't hear you.

MR. VAUGHAN: 18 vacancies were eliminated.

COUNCIL PRESIDENT VERNA: So it was the 18 vacancies plus the 17?

MR. VAUGHAN: Yes.

COUNCIL PRESIDENT VERNA: As I look at the personal services in Class 100 full-time, I believe in '05 you had 700 positions budgeted, and for '06 you have 640.

MR. VAUGHAN: That's true.

MR. SHELKROT: That is correct. You know, at least -- Let me -- In the written testimony where those numbers are reviewed, the numbers in testimony reflect a snapshot in time that may be what was budgeted for the year. I'm not sure at the moment.

But the written testimony reflects the increment run based on a specific period of time. You may be referring to the initial budget, and I'm just not sure which of those two documents.

COUNCIL PRESIDENT VERNA: Well, this is the budget that was submitted to us. It's section 25, Page 7.

MR. SHELKROT: Oh. Okay. Okay.

COUNCIL PRESIDENT VERNA: So, how do you get below 700?

MR. SHELKROT: How did we get below 700 positions filled?

COUNCIL PRESIDENT VERNA: Mm-hmm.

MR. SHELKROT: Well, let me say, you know, I think it is well known that in -- since 1970 -- 1992 -- excuse me -- the administration has in place a target spending level, and that is the level that the administration believes each department can have in order to make the budget -- make the budget work.

And if I understand your question correctly, you know, we are held -- our feet are held to the fire, if you will, of that target spending level.

Which the administration for 12, 14 years now -- or excuse me. Over 12 years now has used to approve or not approve the filling of vacancies.

COUNCIL PRESIDENT VERNA: That's 60 positions over the budget, correct?

MR. SHELKROT: All right. I understand your question. Okay.

MR. VAUGHAN: Councilwoman, when we began the year --

COUNCIL PRESIDENT VERNA: Kevin, make sure the mike is closer.

MR. VAUGHAN: Thank you, Council President.

When we began the budget year, we were budgeted for 699. We only had 678 people full-time on staff at that time.

And between the D.R.O.P. Program where people were retiring, and the hiring freeze didn't allow us to -- didn't permit us to continue to fill those positions, as well as the -- as well as the layoffs and the additional elimination of vacant positions. That's how we got down to 640.

COUNCIL PRESIDENT VERNA: It's still a reduction of 60 positions.

Let me ask a question. How much has the state cut their funding to the library since maybe '04?

MR. SHELKROT: Oh, the state cut --

The library's budget had reached a peak of $9.4 million.

Now, I'm referring to basic library operations. I'm not talking about the library for the blind and anything else that gets specifically line item directed money. I'm speaking of the operations of the whole library system.

It was reduced from $9.4 million. And although the budget, the state budget called for that to be cut in half, we ended up that year with actually about $6.2 million. So, that was a $3.2 million cut in the first year --

COUNCIL PRESIDENT VERNA: I'm sorry. What year are you referring to? Is it '04?

MR. SHELKROT: '04. Yeah, fiscal '04.

COUNCIL PRESIDENT VERNA: All right.

MR. SHELKROT: Yeah. So that by the end of fiscal '04 we were at about $6.2 million. That has -- In this year the amount that we get from the state is closer to $7 million or $7.1 million, but nowhere near the

$9.4 million where we were the year previously.

COUNCIL PRESIDENT VERNA: I have a number of questions that I would like to ask.

However, I see that we do have several of my colleagues that would like to be recognized. So, for the first go-around each Council member will be given five minutes.

The chair recognizes Councilman DiCicco.

COUNCILMAN DiCICCO: Thank you, Madam President and good morning. Good morning, Your Honor.

First let me start out by saying that I, too, appreciate the commitment and the work that the board members, trustees and the foundation have done for the Free Library of the City of Philadelphia.

And for those of you who did not hear my speech last week, I just want to preface it by saying, I do understand the importance and the necessity and the reasons behind the expansion.

My questions are primarily going to be dealing with the proposed expansion, the cost of that, and the costs and the impact of neighborhood branch libraries.

We speak of the library system as the Free Library of the City of Philadelphia. The City of Philadelphia has a number of branches throughout the neighborhoods that allow for the people who live in the City to use.

These cutbacks, as we know, as they're being proposed, will reduce the number of hours of operation at these branch libraries and significantly reduce the staffing by eliminating a certain number of positions, in particular librarians.

Several years ago, I think it was even before I came to Council, the administration, the Rendell Administration, along with the Free Library, embarked on a very aggressive program to install computers throughout all of its branches.

And I believe -- and correct me if I'm wrong, Mr. Shelkrot -- that all of our branch libraries today have computers.

MR. SHELKROT: Absolutely.

COUNCILMAN DiCICCO: And I assume that was done for the purpose of providing people, individuals who use the libraries, who may or may not have computers at home, access to this new technology to better provide them the services and tools that they need for whatever purpose, whether they're doing a class project, whether it's for informational background, whatever. And that was a good thing.

What concerns me is that after that huge investment, which was a great investment, and it made a lot of sense and still does, that we're now limiting the hours that the times that people will be able to access that equipment.

This administration is talking about making the entire City of Philadelphia a wireless zone at a cost of $20 million, $10 million, what have you.

I remember the day of that hearing I said that I've never -- I have yet to have a constituent in the ten years or so that I've been in City Council stop me on the street and say, Councilman, when are we going to go wireless.

(Laughter.)

COUNCILMAN DiCICCO: They ask me about fire station closures in my district. They've asked me about taxes and jobs. And more recently they're asking me about why is the library in my neighborhood not going to be open all day? Why would we not have a librarian?

So, the point I'm trying to make is that we have all this technology that we spent a lot of money to install for all the right purposes, and yet we're not going to be able to have access to it for as many hours as we did before.

So, when we talk about the Free Library of the City of Philadelphia, I look at it in the global sense. The library is for everyone, not just the people who may have access or the ability to get to the central library which, as the Honorable Mayor

Wilson Goode said, it's a very important facility.

There are a lot of town hall functions and civic activities that go on there, but they also go on at branch libraries.

(Applause.)

COUNCILMAN DiCICCO: Community groups, neighborhood associations, local schools use those facilities day in and day out for the same purposes that other folks may use the central library.

See, I have a million questions here and I can get into this. And it's just going to probably belabor the record.

I just can't understand how we can go out and look at our constituents and say to them, over the 20 or so libraries that are going to have these various cuts, that it's in their best interests that the City of Philadelphia Free Library will borrow $300 million, whatever the number is. What's that number again? I lost track of it.

MR. SHELKROT: $30 million.

COUNCILMAN DiCICCO: $30 million. And you, the taxpayers, who will have a reduction in service and ability to be able to use your local branch libraries, you will no longer have librarians in many of these libraries.

You're going to pay -- Your tax dollars will pay that debt off, to the tune of $3.5 million annually, so that we can build an expansion to the central library in Center City Philadelphia.

So, you guys -- you ladies and gentlemen and your children who live in Kensington, who live in West Oak Lane, who live in South Philadelphia, who live in Northeast Philadelphia, who more than likely either have never used it or very rarely used those libraries, that central library, you're going to take it on the chin and you're going to fund that at your expense. It just doesn't make sense.

So, with all the great intentions of the expansion, this is a matter, for me, of choice. I remember when I was still married.

I know my time ran out, but I'll be very brief.

My wife and I had to make choices. Do we put a new kitchen in this year or do we pay the tuition for our kids to go to school? Do we buy a new car or do we buy more books for our kids? Choices have to be made.

With all due respect to the Foundation and the Trustees, great idea, wonderful idea. I think it's a chapter in a book that we need to put a marker in that book; for the time being close the book, leave the marker in for another day when we can afford to do it, but not at the expense of neighborhood libraries.

(Applause and cheers.)

COUNCIL PRESIDENT VERNA: Second round.

MR. SHELKROT: Thank you, Madam President.

Councilman, when the decision... When the decision was made to invest in the branch libraries which, as I know you know and many, many other people know, was a lot more than just putting computers in. That was a very big part of it.

But it was a major renovation program, a renovation program that the City made a capital investment and the library's foundation raised money as well, just as is happening now for the central library.

The nation's economy and the City's economy were in a very, very bad situation, a very bad position. As a matter of fact, I remember hearings in this Council room where there were a lot of upset people about the reductions.

And the City Council and the library board agreed that at that time it was important to invest in the future.

Now, I am not one to know all the details of the connections between various -- between capital budgets and operating budgets.

But I do know at a previous time of serious, serious fiscal restraint, there was a decision to invest in the branch libraries throughout Philadelphia.

And thank heavens it was done, because we would not have those branch libraries now. Their conditions were horrible, let alone the addition of new computers.

COUNCILMAN DiCICCO: Point of information, Mr. Shelkrot. I am not disputing that decision. I think it was a great decision.

All I'm suggesting is, we built a new home, we've made all the repairs and we put all the bells and whistles in, but it's not open. You know, come back later. We're closed.

I just -- That's the point. I'm not suggesting that we made a bad investment. It was a great investment. But if we're not going to utilize it, what is the purpose? It's like buying a brand new car and never driving it. What's the purpose?

MR. SHELKROT: Obviously, as everybody knows, those branches have been well used, driven for years. The economy is down now. The economy will turn around.

If we as people with a civic responsibility don't pay attention to investing in the future, in the future generations and in the future of Philadelphia, we won't have that --

COUNCILMAN DiCICCO: And the future of the City of Philadelphia has access to those libraries, and we're going to reduce -- we're going to reduce their ability to be able to have access.

The kids in Port Richmond, there's a huge Albanian immigration community has moved into Port Richmond. English is a second language. Do you know where they go every day for support and get the knowledge and helpful -- get help, is the library in Port Richmond.

I mean, let's not talk about the fact that we made that investment. It was good. We all agree. We all agree it was a great investment. I'm not disputing that.

COUNCILMAN GOODE: Point of information.

COUNCIL PRESIDENT VERNA: The Chair

recognizes Councilman Goode for a point of information.

COUNCILMAN GOODE: Thank you, Madam President.

Good morning, Mr. Shelkrot.

MR. SHELKROT: Good morning.

COUNCILMAN GOODE: I believe Councilman DiCicco's question was: Do you see a connection between the debt service on the central library and the cuts that are being made this year?

MR. SHELKROT: I do not see that connection. I believe that, you know, cities have capital budgets. It's my understanding there are capital investments and there are operating budgets.

COUNCILMAN GOODE: If I could ask you for the record, at what point do you think that bonds were actually floated for the purposes of expanding the central library?

MR. SHELKROT: That's a question that I'm not -- I'm not sure of. I really don't know when the City is going to the bond market.

I do know that there are discussions now about what the library needs for this project and when it needs it.

COUNCILMAN GOODE: It is conceivable that debt service will not begin on the central library project for at least a couple years; is that correct?

MR. SHELKROT: It -- From this layman's point of view, we will not need the whole $30 million right now.

And as a matter of fact, in the proposal -- or excuse me. In the bill that was passed by Council a few months ago, in December, there were various points at which there were two different levels at which money could be drawn down. And the entire amount of that $30 million would not be drawn down.

COUNCILMAN GOODE: Mr. Shelkrot, my question is really when would it begin.

MR. SHELKROT: When will we begin?

COUNCILMAN GOODE: Do we have bond counsel here available to tell us when debt services will actually begin being paid?

MR. SHELKROT: There will be -- There will be some money that we will need to proceed with from the City, just as we have been using money from foundations and other sources up until now and private donors. So, there will be a need to have a first payment on that in June or July.

COUNCILMAN DiCICCO: Point of information.

COUNCIL PRESIDENT VERNA: Mr. Shelkrot, you're talking about two different issues here. What would you be paying for in June or July? What part of this?

MR. SHELKROT: I would be pleased to supply for Council a schedule of payments and a schedule of obligations.

COUNCILMAN GOODE: I don't think it's conceivable that we could be floating bonds and paying debt service that early.

It's my belief that we probably would not be paying any debt service on this $30 million for at least a year or two. So, it is not necessarily a budgetary issue for next year.

COUNCILMAN DiCICCO: Which goes to my --

COUNCIL PRESIDENT VERNA: If my memory serves me, it is not in the budget. The $3.5 million that we would have to be paying on a yearly basis for 30 years of interest would not be for FY'06 or FY'07; is that correct?

MR. SHELKROT: I do not know that. You know, we can --

COUNCIL PRESIDENT VERNA: Possibly wait.

MR. SHELKROT: -- the budget -- the Finance Office or the Finance Director to speak to that. But I -- I know... You know, I -- I -- I cannot speak to the City's overall financing and bond issues. It's just not an area I'm familiar with.

COUNCILMAN GOODE: Thank you, Madam President.

COUNCIL PRESIDENT VERNA: And with that being said, if we go out for this bond issue, the one major issue that has never been addressed is the parking. And there was supposed to be a study done to see if we could have underground parking.

It wasn't determined whether it would be two levels or three levels. We were told that each parking slot would cost approximately $40,000.

Is there any determination as to how much that will cost and where that money will come from?

MAYOR GOODE: Madam President, you recall that at the time that the ordinance was passed, that Council member Darrell Clarke requested, and he received and held one bill, and that bill had to do with the parking.

Later on today Councilman Clarke and I will meet with the Mayor to talk about that very issue, about a plan for the parking in that area.

COUNCIL PRESIDENT VERNA: Do we have any indication as to what the cost may be?

MAYOR GOODE: There's no indication at this time until -- because there is --

there is a discussion to be had, not only with the Free Library, but with the Barnes Foundation and with the museum as well. So, we're talking about a comprehensive parking plan for the area, that we share costs.

COUNCILMAN DiCICCO: My point of information on Councilman -- or actually a follow-up to Councilman Goode's question to Mr. Shelkrot.

Are you aware of a meeting or a discussion that is, I'm told, will be taking place later on today with the administration concerning the possibility of borrowing $10 million as a portion of the $30 million? Are you aware of anything.

MR. SHELKROT: No, I am not. I am not involved in that meeting. It is not on my schedule, so I don't know anything about it.

COUNCILMAN DiCICCO: All right. Rumor has it, in case you don't know, Councilman Goode, that I understand there is a meeting today to discuss the borrowing of $10 million which is a third of the $30 million for the expansion.

But again, I'm not absolutely certain that's the case, but that's what I've been told. And my sources are usually pretty good. Thank you.

Thank you, Madam President.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair recognizes Councilman Rizzo.

COUNCILMAN RIZZO: Thank you, Madam Chair.

Good morning, Mr. Shelkrot.

MR. SHELKROT: Good morning.

COUNCILMAN RIZZO: I'd like to go back and follow up on my colleague, Councilman DiCicco's, question about the investment that the library system has made in the computers that are installed in the libraries.

Could you provide to the Chair the number of the -- number of computers that were -- that we own in the library system, the ones -- not the administrative computers, the ones that are available to the public;

the cost of that entire installation of what we spent in wiring and all the accessories that support that system.

Could you tell us off the top of your head? And I know that's a question that you might get -- at least be close. How many computers do we have throughout the library system?

MR. SHELKROT: The question of the number of public access computers that we have... I think Kevin is -- You know, I know that it is -- Yeah. Okay. The number is 700 public access computers throughout the library system.

COUNCILMAN RIZZO: If the City goes wireless, are you going to abandon that technology that you have and go wireless?

MR. SHELKROT: No. Absolutely not. We are looking for augmenting our system with wireless capabilities, but we know that the speed of access for which the resources of the library the people ask, you know, we do not intend to abandon our system.

COUNCILMAN RIZZO: So, you're

suggesting that the wired system is superior to the wireless?

MR. SHELKROT: For the foreseeable future. You know, I'm not going to prognosticate as to what technologies will unfold in the future.

But as of this time, and what we understand is under development, not just in the City but in the area of, you know, technology, there's no opportunity for us to plan on abandoning that.

COUNCILMAN RIZZO: I think that's contradicting what the administration, at least since we haven't really seen anything. But I think that contradicts that the wireless system was supposed to first support the city agencies and the quasi-city agencies, the wireless system.

So, you're telling me that if you're directed to go wireless, that you would reject that.

MR. SHELKROT: No. If I'm directed to go wireless, I'll go wireless. But I would argue vociferously -- I would argue vociferously to point out -- And at this time the Mayor's... You know, the technology office knows and has been very supportive of our upgrading our wired system because they know the heavy demands that are made of it.

They know the broad, you know, the pipeline, if you will, that much of the data requires, and that's just not in the offing, in terms of our plans. Some day in the future, working with the Mayor's Office, we may be able to do that.

COUNCILMAN RIZZO: Tell me, since you know the number of computers, could you tell me what the total investment to install all of those computers is?

MR. SHELKROT: I don't have that. I can do the research.

COUNCILMAN RIZZO: Could you do that and provide that to the Chair, please?

MR. SHELKROT: Yeah. Let me just explain, if I may, that what computers cost can -- and the wireless and the investment at 10, 15 years ago is going to seem outrageous compared to the cost today because we all know that, you know, there is a difference in computer costs and wiring costs today. They have overall come down.

But I'll be happy to get that information to you, based on when we renovate it.

COUNCILMAN RIZZO: I'd like to know what the dollar amount was of -- from number one computer to 700, the entire installation value of that system. You should know that.

MR. SHELKROT: Okay. I'll provide -- You know, I will get that information. I'll discuss with you because from computer one is, you know...

COUNCILMAN RIZZO: Well, if you have 700 items that you've paid for, you should know how much they cost.

MR. SHELKROT: Oh. No, no. I understand. It wasn't computer one, though.

COUNCILMAN RIZZO: My next question is the security of the visitors to the library.

MR. SHELKROT: Yeah.

COUNCILMAN RIZZO: I'd like to know

with your plan... I've heard about parents that bring their families to the library, and they then allow the children to go to the children's area, young adults, to that part of the library.

How certain are you that when parents separate from their children, that the children are safe in our libraries that could not be victims of crime?

(Applause.)

COUNCILMAN RIZZO: Because a person -- a person called me and indicated that predators may look at the library as a place where they can commit a crime.

So, how secure are libraries going to be, to prevent anyone from going into those areas that I just described and potentially committing a crime?

MR. SHELKROT: Councilman, I don't... You know, I could provide my... First response I know is going to sound flip, but I can't guarantee that there won't be a predator at my door --

COUNCILMAN RIZZO: That's flip.

MR. SHELKROT: -- at any time.

We have taken every step that we can. We have examined our branches. We have made changes. We are eliminating... We are laying off no members of our security force.

As a matter of fact, with the addition of part-time security people, in terms of the security force, there will be more.

We have reviewed in every branch and every -- and staff members and improved the locks. We have added mirrors to eliminate blind spots.

COUNCILMAN RIZZO: So, you're going to do this library system with mirrors. That's great. I thought that.

MR. SHELKROT: Councilman, please.

COUNCILMAN RIZZO: Let me just go back.

Mr. Shelkrot, my question is, will there be children in any library unsupervised?

MR. SHELKROT: When a child goes into a stall of a restroom --

COUNCILMAN RIZZO: I'm not talking about that.

MR. SHELKROT: I guess that's unsupervised.

COUNCILMAN RIZZO: No. I'm talking about in the public areas where people -- where young people will do computers, where people will go and look at books, sit down, read, write.

Will there be any time in the library that a young child will be without a librarian, without a security person? What will the difference be from five years ago till the way you're going to operate the system next year?

MR. SHELKROT: Oh, I can tell you that the -- from where we were three years ago to where we are today, and to where we will be in the future, we have a much safer environment.

We believed we had a safe environment before, but there are times when things happen that you redouble your efforts. And that is exactly what we have done.

And we are not relinquishing, we are not backing off on the security issues for our staff or for the public.

COUNCILMAN RIZZO: Please answer my question. Will there be any time when a young child will be out of sight of a librarian, a security guard --

MR. SHELKROT: Yes.

COUNCILMAN RIZZO: -- in the library?

MR. SHELKROT: Yes.

COUNCILMAN RIZZO: Why?

MR. SHELKROT: Because... there is no way to be sure that every single child is in view of a paid or a volunteer staff person at every single time. It cannot be done.

However, having said that, we have taken every step that we could take. We have looked at eliminating and have eliminated and moved furniture that was unnecessarily blocking a view.

We have our desks placed in positions that have the greatest purview possible. We have guards and staff and volunteers in our libraries.

But I can't guarantee you that there would be no time that a youngster who is looking at a picture book at a stand that is about the size of the one that President Verna is sitting at, and ducks down to pick up a picture book, I can't guarantee you that that child is going to be in the view of a librarian.

COUNCILMAN RIZZO: Can you guarantee me that people that volunteered to work in this environment are screened? I think you weren't here the last time we had this discussion.

What is the screening process of the people that may volunteer to work in this environment?

MR. SHELKROT: I'm going to turn that over to Kevin.

COUNCIL PRESIDENT VERNA: And Councilman Rizzo, this will be your last question on this go-around. We have a number of Council members that would like to be recognized.

Operating Budget - 4/6/05

COUNCILMAN RIZZO: Thank you, Madam Chair.

MR. VAUGHAN: Councilman, there is an application process for anyone who wants to be a volunteer at the library.

And in fact, our staff who worked to do that do personal interviews, and they actually conduct and send out for background checks if they think it's warranted, depending on what types of answers they get back from the people on the questionnaires. We have been doing this for the last three years.

COUNCILMAN RIZZO: So, a person that wants to work in one of the libraries as a volunteer is not scrutinized or not -- a background not done unless they are -- that they trigger some reaction from the interviewer.

MR. VAUGHAN: There's a written questionnaire. If the written questionnaire and then the oral interview triggers or does not meet the threshold, the immediate threshold, there are background checks that are done.

COUNCILMAN RIZZO: I'll catch you my next go-around.

Thank you, Madam Chair.

COUNCIL PRESIDENT VERNA: Thank you.

MR. SHELKROT: Let me just finish. Guaranteeing all of City Council and the people of Philadelphia that these budget reductions are having no impact whatsoever in the security of our libraries.

And as a matter of fact --

(Boos and groans.)

MR. SHELKROT: As a matter of fact, the security of our libraries is better now than it certainly was three years ago.

(Moans and groans.)

COUNCIL PRESIDENT VERNA: The Chair recognizes Councilman Nutter.

COUNCILMAN NUTTER: Thank you, Madam Chair.

Good morning, Mayor Goode, Mr. Shelkrot and Mr. Vaughan.

Mr. Shelkrot, there was a hearing back on March 17th -- I believe it was the

Operating Budget - 4/6/05

Committee of the Whole -- looking into issues with regard to the library.

Unfortunately, you were not able to be in attendance. And it was explained that you were away on business, that this was a fund-raising trip. Can you tell us what the results of the trip were?

MR. SHELKROT: I'd be happy to, Councilman Nutter. I'd be happy to tell you about the trip.

It was a wonderful experience. It was a planned personal trip. The dates were only set -- It was planned because I was aware that the architect of our -- I was invited by the architect of our central library project to be present for the opening of the Holocaust Memorial in Jerusalem, the Holocaust Memorial Historical Museum that he had designed.

When the... My wife and I had talked about it. I did not make the plane reservations until I reviewed the Council schedule of hearings on the budget and spoke to the Managing Director.

And he said, if it does not interfere with the scheduled hearings on the budget, go and enjoy.

Sir, it was a wonderful trip. And I --

COUNCILMAN NUTTER: I'm not questioning whether it was a good trip.

MR. SHELKROT: I'm very sorry. I'm very sorry. As I told you --

COUNCILMAN NUTTER: Right.

MR. SHELKROT: -- as soon as I learned of the date of the scheduled hearing, I said to you, I'm sorry, Councilman; I can't be there.

COUNCILMAN NUTTER: I'm sorry, Mr. Shelkrot. Let me try to redirect you.

I'm not criticizing the fact that you went on a trip. That's your business. And you don't have to explain to me how you made your plans or why you made them or whatever the case may be.

There was information on the record that the trip was involving fund raising on behalf of the library.

I'm asking about that portion of the trip. What was the nature of the fund-raising activity? How much money was raised or, you know, what new sources of funds were secured for the library. That's what I care about. I'm glad you had a nice trip.

MR. SHELKROT: Listen, I'm very pleased that Kevin Vaughan was able to substitute for me at that hearing.

The truth of the matter is -- and Mr. Vaughan, who may have -- who realized that there were two board members who were also going and would be seeing me there, he may have thought that it was a trip for the purpose of raising money.

You know, I... That -- That -- You know, I -- that's a logical decision. But I can tell you... You know, and there were -- there were two board members there.

But the fact of the matter is that my motivation was not to raise money. I did not travel on the public's dollar or the foundation's dollar. I traveled on my dollar because it was a trip that I was very interested in taking.

And if it had benefits, in terms of increasing the contributions that these board members would make, that would be -- that would be a wonderful byproduct, but that was not the purpose of my trip.

COUNCILMAN NUTTER: Okay. So, there was no fund-raising activity. Is that the bottom line of this? I mean, just --

MR. SHELKROT: I believe I've explained.

COUNCILMAN NUTTER: I just. I don't -- Right. It's a relatively simple question. You should not feel embarrassed in any way.

MR. SHELKROT: I'm not.

COUNCILMAN NUTTER: There were statements placed on the record. Now you're here. And I'm just trying to understand the nature of the statements that were made.

If there was no fund-raising activity, if you had no plans for any fund-raising activity, then that's fine.

Just say that and we can move on.

MR. SHELKROT: I believe my comment stands.

COUNCILMAN NUTTER: Okay.

MR. SHELKROT: If there's fund raising that comes out of it, wonderful, but that was not the purpose of my trip.

COUNCILMAN NUTTER: Okay. I understand.

Unfortunately, you were not here to hear what was said on the record. So, I asked the question. You're here now.

MR. SHELKROT: Thank you.

COUNCILMAN NUTTER: I'm going to ask you the question. Your answer's going to be whatever it's going to be. All right?

MR. SHELKROT: Okay.

COUNCILMAN NUTTER: Great.

Now, your comments earlier in response to one or more of my colleagues' statements or questions to you was that the economy will turn around, and then service levels will subsequently improve. Is that your perspective on this?

Operating Budget - 4/6/05

MR. SHELKROT: That is my perspective, yes.

COUNCILMAN NUTTER: Okay. And --

MR. SHELKROT: I'm no more a soothsayer than anyone is, in terms of the economy.

COUNCILMAN NUTTER: Well, I understand that, because this is a budget process. We are talking about service delivery.

So, I'm trying to understand your prognostication on the economic turnaround, when you anticipate it to happen, and why is the library budget or its services a function of the hoped for turnaround of the economy. Are you an economist?

MR. SHELKROT: Not only am I not an economist; I'm not a soothsayer either. I only know what I believe everybody sees, that the economy goes through cycles, ups and downs.

And we have made investments in the future of our City and of our libraries at other times when the economy did not seem to be favorable at that moment. And that was the nature of my comment.

COUNCILMAN NUTTER: Is that the sound that we never want to hear.

COUNCIL PRESIDENT VERNA: It is.

COUNCILMAN NUTTER: Okay.

COUNCIL PRESIDENT VERNA: Well, we'll see you the second go-around.

COUNCILMAN NUTTER: I will come back, Madam President. Thank you.

COUNCIL PRESIDENT VERNA: The Chair recognizes Councilwoman Brown.

COUNCILWOMAN BROWN: Thank you, Madam President.

Good morning. I was anxious to ask a number of questions around the proposed cuts in after-school programming and some specific youth programs, but I must continue the line of questioning started by my colleague, Councilman Nutter. There is a foundation that supports the libraries?

MR. SHELKROT: Yes, there is.

COUNCILWOMAN BROWN: And the name of that foundation is?

MR. SHELKROT: The official name is the Free Library of Philadelphia, Incorporated. It does business as the Free Library of Philadelphia Foundation.

COUNCILWOMAN BROWN: Okay. And it has -- Does it have its own separate board?

MR. SHELKROT: Yes, it does.

COUNCILWOMAN BROWN: And the Chairman of that Board -- Chairwoman of that board would be whom?

MR. SHELKROT: The Chairperson of that board is Peter Ben Alil.

COUNCILWOMAN BROWN: How much --

MR. SHELKROT: The vice chair -- One of the vice chairs is W. Wilson Goode, sitting next to me.

COUNCILWOMAN BROWN: Okay. So, therein lies one of the ties.

How much support, in terms of money, programs or whatever, does the foundation provide to the operations of the main branch or the neighborhood branches?

MR. SHELKROT: The foundation's sole purpose is to supplement republic funds that come to the library.

The amount of money that is spent by the foundation every year -- and this would include -- you know, this is all inclusive -- is about $7 million a year.

COUNCILWOMAN BROWN: Could you provide to the Chair the list of the members of the Philadelphia library and the list of the board members of the foundations and the detail?

When you say "supplement," define that for me, the detail of what that means and what dollars are used from the foundation to supplement current program library activities.

MR. SHELKROT: Sure. Do you want me to do that... You know, I can provide that list of members. I can also provide a more detailed allocation of the foundation's resources.

I've -- You know, the -- by supplement, what I mean is, it is the foundation's role to supplement, not replace, public monies.

COUNCILWOMAN BROWN: Okay. Well, that I understand clearly because we wanted that with the children's fund when we were negotiating with the Eagles and the Phillies. I clearly understand that terminology. I'd appreciate that, if you would.

MR. SHELKROT: Thank you. Sure.

COUNCILWOMAN BROWN: Now to move to some of the program cuts and how they affect after-school programming.

I know on Page 1 of your testimony a discussion of the summer reading program reached its largest number of children of 59,000 to date. How will proposed cuts affect this particular program, the summer reading program?

MR. SHELKROT: We are hoping that there will be minimal effect to that program.

(Laughter.)

MR. SHELKROT: However -- However, that will take a great deal of planning and cooperation from the staff, as well as our volunteers, as well as the part-time staff. And I am sure that that cooperation is going to be forthcoming.

COUNCILWOMAN BROWN: So you're, I guess, in the planning thinking stages of the strategy on how you expect to move towards the goal that you just described.

MR. SHELKROT: Well, we do have an overall strategy, but, you know, our attentions in the last several weeks have been focused elsewhere.

COUNCILWOMAN BROWN: Sure.

MR. SHELKROT: And we've been -- So, those plans have not advanced until we can move ahead on those issues.

COUNCILWOMAN BROWN: Well, what we know is that that has been one of the stark features, I believe, of the Philadelphia Free Library, with regards to after-school programming. So...

MR. SHELKROT: The after-school program... The after-school program --

COUNCILWOMAN BROWN: This is a different question.

MR. SHELKROT: Somehow I thought you were saying --

COUNCILWOMAN BROWN: No. I did. Forgive me. I said summer reading program, but I'm confusing the two.

I'd be interested in where you end up with that, as well as a separate question here, the L.E.A.P after-school homework program, how the budget cuts may or may not affect that as well.

MR. SHELKROT: Okay. We deliberately chose to stay open every afternoon of the week and not close any libraries, so that the after-school program could continue.

COUNCILWOMAN BROWN: So, they will be held harmless and protected, if you will.

MR. SHELKROT: That's correct.

COUNCILWOMAN BROWN: Okay. On Page 4 of your testimony, you discuss an evaluation process under way for the L.E.A.P. after-school homework program. How is that being carried out, just a brief synopsis of what that is and the why.

MR. SHELKROT: Kevin, can you... Let me ask Hedra Peterman -- Hedra Packman.

Excuse me, Hedra. If you could come up to the microphone and explain that.

MS. PACKMAN: Hi. I'm Hedra Packman. I'm the Chief of the Office of Public Service Support of the Free Library. And I do run the L.E.A.P. after-school program. I administer it.

For the evaluation, we are bringing in outside evaluators, who will be looking at a very unusual qualitative and quantitative analysis of the effectiveness and impact of the program.

COUNCILWOMAN BROWN: Of the?

MS. PACKMAN: L.E.A.P. program.

COUNCILWOMAN BROWN: Okay. Okay. The bell rang. So, I'll have to wait for the next round for my follow-up question. Thank you.

Thank you, Madam Chair.

COUNCIL PRESIDENT VERNA: You're welcome.

The Chair recognizes Councilwoman Miller, if she's in the room.

(No response.)

COUNCIL PRESIDENT VERNA: Since she is not, the Chair recognizes Councilwoman Tasco.

COUNCILWOMAN TASCO: Thank you very much.

Good morning.

MR. VAUGHAN: Good morning.

COUNCILWOMAN TASCO: Could you tell me, when was the foundation -- when did it come into play and why? What was the purpose of establishing a foundation?

MR. SHELKROT: Sure. I'll be happy to. The foundation was created in 1891. It was the entity that created the Free Library of Philadelphia. It created a library to be free to the people of Philadelphia because there were other libraries that charged money.

Just to make it a little more clear, it was about five or six years later that that foundation turned to the City of Philadelphia because the City was growing so fast, that the little bit of money that it had could not truly support the library. And that's when the City became very much involved and created what we now call a Board of Trustees.

That -- As I mentioned earlier, that foundation at that time was called the Free Library of Philadelphia, Incorporated, which is still the legal name.

And in the 1980s or perhaps early 1990s, it registered the official name as doing business as the Free Library Foundation to distinguish the two boards and the two operations, but it has existed and met ever since 1891.

COUNCILWOMAN TASCO: So, when they were founded in 1891 it was for the purpose of supporting free libraries.

MR. SHELKROT: At that time, yes. At that time it created the libraries, and it was for supporting the libraries.

COUNCILWOMAN TASCO: Okay. Now, in 2005, the mission -- Is the mission the same?

MR. SHELKROT: No. The mission has changed, in that it does not pay for the basic support of libraries. Its role now is to supplement, not replace, not supplant, the public money that goes into libraries.

COUNCILWOMAN TASCO: How does it do that?

MR. SHELKROT: It does that in a variety of ways. It raises money from foundations and individuals. It does that, you know, for new programs, for programs that the public monies cannot operate.

Our after-school program, for example, was started, if I am not mistaken -- Well, it was either with a grant from the Pugh or the William Penn Foundation. I'm sorry. I don't have the specifics of it. And then over time, it was taken over by the City of Philadelphia.

When we renovated the branches, the amount of money we were able to get from the City for that renovation project would not cover the amount needed, and the foundation raised almost double that amount to go with it, to add on to what the public money is.

The foundation continues today to support the summer reading program. It supports the One Book, One Philadelphia program. It supports the authors who come into the central library and to the branches.

Not all the branches. Some branches have been handling that on their own, but quite a few of the branches. And the list could go on and on. But that is the purpose and the background to the foundation.

