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2 COUNCIL OF THE CITY OF PHILADELPHIA

3 STATED MEETING AND BUDGET ADDRESS

4 - - -

5 Room 400, City Hall
6 Philadelphia, Pennsylvania
7 Thursday, March 19, 2009
8 10:00 a.m.

9 - - -

10

11

PRESENT:

12 COUNCIL PRESIDENT ANNA C. VERNA
13 COUNCILWOMAN JANNIE BLACKWELL
14 COUNCILMAN DARRELL L. CLARKE
15 COUNCILMAN FRANK DiCICCO
16 COUNCILMAN W. WILSON GOODE, JR.
17 COUNCILMAN BILL GREEN
18 COUNCILMAN WILLIAM GREENLEE
19 COUNCILMAN CURTIS JONES, JR.
20 COUNCILMAN JACK KELLY
21 COUNCILMAN JAMES F. KENNEY
22 COUNCILWOMAN JOAN L. KRAJEWSKI
23 COUNCILMAN BRIAN J. O'NEILL
24 COUNCILWOMAN MARIA QUINONES-SANCHEZ
25 COUNCILWOMAN DONNA REED MILLER
COUNCILWOMAN BLONDELL REYNOLDS BROWN
COUNCILMAN FRANK RIZZO
COUNCILWOMAN MARIAN B. TASCO

19

PATRICIA RAFFERTY, CHIEF CLERK

20

21

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23 V A R A L L O Incorporated
24 Litigation Support Services
Eleven Penn Center
25 1835 Market Street, Suite 600
Philadelphia, Pennsylvania 19103
215.561.2220 215.567.2670

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2 COUNCIL PRESIDENT VERNA: I

3 note that the hour has come and that a

4 quorum of this Council is present.

5 Council will come to order.

6 Members will take their seats, and

7 visitors will retire to the seats outside

8 the rails.

9 To give our invocation this

10 morning, the Chair welcomes Bishop

11 Benjamin Fisher, Pastor of the Greater

12 Bethel Temple. He is here today as the

13 guest of Councilwoman Sanchez.

14 At this time, I would ask all

15 members and guests to please rise.

16 (Members and guests rise.)

17 BISHOP FISHER: Thank you,

18 Madam President.

19 Bow your heads.

20 Father, in the name of your

21 son, Jesus Christ, as we huddle here

22 today and convene at this time in this

23 City Council Chamber, we thank you for

24 another day, and honor you for the

25 privilege of life and service.

1 3/19/09 - STATED - INVOCATION

2 God, we also celebrate this
3 opportunity you have afforded our Mayor
4 and this City Council to once again pass
5 effective legislation, address our needs,
6 respond to our problems, and do good.

7 Lord, we now pray for Mayor
8 Nutter and his cabinet, all the members
9 of City Council and their staff, and the
10 many others who serve in this government
11 and lead the affairs of our city.

12 Father, lift our city and
13 provide for all of our communities and
14 neighborhoods. Your word shares that you
15 would supply all our needs according to
16 your riches and glory. Though we are in
17 the throes of an international recession,
18 Lord, the City of Philadelphia is blessed
19 and refuses to participate.

20 Lord, help us. Lord, help the
21 City of Philadelphia that success and
22 prosperity be in our future, and we will
23 thank you.

24 We ask this prayer in the name
25 of Jesus the Christ.

1 3/19/09 - STATED - APPROVAL OF JOURNAL

2 Amen.

3 (Amen.)

4 COUNCIL PRESIDENT Verna: The

5 Chair thanks Bishop Fisher for his

6 invocation.

7 Council will be at ease.

8 (Council at ease.)

9 COUNCIL PRESIDENT Verna: The

10 next order of business is the approval of

11 the Journal of the meeting of Thursday,

12 March 12, 2009, and the Chair recognizes

13 Councilwoman Tasco.

14 COUNCILWOMAN TASCO: Thank you,

15 Madam President. I move that the Journal

16 of the meeting of Thursday, March 12,

17 2009 stand approved.

18 (Duly seconded.)

19 COUNCIL PRESIDENT Verna: It

20 has been moved and properly seconded that

21 the Journal of the meeting of Thursday,

22 March 12, 2009 stand approved.

23 All in favor will indicate by

24 saying aye.

25 (Aye.)

1 3/19/09 - STATED - LEAVES

2 COUNCIL PRESIDENT VERNA: Those
3 opposed?

4 (No response.)

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

7 The next order of business is
8 requests for leave of absence, and,
9 again, the Chair recognizes Councilwoman
10 Tasco.

11 COUNCILWOMAN TASCO: Thank you,
12 Madam President. On behalf of the
13 majority, there are no requests for leave
14 of absence today.

15 COUNCIL PRESIDENT VERNA: The
16 Chair thanks the Councilwoman.

17 The Chair recognizes Councilman
18 Rizzo.

19 COUNCILMAN RIZZO: Madam
20 President, at this point I have no
21 requests for leave of absence.

22 COUNCIL PRESIDENT VERNA: Thank
23 you.

24 The Chair will dispense with
25 the regular order of business to

1 3/19/09 - STATED - PRESENTATIONS

2 recognize the guests and visitors joining
3 us in Chambers this morning. On behalf
4 of all members of City Council, I welcome
5 you to our Council session. We
6 appreciate your taking the time to join
7 us as we attend to the legislative
8 affairs of our city. We certainly invite
9 you to come again.

10 As has been our practice over
11 the years, we have many distinguished
12 visitors with us today, including elected
13 officials, heads of departments, boards
14 and commissions and many representatives
15 of the Administration. Although I would
16 like to recognize each of you
17 individually, owing to the constraints of
18 time, today I am unable to do so. Please
19 know that we appreciate you being with
20 us. We want to extend a warm welcome and
21 to offer our thanks for the good job you
22 do. We appreciate your presence.

23 At this time, I would ask all
24 of our distinguished guests, elected
25 officials and representatives of the

1 3/19/09 - STATED - PRESENTATIONS

2 Administration to please rise so that we
3 may acknowledge them with a round of
4 applause.

5 Please stand.

6 (Applause.)

7 COUNCIL PRESIDENT Verna: And I
8 see in our midst this morning we have a
9 former Mayor, John Street. If he would
10 stand.

11 Welcome.

12 (Applause.)

13 COUNCIL PRESIDENT Verna: At
14 this time, the Chair recognizes
15 Councilwoman Sanchez, who will present a
16 resolution recognizing the Frankford
17 Chargers. Will Mr. Rasheed Muhammad and
18 those accompanying him please join the
19 Councilwoman at the podium.

20 COUNCILWOMAN SANCHEZ: Thank
21 you, Madam President.

22 For all of my colleagues and
23 folks visiting us, today is my Frankford
24 day. Bishop Fisher, who joins me from
25 Frankford, and now this wonderful group

1 3/19/09 - STATED - PRESENTATIONS

2 of young men who represent some of the
3 best and the brightest and some of the
4 great things that happen in this city
5 every single day.

6 So it's my great pleasure and
7 honor to recognize the Frankford
8 Chargers. Many of you have heard the
9 Gambrel Field received a tremendous
10 makeover about two years ago. This year
11 we finished close to a million-dollar
12 renovation, and we're in the process of a
13 \$1.2 million renovation, making the
14 Gambrel Field where the Chargers call
15 home one of the most premiere
16 recreational facilities in this city.
17 And during this time, as we talk about
18 making tough choices, it is clear that
19 these young men and women who use these
20 facilities need to make sure that we're
21 providing the leadership to allow them
22 the opportunities to reach their
23 potential through their efforts and
24 comradery that is offered through this
25 league.

1 3/19/09 - STATED - PRESENTATIONS

2 The Chargers are an institution
3 in Frankford and have done great work,
4 and I'm very pleased and honored to be
5 able to serve them.

6 So recognizing and honoring the
7 Frankford Chargers on winning the Pop
8 Warner Football 160-pound National
9 Championship.

10 Whereas, the Frankford Chargers
11 compete in the Pop Warner Football League
12 160-pound Division; and

13 Whereas, the Frankford Chargers
14 completed their 2008 season with a
15 perfect record of 15 wins and zero
16 losses;

17 (Applause.)

18 COUNCILWOMAN SANCHEZ: And
19 whereas, the Frankford Chargers earned an
20 entry into the Pop Warner National
21 Championship Tournament in Orlando,
22 Florida; and

23 Whereas, led by head coach
24 Rasheed Muhammad, quarterback David
25 Santoni and running back Hakeem Stillman,

1 3/19/09 - STATED - PRESENTATIONS

2 the Chargers progressed through the
3 tournament and earned a berth in the
4 championship game; and

5 Whereas, on December 13, 2008,
6 the Chargers defeated Oakridge, North
7 Carolina by a score of 37 to 6 and won
8 the Pop Warner's 160-pound Division 1
9 Championship.

10 (Applause.)

11 COUNCILWOMAN SANCHEZ: Now,
12 therefore, be it resolved, that the
13 Philadelphia City Council hereby
14 congratulates and honors the Frankford
15 Chargers and their head coach, Rasheed
16 Muhammad, on this incredible achievement.
17 We honor your impressive accomplishments
18 on the football field and also on the
19 fine work you do in shaping these young
20 men. We wish you success as you defend
21 this championship next season. You have
22 made the City of Philadelphia proud.
23 Congratulations.

24 Further resolved, that an
25 grossed copy be given to the Frankford

1 3/19/09 - STATED - PRESENTATIONS

2 Chargers and head coach Rasheed Muhammad
3 as a sincere expression of City Council's
4 appreciation and gratitude. Signed and
5 co-sponsored by all members of City
6 Council.

7 Congratulations.

8 (Applause.)

9 COUNCIL PRESIDENT Verna: The
10 Chair recognizes Mr. Muhammad for
11 remarks.

12 MR. MUHAMMAD: It was a great
13 ride this year. I definitely want to
14 bring appreciation to my team. They put
15 a lot of work in since day one, and they
16 deserve every bit of this recognition
17 that they get.

18 Thank you.

19 (Applause.)

20 COUNCIL PRESIDENT Verna:
21 Council will be at ease.

22 (Council at ease.)

23 COUNCIL PRESIDENT Verna: At
24 this time, the Chair recognizes
25 Councilman Clarke.

1 3/19/09 - STATED - COMMUNICATIONS

2 COUNCILMAN CLARKE: Thank you,
3 Madam President.

4 Madam President, at this time,
5 I'd like to recognize some special
6 students from Temple University.

7 COUNCIL PRESIDENT Verna:
8 Please.

9 COUNCILMAN CLARKE: Our future
10 leaders, who are capably led by their
11 Professor and former Mayor, John Street.

12 I would like to ask the
13 students to stand up please for a moment.

14 COUNCIL PRESIDENT Verna:
15 Welcome.

16 COUNCILMAN CLARKE: They're
17 upstairs in the balcony.

18 (Applause.)

19 COUNCIL PRESIDENT Verna: The
20 next order of business is communications.
21 The Chair requests that the
22 Sergeant-At-Arms deliver the messages to
23 the Chief Clerk.