COUNCILWOMAN TASCO: Are any of the library fees allocated to the foundation?

MR. SHELKROT: When I reviewed the testimony from a previous meeting, I became aware of some confusion that existed about the fines.

The fine money -- Part of the fine money goes to the Board of Trustees, the City body that is in charge and entrusted with the Free Library.

That is an arrangement that was established in 1992 and '93. And I'd be happy to provide Council with any of the legal documentation for that.

A portion of that money that is collected for fines still goes to the City, into the City General Fund. The other part of that money is collected by the Board of Trustees. However, it is important --

COUNCILWOMAN TASCO: You're saying that the fees and the fines are -- a portion of it is given to the City General Fund?

MR. SHELKROT: Yes.

COUNCILWOMAN TASCO: What is it?

MR. SHELKROT: It's 270...

COUNCIL PRESIDENT VERNA: $267,000.

MR. SHELKROT: Two hundred and seventy some thousand dollars.

And that is the arrangement that was made, that it goes into the General Fund.

What the Board of Trustees wanted to do, back in '92 and '93 they wanted to raise the fines and have the additional money be used by the board itself to go to support the library programs.

And as a matter of fact, specifically, the agreement with the City is to support volunteers, then called community participation, to support materials for at-risk children, and... You know, and those were the two primary areas, programs and materials for at-risk children.

COUNCILWOMAN TASCO: Can I just finish this, Madam President?

Up until '91 and '92 all of the fees and fines went to the City General Fund?

MR. SHELKROT: That's correct.

COUNCILWOMAN TASCO: What is the total amount that you collect?

MR. SHELKROT: The total amount that was collected last year was close to $800,000.

COUNCILWOMAN TASCO: And of that $800,000, you're to give $200,000 to the City?

MR. SHELKROT: That's correct.

COUNCILWOMAN TASCO: Well, we were told during the course of the hearing that when we appropriated... I can't get the question right... that you were to raise $1 million?

MR. SHELKROT: That's correct.

COUNCILMAN NUTTER: We gave them $1 million.

Operating Budget - 4/6/05

COUNCILWOMAN TASCO: We gave you $1 million, but you had to match it. How was that --

MR. SHELKROT: There's a great deal of confusion over that. I do know that the City Council approved in the budget an additional $1 million.

We were also districted by the Budget Office and the City of Philadelphia -- I don't mean just the Budget Office -- to raise an additional $1 million.

It was not a cause and effect. It's easy to understand how people see them as connected. The fact is, when the City budget is adopted --

COUNCILMAN NUTTER: Point of information.

MR. SHELKROT: -- there is then, as I indicated earlier, a target spending level that is established for us, and that is -- And in order to -- We cannot go beyond that. As a matter of fact, positions will not be replaced. People will not be hired unless, of course, the Budget Office approves it.

And... You know, and that is the... But on the other hand, I understand how there's a great deal of confusion, even perhaps on part of my staff, that there is a promise, a quid pro quo, that you raise the money, you can have the money. But that's not exactly how it transpires.

COUNCILMAN NUTTER: Point of information.

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

COUNCILMAN NUTTER: Thank you, Madam Chair.

Thank you, Councilwoman Tasco.

Mr. Shelkrot, I believe either at the March 17th hearing or at some other hearing I seem to have a recollection that the Budget Director was at the table and directly stated that the library was told you will not get the additional $1 million that City Council allocated unless you raise an additional $1 million on top of the $800,000 in fine money.

Now, Ms. Reed is here, and we can have her up at the table. But that's my recollection two weeks ago.

COUNCILMAN RIZZO: Two weeks ago.

MR. SHELKROT: I can only tell you that my face would have recognized surprise at that time.

COUNCILMAN NUTTER: If the two aren't connected, then how did they come together?

(Laughter.)

MR. SHELKROT: Because they both equal $1 million, sir.

COUNCILMAN NUTTER: So, it's sheer happenstance, that the $1 million we give you you don't get unless you raise an additional $1 million. Is that what you're saying?

MR. SHELKROT: Yes.

COUNCILMAN NUTTER: We'll have the Budget Director up.

COUNCILWOMAN TASCO: On top of that -- And we were told it was $800,000. So it may seem that you only needed a couple hundred thousand dollars to make your $1 million. But we weren't aware of that $800,000 part of it goes to the General Fund.

MR. SHELKROT: You know, I would be happy to defer to the Budget Director. I know that she was not here last year at that time.

I can only tell you the direction that I was given. And any connection between those figures is -- You know, we -- we -- we are required -- In order to fill any position, we cannot just go and fill a position. It is reviewed by the Personnel Office. It's reviewed by the Budget Office.

And if for reasons that they have, maybe relate -- Certainly the Budget Office related to the City's financial condition.

If they say, no, we cannot approve that, then the request to fill that position stops right there.

No one -- I will tell you honestly, no one from the Budget Office has ever said to me, Elliot, if you don't raise that $1 million, you're not getting any money. Nobody has said that to me. Maybe that is true.

COUNCIL PRESIDENT VERNA: Mr. Shelkrot, why doesn't the $1 million that was appropriated --

MR. SHELKROT: But nobody ever -- Nobody ever even hinted that to me.

COUNCILMAN NUTTER: Well, then why --

COUNCIL PRESIDENT VERNA: Mr. Shelkrot...

COUNCILWOMAN TASCO: Where is the $1 million?

COUNCIL PRESIDENT VERNA: Where is the $1 million? We approved $1 million last year simply to keep the libraries opened on Saturday.

MR. SHELKROT: It is my understanding...

COUNCILMAN NUTTER: You have a lot of understandings.

MR. SHELKROT: ...that the $1 million did not... I cannot answer that. I can only tell you... I can only tell you the numbers that I see when we meet on a quarterly basis, and if there's any difference --

COUNCIL PRESIDENT VERNA: Let's not go around the circle, please.

COUNCILMAN NUTTER: Right.

COUNCIL PRESIDENT VERNA: Were you in fact told that the $1 million would not be forthcoming unless you were able to raise an additional $1 million in fines?

MR. SHELKROT: No.

COUNCIL PRESIDENT VERNA: You were not?

That's what we were led to believe at our March hearing. However...

COUNCILMAN KENNEY: Why don't we look at the transcript?

COUNCIL PRESIDENT VERNA: We could do that. However, Mr. Shelkrot --

COUNCILMAN KENNEY: I'm saying, since there's a record, you might as well look at the record and figure out who said what.

(Applause.)

MR. SHELKROT: I'd be happy to --

Operating Budget - 4/6/05

COUNCIL PRESIDENT VERNA: Mr. Shelkrot.

MR. SHELKROT: I have read the record. I have read all of that.

COUNCIL PRESIDENT VERNA: And? You read the record and would you concur with our understanding as to what was said?

MR. SHELKROT: I understand, Madam President, what was said.

I can only tell you that I was never told that more money was contingent on raising more fines, fine money.

I was told, this is your budget. This is the target spending level, period, the end.

COUNCIL PRESIDENT VERNA: Now, when the million dollars was not forthcoming, didn't you ask why?

(Laughter.)

MR. SHELKROT: Yes, I did ask why.

COUNCIL PRESIDENT VERNA: And? And?

MR. SHELKROT: And what I was told was quite simple. The budget for the library is as you see it on paper.

Operating Budget - 4/6/05

COUNCIL PRESIDENT VERNA: While we're on this vein, how much revenue and fines do you anticipate for FY'06 in the General Fund?

MR. SHELKROT: That's a very good question. As you know, as many people know, we significantly raised the fines because we were also directed to raise an additional -- additional $1 million.

However, the fines --

COUNCILWOMAN TASCO: But you just said you weren't told that.

MR. SHELKROT: No, no. Period. No, no. These were two separate directives.

We anticipate raising approximately $800,000, just as we did last year.

There were two separate directions that -- directives that I received. They were not one is based on the other.

COUNCIL PRESIDENT VERNA: Mr. Shelkrot, I am looking at the supporting schedules for revenues, Page 19. It would appear that for the library fines we have $1,277,000. Is that correct? Is that what you're anticipating that you will raise in '06?

MR. SHELKROT: That was the -- That was the expectation of the Budget Office. And as a matter of fact, I'm happy to indicate that that was our expectation, that there would be $1 million raised on top of the $200,000 that we had already given the city. That's why the fines were raised, but that has not materialized.

COUNCIL PRESIDENT VERNA: For the record, tell us what the fines were in 2002, what they were in 2004, and what they are today, and what you anticipate you're -- I hope you're not going to raise them again.

MR. SHELKROT: I --

COUNCIL PRESIDENT VERNA: Do you intend to raise the fees again?

MR. SHELKROT: No, we do not.

COUNCIL PRESIDENT VERNA: Can you give us just a little breakdown, please, for the record, because to collect over $1 million in fines, I think, is really a very, very difficult task, too, to complete.

MR. SHELKROT: Well, as it turns out, you are quite right. We did not raise additional money.

But let me answer your first question first. In 1992 -- And if you don't mind, we will, because there are different fines for hardbacks versus paperbacks versus children's and C.D.'s. Let's just take the hardback book cost -- fine just as an indication because they all follow a similar pattern.

In 1992 the fines were 15 cents a day.

COUNCIL PRESIDENT VERNA: What are they today?

MR. SHELKROT: Well, today they are 50 cents a day. They were raised in -- in '02 and they were raised again at the beginning of this fiscal year.

COUNCIL PRESIDENT VERNA: And I would assume the same holds true for the paperback, the books on cassettes and C.D.s?

MR. SHELKROT: Yes.

COUNCIL PRESIDENT VERNA: All of

these fines are in place, too.

MR. SHELKROT: Yes. I can provide you with an entire schedule of the fines as they were in '92, in '02 and in '04. I'd be happy to do that.

COUNCIL PRESIDENT VERNA: Thank you.

Councilwoman Tasco, you were in the process of asking questions, and I interrupted you.

COUNCILWOMAN TASCO: Took my question and took my time up.

COUNCIL PRESIDENT VERNA: And your time was up.

Okay. Councilman Kenney.

COUNCILMAN KENNEY: Thank you, Madam President.

I'm sitting here listening to this testimony, and I think I need a librarian to explain it to me.

(Laughter and applause.)

COUNCILMAN KENNEY: Because I really can't follow it.

Let me go back.

MR. SHELKROT: I'll do my best. I

am a librarian.

COUNCILMAN KENNEY: Well, we need double help, I think.

Let me go back a moment to the issue of fines. Isn't there an additional revenue generation from book sales that go on during the course of the year, in addition to fines? And is it minimal or how much is that?

MR. SHELKROT: No, there is no line specific to book sales.

COUNCILMAN KENNEY: Do we do book sales and generate any revenue from it?

MR. SHELKROT: The big book sale that everybody is aware of is the Friends of the Library.

COUNCILMAN KENNEY: Right.

MR. SHELKROT: That's a separate and distinct organization. The books that are weeded from our collection after we go through the process of allowing other City agencies and departments to take what they would like, they are made available to the public for... I think it's a quarter apiece. The revenue of that is de minimus.

COUNCILMAN KENNEY: Did we have a period of time where we had a book sale in 2002 that generated, like, $1.4 million? Was there -- Did we do like a big sale at one time?

MR. SHELKROT: I know what you're referring to. No, it is not as a result of a big book sale or a periodic book sale or anything like that.

The only amount of money that comes close to that would be when -- a couple years ago between, you know, six months and two years ago.

The... Some maps that were given to the library 50, 70 years ago, given to the foundation, I might -- I must correct that. Given to the library foundation, very clearly. We checked all the provenance and the background and the history, those were clearly given to the foundation.

We do not -- These do not fit within the kind of collections that we have. And the board of the foundation, after careful deliberation, decided that it was appropriate to sell them, to be used for further acquisitions in those special collection areas.

COUNCILMAN KENNEY: So, the main internal generation, revenue generator is fines.

MR. SHELKROT: Absolutely.

COUNCILMAN KENNEY: And you had said it was $800,000 last year?

MR. SHELKROT: Yes.

COUNCILMAN KENNEY: And $200,000 went to the City?

MR. SHELKROT: 270 some.

COUNCILMAN KENNEY: Where did the other $600,000 or so go?

MR. SHELKROT: Specifically, for the volunteer community participation program, $185,000; for outreach to children at risk, $100,000; and for other library materials for children $238,000.

COUNCILMAN KENNEY: Did any of this money go to the foundation at all?

MR. SHELKROT: I was beginning to explain some of that earlier. The money is only managed by the foundation.

COUNCILMAN KENNEY: Okay.

MR. SHELKROT: It is collected by the Board of Trustees. Because the Board of Trustees does not -- You know, the City -- our budget office is not set up and has not been able to manage that because it is very different from managing our normal library expenditures.

So, a management arrangement has been established with the foundation for that office to manage those funds.

COUNCILMAN KENNEY: Does the foundation administer the programs that you discussed?

MR. SHELKROT: No.

COUNCILMAN KENNEY: Or they just pass -- they pay the bills?

MR. SHELKROT: No, it's a pass-through. They pay the bills.

COUNCILMAN KENNEY: Is any of that money used for foundation staffing purposes?

MR. SHELKROT: No.

COUNCILMAN KENNEY: Okay. What

requires you to turn over $200,000 or a percentage of your fines to the City? Is there an ordinance that requires you to do that?

MR. SHELKROT: It isn't an ordinance. It's an operating agreement between me, between the library and the City Budget Office.

COUNCILMAN KENNEY: The programs that the balance is funded with, are they in libraries that are having their hours curtailed?

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

COUNCILMAN NUTTER: Thank you.

Councilman Kenney, if you don't mind, Mr. Shelkrot made reference to an understanding, as well as an ordinance, regarding why the Free Library turns over fines to the City of Philadelphia.

I would at least put on the record, and unless he has contradictory information, it is a memorandum of understanding solely between the library, the then Chief of Staff for the Mayor, and the Finance Director. Two of those three parties, obviously, are no longer here. It is a memorandum of understanding solely.

COUNCILMAN KENNEY: How old is the M.O.U.?

MR. SHELKROT: It was done in 19 --

COUNCILMAN NUTTER: It's a little difficult to determine --

MR. SHELKROT: -- 93.

COUNCILMAN NUTTER: -- because there's no date on the memorandum of understanding. It makes reference to events in '92 and events in '94, one of which was a legal opinion with regard to fines.

It is signed by Mr. Shelkrot, Mr. Cohen and Mr. Haley.

COUNCILMAN KENNEY: What's the total amount of savings realized by the proposed staffing reductions and hour cutbacks?

MR. SHELKROT: I'd like Mr. Vaughan to respond to that.

MR. VAUGHAN: It's about $800,000.

COUNCILMAN KENNEY: How much?

MR. VAUGHAN: $800,000.

COUNCILMAN KENNEY: It seems quite ironic that the $600,000 that is going to some of these worthwhile programs and the $200,000 that's being turned over to the City combined would be able to keep us running.

(Applause.)

COUNCILMAN KENNEY: I guess the question relative to the worthwhile programs, the $600,000 or so funds, they're in libraries that are planned to have their hours curtailed, correct? It would seem that the neighborhood programs then...

MR. SHELKROT: Well, they are -- Those libraries would be included, yes.

COUNCMAN KENNEY: Well, wouldn't the priority be keeping the library open? I mean, even though the programs are worthwhile, they're not as worthwhile if the library's closed.

So, if we were to work out an arrangement with the City to retain the $200,000, and use the $600,000 additionally collected in fines to keep the library hours and staffing at their current level, it would be a wash.

And I think it's as important for an after-school program as it is to having a librarian in an open library.

(Applause.)

MR. SHELKROT: I --

COUNCILMAN KENNEY: Let me finish. The frustration is that the $800,000 is there. It's not that we're asking to, you know, or the administration is saying, we're being -- you know, we're not being responsible and we're taking money from places. I mean, you generate the money. It's $800,000. The cuts are $800,000. It seems like a pretty sensible idea to take the $800,000 until the economy gets better and do something with it to keep the libraries open.

(Applause.)

MR. SHELKROT: You know, let me, if I may -- You know, it is easy to -- to look for -- and I understand, you know -- And, you know, a simple response. And that's exactly what Kevin was doing to your very specific question.

But $800,000 does not tell the whole story.

COUNCILMAN KENNEY: But if we can forbear $18 million to the Gas Works, we could do $800,000 to the library.

MR. SHELKROT: $800,000 will do one thing.

COUNCILMAN KENNEY: What?

MR. SHELKROT: It will restore those positions. But it will do nothing to enable us to open up, you know... To have that number positions is only part of the story.

COUNCILMAN KENNEY: Kevin answered the question which said, what were the combined savings relative to the library cutback, hours cutback and the personnel reductions.

He said, $800,000.

MR. SHELKROT: I don't believe that was the specific question.

COUNCILMAN KENNEY: Yes, it was.

I said, how much are we realizing in

savings to the staffing -- hours cutback and the staffing reductions?

And Kevin said, $800,000.

And to me that's $600,000 plus $200,000 is $800,000. I wasn't that bad at math. I mean, unless Kevin misunderstood my question.

MR. SHELKROT: The only thing I can tell you is that if you would like to have libraries, as we all would -- We all want these libraries open.

COUNCILMAN KENNEY: No one's disputing that. No one's disputing that. We're beyond that. We're all on the same page now.

MR. SHELKROT: Okay. It takes considerably more than $800,000 to restore libraries in every community to full-time operation with librarians.

COUNCILMAN KENNEY: No, that's not my question.

My question was, how much are we saving with your proposed cutbacks and staffing cutbacks and hours cutbacks?

And Kevin said, $800,000.

I'm not looking to restore it back to where it was in its heyday in the '60s or '70s. I want to just get back to where we are.

MR. SHELKROT: How about if we restore it to where it was three years ago?

(Applause.)

MR. SHELKROT: If you -- You know, we had 740 emergency closings. I don't believe that that -- a continuing -- that number or a continuing increase in that number is good service to the people of Philadelphia.

COUNCILMAN KENNEY: Was Kevin Vaughan's answer to my question incorrect or not? Is it $800,000 or isn't it?

MR. VAUGHAN: Can I answer that?

COUNCILMAN KENNEY: Yeah. I wish somebody would.

MR. VAUGHAN: The total number of staff reductions cost about $1.5 million. $800,000 is the net between the cost of the total -- the total layoffs and staff reductions, and the reconfiguration of the new operating way that -- new way the system is going to operate, with part-time staff and with seasonal staff, afternoon branches.

COUNCILMAN KENNEY: So, you're saying that the $1.5 million is just in staffing, and the $800,000 is in hours.

MR. VAUGHAN: No. The $800,000 is the net between the total... Layoff and staff reduction that we experienced was about $1.5 million.

But by the time you use some of that savings to hire the part-time and seasonal staff to run the afternoon branches, the net of those two things is about $800,000 which does not include benefits. That's straight salary without any of the City's benefits added.

COUNCILMAN KENNEY: Let me just go back. Could you do a little better if you had the $800,000, as opposed to the $600,000 and the $200,000 being spent in other ways?

If you get an additional $800,000, relative to the fines you collect, could you utilize it to improve the situation when it comes to hours and staff? Somewhat? Not perfectly but somewhat?

MR. VAUGHAN: The entire situation is a financial situation. So, every dollar that you could put back into the system --

COUNCILMAN KENNEY: Doesn't it seem fair that the money that you guys generate and collect should stay with you? I mean...

MR. SHELKROT: You know, we can give you figures of what it would take to hire a supervising librarian for every branch.

We can give you, you know, for the 20 branches, we can give you figures. But you have to understand that the reductions that we are facing have to do with the 130 positions that we have lost in the last couple years.

And what this change did was forced us to reconfigure the staff to give people of the City consistent service.

COUNCILMAN KENNEY: Madam President, my time is up. I don't want to get in any further problems with the second floor which is seemingly why you're dancing around. So, I'll let you off the hook. I'm done.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair recognizes Councilman Kelly.

COUNCILMAN KELLY: Thank you, Madam Chair.

Good morning, Mr. Shelkrot.

MR. SHELKROT: Good morning.

COUNCILMAN KELLY: Mayor Goode, Mr. Vaughan.

MAYOR GOODE: Good morning.

COUNCILMAN KELLY: I just want to follow up on Councilman Kenney's line of questioning.

How much is it going to take to at least keep the same amount of people that we have today in our libraries, to keep the hours the same? How much more would it take to do that, to keep our present staffing levels, to keep the hours open as they are today or last week or last month?

MR. SHELKROT: We can be, you know, if I'm not -- Well, if we were to restore the operations to where we were at the beginning of January -- and that's with the frequent emergency closings that were occurring all over the City -- that would cost about -- that would cost $1.5 million

COUNCILMAN KELLY: $1.5 million. You could actually have the libraries open restoring the hours, because --

MR. SHELKROT: Yes. That would restore us, as I say, to where we were early January, which unfortunately still had 740 -- in a six-month period, 740 hours of lost service due to staff shortages.

COUNCILMAN KELLY: Yeah. Well, I just want to make -- I want to be crystal clear on this. The reduction of the hours, plus the staff reductions and whatnot are costing -- are going to save $1.5 million; is that correct?

MR. SHELKROT: Since the January 1st, yes. If we were to go back to have libraries open on Saturday which we did not. We have only ten branches open on Saturday on January 1st -- or January 4th, to -- We had -- In the six-month period we had 470 hours of emergency closings. If we were to go back to that, that would be a $1.5 million.

If we were to return all branches to be open on Saturday, as they were a few years ago, and not have the emergency closings, and have the branches open on a full-time basis, that's $5.5 million.

COUNCILMAN KELLY: $5.5 million.

MR. SHELKROT: That's correct. And that way you would have a librarian at each one of those facilities?

MR. SHELKROT: We would be fully staffed at every one of our branches, the 20, as well as the others, so that we would not have the emergency closings that we have been experiencing.

COUNCILMAN KELLY: All right. Well, that -- See, I have a problem. And I know in your testimony you mentioned that you had a strong library system.

But I'm starting to disagree with that because I don't think what we're doing today is making it any stronger. I think it's making it much weaker.

(Applause.)

COUNCILMAN KELLY: And one of the -- I feel -- Madam President, I have been commenting a lot on the cuts in the arts and cultural institutions of this City. And I think we're doing the same thing again because I think our library system is very, very important.

I think it adds to the City. It adds to the cultural input of the City. And I think that what we have to do is try to find ways of not only just getting us out of this little predicament, but I would like to see us start looking at to see what we can do to bring you up to full strength, to bring you up to where you have librarians in every one of your facilities and to keep your hours open longer.

(Applause.)

COUNCILMAN KELLY: Because I know, I go to the Northeast Regional Branch and many times. And it seems like at night it really has a lot of activity up there. A lot of groups use it, a lot of community groups.

And that's another question that I have. With the reduction that you're going to have, have you been making outreach to any of the volunteers or any of the groups or organizations that could help you to keep these libraries open a lot longer than what you anticipate?

MR. SHELKROT: We have a very extensive volunteer program. We can -- Kevin can give you the number of hours of contributed time.

It was through the use of volunteers, you know, about five years ago that we were able to expand our hours and stretch our staff out; not eliminate any, but stretch out the use of staff so that we could be open on Saturdays.

COUNCILMAN KELLY: Well, if you had an additional amount of volunteers, would you be able to extend your hours in some of these 20 branches that you plan on cutting back?

MR. SHELKROT: No. Unfortunately,

sir, not and maintain the level of safety that is required, not and maintain the... We can't turn over keys and open buildings to volunteers. It's a liability issue.

You know, we can always use more volunteers to help us with children to extend what we can do, but volunteers can't replace full-time staff and librarians. I mean, that can't be done.

COUNCILMAN KELLY: Well, I understand that, and nor should we be replacing them with volunteers.

But again, I'm going to come back to this $276,00 which you have been giving to the City and it goes into the General Fund.

MR. SHELKROT: Yes.

COUNCILMAN KELLY: Is that correct?

MR. SHELKROT: Yes.

COUNCILMAN KELLY: And is that based on the old fines, the old costs, or is it the...

MR. SHELKROT: It's based on the memorandum of understanding, as Councilman Nutter correctly used those formal words, and it is...

COUNCILMAN KELLY: But is that under the new rates or under the old rates?

MR. SHELKROT: No. That is under the old rates because every time the fines went up, there was the understanding that it would be used for those programs that I identified.

COUNCILMAN KELLY: Would you be projecting, then, an additional amount to go into the City -- general City fund, since you did increase the cost of the fines?

MR. SHELKROT: Well --

COUNCILMAN KELLY: In other words, we're saying $276,000 went in a year ago or two years ago. And what are you projecting with the new rate of fines?

MR. SHELKROT: Well, with the new rate, we had projected an additional $1 million. But I will tell you right now that our analysis shows that we outstripped, outreached the market. In an analysis that we have done now -- and we are addressing these issues internally before we bring them, I will say, even to the administration.

We are recognizing, based on the zero increase in fine revenue, and the problems that it is creating with many people in Philadelphia, that fines have reached a point where it is discouraging the use of libraries not helping getting the books back on time. The primary purpose of fines is to get books on time.

An analysis that we have been doing because we want to make sure that we have the data correct, that insofar as we can, it is very clear that we knew that we were not collecting any more money.

And now we have evidence to indicate that it is having a negative effect on people using and borrowing from our libraries. And we intend to change those fines in the near future.

We would like to. Let's put it that way. We need to review it with the board and certainly with the administration.

COUNCILMAN KELLY: Well, I think -- Well, in my opinion it's a negative effect is the reduction of the hours in the libraries. That has absolutely a negative effect to me.

(Applause.)

MR. SHELKROT: Oh, absolutely.

COUNCILMAN KELLY: I would just say that $5.5 million seems like a lot of money, but when you're talking about a $2 billion budget, I don't think it's that difficult. And I would like to see us go back to where it was fully staffed and those hours extended.

(Applause.)

COUNCILMAN KELLY: That's the only thing I can say right now. And I know I would be working on your behalf to see that that's done, and I think most of this Council would also. All right.

Thank you, Madam President.

COUNCIL PRESIDENT VERNA: You're welcome.

The Chair recognizes Councilwoman Miller.

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

Good morning, Mr. Shelkrot and Honorable Wilson Goode and Kevin Vaughan.

MR. SHELKROT: Good morning.

COUNCILWOMAN MILLER: I have a couple questions here. Can you give me an update on the completion of repairs for the Joseph Coleman Northwest Regional Library?

(Applause.)

MR. FLEMMING: My name is Bill Flemming. I'm the administrative services director for the Free Library.

The improvements at Joseph E. Coleman are actually coming to an end for this phase of the project. It's an air conditioning project.

The contract with the firm doing the work actually expires April 30th, so there is a sense of urgency to get the system up and running and commissioned so that we can reopen the branch.

COUNCILWOMAN MILLER: Now, this was an improvement scheduled or an emergency closing?

MR. FLEMMING: This was definitely

an improvement. It's actually, I believe, the third phase of the project we've been doing over the past two-and-a-half to three years.

COUNCILWOMAN MILLER: Yeah. I know that you're doing. Because some of the work I actually thought you had done before, but I guess you haven't.

So, we can expect this to reopen May? Like, the first week or so in May?

MR. FLEMMING: After we get the system running and balanced the way we think it should be done, then we will allow staff to re-enter and clean the building and reopen I hope sometime in May.

COUNCILWOMAN MILLER: In May. Okay.

And if we run into any delays, should we call you?

(Laughter.)

MR. FLEMMING: Yes, you can call us. And you could --

MR. SHELKROT: I would like to say if we run into delays, we'll call you.

(Laughter.)

MR. SHELKROT: But... Okay.

COUNCILWOMAN MILLER: Well, that would be good, too. But in the meantime we can reach out to Mr. Shelkrot or... Okay.

MR. SHELKROT: Yes.

COUNCILWOMAN MILLER: All right. Good.

And I wasn't in the room. I was in and out of the room. So, I don't know whether anyone asked this question or not, but does the library plan to merge any more departments in the central library? And if so, which departments, and will any public service positions be eliminated?

MR. SHELKROT: The question is, do we in the future or have we in the past?

COUNCILWOMAN MILLER: Future.

MR. SHELKROT: In the future.

We are... In the central library we are looking at additional mergers. We know that when we have a new building where there is more open space, there may well be additional mergers.

There is an operation going on right

now behind the scenes. It is not in public service. And it is designed to reduce the number of staff, but primarily it is designed to get books to the public faster.

And that operation is the combination of our processing division and our collection development office. And if you would like more information about that, Joe McPeak is here, and he's chief of the central library.

COUNCILWOMAN MILLER: Okay. I would, because we'd like to know if public service positions -- it sounds like public service positions are going to be eliminated, or I didn't quite... Yes? No?

MR. SHELKROT: No. There's no public services positions to be eliminated in that operation.

If by public services you mean the people who help the public, these are all behind-the-scenes operations, that we are bound and determined to streamline, and have been working on in other ways to streamline that operation. And now it is time -- come time to bring these two departments together.

COUNCILWOMAN MILLER: Okay. Did you want the other gentleman to talk about it?

MR. SHELKROT: Well, if he is here, if there are questions that I can't respond to.

COUNCILWOMAN MILLER: Oh. Okay.

Well, no. I guess I'm satisfied with the answer for now.

MR. SHELKROT: Thank you.

COUNCILWOMAN MILLER: And does the Library Foundation employ staff providing library services? And if so, who are the staff and what they do?

MR. SHELKROT: The Library Foundation does not employ any staff that do the same things that our librarians do.

I'd be happy to provide information on the foundation staff, if you would like to, at a later time.

COUNCILWOMAN MILLER: Yes. I think we would like to have that information. I remember you did give it to us a couple years ago at one of the budget hearings.

MR. SHELKROT: That's correct.

COUNCILWOMAN MILLER: That would be very clear on who's staffing the library.

MR. SHELKROT: Sure.

COUNCILWOMAN MILLER: So, you're going to forward that to Council President Verna.

MR. SHELKROT: Yes.

COUNCILWOMAN MILLER: Okay. Thank you.

Thank you, Madam President.

COUNCIL PRESIDENT VERNA: You're welcome.

The Chair recognizes Councilman Nutter.

COUNCILMAN NUTTER: Thank you, Madam Chair.

Madam Chair, may I have the Budget Director, please?

COUNCIL PRESIDENT VERNA: Certainly. Would the Budget Director please come to the table.

The Chair recognizes Councilman Nutter.

Operating Budget - 4/6/05

COUNCILMAN NUTTER: Thank you, Madam Chair.

Ms. Reed, do you and Mr. Shelkrot need to confer any more to make sure we get the story straight?

(Laughter.)

COUNCILMAN NUTTER: Can you provide some clarity to the record with regard to the $1 million that was appropriated or added back into the current FY'05 budget by this Council, based on the budget that we passed on July 1, 2004? Where is the $1 million.

MS. REED: Diane Reed, Budget Director.

My understanding of the financing of that is the same as the Library Director's. You know, I've only been told about this because I was not there.

I also think that there was an error --

COUNCILMAN NUTTER: What is your understanding, for the record?

MS. REED: My understanding is that the administration told the libraries that they would not receive an additional million dollars in appropriation unless they raised a million dollars in fees and fines.

COUNCILMAN NUTTER: Okay. Now, why does Mr. Shelkrot not seem to know that? Because he said there was no connection between the two.

MS. REED: I don't know.

COUNCILMAN NUTTER: Do you know who was told at the library what you just put on this record?

MS. REED: No. No. I don't know that.

COUNCILMAN NUTTER: Well, who told you?

MS. REED: Peggy Van Belle.

COUNCILMAN NUTTER: Okay. And who did she tell?

MS. REED: I don't know. I didn't think to ask that question.

COUNCILMAN NUTTER: Okay. Did I see Mr. Vaughan here earlier? Pull up a chair.

(Laughter.)

COUNCIL PRESIDENT VERNA: You'll be

able to use the same microphone.

COUNCILMAN NUTTER: Mr. Vaughan, when you were here on March 17th, and either yourself or your own fiscal officer put on the record that information, who told you that the Budget Office told the library that you could not access the million dollars that City Council put in the FY'05 budget unless you raise an additional million dollars in fines?

MR. VAUGHAN: When I was here on the 17th, two items were discussed in very close proximity, and people may have thought that there was a quid pro quo.

The issue is that we were asked for --

COUNCILMAN NUTTER: I think the Budget Director has made it very clear that the two are connected. Is that not right?

MR. VAUGHAN: And I will say that in the same meeting in which we were told that the million dollars was not going to be available, we had also been told that the library -- there was an expectation that the library would raise a million dollars in fine revenue to make our budget balance. So, we were told --

COUNCILMAN NUTTER: When you were told those two pieces of information...

MR. VAUGHAN: Yes.

COUNCILMAN NUTTER: ...possibly at the same meeting...

MR. VAUGHAN: Yes.

COUNCILMAN NUTTER: ...no one figured out that the two were connected to each other? Is that the story that we're hearing this morning?

MR. VAUGHAN: It was not presented in -- They weren't presented in the same sentence, nor were they presented as something that were connected, two things that were connected.

COUNCILMAN NUTTER: So now we're down to parsing sentences.

I mean, do we want to dissect them? I mean, can we have an intelligent conversation about this?

MR. VAUGHAN: Sir, if I may just

say, a meeting --

COUNCILMAN NUTTER: Because I'm really about at my limit.

Now, the Budget Director has now testified, whether you know it or not, Mr. Shelkrot, that there is a connection between the two. So, can we for the moment at least agree on that? Do you now know that there is a connection between the one and the other? Yes or no.

MR. SHELKROT: I hear what you're saying, sir.

COUNCILMAN NUTTER: No. I didn't -- That's not my question. Did you hear what the Budget Director said?

The Budget Director said that the two are connected. Do you understand what she's saying?

MR. SHELKROT: I understand... I understand what the Budget Director has said.

COUNCILMAN NUTTER: What did she say?

MR. SHELKROT: The Budget Director has said that her understanding -- Because she wasn't here at the time, her understanding --

COUNCILMAN NUTTER: She is the Budget Director, correct?

MR. SHELKROT: Her understanding is that there was a connection.

If I knew the meeting Mr. Vaughan was referring to, it was an hour-long meeting, and --

COUNCILMAN NUTTER: We can talk about a lot of things in an hour.

MR. SHELKROT: -- those issues were not discussed in anywhere near proximity.

COUNCILMAN NUTTER: When was the meeting?