24 The Chief Clerk will please
25 read the messages from the Mayor.

1 3/19/09 - STATED - COMMUNICATIONS

2 CHIEF CLERK: To the President
3 and members of the Council of the City of
4 Philadelphia, pursuant to Section 2-307
5 of the Home Rule Charter, I am today
6 submitting to the Council the
7 recommendations of the City Planning
8 Commission on Bill No. 080954; and

9 I am transmitting for the
10 consideration of your honorable body a
11 resolution providing for the approval by
12 the Council of the City of Philadelphia
13 of a Revised Five-Year Financial Plan for
14 the City of Philadelphia covering Fiscal
15 Years 2010 through 2014, and
16 incorporating proposed changes with
17 respect to Fiscal Year 2009; and

18 I am transmitting herewith for
19 the consideration of your honorable body
20 an ordinance to adopt a Fiscal 2010
21 Capital Budget; and

22 An ordinance to adopt a Capital
23 Program for the six Fiscal Years
24 2010-2015 inclusive; and

25 An ordinance adopting the

1 3/19/09 - STATED - COMMUNICATIONS

2 Operating Budget for Fiscal Year 2010;

3 and

4 An ordinance authorizing

5 transfers in appropriations for Fiscal

6 Year 2009 within the General Fund to

7 certain or all City offices, departments,

8 boards and commissions; and

9 An ordinance amending Section

10 19-1801 of The Philadelphia Code,

11 entitled "Authorization of Tax," to

12 further authorize the Board of Education

13 of the School District of Philadelphia to

14 impose a tax on real estate within the

15 City of Philadelphia; and

16 An ordinance amending Chapter

17 19-1800 of The Philadelphia Code,

18 entitled "School Tax Authorization," to

19 further authorize the Board of Education

20 of the School District of Philadelphia to

21 impose a tax on the use or occupancy of

22 real estate within the School District of

23 Philadelphia; and

24 An ordinance amending Chapter

25 19-1300 of The Philadelphia Code,

1 3/19/09 - STATED - COMMUNICATIONS

2 entitled "Real Estate Taxes," by revising
3 the real estate tax rate, under certain
4 terms and conditions; and

5 An ordinance amending Chapter
6 19-2700 of The Philadelphia Code,
7 entitled "Sales and Use Tax and Hotel
8 Occupancy Tax," by revising the rate of
9 tax, under certain terms and conditions;
10 and

11 An ordinance amending Section
12 10-1001 of Title 10 of The Philadelphia
13 Code relating to the fees charged by the
14 Commissioner of Records by modifying the
15 amount of such fees, under certain terms
16 and conditions; and

17 An ordinance amending Chapter
18 10-700 of The Philadelphia Code, entitled
19 "Refuse and Littering," to require
20 certain businesses and property owners
21 either to pay a fee for City waste
22 hauling or demonstrate that the business
23 or property owner has a private provider
24 of waste and recycling services; and

25 An ordinance amending Chapter

1 3/19/09 - STATED - INTRO. OF BILLS

2 10-700 of The Philadelphia Code, entitled
3 "Refuse and Littering," to increase the
4 amount that must be paid in response to
5 certain code violation notices to avoid
6 initiation of further proceedings, under
7 certain terms and conditions.

8 COUNCIL PRESIDENT VERNA: Thank
9 you. The messages will be printed in the
10 Journal.

11 I would ask the Chief Clerk to
12 please read any other communications in
13 her possession.

14 COUNCILMAN CLARKE: That's all
15 I have, Madam President.

16 COUNCIL PRESIDENT VERNA: Thank
17 you.

18 (Audience members in balcony
19 fighting.)

20 (Pause.)

21 COUNCIL PRESIDENT VERNA: The
22 next order of business is the
23 introduction of bills and resolutions.

24 The Chair recognizes Councilman
25 Kenney for the purpose of introducing

1 3/19/09 - STATED - INTRO. OF BILLS

2 bills and resolutions.

3 COUNCILMAN KENNEY: Thank you,

4 Madam President. Good morning.

5 COUNCIL PRESIDENT Verna: Good

6 morning. It's very good, isn't it?

7 COUNCILMAN KENNEY: I offer one

8 resolution and one bill on behalf of the

9 Administration.

10 COUNCIL PRESIDENT Verna: Thank

11 you.

12 The Chief Clerk will please

13 read the title of the bill.

14 CHIEF CLERK: An ordinance

15 amending Title 22 of The Philadelphia

16 Code, entitled "Public Employees

17 Retirement Code," by amending Section

18 22-310, entitled "Deferred Retirement

19 Option Plan," by making certain changes

20 to the DROP plan, including making

21 elected officials ineligible to

22 participate in the DROP; and providing

23 for an annual report concerning the DROP;

24 all under certain terms and conditions.

25 COUNCIL PRESIDENT Verna: The

1 3/19/09 - STATED - INTRO. OF BILLS

2 bill will be referred to the appropriate
3 committee.

4 CHIEF CLERK: And a resolution
5 proclaiming March 2009 as American Red
6 Cross Month in the City of Philadelphia.

7 COUNCIL PRESIDENT Verna: The
8 Chair again recognizes Councilman Kenney
9 for a motion.

10 COUNCILMAN KENNEY: I move the
11 adoption of the resolution.

12 (Duly seconded.)

13 COUNCIL PRESIDENT Verna: It
14 has been moved and properly seconded that
15 the resolution be adopted.

16 All in favor will indicate by
17 saying aye.

18 (Aye.)

19 COUNCIL PRESIDENT Verna: Those
20 opposed?

21 (No response.)

22 COUNCIL PRESIDENT Verna: The
23 ayes have it and the resolution is
24 adopted.

25 The Chair recognizes

1 3/19/09 - STATED - INTRO. OF BILLS

2 Councilwoman Blackwell.

3 COUNCILWOMAN BLACKWELL: Thank
4 you, Madam President. Today I introduce
5 one bill and one resolution.

6 COUNCIL PRESIDENT VERNA: Thank
7 you.

8 The Chief Clerk will please
9 read the title of the bill.

10 CHIEF CLERK: An ordinance
11 renaming and designating McAlpin
12 Playground located at 36th and Aspen
13 Streets as the "Miles Mack Playground."

14 COUNCIL PRESIDENT VERNA: The
15 bill will be referred to the appropriate
16 committee.

17 CHIEF CLERK: And a resolution
18 honoring and recognizing the West
19 Philadelphia High School Automobile
20 Academy for Mechanics and Engineering and
21 the Hybrid X Team for their participation
22 in the Automatic X Prize Competition to
23 develop and market a car that gets over
24 100 miles to the gallon.

25 COUNCIL PRESIDENT VERNA: The

1 3/19/09 - STATED - INTRO. OF BILLS

2 Chair recognizes Councilwoman Blackwell.

3 COUNCILWOMAN BLACKWELL: Thank
4 you, Madam President. I move for the
5 adoption of the resolution.

6 (Duly seconded.)

7 COUNCIL PRESIDENT Verna: It
8 has been moved and properly seconded that
9 the resolution be adopted.

10 All in favor will say aye.

11 (Aye.)

12 COUNCIL PRESIDENT Verna: Those
13 opposed?

14 (No response.)

15 COUNCIL PRESIDENT Verna: The
16 ayes have it and the resolution is
17 adopted.

18 The Chair recognizes Councilman
19 Greenlee.

20 COUNCILMAN GREENLEE: Thank
21 you, Madam President. I have no bills or
22 resolutions today.

23 COUNCIL PRESIDENT Verna: The
24 Chair thanks the gentleman.

25 The Chair recognizes

1 3/19/09 - STATED - INTRO. OF BILLS

2 Councilwoman Krajewski.

3 COUNCILWOMAN KRAJEWSKI: Thank
4 you, Madam President. I offer one
5 resolution.

6 COUNCIL PRESIDENT Verna: Thank
7 you.

8 The Chief Clerk will please
9 read the title of the resolution.

10 COUNCILWOMAN KRAJEWSKI: I'm
11 sorry. One resolution and one bill.

12 COUNCIL PRESIDENT Verna: Thank
13 you.

14 The Clerk will please read the
15 title of the bill.

16 CHIEF CLERK: An ordinance
17 authorizing transfers in appropriations
18 for Fiscal Year 2009 within the General
19 Fund to certain or all City offices,
20 departments, boards and commissions.

21 COUNCIL PRESIDENT Verna: The
22 bill will be referred to the appropriate
23 committee.

24 CHIEF CLERK: And a resolution
25 declaring April 2009 as Autism Awareness

1 3/19/09 - STATED - INTRO. OF BILLS

2 Month and recognizing April 2, 2009 as

3 World Autism Day in the City of

4 Philadelphia.

5 COUNCIL PRESIDENT VERNA: The

6 Chair recognizes Councilwoman Krajewski.

7 COUNCILWOMAN KRAJEWSKI: I move

8 for the adoption of the resolution.

9 (Duly seconded.)

10 COUNCIL PRESIDENT VERNA: It

11 has been moved and properly seconded that

12 the resolution be adopted.

13 All in favor will indicate by

14 saying aye.

15 (Aye.)

16 COUNCIL PRESIDENT VERNA: Those

17 opposed?

18 (No response.)

19 COUNCIL PRESIDENT VERNA: The

20 ayes have it and the resolution is

21 adopted.

22 The Chair recognizes

23 Councilwoman Tasco.

24 COUNCILWOMAN TASCO: Madam

25 President, on behalf of the

1 3/19/09 - STATED - INTRO. OF BILLS

2 Administration, I am introducing ten
3 bills and one resolution.

4 COUNCIL PRESIDENT VERNA: Thank
5 you.

6 The Chief Clerk will please
7 read the title of the bills.

8 CHIEF CLERK: An ordinance
9 amending Chapter 19-1300 of The
10 Philadelphia Code, entitled "Real Estate
11 Taxes," by revising the real estate tax
12 rate, under certain terms and conditions.

13 COUNCIL PRESIDENT VERNA: The
14 bill will be referred to the appropriate
15 committee.

16 CHIEF CLERK: And an ordinance
17 amending Chapter 19-2700 of The
18 Philadelphia Code, entitled "Sales and
19 Use Tax and Hotel Occupancy Tax."

20 COUNCIL PRESIDENT VERNA: This
21 bill will be referred to the appropriate
22 committee.

23 CHIEF CLERK: And an ordinance
24 amending Section 10-1001 of Title 10 of
25 The Philadelphia Code relating to fees

1 3/19/09 - STATED - INTRO. OF BILLS

2 charged by the Commissioner of Records by
3 modifying the amount of such fees.

4 COUNCIL PRESIDENT Verna: The
5 bill will be referred to the appropriate
6 committee.

7 CHIEF CLERK: And an ordinance
8 amending Chapter 10-700 of The
9 Philadelphia Code, entitled "Refuse and
10 Littering," to require certain businesses
11 and property owners to either pay a fee
12 for City waste hauling or demonstrate
13 that the business or property owner has a
14 service.

15 COUNCIL PRESIDENT Verna: This
16 bill will be referred to the appropriate
17 committee.

18 CHIEF CLERK: And an ordinance
19 amending Chapter 10-700 of The
20 Philadelphia Code, entitled "Refuse and
21 Littering," to increase the amount that
22 must be paid in response to certain code
23 violation notices to avoid initiation of
24 further proceedings, under certain terms
25 and conditions.

1 3/19/09 - STATED - INTRO. OF BILLS

2 COUNCIL PRESIDENT VERNA: The
3 bill will be referred to the appropriate
4 committee.

5 CHIEF CLERK: And an ordinance
6 amending Chapter 19-1800 of The
7 Philadelphia Code, entitled "School Tax
8 Authorization," to further authorize the
9 Board of Education of the School District
10 of Philadelphia to impose a tax on the
11 use or occupancy of real estate within
12 the School District of Philadelphia.

13 COUNCIL PRESIDENT VERNA: The
14 bill will be referred to the appropriate
15 committee.

16 CHIEF CLERK: And an ordinance
17 amending Section 19-1801 of The
18 Philadelphia Code, entitled
19 "Authorization of Tax," to further
20 authorize the Board of Education of the
21 School District of Philadelphia to impose
22 a tax on real estate within the City of
23 Philadelphia.

24 COUNCIL PRESIDENT VERNA: The
25 bill will be referred to the appropriate

1 3/19/09 - STATED - INTRO. OF BILLS

2 committee.

3 CHIEF CLERK: And an ordinance
4 adopting the Operating Budget for Fiscal
5 Year 2010.

6 COUNCIL PRESIDENT Verna: This
7 bill will be referred to the appropriate
8 committee.

9 CHIEF CLERK: And an ordinance
10 to adopt a Capital Program for the six
11 Fiscal Years 2010-2015 inclusive.

12 COUNCIL PRESIDENT Verna: The
13 bill will be referred to the appropriate
14 committee.

15 CHIEF CLERK: And an ordinance
16 to adopt a Fiscal 2010 Capital Budget.

17 COUNCIL PRESIDENT Verna: The
18 bill will be referred to the appropriate
19 committee.

20 CHIEF CLERK: And a resolution
21 providing for the approval by the Council
22 of the City of Philadelphia of a Revised
23 Five-Year Financial Plan for the City of
24 Philadelphia covering Fiscal Years 2010
25 through 2014, and incorporating proposed

1 3/19/09 - STATED - INTRO. OF BILLS
2 changes with respect to Fiscal Year 2009.

3 COUNCIL PRESIDENT Verna: This
4 resolution will be referred to the
5 appropriate committee.

6 The Chair recognizes
7 Councilwoman Miller.

8 COUNCILWOMAN MILLER: Thank
9 you, Madam President. Today I have no
10 bills or resolutions.

11 COUNCIL PRESIDENT Verna: The
12 Chair thanks the Councilwoman.

13 The Chair recognizes
14 Councilwoman Sanchez.

15 COUNCILWOMAN SANCHEZ: Thank
16 you, Madam President. I have no bills or
17 resolutions.

18 COUNCIL PRESIDENT Verna: Thank
19 you.

20 The Chair recognizes Councilman
21 Green.

22 COUNCILMAN GREEN: Thank you,
23 Madam President. I offer one resolution.

24 COUNCIL PRESIDENT Verna: Thank
25 you.

1 3/19/09 - STATED - INTRO. OF BILLS

2 The Chief Clerk will please
3 read the title of the resolution.

4 CHIEF CLERK: A resolution
5 urging the City of Philadelphia and the
6 Commonwealth of Pennsylvania to support
7 American companies and American-made
8 products while spending its funding
9 allocation from the American Recovery and
10 Reinvestment Act.

11 COUNCIL PRESIDENT VERNA: The
12 Chair recognizes Councilman Green.

13 COUNCILMAN GREEN: Thank you,
14 Madam President. This resolution was
15 recommended to me by the United Steel
16 Workers of America, and I move for its
17 adoption.

18 (Duly seconded.)

19 COUNCIL PRESIDENT VERNA: It
20 has been moved and properly seconded that
21 the resolution be adopted.

22 All in favor will say aye.

23 (Aye.)

24 COUNCIL PRESIDENT VERNA: Those
25 opposed?

1 3/19/09 - STATED - INTRO. OF BILLS

2 (No response.)

3 COUNCIL PRESIDENT Verna: The
4 ayes have it and the resolution is
5 adopted.

6 (Applause.)

7 COUNCIL PRESIDENT Verna: The
8 Chair recognizes Councilman Green -- I'm
9 sorry; Councilman Jones.

10 COUNCILMAN JONES: It's been a
11 long morning, Madam President. Today I
12 offer one bill, Madam President.

13 COUNCIL PRESIDENT Verna: I'm
14 sorry. I was distracted.

15 COUNCILMAN JONES: That's going
16 around this morning. Today I offer one
17 bill.

18 COUNCIL PRESIDENT Verna: Thank
19 you.

20 The Chief Clerk will please
21 read the title of the bill.

22 CHIEF CLERK: An ordinance
23 amending Section 9-1004 of The
24 Philadelphia Code, entitled
25 "Contractors," to impose additional

1 3/19/09 - STATED - INTRO. OF BILLS

2 requirements on those required to obtain
3 a contractor license and to provide for
4 City publication of contractor
5 information and investigation of
6 contractor violations, all under certain
7 terms and conditions.

8 COUNCIL PRESIDENT Verna: The
9 bill will be referred to the appropriate
10 committee.

11 The Chair recognizes Councilman
12 Goode.

13 COUNCILMAN GOODE: Thank you,
14 Madam President. I offer no bills or
15 resolutions today.

16 COUNCIL PRESIDENT Verna: The
17 Chair thanks the gentleman.

18 The Chair recognizes
19 Councilwoman Brown.

20 COUNCILWOMAN BROWN: Thank you,
21 Madam President. I offer two
22 resolutions.

23 COUNCIL PRESIDENT Verna: The
24 Chief Clerk will please read the title of
25 the first resolution.

1 3/19/09 - STATED - INTRO. OF BILLS

2 CHIEF CLERK: A resolution
3 authorizing City Council's Committee on
4 Education to hold public hearings to
5 examine the School District of
6 Philadelphia's procedure for the
7 identification, evaluation and referral
8 of children with special needs and the
9 corresponding development and
10 implementation of appropriate
11 individualized educational plans.

12 COUNCIL PRESIDENT VERNA: The
13 Chair recognizes Councilwoman Brown.

14 COUNCILWOMAN BROWN: I move for
15 the adoption.

16 (Duly seconded.)

17 COUNCIL PRESIDENT VERNA: It
18 has been moved and seconded that the
19 resolution be adopted.

20 All in favor will indicate by
21 saying aye.

22 (Aye.)

23 COUNCIL PRESIDENT VERNA: Those
24 opposed?

25 (No response.)

1 3/19/09 - STATED - INTRO. OF BILLS

2 COUNCIL PRESIDENT Verna: The
3 ayes have it, and the resolution will be
4 referred to the appropriate committee.

5 CHIEF CLERK: And a resolution
6 honoring Autumn Adkins on her appointment
7 as President of Girard College and
8 recognizing her as the first
9 African-American woman to serve in this
10 post.

11 COUNCIL PRESIDENT Verna:
12 Again, the Chair recognizes Councilwoman
13 Brown.

14 COUNCILWOMAN BROWN: Thank you,
15 Madam President. I move for the
16 adoption.

17 (Duly seconded.)

18 COUNCIL PRESIDENT Verna: It
19 has been moved and seconded that the
20 resolution be adopted.

21 All in favor will please
22 indicate by saying aye.

23 (Aye.)

24 COUNCIL PRESIDENT Verna: Those
25 opposed?

1 3/19/09 - STATED - INTRO. OF BILLS

2 (No response.)

3 COUNCIL PRESIDENT Verna: The
4 ayes have it and the resolution is
5 adopted.

6 The Chair recognizes Councilman
7 DiCicco.

8 COUNCILMAN DiCICCO: Thank you,
9 Madam President. I offer no bills or
10 resolutions today.

11 COUNCIL PRESIDENT Verna: Thank
12 you.

13 The Chair recognizes Councilman
14 O'Neill.

15 COUNCILMAN O'NEILL: Madam
16 President, I have no bills or
17 resolutions.

18 COUNCIL PRESIDENT Verna: The
19 Chair recognizes Councilman Clarke.

20 COUNCILMAN CLARKE: Thank you,
21 Madam President. I have one resolution.

22 COUNCIL PRESIDENT Verna: The
23 Chief Clerk will please read the title of
24 the resolution.

25 CHIEF CLERK: A resolution

1 3/19/09 - STATED - INTRO. OF BILLS

2 approving the redevelopment contract and

3 disposition supplement of the

4 Redevelopment Authority of the City of

5 Philadelphia for the redevelopment and

6 urban renewal of a portion of the

7 American Street Industrial Corridor Urban

8 Renewal Area.

9 COUNCIL PRESIDENT Verna: The

10 Chair recognizes Councilman Clarke.

11 COUNCILMAN CLARKE: I move for

12 the adoption.

13 (Duly seconded.)

14 COUNCIL PRESIDENT Verna: It

15 has been moved and seconded that the

16 resolution be adopted.

17 All in favor will say aye.

18 (Aye.)

19 COUNCIL PRESIDENT Verna: Those

20 opposed?

21 (No response.)

22 COUNCIL PRESIDENT Verna: The

23 ayes have it and the resolution is

24 adopted.

25 The Chair recognizes Councilman

1 3/19/09 - STATED - REPORTS

2 Kelly.

3 COUNCILMAN KELLY: Madam

4 President, I have no bills or resolutions
5 today.

6 COUNCIL PRESIDENT Verna: The
7 Chair thanks the gentleman.

8 The Chair recognizes Councilman
9 Rizzo.

10 COUNCILMAN RIZZO: Madam
11 President, no bills or resolutions today.

12 COUNCIL PRESIDENT Verna: Thank
13 you.

14 The next order of business is
15 reports from committees.

16 The Chair recognizes Councilman
17 Greenlee for a report from the Committee
18 on Law and Government.

19 COUNCILMAN GREENLEE: Thank
20 you, Madam President. The Committee on
21 Law and Government reports one bill and
22 one resolution with a favorable
23 recommendation.

24 COUNCIL PRESIDENT Verna: Thank
25 you.

1 3/19/09 - STATED - REPORTS

2 The Chief Clerk will please
3 read the report.

4 CHIEF CLERK: To the President
5 and members of the Council of the City of
6 Philadelphia, the Committee on Law and
7 Government, to which was referred Bill
8 No. 090171, entitled "An ordinance
9 providing for the submission to the
10 qualified electors of the City of
11 Philadelphia of the proposal set forth in
12 a Resolution approved by Council
13 proposing an amendment to the
14 Philadelphia Home Rule Charter relating
15 to how and when required notices shall be
16 published and advertised"; and

17 "A resolution proposing an
18 amendment to the Philadelphia Home Rule
19 Charter relating to how and when required
20 notices shall be published and
21 advertised, and providing for the
22 submission of the amendment to the
23 electors of Philadelphia," respectfully
24 reports it has considered and amended the
25 same and returns the attached bill and

1 3/19/09 - STATED - REPORTS

2 resolution to Council with a favorable
3 recommendation.

4 COUNCIL PRESIDENT Verna: Thank
5 you.

6 The Chair recognizes Councilman
7 Greenlee.

8 COUNCILMAN GREENLEE: Thank
9 you, Madam President. I move that the
10 rules of Council be suspended so as to
11 permit first reading this day of Bill No.
12 090171.