MR. SHELKROT: You know, I'm not sure that I -- I mean, I believe I know that the meeting was -- was a meeting that was held early last summer, but...

COUNCILMAN NUTTER: Who was in the meeting.

MR. SHELKROT: In that meeting there was my -- If I know the meeting you're referring to, it was myself, it was Kevin, it was Bill Flemming, the Budget Director Rob Dubow, and I believe Peggy Van Belle was there. Those are the four people -- excuse me -- the six people that I remember most clearly. It was an hour long --

COUNCILMAN NUTTER: Who talked about the fines and who talked about the City appropriated or the Council appropriated a million dollars? All in the same meeting. Who talked about those items separately and so apart from each other that none of you could figure out that the one was connected to the other?

MR. SHELKROT: You know, I am sorry I did not tape record that meeting. There are no minutes of that meeting.

COUNCILMAN NUTTER: Mr. Shelkrot, it's a million dollars. It's a million dollars.

(Applause.).

COUNCILMAN NUTTER: It's a million dollars.

Now, I know we have a $3.5 billion budget. Last I checked we don't have a printing press in the basement.

It's a million dollars, the closing for hours of 20 branches to four hours a day. And you can't remember who told you that you don't get a new million dollars from this City Council unless you raise an additional million dollars, which you have never done in history. And you can't remember who told you that?

MR. SHELKROT: Sir...

COUNCILMAN NUTTER: Is that what you're saying?

MR. SHELKROT: Sir...

Because, sir, I was not told that. And if I told you --

COUNCILMAN NUTTER: I'm sorry?

MR. SHELKROT: If I told you I remembered that, I would be lying.

What we were told is, this is your budget. This is your budget.

COUNCILMAN NUTTER: Different than the approved budget.

MR. SHELKROT: These are the numbers that you --

COUNCILMAN NUTTER: That's not my question. When you were told this is your budget, who told you that? Do you remember that?

MR. SHELKROT: The Budget Director at that time said, this is your budget.

COUNCILMAN NUTTER: Rob Dubow.

MR. SHELKROT: Yes.

COUNCILMAN NUTTER: Told you, this is your budget.

MR. SHELKROT: Yes.

COUNCILMAN NUTTER: How much was it?

MR. SHELKROT: Kevin, Bill, what is -- what was the budget that was allocated that we were given at the beginning of the fiscal year.

MR. SHELKROT: According to the document, the fiscal '05 original appropriation was $36,526,075.

COUNCILMAN NUTTER: What document are you reading from, Mr. Shelkrot?

MR. SHELKROT: It's in the detail for '06.

COUNCILMAN NUTTER: You got a page

number?

COUNCIL PRESIDENT VERNA: I believe it's Page 3, Councilman.

COUNCILMAN NUTTER: Well, I'm looking at Section 25, Page 3.

MR. SHELKROT: Yes.

COUNCILMAN NUTTER: What I see down at the bottom for FY'05, the original appropriation was $46,743,119. That's what my budget book says.

MR. SHELKROT: Yes, absolutely.

COUNCILMAN NUTTER: Right.

MR. SHELKROT: And I have that number, too, if you're including the grant revenue funds.

COUNCILMAN NUTTER: I was looking at the bottom line. That's really the kind of person I am. I am looking at the bottom line.

MR. SHELKROT: Well, and I was looking at -- I was looking at the General Fund numbers, but it's in that same column.

COUNCILMAN NUTTER: And what's your FY'05 estimated obligations?

MR. SHELKROT: The FY'05 estimated obligation level is forty-seven nine thirty-one six thirty-one.

COUNCILMAN NUTTER: No. That's your '06.

MR. SHELKROT: Oh, I'm sorry.

COUNCILMAN NUTTER: FY'05 estimated obligation.

MR. SHELKROT: I'm sorry. Forty million -- forty-nine million, hundred and five, three seventy-six.

COUNCILMAN NUTTER: Very good.

Now, when you had the meeting for the hour, when the Budget Director said, this is your budget, what was that a number?

MR. SHELKROT: That number referred only to the City General Fund. Okay?

COUNCILMAN NUTTER: What was the number?

MR. SHELKROT: And the number is as I... you know. (Pause.) Well... I can tell you that the overall -- the operating budget for the City out of City funds is $36,526,075.

COUNCILMAN NUTTER: Right. So you were told that was your budget.

MR. SHELKROT: That... What I was told is, that is the budget, but that is not necessarily what the target spending level was.

COUNCILMAN NUTTER: What was the target spending level?

MR. SHELKROT: And I will have to check with my staff on that.

COUNCILMAN NUTTER: Did you ever ask the Budget Director about the million dollars that was being restored?

MR. SHELKROT: Yes, sir.

COUNCILMAN NUTTER: And what was the answer?

MR. SHELKROT: This is the amount.

COUNCILMAN NUTTER: So it didn't matter. It didn't matter what was approved. Budget Director told you --

MR. SHELKROT: No. The Budget Director said to me --

COUNCILMAN NUTTER: -- this is the amount; and you said, fine.

MR. SHELKROT: No. The Budget Director said to me that there was an error that was committed by their office, and the additional million dollars only serves to balance out an error that they made in their office.

COUNCILMAN NUTTER: So the million we put in was filling the million dollar hole that had been created from the previous year because when you got your budget you were already a million dollars short, which I think you didn't mention to us.

Then we put a million back. It's not a new million dollars. It's a million filling a hole that you walked in with that no one knew about. Isn't that the truth?

MR. SHELKROT: I believe that's what I said.

COUNCILMAN NUTTER: You were short a million dollars when you walked in here at last year's budget, correct?

MR. SHELKROT: That is correct.

COUNCILMAN NUTTER: Did you mention it?

Operating Budget - 4/6/05

MR. SHELKROT: There was a very clear understanding -- The Budget Office did not want it mentioned, that it would be resolved afterward.

COUNCILMAN NUTTER: So --

MR. SHELKROT: And I --

COUNCILMAN NUTTER: -- your statement is, you walked into a City Council hearing and consciously withheld information from this City Council.

We believe, because you don't tell us... We believe that we're giving you an additional million dollars, and you sat at the table, understanding that that million was filling a hole that we didn't know existed; isn't that right?

MR. SHELKROT: Sir, that is not --

COUNCILMAN NUTTER: Yes or no?

MR. SHELKROT: No, it is not correct.

COUNCILMAN NUTTER: Did you tell on the record that you were a million short and a mistake had been made?

MR. SHELKROT: There was no -- No, I

did not. I wasn't asked that.

COUNCILMAN NUTTER: Why?

MR. SHELKROT: I wasn't asked that.

COUNCILMAN NUTTER: How would we know? How would we know about a conversation you had with the Budget Director, saying a mistake had been made; we don't want you to tell anybody; and we'll fix it later on. How would we know that?

MR. VAUGHAN: Councilman, may I address you for that?

COUNCILMAN NUTTER: You can try.

MR. VAUGHAN: In meeting with Rob Dubow at the time that the budget came out and we initially got our budget, and before we came to Council --

COUNCILMAN NUTTER: This is last year's budget.

MR. VAUGHAN: Last year's budget.

He never said don't -- It was not an issue of don't say anything.

The Budget Office said -- Because we added up our budget. We got our numbers. We said, wait a second. There's a million dollars missing here. This doesn't add up.

And we called them up. And they said to us, we will restore that million dollars through the target budget process. They told us that. It was affirmative.

COUNCILMAN NUTTER: Did it happen?

MR. VAUGHAN: No, it did not happen, but they told us at the time that that's how they were going to handle it.

COUNCILMAN NUTTER: Did you mention to City Council that you had such an arrangement, and it was not fulfilled?

MR. VAUGHAN: No, we did not.

COUNCILMAN NUTTER: Did you ever think to mention us, when we restored the million dollars last summer, that there was a problem?

MR. VAUGHAN: No, we did not Councilman.

COUNCILMAN NUTTER: Why?

MR. VAUGHAN: At the time that Rob told us we were going to get the money, we just... we believed that that was going to happen.

Unfortunately, at the time that we went for our target budget meeting, which was much later than the summer... It was actually in, I believe, September or October... it was only then that we learned that we weren't going to have that million, the million that Council appropriated was going to fill that hole. That's when we found out.

COUNCILMAN NUTTER: So let's recap gingerly.

You were told by the Budget Office that a mistake had been made which would be rectified in some subsequent reconciliation to targeting budget.

MR. VAUGHAN: That's correct.

COUNCILMAN NUTTER: That didn't happen.

MR. VAUGHAN: That's correct.

COUNCILMAN NUTTER: We give you an additional million, what we think is an additional million dollars which you don't get.

MR. VAUGHAN: That's correct.

Operating Budget - 4/6/05

COUNCILMAN NUTTER: You've now been told, in a meeting for an hour, that a million dollars... and you got to raise an additional million dollars, but no one puts those dots together.

So now we sit here today. The new Budget Director has now put on the record that her understanding is you will not get the million dollars that we gave you last year unless you raise an additional million dollars on top of the $800,000 which has been your all-time high ever in fines. That's where we are; is that right?

MR. SHELKROT: That -- That is correct.

At the end of that meeting we were -- you know, we were reminded, don't forget, you got to raise -- we need to have you raise an additional million dollars.

And we said, we have the program in place that we believe would do that. But it was not part --

COUNCILMAN NUTTER: Didn't I hear you say just a little while ago that now you think you've maxed out on that, and that it's now driving people away?

MR. SHELKROT: That's what I said. Yes, sir, that is correct.

COUNCILMAN NUTTER: So now that's not going to work either.

MR. SHELKROT: What's not?

SHELKROT: So, as best I can understand, you're short $2 million, your fines are too high, and you tell us that to get back to where we were with the emergency closures is a million and a half dollars, but then somehow to get back to some other point in time it's five and a half million dollars.

Now, did you lose the whole five and a half in one year?

MR. SHELKROT: Sir, we spend every dime we possibly can.

COUNCILMAN NUTTER: That wasn't my question.

MR. SHELKROT: Every dime we are allowed to.

We didn't lose anything. If you mean --

COUNCILMAN NUTTER: If you don't have it, you can't spend it.

MR. SHELKROT: -- over the two and a half years -- Over the last two and a half years, the number of positions that we have lost equals five and a half million dollars.

COUNCILMAN NUTTER: And my question to you is, to get back to the emergency closure situation, you've now testified is a million and a half dollars.

Now, it might be a little difficult. And all of that money that you've lost is not City money, correct? My recollection is, of the five and a half million dollars, it's three point something out of the state and two point something out of the City. Isn't that right? Are you only talking about five and a half million dollars from the City of Philadelphia?

MR. SHELKROT: What I'm referring to is that those are City funded positions. If we add up the number of City funded positions that we have lost, and you multiply it times the average salary, it comes pretty close to five and a half million dollars.

COUNCILMAN NUTTER: And is there no thought or no plan that somewhere between a million and a half and five and a half over some period of time there is a way to start the restoration and the rebuilding of anything that anyone would really consider a full service library?

Maybe it's not four hours a day. We put the libraries back. Maybe some libraries have six on a staggered basis or any of those kinds of iterations. Couldn't you lay out a plan to us that over some period of time, not in one year, gets you back to that level?

MR. SHELKROT: We can -- We can put that together for you, sir.

COUNCILMAN NUTTER: Well, did you do it before you came up with this one?

(Laughter.)

MR. SHELKROT: No. Our obligation was to live within our budget.

COUNCILMAN NUTTER: No. Your obligation is to provide service.

(Applause and cheers.)

COUNCILMAN NUTTER: That's your obligation.

MR. SHELKROT: Well, you've got me there, sir. Our obligation --

COUNCILMAN NUTTER: It's like a doctor saying, well, I know in my good medical advice you should say. But some bean counter somewhere says that you now have to go. It's not in my good medical judgment that you get out of the hospital, but someone told me that you have to leave.

It's not that way. This is about service. It is about service.

So, I would like to see -- and I'm sure our other members would like to see -- some other plan between zero and nothing.

I know you're trying to figure that one out, aren't you?

(Laughter.)

MR. SHELKROT: I do understand your meaning, though.

COUNCILMAN NUTTER: There's got to be somewhere between where it has been driven and the halcyon days of wherever we thought we were a few years ago that demonstrates to people we are trying to do something.

And it would really be nice, since we are in a budget hearing... Are there any other numbers that you'd like to reveal to us in this hearing that we haven't heard about in the last two hearings? Is there any other things up the sleeve, in the shirt, in the back pocket, another conversation you had somewhere else that you might not remember or two disparate pieces of information that sound exactly like each other but the dots haven't been connected yet? Is this the real budget?

(Laughter.)

MR. SHELKROT: This is the real budget, to the very best of my knowledge.

(Laughter.)

COUNCILMAN NUTTER: Is there some other knowledge we need to pursue? I mean, what do you mean to the best of your knowledge? Is this the real budget or not?

Mr. Shelkrot, I'm asking you a very serious question. I want to have confidence in the record that we have, in the documents that we have. And I only asked you that because of what's apparently happened over the last two years. So, I am very serious about this.

MR. SHELKROT: I don't know how else to respond to you, sir.

COUNCILMAN NUTTER: Well, can you put together a plan that shows us additional services between where we are today and whether it's the million and a half or million and a half plus? Any other efforts that are being made to pursue additional dollars outside of the City, outside of the City government?

What else goes on with the fines? Now, does the library keep all of the rest of the fines except for the two seventy-six or is there a further split of the remainder?

MR. SHELKROT: Sir, we don't keep any of it, you know. It is all used. I outlined for one of the other Council people --

COUNCILMAN NUTTER: No. Is it --

What I mean is --

MR. SHELKROT: -- where the money -- where the money --

COUNCILMAN NUTTER: Is it under your direct control or do any other parts... If the number is 800,000 and 276,000 goes to the City -- for what reason is beyond my understanding.

But the other 500 some odd thousand dollars, does the library control and spend that on its own or do any of those dollars go anywhere else? Do they go over to the foundation? Does the foundation do anything with it? What happens with the rest of the money?

MR. SHELKROT: The money is allocated, as I indicated before -- and I'll be happy to repeat it again -- the money is allocated in addition to that 270... 77, it's 238,000 for library materials, a hundred thousand for outreach to children at risk, and $185,000 for our volunteer programs.

COUNCILMAN NUTTER: I'd like to see that in writing, if you could forward that to the Chair.

Madam Chair, I will conclude with this. First, why did you sign the memorandum of understanding with the Mayor's Office and the Finance Director in the first place?

MR. SHELKROT: Okay. I wasn't sure that you're saying these are things you want in writing or these are things you want now.

COUNCILMAN NUTTER: We'll get back to that.

Why did you sign the memorandum of understanding?

MR. SHELKROT: I signed the memorandum of understanding because it would allow us to spend additional money on areas that I believed were essential, and that the administration also agreed that's fine.

And it would not have to go through the hassles of arguing in -- for it when we were debating with the administration how much money should be allocated to the library.

COUNCILMAN NUTTER: Well, first of all, no, I don't think it allows you to spend more money. I think it allows you to spend less money.

MR. SHELKROT: Well...

COUNCILMAN NUTTER: By signing the agreement, you get to spend $276,000 less because that goes in the City's General Fund. You don't have access to that money.

MR. SHELKROT: Well, the... The -- The -- The library board of trustees determined that they would be willing to raise the fines of the library if that money could go directly to the services in those three areas.

COUNCILMAN NUTTER: And what I'm suggesting to you, Mr. Shelkrot -- And you're talking about the board at that time, not the board today, correct?

MR. SHELKROT: Yeah. Of course.

COUNCILMAN NUTTER: And what I'm suggesting to you is, not only from a legal opinion that the library sought permission to get outside of the government by Morgan, Lewis Bockius at the time, but there's also a City Solicitor's opinion saying you don't need anybody's permission about how you use the money or your term was a hassle with the City.

The state statute and the Home Rule Charter directly allocate those monies to the Free Library: Direct, plain, simple, totally under your control. Isn't that correct?

MR. SHELKROT: Yes, sir.

COUNCILMAN NUTTER: Then why do you need an agreement? Why is there any hassle?

You have a state statute that guarantees those dollars are directly under the control of the library, which your own legal counsel told you, in an opinion that you got on a pro bono basis, and the City Solicitor at that time, Joe Direvski (phonetic), reaffirmed in his opinion.

MR. SHELKROT: Up until that time all the money went to the General Fund.

COUNCILMAN NUTTER: I understand that. And that apparently was wrong. Right?

MR. SHELKROT: That is correct.

COUNCILMAN NUTTER: Your legal counsel also recommended to you that you not engage in this particular type of transaction, keep all the money yourself under your direction, since you have that ability, and that you take a cut in a purchase of materials line item in Class 200. Do you remember that?

MR. SHELKROT: No, I don't remember the specifics of that.

COUNCILMAN NUTTER: Yeah. The advice you got from your pro bono Council was not to enter into an agreement with the City of Philadelphia. That was their advice, which was obviously not --

COUNCIL PRESIDENT VERNA: Councilman, I'm sorry. Your time has been up.

COUNCILMAN NUTTER: Thank you, Madam President.

COUNCIL PRESIDENT VERNA: I believe everyone has had a first go-around, with the exception of Councilman O'Neill. So at this time I would recognize Councilman O'Neill.

COUNCILMAN O'NEILL: Thank you, Madam President.

Operating Budget - 4/6/05

Mr. Shelkrot, it seems to me that cutting librarians and keeping libraries open at the same time, whether it's on a limited basis or not, is akin to a hospital laying off doctors and staying open. I don't know how you even conceive of a library being open without a librarian.

And so, what I'm wondering is, with all the discussions that I'm sure went on between you, your staff, the administration, your trustees, was there a plan put forth by you to either the administration, your trustees or both that was full librarian staffing -- full librarian staffing; in other words, no cuts in librarians, and other things being cut. I don't care what they were at this point.

But it would seem to me if you were the hospital director, you would tell your board, I can't run this hospital without doctors, but this is what I have to do in order to keep the doctors. Was there any such plan presented that would allow you to keep the librarians?

MR. SHELKROT: The plan to keep the librarians and stay within the budget target that --

COUNCILMAN O'NEILL: Wasn't my question.

MR. SHELKROT: Oh.

COUNCILMAN O'NEILL: You can give me alternatives, one within the budget and one without.

I want to know if you gave them a plan.

MR. SHELKROT: Absolutely.

COUNCILMAN O'NEILL: If you gave them an alternate plan that would cost more money, I want to know, one, if you gave them within the budget; and two, if there was a plan that said, I refuse as a -- for this library that to have libraries open without librarians, this is what I need.

MR. SHELKROT: First of all, let me just say that it is... although it is not something that we have done in Philadelphia before, and it is not something that I ever wanted to do, but it is not unheard of to have libraries without a full-time resident librarian.

VOICES IN THE AUDIENCE: Lies. Lies. Lies.

MR. SHELKROT: Well, you know... You know, I...

Sir, it is not something we wanted to do. We do have --

COUNCILMAN O'NEILL: I just want to know whether you presented a plan.

MR. SHELKROT: Absolutely.

COUNCILMAN O'NEILL: I understand this is not something --

MR. SHELKROT: Absolutely.

We presented -- We presented a plan that was not going to accomplish the reductions as they evolved, but when the reductions were -- at an earlier point.

But as the reductions continued to evolve, and the target budget -- The target we were... for the budget was reduced over that period, moving from December into January. There are a variety of things that we considered.

COUNCILMAN O'NEILL: Somewhere we are going to get lost on this.

MR. SHELKROT: No. No. No.

COUNCILMAN O'NEILL: Did you, for your trustees or the Mayor's staff or both, present a plan that kept you within the budget that you were being told you had to live with and kept all the librarians' jobs?

And if there were other ways -- you presented another way or asked to present another way of doing it. That's all.

I don't care if your salary had to be eliminated. I just want -- And I don't mean that I'm hoping that was the plan. But was there a plan where you showed them, this is what it would take to keep the librarians in place and stay within the budget targets that you were given?

MR. SHELKROT: Yes.

COUNCILMAN O'NEILL: Okay. Can you get that for us?

MR. SHELKROT: Absolutely.

COUNCILMAN O'NEILL: Obviously somebody rejected it, whether it was the trustees or the administration.

Secondly, have you presented a plan that is outside the budget targets but keeps the 17 or 16, whatever the number of librarians that are being laid off, that keeps them to the trustees and/or the administration?

MR. SHELKROT: Yes.

COUNCILMAN O'NEILL: Okay. Could we see that plan as well?

MR. SHELKROT: Certainly.

COUNCILMAN NUTTER: Last question, because Councilman Nutter touched on the state involvement in these reductions in staff over the last two and a half years.

If you could just quantify -- I know you've quantified to me privately -- the reductions in the first two Governor Rendell budgets.

I know there's been funds restored, not up to the previous level in the current state budget proposal. But if you could tell me between the Mayor, his relationship with the Governor, your trustees who are mostly pretty high powered people, and any other lobbying capacity the City has.

Is there any talks going on right now to restore the state funding to where it was when Governor Rendell took office? That is approximately half of this problem. I mean, if you take the five and a half as the full extent of the problem.

To me it's kind of like a matching fund, you know, between the City and state, partnering to restore the library services.

Could you tell me what's going on? And if there's some things you can't talk about on the record, it's confidential, if you could talk to the Council President, Majority Leader, whomever, let us know that something is going on.

I mean the state's in a critical area time wise with their budget. And two-and-a-half million might be a lot for the City. It's a lot less for the state, in terms of magnitude. Could you touch upon those items?

MR. SHELKROT: Right. Sure.

Operating Budget - 4/6/05

COUNCILMAN O'NEILL: First the state cuts, so everybody really understands the enormity of what's happened over the past two budgets, and that this maybe is a chance to go beyond what the Governor has in his budget this year?

MR. SHELKROT: Sure, I'll be happy to. In fiscal year '03, we received -- and I'll round it off, if it's okay...

COUNCILMAN O'NEILL: Sure.

MR. SHELKROT: ...$9.4 million.

COUNCILMAN O'NEILL: In fiscal...

MR. SHELKROT: In fiscal '03.

COUNCILMAN O'NEILL: Okay.

MR. SHELKROT: That was the amount of money that the City of Philadelphia, the Free Library, received out of the total allocation.

And the formulas haven't been changed. It's just that the total amount of money has been reduced.

In fiscal year '04 we received, rounding it off, $6 million. This current year that we are in, we received $7.2

million.

The amount of lobbying that went on across the State of Pennsylvania, you know, various... many, many legislators said they had never received so much mail on that issue.

I understand that the Governor's Office was, understandably, tired of getting it all, and meetings and phone calls, and e-mail and all of those things.

There have been an extensive effort. There continues to be an extensive effort on the behalf of librarians all over the state. You know, I -- I cannot speak specifically to what the Mayor's Office has done.

COUNCILMAN O'NEILL: I'm really not concerned about --

MR. SHELKROT: Okay.

COUNCILMAN O'NEILL: -- the librarians all across the state.

MR. SHELKROT: No, no, no, no.

COUNCILMAN O'NEILL: They're all good people.

MR. SHELKROT: No, no, no, no. What

I meant is --

COUNCILMAN O'NEILL: I really want to know if the juggernaut that's Philadelphia...

MR. SHELKROT: Yes.

COUNCILMAN O'NEILL: ...that is corporate Philadelphia, that is government Philadelphia, that is the extended lobbying consultants Philadelphia, that is relationship between this Mayor and our Governor can move to get us back just to where the Governor... where we were when the Governor took office, three years later.

It might be a lot easier to twist the Mayor's arm if he knew that we weren't being shorted a whole lot more money by a government that has a much bigger capacity.

MR. SHELKROT: I understand what you're saying.

COUNCILMAN O'NEILL: That's the Commonwealth.

MR. SHELKROT: I understand what you're saying.

You know, I certainly am not privy

to the discussions between the Mayor and the Governor.

What I was referring is efforts that were made by Philadelphians as part of the state, working very hard.

But I -- I -- I do not know --

COUNCILMAN O'NEILL: Well, it doesn't sound like all those phone calls have gotten us very far.

MR. SHELKROT: Oh, I agree with you.

COUNCILMAN O'NEILL: I mean, when we want something like this, that is --

MR. SHELKROT: Or the meetings or the rallies, you know.

COUNCILMAN O'NEILL: Well, this isn't asking for, you know, $800 million for stadiums or something, where you've got to have bus loads go up or, you know, resurrect S.E.P.T.A.

This is a couple million dollars out of the state budget.

MR. SHELKROT: Nonetheless, buses went up, but...

COUNCILMAN O'NEILL: I understand.

MR. SHELKROT: You know, you're right. I agree with you.

COUNCILMAN O'NEILL: It's a couple million dollars out of the state budget to have library services for Philadelphians.

MR. SHELKROT: Yeah.

COUNCILMAN O'NEILL: It seems to me a paltry number, but it makes it a lot easier both to get votes in this City Council and I'm sure to work the second floor if the Governor's restoring the funding that he cut. And I think that should be a major focus of what we do here.

I hope after this budget we never talk about whether you like the idea of express libraries or I don't even think that libraries should be joined in the title of what the building becomes without the librarian. I mean, I just... I think somebody has to come up with a new nomenclature for that type of building.

But I hope we stay focused on that issue with the state because if we don't, we're never going to be back to where we were just two-and-a-half years ago, at full staffing six days a week, right?

Thank you.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair recognizes Councilman DiCicco.

COUNCILMAN DiCICCO: Madam President, I'm sorry. I think all of the questions concerning the million dollars, which we finally have found out was never really there in the first place, have been answered. So, I do not have any further questions at this time.

Thank you.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair recognizes Councilwoman Tasco, if she's in the room.

MR. McPHERSON: She just stepped out.

COUNCIL PRESIDENT VERNA: the Chair will recognize Councilman Nutter.

COUNCILMAN NUTTER: Thank you, Madam Chair.

Mr. Shelkrot, you were going to put

together some thoughts or plans. Councilman O'Neill has asked for alternatives.

What I want to better understand is, again, getting back to the 1.5, and then I want to move on. If you received the total of 5.5 that you've mentioned before, how many people would be hired or rehired under that proposal, and what exactly does that do?

MR. SHELKROT: It's my understanding that the... when we put those figures together, that that would enable us to rehire the 130 people that we have lost in the last year-and-a-half -- excuse me -- two-and-a-half years.

COUNCILMAN NUTTER: And are you saying that -- I mean, you need 130 people to give a librarian at the 20 branches eight hours of service and maybe six on Saturdays? I mean, this is the only way? You need 120 more people to do that?

MR. SHELKROT: Well, the restoring -- restoring the... with the 5.5, we can restore... Your question was about the $5.5 million or... Help me. I mean, I'm just trying to...

COUNCILMAN NUTTER: You said you needed $5.5 million --

MR. SHELKROT: Right.

COUNCILMAN NUTTER: -- to get us back to possibly --

MR. SHELKROT: Okay. No. That's -- I understand.

COUNCILMAN NUTTER: -- an '02 or an '01 time period.

MR. SHELKROT: That's what I thought.

COUNCILMAN NUTTER: What I'm asking you is...

MR. SHELKROT: What -- What --

COUNCILMAN NUTTER: ...we're now at 20 branches, four hours a day, no librarians.

You responded to Councilman Kelly by saying you needed a million and a half to get back to the days of emergency closures and the like, although all the librarians were in the library.

What I'm trying to understand is, when you go from the 1.5 to 5.5, how many more people end up being hired? And why does it take that many more people to get us to a librarian in every library and six to eight hours of service a day?

MR. SHELKROT: Well, I'm going to... While Kevin and Bill are figuring out exactly the number of people that the 5.5 will provide, what the 5.5 refers to is the reductions in public service staff that were taken in the central library, as well as the regionals and the branches over the last several years, the assistants that librarians were provided by the work that goes on in other parts of the library operation, the maintenance staff, and other departments which have suffered because of the inability to replace vacancies that existed over the last several years.

The number of those positions... Okay. It is still 130 positions.

MR. VAUGHAN: Councilman, those -- When we talk about putting librarians back in the libraries, 1.5 will get you one librarian in the library.

It won't -- It will get those libraries back to where they were --

COUNCILMAN NUTTER: In each library.

MR. VAUGHAN: Excuse me?

COUNCILMAN NUTTER: In each library.

MR. VAUGHAN: In each library.

COUNCILMAN NUTTER: Right.

MR. VAUGHAN: That is not optimal.

I mean, what we would like to do, and what we've tried to do over the years, and part of why this is so difficult --

COUNCILMAN NUTTER: Well, what we would --

MR. VAUGHAN: -- is that we would like to have a --

COUNCILMAN NUTTER: Hold on for a second.

MR. VAUGHAN: There's a library supervisor.

COUNCILMAN NUTTER: You said that was not optimal.

MR. VAUGHAN: No. We'd like to have more than one librarian in the library. We'd like to have a librarian who's a librarian --

COUNCILMAN NUTTER: Well, if there's a librarian in each library... Under that, under what you just said is not optimal...

MR. VAUGHAN: Right.

COUNCILMAN NUTTER: Then not having them must be worse.

MR. VAUGHAN: We agree.

COUNCILMAN NUTTER: Right?

So, what does it take... And what I'm now going to ask you to do is, you would have to show us or I'm at least asking, on a library by library basis, number of people, number of hours, dollar amounts, what it takes for each of the 20 to return them to a full service operation. That's one.

Second, when you put the plan together, was there discussion with the staff and the union workers in the system about this plan?

MR. SHELKROT: Kevin, do you want to -- You were... As soon as... Well, let me... As soon as we had approval from the administration that this was the plan to go with, there were meetings that were held with the various union representatives.

COUNCILMAN NUTTER: Okay. Stop right there.

So, who came up with the plan?

MR. SHELKROT: The senior staff of the library in...

COUNCILMAN NUTTER: Central branch.

MR. SHELKROT: Huh?

COUNCILMAN NUTTER: The folks at the central branch?

MR. SHELKROT: No, not entirely.

COUNCILMAN NUTTER: Okay. The management of the library system came up with a plan. You ran it up the flagpole to get approval by the administration.

When you received that approval, you then started the conversation with the people who would be affected by the plan. Is that the way it works?

MR. SHELKROT: Yes. And one of the reasons it works that way is, when you are dealing with layoffs, you can't... And that was a given. Let me just say, that was a given.

COUNCILMAN NUTTER: How many layoffs are you talking about?

MR. SHELKROT: Well, as I said, at first we thought it was 4, and then it moved up to 17 over a period of about a month.

COUNCILMAN NUTTER: Right.

MR. SHELKROT: And with the changing of that and the reaction -- you know, the understandable fear that the people had... So... But when you're dealing with layoffs, you have to be not only clear about what is being affected, but there were to be layoffs across the City. It was not --

COUNCILMAN NUTTER: But also secretive.

I'm trying to understand. I mean these are professionals, right? These are professional individuals at what they do?

MR. SHELKROT: Yes. Yeah. Yeah. Not all 17, but -- but -- but the majority, certainly.

COUNCILMAN NUTTER: Well, we may have a different view of this. I actually think that all 23,000 public employees are professionals at what they do.

MR. SHELKROT: Okay. Well...

(Applause.)

COUNCILMAN NUTTER: So...

MR. SHELKROT: Very good point, and I accept that.

COUNCILMAN NUTTER: That will be a different debate for another day.

These individuals are professionals in the library science. They have been involved in this process for some time.

MR. SHELKROT: That's correct.

COUNCILMAN NUTTER: Did the thought ever occur to you, even knowing that there might be layoffs, financial problems, that you would sit down and have a discussion, solicit ideas, get proposals, recommendations from your professionals, from your staff outside of the close, high level management staff, to say: Hey, gang, we have a problem. We want to solicit some of your best ideas and recommendations and suggestions on how we resolve this problem.

You might not like what comes out at

end of the process, but we're telling you up front we have a problem. We want your input to try to figure out how to try to solve it. Give us your best suggestion and ideas. Did that happen?

MR. SHELKROT: Sir -- Yes. I mean, your question was, did the thought ever cross my mind? You bet it did; yes, sir.

COUNCILMAN NUTTER: Well, I appreciate the thought crossing your mind --

MR. SHELKROT: Well, that was -- That was --

COUNCILMAN NUTTER: -- but did that turn into action?

MR. SHELKROT: No, it did not turn into action.

COUNCILMAN NUTTER: Why wouldn't you solicit ideas --

MR. SHELKROT: Because I was informed --

COUNCILMAN NUTTER: -- from people in the system?

MR. SHELKROT: Well, I was informed by the City's Labor Relations Office that this was not the time, and we should not address -- we should not discuss these issues at that time, until other aspects of the City's overall plan were put together. And you know, that was the advice, that was the direction that I received.

COUNCILMAN NUTTER: Okay. So at the time that you engaged in discussion, at that point the decision had already been made; is that correct?

MR. SHELKROT: The decision of what the staffing... what the layoffs would be.

COUNCILMAN NUTTER: Yeah.

MR. SHELKROT: And the outline of the staff -- outline of the pattern of reducing operations, yes.

COUNCILMAN NUTTER: Yeah, that. It already had been made.

MR. SHELKROT: Yes.

COUNCILMAN NUTTER: Okay.

Mr. Shelkrot, can you at least lay out for us on the record... I have a list of the proposed staffing reductions across a variety of departments.

Many of the individuals, you know... And again, unfortunately for them, you know, you have outreach worker, word processing specialist, administrative specialist. We've got a message center operator, a driver, technicians.

Only the library appears to have taken the high level hit, as compared to virtually any other department in the government. Why is that?

MR. SHELKROT: You know, it was my... You know, it is and continues to be my understanding that there are -- let's see -- 200, I think? People across the City? I -- You know, that -- that is -- You know, wasn't that the number? That...

MR. VAUGHAN: About.

MR. SHELKROT: Yeah. You know, so, I...

COUNCILMAN NUTTER: These are the people who run a part of the operation. As compared to another department, it appears that a librarian, a master's degree in the level of training and service, would almost be comparable to a captain in a police district.

They do run the operation, right? They are professionally trained people. They manage people at the branch. They provide a high level of service.

What I'm trying to understand is, of all the people... Not that we want anyone to be affected, but as it relates to servicing the public, of all the people to be on the block, why would you go after librarians?

MR. SHELKROT: Through the reductions that had taken place at the library over the last several years, we lost -- we have eliminated positions, 15 building -- buildings workers and custodials.

We lost, you know, people from our payroll office. We lost people from our executive -- not -- not -- you know, some of or supportive staff from public relations, five people from the executive offices in the support areas, including public -- an important public relations position, and...