13 (Duly seconded.)

14 COUNCIL PRESIDENT Verna: It
15 has been moved and properly seconded.

16 All in favor will indicate by
17 saying aye.

18 (Aye.)

19 COUNCIL PRESIDENT Verna: Those
20 opposed?

21 (No response.)

22 COUNCIL PRESIDENT Verna: The
23 ayes have it and the motion carries. The
24 bill just read will be placed on our
25 First Reading Calendar for today.

1 3/19/09 - STATED - REPORTS

2 Resolution No. 090179 will be placed on
3 our Second Reading and Final Passage
4 Calendar for our next session of Council.

5 The Chair now recognizes
6 Councilwoman Sanchez for a report from
7 the Committee on Licenses and
8 Inspections.

9 COUNCILWOMAN SANCHEZ: Thank
10 you, Madam President. The Committee on
11 Licenses and Inspections reports one bill
12 with a favorable recommendation.

13 COUNCIL PRESIDENT VERNA: Thank
14 you.

15 The Chief Clerk will please
16 read the report.

17 CHIEF CLERK: To the President
18 and members of the Council of the City of
19 Philadelphia, the Committee on Licenses
20 and Inspections, to which was referred
21 Bill No. 080650, entitled "An ordinance
22 amending Section 9-605 of The
23 Philadelphia Code, entitled 'Towing,' by
24 amending the requirements required for
25 towing from private lots, private

1 3/19/09 - STATED - REPORTS

2 property and driveways, all under certain
3 terms and conditions," respectfully
4 reports it has considered the same and
5 returns the attached bill to Council with
6 a favorable recommendation.

7 COUNCIL PRESIDENT Verna: Thank
8 you.

9 The Chair recognizes
10 Councilwoman Sanchez.

11 COUNCILWOMAN SANCHEZ: Thank
12 you, Madam President. I move that the
13 rules of Council be suspended so to allow
14 first reading of Bill No. 080650.

15 (Duly seconded.)

16 COUNCIL PRESIDENT Verna: It
17 has been moved and properly seconded.

18 All in favor will indicate by
19 saying aye.

20 (Aye.)

21 COUNCIL PRESIDENT Verna: Those
22 opposed?

23 (No response.)

24 COUNCIL PRESIDENT Verna: The
25 ayes have it and the motion carries. The

1 3/19/09 - STATED - REPORTS

2 bill just read will be placed on our
3 First Reading Calendar for today.

4 The Chair recognizes
5 Councilwoman Miller for a report from the
6 Committee on Public Safety.

7 COUNCILWOMAN MILLER: Thank
8 you, Madam President. The Committee on
9 Public Safety reports one bill with a
10 favorable recommendation.

11 COUNCIL PRESIDENT VERA: Thank
12 you.

13 The Chief Clerk will please
14 read the report.

15 CHIEF CLERK: To the President
16 and members of the Council of the City of
17 Philadelphia, the Committee on Public
18 Safety, to which was referred Bill No.
19 080750, entitled "An ordinance amending
20 Title 10 of The Philadelphia Code,
21 entitled 'Regulation of Individual
22 Conduct and Activity,' by amending
23 Chapter 10-300, entitled 'Minors,' by
24 providing for the establishment of a
25 daytime curfew for minors of compulsory

1 3/19/09 - STATED - REPORTS

2 school age on days when such minors are
3 required to be in school, providing for
4 penalties, adding definitions and making
5 certain technical changes, all under
6 certain terms and conditions,"
7 respectfully reports it has considered
8 and amended the same and returns the
9 attached bill to Council with a favorable
10 recommendation.

11 COUNCIL PRESIDENT Verna: Thank
12 you.

13 The Chair recognizes
14 Councilwoman Miller.

15 COUNCILWOMAN MILLER: Thank
16 you, Madam President. I move that the
17 rules of Council be suspended so as to
18 permit first reading this day of Bill No.
19 080750.

20 (Duly seconded.)

21 COUNCIL PRESIDENT Verna: It
22 has been moved and properly seconded.

23 All in favor will say aye.

24 (Aye.)

25 COUNCIL PRESIDENT Verna: Those

1 3/19/09 - STATED - 2ND READING

2 opposed?

3 (No response.)

4 COUNCIL PRESIDENT Verna: The
5 ayes have it and the motion carries. The
6 bill just read will be placed on our
7 First Reading Calendar for today.

8 The noise level is really much
9 too high.

10 The next order of business is
11 the consideration of the Calendar. I
12 would note that the bills just reported
13 from committee with a suspension of the
14 rules have been deemed to have had a
15 first reading and will not be read a
16 second time. They will be placed on the
17 Second Reading and Final Passage Calendar
18 for our next session of Council.

19 There are no additional bills
20 on the First Reading Calendar.

21 Therefore, the Chair recognizes
22 Councilwoman Tasco for the purpose of
23 calling up bills on the Second Reading
24 and Final Passage Calendar.

25 COUNCILWOMAN TASC0: Thank you,

1 3/19/09 - STATED - 2ND READING

2 Madam President. Bill No. 090007 is
3 being called up for Second Reading and
4 Final Passage Calendar today. All other
5 bills are being held.

6 COUNCIL PRESIDENT VERNA: Thank
7 you.

8 The Chief Clerk will please
9 read the title of Bill No. 090007.

10 CHIEF CLERK: An ordinance
11 amending Section 19-203 of The
12 Philadelphia Code, entitled "Payroll
13 Deductions," to add the Friends of the
14 Free Library of Philadelphia to the list
15 of designated payees to whom an employee
16 may direct payroll deductions, all under
17 certain terms and conditions.

18 COUNCIL PRESIDENT VERNA: This
19 bill having been read on two different
20 days, the question now is shall the bill
21 pass finally.

22 The Chief Clerk will please
23 call the roll.

24 CHIEF CLERK: Councilwoman
25 Blackwell.

1 3/19/09 - STATED - 2ND READING
2 COUNCILWOMAN BLACKWELL: Aye.
3 CHIEF CLERK: Councilman
4 Clarke.
5 COUNCILMAN CLARKE: Aye.
6 CHIEF CLERK: Councilman
7 DiCicco.
8 COUNCILMAN DiCICCO: Aye.
9 CHIEF CLERK: Councilman Goode.
10 COUNCILMAN GOODE: Aye.
11 CHIEF CLERK: Councilman Green.
12 COUNCILMAN GREEN: Aye.
13 CHIEF CLERK: Councilman
14 Greenlee.
15 COUNCILMAN GREENLEE: Aye.
16 CHIEF CLERK: Councilman Jones.
17 COUNCILMAN JONES: Aye.
18 CHIEF CLERK: Councilman Kelly.
19 COUNCILMAN KELLY: Aye.
20 CHIEF CLERK: Councilman
21 Kenney.
22 COUNCILMAN KENNEY: Aye.
23 CHIEF CLERK: Councilwoman
24 Krajewski.
25 COUNCILWOMAN KRAJEWSKI: Aye.

1 3/19/09 - STATED - 2ND READING

2 CHIEF CLERK: Councilwoman

3 Miller.

4 COUNCILWOMAN MILLER: Aye.

5 CHIEF CLERK: Councilman

6 O'Neill.

7 COUNCILMAN O'NEILL: Aye.

8 CHIEF CLERK: Councilwoman

9 Reynolds Brown.

10 COUNCILWOMAN BROWN: Aye.

11 CHIEF CLERK: Councilman Rizzo.

12 COUNCILMAN RIZZO: Aye.

13 CHIEF CLERK: Councilwoman

14 Sanchez.

15 COUNCILWOMAN SANCHEZ: Aye.

16 CHIEF CLERK: Councilwoman

17 Tasco.

18 COUNCILWOMAN TASCO: Aye.

19 CHIEF CLERK: Council President

20 Verna.

21 COUNCIL PRESIDENT VERNA: Aye.

22 The ayes are 17; the nays are

23 zero. A majority of all members having

24 voted in the affirmative, the bill

25 passes.

1 3/19/09 - STATED - BUDGET ADDRESS

2 This concludes our Calendar for
3 today.

4 The time has come for us to
5 consider the Mayor's presentation of his
6 annual budget message. The Philadelphia
7 Home Rule Charter states that the Mayor
8 shall submit to Council no later than 90
9 days before the end of the fiscal year
10 his Operating Budget message and Proposed
11 Operating Budget ordinance for the
12 ensuing fiscal year. At the same time,
13 the Mayor shall submit to Council the
14 Recommended Capital Program and Capital
15 Budget as received from the City Planning
16 Commission, to the extent approved by the
17 Mayor.

18 I now appoint the following
19 committee to escort the Mayor into the
20 Council Chambers: Councilwoman Tasco,
21 Councilman Clarke, Councilman O'Neill and
22 Councilman Rizzo.

23 (Pause.)

24 COUNCIL PRESIDENT VERA: I
25 understand the Mayor will be coming up

1 3/19/09 - STATED - BUDGET ADDRESS

2 very shortly.

3 (Pause.)

4 SERGEANT-AT-ARMS: Madam

5 President, the Mayor has arrived.

6 (Applause.)

7 COUNCIL PRESIDENT VERNA:

8 Ladies and gentlemen, I am pleased to

9 introduce the Mayor of the City of

10 Philadelphia, Mayor Michael A. Nutter.

11 (Applause.)

12 COUNCIL PRESIDENT VERNA:

13 Mr. Mayor.

14 MAYOR NUTTER: Thank you, Madam

15 President, and good morning to everyone.

16 It's an enthusiastic crowd here today.

17 This is what I'm looking forward to.

18 Madam President, Majority

19 Leader Tasco, Majority Whip Clarke,

20 Minority Leader O'Neill, Minority Whip

21 Rizzo, all the members of Philadelphia

22 City Council, there may be some members

23 of the General Assembly here, I want to

24 welcome them and thank them, other

25 elected officials, my fellow

1 3/19/09 - STATED - BUDGET ADDRESS

2 Philadelphians and guests, folks from
3 around the region and, of course, all of
4 our public servants in the
5 Administration, I want to say thank you
6 and welcome. Thank you for being here
7 this morning for this address.

8 I also want to recognize Mayor
9 John F. Street and thank him for his
10 great service.

11 (Applause.)

12 MAYOR NUTTER: I had the
13 opportunity to work with Mayor Street
14 when he was the Council President and
15 then, of course, during his time as
16 Mayor. We worked a great deal together.
17 We did a number of things. I learned a
18 great deal of things from him, and enjoy
19 referring to him, I guess, now either as
20 Mayor Street or Professor Street. He was
21 always in the teaching business from the
22 start.

23 Mayor, good to see you here.

24 He is not here, of course, but
25 I also want to thank my executive partner

1 3/19/09 - STATED - BUDGET ADDRESS

2 at the state level, Governor Rendell,
3 former Mayor of the City of Philadelphia.
4 His help and support, the relationship
5 that we've been able to maintain and
6 improve on in Harrisburg has been part of
7 the key to the success of our time here
8 for the last 15 months or so.

9 I also want to thank
10 Philadelphia's great House Appropriations
11 Chair, Representative Dwight Evans, who
12 has also been a great leader in
13 Harrisburg, a wonderful friend to
14 Philadelphia. We always know that he's
15 looking out for our interests. And then,
16 of course, my own State Representative,
17 Kathy Manderino, who is always looking
18 out for me.

19 I want to thank the members of
20 City Council, every member, for your
21 willingness to partner with us in the
22 interest of the citizens of this great
23 city, for your prompt, professional
24 consideration of our first budget last
25 year and the numerous bills that came in

1 3/19/09 - STATED - BUDGET ADDRESS

2 after our start last year, the very
3 difficult rebalancing of our budget back
4 in the fall and the efforts that have
5 brought us here to this point and your
6 participation in one of the most exciting
7 and dynamic budget processes over the
8 past couple months. I sincerely look
9 forward to working with each and every
10 one of you in the challenging days ahead.

11 More than 14 months ago, I
12 addressed this great body as we all stood
13 together on Inauguration Day, and I spoke
14 that day and the days since about a sense
15 of renewed hope and optimism in our city.

16 I told you then what kind of
17 leader I would be, that I wanted to lead
18 this city in a new direction, away from
19 the policies and politics of the past.

20 I said it was a time for new
21 ideas and bold action. And after a year
22 and a half of campaigning for change in
23 our city, on that inaugural morning, I
24 said that we must reform a status quo
25 that has held our city back for much too

1 3/19/09 - STATED - BUDGET ADDRESS

2 long.

3 Today, Madam President, I am
4 that same reformer standing right here
5 with you today with the same message,
6 that if we work together, if we share the
7 sacrifices that change demands, we will
8 secure the future of a new Philadelphia
9 that all of us want to see.

10 And some have asked what kind
11 of future will that be, what, Mayor, is
12 your vision for our great city. It's a
13 Philadelphia that's rich in human
14 capital, rich in good-paying jobs for
15 Philadelphians. It's a world-class city
16 where Philadelphians thrive in safe,
17 healthy neighborhoods. They enjoy the
18 wonderful green open space the City has
19 to offer in a diverse, urban environment.
20 It's a city where good schools produce
21 educated and motivated citizens ready to
22 play their appropriate role in the future
23 of a great Philadelphia. It's a city
24 that works.

25 Now, as a student of history,

1 3/19/09 - STATED - BUDGET ADDRESS

2 I've found that crises have a tendency to
3 shape our views of the past and the
4 future. And I believe our current
5 economic crisis has possibly blurred a
6 clear-eyed vision and examination of our
7 city's great progress.

8 In the last year, despite
9 numerous budget concerns, our city has
10 moved forward. We are not paralyzed by
11 the current economic crisis. No. These
12 times demand that the time for change has
13 come.

14 In my inaugural address, I said
15 we would focus on crime and public safety
16 and gun violence and reducing the
17 homicide rate. With this City Council's
18 support, a crime-fighting strategy by
19 Police Commissioner Ramsey and the hard
20 work of the men and women who risk their
21 lives every day in our Philadelphia
22 Police Department, we cut the homicide
23 rate last year by 15 percent, the largest
24 decrease in a decade, and we're well on
25 our way --

1 3/19/09 - STATED - BUDGET ADDRESS

2 (Applause.)

3 MAYOR NUTTER: And we are well
4 on our way to what our near-term goal to
5 a 30 percent reduction in our first three
6 years.

7 I set aggressive, long-range
8 goals to reduce the number of dropouts
9 and increase the graduation rate in our
10 city, as well as the number of people who
11 get a college diploma. And now we have a
12 partnership with the School District, a
13 new program that targets at-risk sixth
14 grade students long before they might
15 think about dropping out. Our high
16 school graduation rate is nearly 60
17 percent, and we have new reengagement
18 centers that are providing dropouts with
19 a way to drop back in to get their GED or
20 diploma.

21 (Applause.)

22 MAYOR NUTTER: I said then that
23 ethics would be the cornerstone of our
24 government, and in the year since, we've
25 strengthened the Inspector General's

1 3/19/09 - STATED - BUDGET ADDRESS

2 Office, brought on a new Chief Integrity
3 Officer, increased training for employees
4 and are working closely with federal and
5 local prosecutors as partners, not
6 adversaries. Integrity instills
7 confidence in our government for our
8 citizens and the business community.

9 We made investments and taken
10 actions reflecting our vision and values
11 and showing that we are indeed a city
12 that works. Think about some of the
13 things we've done over the past year:
14 Increased funding for Fairmount Park;
15 rolled out weekly single-stream
16 recycling; opened a new 3-1-1 call
17 center; reestablished a Planning
18 Commission as a force for development in
19 this city; taken steps to improve
20 minority and female business
21 participation in our economy; established
22 good relations with the cities and
23 counties around us, as well as the state
24 and federal government; sparked a new
25 sense of volunteerism in our city; and

1 3/19/09 - STATED - BUDGET ADDRESS

2 developed a mortgage foreclosure
3 prevention program that is a national
4 model. We've been busy and gotten a
5 number of things done in a relatively
6 short period of time.

7 It's also of great value to our
8 city taxpayers that we were able to
9 negotiate fair contracts of a one-year
10 nature with our public employees, and for
11 the first time in a decade, the contracts
12 controlled the spiraling costs of our
13 employee healthcare provisions. There
14 were no changes in the quality of the
15 benefits, but depending on the contract,
16 the costs to the City were either reduced
17 or held steady.

18 Even more significant for
19 future cost containment, all four unions
20 for the first time agreed to sit down
21 with the City in a special committee to
22 explore new ways to provide healthcare
23 benefits at a lower cost. That committee
24 is still at work and we anticipate the
25 results of their work very soon.

1 3/19/09 - STATED - BUDGET ADDRESS

2 But with each passing month,
3 the tell-tale signs of economic distress
4 began to grow, and our City
5 Administration committed to a new level
6 of transparency quickly, laid out the
7 information to the public, that there was
8 a growing problem last September, and we
9 provided regular updates. That's what
10 leaders do.

11 On November 6th, after the
12 historic election of Barack Obama as our
13 new President and the no less historic
14 victory of our Philadelphia Phillies in
15 the World Series, I announced an
16 emergency rebalancing plan for our annual
17 budget and Five-Year Plan to close an
18 over \$1 billion five-year gap.

19 This huge deficit was caused by
20 declining tax revenues and increased
21 pension payments resulting from severe
22 losses in the financial markets as they
23 continued to spiral downward.

24 Our approach to this explosive
25 fiscal crisis was to preserve our core

1 3/19/09 - STATED - BUDGET ADDRESS

2 services, particularly those for our most
3 vulnerable populations. We rejected
4 short-term fixes that would hurt us in
5 the long run.

6 That task was complicated
7 because 58 percent of our spending is
8 non-discretionary, such as payments to
9 the School District, debt service,
10 pension payments or human services.
11 These are commitments that we must keep
12 and not endanger.

13 After an intensive review, we
14 found that more than half of our
15 reductions would come from efficiencies,
16 revenue increases and one-time savings.
17 There was major belt-tightening
18 throughout our entire city government.

19 However -- and I understand
20 this -- that at times the media spotlight
21 may have focused on some of the loudest
22 voices in the public, some making very
23 pointed criticism of our decision to
24 remove seven pieces of equipment, fire
25 stations or reduce use of pools or even

1 3/19/09 - STATED - BUDGET ADDRESS

2 our libraries. And I understand those
3 concerns. But on that particular issue,
4 I want to specifically thank Council
5 President Verna, Councilmembers Tasco,
6 Kenney, DiCicco and Greenlee for your
7 support in a very tough situation.

8 Without diminishing the
9 controversy that surrounded any of those
10 proposals -- and I understand why they
11 were controversial -- my decision to halt
12 for five years the scheduled decreases in
13 wage and business taxes had a much larger
14 budgetary impact. We saved over \$230
15 million in our Five-Year Plan.

16 We also eliminated nearly 2,800
17 positions from our city government and
18 throughout the government. There were
19 heavy overtime reductions, totalling
20 nearly 18 and a half million dollars a
21 year.

22 In the Police Department, there
23 were 200 police vacancies and millions of
24 dollars in police overtime removed from
25 that department.

1 3/19/09 - STATED - BUDGET ADDRESS

2 And I cut my own pay. I asked
3 my cabinet and senior staff members to
4 take pay reductions, furlough days. We
5 saved over \$400,000 annually. Exempt
6 employees are taking furloughs totalling
7 \$1.7 million this year and again next
8 fiscal year.

9 It was a difficult time, but
10 through it all, we remained true to our
11 vision for this great city. We were able
12 to avoid layoffs of police and fire.
13 There were no reductions in emergency
14 medical services. We kept our recreation
15 centers open. Weekly trash collection
16 and single-stream recycling were all
17 preserved.

18 In the following weeks, I did
19 not just take it easy and say, Painful
20 job done. We didn't just hang out and
21 try to ride it out through the holidays.
22 We didn't go behind closed doors to put
23 together our FY10 budget. No. Instead,
24 we monitored with growing concern our
25 declining revenue projections, and I

1 3/19/09 - STATED - BUDGET ADDRESS

2 immediately scheduled eight Town Hall

3 meetings throughout the City of

4 Philadelphia where thousands of

5 Philadelphians voiced their concerns,

6 sometimes pretty loudly, to express their

7 displeasure about one cut or another.

8 Leaders also listen.

9 So now it's true --

10 (Applause.)

11 MAYOR NUTTER: I'll take that.

12 And now it's certainly true

13 that many complained that their voices

14 were being heard after the fact, after we

15 had already made the tough choices and

16 decisions, and some wondered to me

17 directly, What's the purpose of these

18 meetings? You've already made these

19 choices.

20 I understand that as well, but

21 there's another side to this process.

22 The Town Hall meetings were not just

23 created to talk about the past actions.

24 No. They were the start of the current

25 budget process last year. I was already

1 3/19/09 - STATED - BUDGET ADDRESS

2 preparing for the most extensive and
3 engaged public outreach and information
4 activity and a budget process for the
5 City of Philadelphia that had ever taken
6 place in our city's history. We were
7 already working on what I referred to as
8 the "People's Budget."

9 The input from concerned
10 citizens at Town Hall meetings, comments
11 about preserving core services, about a
12 willingness to consider paying a little
13 more for the desperately needed services
14 that we offer, about keeping our city
15 safe, about aggressively collecting taxes
16 that are owed to us, about slashing the
17 size of our city fleet, all of these
18 ideas would come back as we talked about
19 the FY10 budget in a continued public
20 outreach campaign.

21 Well, let me tell you, at those
22 Town Hall meetings, I heard you loud and
23 clear, and your comments --

24 (Applause.)

25 MAYOR NUTTER: And your

1 3/19/09 - STATED - BUDGET ADDRESS

2 comments supported our sense of urgency
3 and helped us as we began this new public
4 engagement budget process.

5 On January 15th of this year,
6 just two months after closing our first
7 billion-dollar deficit in our Five-Year
8 Plan, I announced that we had been hit by
9 an economic hurricane and that a second
10 billion-dollar gap had opened up for our
11 next Five-Year Plan.

12 Again, the driving forces of
13 that deficit: Declining revenues and
14 huge losses in our pension fund,
15 requiring millions of additional General
16 Fund dollars from taxpayers to support
17 our pension fund, the safety net for our
18 retirees and current workers.