COUNCILMAN NUTTER: What's the level

of support staff in the executive office? How many secretarial staff do you have?

MR. SHELKROT: You know, I -- I have -- There is -- There is -- There is one -- Well, as a matter of fact, because there's a vacancy which -- No. The person's out on long-term illness.

At the moment in my office there is none. I am borrowing from people who work in other offices, such as Kevin's, in... you know, part of a person because they also work for Kevin, for the head of public services, and also people from the foundation offices, to keep functioning.

COUNCILMAN NUTTER: Well, I know if I go back over the transcript, I'd actually find an answer somewhere in that statement.

(Laughter.)

MR. SHELKROT: Well, you know...

COUNCILMAN NUTTER: But my time is probably going to run out.

Let's talk about standards. How does this plan match up with the requirements under Pennsylvania law, with regard to library systems and branches?

MR. SHELKROT: Under the Pennsylvania law, we will not be losing any state aid through these reductions.

However, if we are not careful, we will lose state aid because the amount of money that we invest in our -- spend for books and other materials is perilously close to the minimum requirements.

COUNCILMAN NUTTER: And can you explain to us... There seems to be some information or some confusion about the -- And you made reference to it earlier. There's some kind of culling of books at the central library, in an effort to either create space or some other reason. Why is it that the library gets rid of books?

MR. SHELKROT: A good public library, you know, never keeps everything it buys.

The percentage of items that are not retained across the country, you know, is about -- Roughly about ten percent of the collection is culled each year.

And that's because, on the one hand, books that aren't used are apparently not needed. On the other hand, books that are heavily used are worn out, and are very -- you know, not usable any more.

And although -- You know, and -- and we follow those procedures because that's what a good public library does. It -- It cannot and should not keep everything that it ever purchased.

COUNCILMAN NUTTER: What do we do with those materials?

COUNCIL PRESIDENT VERNA: Councilman...

COUNCILMAN NUTTER: Yes.

COUNCIL PRESIDENT VERNA: For the time being, this will be your last question.

COUNCILMAN NUTTER: Sure.

COUNCIL PRESIDENT VERNA: Because other Council members want to be recognized.

COUNCILMAN NUTTER: I understand.

Mr. Shelkrot, how long is it going to take you to be responsive to either the budget request that I've made or Councilman

O'Neill or other members? When will you be able to provide us with an alternative plan to the unacceptable plan that's partially in effect today?

MR. SHELKROT: We should have that within a week.

COUNCILMAN NUTTER: Okay. Do you have any indication at the moment if this Council -- I'm sorry, Madam Chair -- if this Council were to provide any additional funding to the library, do you have any indication at the moment that you would be able to spend it?

MR. SHELKROT: You know, at this time I don't have any indication that we would not be able to spend it or that we would be able to spend it. The issue has not come up.

COUNCILMAN NUTTER: I think you've covered the full range of possibilities.

MR. SHELKROT: Yeah. Well, I was trying to. You know, I -- You know, we -- it has not come up as a discussion.

COUNCILMAN NUTTER: The thought just

never crossed your mind?

MR. SHELKROT: Well, of course. You know, yeah. You know, you asked a specific question, sir, and I was just trying to be specific to your answer. And I'm not trying to -- you know, to, you know, spar. I -- I -- You know, I think that --

COUNCILMAN NUTTER: That would be --

MR. SHELKROT: -- if a -- if a -- if a budget were adopted and there was...

COUNCILMAN NUTTER: Okay. Fine.

MR. SHELKROT: And the money was available in the...

COUNCILMAN NUTTER: Right.

MR. SHELKROT: ...in the administration's mind, then we would be able to spend it.

COUNCILMAN NUTTER: Yeah. You'd not spend it like you didn't spend what we last gave you. But I'll come back.

Thank you, Madam President.

COUNCIL PRESIDENT VERNA: Thank you.

Mr. Shelkrot, what is the likelihood that in '06 you will be collecting $1,277,000 in fines?

MR. SHELKROT: Based on the analysis --

COUNCIL PRESIDENT VERNA: For the General Fund, that is.

MR. SHELKROT: Based on the analysis we have done now, close to zero.

COUNCIL PRESIDENT VERNA: So, I think the budget should be changed. I think there have to be amendments to the budget.

I assume somebody from Finance is here, and certainly should be making a note of this.

MR. SHELKROT: Well, we -- we will -- we -- we... As -- As I mentioned earlier, we have gone back. We wanted to make sure that our analysis was correct.

We wanted to be sure that money wasn't somehow disappearing. I mean, there are a lot of things -- We wanted to make sure where the -- where the problem was.

And we now are preparing material to -- to discuss with the Budget Office our finding. But we wanted to be sure we had our facts straight.

COUNCIL PRESIDENT VERNA: Well, I think you have made it very clear that the facts are that you will not be able to collect that kind of money in fines in '06.

MR. SHELKROT: That's correct.

COUNCIL PRESIDENT VERNA: And when you are discussing this with the Finance Office, I think that this issue should also be addressed.

Thank you.

The Chair recognizes Councilman DiCicco.

COUNCILMAN DiCICCO: Thank you, Madam President, and good afternoon.

MR. SHELKROT: Please. Is it?

COUNCILMAN DiCICCO: Yes, it is. And that clock's.

COUNCIL PRESIDENT VERNA: Time goes by when you're having fun.

COUNCILMAN DiCICCO: Just move that forward one hour, and it's 1 o'clock.

Following up on the Council President's question, what is your best estimate -- and be conservative -- as to what you think we'll collect in fines this coming fiscal year. I'd rather have the lower number than the higher.

MR. SHELKROT: The -- The -- You know, my best estimate of what we'll collect this year is pretty close to $800,000. And, you know... And... You know, this is... And -- and as I mentioned earlier, my fear is that the likelihood of -- regardless of what rate of fines we establish, that is -- that is likely to be -- We seem to have hit a plateau, what I'm trying to say.

COUNCILMAN DiCICCO: Is the 800,000 based on the current fee or fine level, without an increase? No increase in the --

MR. SHELKROT: No. The $800,000 estimate is what we received -- what we collected before the fine increase, and what we are likely to see -- receive this year after the fine increase.

COUNCILMAN DiCICCO: And of the $200,000 under the current memorandum of understanding two seventy-six would go to the

City.

MR. SHELKROT: That's correct.

COUNCILMAN DiCICCO: So if we were able to reverse that or get a relaxation of that memorandum of understanding, you'd have $800,000, which leads me to my next question which was a follow-up to Councilman Kelly. A million five would get us to the level we were at in January, staffing and hours.

MR. SHELKROT: The -- The -- the million...

MR. VAUGHAN: Yes.

MR. SHELKROT: Yes, that's correct.

COUNCILMAN DiCICCO: So, assuming we can get a relaxation on the $800,000, and we need a million five, that would leave us $700,000 short of what we need to get back to January of this year.

MR. SHELKROT: That's correct. We also have to pay attention to some other things, sir. And that is --

COUNCILMAN DiCICCO: Something new.

MR. SHELKROT: No, no, no. I mentioned earlier we're perilously close to falling below the state requirement in the amount of money we spend on books.

As I indicated, some of that money goes for children's books, that fine money. You know, we need to look at -- at some of those things.

If all of that money goes to personnel, we just have to be -- we have to go into that process with our -- with our best understanding of its impact.

COUNCILMAN DiCICCO: It's been a while since, I know, you've been testifying. And maybe I missed this earlier.

COUNCIL PRESIDENT VERNA: Councilman, excuse me just a minute, please.

Mr. Shelkrot, if in fact we were to do that, wouldn't a lot of the programs be affected?

MR. SHELKROT: Oh, yes.

COUNCIL PRESIDENT VERNA: Well, tell us.

MR. SHELKROT: Oh, okay. Well, I'm sorry. You know, I -- I was trying to be specific.

Our volunteer program is supported with that. You know, you -- you have to have people to supervise volunteers. You have to have, you know, badges. You have to -- We do, you know, a little -- a very, very modest celebration for volunteers. We encourage a whole variety of things with that money, in terms of getting volunteers to -- to participate.

In addition to that, the -- there are programs that we do for the children in -- especially in the poorest communities of Philadelphia that are supported with that.

I mean, there would be absolutely an effect of that on our program and what we're able to do for the people of Philadelphia. It is -- You know, it will certainly have an effect. And if all of that money goes to support staff...

COUNCIL PRESIDENT VERNA: But I think you're going to... What you're really in essence doing is cutting those programs, because if you turn to Page 19 of your supporting schedules and the budget in brief, you're collecting $1,277,000 in library fees to the General Fund. That is to the General Fund.

MR. SHELKROT: That's a document I don't -- I don't -- I do not have. And if that's the figure that is -- is there, I would -- You know, I just need to see it.

COUNCILMAN DiCICCO: Just happen to have it, huh, Charley?

MR. SHELKROT: That is the figure that's budgeted. That is the same figure that you were...

COUNCIL PRESIDENT VERNA: That's what I'm referring to.

Now, do you concur with that?

MR. SHELKROT: What -- What... When this budget was put together...

COUNCIL PRESIDENT VERNA: And what does that do to the programs from the foundations, for instance?

MR. SHELKROT: When -- when this budget was put together, it was before -- it -- especially this part of it. It was before it became clear to us that we were not increasing our revenue from fine collection at all. And... You know, and -- and it would not have... would not have done that.

You know, the way we figured the fine increases, we looked at data from what occurred around -- what occurred around the country and also the data... also the data of our own experience when fines were increased.

You know, there was an initial increase. But later, after people got over the, quote, sticker shock, the fines then started to increase even more. And it was based on the time when we put that together, we thought that we would not only have the money that we, you know, anticipated raising but there would be more. And we know that is not correct now.

COUNCIL PRESIDENT VERNA: Well, as I said, I think your budget's certainly going to have to be amended. And while you're talking to the Finance Department, I think this is one very important issue that you should take up with them.

MR. SHELKROT: Sure.

Operating Budget - 4/6/05

COUNCIL PRESIDENT VERNA: Councilman DiCicco, I'm sorry I interrupted you, but that was an issue that...

COUNCILMAN DiCICCO: I understand.

COUNCIL PRESIDENT VERNA: ...I had brought up earlier, and I don't think that I had gotten a response to.

COUNCILMAN DiCICCO: Thank you. And so I'll disregard that line of questioning. I think it's been answered.

Earlier this morning Councilman Kenny brought up a subject about the after-school program children and youth or... It's been a while.

MR. SHELKROT: The after-school program, the L.E.A.P. --

COUNCILMAN DiCICCO: Yes.

MR. SHELKROT: What we call the L.E.A.P. program?

COUNCILMAN DiCICCO: Yes. And there was a lady came up to testify, and said you would be hiring a consultant. What is the purpose of hiring a consultant? What will be the role that can -- What do you expect to get out of that consultant?

MS. PACKMAN: Hedra Packman, in the office of public service support. This was a private donation to design an evaluation for the after-school program.

And it will be a model because our after-school program is a drop-in program. It's different than most around. And so it's something that hasn't been done. And it's a way of our telling whether it's effective.

COUNCILMAN DiCICCO: It's a private donation?

MS. PACKMAN: Yes.

COUNCILMAN DiCICCO: And that will pay for the consultant?

MS. PACKMAN: That will pay for the entire evaluation.

MR. SHELKROT: Let me explain, that the donor was considering adding money to that program but wanted to see the data that proved its effectiveness.

And when we explained, although we -- we evaluated by the number of people coming. And one could say anecdotal about how -- its effect on youngsters, its effect on teenagers.

They wanted to see a -- a study that was done by a -- a educational researcher. And they said, we'll provide you the money for that, and then we will consider whether to add to that program later on.

COUNCILMAN DiCICCO: Will the study also look at possible effects on the program as a result of the fact that there will not be librarians or maybe other personnel who would be in the library at the time these programs are being put to use?

MS. PACKMAN: That -- That --

COUNCILMAN DiCICCO: Or was that donation made prior to the --

MS. PACKMAN: It was made prior. Whether that will show or not I couldn't tell you.

COUNCILMAN DiCICCO: Is the donor or donors, are they aware of the fact that there are now reduced hours and librarians are being replaced with other personnel?

MS. PACKMAN: I -- I would assume

the donor knows this. The program runs
with --

MR. SHELKROT: The donor does know
that.

And I think this is an added affect
to the kind of evaluation that can be done.

MS. PACKMAN: And the program does
run with an after-school leader hired for
every branch and three teens from the
neighborhood hired as well.

COUNCILMAN DiCICCO: Thank you.

My final question. If City Council
were able to find the $5 million to fully
restore the cuts that are being proposed --
Some have already been implemented. And I
don't know where the $3.5 is coming from yet,
other than the General Fund that would
support the debt service for the bond.

If you had to make a choice between
the two, the three and a half million dollars
to support the debt service for the expansion
or five and a half million dollars to fully
fund and keep our branch libraries open at
full level of hours and the librarians, what

would your answer to that be, Mr. Shelkrot?

MR. SHELKROT: Well, first of all, as you -- as you fully know, that is -- that is not a decision that I -- I can make, you know --

COUNCILMAN DiCICCO: I'm asking you --

MR. SHELKROT: No; I understand.

COUNCILMAN DiCICCO: I'm asking you as the chief person, who has a lot of decision -- I respect the job you do. And I think I've said that to you a number of times publicly and privately.

But we're in decision making. We may not have to make it today, but I'm just curious as to what your position would be. And I'm sure that you may be asked that question. That may be posed to you.

If that were a decision you had to make, keeping all our branch libraries open, full staff, the librarians, what we've all become accustomed to in the last couple years vis-a-vis an expansion, what would your answer be?

MR. SHELKROT: I feel like I'm asked to be Solomon.

COUNCILMAN DiCICCO: No. I'm not asking -- Solomon would have to make a decision --

MR. SHELKROT: I know. That's what I'm saying.

COUNCILMAN DiCICCO: -- to split the baby in half.

MR. SHELKROT: That's what I'm saying.

COUNCILMAN DiCICCO: Keep one baby whole. Just keep the baby whole. There's no decision -- You're not -- It's either -- It's not -- You can't -- You have to go either way. Either way. Make a decision.

MR. SHELKROT: Well, but in this case, to keep the baby whole, you know... you know, first of all, let me say that I know the number three and a half million dollars has been floated around as the cost of the debt service.

You know, I'm not a bond attorney.

COUNCILMAN DiCICCO: Two and a half

million, a million. Whatever it is.

MR. SHELKROT: Okay. All right. Okay. Whatever it is.

COUNCILMAN DiCICCO: Whatever the cost that is related to support the debt on the bonds, all right? Whatever that cost may be. Vis-a-vis versus keeping the libraries, branch libraries, open, if you had to make that choice, what would your choice be?

MR. SHELKROT: My experience is that the economy goes in cycles. That is my experience.

COUNCILMAN DiCICCO: I think you've answered my question.

MR. SHELKROT: Sir, and therefore --

COUNCILMAN DiCICCO: Your answer is, you're not willing to answer that.

MR. SHELKROT: No. I was going to say if -- Given that they are not equal, they are not equal issues, I have never been presented to me that we will give you the money in your operating budget to spend if we do not spend it on the debt service.

I've been here, sir, as I believe

was mentioned in the hearing in last month, I've been in this position for 18 years. That kind of question has never been presented to me. It is not my decision to make.

COUNCILMAN DiCICCO: There's always a first.

MR. SHELKROT: It is the Council's position --

(Mumbling.)

MR. SHELKROT: It is the Council's position -- It is the Council's position and the Mayor's -- decision and the Mayor's decision [sic].

COUNCILMAN DiCICCO: And as the gatekeeper of the library, that decision is some -- We're going to have to make those decision in this Council.

And I'm asking you, as someone who has spent 18 years of his life, is it more important to do the expansion or is it more important to keep libraries in the neighborhoods open and fully staffed?

MR. SHELKROT: Sir, it's important

that we do both.

COUNCILMAN DiCICCO: If we only have a choice to do one, what would your choice be?

MR. SHELKROT: My choice, knowing that every economy until now has rebounded...

(Mumbling.)

MR. SHELKROT: ...I would do the central library.

COUNCILMAN DiCICCO: Do you live in my district? Because I've got a feeling you may be the guy they're going to put up against me because you're doing a very good job.

MR. SHELKROT: If history does repeat itself...

COUNCILMAN DiCICCO: Oh, God.

MR. SHELKROT: In spite of that, you know, with --

COUNCILMAN DiCICCO: And earlier today I think you said you were not --

MR. SHELKROT: I would -- I would say that, you know...

COUNCILMAN DiCICCO: A mind reader,

a fortune teller. I'm asking you a question. And I think that's important.

I think it's important for us to know, because it is a major decision that all of us will have to make, individually and collectively, to make those -- Because we're being asked to make that, in my opinion right now.

We're being asked to agree to the cuts, not figure out what we can do to make it better, but yet support a $30 million loan. We're already being asked that question as Council members, plain and simple. And I know what my answer is, and I think I've made that perfectly clear.

I'm asking you, as the person in charge of the Free Library of the City of Philadelphia. And I don't really want to get you in trouble with the administration. You're probably already in trouble there.

And I know that the people from the foundation are looking to you. But they, I think, have the same and should have the same interest that we all have, is how to maintain the Free Library system for all Philadelphians and all branches, not just one building in the City of Philadelphia. And that's why I was asking you that question because we have to make that decision.

MR. SHELKROT: In order to maintain the Free Library of Philadelphia as an entire system, with all the things that the central library does and means to this City, all the things that it does for the branches, means to the branches, and means to the City as a whole, if there was such a choice, I would say we had better invest in the central library.

(Boos.)

COUNCILMAN DiCICCO: I appreciate your honesty. I disagree, obviously, but I do appreciate you're answering that question. Thank you.

Thank you, Madam President.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair recognizes Councilman Nutter.

COUNCILMAN NUTTER: Thank you, Madam

President.

May I have the Budget Director, please?

COUNCIL PRESIDENT VERNA: I'm sorry. I believe the Councilman is asking that the Budget Director approach. Approach the witness table, please.

COUNCILMAN NUTTER: Madam Director, I think you've been here for the entire painful time.

COUNCILMAN DiCICCO: She has a cushion.

COUNCILMAN NUTTER: That's true.

THE BUDGET DIRECTOR: (Indicating)

COUNCILMAN NUTTER: I asked the Director if the Council and/or other outside entities provide additional funding based on the various scenarios that we've asked to be provided something that is more than where we were recently which was emergency closure status, leading toward full service restoration.

So, what the Council is asking for is a plan that takes us a little bit beyond where we recently were but maybe not completely immediately to the promised land, but showing a transition to that.

What is the Budget Office position today on any funding being restored or additionally appropriated to the library, and the library system being able to spend those dollars?

THE BUDGET DIRECTOR: Diane Reed, Budget Director.

I would say that if there is funding that is provided, additional new revenue provided for the libraries, that the authorization for that spending would go to the libraries.

COUNCILMAN NUTTER: Would what?

THE BUDGET DIRECTOR: Go to the libraries.

COUNCILMAN NUTTER: Okay.

THE BUDGET DIRECTOR: I mean, I hope I'm not speaking out of turn, but that would be my assumption.

COUNCILMAN NUTTER: Feel free.

COUNCIL PRESIDENT VERNA: New

revenue? I think it was indicated new revenues.

COUNCILMAN NUTTER: Right. I did pick that up, Madam Chair, and I'll query that.

But based on your statement, why doesn't that position apply to the current fiscal year and the million dollars that this Council gave about eight months ago?

THE BUDGET DIRECTOR: I really don't know what happened with that. Before I came.

COUNCILMAN NUTTER: Well, I understand that.

THE BUDGET DIRECTOR: I would imagine that this --

COUNCILMAN NUTTER: We're in the same fiscal year.

THE BUDGET DIRECTOR: Yeah.

COUNCILMAN NUTTER: So where tell me this: Where is the million dollars?

THE BUDGET DIRECTOR: I -- As I understand it, there was an error in not showing it as revenue.

COUNCILMAN NUTTER: Well, I

understand the error issue. Are you now saying that the million dollars is included in the current budget?

THE BUDGET DIRECTOR: No, it's not included. The thing that has happened at the current budget --

COUNCILMAN NUTTER: Well, let's go back. When you say that was an error, are you saying that the budget that was in front of us last year that we approved, upon which this Council believed that it was adding a million dollars -- I mean, we approved an amendment to the budget, with a laundry list of items.

We put back $2 million in the budget for the Art Museum. We put back, I believe, 60 some thousand dollars for the Atwater Kent Museum. We put back additional money for the African American Museum.

We put back recreation dollars, District Attorney, fire station. I mean, there were possibly somewhere between 8 to 12 separate lines in that amendment. I did the amendment. This Council adopted it in the budget.

When you say that there was an error, tell me where the error was.

THE BUDGET DIRECTOR: I actually don't know.

COUNCILMAN NUTTER: And how the million relates to that.

THE BUDGET DIRECTOR: I don't know exactly where the error was. I'd have to get back to you on that. I'm sorry. I don't know.

COUNCILMAN NUTTER: But someone told you that there was an error.

THE BUDGET DIRECTOR: Yes.

COUNCILMAN NUTTER: Who told you that?

THE BUDGET DIRECTOR: Peggy Van Belle.

COUNCILMAN NUTTER: Okay. Is Peggy in today?

THE BUDGET DIRECTOR: Yes, she is.

COUNCILMAN NUTTER: Okay. Can you get her over here, please?

THE BUDGET DIRECTOR: I will do

that.

COUNCILMAN NUTTER: I'll wait my turn. We have other departments. I want an answer to the question.

I cannot function in this kind of environment. I cannot do my job if everyone gets the opportunity to point to somebody else and we can never get to the end.

There is an answer to this question. We may not like the answer. Some may not want to hear the answer. But there is an answer.

I mean, unless it just flew out the window, unless we are so flush with cash that we can't even keep track of the limited dollars that we have, which I know is not the case, someone knows the answer to this question.

So, I'm going to ask you. Other members may have questions. I'd like to have that person over here. I want an answer to the question.

And I understand that you're not able to provide it. You weren't the person, all of that.

If I could track down Rob Dubow, who I'm going to send an e-mail to, I'd like to get him down here this afternoon. But we'll take Peggy for the moment. Okay?

Mr. Shelkrot, possibly my last question.

MR. SHELKROT: Yeah.

COUNCILMAN NUTTER: But I always reserve the right to come back.

You're hiring or you're proposing to hire seasonal employees; is that correct?

MR. SHELKROT: That's correct.

COUNCILMAN NUTTER: Why?

MR. SHELKROT: So that we can maintain some service in the 20 branches that will be afternoon service, afternoon only.

COUNCILMAN NUTTER: So, we're going to lay off by variance. I'll come back to that. Lay off librarians, take them out of the branches, and now we have to spend money to bring in the seasonals.

MR. SHELKROT: That's correct.

COUNCILMAN NUTTER: Right?

Okay. And my recollection is, a seasonal does not work all 12 months of the year, correct?

MR. SHELKROT: Seasonal, that's correct.

COUNCILMAN NUTTER: How long do they work?

MR. SHELKROT: I think it can vary. I believe that they are... they can work a specified number of hours during the year. Off the top of my head, I don't have that, but it does not equal what a full-time employee would work during the year.

COUNCILMAN NUTTER: Isn't it about six months?

MR. SHELKROT: My understanding is it's a specified number of hours. If somebody can help me with that, I'd be happy to... Kevin or...

COUNCILMAN NUTTER: And so what happens when the seasonal runs up against their threshold of hours?

MR. SHELKROT: I can tell you the hours seasonal people, I was just informed, work 10 months a year, 16 hours a week.

COUNCILMAN NUTTER: Ten months a year.

MR. SHELKROT: 10 months a year, 16 hours a week.

I don't know if that's the overall requirement, but those are -- that's what we normally hire -- hire seasonal people to do.

COUNCILMAN NUTTER: Okay. And what happens when their seasonal time is up?

MR. SHELKROT: They're -- They're not employed by the -- the Free Library of Philadelphia.

COUNCILMAN NUTTER: Then what are you going to do.

MR. SHELKROT: Hmm?

COUNCILMAN NUTTER: And then what are you going to do?

MR. SHELKROT: Then we recruit... Oh. Okay. Well, they are hired specifically -- And Kevin, you can come -- reach over and grab the mike.

COUNCILMAN NUTTER: He's really not --

MR. SHELKROT: They are hired --

COUNCILMAN NUTTER: -- to get up there.

MR. SHELKROT: They are hired for -- to cover on the Saturdays that we are open. That's the normal way that the seasonal people have been used in the past.

And you may recall that in the summer the branches are not open on Saturdays, have not in the past been open on Saturdays.

COUNCILMAN NUTTER: Right.

So they can work 16 -- What is it? 16 hours a week for 10 months a year?

MR. SHELKROT: That's correct.

COUNCILMAN NUTTER: But you you said you're hiring them to work on Saturdays?

MR. SHELKROT: Yeah. Yeah. In the past we have hired the seasonal people to work 10 months a year 16 hours a week. They not only work on Saturday.

COUNCILMAN NUTTER: Okay.

MR. SHELKROT: But it allows us to spread our staff out further so that we can have people on board on Saturdays.

COUNCILMAN NUTTER: And what are the qualification of the seasonals?

MR. SHELKROT: Well...

COUNCILMAN NUTTER: What qualifies you to be a seasonal employee in the library?

MR. SHELKROT: It depends on the position. If they're a guard, they have to meet those requirements. If they're a library assistant, they have to meet those requirements.

COUNCILMAN NUTTER: And are there benefits?

MR. SHELKROT: Are there benefits for seasonal people? That's a very good question.

UNIDENTIFIED VOICE: No.

MR. SHELKROT: No, there are not benefits for seasonal people.

You know, they -- There are part-time people who do not work a full year, and there are various state and federal requirements.

COUNCILMAN NUTTER: Now, let me ask

this question. You propose to lay off 17 -- It was 17 librarians, right?

MR. SHELKROT: Mm-hmm.

COUNCILMAN NUTTER: Okay.

MR. SHELKROT: No, no, not librarians. Library workers.

COUNCILMAN NUTTER: 13 of whom were librarians.

MR. SHELKROT: 13 of whom were librarians.

COUNCILMAN NUTTER: Okay.

Now, have any of those librarians left the city payroll?

MR. SHELKROT: Kevin.

MR. VAUGHAN: Not yet. Some people took voluntary layoffs, and the people who took voluntary layoffs are off the City payroll. The final...

COUNCILMAN NUTTER: How do you take a voluntary layoff? What does that mean?

MR. VAUGHAN: You contact the Personnel Director and you say that you'd like to be voluntarily laid off. There are people who decided, for personal reasons, that they would like to separate from work.

COUNCILMAN NUTTER: Does the person then file for unemployment?

MR. VAUGHAN: Yes, they do.

COUNCILMAN NUTTER: Okay.

So of the 13, how many have left the City payroll?

MR. VAUGHAN: The final layoff is supposed to take place on Friday. So, Monday would be the first day that these people would be off of the City payroll.

And at the end of the layoff, there are 12 people who would be laid off, 2 of whom are librarians and 10 of whom are library trainees.

COUNCILMAN NUTTER: So out of the 13 librarians, only 2 will actually leave the City payroll. Is that what you're saying?

MR. VAUGHAN: That's correct.

COUNCILMAN NUTTER: Okay.

So what do you expect... I mean, this plan obviously was not crafted out of good library science but was driven more by a financial problem.

So, because of the bumping rights issues, the higher paid librarians, who, you know, were essentially attacked under this plan in an effort to save money, overwhelmingly stay on the City payroll. Do they take a reduction in salary?

MR. VAUGHAN: Yes, they do.

COUNCILMAN NUTTER: Okay.

So after all of this mess, because this is what it is, what are the end result savings out of this?

MR. VAUGHAN: Again, I think I stated earlier that the net savings were about $800,000.

COUNCILMAN NUTTER: The net being...

MR. VAUGHAN: The net...

COUNCILMAN NUTTER: ...17 people --

MR. VAUGHAN: ...between the $1.5 million, if -- that were the collective number of staff reductions that the library took and the amount of money it cost to hire part-time and seasonal workers to run the afternoon branches.

COUNCILMAN NUTTER: The net savings

is 1.5 out of all of that shake-up?

MR. VAUGHAN: The net savings is $800,000.

COUNCILMAN NUTTER: $800,000.

Which, you know, magically kind of matches up almost perfectly with your fine money.

But I know if you were in a meeting for about an hour, and there was that kind of conversation, no one would ever put those two items together because, you know, if they're not talked about in the same sentence, it's a little difficult.

Now, you're going to have these alternative plans in about a week; is that correct?

MR. SHELKROT: You asked me when I could respond to the questions on the plans.

And I said we could have that within a week.

COUNCILMAN NUTTER: Okay.

And you may have answered this question before. Did the board have to approve or did you seek approval by the board of this plan?

MR. SHELKROT: Yeah. Well, you know, we -- what we did, because of the rapidly changing time line, we had initially talked to the whole board about it, that as things evolved there was no opportunity to call a whole board meeting.

We spoke to the executive committee, members of the executive committee of the board, who are empowered by their bylaws to act on behalf of the board.

And because it was such a rapidly moving target, as I testified earlier, we -- we spoke to the executive committee and -- and moved ahead with the project.

COUNCILMAN NUTTER: So the short answer is the full board did not approve this plan.

MR. SHELKROT: Well, it -- it depends on when. On January -- Yeah, later in January they did, but not as each -- You know, not by -- Not by the end of the first week, but by the end of the second week there was a board meeting, and they approved it.

Operating Budget - 4/6/05

COUNCILMAN NUTTER: Was the board ever provided with alternative scenarios?

MR. SHELKROT: Yes. Yes, they were.

COUNCILMAN NUTTER: Okay.

This is my last question. There was a newspaper story in the Inquirer on Friday, February 11th. And you apparently were interviewed. They have some quotes. I want to ask you about the quotes.

You apparently had been at a meeting up at Lawncrest. And the story goes on to indicate that the library system employed 762 full-time workers in 2001, and all of its branch libraries were open Monday to Saturday. But it's state funding was cut in half and its City funding gets whittled yearly.

Now, four years later, City Budget Office insists on 630 employees by the end of June or a cut of about 17 percent since 2001.

In that time Shelkrot said he had been playing, quote unquote, a shell game, not lessening service as staffing shortages led to more than 700 hours of emergency closings from July to December 2004, nor did he ever say publicly how bad things were getting. Quote, we've been hiding it, he said bluntly.

Do you recall that interview?

MR. SHELKROT: Yes, I do.

COUNCILMAN NUTTER: Are the quotes accurate?

MR. SHELKROT: The quote that you have read is an unfortunate exaggeration that I made as a result of the frustration that I was feeling between what I know to be good library service and what the reality of the number of staff we had dictated.

COUNCILMAN NUTTER: Well, did you make reference to the term "a shell game"?

MR. SHELKROT: As I said, that was an unfortunate exaggeration because of the frustration --

COUNCILMAN NUTTER: On whose part?

MR. SHELKROT: On my part. Because of the frustration that I was feeling, knowing... you know, between what the schedule, the published schedule is and what the reality of our staffing enabled.

COUNCILMAN NUTTER: What did you mean by the statement that we've been hiding it?

MR. SHELKROT: You know, it's all part of that -- that frustration. I knew that it was, you know, the Friends of the Library who do such a great job were monitoring what was going on.

I knew that they had reported it in their newsletter about the number of closings that were going on all over the City because they have been keeping track. You know, it was at that time. It wasn't a matter -- You know, it was a matter of trying to do the best we had.

COUNCILMAN NUTTER: I understand.

MR. SHELKROT: With the little staff that we had.

COUNCILMAN NUTTER: Mr. Shelkrot, let me say this to you directly, and I'm not saying anything that you and I have not already discussed. When I read that -- And I've talked to a more than a few of my constituents.

But equally important, as a member of this City Council, I think that those kinds of comments or that type of operational behavior does not meet the standards that Philadelphians deserve.

Having said that, I think that it is more than appropriate a couple months later if not a couple years later, based on what's been going on, I think the citizens of the City do deserve an honest explanation of what goes on with their library system.

And I think they also deserve from you, as a professional, an apology for what has taken place over this time.

(Applause.)

COUNCILMAN NUTTER: So, you can make it; you can not make it. I think it is the least that can be done. This Council deserves that much, in terms of what we tried to do, what we have done, the amount of information that has not been shared from time to time. And we've gone through all of that.

But I think that a disservice has been done here. I think this does not meet the standard, at least for us, of the oath that all of us take, and I assume that other high level people in the government take, when we talk about discharging our duties with fidelity.

That was not the case here. You have unfortunately admitted, in the course of this hearing, that certain information was withheld, certain discussions were not referenced.

The Council believed that it was taking appropriate action, touted that action, and all the while you apparently knew that the result that we were seeking was not going to come into fruition.

This shell game of the closures and admitting that you've been hiding it, I think, is less than what the citizens of this City deserve.

And just as a professional and one person to another, I do think under this circumstance, some acknowledgment of that and an apology to the citizens of this City is more than overdue, under the circumstances.

People in this City love this system. They care about these libraries. They expect that when we do something, that it means something.

And I think we all have those same standards ourselves, as we sit here and have the privilege of sitting in these particular seats.

And I think that you have under the circumstance failed in that kind of test. And I would implore you, at a minimum, to lay out on the record your apology to the citizens of this City.

(Applause.)

COUNCILMAN NUTTER: No further questions at the moment.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair recognizes Councilman Kelly.

COUNCILMAN KELLY: Thank you, Madam Chair.

Mr. Shelkrot, I've been listening to

the testimony of this hearing this morning, and it seems to me that your program of the reduction of hours and personnel is caused by a shortfall of about $800,000. Do you agree with that?

MR. SHELKROT: No. I believe we testified that the overall... I know the overall is...

COUNCILMAN KELLY: I know the overall is 1.5 million.

But what I would like to ask you -- and I'll be very brief with this -- if we found additional revenue from either the state or the City, and we restored... we restored at least 1.5 million, would you scrap this whole proposal of reductions in staff and reductions in hours in your district libraries? Would you scrap that program, put a program in there that's going to restore the hours as they have been in January, and the reduction -- the personnel -- you would keep the personnel that you currently have at their rates that they're receiving in January?

MR. SHELKROT: We would look very carefully at it, to see allow far the million and a half dollars could be spread.

COUNCILMAN KELLY: In other words, you're saying you may not do that?