19 I should note that our budget
20 hole has actually grown since that
21 mid-January announcement by an additional
22 \$333 million to almost 1.4 billion, owing
23 to further losses in business and real
24 estate transfer taxes.

25 Beyond the enormity of our

1 3/19/09 - STATED - BUDGET ADDRESS

2 current budget deficit and my promise
3 that every service, every program, every
4 tax and every fee would be on the table
5 for discussion, three points are worth
6 recalling about that particular day.

7 First, I called on our four
8 union leaders and our city workers to be
9 prepared to share in the pain and
10 sacrifice that would come. I said that
11 it was time for change and change would
12 have to happen.

13 Second, I outlined the People's
14 Budget process - a series of PhillyStat
15 meetings, budget workshops and an
16 unparalleled engagement with the public
17 at the earliest stages ever of the budget
18 development. And over the following
19 weeks, I would meet with Philadelphians
20 in barber shops and beauty salons, in
21 churches and community centers, on the
22 streets and in private homes. And just
23 before I came into these great Council
24 Chambers, I met with many people who had
25 me at their home or out in a session, and

1 3/19/09 - STATED - BUDGET ADDRESS

2 I want to thank the members of the public
3 who engaged us and allowed us to sit
4 literally at a dining room table or in
5 their basement to talk about the real
6 issue and real concerns that real people
7 have. I'd like to thank them for their
8 participation.

9 (Applause.)

10 MAYOR NUTTER: And the third
11 thing about that day is, I named a
12 Private Sector Outreach Board composed of
13 distinguished private sector leaders who
14 were tasked with advising me and the
15 Administration on ways to make our
16 government more efficient, to drive down
17 our costs and to increase the quality of
18 the services that we provide to
19 Philadelphians.

20 And along with a number of
21 tremendous ideas from our own public
22 employees, this public input over the
23 following weeks was enormous and
24 wide-ranging.

25 Philadelphians do want our

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2 government to tighten its belt. They
3 want more value from our tax dollars.
4 They want every dollar that's owed to the
5 City to be collected, and they wanted us
6 to preserve key services, particularly
7 those aimed at vulnerable populations.

8 And lately there's been no
9 greater symbol of reining in costs than
10 the clamping down on the use of city
11 vehicles.

12 At a meeting in Southwest
13 Philadelphia, Woody Beale, a community
14 activist working to reduce violence in
15 our city, told me, Mayor, we have got to
16 take away some of these city cars that
17 our employees are driving. They may just
18 have to catch the bus like the rest of us
19 and get out here and help us save money.

20 (Applause.)

21 MAYOR NUTTER: Well, Woody, I
22 heard you and the hundreds of
23 Philadelphians who pointed to this
24 particular issue.

25 Since January of 2008 when I

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2 arrived, we've cut almost in half the
3 number of employees with take-home
4 vehicles.

5 (Applause.)

6 MAYOR NUTTER: That's \$2.1
7 million in savings in our Five-Year Plan.

8 And so far, we've removed 243
9 cars, trucks and vans from our fleet of
10 about 5,900 vehicles, for a savings of
11 \$1.5 million. The auction value of these
12 vehicles alone is about \$280,000 in
13 revenue for the City. And our goal by
14 July 1st of this year is to take another
15 500 vehicles out of service.

16 (Applause.)

17 MAYOR NUTTER: Walt Wesolowski,
18 a retiree in Juniata, was as blunt as
19 anyone when he said, Mayor, you have got
20 to go after these tax deadbeats. It's
21 unfair to the rest of us who are paying
22 our taxes and our fair share.

23 (Applause.)

24 MAYOR NUTTER: Well, Walt,
25 we're doing that. Last November, we

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2 began publishing a list of our top tax
3 deadbeats in Philadelphia, and that
4 tactic has achieved some results. So
5 far, we've collected two and a half
6 million dollars in back taxes, but we're
7 just getting started. The City
8 Solicitor's Office, in partnership with
9 the Sheriff's Office, are fully
10 mobilized.

11 Ladies and gentlemen, we are
12 not playing about folks paying their
13 taxes.

14 (Applause.)

15 MAYOR NUTTER: And as that tax
16 deadbeat lawyer who approached me on the
17 sidewalk on South Broad Street last week
18 learned very clearly, my message is
19 pretty simple: If you owe, pay what you
20 owe.

21 (Applause.)

22 MAYOR NUTTER: Philadelphians
23 in large numbers also told me that the
24 City needs to make sure that we preserve
25 vital services to our most vulnerable

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2 populations, from children to the
3 elderly.

4 (Applause.)

5 MAYOR NUTTER: Marsha Wall, a
6 retired nurse in Southwest Philadelphia,
7 told me that City health centers are a
8 key part of the City's social safety net.
9 She said --

10 (Applause.)

11 MAYOR NUTTER: She said, For
12 people without insurance, it's all they
13 have. Please don't close them.

14 Well, Marsha, that brings us to
15 today. I want Philadelphians to know
16 that their voices and their ideas were
17 heard and received, and we understand.

18 (Audience member yelling,
19 "Thank you.")

20 MAYOR NUTTER: You're welcome.

21 My proposed FY10 budget and the
22 Five-Year Plan is the People's Budget.
23 We heard you loud and clear, and I'm
24 proposing a budget that maintains a high
25 quality of service to Philadelphians. We

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2 will not turn away from the gains that
3 we've made in public safety. So,
4 therefore, I will not lay off one police
5 officer or one firefighter in this city.

6 (Applause.)

7 MAYOR NUTTER: Nor will any
8 fire stations close or any equipment be
9 removed.

10 (Applause.)

11 MAYOR NUTTER: I heard you loud
12 and clear. I understand the linkage
13 between safety and education, and so no
14 recreation centers or libraries will
15 close.

16 (Applause.)

17 MAYOR NUTTER: And we will have
18 four times as many swimming pools open
19 this summer than I announced back in
20 November.

21 (Applause.)

22 MAYOR NUTTER: Through the help
23 of many people in the private sector and
24 additional commitment from our City
25 government, I made the decision to open

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2 that number of pools because I wanted to
3 invest in our young people. And so --
4 and, Mrs. Wall, no health centers will
5 close either.

6 (Applause.)

7 MAYOR NUTTER: And so we have
8 heard you, and we are keeping the faith.
9 This is our proposed framework.

10 But you know, as they say,
11 nothing in life is free. To provide the
12 level of service that Philadelphians want
13 will cost us a little more than we
14 currently have.

15 So in order to keep more than
16 6,600 FOP police officers on the street,
17 to have a full complement of Local 22
18 Firefighters, to keep our health centers
19 open, to have our recreation centers and
20 our libraries open, staffed with District
21 Council 33 and District Council 47
22 workers, we must do two very painful
23 things. First, sharply cut our costs
24 once again.

25 We face really tough choices.

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2 There is no easy way out. I will not
3 sugarcoat this. Now, more than ever,
4 leadership demands an honest accounting
5 of our situation and a responsible
6 solution.

7 There is no magic that can
8 transform our situation into something
9 other than what it is - a time for shared
10 sacrifice dedicated to a vision of a
11 brighter future for this city. This is
12 the time for all of us to either stand up
13 and be counted or sit down and be quiet.

14 (Applause.)

15 MAYOR NUTTER: As we did in
16 November, our first task is to look for
17 efficiencies, new revenue opportunities
18 in the departments and spending
19 reductions. It was not easy, considering
20 that we had to take so much out of our
21 Five-Year Plan last November.

22 But we put the sharp pencil to
23 our budget and we found a total of \$60
24 million worth of proposed efficiencies,
25 reductions and new revenue. That's more

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2 than \$300 million over the course of our
3 Five-Year Plan.

4 Half of the changes are
5 reductions, including a reduction of
6 about 250 positions in our city
7 government. Staff reductions citywide
8 will save us \$11 million per year and
9 more than \$50 million over our Five-Year
10 Plan, and it will raise to more than
11 3,000 the number of positions eliminated
12 from this city government since last
13 November.

14 On top of the 18 and a half
15 million dollars in overtime we removed
16 last November, this budget assumes an
17 additional \$2 million in annual overtime
18 reductions. Added up, it's more than
19 \$100 million over the Five-Year Plan.

20 Fees in some areas will
21 increase. Higher EMS fees will provide
22 \$5 million more a year, and fees for
23 commercial, commercial trash collection
24 will generate \$7 million annually.

25 Also on an annual basis, waste

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2 minimization efforts should net us an
3 additional \$2 million, citywide fleet
4 reduction one and a half million, and
5 energy efficiencies in FY10 will save us
6 a million and a half dollars, and that
7 number will jump to \$3 million in the two
8 following years.

9 But with all of these proposed
10 changes, it was clear that we would not
11 be able to cut our way out of a second
12 billion-dollar Five-Year Plan deficit.
13 And that leads to the second very painful
14 choice. New revenue is an absolute
15 necessity.

16 Now, as an elected official and
17 a candidate who for a decade championed
18 the cause of tax cutting and its central
19 role in the City's strategy to be a more
20 desirable place to do business and reside
21 and raise our families, I am certainly
22 well aware of the irony of our proposal
23 today.

24 But this is not the time for
25 philosophical debates. This is the time

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2 for leaders to make tough decisions. And
3 that's what I'm going to do. I'm going
4 to lead and I'm going to make tough
5 decisions. Unlike some politicians, I'm
6 not worried about the next election. I'm
7 worried about the next generation.

8 (Applause.)

9 MAYOR NUTTER: Now, in taking
10 into consideration just what would we do
11 and which taxes will we look at, I had a
12 number of concerns and criteria. I said
13 that we could not take a near-term action
14 that would cause us long-term pain and
15 difficulty and damage our economy. I
16 said that whatever we were going to do,
17 it must be of a short duration, designed
18 specifically and solely to get us past
19 this temporary economic crisis, and that
20 the pain must be shared fairly and
21 broadly.

22 Study after study has shown us
23 that over the last 50 years, wage and
24 business tax increases have exacted a
25 terrible price on the City's economy,

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2 driving population, business and

3 investment outside of our city.

4 Conversely, if you listen to

5 experts -- and I'll quote one -- Robert

6 Inman, a Wharton finance scholar and a

7 noted expert on the City's tax system and

8 economy, the rate of economic decline

9 would have been even much steeper in

10 recent years but for the annual

11 reductions in wage taxes started in the

12 mid '90s by then-Mayor Rendell.

13 Professor Inman has estimated

14 that those wage tax cuts actually added

15 23,000 jobs to the City's economy.

16 (Applause.)

17 (Audience member yelling, "Good

18 news.")

19 MAYOR NUTTER: You're right.

20 Raising the wage tax to fix our

21 current deficit would be the poster child

22 for taking a short-term step with

23 devastating long-term impact. It sends

24 the absolute wrong message. It is the

25 wrong thing to do, and I won't do that.

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2 (Applause.)

3 MAYOR NUTTER: In addition to
4 just being a bad idea, it would also
5 involve us in a potentially damaging
6 fight in Harrisburg, where legislators
7 have told me time and time again that
8 they would view any action by the City to
9 raise the wage tax as an action of a
10 broken promise, coming after the General
11 Assembly and Governor Rendell provided
12 gaming revenue as a way for us to reduce
13 our wage tax.