MR. SHELKROT: Well, what I'm saying is we would look -- You know, that scenario is not one that -- You know, I know that it will cost $1.1, $1.2 million to have a supervising librarian in every one of those 20 branches.

That, in and of itself, will not restore all the hours. That will put a supervising librarian there.

COUNCILMAN KELLY: Well, how much would it take to restore the hours and keeping the personnel levels as they were in January and the salaries at the same level they were in January?

MR. SHELKROT: At the same level in January, you know, we -- we can -- we can -- we can -- that can be done.

COUNCILMAN KELLY: Well, I'm asking you how much additional would you need to scrap this entire program and go back to what we had in January?

MR. SHELKROT: You know, it -- it -- if that service is satisfactory...

COUNCILMAN KELLY: I know there's 470 emergency closings that you had. And we can deal with that.

But I just want to have an idea of how much additional revenue it's going to take to at least get us back to where we were in January of this year.

MR. SHELKROT: Well, sir, I don't know how else to say it. You know, we are faced with not only those closings, but an increasing attrition of staff.

When we picked the date of January, that's different from other dates that have been picked. I would be pleased to go back and look very carefully at exactly how far we can go with a million and a half dollars. I'd be happy to do that for Council. But I can't just sit here and say that it would work.

COUNCIL PRESIDENT VERNA: Councilman

and Mr. Shelkrot, I understand that a request had been made earlier this morning that the library will come up with a number of options.

COUNCILMAN KELLY: Options.

COUNCIL PRESIDENT VERNA: And what the cost would be.

And it was indicated that that would take you approximately a week to --

MR. SHELKROT: That's correct.

COUNCIL PRESIDENT VERNA: -- submit to us.

COUNCILMAN KELLY: Thank you, Madam President.

COUNCIL PRESIDENT VERNA: You're welcome.

The Chair recognizes Councilwoman Tasco.

COUNCILWOMAN TASCO: I just have one question. Some of the questions I had that I was going to ask have been answered.

And I heard Councilman O'Neill talk to you about the state. What is your state strategy, for looking to the state for additional money? Because they cut $3.2 million. What is the strategy to try to recapture some of these dollars from the state?

MR. SHELKROT: Sure. I'll be happy to tell you our strategy. We have continued to encourage board members to visit and to write letters to the members of the legislature and to the Governor.

With foundation money we have a lobbyist because we know that the City lobbyist has many different issues that he's working on. And I know the library is one of them, but there are many. So, we have engaged a lobbyist to help in that effort.

They coordinate closely with the lobbyists for the Pennsylvania Library Association. There is a... It's a continuing effort to write letters, to talk to people in Harrisburg, to talk to the Governor or his staff to bring about an increase in the state aid to public libraries so that our share will be back to where it was before.

COUNCILWOMAN TASCO: At what point did you see the decline in the dollars from the state? When did that begin?

MR. SHELKROT: As I said earlier, that was -- that affected us in fiscal 2004. We first became aware of the proposed budget cut in... I forget whether the Governor's announcement on the budget is January, February.

So that would have been... Getting my fiscal years, and... I believe that would have been January of or February of '03 when that announcement was made.

And we were very active. The board was very active. The Friends were very active in trying to get that restored. But it was only inched up a little bit.

COUNCILWOMAN TASCO: Thank you, Madam President.

COUNCIL PRESIDENT VERNA: You're welcome.

Councilman Nutter, it's my understanding that Peggy Van Belle is here. I would ask that she please approach the witness table.

The Chair recognizes Councilman Nutter.

MS. VAN BELLE: Good afternoon. I'm Peggy Van Belle, Deputy Budget Director.

COUNCILMAN NUTTER: Thank you for coming over.

We're trying to get to the bottom of a matter that started last year, apparently. During last year's budget process, City Council sought to restore $1 million of a proposed cut to the Free Library.

We've received a couple different versions of what may or may not have happened. First we were told that there had been an error in last year's budget for the Free Library, that the Budget Office told the library quietly or secretly or asked them not to... allegedly asked them not to talk about it, that the error would be corrected through the targeted budget process. That's one.

Second, the library now apparently has been told that the million dollars that Council restored they cannot have because they've been told by the Budget Office that on top of the present $800,000 that the library receives in fines, the library must raise an additional $1 million in order to receive the million dollars that Council appropriated last year.

I am trying to understand those two issues, where the error was, and what happened last year. And then I want to talk about this year.

Can you provide some clarity to the record, please?

MS. VAN BELLE: I'll give you my recollection of what happened last year.

COUNCILMAN NUTTER: That would be nice.

MS. VAN BELLE: We met with all departments, obviously. We met with the library when we were developing our proposed '05 budget.

And the library was tasked with developing a plan to live with the million dollar reduction.

In lieu of or as a substitution for

that reduction, we proposed various scenarios to generate a million dollars in revenue, which would be used...

COUNCILMAN NUTTER: Hold on for a second.

The conversation that you're discussing is apparently subsequent to the issue of what was the correctness or non-correctness of the budget that was submitted.

We have been told that there was an error in the budget that was in front of us last year.

MS. VAN BELLE: I'm working up to that, I believe.

COUNCILMAN NUTTER: All right.

MS. VAN BELLE: So the administration and the library agreed that in lieu of a million dollar expenditure reduction, we would substitute a revenue generating idea.

We had proposed charging for DVD's and videotapes with fees sufficient to raise a million dollars in revenue.

COUNCILMAN NUTTER: At the Free Library.

MS. VAN BELLE: At the Free Library.

The library preferred, in lieu of that revenue generating proposal, to double their fines, believing that that would yield an additional million dollars in revenue.

We proposed a budget to City Council that included that million dollars in revenue. We neglected to add back the million dollars in appropriations.

When Council restored --

COUNCILMAN NUTTER: You neglected to add back what million dollars in appropriations?

MS. VAN BELLE: The proposed FY'05 budget we had given the library had a million dollar reduction in it.

COUNCILMAN NUTTER: Right. Notwithstanding the agreement to double the fines and raise the money that way.

MS. VAN BELLE: Correct.

COUNCILMAN NUTTER: Okay.

MS. VAN BELLE: So when we

substituted the million dollars in fine revenue for the expenditure reduction, we neglected to add back the million dollars in appropriation power.

COUNCILMAN NUTTER: Now, were these items a part of the budget discussion last year?

MS. VAN BELLE: Excuse me?

COUNCILMAN NUTTER: Were these machinations a part of the budget discussion last year?

MS. VAN BELLE: Not that I recall, no.

COUNCILMAN NUTTER: Okay.

So, what then happened to the million dollars that we added back by amendment to last year's budget?

MS. VAN BELLE: Council added back a million dollars to the library's budget which brought them back to the level prior to our million dollar reduction.

COUNCILMAN NUTTER: Well, don't you still owe them then a million dollars?

MS. VAN BELLE: Subsequent to that

we had meetings with the library where we discussed the million dollars that Council added back versus the million dollars that the library felt were owed to them.

I don't believe we came to any conclusion. I think we agreed that we would revisit the discussions at the time, as Mr. Shelkrot has testified.

He was told currently your budget is what your budget is, which I believe was $35 million in the General Fund.

COUNCILMAN NUTTER: But you understand -- And it's great that you guys are having these discussions. But you understand that there has been a negative impact on the library system while this issue is either unresolved or still under discussion.

I mean, you're talking about the million dollars, but you moved forward on an action item that has an impact in the same fiscal year while you have a current dispute about a million dollars in that fiscal budget, right?

MS. VAN BELLE: Well, I don't believe there's a dispute currently because the million dollars has not materialized.

COUNCILMAN NUTTER: What do you mean it hasn't materialized?

MS. VAN BELLE: The increased fine revenue has not materialized, and therefore there is no million dollar revenue offset currently in the General Fund.

COUNCILMAN NUTTER: But you could not have possibly believed that it was ever going to materialize in the first place.

MS. VAN BELLE: We did.

COUNCILMAN NUTTER: Well, based on what?

MS. VAN BELLE: Based on the library's calculation.

COUNCILMAN NUTTER: If the most they've ever raised was $800,000, what makes you think they're going to raise a million dollars on top of it?

MS. VAN BELLE: It was based on the calculations that the Free Library gave to us.

COUNCILMAN NUTTER: And you're the Budget Office, and you just took it?

MS. VAN BELLE: No. They seemed to make sense.

COUNCILMAN NUTTER: Have they materialized?

MS. VAN BELLE: We preferred to charge for the DVD's and the videotapes.

The library asked that they be allowed to substitute this revenue, and we acquiesced.

COUNCILMAN NUTTER: Okay.

So the bottom line is similar to -- And I appreciate you coming over to provide clarity. A mistake was made. It was going to be kept as a quiet discussion. You suggested raising fines or you suggested increasing fees for DVD's and videos. They came back to you with an alternative which is, we'll increase fines. You neglect to make the switch. We then give a million dollars. You essentially use that to plug the hole that was created in the first place to get them level. So now they don't have an additional million on top which they are now short. And you're still talking about it. Is that...

MS. VAN BELLE: No. I believe we're not talking about it because the revenue has not materialized, so there is no discussion about adding back a million dollars because there's no funding source for that million dollars.

COUNCILMAN NUTTER: So they're just short.

MS. VAN BELLE: They are a million dollars less.

COUNCILMAN NUTTER: So if we had known -- If we knew then what we know now, what we really should have done was given the library $2 million, right?

MS. VAN BELLE: Two million?

COUNCILMAN NUTTER: In order to accomplish what the Council thought we were accomplishing with the one, since we didn't know about the other $1 million mistake.

MS. VAN BELLE: I'm not sure what Council thought that were accomplishing when they added back the million dollars.

COUNCILMAN NUTTER: We thought we were giving them an additional million dollars, I believe.

COUNCIL PRESIDENT VERNA: And I think the purpose of that --

COUNCILMAN NUTTER: Or at least not shorting them the million that the administration was proposing to short them in the current year's budget.

COUNCIL PRESIDENT VERNA: Councilman, I'm sorry. I didn't mean to interrupt you.

COUNCILMAN NUTTER: Certainly.

COUNCIL PRESIDENT VERNA: But it was our understanding that the million dollars was being restored for Saturday hours.

COUNCILMAN NUTTER: Right. Right. That's what we were told.

MS. VAN BELLE: I can't speak to that.

COUNCILMAN NUTTER: So, I mean, it starts to take us down the credibility path if we have people that we know are serious legitimate people come to the table, we go through the whole thing, we ask this question, that question, the other question, other conversations are going on behind the scenes. Fine; we can't know about all the other conversations. But that was the intention.

It apparently doesn't play out because of either a mistake or now lack of realized funding source.

So the bottom line is, they're a million dollars short from where we thought they would be at the time we took our action back on July 1. You'd at least agree with that.

MS. VAN BELLE: I -- I don't know that I can. Because I don't know what Council's understanding of that million -- what that million dollars meant to City Council.

COUNCILMAN NUTTER: We thought we were restoring the budget back to where it was supposed to be, without knowing that it was already short a million because of the behind-the-scenes activities. That's what we thought.

So, where does that all leave us?

MS. VAN BELLE: Well, I think, going going forward, we've gone through another round of reductions this fiscal year, and in fiscal year '06. And I think that it just would have been a million dollars that we'd have to reduce somewhere else.

COUNCILMAN NUTTER: Well, I understand that part.

So, we've had Miss Reed go through this, but would it be helpful to have your backup and support as the more tenured person.

What is the presently proposed budget for FY'06 for the Free Library?

MS. VAN BELLE: The currently proposed budget for the Free Library is $35.3 million in the General Fund and 47.8 in all funds.

COUNCILMAN NUTTER: Well, okay. The budget book I have indicates for fiscal year 2006 obligation level, that's column number

8... My book reads total, all funds, $47,931,631. And what does that number mean?

MS. VAN BELLE: That's the all funds number.

COUNCILMAN NUTTER: I said that. Is that number correct?

MS. VAN BELLE: It's a correct proposed budget, but it includes an estimated state revenue number that will change when the state budget is finalized.

COUNCILMAN NUTTER: Is that in the grants revenue account?

MS. VAN BELLE: Yes, it is.

COUNCILMAN NUTTER: The 12,664,014?

MS. VAN BELLE: Yes.

COUNCILMAN NUTTER: Okay.

So, you're primarily focused on the thirty-five, two six seven, six seventeen?

MS. VAN BELLE: Correct.

COUNCILMAN NUTTER: Okay.

That's the real budget for the library?

MS. VAN BELLE: That's the General Fund proposed budget.

COUNCILMAN NUTTER: Right.

So, in the discussion that we've had, whether it's the million and a half dollars or some other figure, up to 5.5, is it now your understanding or do we have an understanding on this floor that any additional funding that Council provides for the Free Library is added to the 35 million two sixty-seven, six seventeen figure?

MS. VAN BELLE: Mathematically, yes.

COUNCILMAN NUTTER: I'm sorry?

MS. VAN BELLE: Mathematically, yes, it is added.

COUNCILMAN NUTTER: Well, how about legislatively and fiscally?

MS. VAN BELLE: I'm not sure what you mean by fiscally; but legislatively, yes.

COUNCILMAN NUTTER: If we make an amendment to this budget, and add a million and a half dollars for the Free Library system, does it get added to the 35 million two sixty-seven six seventeen?

MS. VAN BELLE: Yes, it does.

COUNCILMAN NUTTER: And will they be

able to spend it?

MS. VAN BELLE: I can't guarantee that.

COUNCILMAN NUTTER: Why?

MS. VAN BELLE: Because we don't know what fiscal '06 is going to bring.

If our budget remains on target, there's probably a good likelihood that they will be able to spend it.

If we suffer tax revenue losses or weakness in tax collections, we're going to have to revisit additional cuts with all departments, not just the Free Library. I cannot sit here and guarantee you that.

COUNCILMAN NUTTER: Does the budget presently anticipate tax revenue losses or lack of collections?

MS. VAN BELLE: No, it does not.

COUNCILMAN NUTTER: Okay.

Do we have tax revenue losses or lack of collections last year?

MS. VAN BELLE: No, we did not.

COUNCILMAN NUTTER: Okay.

But your statement, I guess, does

open this final area which is somewhat on the line of regardless of what amount Council makes an amendment to this budget, you're not prepared to commit that the library would be able to spend any of it. If we gave them $10 million, you're saying that it is still not certain that they'd actually have access to those dollars. Is that your...

MS. VAN BELLE: I can't commit to increases, to guaranteeing you we would spend every dollar of any increase for any department.

COUNCILMAN NUTTER: No matter what the Council does. No matter what budget we pass, no matter what amendments we make, your position is, ultimately you'll decide what they actually get to spend.

MS. VAN BELLE: No, that's not my position.

My position is I cannot sit here today and guarantee you that we would spend every dollar that you appropriate.

COUNCILMAN NUTTER: Okay.

Okay. Well, this will be an

interesting exercise this spring.

Thank you very much. Thank you for coming over. I appreciate your honesty.

COUNCIL PRESIDENT VERNA: Thank you.

Are there any other questions or comments from members of the committee?

(No response.)

COUNCIL PRESIDENT VERNA: Seeing none, I would suggest that Council stand in recess for a half hour. Is everybody in accord?

Okay. So, we will stand in recess until 2:30. Thank you.

(Lunch recess from 2:00 p.m. to 2:42 p.m.)

Good afternoon, everyone. Again I regret the delay. This is a continued public hearing of the Committee of the Whole.

We will now hear from the Civil Service Commission.

Good afternoon. Welcome. We do have a copy of your testimony. We will give that to the stenographer. It will be transcribed in full. We would appreciate it if you would summarize your testimony, please.

MS. ORFANELLI: The Director of the Commission was not able to make it, and we asked if I could come in her place.

I'm Lynda Orfanelli, the Personnel Director. And Reverend Repsie Warren was unable to attend. I'll testify for her.

The total budget for the Commission is $159,728, which is a decrease of $5,827 over the FY'05 estimated obligation.

Under the Home Rule Charter, the Commissioners are charged with ensuring the application of merit principles to public employment.

In carrying out that mandate, the Commission approves or disapproves a large variety of actions affecting Civil Service Employees.

These include establishment of job classifications, residency waivers, personal service contracts, Civil Service regulations and exemptions from Civil Service.

This year the Commission is involved

with hearing appeals from layoffs. 22 appeals have been filed, and the appeal hearings for these people will be commencing in April.

There is no change in the number of employees in the Commission and no significant changes in the budget to report.

That concludes my testimony.

COUNCIL PRESIDENT VERNA: Thank you.

I understand that in your testimony you are able to reduce your Class 100 budget.

MS. ORFANELLI: That's correct.

COUNCIL PRESIDENT VERNA: Not increase it, as is stated in the testimony?

MS. ORFANELLI: Yes. Actually, it's a shifting around of funding.

An employee who had provided legal services had retired. And in lieu of having an employee, the Commission is now contracting for that service. So, the money was shifted to Class 200.

COUNCIL PRESIDENT VERNA: What is the value of your contract for legal services, and where is it budgeted? And can you tell us who provides these services.

MS. ORFANELLI: Okay. The value of the contract is 24,500. The lawyer who is providing the services is Stella Tsai, spelled T-s-a-i.

COUNCIL PRESIDENT VERNA: How is it spelled?

MS. ORFANELLI: T-s-a-i. And she works for a law firm called Christie Parabue. And I don't know how to spell that. I'm sorry.

COUNCIL PRESIDENT VERNA: You also mention residency waivers in your testimony. Can you tell us the number and titles of waivers granted by the Commission?

MS. ORFANELLI: I can. We have a report, if you give my deputy a moment to come up with the report.

MS. O'LEARY: I'm Celia O'Leary, the Deputy Personnel Director. I have a report for Council on employees who have residency waivers at this time. It's 61 employees at the moment.

COUNCIL PRESIDENT VERNA: And what

are their titles?

MS. O'LEARY: At the moment we have many waivers in existence. They're not all being used. They're available on our web site, if Council would like to look at what classes have a waiver.

COUNCIL PRESIDENT VERNA: Wait a minute. I'm not going to go to the web site. I'm asking you.

MS. O'LEARY: Oh, I'm sorry.

COUNCIL PRESIDENT VERNA: Do you have a list?

MS. O'LEARY: I could get you a list.

COUNCIL PRESIDENT VERNA: I would like you to provide it to us.

Do you have it with you?

MS. O'LEARY: I have a list of the employees. If you were looking for a list of --

COUNCIL PRESIDENT VERNA: You don't have their titles?

MS. O'LEARY: Yes, it does, ma'am, but there are many more.

COUNCIL PRESIDENT VERNA: In the sheet that you have in your hand?

MS. O'LEARY: Yes, ma'am.

COUNCIL PRESIDENT VERNA: Maybe we could have copies made. Please.

How do the 61 waivers compare to previous years?

Would you make copies, please?

MS. ORFANELLI: Do you have the previous year? We don't have the report from last year with us. We can check and find that out. From my recollection, it's pretty close to the same number, but we can verify that and get back to you with the exact number.

COUNCIL PRESIDENT VERNA: Very well. And while we're waiting for that information, I would like to recognize Councilman Nutter.

COUNCILMAN NUTTER: Thank you, Madam Chair.

Good afternoon, Miss Orfanelli.

MS. ORFANELLI: Good afternoon, Councilman.

COUNCILMAN NUTTER: I just would be

stunned to know that I only really have one question, which has to do with our prescription drug program.

There seems to be a fair amount of back and forth and maybe some difference of opinion with regard to the issue of a 30-day supply that public employees can get for the single co-pay versus this issue of mail order through a third-party operation which, at least according to the information you provided, seems to create a significant discount.

What I wanted to know is, one, what are the estimates for how many people will actually utilize this particular program; and second, has there been any consideration or thought given to the impact that this program may have on our... primarily on our independent pharmacists or stores throughout the City?

MS. ORFANELLI: In answer to part one, there was no way to do an analysis of how many employees would take part in this.

Due to HIPAA, we're not privy to

personal medical information of employees, so analysis of that nature could not be done.

However, we have done a comparison of the costs for the first quarter of '04 to the first quarter of '05.

And we have... And by making these changes, we have gone from a per member per month cost of one fifty-eight twenty-nine to this year's one thirteen forty-one. That's only the first quarter.

So we're showing already a savings of $44.87 per member per month. That overall amount is almost a million dollars to the City.

Now, did we consider the impact on the independent --

COUNCILMAN NUTTER: To what would you attribute that?

MS. ORFANELLI: Well, there are significant discounts to us by using the mail order service, and I do mean significant.

COUNCILMAN NUTTER: And I mean, it's your position -- Again, obviously, you don't have access to certain information. But it's your position that these savings are coming as a result of a significant number of employees pursuing the 90-day supply?

MS. ORFANELLI: Yes.

COUNCILMAN NUTTER: Okay.

What's the cost referential to the employee?

MS. ORFANELLI: We did have an increase in the co-pay this year. Generic drugs stayed the same, but the top tier drugs which do not have generics and are not on our formulary, went from $16 to $21, so that there's a $5 difference.

COUNCILMAN NUTTER: All right. So, let me make sure I'm understanding this. We go to the 90-day supply. We've also had an increase in our co-pay. You believe more employees are utilizing or some number of employees are utilizing 90-day supply. And the end result is the City is saving money, but the employees are paying more.

MS. ORFANELLI: If they are using generic drugs, they are not paying more.

COUNCILMAN NUTTER: Right.

MS. ORFANELLI: If they are using non-preferred drugs, they are paying $5 more.

COUNCILMAN NUTTER: These are...

MS. ORFANELLI: But they are getting --

COUNCILMAN NUTTER: These are brand names that don't have generics.

MS. ORFANELLI: That's correct.

COUNCILMAN NUTTER: Okay.

Have you had any... And you've seen the correspondence. Have you had any direct consultation with kind of the pharmacy association about the City's program?

MS. ORFANELLI: Only by letter.

COUNCILMAN NUTTER: Would you be so kind as to have an in-person meeting to address some of the issues that they raise which seem to be not only directed at the potential impact that this program might have on the pharmacies, but they also seem to have some slightly differing views, in terms of economic benefit to the City. CareMark, as I understand it, is not located in Philadelphia; is that right?

MS. ORFANELLI: CareMark is located several places in the country. They have mail orders in Wilkes-Barre. They have their financial center in Arizona. They have offices throughout the country. I would be glad to meet with them, yes.

COUNCILMAN NUTTER: I'd appreciate it. It's PARD. They've obviously been in this business for a long period of time. They might have, you know, a few interesting perspectives, some innovative strategies.

And I think if we have local people, regardless of what their interests might be, I think you would agree that we could possibly learn from their hundreds of years of pharmaceutical experience.

MS. ORFANELLI: Absolutely.

COUNCILMAN NUTTER: Okay.

So, you'll meet with them?

MS. ORFANELLI: Absolutely.

COUNCILMAN NUTTER: Thank you.

Thank you, Madam Chair.

COUNCIL PRESIDENT VERNA: I'm rather curious about the 61 waivers. When we grant a waiver, is it for a protracted period of time or is it an indefinite waiver.

MS. ORFANELLI: There are different types of waivers. We have time specific waivers. We have indefinite waivers.

Most of our waivers are for a specific time period and need to be come back to the Commission if they want to renew them.

So, we have a large number of waivers that are for one year only, for very specific types of jobs. Most of those jobs are under grant programs, and they are not for Civil Service positions.

The other large category are for doctors, who we have trouble... I know other Council people have found this difficult to understand, but we have trouble finding doctors who want to work half time days at our health centers. And as a result, we do have doctors that live in Philly, but we have also gone outside to get doctors.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair recognizes Councilwoman Brown.

COUNCILWOMAN BROWN: Thank you, Madam President.

Good afternoon, ladies.

MS. ORFANELLI: Good afternoon.

COUNCILWOMAN BROWN: On Page 3 of your testimony you discuss work force diversity statistics for women and minorities.

And it indicates that there was a marked improvement from 1975, but this is the only year that you offer a comparison.

Do you have any more current data on the City's work force, with regards to racial and gender diversity?

MS. ORFANELLI: Well, the number we gave you was 2004 compared to 1975. We have every year, and I would be glad to send you our diversity report, if you were interested.

COUNCILWOMAN BROWN: I would like to see what the progress has been.

MS. ORFANELLI: Absolutely.

And you will notice that it is incremental, but it is --

COUNCILWOMAN BROWN: Growing.

MS. ORFANELLI: -- incrementally changing every year.

COUNCILWOMAN BROWN: And is that improvement also reflected? Because I don't have it now. I only have my questions.

Also, in the management in areas where women and people of color have positions of responsibility --

MS. ORFANELLI: Yes. The report has that as well. It has the category of jobs, as well as the category of men, women and racial breakdown.

COUNCILWOMAN BROWN: Very well.

I'd appreciate it if you'd pass that on to the Chair.

MS. ORFANELLI: Absolutely.

COUNCILWOMAN BROWN: Thank you very much.

MS. ORFANELLI: You're welcome.

COUNCILWOMAN BROWN: Thank you, Madam President.

COUNCIL PRESIDENT VERNA: You're welcome.

The Chair recognizes Councilman

Rizzo.

COUNCILMAN RIZZO: Thank you, Madam Chair.

Good afternoon. I just want to make sure I understand. The total number of every category of waiver: Doctors, lawyers, whatever is total 61.

MS. ORFANELLI: Right. But that's not the total number of employees. That's the job titles. So, we could have five people in one of those categories.

COUNCILMAN RIZZO: Then give us a number. How many employees does this City employ that are as a result of a waiver that live outside the City?

MS. ORFANELLI: Sorry. I misspoke. There's 61 people who currently have waivers.

COUNCILMAN RIZZO: Okay.

MS. ORFANELLI: 61 individuals.

COUNCILMAN RIZZO: Do I say strike that from the record? So we only have 61 employees.

MS. ORFANELLI: That's correct.

COUNCILMAN RIZZO: That live outside

the City.

MS. ORFANELLI: That's correct.

COUNCILMAN RIZZO: And they are...

MS. ORFANELLI: And they are on the spreadsheet.

COUNCIL PRESIDENT VERNA: And the spreadsheet is being circulated now, Councilman.

COUNCILMAN RIZZO: Good. Thank you.

COUNCIL PRESIDENT VERNA: Give one the to the Councilman, please.

COUNCILMAN RIZZO: What's the longest a person has had a waiver? How many years has a person had a waiver that works for the City of Philadelphia?

MS. ORFANELLI: There's a few people in the First Judicial District who go back to the '70s.

COUNCILMAN RIZZO: Why is that?

MS. ORFANELLI: Well, we don't hire in the First Judicial District. I want to make that clear. That's done by the courts.

COUNCILMAN RIZZO: Why is that?

MS. ORFANELLI: Let's see.

COUNCILMAN RIZZO: Why would someone from the library... I mean, that's not --

MS. ORFANELLI: Well, the reason is -- Well, do you want me to -- I'm sorry -- address the courts?

COUNCILMAN RIZZO: Sure.

MS. ORFANELLI: Okay. Court employees who were non-residents in 1973, when the residency requirement was imposed on the courts, were granted -- they were grandfathered. That's why there are court employees that go back that long, who they were non-residents then, and they were grandfathered in.

COUNCILMAN RIZZO: So there's no one after 1970 so and so.

MS. ORFANELLI: Most of the other positions are much more recent.

COUNCILMAN RIZZO: For the First Judicial District.

MS. ORFANELLI: Not the First Judicial. I mean, if you look at the Health Department or you look at Aviation or District Attorney, most of those waivers are fairly recent, and most of them are exempt.

No, I shouldn't say that. It's a combination.

COUNCILMAN RIZZO: Free Library. What in the world are we doing with people -- giving people exemptions that work for the library?

MS. ORFANELLI: These are people who we've recruited. They're probably -- They're -- Some of them are trainees and may have a certain amount of time to move into the City. They will move into the City.

They get -- In Civil Service they have one year to move in. And if you look at their appointment dates, they have a date they have to establish residency. That's sort of in the middle of the column.

So the four people in the library have to move in by October '05 and one by March of '06. That means that we recruited them possibly from colleges. They weren't Philadelphia residents, but they must become Philadelphia residents. And that's a date they have to become, by that date.

COUNCILMAN RIZZO: So the date to establish residence, almost everyone on here -- Let's say the Aviation unit.

MS. ORFANELLI: Right.

COUNCILMAN RIZZO: 4/26 of 2005. Those people need to have residency in the City of Philadelphia.

Who manages this? Is the operating department responsible to make sure that happens?

MS. ORFANELLI: Yes, they are.

COUNCILMAN RIZZO: If not, Channel 29, right?

MS. ORFANELLI: (Laughing.)

COUNCILMAN RIZZO: Because this is really... Sometimes I think... I mean, I can understand the scenario with the doctors. But I mean, you think we would really try a little bit harder to get some physicians that live in Philadelphia to work for the Health Department.

I don't know -- Maybe this is just an easy way out. Maybe we don't work hard enough at really doing this, and we accept the fact that we'll just take whoever's available no matter where they live.

MS. ORFANELLI: Well, we do a lot of recruiting. We advertise. You know, we try very hard to get Philadelphia residents first.

COUNCILMAN RIZZO: Lynda, I don't -- I never give you a difficult time. But I've been around this government a long time, and I've never heard a recruiting pitch for doctors.

And I have a lot of friends that are doctors tell me, because I've talked about this. They said, nobody's ever asked them if they wanted to work part-time for the Health Department. And they're in all different disciplines, internal medicine, you name it.

MS. ORFANELLI: Well, they should contact me because we're always looking for doctors.

COUNCILMAN RIZZO: But I'd like -- Could you provide to the Chair a letter, a recruiting pitch, a flyer where you have reached out for all of these, again, people -- And I'm not talking about the ones that have these residency -- these short period where they have to move in. That's not important to me.

But the ones that get these long-term -- Give me an example. Let me look at this. Give me an example of a doctor that's had a waiver for... Look, we have a doctor on here that's been on this list since 1999, maybe even older.

MS. ORFANELLI: There are. There's one from '91.

COUNCILMAN RIZZO: '91.

What kind of arrangement -- And I don't think this is privileged. It's public information. How do these doctors get paid? How do we come up with their compensation?

MS. ORFANELLI: Their compensation is set by the -- We have an executive pay plan that applies to executives in the Civil Service, and they are covered in the pay plan, just like other Civil Service employees.

COUNCILMAN RIZZO: So how do you

work part-time and be Civil Service?

MS. ORFANELLI: How do you work part-time? That's an interesting question. It has to do with the needs of the Health Department to cover their operation. It also has to do with the availability of the doctors.

COUNCILMAN RIZZO: So why don't we -- If we want to work them, why don't we work them for eight hours?

MS. ORFANELLI: That's a question I think you should direct to the Health Department.

See, we don't get into the operations of the department. We just do the hiring for them at their request.

COUNCILMAN RIZZO: Doctors that work in hospitals work eight hours plus, I think, most doctors, plus. Plus, plus, plus.

How much money -- What would you think the hourly rate would be for one of these physicians in different categories?

MS. ORFANELLI: We have to get back to you with that.

I can tell you this: That it's not... I believe they can do better in private practice than they can do working for us. It's not astronomical.

COUNCILMAN RIZZO: Well, there's a lot -- I know a tremendous amount of doctors that have left employment because of malpractice. They've left and have retired at young ages because they don't want to spend the money for malpractice insurance.

I assume when you work for the City of Philadelphia you're automatically covered by malpractice, right?

MS. ORFANELLI: Yes.

COUNCILMAN RIZZO: So in this world, with hospitals closing all over this region, just now one on Henry Avenue, I would think that you need, as a Personnel Department, to really start re-addressing this issue, and go out and start looking for doctors that may be interested in working here in the City, because this to me is very interesting issue. And I think it really opens up... If you really start looking at this very carefully, it opens up Pandora's Box.

MS. ORFANELLI: You make some really good points. And I will address this with Commissioner Domzowski.

COUNCILMAN RIZZO: I appreciate it.

The next question that I have: I understand -- and we talked about it a few weeks ago during a hearing. I forget what it was.

But the contract recently was negotiated where people can leave employment for six months and collect a part of their pay or six months or more and collect two-thirds of their pay. And I understand it was part of the bargaining process, where a person can actually go off sick.

MS. ORFANELLI: You're talking about the short-term disability.

COUNCILMAN RIZZO: Tell me about that. And that was -- That apparently was something that was just negotiated in this most recent contract.

And could you explain the program for the record, exactly how it's going to work. In fact, is it going to be implemented or is it a throwaway deal? What exactly is this issue? And if you could better explain it than I have, I'd appreciate it.

MS. ORFANELLI: The way it works, new employees will have a reduced number of sick days, and will be offered a... will be given a short-term disability policy that will be -- that they won't be paying for, that will cover them if they're out sick.

The RFP for the short-term disability has not gone out yet. So, the program has not been implemented. That will be coming up shortly.

We've been working on reviewing the RFP, and it's pretty close to going out. Once the RFP goes out -- And by the way, we're working with the unions on teams. And this is not just management, but union and management are going to be working on veting the different insurance plans, et cetera, so we come up with something that works for everybody. So, 33 and 47 are involved.

COUNCILMAN RIZZO: What I want to

hear is, tell me about the plan. Tell me about the Police Department, the civilian employees there.

Describe exactly what this program is. I tried the best I could to describe it, but explain to me a person that works as a communication dispatcher in police radio, if they choose to take advantage of this new program, describe to me what it means.

They go to their boss. They come in with a note. They go off on this insurance program. They can go off for six months, is it? Eight months?

MS. ORFANELLI: Well, some of those parameters are not finalized.

COUNCILMAN RIZZO: Well, give me what --

MS. ORFANELLI: So basically an employee has a reduced number of sick days. Once they've used up their sick days, then they can... At certain point the STD, the short-term disability kicks in.

The total package isn't finalized, so I can't really give you step by step until we have --

COUNCILMAN RIZZO: Well, it was negotiated.

MS. ORFANELLI: I realize that.

COUNCILMAN RIZZO: Tell me what was negotiated, and I'll be happy with that.

MS. ORFANELLI: You need to talk to labor relations to get the specifics.

COUNCILMAN RIZZO: Well, you're the personnel person. They mostly communicate with you.

MS. ORFANELLI: I know, but the Director of Labor Relations was much more involved in the details.

COUNCILMAN RIZZO: But you have to administer it, I would assume.

MS. ORFANELLI: Yes, we will be administering it.

COUNCILMAN RIZZO: So just tell me what you're about to administer.

MS. ORFANELLI: Well, each department will have new employees who come in, who will have this short-term disability available to them. They will be earning a reduced number of sick days per year.

COUNCILMAN RIZZO: From what to where?

MS. ORFANELLI: They're going to go from 15 to 12.

COUNCILMAN RIZZO: So three days' reduction has created a program that will do what?

MS. ORFANELLI: So, one of the problems we have with new employees is that if they have an illness that -- Let's say they were in an automobile accident or they have an operation.

They come in. They have no time in the bank, so they have to use -- They don't get paid because if they only have six sick days, for example, and they need to be off for a month, they have no cushion.

In this case, if something like that happens, two-thirds of the salary will be paid.

COUNCILMAN RIZZO: For how long?

MS. ORFANELLI: For up to six months.

COUNCILMAN RIZZO: So a person that works for the City can... Will this be automatic, this program -- This insurance policy is going to be paid for by the City of Philadelphia?

MS. ORFANELLI: That's correct.

COUNCILMAN RIZZO: How much is that going to cost us?

MS. ORFANELLI: We don't know yet until the RFP goes out and we get responses.

COUNCILMAN RIZZO: I mean, do you have a...

MS. ORFANELLI: Actually, I don't.

COUNCILMAN RIZZO: So, a person can go off for six months and collect two-thirds of their salary.

MS. ORFANELLI: Obviously, with documentation. They wouldn't -- I mean, there will be some -- They'll have to report in, and doctors' notes, et cetera. And they'll also be -- You know, just like they do for FMLA and everything else.

COUNCILMAN RIZZO: Be interesting. When should all this kick in?

MS. ORFANELLI: Those of us who are involved in this have been so busy with so many other things. It's been a very busy year between --

COUNCILMAN RIZZO: I hope not Wi-Fi.

MS. ORFANELLI: No, I'm not involved in Wi-Fi.

COUNCILMAN RIZZO: Okay. All right. Thanks.

MS. ORFANELLI: I think this is going to go out later this month or in May.

COUNCILMAN RIZZO: And there's no ballpark or estimated ... Is money budgeted?

MS. ORFANELLI: That's a budget bureau question. It's not in my department.

COUNCILMAN RIZZO: Could I ask the Budget Director to address that?

COUNCIL PRESIDENT VERNA: May I ask The Budget Director to please come to the witness table.

Miss Reed, I believe you heard the question.

THE BUDGET DIRECTOR: Diane Reed, Budget Director. Yes, I heard the question.

Operating Budget - 4/6/05

The FY'06 budget had an estimated increase in it, I believe, for health and welfare expenses overall, not for any program specifically. And I don't know what the -- I have to find out what the '06 number is.

COUNCILMAN RIZZO: Well, you heard that this was just recently negotiated in the last contract. And you're telling me the increase was what?

THE BUDGET DIRECTOR: We had, I think, about a nine percent increase in health and welfare.

COUNCILMAN RIZZO: Would there be a line item in there that would indicate what this program...

THE BUDGET DIRECTOR: No. No, I don't think there's a specific line item for that.

COUNCILMAN RIZZO: Well, how would we identify the potential cost of this negotiated benefit?

THE BUDGET DIRECTOR: We would assume it would just be part of the overall cost. Until it's identified, I don't think we can break it out.

COUNCILMAN RIZZO: So a nine percent increase is intended to cover this and any other improvements to the benefit package.

THE BUDGET DIRECTOR: I think so.

MS. ORFANELLI: That sounds right.

The money is in Finance. That's why I couldn't be more specific about it.

COUNCILMAN RIZZO: Okay. When will you have an -- When will you be able to tell the Chair what this program potentially can cost the City?

MS. ORFANELLI: Once the RFPs have been returned to us, and we have the information from the various vendors, we will have a much more specific idea of the cost.

COUNCILMAN RIZZO: Have you explored your potential exposure here from other... I know that you look at other municipalities and the private sector.

Do other municipalities utilize this particular program?

MS. ORFANELLI: I'm not sure their program looks like ours, but other entities like the School District have short-term disability. It's not really a new thing.

COUNCILMAN RIZZO: Okay. So you'll be able to tell us once those --

MS. ORFANELLI: Yes.

COUNCILMAN RIZZO: -- come back --

MS. ORFANELLI: Yes. Yes, we will.

COUNCILMAN RIZZO: -- what the cost is. Diane Reed, thank you.

Thank you, Madam Chair.

COUNCIL PRESIDENT VERNA: You're welcome.

Councilwoman Blackwell, your light is on. Do you want to be recognized?

COUNCILWOMAN BLACKWELL: Yes. One quick question, which is I note in the testimony that you referred to appeals, 129 appeals issued and 107 opinion orders resolving appeals.

Give us some idea of what that's like and what resolving appeals means, and what happened to the ones in the middle, since it's the difference between 129 and 107.

MS. ORFANELLI: Okay. The difference is those that have not been concluded. So, there's some that are still outstanding.

COUNCILWOMAN BLACKWELL: All right.

MS. ORFANELLI: Some of the appeals take multiple hearings. So, if it's a simple appeal, then it may be one hearing, but some of them go three, four hearings. So, that's why they aren't concluded.

And it's a matter of getting the parties together. Sometimes the lawyers for the party are not available, et cetera.

COUNCILWOMAN BLACKWELL: I see.

MS. ORFANELLI: In terms of the types of appeals, there are several categories that the Commission hears.

They deal with... For example, most recently they had 33 cases regarding dismissal, demotion and suspensions.

There were 14 relating to injury and disability. Involuntary resignations, there was one. Layoffs to be heard will be 22.

Performance report. People have the

ability to grieve their performance report. So, these are the types of hearings that they handle.

COUNCILWOMAN BLACKWELL: Okay.

MS. ORFANELLI: I guess in terms of the orders, there were 29 cases that were dismissed. Now, I don't know what that means exactly, although what happens is, sometimes people do not appear. And when they don't appear, those cases are dismissed.

There are some cases that are settled. There were four that were settled last year. Some people ask for reconsideration, and, you know, that's kind of how it goes.

COUNCILWOMAN BLACKWELL: Okay. Thank you, Madam President.

COUNCIL PRESIDENT VERNA: You're welcome.

The Chair again recognizes Councilman Rizzo.

COUNCILMAN RIZZO: Thank you.

Lynda Orfanelli, I want to go back and go over this, so you can explain to me.

We have a Department of Aviation. We have an Airport Operations Officer that doesn't have to move into the City until 2/28 or 26 -- I can't make it out -- of 2006.

What's the length -- How long has this person... The hire date I can see over here is 2... So, they have an entire year?

MS. ORFANELLI: Usually with Civil Service there's a one year. You have up to one year to move in. Sure, if you move in sooner, that's fine.

But part of the reason for that is because you're on probation for the first six months. And you could be rejected during probation.

With that in mind, we figure that most people won't really be looking for where they're going to permanently move or buy a house or whatever until they know they've completed that six-month probationary period because if they become rejected, if they're rejected then they spent a lot of money maybe for nothing.

COUNCILMAN RIZZO: I know this isn't

your area, but I'm going to put it out there for the record. Does that also waive... Many of these people -- Not many. There's probably some people, and I can imagine there's some people on this list from Aviation that have City vehicles or Division of Aviation vehicles. Are they allowed to take them out of state? That might not be your area.

MS. ORFANELLI: That isn't my area.

COUNCILMAN RIZZO: But I just wanted to get that out there because --

MS. ORFANELLI: I don't believe anyone can take a City vehicle out of state without a bona fide reason and permission.

COUNCILMAN RIZZO: Well, the Airport Operations Officer lives in Millville, New Jersey. And I'm not sure he commutes or she commutes by personal vehicle.

MS. ORFANELLI: And we don't know if they have a car.

COUNCILMAN RIZZO: I don't know that. I'm going to find out, though.

MS. ORFANELLI: They may not have a

car.

COUNCILMAN RIZZO: I think if you're the Operations Officer --

MS. ORFANELI: You have a car?

COUNCILMAN RIZZO: -- you've got a car. But I might be wrong. And I'll be the first to admit that.

MS. ORFANELLI: Okay.

COUNCILMAN RIZZO: Thank you.

MS. ORFANELLI: Let me know.

COUNCILMAN RIZZO: I will.

But you're going to get the doctor stuff --

MS. ORFANELLI: Yes.

COUNCILMAN RIZZO: -- back to the Chair.

I'd like to see what you've done to recruit because, again, I think we can find you some docs that live here and might be available for this deal.

MS. ORFANELLI: Thank you.

COUNCILMAN RIZZO: Thanks.

COUNCIL PRESIDENT VERNA: Thank you.

Are there any other questions or

comments from members of the committee?

(No response.)

COUNCIL PRESIDENT VERNA: Seeing none, I thank you.

MS. ORFANELLI: Thank you.

COUNCIL PRESIDENT VERNA: The next department to testify is Personnel. Personnel. You're going to testify for Personnel?

Again, we have a copy.

MS. ORFANELLI: Okay. Do you want me to... Most of those questions directed to me were actually Personnel questions.

COUNCIL PRESIDENT VERNA: I know they were. I know they were.

On Page 20-25 of your detail, you're creating a new division called Shared Services at a cost of $1.3 million. Can you explain what this is for?

MS. ORFANELLI: Okay.

Prior to this year the Personnel Department was divided into two divisions. We had the Benefits Administration. And everything else was called Provision of

Qualified Personnel.

However, that did not take into account the true organization. And so, this year I asked our budget people to realign all the money in the appropriate way, to show what we spent for hiring services, what we spent for benefits, and what we spent for shared services.

Shared services is our administrative area, our EEO, our MIS, our general support and transactions. So, that services we provide City wide.

Hiring services is strictly hiring, and that's also provided City wide, but it's a very specific type of operation, as opposed to a very much more general or different types of operations, I guess you would say. So the money is just realigned.

COUNCIL PRESIDENT VERNA: Miss Orfanelli, the five-year plan indicated that the administration was going to to become self-insured for medical care for the City administered plan.

What is happening with this

initiative? And can you tell us when you expect this to occur, and how it will work?

MS. ORFANELLI: Okay.

This year our contracts for medical, dental and prescription are over at the end of '05. So, we will have RFPs on the street for all three medical insurances. We will ask for quotes both insured and self insured.

Once we get all the information back and look at what will give us the best value and the most savings, a final determination will be made.

We are not one hundred percent tied to self insured. We think that's where we're going, but we don't know that until we get everything back.

Now, we've gone self insured this year ahead of time on prescription because the metrics that we reviewed were pretty -- looked like it was not risky and worth doing.

And so far in the first quarter, our results bear that out. Medical... We will make those decisions probably this summer. So the budget bureau made an assumption that we would go self insured, but that isn't final.

COUNCIL PRESIDENT VERNA: I think we all have to be briefed on that before something definite is decided.

MS. ORFANELLI: If we make any major change like that, we will brief you.

COUNCIL PRESIDENT VERNA: Councilwoman Blackwell, your light is on. Did you want to be recognized?

COUNCILWOMAN BLACKWELL: Yes, Madam President. I just wanted to have the Personnel Director confirm that we're still on hold on that $35 fee, except for rare instances. Is that correct?

MS. ORFANELLI: That's correct, councilwoman.

COUNCILWOMAN BLACKWELL: Thank you.

Thank you, Madam President.

COUNCIL PRESIDENT VERNA: You're welcome.

When do you anticipate that you will have to administer a police recruit exam?

MS. ORFANELLI: I think we will be

administering a police recruit exam sometime this -- I would say either August or September, maybe a little -- possibly earlier than that, but somewhere in that time.

COUNCIL PRESIDENT VERNA: Thank you.

Are there any other questions or comments from members of the committee?

(No response.)

COUNCIL PRESIDENT VERNA: Seeing none, I thank you.

MS. ORFANELLI: Thank you.

COUNCIL PRESIDENT VERNA: Thank you.

Human Relations Commission is next.

Good afternoon. Please identify yourself for the record and proceed with your testimony.

MS. LAWTON: Good afternoon. My name is Rachael S. Lawton. I'm the Acting Executive Director of the Philadelphia Commission on Human Relations. And I'm here today with?

MS. HENRY: Jackie Henry, Deputy Director.

COUNCIL PRESIDENT VERNA: We do have

a copy of your testimony which will be given to the stenographer. It will be transcribed in full.

I would ask you to summarize your testimony, please.

MS. LAWTON: The Commission on Human Relations and the Fair Housing Commission are requesting a combined budget of $2,055,637 in fiscal year '06 which reflects $233,021 less than fiscal year '05 estimated obligations.

PCHR is authorized 35 staff positions which is a decrease of 6 positions from the number of fiscal year '05 filled positions. These position reductions will help to offset the City's ongoing projected deficit.

Through a contract with the United States Equal Employment Opportunity Commission, we investigate discrimination complaints that have been filed with both agencies.

PCHR received a work sharing contract with EEOC to investigate 335 complaints in fiscal year '04 for $168,700 and in federal fiscal year '05 a contract to investigate 334 cases for $168,200. And we anticipate receiving a similar size EEOC contract in federal fiscal year '06.

We have closed to date 162 discrimination cases. We projected that we would close approximately 421 cases by the end of fiscal year '05, but we have reviewed our year-to-date activity. We are below our targeted numbers, and therefore we are reducing our projected closures.

We also have reduced our anticipated intake unit for our compliance figures, also due to reduction in intake.

We released the translation of six pamphlets into seven different languages: Cambodian, Chinese, French, Korean, Russian, Spanish and Vietnamese.

The translations will be used as part of an overall educational campaign to increase accessibility, outreach and visibility in the City's ethnic neighborhoods.

Our Community Relations Division is

dedicated to responding to intergroup tension throughout the City, and to promoting intergroup communication and understanding.

We also respond to any kind of neighborhood dispute, and assist neighbors in resolving their differences through mediation.

A number of examples have been given of the different kinds of inter-group tension cases we have responded to throughout the City, along with the neighborhood disputes. And I won't go over each one of those that are in your testimony.

But to conclude, often what does not boil up into a major problem is a result of early intervention and information sharing with the Interagency Civil Rights Task Force and agencies throughout the City.

In fiscal year '06 we will continue to build and nurture a broad network of communication between immigrant groups, community organizations, schools and law enforcement, to effectively respond to intergroup tension and promote understanding among the many races, religions and cultures that make up the great fabric of the City.

This concludes my testimony, and I'd be happy to answer my questions you may have.

COUNCIL PRESIDENT VERNA: Thank you.

On Page 1 of your testimony, you mention that you receive a grant from the U.S. Equal Opportunity Commission.

MS. LAWTON: Yes.

COUNCIL PRESIDENT VERNA: Why aren't these funds reflected in your budget?

MS. LAWTON: Those funds go into the General Fund.

COUNCIL PRESIDENT VERNA: They do?

MS. LAWTON: Yes.

COUNCIL PRESIDENT VERNA: How do you access these funds?

MS. LAWTON: We don't. They go into the General Fund.

It used to be years and years ago that they were tied to specific positions at the Commission. But, like, 15 or so years ago, that was changed so that all of the money went into the General Fund.

But it was used to just, you know, to show the kind of work we're doing and to justify the number of investigators we had, and what we're doing with the Federal Government.

It ends up bringing funds back into the City. But that's what was worked out, like, 15 years ago.

COUNCIL PRESIDENT VERNA: When? 15 years ago?

MS. LAWTON: About 15 years ago I think that was changed.

COUNCIL PRESIDENT VERNA: Very we'll. We'll look into that.

At this time I would like to recognize Councilwoman Brown.

COUNCILWOMAN BROWN: Thank you, Madam President.

Good afternoon, ladies.

MS. LAWTON: Good afternoon.

COUNCILWOMAN BROWN: On Page 2 of your testimony, you discuss an initiative with the Northeast Violence Prevention Task Force, and that in FY'05 you sponsor an event addressing teen violence.

Can you please speak to the plans that you have in addressing that particular issue for the upcoming year, and to what extent there's been some thinking about the value of partnering or collaborating with others in our City who care about the same issue.

MS. LAWTON: Well, that's a really timely question because Reverend Allen, our Chair, who I'm sure you know, we just brought this subject up at our last Commission meeting.

And it actually has been the subject of previous meetings, of how, even though the Commission primarily has response to intergroup tension, we are so connected out in the neighborhoods, how can we act as an agency that can bring these various groups together, since we have this network together.

COUNCILWOMAN BROWN: Sure.

MS. LAWTON: And we are planning a meeting for the first week in May to do exactly that. And I just called Bilal Cayune the other day and told him that we were thinking of trying to connect all the folks that are working on the front lines and responding to violence, along with other folks, non-profits, charitable organizations, and other kinds of organizations that might want to have a connection to bring some resources to those folks.

COUNCILWOMAN BROWN: Sure.

MS. LAWTON: And be a broker, to bring those, to identify needs and connect them with resources. And we're planning that. And we hope to do more of that in the coming year. So, we're very concerned about that, and do see a role for the Commission in that regard.

COUNCILWOMAN BROWN: Will that meeting be focused purely on the "X" games or just the broad issue that it is?

MS. LAWTON: Broad issue.

COUNCILWOMAN BROWN: I'm sure myself and other members of this body will be interested in staying on top of that. So, if you could shoot forward just the dates of those meetings to President Verna.

MS. LAWTON: Absolutely.

COUNCILWOMAN BROWN: Particularly if you're interested in broad-based participation.

MS. LAWTON: We'd be happy to.

COUNCILWOMAN BROWN: Okay.

Secondly, on Page 2 of your testimony, I believe it is, you discussed planning and supporting the Latino Leadership Institute. And you state that there would be involvement in FY'06.

What have been the results of the past year, with regards to the Commission's involvement with that initiative?

MS. LAWTON: Well, we have a relatively new employee, bilingual employee, who's gotten very involved in helping to kind of to deal with the Latino Leadership Institute.

I know that she goes to all the meetings. She's helping to be -- kind of connect the Commission up and other resources

Operating Budget - 4/6/05

up to the institute and bring... You know, again, it's the role that we play a lot of times, trying to bring resources and connect people up, to basically empower people and get the resources and connect people up, to further everybody's goal.

COUNCILWOMAN BROWN: What prompted that effort?

MS. LAWTON: I think it's our mission to go out and seek these kinds of opportunities.

You know, for example, coming up, actually, next Thursday, we're having the Commissioners are going out to South Philly and meeting primarily with the new -- the growing Mexican immigrant community, to hear from them and the types of problems they have, and the issues that they're encountering, from crime, to schools, to lack of accessibility, irregardless of their immigrant status. So, that's another kind of example.

COUNCILWOMAN BROWN: Example. Okay.

Well, those were the two items I was

struck by in your testimony.

Thank you very much.

MS. LAWTON: You're welcome.

COUNCILWOMAN BROWN: Thank you, Madam Chair.

COUNCIL PRESIDENT VERNA: You're welcome.

Are there any other questions or comments from members of the committee?

(No response.)

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

MS. LAWTON: Thank you.

COUNCIL PRESIDENT VERNA: At long last, Community College.

Good afternoon. Thank you all so much for your patience. We really appreciate it.

MS. COHEN: Thank you. Good afternoon, President Verna and members of City Council.

I want to extend a sincere thank you for the opportunity to address this distinguished body.

Operating Budget - 4/6/05

My name is Rhonda Cohen, and I am Chair of the Board of Trustees of Community College of Philadelphia.

My colleagues on the board, who represent a diverse cross section of Philadelphia, are dedicated civic and business leaders.

With your permission, I would like to introduce the board members present today, Dan MacElhatten and Dorothy Sumners Rush.

Each of us eagerly offers our time and knowledge because we recognize the importance of Community College of Philadelphia.

As we celebrate our 40th anniversary, this is the perfect time to reflect upon the college's past contributions to Philadelphia, its present successes, and its role well into the future.

Community College of Philadelphia first opened its doors in 1965, with an enrollment of 700 full-time and part-time students.

This past September the college

began its 40th anniversary year-long celebration of events deemed 40 years creating destinies.

The college has been celebrating the achievements of prominent alumnae, including former State Senator Joseph Rocks, State Representative Dwight Evans, Charley Pizzi, and Roseanne Rosenthal.

Many of our other alumnae have also spoken freely about the way Community College of Philadelphia helped shape their careers and goals.

As you know, the college provides a gateway into higher education for those who may not otherwise be able to afford it. We can help adult students who have been out of school for some time bolster their skills so they can transfer to a four-year college or university.

We also improve the employability of Philadelphia residents. 54 percent of all of our graduates do, indeed, transfer, but many more gain employment in such marketable fields as nursing, dental hygiene, retail management, paralegal studies, computer information systems, and many others.

Our most recent enrollment figures tell us that we are educating more than 40,000 students in the credit and non-credit areas, with these numbers continuing to grow.

More than 55 percent of our graduates say they would not have been able to pursue academic degrees or other types of training if the college did not exist.

While Community College of Philadelphia remains committed to addressing the City's educational priorities, it needs the continued support of the City to educate Philadelphians, and to serve as a foundation for college transfer, employment and life-long learning.

On behalf of our entire Board of Trustees, I wish to express our appreciation to you and Mayor Street for recognizing the importance of Community College of Philadelphia to our City.

Our faculty, administrators, staff and students are engaged and productive in fulfilling our mission of educating all who may benefit.

The support of the City is essential to help educate a skilled work force and help us develop tomorrow's leaders. This is critical to the long-term growth of Philadelphia.

Now I would like to introduce Dr. Stephen M. Curtis, President of Community College of Philadelphia who will present formal testimony to Council.

Dr. Curtis.

COUNCIL PRESIDENT VERNA: Good afternoon.

DR. CURTIS: Good afternoon.

I'm not going to read the testimony. I'm just going to summarize it.

COUNCIL PRESIDENT VERNA: Thank you.

DR. CURTIS: In the interest of your time today.

I'm Stephen Curtis, President of Community College.

As our Board Chair suggested, we know that even in times of getting less, we think we're doing more.

The number of our graduates each year is increasing. The number of those graduates who go on to a baccalaureate program and then achieve a baccalaureate is increasing.

Our relationship with partners in the community, such as the School District of Philadelphia, is expanding. And we give a particular example which I won't site publicly, but is in our written testimony. And there are very specific examples of success and student outcomes on the work force side as well.

If there's any cloud over all this, it is the fiscal situation that we, like so many, face at this moment. And I would like to make just a couple of comments about that.

Our testimony today is in support of the Mayor's funding recommendation for the 2005-2006 budget. The Mayor has recommended that the City's contribution to our funding be maintained at exactly the same level as it has been in 2004, 2005.

Operating Budget - 4/6/05

Given the tight fiscal environment, and given everything that's going on, that we are obviously aware of as well, we are thankful. We thank the Mayor. We hope that you will support this as City Council. And we are prepared to live with that budget level for next year.

What I would like to do is just briefly give you the big picture and maybe even look beyond next year.

In the past two years, primarily due to the economy, we have grown at record rates at the college. For the past two years we have set all-time records for enrollment.

In a typical year at Community College, because of enrollment growth, because of normal contractual obligations and the like, our budget gross $5 to $6 million annually.

For the past two years plus next year, the City will have contributed no additional dollars toward that $5 to $6 million increase each year.

For the past two years the state has

decreased its commitment to community colleges. Unlike the City, it does not give a lump sum allocation. It gives a per student reimbursement. It's all embedded in statute. And I won't go into the detail right now.

But for the first time in the history of community colleges in the Commonwealth, for the past two years the state did not meet that statutory commitment.

For all the students that we took in, it only gave us a portion, a significant portion, but not the full portion of funding. And that was the principal reason that last year our college finished with a $2 million deficit.

For the coming year, the Governor has proposed restoring to the previous level. So, there's literally an increase in the state's budget for us.

But just so you understand the context, that increase matches what hadn't been happening last year and this year, and does not make up what we've lost in the last two years.

Neither does the state begin to address its share of capital funds which we desperately need right now, with all the additional students we've taken in.

In fact, we need to expand facilities, and we need to renovate many of the older facilities that we have.

Again, just to give you the picture, with three years of flat funding from the City, the portion of our operating budget that is derived from the City has fallen from 23.7 percent three years ago to 19.3 percent this year, and approximately -- will be approximately 18 percent next year.

You may recall that at the inception of community colleges, the goal had been 33 percent. And for the last two years, as I indicated, even the state, which typically has done better meeting that percentage, it also hasn't met the 33 percent.

The result has been that 52 percent of all of our operating funds are now provided by student tuition fees. A different way of saying it is, we are relying on tuition and fees to the same extent as private colleges. We're almost looking more like a private college than a public college, from that point of view.

As our public sources have not been able to sustain us in the way that we would hope, and as tuition and fees have increased, again I need to point out to you this year, the current academic year, saw the largest increase in tuition and fees in the history of our college. That's in pure dollars and percentage.

Next year we'll see the second largest increase in tuition and fees in the history of the college. I think our plea today is not for next year. We support the recommendation that's in the budget.

But if we could look past that, it will be important, I think, that the City resumes, despite all of the context that we perfectly understand, but resume some kind of regular increase over time for the college.

Increasingly, if the burden falls

only on our students, we will start to marginalize those residents of our community who need us the most. It is the very population that we were designed to serve.

So, I urge the Council to look forward. I hope you will support the Mayor's recommendation this year, but looking forward, if we can't find another way to begin to build that funding support, it will undercut our very reason for existence, and I think it will absolutely impede our ability to help the City develop a skilled work force and an educated citizenry.

So, as always, we thank you for your support, and we look forward to working with you to solve what are really some very difficult problems.

COUNCIL PRESIDENT VERNA: Doctor, we thank you and your board members for all of the wonderful work that you do, have done, and I'm sure will continue to do.

And I want to assure you that we in City Council will do everything we can to support you.

The Chair recognizes Councilwoman Brown.

COUNCILWOMAN BROWN: Thank you, Madam President.

Good afternoon. I should say that I, too, am excited about the growing partnerships that Community College of Philadelphia continues to undertake and really take a leadership role in, with regard to the School District.

And I was struck by this new advanced tech at college, a high school and college prep program which, according to testimony now, has about 30 students from high schools around the City.

Please speak to how the students are chosen. And given the promise of the program, what plans are under way to... You know what we want to see. We want to see it grow.

DR. CURTIS: Yes, ma'am..

COUNCILWOMAN BROWN: So, what plans are under way to broaden that program?

DR. CURTIS: Good.

This is a pilot initiative, for the moment. I assume it will stay in place permanently, based on what we've seen so far.

And then as far as growth, that will depend in part on funding, to be candid with you.

COUNCILWOMAN BROWN: Funding.

DR. CURTIS: But this is a collaboration between the School District and the college. And for the first several years, we have a small amount of funding from the U.S. Department of Education as well.

COUNCILWOMAN BROWN: So that was a separate grant.

DR. CURTIS: Yes.

COUNCILWOMAN BROWN: Okay.

DR. CURTIS: But that will have a limited time frame. Most of the funding comes from the School District and the college.

We have taken a cohort of 30 high school juniors. They are chosen by the School District. Think of it as a magnet school approach.

COUNCILWOMAN BROWN: Okay.

DR. CURTIS: But they are from seven of the lower performing high schools across the City. They are not A students. They are purposely students that -- chosen as students who have promise, who have excellent attendance records, but they are not the, you know, grade wise at the very top level, to begin with.

COUNCILWOMAN BROWN: But the fact they show up is an indication of their --

DR. CURTIS: That is one of the factors, yes.

This is a program that is meant to lead to a degree in the area of computer technology.

COUNCILWOMAN BROWN: Okay.

DR. CURTIS: So, these students must have an interest or aptitude in computer technology.

They will finish their high school career on our campus. They'll become seniors next year. We will then take the next cohort of juniors. And from then on we'll always have a junior and senior class on campus.

The curriculum is a blend of high school and college courses. The college courses count in dual enrollment way --

COUNCILWOMAN BROWN: Okay.

DR. CURTIS: -- for high school units and college credit.

When they graduate, they will have their high school diploma from their home high school, and they will have achieved 24 college credits toward the associate degree.

After the fall semester -- That's as far as we've gotten so far...

COUNCILWOMAN BROWN: Sure.

DR. CURTIS: ...28 out of the 30 students had passed all courses, both high school and college, and that meant those 28 had already gained six credits toward their college degree.

COUNCILWOMAN BROWN: The grant fund, the federal government, is that multi year?

DR. CURTIS: It is. It supports basically the administrative infrastructure.

COUNCILWOMAN BROWN: I see.

And the makeup, the composition of that 30 students, can you speak to that gender ethnicity. Does it reflect the public school system?

DR. CURTIS: Absolutely, yes. I can't give you the mix on gender.

COUNCILWOMAN BROWN: Okay.

DR. CURTIS: I'm sorry.

The ethnicity is absolutely totally reflective of the public schools.

COUNCILWOMAN BROWN: Very well.

Secondly, you mentioned an initiative in the coming year to be partners with early childhood grade 12 schools and four-year colleges and universities. What is the nature of these partnerships under way?

DR. CURTIS: There are many of them. And maybe I should just backtrack for two seconds. You also asked about the overall context, I think, or alluded to it with the School District, when you said you hoped this could even expand.

COUNCILWOMAN BROWN: Grow, yes.

DR. CURTIS: We're looking for many

relationships.

Probably years ago a lot of the relationships were with high schools, you know, at the natural transition from high school to college. But, in fact, we really are cultivating many at all levels. We are very involved in the gear-up program.

COUNCILWOMAN BROWN: Excellent.

DR. CURTIS: Those funds are under attack right now at the federal level, but I... You know, we are working with the School District and others, other colleges nationally...

COUNCILWOMAN BROWN: Good.

DR. CURTIS: ...to try to secure those funds again. But we're involved in that with middle school students.

An interesting example of a project would be a reading project that we undertake under a small grant from P.E.C.O., but it combines Montgomery County Community College, Month School Districts, Philadelphia -- Community College of Philadelphia and the Philadelphia School District, and the four partners at a designated set of elementary schools provide college students, usually in the early childhood education program, which is why the reference is there, who serve as tutors, work with them on reading.

And then at the end of the year, we have a huge weakened program housed at our college for both Montgomery and Philadelphia Counties.

And we bring in children's authors. We have basically a children's fair. So, there are many examples like that, that stretch from what is really now K or pre-K, all the way through to the baccalaureate, as I alluded to earlier.

COUNCILWOMAN BROWN: Extremely exciting.

Can you forward what schools are involved to Madam President, if you would? I don't recall seeing them in the testimony.

DR. CURTIS: For the high school program, you mean?

COUNCILWOMAN BROWN: But I could be mistaken.

Operating Budget - 4/6/05

DR. CURTIS: Yes.

COUNCILWOMAN BROWN: The schools where you have tutors going into...

DR. CURTIS: Certainly can.

COUNCILWOMAN BROWN: ...the public schools.

DR. CURTIS: Yes.

COUNCILWOMAN BROWN: Before the bell rings, let me move on to the next one. We know that Community College of Philadelphia's noble goal, I believe, is to arm people with the educations so that they can become self sufficient.

And given that goal, please help me understand how Community College of Philadelphia has been able to reconcile your mission and your goal with at least one contractor you do business with, who in many ways does not share that mission and goal, when it comes to treating its employees with some level of fairness and training and compensation.

DR. CURTIS: All right. I'm assuming the question has to do with --

Operating Budget - 4/6/05

COUNCILWOMAN BROWN: With Allied --

DR. CURTIS: -- contract under security --

COUNCILWOMAN BROWN: Yes, that's right.

DR. CURTIS: That's fine.

For our... For much of our security needs, we do go outside. We go through public bidding.

COUNCILWOMAN BROWN: Sure.

DR. CURTIS: Engage a contractor, who provides a certain number and level of security for the college. Those employees work for the company, not for us.

When we go through the bidding process, we follow procedures, as we would for all of the purchasing and bidding that we do as a public entity.

COUNCILWOMAN BROWN: Okay.

DR. CURTIS: We take into account, obviously, cost factors, but we also take into account performance, in this case the performance of a company, the amount of training it provides, and how it treats employees. We specifically looked at that in this case.

COUNCILWOMAN BROWN: Mm-hmm.

DR. CURTIS: And one reason we chose the current vendor was because it paid among the highest rates or if not the highest hourly rate of those that had been on the contract. So that was actually one of the factors, not the only one.

COUNCILWOMAN BROWN: Okay.

DR. CURTIS: But one of the factors in choosing them because they were more than competitive along those lines.

The employees, however, work for the contractor.

COUNCILWOMAN BROWN: Forgive me?

DR. CURTIS: The employees themselves work for the contractor.

COUNCILWOMAN BROWN: Okay.

DR. CURTIS: And then are assigned to our site.

COUNCILWOMAN BROWN: Okay.

Can you share with us when that contract might expire? And the only reason why I'm asking, it's not unusual to engage in an agreement or an arrangement, and then discover along the way that the reality is inconsistent with what's on paper.

And next time around you could certainly factor in the new information that you have which may or may not lead you to a different decision.

Can you share with us when that contract is due to expire?

DR. CURTIS: I'm going to try.

COUNCILWOMAN BROWN: Okay.

DR. CURTIS: There are three and a half more years on the contract.

COUNCILWOMAN BROWN: I see.

I've also learned in the discussions about Allied Burton that there's an interest, if you will, for the security personnel to organize.

Do you know if there has been some level of dialogue, discussion, between Allied and Community College of Philadelphia or Allied and the personnel there to move -- to at least look at how you can move towards that end in a very responsible way?

DR. CURTIS: There's been no discussion between Allied and the college. That is an Allied decision. We have no role in whether they are unionized or not.

Remember, these are employees of Allied, not of the college. And I can't speak to the discussions that have taken place between Allied and their employees. I don't know the answer to that.

COUNCILWOMAN BROWN: and It certainly sounds like, given the contract -- and please correct me if I'm wrong -- the provisions of the contract are such that Allied then has the responsibility to honor that request or not. Is that what I'm hearing?

DR. CURTIS: I'm sorry. Say that again.

COUNCILWOMAN BROWN: That the interests of college employees to organize --

DR. CURTIS: No, they're not college employees.

COUNCILWOMAN BROWN: The interest of

Allied Barton employees... That's the fair way to state that, correct.

DR. CURTIS: Yes.

COUNCILWOMAN BROWN: Their interest to organize, and the decision on whether or not Allied Burton wants to meet with them on that issue of organizing rests with Allied Burton.

DR. CURTIS: Yes, it does.

COUNCILWOMAN BROWN: All right.