14 Instead, I have chosen to ask
15 the General Assembly to give us the
16 authority to levy an additional one
17 percent on our sales tax. This
18 surcharge, this penny with a purpose,
19 would last for only three years and would
20 generate an estimated \$340 million for
21 its temporary existence.

22 I'm also asking City Council to
23 raise the city portion of the real estate
24 tax for 2010 by 16 mills over the current
25 rate and by 12 mills -- for 2010 and by

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2 12 mills over the current rate for 2011.

3 This temporary, temporary two-year --

4 (Audience booing.)

5 MAYOR NUTTER: -- two-year

6 change will provide the City with an

7 estimated \$272 million.

8 Though the millage rate has not

9 been raised since 1990, I understand that

10 homeowners have seen their assessments

11 rise. I am sensitive, very sensitive, to

12 those concerns, and I'm also worried

13 about the impact of these proposals on

14 low-income workers and senior citizens.

15 And I would suggest that all of us take

16 further steps, whatever legal steps we

17 have, to protect those vulnerable

18 populations.

19 I also understand that the

20 assessments in some cases are not

21 necessarily up to date, meaning that some

22 people are paying more than they should

23 and some people are not paying enough.

24 (Applause.)

25 MAYOR NUTTER: This must and

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2 will change. I fully expect a new system
3 of setting assessments with fairness and
4 transparency will be in place for the
5 2011 tax year.

6 Finally, as City Controller
7 Alan Butkovitz and I recently announced,
8 I will also seek General Assembly
9 approval for a technical change in our
10 pension fund's operating rules that will
11 save the City over \$332 million over our
12 Five-Year Plan.

13 Taken together, these changes
14 put us close to a balanced Five-Year
15 Plan, but not completely.

16 Core services have been
17 preserved while the pain of supporting
18 this spending plan has been spread across
19 our business, consumer and homeowner
20 communities. Already businesses and wage
21 earners have had to forego tax reductions
22 that had already been approved by City
23 Council for a number of years, but any
24 additional effort to stabilize our city
25 budget must also involve our own public

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2 employees, who are also taxpayers.

3 On Inauguration Day, I said we
4 needed to protect the City's fiscal
5 health, stabilize the City's pension fund
6 and come to grips with double-digit
7 healthcare expenses.

8 I also said we needed new
9 contracts for our public employees,
10 contracts that were fair to the employees
11 and fair to the public, who must pay for
12 them.

13 Fourteen months later, I can
14 tell you with certainty that reform is
15 never an easy process. You never get
16 there without experiencing pain and
17 enduring hard work. I say that with the
18 deepest respect for all of our city's
19 public servants and their elected
20 leadership.

21 And so today I am calling on
22 Pete Matthews, President of District
23 Council 33, Brian McBride, President of
24 the Local 22 Firefighters, John McNesby,
25 President of Lodge 5 of the FOP, and

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2 Cathy Scott, our President of District
3 Council 47, with a message: It's time
4 for leaders to lead, not follow the
5 screaming masses. Work with me. Work
6 with us. Work with us on behalf of your
7 members and the one and a half million
8 residents of our great city who pay their
9 taxes and pay our salaries. We work for
10 them, not the other way around.

11 I'm asking for a new level of
12 cooperation that will benefit all of us.
13 We need to be open to new ideas.

14 For example, I've met with the
15 union leaders and asked them to encourage
16 their members to take voluntary furlough
17 days. This is an idea --

18 (Audience yelling, "No.")

19 MAYOR NUTTER: This is an idea
20 that actually came to us from many of our
21 own public employees who participated in
22 our open budget process.

23 Now, because of contractual
24 requirements, furloughs are not something
25 that the City can impose on our unionized

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2 employees, but it is a way to help
3 further forestall additional layoffs. If
4 every city and court employee who is not
5 already taking a furlough day voluntarily
6 took one furlough day, it would save the
7 taxpayers more than \$4.1 million per
8 year.

9 (Audience member yelling, "Why
10 don't you take 365 of them this year.")

11 MAYOR NUTTER: Because I got a
12 lot of work to do.

13 As we all know, among the key
14 drivers of the City's budget crisis are
15 pension and healthcare costs. We must
16 also acknowledge that today's system is
17 the sum of decisions that date back
18 almost 35 years, but we now have an
19 opportunity to chart a new course for
20 fiscal health over the next 20 to 30
21 years.

22 Rising benefit costs have
23 forced the City to shift ever more
24 valuable tax dollars away from the
25 services that citizens rely upon. In

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2 2000, the City spent \$220 million on
3 pensions and \$170 million on healthcare
4 costs. Those costs represented 14
5 percent of our city budget.

6 In 2008, we spent \$430 million
7 on pension costs and \$420 million on
8 healthcare, almost 22 percent of our
9 entire city budget. By FY13, the City
10 expects to spend more than 25 percent of
11 our entire budget on just those two items
12 unless significant changes are made.

13 I am proud that we pay our
14 hard-working city employees for a good
15 day's work. They deserve our respect for
16 taking on the hardships of working in the
17 public sector, but they must also
18 understand that our city treasury is not
19 an endless source of money.

20 To ensure the City's fiscal
21 health, I am asking our public employees
22 to contribute more of their salaries
23 toward their pensions and healthcare,
24 amounts more in line with national
25 averages.

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2 I'm not talking about impacting
3 the quality of our city healthcare
4 benefits.

5 Just as we were able to lower
6 the cost this year while preserving the
7 quality of benefits, so too must we
8 continue to drive down those costs over
9 the next five years. It's what
10 Philadelphia expect and it's what they
11 deserve.

12 As I've noted several times
13 today, our pension fund has been rocked
14 by the turmoil in the financial markets.
15 It has lost millions of dollars, which
16 must be made up by city taxpayers.

17 As it now stands, our pension
18 fund is only 55 percent funded, with
19 actuarial assets of \$4.6 billion and
20 actuarial liabilities of \$8.4 billion.

21 The Fund's condition is of such
22 concern that we will soon submit an
23 application to the Pennsylvania Employee
24 Retirement Commission asking that the
25 Philadelphia pension fund be declared

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2 severely distressed, the highest level of
3 distress as defined by state law.

4 Under the term of the law, we
5 will be required, we will be required to
6 make significant changes to the pension
7 fund to reduce our employee costs.

8 And following receipt and
9 acknowledgment of our application to the
10 Pennsylvania Employee Retirement
11 Commission, I will send legislation to
12 City Council to implement a new pension
13 plan for certain existing exempt
14 employees and all public employees hired
15 after July 1, 2009.

16 This new plan will provide a
17 guaranteed level of benefits, although
18 lower than the current plan, to employees
19 who work for the City for a certain
20 number of years and allow those who want
21 higher benefits to contribute more of
22 their own money and receive a city
23 matching contribution for part of it.

24 It will offer employees a way
25 to take their retirement benefits with

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2 them should they decide for some reason
3 to leave city employment. It's known as
4 portability.

5 This new plan will be less
6 expensive for the City in the long term,
7 while providing employees a measure of
8 retirement security.

9 We are also asking our unions
10 to agree that current employees who are
11 vested in pension plans pay more of the
12 cost to keep their existing pension
13 benefits.

14 And while the savings in the
15 Five-Year Plan from these proposed
16 pension changes are estimated to be
17 somewhat modest, over the next 20 years,
18 we're expecting to generate over \$600
19 million in savings.

20 For now, I've included \$25
21 million in benefits and work rule changes
22 in our proposed budget, or an estimated
23 \$125 million in savings for our Five-Year
24 Plan. It is a minimum level of savings
25 that we must have in order to afford

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2 everything else that we're proposing to
3 do. Without these savings, unfortunately
4 I have to tell you, layoffs will surely
5 follow. There is no question about it.

6 This budget and plan also does
7 not include any money for salary
8 increases. If raises are to be found,
9 those dollars must come from other
10 efficiencies that labor and management
11 implement in the course of the contract
12 negotiations.

13 As you can see, there are many
14 working parts to this proposed budget.
15 It requires support from our taxpayers,
16 cooperation from our employees, approvals
17 from the General Assembly, the Governor
18 and, of course, this City Council.

19 One area I have not yet
20 addressed is the independently elected
21 officials and their operations. In the
22 last three months, in the course of our
23 extensive budget outreach process,
24 Philadelphians have urged me on many
25 occasions to do things by executive

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2 action that, quite honestly, I just don't
3 have the power to do.

4 And while it's true that our
5 1951 Charter is often described as
6 creating a "strong mayor" form of
7 government, everyone doesn't work for me.
8 There are about 23,000 city employees
9 supported by the General Fund, but more
10 than 3,250 are not under the executive
11 branch control. On a host of spending
12 issues, whether it's City Council, the
13 Sheriff, First Judicial District, the
14 Register of Wills, the District Attorney
15 and the City Controller, all have
16 significant authority over their own
17 budgets.

18 Today, I'm asking all of our
19 elected officials to look carefully at
20 some of the things we've been doing in
21 the Administration, and I want to commend
22 you for many of the things that you've
23 already done.

24 I reduced my own budget in the
25 Mayor's Office by 22 percent compared to

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2 our FY09 original budget. I'm also
3 pledging to the public that I will not
4 enter the DROP program, and I've
5 submitted legislation --

6 (Applause.)

7 MAYOR NUTTER: -- to our City
8 Council a bill that prohibits future
9 elected officials to joining that program
10 after this year.

11 (Applause.)

12 MAYOR NUTTER: I'm also calling
13 on all elected officials to do more. And
14 you've done a great deal, but I'm asking
15 you to do more on behalf of the citizens
16 of Philadelphia and our city employees.
17 Whether, as many of you have already
18 done, making across-the-board cuts,
19 salary reductions, either for yourselves
20 or possibly staff, voluntary furloughs,
21 returning city cars or simply reducing
22 the use, do something to help. We need
23 the savings, substantial savings, and we
24 need them right now.

25 (Applause.)

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2 MAYOR NUTTER: I cannot be more
3 serious about this, and I also know and I
4 know you know that the citizens of this
5 city are watching what we do.

6 (Applause.)

7 MAYOR NUTTER: As we move
8 forward, we're thinking about efficiency
9 and reducing costs every day, not only by
10 learning to work smarter and faster, but
11 also by completely rethinking and
12 reforming our government structure.

13 Philadelphia is a wonderfully
14 old city, but it also has a dated
15 government structure. And as I noted
16 last year, the row offices in many
17 instances are a significant component of
18 our city budget costs.

19 In the 21st century and at this
20 time, it is prudent and fiscally
21 responsible to carefully study the future
22 of these row offices and the millions of
23 taxpayers' dollars spent each year.

24 Many of the functions carried
25 out by the City Commissioners or the

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2 Sheriff, the Clerk of Quarter Sessions,
3 the Register of Wills, the Board of
4 Revision of Taxes, of course, are vital
5 to this city.

6 The question is whether or not
7 we can provide these services more
8 efficiently and at less cost if these
9 elected offices and these associated
10 costs are removed and the core functions
11 are redistributed to other city
12 departments.