COUNCIL PRESIDENT VERNA: Councilwoman, if you have further questions, I'll have to -- we have other members that want to be recognized. So, we'll have a second go-around, if you don't mind.

COUNCILWOMAN BROWN: Thank you, Madam Chair.

COUNCIL PRESIDENT VERNA: The Chair recognizes Councilman Nutter.

COUNCILMAN NUTTER: Thank you, Madam President.

Dr. Curtis, just a couple questions. Going back to your testimony, on Page 3 you make the very important point about America's work force advancing or how can we expect the work force to advance and set high expectations -- unless we set high expectations elementary and secondary schools. At the same time, there is a reduction in college opportunities.

And then you go on to talk later on about the 11th and 12th graders from seven Philadelphia high schools.

One, just for a technical question, is there a cost to the high school students to participate in this college... kind of college preparatory program?

DR. CURTIS: I do not believe so, no. In fact, I know the answer to that. The answer is no, because it's a high school program but it involves college courses as well. They are simply completing that program on our site. So the answer is no.

COUNCILAN NUTTER: Thank you for that definitive response. I think you were here for the earlier hearing. So, to the extent that you know something, you really want to tell us that you know it, and be firm about it. Even if you are wrong, be firm in your conviction about your answer.

The second is, do you know what the current percentage of Philadelphians who have -- what the current percentage of Philadelphians with a college degree is in our City?

DR. CURTIS: I'm not sure I can tell you that off the top of my head. I think the national data are around 25 percent.

COUNCILMAN NUTTER: Okay.

DR. CURTIS: So, I don't believe it can exceed that.

COUNCILMAN NUTTER: Right. I think the Philadelphia data may have us at slightly less than about 20.

DR. CURTIS: Yeah.

COUNCILMAN NUTTER: In your professional opinion -- And I'm glad we're not in a deficit situation with Community College, at least for this budget go-round for the City. But in your professional opinion, what do you think is the greatest barrier to people accessing a quality college educational experience?

DR. CURTIS: It's always finances. That's clearly the first and most important barrier. There are others, you know, depending on circumstances.

But finances... When we survey our graduates every year, to get a sense of what they thought about the college, whether we met their needs, and so on, with extreme regularity, almost half of every graduate survey group says they could not have gone to college if it hadn't been for Community College of Philadelphia. That is almost always a comment on financial... cost... on cost.

COUNCILMAN NUTTER: And of course, whether it's the City or the Commonwealth, if we would increase our financial support for the college, that would help with some of that.

Are there any other -- I mean, that's so obvious as to not even merit a comment. But do you have other thoughts about how we might more creatively seek to reduce some of the costs or the barriers to the educational opportunity?

You know, are there things we do? Are there things we should be doing with, for instance, companies that come to town and we provide, you know, at times all kinds of incentives to encourage growth and development.

Have you given any thought to how we might better utilize even some of our economic development strategies to create more of that opportunity?

DR. CURTIS: In the states that are usually viewed as the most progressive around economic development, community colleges are the typical venue through which training and education is -- and I don't think the word is too strong -- mandated when it comes to working with companies, either to retain them, to bring them in to the community, and so on.

I think community colleges in those states are typically seen as vehicles through which that kind of training and education can be provided.

COUNCILMAN NUTTER: Training is for the workers of these particular companies who are getting the benefit?

DR. CURTIS: Yes. And therefore, are always at the table in those kinds of conversations.

In Pennsylvania -- And I'm not just focusing for a moment on Philadelphia. I think it's a broader statement that I'm about to make, but it certainly includes Philadelphia. That's simply not the ordinary way of doing business.

I think we usually try, both at the local level and at the state level, with our sister institutions, to be engaged in those kinds of conversations.

We think we can provide a quality education or in some cases more specific training, and we can do it at a cost that is more than competitive.

I say all that because what leads from that are other opportunities. And I'll give you a very specific example. U.P.S. has a tuition reimbursement program for its employees.

And over time, we and some other institutions have cultivated a relationship with U.P.S. And for a number of semesters now we offer many of the courses that the U.P.S. employees need out at their site at the airport.

So it's a win for everyone.

COUNCILMAN NUTTER: Right.

DR. CURTIS: For the student there is the tuition reimbursement which I think gets to the heart of your question.

COUNCILMAN NUTTER: Right.

DR. CURTIS: For the company, they're trying to invest in their employees. They want to cut down on turnover. They want to create a pipeline for cultivating management from within.

COUNCILMAN NUTTER: Right.

DR. CURTIS: And for the college, we can't exist on our own any more anyway.

COUNCILMAN NUTTER: Right.

DR. CURTIS: You have to have these

partnerships working together.

* COUNCILMAN NUTTER: Right.

Well, lastly, if you could forward to the Chair any information you have on these slightly more progressive states or cities, and if there have been legislative efforts to, in your words, require that kind of relationship or sitting at the table, it would be very helpful to see what other people are doing, and as we continue to strive to be a more progressive place.

DR. CURTIS: Yes, sir. I'll be happy to do that.

COUNCILMAN NUTTER: Thank you very much.

Thank you, Madam Chair.

COUNCIL PRESIDENT VERNA: You're welcome.

The Chair recognizes Councilwoman Blackwell.

COUNCILWOMAN BLACKWELL: Madam President, thank you.

Councilwoman Blondell Reynolds Brown has asked my question, so you can defer to the next person. Thank you.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair recognizes Councilwoman Tasco.

COUNCILWOMAN TASCO: Thank you.

Good afternoon. How you doing? Back to Page 4 of the high school junior program, students taking courses at Community. Do you receive any compensation from the School District? Who pays for these students?

DR. CURTIS: It's a combination of things. Remember, there are both high school teachers and college teachers involved in this.

High school teachers are teaching the high school courses that make up that part of the curriculum, and our own instructors teach the college courses. It's a blended curriculum.

So the costs are borne by each respective entity. The high school teachers are paid by the School District. We pay for our teachers in the normal way. So, think of it as a shared set of costs. Does that answer your question?

COUNCILWOMAN TASCO: Well, do these students eventually remain at Community when they leave?

DR. CURTIS: Yes. They finish -- They will finish -- Remember, we're just -- we started this in the fall.

COUNCILWOMAN TASCO: Mm-hmm.

DR. CURTIS: They will complete their entire junior year and their entire senior year at the college.

COUNCILWOMAN TASCO: Mm-hmm.

DR. CURTIS: They will then graduate with a high school diploma from their home school from which they came, but they will also have achieved, if they pass every course, 24 college credits.

And a typical associate degree curriculum is around 60 credits. It could -- You know, 62 or something. It means that they will have almost half of their college program done.

The goal here is to accelerate them

through the associate degree. So, yes, they spend the whole rest of the time on our college campus.

COUNCILWOMAN TASCO: You talk about this on Page 1. The student fees and tuition represent 52 percent of the total operating revenues.

Compare our Community College with other community colleges, in terms of fees and operating expenses and costs.

DR. CURTIS: Okay. On the tuition side, we are, I think, still the highest tuition Community College in the Commonwealth.

COUNCILWOMAN TASCO: You think or is that a fact?

DR. CURTIS: Pardon me?

COUNCILWOMAN TASCO: You think or is that a fact?

DR. CURTIS: Oh, no. We are.

COUNCILWOMAN TASCO: Okay.

DR. CURTIS: Tom, am I right. We are the number one, in terms of tuition costs.

Over the years, we have been at the low end of the fee list. Other community colleges across the state have always charged more for fees than we have.

Our problem has become, as the City has been unable to provide regular increases in our operating allocation -- and as I indicated earlier the state actually went backwards for two years. It will come back to... I think of it as as the level at which it started for next year.

We've had to impose much greater tuition and fee increases on students. So, our fees are starting to catch up now. I still think we are not at the top of the fee schedule, but we are probably in the middle now, as opposed to at the bottom. So, we're definitely moving up.

* Overall, the cost of community college education in Pennsylvania, the state is among the highest in the nation. We're always on the high side.

COUNCILWOMAN TASCO: What about your enrollment? It is up or down or...

DR. CURTIS: For the last three years it's been nothing but up. As I said, we've set all-time records the last two years.

This year it has started to flatten out. We haven't seen the increase this year that we've seen for the last several years. That may or may not be an anomaly. It may be a sign of the economy. The economy drives everything with us, but the answer: It has flattened out this year.

COUNCILWOMAN TASCO: Okay. Thank you. I don't have a lot of questions.

DR. CURTIS: Yes, ma'am.

COUNCIL PRESIDENT VERNA: Thank you.

Councilman Nutter, did you want to be recognized again?

COUNCILMAN NUTTER: Yes, Madam Chair. I jumped out too quickly.

Dr. Curtis, I need to ask you just a couple questions with regard to a particular contract or a vendor relationship.

This is regarding campus security. You have a contract with a company by the name of Allied Security; is that correct?

DR. CURTIS: Yes, sir.

COUNCILMAN NUTTER: Can you briefly tell us the nature of that contract?

DR. CURTIS: For some time we have contracted a decent portion of our security services out.

We go through a public bidding process, as we do with other contracts and services, and contract with a vendor to provide certain levels of security service.

Allied was the contractor that was offered that contract in the last bidding process.

COUNCILMAN NUTTER: How long is the contract?

DR. CURTIS: It's a five-year contract, and we are coming toward the close of the second year.

COUNCILMAN NUTTER: Now, do they provide all the security services on campus or do you have some security officers that or security personnel, rather, who work for Community College?

DR. CURTIS: We have some ourselves.

COUNCILMAN NUTTER: Okay.

DR. CURTIS: They tend to be in supervisory kinds of roles...

COUNCILMAN NUTTER: Mm-hmm.

DR. CURTIS: And if they're not literally a supervisor, they still take a leadership role. There are different expectations, in other words, different responsibilities for those that are on our own staff.

COUNCILMAN NUTTER: What do you think the breakdown is between... Of the total number of security people on campus, how many work on a contracted out situation?

DR. CURTIS: Yes, sir. About two -- About 60 total, I think. About two-thirds are through the vendor, and about one-third on our payroll.

COUNCILMAN NUTTER: Okay. Are there any significant differences between what the Community College of Philadelphia personnel are paid versus the contract work?

DR. CURTIS: There will be

differences in salary. There will be differences in benefits. Some of the -- or some or many of the contractor provided security are also part-time. I need to say that to you, so that you understand that distinction as well.

And then remember, there are differences in responsibilities, so there will be differences in pay around that as well.

COUNCILMAN NUTTER: So of the 40 or so Allied personnel, you're saying some of them are part-time?

DR. CURTIS: Yes, sir.

COUNCILMAN NUTTER: They're not all full-time. Okay.

What do you know with any specifics with regard to the benefits package for the contract work?

DR. CURTIS: I'm not sure I can answer that. If you -- I'll wait and see if I have an answer, but I don't myself. No. I'm sorry. We don't have that, the information right here, sir. We can get that, but we don't have it.

COUNCILMAN NUTTER: Okay. And just, I guess, to better understand, you've got about 60 folks in a one-third, two-third situation.

I will make the next leap and assume that there must be some amount of cost savings in contracting out two-thirds of that work force versus having the other 40 people on the Community College of Philadelphia payroll.

DR. CURTIS: Well, I think there's a partial yes to that, but I want to go back to something I said earlier. The nature of the responsibilities is different, too. You have to take that into account. So, there will be a difference there.

COUNCILMAN NUTTER: The Community College of Philadelphia personnel primarily supervise the contract personnel?

DR. CURTIS: Many of those 20 out of the 60 are supervisors. And where they are not, they are typically the kind of lead of a group. So, yes, there's definitely a difference overall.

COUNCILMAN NUTTER: Okay.

DR. CURTIS: I'm not sure I know, you know, the exact number of supervisors or whatever, but there's a difference in expectations and responsibility, read job descriptions there different.

COUNCILMAN NUTTER: Okay. Maybe two last questions. Do you recall a total dollar value of the contract?

DR. CURTIS: Excuse me. I'm going to check.

Just over $1 million per year.

COUNCILMAN NUTTER: One million?

DR. CURTIS: Yes, sir.

COUNCILMAN NUTTER: If you could provide to the Chair -- Not that you would have all of this information. You said a million a year?

DR. CURTIS: Yes, sir.

COUNCILMAN NUTTER: That's a five-year contract.

DR. CURTIS: Yes, sir.

COUNCILMAN NUTTER: If you could

provide us any information, I guess with maybe a comparison -- And I understand that there are differences in job responsibilities.

But if you could lay out information that would provide some comparison between the wages and benefits of the Community College personnel in security versus the contract personnel, that would be helpful.

DR. CURTIS: All right.

COUNCILMAN NUTTER: Okay. Thank you.

Madam Chair, thank you very much.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair again recognizes Councilwoman Brown.

COUNCILWOMAN BROWN: Thank you, Madam Chair.

I feel at a slight disadvantage. I got distracted. I tried to not repeat Councilman Nutter's inquiries.

You did mention that the contract was five years. You're three-and-a-half years in. I've learned that the leadership at Community College of Philadelphia met with the employees on this particular issue.

Can you speak to the outcome of that discussion and what next steps, if any, have been explored with regards to Allied Burton's...

DR. CURTIS: Okay. I'm not sure of any meeting between leadership. I'm sorry.

COUNCILWOMAN BROWN: Or your office. No, there's been no meeting between...

DR. CURTIS: No, nothing that I'm aware of.

COUNCILWOMAN BROWN: Community College of Philadelphia and --

DR. CURTIS: Not that I'm aware of. Remember, these are allied employees.

COUNCILWOMAN BROWN: Yes.

DR. CURTIS: So the relationship, the contractual relationship, at the employee level is between the employee and Allied.

COUNCILWOMAN BROWN: And I hear that, but we know sometimes a table of organization, the straight bold line is to the immediate supervisor, and then there's a dotted line to the supervisors who are employees of Community College of Philadelphia.

So, given that configuration and knowing of the alleged misgivings of the contract -- contractor, do you see any need to make it clear to the contractor -- Assuming the allegations are true, do you see a need to have a conversation with the contractor, regarding these alleged misgivings?

DR. CURTIS: If there were ways in which we felt the contractor were being unfair...

COUNCILWOMAN BROWN: Mm-hmm.

DR. CURTIS: ...if that's the intent of the question, we would certainly be willing to engage in that kind of conversation.

I want to remind you what I said earlier, though. When we went through the bid process.

COUNCILWOMAN BROWN: When you went through the bid process.

DR. CURTIS: Yes, ma'am.

One of the things we looked at was the reputation of each of the companies and literally, the pay, benefits, you know, the hourly wages, and so on...

COUNCILWOMAN BROWN: Sure.

DR. CURTIS: ...in the industry. And Allied ranked at the top.

So that was something we did take into account. So, I think we were trying to be sensitive to that, at the point at which we made a decision.

COUNCILWOMAN BROWN: Who was -- Who handled -- Prior to the engagement of Allied, who handled the employment of those employees, another contractor or CCP

DR. CURTIS: No, no. Another contractor.

COUNCILWOMAN BROWN: Another contractor. Okay.

DR. CURTIS: And it wouldn't have necessarily been the same employees. Remember, we're hiring the contractor.

COUNCILWOMAN BROWN: Got it. Got

it. Okay. That's it for this time.

DR. CURTIS: Thank you.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair recognizes Councilwoman Tasco.

COUNCILWOMAN TASCO: I just want to piggyback on that question that she asked about that you responded to, in terms of the salaries.

In terms of Allied, I don't know anything about any of the other companies, but when you say that their salary rates are the highest, the highest of the range, lowest range would be two, and they may be four. Is it the salary above the minimum wage that they're paying? That's the question I wanted to... So if you're... If you have a proposal... You see what I'm saying?

DR. CURTIS: Mm-hmm.

COUNCILWOMAN TASCO: And so you're compared to -- What are you comparing their prices to, in terms of pay for employees, if Allied is probably maybe one of the largest companies in the country, maybe the largest.

And then you have two or three others who may be smaller and can't compete. But is allied paying enough.

DR. CURTIS: Mm-hmm.

COUNCILWOMAN TASCO: That's when you do the evaluation of the proposals. Seems to me that you would look at.

DR. CURTIS: I understand.

I don't know how to answer all the specifics. Yes, we're certain -- They're certainly paying above minimum wage. All right. And I understand your point.

The question of enough can be raised in any situation and at any level. We tried to take an honest look at it. We're bound by certain things, too. We are bound to go through a bidding process for these kinds of things, as you know, for services and whatever.

We want, on the one hand, to be physically responsible. On the other hand, we are trying to make sure that we're working with someone who's selling us goods or someone who's selling us services. We're doing so in a reasonable and fair way.

So I think at the moment I still stand on my previous answer. Given the prevailing wages in the industry, given what we saw in the bidding process that we went through, in that category -- And we're just talking about pay right now. There's also performance and other factors that you take into account. But they ranked at the top.

I'm not sure that I -- I have an answer per se as to is that enough. My own employees would probably say -- I don't mean security. I mean just teach teachers or anyone else would say, it's not enough.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair recognizes Councilwoman Brown. Your light was on. Did you want to be recognized?

COUNCILWOMAN BROWN: I am done, Madam President.

COUNCIL PRESIDENT VERNA: Thank you.

Are there any other questions or comments from members of the committee?

(No response.)

Operating Budget - 4/6/05

COUNCIL PRESIDENT VERNA: Seeing none, I thank you very much. And again, I really apologize for the delay, and thank you for your patience.

We will now hear from the City Commissioners.

COUNCIL PRESIDENT VERNA: Good afternoon. Welcome.

COMMISSIONER TARTAGLIONE: Good afternoon.

COUNCIL PRESIDENT VERNA: Please identify yourself for the record.

I know that you have prepared testimony. It will be given to the stenographer. It will be transcribed in full. So if you would simply summarize, we'd appreciate it.

COMMISSIONER TARTAGLIONE: Margaret M. Tartaglione, Chairwoman of the City Commissioners.

COMMISSIONER HOWARD: Edgar Howard, City Commissioner.

COMMISSIONER DUDA: Joseph Duda, City Commissioner.

Operating Budget - 4/6/05

MR. LEE: Bob Lee, Voter Registration Administrator.

COMMISSIONER TARTAGLIONE: Madam President and members of City Council, good afternoon.

I am Margaret M. Tartaglione, Chairwoman of the City Commissioner's Office. I would like to thank you for this opportunity to present our fiscal year 2006 operating budget.

The City Commissioner's proposed spending level of $8,026,891 for FY2006 is allotted as follows:

Class 100 personal service, $4,637,430.

Class 200, purchase of services, $2,786,964.

Class 300, materials and supplies, $564,013.

Class 400, equipment, $37,784.

The City Commissioners will be hard pressed to provide the level of services which the citizens of Philadelphia have expected, for the adoption of fiscal 2006 operating budget.

Currently only 95 full-time employees are maintaining voting records, operating of documents, imaging system and managing the new Denahur City Garden (phonetic) electronic voting machines.

The department is budgeting for six additional positions this fiscal year. We will, however, be losing almost as many valuable employees enrolled in the DROP. This will be placing added responsibilities on our remaining work force.

The level of spending for all personal services currently at $150,096 less than actual FY'04 obligations, to meet FY'06 obligations.

Added the two percent increase take effect on 7/1/05, and prior to the adjustments for lump sum separation payments to DROP participants.

Additional. Federal and state laws mandate that the City -- that the Commissioners use a Commonwealth statewide uniform registry of election, called SURE system, as an official registration file.

The use of SURE and the new Federal mandates are expected to require an additional 20 permanent employees, at an annual cost of approximately $600,000.

Class 100 allotments, however, will not be be the only area implicated negatively on the adoption of FY'04 budget.

Successfully implementing the election voting machine system or EVM system has given rise to anticipated Class 200 purchase of service costs.

City Commissioners now have the means to complete fast and accurate tabulization of the vote count.

Increasing costs of insurance, software, support, fees support, by outside machine mechanics and consultants will make it difficult to fund our obligation.

The EVM vendor Danaher will be needed to provide continued software at the cost of a hundred thousand dollars per year to assist in transition and upgrade of the voting system, Bender Consultant, will be required at the cost of $278,400.

Other increases are not factored into funding requirements of Class 200 or support the City's year-old absentee voting system or VSS, and supports the maintenance of our computer equipment as warantee periods expire.

The City Commissioners have made every effort to attract and keep and reliable boards to operate EVM's and maintain records in each polling place.

Training in the election board members reduce the potential for damaging and EVM and insures the accurate count of votes in the City.

As new mandates are installed, costs for training and boards are increasing. The mandate of the adoption of the statewide uniform registration of electors are SURE, and costs associated with installing changes to the software, consultant's fee and configuration on the existing system have yet not been determined.

Electronic generations of ballots

and new absentee ballots methods are changing our Class 300 materials and supplies expenditures.

Expendable supplies for EVM and AV systems are costly. Efforts are being made to reduce the costs of provisional ballot material which are required as part of the Help America Vote or HAVA mandates.

Likewise, funding in Class 400 for upgrade to the older computers features is now essential.

Total equipment costs associated with the transition to the SURE system are not yet known. The City Commissioners will, however, continue purchasing all of the items directly from the product manufacturers, wherever possible, in order to keep rising costs at bay, and reducing learning curve on complex orders.

In connection, this department steadily sweeping change to the system by what citizens of Philadelphia cast their vote.

The City Commissioners Office will

faithfully continue assuring the citizens of Philadelphia can exercise their right to vote and to certify that each vote is counted properly.

Once again, I thank you for the opportunity to present FY2006.

Thank you.

COUNCIL PRESIDENT VERNA: Thank you.

On Page 29-3 of the detail budget, you're requesting $17.9 million in the grants revenue fund.

Can you tell us who the grantor is, how these funds will be used, and if there is any local match required.

MR. LEE: The funds are all federal funds that are channeled to the counties through the Commonwealth, in accordance with a Commonwealth state plan.

These funds were enacted and authorized as part of the Help America Vote Act, which was the Election Reform Act that was put into place by Congress in October of '02, as a result of things that occurred in Florida back in November of 2000.

Naturally, Congress did not appropriate the funding level up to what they had originally authorized in the HAVA bill.

But Philadelphia stands to get approximately around $20 million total here. There are some funds that are in FY'05, FY'06 and FY'07.

The way the funds have to be spent -- There is no local county match, thank goodness. There is no money that the City has to put out, although we've already put out quite a bit in upgrading our systems, and I think delivering a better product.

Section 101 money for Philadelphia was $100,000. We didn't -- We didn't get any of the funds yet, but we spent that money. And we used current budget money.

That hundred thousand dollars went towards the postage to mail voters the Help America Vote card we mailed in the November election, which told them their name and address, and where to go vote, and things like that.

There's also $1,800,000 in Title II

funds that are geared for Title III requirements which are the provisional voting requirements, provision of identification at the polling place, complaint process, and general improvements in the administration of elections.

We also spent quite a bit of that money before we got it. And we conducted a massive voter registration education -- a massive voter education campaign prior to the November election, with full-page ads in probably about 28 community papers, the Philadelphia Inquirer, Philadelphia Daily News, a couple Latino newspapers, and the Philadelphia Tribune, basically advising the voters of the requirement that they may have to produce I.D. before they vote, and if their name is not in the poll books when they vote, that they are entitled to vote a provisional ballot, and that would be checked and counted later.

A bulk of the money is set aside for machine procurement. The City has already spent their money for machine procurement.

However, a Federal Court agreement in U.S. District Court here in Philadelphia and also the HAVA Act requires that as of January 1, of '06 our voting machines provide the ability for those who are visually impaired to vote independently and in private, without the need for assistance.

The HAVA money does include $5,043,000 to upgrade our existing systems, to provide an audio device on the voting machine... on every voting machine, so that if someone comes in there visually impaired, they will use that device to cast their ballot.

COUNCIL PRESIDENT VERNA: I'm sorry. I don't mean to interrupt you. But would we need new machines or will that --

MR. LEE: No. We are going to upgrade the current machine that we have right now. It's an upgrade that it's an attachment that the poll worker will attach right to the back of the machine.

It's a headset, similar to what you would have on a CD player, and a hand device so that the visually impaired can listen to the ballot as it's read to them, and make selections based on certain tactile positions on the handset.

Those votes will be recorded in the machine the same as the votes casted -- as if you casted them visually on the ballot face itself.

That grant, that $5,043,000 is only up to the actual cost of the product. And cost of doing the upgrade, right now we estimate that there's probably $1.3 million overage in that fund.

We are -- We have in our county plan that that money still be held aside for Philadelphia County, pending the outcome of new Federal 2005 voting system standards which may bring changes, and may require us to do further upgrades to our machines.

There is $5,366,000 that Congress specifically earmarked... the specifically return to any county who upgraded their system since November 2000.

And I'd like to think the reason any

of that money is coming to Philadelphia is because of Chairwoman Tartaglione.

Back in April of 2001, we had the Democratic Congressional Caucus here for election reform. And one of the recommendations that the Chairperson made was that any federal bill or any federal money be made retroactive to November 2000, because that's when the problems came to light.

We had just signed a contract in March of '01. That testimony was April '01. When the bill passed, the bill contained the provision that all the grants be made retroactive.

So we were able to qualify for all the money, even though we had signed a contract for our machines well before the bill passed.

There is another six... I guess about $6,500,000 that is allocated for another partial reimbursement that we spent on the machines. So I guess total there's been $12 million. The City will be reimbursed either to the capital fund or the capital fund or the General Fund, depending on where it goes.

COUNCIL PRESIDENT VERNA: Is that included in the $17 million?

MR. LEE: That's out of that pot of a total of 20 million.

The issue is that we cannot reimburse the City Treasury for any of those funds until we complete the upgrade because the funds are contingent upon the county having a HAVA compliant machine.

Our machine won't be compliant until we put the audio device on. And hopefully there won't be any new mandates in the '05 items.

We expect to start putting that audio device on the machines... We hope to start that the weekend after July 4th this summer, and we hope to finish that by the second week of September.

And we hope that in November that we will have that device on the machines. So, which means once they are declared HAVA compliant, it would free up the $5.3 million and also the $6.9 million for reimbursement to the City.

All the money, when it comes down from the Department of State, has to be deposited in a totally segregated bank account named the Philadelphia County Election Fund.

Any disbursement of funds outside of that account has to be made in accordance with a Philadelphia County plan that was submitted by the City Commissioner's Office to the Department State. It was submitted January 31st. And it was sent back with some minor corrections, and it will be going back up there next week.

But the 12 million is specifically geared as a reimbursement. We cannot use that money for any other election issues. It was for voting machine procurement only. So once we get the upgrade done, then the City will get that reimbursement.

COUNCIL PRESIDENT VERNA: Thank you.

Commissioner, on the last page of your testimony you state, additional funding is necessary to support innovations and increasing costs of services related to the election process.

Will you please explain the statement. And if you're examining additional funds, if so, in what amounts?

MR. LEE: There are a couple issues that confront us in the near term future. HAVA also requires, beginning January 1 of 2006, that Philadelphia use the state SURE system as its official files of registered voters.

COUNCIL PRESIDENT VERNA: I'm sorry. That Philadelphia use?

MR. LEE: The statewide uniform registry of electors. It's a computer system that maintains a database of voters in Harrisburg, that is operated and the work is processed in the counties and by the county work crews. And it all goes up to Harrisburg, and that's where the files will reside.

The City Commissioners, according to law, will no longer have our own voter registration system. We will be forced on to the state system. It's a federal requirement and a state requirement.

The problem is, is when they passed the law -- and this is a key element for all voters, beginning in January 1 of '06.

We distributed forms that require you put your driver's license number, or your last four digits of your Social Security number on there.

As soon as we are connected to SURE, we are required to hit a key on our computer terminal. That will send your information to the Department of Motor Vehicles, and it will try to do a verification of the driver's license number.

If that number that you put on the application, as we key it, does not match what's on record with PennDOT, we have to reject your application to register to vote.

So, it's an added step for us on every application we get. We not only have to check that. We have to check statewide the entire database, to make sure that every applicant is not registered in another county.

If they are registered, then we have to notify that county electronically to cancel the record in the prior county.

We also have to do a manual process to... It's a computer assistive but partially manual operator intervention to assign you to a precinct.

Whereas now we just key in your information, we go home and go to bed at night, the computer assigns you to a precinct. It does it uniformly throughout the City.

Well, we get a list on the screen, and then we got to hit another key that then makes you -- assigns you by address to the right precinct.

A lot of these tasks that now require additional manual steps will be additional work alone. The problem is the SURE system doesn't work very well.

The contract called for a three-second response time, whenever you hit a key and do one of those steps.

When we first practiced on it, it was a six-minute response time. And lock-out time. I went and got coffee down on the ground floor, come back five flights on the elevator, and I was still looking at an hourglass.

The state has since gotten it down between 17 seconds and a minute per hit. And there's five different transactions on every application. So if it takes five minutes to do one application, it's going to take longer.

They think they're going to have it ready for Philadelphia before November. I'll believe it when I see it. By law we're supposed to be on there by January 1.

So that extra work and the fact that we're using a system that requires you to do a lot of extra steps to communicate with a database 200 miles away, and being at the control of the people that run that database as far as entering our work and approving the applications means that we're going to require more personnel to do this.

At the present time, I really took a look at the steps. And I figure it's going to take about 20 more permanent employees to be keying in the work that we have to enter registration applications.

Between May -- I'm sorry. Between April of 2004 and October of 2004, we received 252,000 applications. That's 25 percent of the number of people that were registered in the City.

So, one-quarter of the people turned in a piece of paper that we had to process. And we had to enter that, we had to scan it, get their signature in there, and make sure they were printed in poll books so they can put it in for election day.

We were a lot more successful using our system, getting done, than some other counties were getting done using SURE. So, that's the biggest cost that we expect to come down the line.

The other thing is, if there's any increase or any change in the voting system standards that requires more modifications to the voting system. That's an unknown right now.

There are groups that are asking that the voting machines have a voter verifiable paper audit trail, so that when a voter votes, they not only can look at the lights and see what selection is going to be made, but it would print a piece of paper they could verify it on.

That would cost us another $5 million, and we may not even be able to adapt our machines to do it. It's not required by HAVA. We're opposing it. We think it's just going to cause a logjam in the polling places, and cause further confusion.

And we know it's not necessary because we adequately test our machines. And whatever we put in there on test up to 400 votes is what comes out on that tape. We've had no issues at all with the accuracy of these machines.

But if there's a change in the standards, it could mean another $5 million expenditure, $1.3 million of which I have sitting aside in here in a reserve. The other won't be there.

COUNCIL PRESIDENT VERNA: Other than your telling us about this new program that will be instituted, and you mentioned about a driver's license, and if the number is wrong then that person cannot, in fact, be registered, I'm very curious. How do you determine if one person registers in three different locations? How do you determine that it's the one and the same person? You know, if it's the same date of birth, it's the same name. Do you catch that?

MR. LEE: If it's the same birth date and the same name, we have the record. And during the middle of the night the computer does the matching. And it deletes it within 48 hours.

It's a computerized process. We don't have to do anything. And that's the way it's run in the City probably for about 20 years.

Now, with SURE you hit the F6 key,

and it will bring back a list of names, one of which will be highlighted as a potential match. And you have to look at that screen and pick out which one is the match and get it out. So that automatic process in Philadelphia is no longer automatic under SURE.

Currently, if your name is different or your date of birth is different, we run systematic programs periodically, probably twice a year. And we just finished -- Well, we're halfway through one right now.

We just deleted 62,000 duplicate records in the system. And what we'll do is, we'll run a computer match, same last name, same date of birth, same address, forget the first name.

You got to be careful. You come up with a lot of twins. Or we'll run same first name, same date of birth, same address. Forget the last name. We catch a lot of marriages that way.

So, we do have processes and programs that we run. They all require operator intervention, but our people want to make sure, by looking at the signature, they are a duplicate before they delete a record. But we do have processes that do that.

COMMISSIONER TARTAGLIONE: Just picture this. There's 67 counties in the State of Pennsylvania, 67 counties going into one system.

Now, these little counties love it. They get 1200 voters in the county, but you take Philadelphia, you take Pittsburgh, you take Cumberland County, you take... It's going to be a nightmare. It's going to be a nightmare.

But the federal government put this in. It's law. It's law, plus the state puts in laws. It becomes law, and we're mandated to do it.

They don't come and ask, is this system going to work, how to do, pay for it. It's getting worse every year. It's getting worse.

COUNCIL PRESIDENT VERNA: Mr. Lee, I understood you to say that you would need at least 20 employees to actually implement this new system. Are they full-time, part-time employees?

MR. LEE: Don't know yet, but depending on how the system is set up -- I'm not sure. It's going to need 20 more people.

COUNCIL PRESIDENT VERNA: We won't know that until when? January? December?

MR. LEE: Maybe a little bit after that, once we get rolling on the thing in some kind of production mode.

We were on it in a practice mode, but we were told by the Department of State that that practice mode was... it wasn't as robust as the real one, so we really couldn't judge the value of the system. So, I really couldn't judge what kind of activity we're going to have on the system.

I figure the first couple months on the system, running through testing the system and trying to force a lot of work through there, we'd have a better idea.

COMMISSIONER TARTAGLIONE: Well, I told at a meeting, and other Commissioners and Mr. Lee agreed, that if the system isn't up and it's not going to help our system, we're going to go to Federal Court. We're not going to put anything into order if it doesn't work. My employees have been going to these meetings and complaining since 2002?

MR. LEE: Early 2001.

COMMISSIONER TARTAGLIONE: Early 2001, telling them what's wrong, why it won't work. The other counties are finally joining in with Philadelphia saying, this system is not going to work.

And the answer you get, this is HAVA law. You have to do it.

Well, I hope there's enough money for our lawyers when we go to court. Not going to implement a system that's not going to work.

COUNCIL PRESIDENT VERNA: Understood.

The Chair recognizes Councilwoman Blackwell.

COUNCILWOMAN BLACKWELL: Thank you, Madam President.

I certainly wanted to thank this department for all that they do. We realize there's a lot to be done, and this time of year it's especially busy. But you've always been great, and we thank you.

* Thank you, Commissioners.

Thank you, Madam President.

COUNCIL PRESIDENT VERNA: I know that you have to meet with the Finance Department to go over your budget.

Was all of this explained to them, so that...

MR. LEE: Yeah.

COUNCIL PRESIDENT VERNA: You really have to. You don't have any alternative but to have to hire 20 people.

Where's that money going to come from, if it's not in your budget? Is this something that you have worked out with Finance?

MR. LEE: I've talked to them, and they're aware of my thoughts on what it's going to take to do that. We've been working with an individual there on setting up the grants account, and things like that, so that there's a special account for it.

And I also mentioned about when SURE comes down, there's a good possibility that it could take up to 20 additional employees sitting there keying in work.

COUNCIL PRESIDENT VERNA: Even if you go to court, until the court decides and renders a decision, you're going to probably have to implement this process.

COMMISSIONER TARTAGLIONE: Not really.

COUNCIL PRESIDENT VERNA: Not really?

COMMISSIONER TARTAGLIONE: No.

COUNCIL PRESIDENT VERNA: Why not? Why not?

COMMISSIONER TARTAGLIONE: We'll scream and holler.

MR. LEE: Well, now, look: If there are eight or ten federal laws that require that you comply and do something, and there's one federal law that requires that you use a system on a specific arbitrary date that has no impact except making it unable to comply with those other eight or ten federal provisions, I think we have a pretty good reasonable argument. At least it will be heard. I don't think... We are connected. The building is wired. I have a few ways to do things. I'd rather...

COUNCIL PRESIDENT VERNA: Good for you. And you don't have to tell us.

MR. LEE: Yeah.

COUNCIL PRESIDENT VERNA: The Chair recognizes Councilwoman Tasco. Councilwoman, would you please speak into the microphone? I'm told that the people on television can't hear you.

COUNCILWOMAN TASCO: Yeah. I just want to be clear on a couple of things here. In your first paragraph you talk about being... You have 95 full-time employees but still short of the 109 positions proposed in FY'01.

But then in the next paragraph it says the department anticipates 101 of the original 109 total proposed positions to be filled this fiscal year.

MR. LEE: Well, the 109 number is a number where we hit our high back in 1991. And we felt that that's the number of employees we need to operate and be able to get our work done yearly.

With people leaving and retiring, we've never hit back at that number again, even though we keep asking to be back at that number. 95 is the current number, I believe.

COMMISSIONER TARTAGLIONE: Yeah.

MR. LEE: And the 101 number is an anticipated number in the near term future, with a couple funded -- couple positions funded on a temporary basis by part of the grant, grant funds for improvement of administration of elections.

They are specifically geared, and their assignments will be geared towards processing provisional ballots, and then the rest of the year they will be specifically geared towards helping us try to locate and secure accessible polling places within the City of Philadelphia.

Another requirement of HAVA is that every polling place in the City be fully accessible by January 1 of '06.

COUNCIL PRESIDENT VERNA: Well, they ought to come in town and find them for us.

MR. LEE: Sorry. You know the job that we have in front of us.

COUNCILWOMAN TASCO: So they'll be permanent positions under the grant program?

MR. LEE: They would be full-time positions. I don't know whether they would be called permanent positions because they're only funded for the duration of the grant.

COUNCILWOMAN TASCO: Oh.

MR. LEE: All of this money has to be spent no later than June 30th of '07 or it gets returned to the department.

COUNCILWOMAN TASCO: Okay. Okay.

MR. LEE: So those few positions that we're talking there may be temporary until, hopefully, the City make pick them up.

COUNCILWOMAN TASCO: Okay. I'd like two of them, please. I need two.

(Laughter.)

COUNCILWOMAN TASCO: Let me just ask you another question. You talk about these... Do you remember the outside mechanics. And you said you thought with the new electronic voting machines we wouldn't need voting machine mechanics. What do they do?

MR. LEE: We do not use outside mechanics in the normal ordinary course of business.

Those outside mechanics are specifically for election day so that we can put a technician in every ward or close to one in every ward.

So, the only time we use the outside mechanics is two days a year, on election day. And however, we did have to bring four in as a result of a court order last year because of them removing Ralph Nader from the ballot at the last minute, and we had to stick his name on the ballots.

And that process started the day we were supposed to be shipping the machines. And it held us up for a while. So we had to bring in four of them.

But since we've been using these machines, the only time we used outside mechanics are on election day, and that's to give us the City wide coverage of technicians.

The City... We don't have enough full-time permanent employees to put a person almost one per ward in the City.

COUNCILWOMAN TASCO: Thank you.

COUNCIL PRESIDENT VERNA: Are there any other questions or comments from members of the committee?

COUNCILWOMAN TASCO: I would just like to say I appreciate all of the information that you give us, in terms of registration and numbers. And it's really very good to have that information when you're conducting an election.

COMMISSIONER TARTAGLIONE: It's going to be eight on the ballot, eight judges for Common Pleas. It just came down from the court. One more. One more has been added.

COUNCIL PRESIDENT VERNA: Oh, they

approved?

COMMISSIONER TARTAGLIONE: Yeah.

COUNCIL PRESIDENT VERNA: Great.

COMMISSIONER TARTAGLIONE: So it's eight CP and three MC.

COUNCIL PRESIDENT VERNA: Okay. I echo the sentiments of my colleague, Councilwoman Tasco. I truly appreciate all the information that you forward to us. It's really very helpful, not only to us but to the committee people. So, I thank all of you. It's very helpful.

COMMISSIONER TARTAGLIONE: Each year it gets harder between Washington passing laws and the state passing, it gets harder and harder.

COUNCILWOMAN TASCO: The City has been fighting the whole notion of unfunded mandates. I don't know if you all are part of the NACO, National Association of Counties. They should really be pushing the Federal government not to do that, I mean, you know, not to pass mandates, an action without providing the dollars. Because they'll do that.

COMMISSIONER TARTAGLIONE: All right. For instance, the state stopped and now you've got to pay to send an application in, the voter registration. The state used to pay that. Now we had to pay. You've got to pay for your absentee ballot to mail an absentee ballot.

COUNCILWOMAN TASCO: Can't be delivered any more either, can they?

(Laughter.)

COUNCIL PRESIDENT VERNA: No hand deliveries.

COMMISSIONER TARTAGLIONE: Thank you.

COUNCIL PRESIDENT VERNA: Thank you. Thank you all very much.

All right. We will now hear from S.E.P.T.A., please.

COUNCIL PRESIDENT VERNA: Thank you so much for your patience.

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

MS. MOORE: Good afternoon, Council

President Verna. I'm Faye Moore, General Manager of the Southeastern Pennsylvania Transportation Authority, commonly referred to as S.E.P.T.A.

MS. NEWKIRK: Jettie Newkirk, Philadelphia representative.

MS. JONES: Frances Jones, government affairs.

COUNCIL PRESIDENT VERNA: Welcome to each of you.

MS. MOORE: In the interest of time, since we have the written testimony, I just want to add a couple of things that did not make the testimony and just reemphasize just a couple points.

First of all, I want to thank you for the opportunity to speak about --

COUNCIL PRESIDENT VERNA: Excuse me.

Please proceed.

MS. MOORE: Okay. Thank you for the opportunity to speak about S.E.P.T.A.'s $59.2 million fiscal year 2006 operating budget request.

In the fall of 2004 S.E.P.T.A.

formulated a contingency plan that included a combination of fare increases, service reductions and employee layoffs.

I'm happy to report that as a result of the flex funding from the Governor of Pennsylvania, we do not have to implement that contingency plan.

On the labor front, S.E.P.T.A. continues to meet with the T.W.U., in an effort to reach a contract agreement with our City Transit Division operators and mechanics.

Acting in the spirit of cooperation, S.E.P.T.A. and the T.W.U. agreed to extend the contract from March 15th to April 15th.

With the date rapidly approaching, we remained guardedly hopefully a settlement can be reached without a service interruption.

As of January 31, 2005, the Affirmative Action Program for the Market Street Elevated Project had the following accomplishments: A total of 39 D.B.E. firms are participating on the project on 56

Operating Budget - 4/6/05

construction subcontract agreements.

The value of those agreements, $57 million. It's approximately 16 percent of the construction dollars. 11 prime contractors and 43 subcontractors have contributed EEO hours on the project.

Minority labor hours represent 28 percent or almost 28 percent, and residential labor hours represent about 10 percent of the construction hours.

Finally, I want to speak about a recent news -- recent news stories that tempted to portray the S.E.P.T.A. system as unsafe.

Once again, our transit police reported another significant decrease in part one crimes, with 109 reports, down from 143 in 2003. This represents a 24 percent decline in crime over last year and an overall decrease of 93 percent since 1969.

I'd like to close by taking the opportunity to thank all of the transit advocates and elected officials who have spoken out on behalf of public transit.

Even in these difficult times, we are pleased with the level of effort that individuals within our service areas contributed to those efforts.

I look forward to working with you, President Verna, Councilman Nutter, Chair of the Transportation and Public Utilities Committee, and other members of Council on issues of importance to Philadelphia and to S.E.P.T.A.

And that will end my brief comments, and we are ready for your questions.

COUNCIL PRESIDENT VERNA: Fine. Thank you very much.

The Chair recognizes Councilwoman Blackwell.

COUNCILWOMAN BLACKWELL: Thank you, Madam President.

I don't know how many people are here today with regard to the Market Street El Redevelopment Project.

As you know, Madam President, we asked them to come prepared to respond to some of the issues; and, in fact, earlier today did hand during our hearings Miss Jones a copy of our questions. So, we only have a few that they do not have.

And certainly we want to thank the businesses who are here representing the retail area, South 52nd Street, north to 60th Street, and the 52, 5800, 5900, 6000 and 6100 blocks of Market Streets.

Ralph Bristol, Big Ralph Beauty Salon at 5128 Market Street. If they're here, I hope they will stand and be recognized.

Denise Garris, Garris Fabrics and Fashion, 44 South 60th Street. Many of them had to leave and go back to keep their businesses open for the little time they are.

Robert Ellis, Ellis' Christian Hair Stylists, 19 North 60th Street.

Donna Sterling, Granny's Mini Market, 6239 Market Street.

Jerry Jordan, Jerry Jordan's Restaurant, 5211 Market Street.

Jackie Willis, Wilcrest Products, 6011-13 Market Street.

Operating Budget - 4/6/05

Walter Anderson, Andy's Auto, 5817 Market Street.

Donald Perry, Stuttin Lightly, 39 North 52nd.

Marvin Brewington, Marvin's Barber Shop, 44 North 60th Street.

John Claude St. Germain, National Eye Glasses, 49 North 52nd Street.

Kenneth Shapiro, Gar-Mor, Inc., 37 South 52nd Street.

Sang R. Lee, Philly Style, 14 North 60th Street.

Lossie Dennis, Lossie Beauty Salon, 5904 Market Street.

And Cleveland English, 6128 Market Street.

So, we will make this list available to the stenographer. We thank you. We thank all of those who are here who took time off from businesses.

As you know, Madam President, this has been such a problem for us. We also have State Representative Thomas Blackwell, who is here, who came to support us, who's been supporting the businesses, and who is in the midst of setting up hearings on a state level to deal with this.

Maybe my first question should be for them to again state what their budget is, City, state and Federal, and certainly what they get, not only from Philadelphia but from the counties. We know they have Montgomery, Bucks... Montgomery County, Bucks County, Delaware County, et cetera.

MS. MOORE: I'm going to ask the financial officer to...

COUNCILWOMAN BLACKWELL: Thank you.

COUNCIL PRESIDENT VERNA: Please identify yourself for the record.

MR. CASEY: Good afternoon. My name is Joseph Casey. I'm the Chief Financial Officer for S.E.P.T.A.

Our total operating budget is approximately $920 million for the current fiscal year. As far as subsidies, the vast majority of subsidies are received from the state.

Breaking it down, I'll first start

with local. Approximately $65 million is local subsidies. The vast majority of that is from the City of Philadelphia, approximately 81 percent.

State operating is approximately $220 million. And the balance from the proposal is $31 million. Of course, we're receiving additional flex funds from the Governor which basically is federal operating subsidy.

COUNCILWOMAN BLACKWELL: So you're saying your total budget is some 700 --

MR. CASEY: $920 million.

COUNCILWOMAN BLACKWELL: All right.

Our understanding is that 90 trolley runs have been eliminated, which amount to -- from weekend runs. Ten minutes on Saturday were the old waiting times. They're 15 or 16 minutes now.

And for Sunday people had to wait 15 minutes. Now they have to wait 20 minutes, but that this amounts to 90 trolley runs that have been eliminated on weekend times. Is that correct?

MR. CASEY: I don't have those exact numbers, but I believe that's approximately correct. Those changes were instituted, I believe, in February.

COUNCILWOMAN BLACKWELL: And I also understand that the members of the community were not -- that this wasn't -- this information was not released to members of the community.

They heard that there would be a reduction here and there, but people were not told that all of these runs would be eliminated; is that correct?

MR. CASEY: There were no public hearings held for these service adjustments.

COUNCILWOMAN BLACKWELL: So, I note for the record, that that's most unfair. 90 runs eliminated, with no public hearings. And people have to have -- We have the highest fare in the nation.

COUNCIL PRESIDENT VERNA: And no public notice?

COUNCILWOMAN BLACKWELL: So we again note that that's very, very, very unfair.

Operating Budget - 4/6/05

MR. CASEY: When we go through -- This is typical when we assess the service out there, and what we found.

And again, these routes were not adjusted during the week. They were primarily weekend adjustments.

When we looked at it, we had a lot more service out there than we needed. A lot of the trolleys were running half to one-third empty.

So, we looked at the routes. And we determined that if we increased the head-ways we can effectively provide adequate service out there, and we'd have minimum inconvenience to the riders out there.

As a matter of fact, we received very few customer complaints after these adjustments were made.

COUNCILWOMAN BLACKWELL: Well, I don't know that that's true. And I don't know that customers did know. You know, when people don't know what you're doing... Everybody wants a S.E.P.T.A. system because people need their transportation.

But certainly to have these cutbacks and no hearing, no notification, is absolutely unfair and unconscionable.

Let me ask you specifically about the Angorra station. We're hoping that this will not be closed. As you know, we've been going through this, Miss Moore, for quite some time.

And we hope that you will continue, and that the S.E.P.T.A. system will continue to work with us with regard to the Angorra station.

Currently -- In fact, there's a tour tomorrow. We're partnering with Delaware County to bring reinvestment to Baltimore Pike from Lansdowne to Angorra/Cobbs Creek neighborhood.

And the restoration of this Angorra station is a major factor. Do you have any information that you can give us with regard to Angorra station?

MS. MOORE: Angorra station was indeed approved by the board for elimination or termination.

We had tried several years of marketing, and even after two years of marketing, the boardings at Angorra actually decreased, as opposed to increased.

It is currently still open. We are keeping it open now in anticipation -- in the event we might need it for some alternate service.

So to the degree there are some economic development initiatives that might increase that ridership, we definitely need to know about those.

COUNCILWOMAN BLACKWELL: Absolutely. As I said, there's a tour tomorrow through the whole area. We are partnering with those in that area. And Yeadon, Lansdowne, and those counties. So we hope that you will keep that in mind.

With regard to the issues on the Market Street project, businesses -- and I read the names of those who were here -- they are still complaining about not receiving adequate notice about intersection closures.

As you know, we get flyers

sometimes; sometimes we don't. We're asking if you are advertising in local papers and in neighborhood papers -- and albeit I've been at meetings where -- where folks say notices are given out and well in advance, but in reality it's just not happening.

And I say to my colleagues who are listening or who are here that this Market Street El Project, one of the myriad problems is that they open and they close.

And so, as soon as businesses are used to people getting access, they close again to do more work. And then they open again. And then we keep going through this year in and year out. That's one of the issues.

So we really, really...

Notification becomes paramount. So we would ask you to respond to that, because we get flyers sometimes. Right now I have pretty little green flyers; but, you know, sometimes there are and sometimes they're pink, but we don't get them regularly. And we don't get them in line with the project and with the time line.

MS. JONES: Frances Jones, Government Affairs.

When we are given the appropriate notice and we get the appropriate notice, we make every effort, Councilwoman, to get the flyers out.

And in some instances we do alert first and then, as we get more specific information, we do do flyering in the business area and in the residential area about the closures.

When we do, again, if there is enough time for us, we will advertise in the local newspapers -- and we're making a greater effort to do that in the papers that do circulate in the West Philadelphia area.

But we'll -- We will make a concerted effort to flyer more intensely when we have the information about the street closures.

COUNCILWOMAN BLACKWELL: What year did this project start?

MS. JONES: The actual construction

started in 1998.

COUNCILWOMAN BLACKWELL: So, Madam President, it started in 1998. And we still can't figure out -- S.E.P.T.A. still can't figure out how to give notification to effective people. It's just unconscionable.

Having said that, PKF is a company -- we've talked about this before in Council -- that worked -- that had two contracts on the Market Street Elevated Reconstruction Project.

They were fired from one that goes from Cobbs Creek to Millbourne because they were such a shoddy company, doing such terrible work in every way, how they treat people, in every way.

And now we understand -- And now that there's still -- They had two contracts, one that goes from 46th Street to Cobbs Creek. We would like to know what the status of this project is, this company.

And we find it unconscionable that S.E.P.T.A. would find them so horrendous that they've fired them from one part of the project but keep them for the other part.

Madam President, as we said before, we've had to do everything from ask S.E.P.T.A. TO HAVE a company HIRE porta-toilets when workmen were urinating on lawns, to keeping trash, to not picking up trash, to not cleaning. Anything that one can imagine we've had to go through.

And to say that this project began in 1998 -- and thank God we have our state rep Thomas Blackwell who I'm sorry he can't speak today. The President says we got to wait until our public hearing part.

But we want everyone to know he's here, and the businesses to know that they're setting up public hearings as part of his role in the Harrisburg delegation.

But I really want to hear your response with regard to PKF as a company, working and continuing to disrespect the residents and businesses in West Philadelphia.

MS. MOORE: Part of the benefits and the pleasures of receiving Federal money is a entire host of rules and regulations that we have to follow.

The PKF enterprise did indeed have two contracts. They were bid on separately. At the point in time the second contract was awarded, we were not experiencing some of the same problems that we ultimately experienced with PKF. We saw no basis to prevent them from bidding on that contract.

PKF concerns us, as it concerns everyone else. And we are continuing to pay very close attention to details about PKF. But at this point in time, the second contract does not warrant a termination of PKF.

COUNCILWOMAN BLACKWELL: It's unbelievable, Madam President. S.E.P.T.A. by its own admission has talked about how poorly a performance company this is, but yet they can keep them on two-thirds of a project but fire them on the other part. It's so disrespectful. It's so unconscionable that people have to live with this. And I tell you, this project started in '98. I hope I won't be retired by the time it's finished. When is it due to be completed?

MS. MOORE: 2008.

COUNCILWOMAN BLACKWELL: 2008 which is the original -- The original date was what, '06 or was it always '08?

MS. MOORE: Yes, 2006.

COUNCILWOMAN BLACKWELL: 2006. We're up to 2008. And I note again that in the Cobbs Creek area, no one is working, and therefore, I don't know how they keep to the same deadline when nobody's even working on the project.

When will that begin again? What is the status of that contract for Cobbs Creek area?

MS. MOORE: Work on Cobbs creek continues. Part of what we had to do was, I guess what I'll call simply site protection. So we had to get an interim contractor in there. Ended up being Driscoll, where we protected the site and did certain work.

We are in the middle of going out for a bid or contract for what we call an interim contract, and that will complete the caissons, the foundation, the utilities along that corridor.

COUNCILWOMAN BLACKWELL: How many businesses have received technical assistance?

MS. MOORE: That we'd have to get back in touch with you.

COUNCILWOMAN BLACKWELL: Well, I'm not surprised. these businesses have been suffering since 1998. I'm not surprised that we don't know how many businesses that they are.

We would like to know what kind of assistance they receive and how it was identified.

MS. JONES: Councilwoman, the businesses have received one-on-one technical assistance, where we have -- where our mitigation and our business development consultants have gone to individual businesses door to door.

In addition, probably once a quarter, there is a technical assistance workshop, where we bring businesses in and provide technical assistance in a group setting, based upon the area of the service or based upon whatever the business is.

We try to group them according to the type of business so that -- so that there is -- so there is -- there is consistency in the information and everybody benefits from the time spent.

COUNCILWOMAN BLACKWELL: That sounds fine. But, you know, it would be nice to see and it have it documented so that they can know what assistance they receive and we can know. And we won't have these these kinds of questions.

I mean, during various work segments residents and business owners have incurred many extra costs, due to damage from unexpected utility outages. Al Fogus (phonetic) is one company.

What does S.E.P.T.A. plan to do to compensate people for utility problems that happen as a result of the work? Will you compensate these businesses in that regard for their utility costs? Will you compensate them for damages to their business? Will you compensate them for the cleaning costs that they have to incur? Would you respond in those three areas?

MS. MOORE: The general answer is, we cannot reimburse businesses during this stage.

To the degree businesses believe that an action taken or caused by the construction efforts, they should file a claimed, and our outside insurance company will follow up.

COUNCILWOMAN BLACKWELL: We have a retention grant program. And we are in need of $60,000 to complete the 2005 S.E.P.T.A. business retention grant program.

Will S.E.P.T.A. be able to help supplement us with these funds? I know what the answer will be, but we want to get on the record that we are always fighting for our businesses, and that when -- You know, it's not personal. And we know that you folks don't like it when we ask all these questions, but I don't know what you expect us to do.

Madam President, they said for all of the -- they're getting ready to put big major equipment out there, to put these big pillars in the middle.

We've already told there could be -- I don't know if people are going to have to be relocated, residences, as well as businesses.

People have already had problems with cleanliness. They've had to hire with all kinds of problems with utility shut-offs. And we're told that they have to file a -- they have to file a claim with their company.

So, no matter what happens... That they have to file claims. They can't -- That S.E.P.T.A. doesn't. How can you have a project that runs this long and not have allowances for cleaning?

We even have a CDC that we've asked to try to have them hire to keep the area clean every day. Can you imagine what it's like with drilling, and the amount of dirt and grime and dust that people have to endure? They say, people have to file claims.

COUNCIL PRESIDENT VERNA: Is S.E.P.T.A. coming up with a plan to address the issues that Councilwoman Blackwell has expressed?

MS. MOORE: I thought over the course of time that many of these issues were indeed addressed during many of the meetings have occurred.

We made it clear that given the Federal restrictions, we cannot reimburse businesses for business interruption, for income loss and things of those nature.

The only thing we can do is, to the extent the project directly damaged property or something of that nature, there are claim forms that can indeed be filed with our outside insurance company.

Short of that, unfortunately, we do not have the capability to provide business interruption or continuation of income for businesses.

COUNCILWOMAN BLACKWELL: Madam President, we also note that we've been having regular meetings. We had a meeting with... We had a meeting with the head of the S.E.P.T.A. board, many of the board members who are here, Jettie Newkirk and others, Congressman Brady, Congressman Fattah, Pat Deon, the State Representative, several State Representatives, several Senators.

We're doing everything we can. They have likewise been appalled. In fact, Congressman Brady even called. You know, these same people who have no place to park, and people who -- and people from residents to businesses were getting ticketed regularly.

Thank God, Congressman Brady made a call and tried to help us with that. We've even had problems with people getting traffic tickets. I mean, people -- You know, it's like somebody's decided to make them victims and harass them in every way.

Can you imagine after going through

all this to get tickets every day in front of your house? And you're already a business or a resident? It's just -- It's just quite unbelievable.

Another issue we're asking about is businesses in the area need tax relief from business and property taxes. How can S.E.P.T.A. assist us with that?

And we would like to know in general, what are you doing to advocate for business relief?

MS. MOORE: It was our understanding that someone other than S.E.P.T.A. was approaching individuals for the possibility of tax relief.

We're experiencing tax problems ourselves. So it's a little hard for us to advocate tax relief. So, we don't specifically have a plan for...

MS. NEWKIRK: It was my understanding that these were the kinds of issues that were at least being discussed and hopefully resolved in the meetings that Councilwoman Blackwell has been hosting, along with State Representative Dwight Evans, and Mr. Blackwell also.

So, if that is not the case, then I guess I am out on left field also. But I thought these were the very issues that we were trying to address in those meetings, in that S.E.P.T.A. does not have any capacity or money to address these kinds of issues.

We certainly are participating in the meetings. I cannot tell how much time I intent in S.E.P.T.A. meetings, where we go over these issues.

And hopefully, with the added meetings of the State Representatives, we'll be able to get some issues, since they are, as I understand it or at least I thought I understood it, seeking some funds to address these issues with.

COUNCILWOMAN BLACKWELL: Let me note that we really thank Representative Dwight Evans. He's tried to help pull us together. We've contacted him as Appropriations Chair.

We have had meetings, as we mentioned, with Congressman Brady and Fattah.

We have had meetings with Representative Tommie Blackwell, Pat Deon, head of the board, other members of the board. Jettie Newkirk, you've been there.

Representative Louise Williams. Our colleague, Councilman Nutter, who shares some part of it on the other side of Market Street. State Senator Tony Williams, State Representative Ron Waters.

All of us have met. And we have been trying for years to get some help. And I do believe that they hear us.

We also met with the representative whose name I don't remember who represents the Upper Darby area, the area from 63rd Street to Millbourne.

So, we have... And we're very, very grateful to all of those who have been involved. We have met with them. And they are looking at it. And it's very, very sad that, aside from us coming up with a plan, there certainly appears to be none.

Let me ask what the status of a cleaning contract is, cleaning the strip.

MS. MOORE: As you might be aware, there was a major undertaking of cleaning, I guess within the last three weeks, where we did a one-time major heavy duty cleanup, where we actually trucked away in excess of six trucks of combination tires and baby carriages, and things of that nature. So, that was the big, heavy duty one.

There is also a contract where we are doing cleaning, and that should be on my desk within the next week.

COUNCILWOMAN BLACKWELL: As you know --

MS. MOORE: That's university.

COUNCILWOMAN BLACKWELL: As you know, Madam President, we have continued to ask for regular cleaning. When we complain to the degree that the sky is falling, then we get a one-time cleanup.

It's big like this from the beginning of this project. While that's better than not having it -- and we appreciate that -- it's just not adequate to have people wonder when they will get relief, and not have a regular cleaning schedule.

And that is why so many people say, it wouldn't happen in other neighborhoods but it happens in ours.

Has S.E.P.T.A. done evaluation, with regard to disabled riders, and how they are surviving? As you know, we have continued to complain about the area of Chestnut, Market to Arch being closed up.

And when big intersections happens, and when it rains, when there are puddles, et cetera, how people who are not disabled can get across the street.

And we'd like to know, have you done an evaluation survey with regard to the disabled riders who use the system?

MS. MOORE: We have an association with the A.D.A., the disabled community, where there are monthly meetings held within our -- within 1234.

To date nothing has come to my attention that they have specific concerns, but I will ask specifically our para transit unit when they get back to see.

But usually concerns, major concerns with the disabled community, bubble to my attention. And to date I have gotten no complaints.

MS. JONES: Councilwoman, we do have the circular -- the Circulator, the Route 31-S, that operates within the project area, because there were concerns expressed very early on about seniors that were unable to mount the steps at the 60th Street station. And so, that Circulator is available, is running, and is accessible to the disabled.

COUNCILWOMAN BLACKWELL: As you know, we have several senior citizen homes along that route, and they are a special community to us who need help.

The last area that I would like to bring up to today is the area of the lots, blacktopping lots, paving lots, putting the lines there for parking, as part of our overall agreement and S.E.P.T.A.'s commitment to the residents of the City of Philadelphia.

And what we would -- what we also are talking about and requesting is an interim strategy that deals with time frames as to what we're doing, and when -- until all of this is completed.

And as you know, we've heard that you have issues, in terms of getting it done immediately, as always. There's always -- Representative, always another issue.

The lots were supposed to be done. And now we're having problems with the time line and going out on bids, and all that sort of thing.

So, we want to know where you are with that whole issue and your commitment for getting it done.

And we will say that we have been in constant communication with our Public Property Commissioner who's working hand in hand with us, to do everything that she can in this regard.

MS. MOORE: Our commitment for parking lots continues. That has not wavered. We see the need for parking lots, and we are fully supportive of that initiative.

I do believe we have to -- and actually interjected this morning -- our City lawyers and our S.E.P.T.A. lawyers have different interpretations of what the parking lots should look like.

And we just want to make sure that everybody understands that what we're proposing will continue to be a blacktop. So when we say paving and lighting and fencing, we mean just that.

But I think there are some different interpretations of what a blacktop entails. We just want to make sure that everybody understands what that means.

COUNCILWOMAN BLACKWELL: Blacktop meant paving. It meant -- We had this agreement. That was your commitment to the community. It meant paving and even lining the parking areas so that cars can park.

We talked about fencing as well, and lighting. That commitment was on the table. We're only saying that given the -- given the fact that S.E.P.T.A. again said they needed time, that this commitment is in place until and before the lots are transferred. That was S.E.P.T.A.'s commitment.

MS. MOORE: The commitment continues for parking lots. It still continues to be paving, fencing and lighting.

If there is something that we need to do quickly -- and it's my understanding we all in the interest of helping the neighborhood and reducing some of the confusion, it was my understanding that we wanted to move as quickly as possible.

To do some of the more permanent items would indeed consume more time. So, we indeed do need some interim. And so we will send again what we have presented to the City I think the first part of March.

COUNCILWOMAN BLACKWELL: Thank you, Madam President.

And we know this is an overall issue with the S.E.P.T.A. budget. However, as you know, a few years ago, the City Council saw fit to be involved in this issue, such that we have to approve in a line item. We have to approve their budget, not just the administration.

So, we really always want to put on the record what is happening because, as you see, the communities -- You know, we have people, Madam President, who had many employees, who have had a hundred employees, who have had 25 employees who are down to none.

We've had people who have had their businesses for 40 and 50 years who have had to go out and get jobs. We've had people who have had to close down, people who are open half a day.

You know, it's just unbelievable that people live in a City and live in this country, and have to be victimized and victimized by a company that says it wants to help improve the community.

It's really, really unbelievable. And I'm frightened all the time because they're saying that the heavy work has not yet begun.

And I don't know what's going to happen to those residential houses or businesses when they pull in this major equipment that I understand is not there yet.

And so much we learn just through rumor and through other people in the business who know about this kind of thing who tell us what to expect.

We accept that we know that they -- this is the -- that even in Frankford they did improvement, but they didn't put a whole new system in.

But that's no excuse for professionals not doing a professional job, respecting the community, respecting businesses, who have been there long before many of us were even born.

It's just not fair to make people victims of, quote unquote, S.E.P.T.A. improvement.

(Applause.)

COUNCIL PRESIDENT VERNA: Why is this project taking so long?

MS. MOORE: The project starts at 46th and Market and goes all the way to Millbourne. So, you're talking about in excess of 17 blocks.

You're also talking about instead of the double column that exists there now, you're making it one column, which means you have to relocate all the foundations, the utilities, the duct banks, et cetera. So, it requires a massive undertaking to shift all those items.

COUNCIL PRESIDENT VERNA: How many blocks have been completed?

MS. MOORE: I'm sorry?

COUNCIL PRESIDENT VERNA: How many blocks have been completed?

MS. MOORE: Well, you have to do them in stages. You have to first relocate the foundations -- the utilities, the duct banks. So, that's a heavy -- a lot of underground work that had to be done.

That item will be completed probably sometime this month. They're in the final stages of that one.

The next thing that you have to do is the gad way, which is the... I guess the track that they all would run on. That's totally being replaced, and you also then have to do stations. And you have about five stations.

COUNCIL PRESIDENT VERNA: I'm sorry. You did say that this project started in '98?

MS. MOORE: Right.

COUNCIL PRESIDENT VERNA: Is it taking all of this --

MS. MOORE: It included design. It also included what we call the signaling system. You also have to -- I should have gone back one. So, we also have to do an automatic signaling system, so that the el can be run and the signals -- signaling done by this system. So, that was one item even ahead of the foundation work that had to get done.

COUNCILWOMAN BLACKWELL: Madam President, if we had it to do again, I would never recommend that this project happen; that we do repairs and refurbishing. But we would never recommend that people be victimized the way this community has been victimized by this project.

I don't understand how -- It's terrible. People know. I don't understand how we can have so many people who plan a project, who work at a project, and professional people. We're not talking about student volunteers. We're talking about people who get paid well for all of this.

And still it continues to exacerbate people who live and work and visit the community. It's really, really... It's just so unbelievable. It's overwhelming, and it's absolutely the worst project in all my years in politics that I've ever been involved in.

(Applause.)

COUNCILWOMAN BLACKWELL: Thank you, Madam President.

COUNCIL PRESIDENT VERNA: You're welcome.

The Chair recognizes Councilwoman Brown.

COUNCILWOMAN BROWN: Thank you, Madam President.

Good afternoon, ladies. You described in some detail all of what will happen with regards to the building of this mammoth structure down Market Street, while at the same time having to deal with and reckon with budget cuts that ultimately impact services.

Just briefly brief us, if you would, on what is happening with Southwest Philadelphia and the trolley -- trolley -- the number of times that a trolley runs out Southwest Philadelphia. Has that been impacted by the reductions in service that you've had to consider?

MS. MOORE: I guess I want to just make some clarification.

COUNCILWOMAN BROWN: Please.

MS. MOORE: Just to make sure.

Any service reductions that we propose, as what we call the contingency plan.

COUNCILWOMAN BROWN: Contingency...

MS. MOORE: Yes. This would have been where we proposed a 25 percent fare increase, 20 percent service cut reduction and associated layoffs.

Operating Budget - 4/6/05

COUNCILWOMAN BROWN: Okay.

MS. MOORE: None of that will get done. With the Governor's flexing of funds, all of that will indeed be taken off the table.

As a staff, we have to formally make that recommendation to the board, and we are proposing to do that when we run the 2006 budget operating budget.

COUNCILWOMAN BROWN: That's scheduled to happen when?

MS. MOORE: If all goes well, we hope to get it to the board in June.

COUNCILWOMAN BROWN: Oh. Okay, then. All right. Well, thank you for that clarification. Thank you very much.

COUNCIL PRESIDENT VERNA: Thank you.

If there are no other questions or comments from members of the committee...

(No response.)

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

MS. MOORE: Thank you.

COUNCIL PRESIDENT VERNA: This will

conclude our public hearings for today. The committee will stand in recess until Tuesday, April 12th, at 10:00 a.m.

Thank you all very much.

(Public hearing concluded at 5:30 p.m.)

CERTIFICATE

I HEREBY CERTIFY that the proceedings and evidence are contained fully and accurately in the stenographic notes taken by me upon the public hearing of The Philadelphia City Council, taken on April 6, 2005, and that this is a true and correct transcript of same.

____

DAVID A. DEIK, RPR and
Commissioner of Deeds

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