13 It is a question that needs
14 more study, but it needs to be addressed
15 with a careful analysis, and I am
16 certainly committed to exploring the
17 various options for how we may either
18 reduce, consolidate or eliminate any of
19 those offices.

20 Similarly, the City of
21 Philadelphia has hundreds of buildings,
22 including many very old, deteriorating
23 facilities that are way beyond their
24 useful life.

25 Last week, Councilman Jim

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2 Kenney introduced a resolution that could
3 lead to an independent non-partisan
4 commission to inventory and evaluate city
5 assets and then make non-binding
6 recommendations to this Council and to
7 the Administration for potential closure.
8 This is a concept modeled after the
9 military's base closure process.

10 As a city, we must confront the
11 issue of how our current portfolio of
12 facilities matches our needs and
13 resources in the years to come. It may
14 be that there are exciting opportunities
15 to consolidate city services in selected
16 buildings.

17 I believe this proposal could
18 be the appropriate venue for a rational
19 and deliberative consideration of our
20 future facility needs, and I ask Council
21 to consider this issue as soon as
22 practical.

23 Meanwhile, the reform teams put
24 in place by Managing Director Camille
25 Barnett are looking at a variety of

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2 issues, from increasing police efficiency
3 with better use of technology,
4 consolidating administrative functions
5 and studying the sale or long-term lease
6 of city assets.

7 The Managing Director is also
8 using the PhillyStat process to hold
9 departmental managers accountable for
10 constant improvement of services that are
11 most important to the public.

12 Philadelphians, of course, can see the
13 progress of that activity by literally
14 streaming it on the web or watching on
15 the cable access channel No. 64.

16 This morning I've talked a
17 great deal about our fiscal crisis and
18 our difficult choices. I believe a good
19 leader listens, consults, carefully
20 considers alternatives, and then leaders
21 must lead. And that's my job as the
22 leader of this city.

23 One attribute of leadership is
24 the will to make tough, painful choices
25 now for the sake of a better future.

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2 It's looking across a valley of despair
3 and knowing you can walk through tough
4 times because you have a vision of a
5 prosperous future on the other side.

6 We are in that moment right now
7 in our great city. We can no longer
8 operate this large government as it has
9 in the past. We've got to change or
10 we'll be left behind as a once great
11 city. People and businesses will give up
12 on us.

13 Well, I'm not going to let that
14 happen, and I'm sure you won't either,
15 because we're going to come out of this
16 recession together. I don't know when,
17 but we must use the time available to
18 prepare for the next round of growth.

19 What will Philadelphia look
20 like three years after these proposed
21 temporary taxes expire?

22 Well, I see a smaller, leaner,
23 more agile, more productive, lower cost
24 government. I see increased
25 productivity. I see jobs, jobs for all

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2 of our people. I see educational and
3 medical institutions expanding their
4 operations and working in concert with
5 the City on its educational and
6 employment goals.

7 And with the completion of the
8 Pennsylvania Convention Center expansion,
9 I see our hospitality industry taking
10 off, with more hotels and conventions and
11 tourists who will take in our incredible
12 array of cultural and historical venues,
13 including the Barnes, the National Museum
14 of Jewish-American History, the
15 President's House, our world-class
16 restaurants and our two casinos.

17 And on that note --

18 (Audience booing.)

19 MAYOR NUTTER: -- let me thank
20 Councilman Frank DiCicco for his
21 steadfast leadership on this tough issue,
22 and I've enjoyed working in concert with
23 Councilman Clarke as well.

24 We'll be the leader in
25 sustainability, spurred on by a new

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2 Zoning Code, a strong Planning
3 Commission, a powerful plan for
4 sustainability and a creative parks and
5 recreation program that fosters both
6 recreation and our great Fairmount Park.

7 (Audience member yelling, "What
8 about the trash?")

9 MAYOR NUTTER: We'll be known
10 as a leader -- we're going to pick it up
11 every week for free.

12 (Applause.)

13 MAYOR NUTTER: We'll be known
14 as a leader in the application of green
15 roof technology, and our green collar
16 workforce will be growing by leaps and
17 bounds, thanks in part to President
18 Barack Obama's Administration and the
19 recovery program that enables us to
20 dramatically expand our weatherization
21 and energy reduction programs.

22 Our wage and business tax cut
23 schedules will be reinstituted sooner
24 than we planned, and as construction
25 cranes pop up all over the City, the

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2 workforce will be noticeably more
3 diverse, thanks to the work of the
4 Advisory Commission on Construction
5 Industry Diversity and the cooperation of
6 unions and employers.

7 More Philadelphia students will
8 graduate from high school and college and
9 choose to stay here to fill the needs of
10 our city's many employers, and more
11 adults will return to get their college
12 degrees, which in turn will enhance their
13 opportunities to move up in the new
14 economy.

15 My friends and colleagues,
16 there is nothing that can stop us from
17 reaching our destiny.

18 We're taking steps now to make
19 our future success inevitable. We've got
20 one eye on the current situation, but one
21 eye always focused on the future and the
22 better days to come.

23 This is the time for all of us
24 to turn toward each other in partnership,
25 not away from each other to score

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2 political points.

3 This is the time when we show
4 ourselves, the region, the Commonwealth
5 and the nation who we are and what we're
6 about, that we're a great city in
7 America.

8 We're a city of neighborhoods.
9 We're a world city where people from all
10 over the planet come right to
11 Philadelphia. We are a world-class city.

12 This People's Budget is the
13 product of your hard work. You spoke.
14 We listened. And now I present your
15 budget to you.

16 You said you cared very
17 passionately about libraries and
18 recreation centers. Well, make sure you
19 follow through on that and volunteer at
20 one of our great facilities.

21 You talked about the need for
22 good after-school programs as a part of a
23 safe, nurturing city. We need more
24 adults to help run those programs and
25 parents to make sure their children are

1 3/19/09 - STATED - BUDGET ADDRESS

2 using them.

3 You said you want your children
4 to get a better education. I call on you
5 now to make sure that your children go to
6 school every day, completing their
7 assignments and not getting in trouble.

8 You want to grow your business
9 in our city. Well, please consider
10 taking advantage of our new Office of
11 Neighborhood and Business Services at our
12 Commerce Department.

13 Nothing, nothing, nothing that
14 has happened over the past six months can
15 stop us from achieving our goals. We
16 have the future before us, full of
17 promise and new ideas and a renewed sense
18 of hope.

19 Now is the time for big dreams,
20 for bold action, for huge political
21 courage and the will to change, change we
22 can believe in.

23 Working together, solving our
24 problems together, achieving great things
25 together, that's the new Philadelphia,

1 3/19/09 - STATED - SPEECHES

2 the city that works.

3 Thank you. God bless you, and

4 God bless Philadelphia.

5 (Applause.)

6 (Audience members yelling,

7 "Don't tax the poor.")

8 COUNCIL PRESIDENT Verna: We're

9 still in session.

10 Are there speeches on the part

11 of the minority?

12 We're still in session.

13 At this time, the Chair

14 recognizes Councilman O'Neill.

15 COUNCILMAN O'NEILL: Madam

16 President, in deference to our Mayor, I'm

17 going to stand and be heard rather than

18 sit and be quiet.

19 Let me just point out what I

20 think one could argue --

21 COUNCIL PRESIDENT Verna:

22 Councilman, just a moment, please.

23 Those who are leaving, please

24 do so quietly.

25 Councilman.

1 3/19/09 - STATED - SPEECHES

2 COUNCILMAN O'NEILL: Let me
3 point out that at least in this member's
4 opinion, there is a strong argument that
5 this might be a new day, but this is an
6 old way.

7 Two, that this might be talked
8 about as the people's budget. This could
9 be argued very strongly that it's the
10 government's budget.

11 And let me just say that when
12 we're looking at these kinds of tax
13 increases on our poorest populations,
14 that we are being asked to raise a lot
15 more revenues for a very similar
16 structural deficit that we had at the end
17 of Mayor Goode's administration, and at
18 that time, neither Council nor the Mayor
19 would impose these kinds of burdens on
20 our public, and we did something that was
21 unheard of, to have our own one percent
22 increase above the rest of the state, so
23 that we could borrow money with the
24 state's backing and figure out how we
25 could restructure our expense side, which

1 3/19/09 - STATED - SPEECHES

2 couldn't be done overnight. And that
3 happened at the beginning of Mayor
4 Rendell's administration.

5 And this may be time, instead
6 of having Plan B where real estate taxes
7 are doubled or tripled, to have a Plan B
8 that is PICA 2, using that same one
9 percent sales tax concept to go from
10 instead of 6 to 7, as we did the last
11 time, to go from 7 to 8. Because I can
12 tell you, the people I represent, the
13 people I talked to around the City will
14 accept that based on a restructuring of
15 government and not just moving around the
16 little pods. Then they would -- the kind
17 of drastic increases in their taxes,
18 which they can't afford, in the real
19 estate area -- some people seem to just
20 think that's the area to go after. Well,
21 I can tell you, we were very smart when
22 we did not do that or the wage tax back
23 then, and I think it would be very smart
24 now to consider that other concept.

25 The Mayor is very

1 3/19/09 - STATED - SPEECHES

2 well-intentioned, but the Mayor also has
3 another branch of government that's
4 allowed to have its own ideas. And I
5 just want to stand to be heard on what I
6 hope we can at least have a good
7 discussion about in this body.

8 Thank you.

9 COUNCIL PRESIDENT Verna: Thank
10 you very much.

11 Are there any other speeches on
12 the part of the minority?

13 (No response.)

14 COUNCIL PRESIDENT Verna: Are
15 there speeches on the part of the
16 majority?

17 The Chair recognizes Councilman
18 Green.

19 COUNCILMAN GREEN: Thank you,
20 Madam President. I will stand in support
21 of my colleague, Councilman O'Neill. It
22 is time for true collaboration with the
23 Administration, which means respect for
24 each other's points of view, and I look
25 forward to an open dialogue where our

1 3/19/09 - STATED - ADJOURNMENT

2 disagreements are treated as substantive
3 policy discussions rather than treated as
4 meaningless rhetoric.

5 Thank you, Madam President.

6 COUNCIL PRESIDENT Verna: Thank
7 you.

8 Does anyone else want to be
9 recognized?

10 (No response.)

11 COUNCIL PRESIDENT Verna:
12 Seeing no one, the Chair recognizes
13 Councilman Clarke for a motion to
14 adjourn.

15 COUNCILMAN CLARKE: Thank you,
16 Madam President. I move that Council
17 stand adjourned until Thursday, March 26,
18 2009, 10:00 a.m.

19 (Duly seconded.)

20 COUNCIL PRESIDENT Verna: It
21 has been moved and seconded that Council
22 stand adjourned until Thursday, March the
23 26th at 10:00 a.m.

24 All in favor will say aye.

25 (Aye.)

1 3/19/09 - STATED - ADJOURNMENT

2 COUNCIL PRESIDENT Verna: Those
3 opposed?

4 (No response.)

5 COUNCIL PRESIDENT Verna: The
6 ayes have it and the motion carries.

7 Thank you.

8 (Stated Meeting and Budget
9 Address adjourned 11:45 a.m.)

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CERTIFICATE

I HEREBY CERTIFY that the
proceedings, evidence and objections are
contained fully and accurately in the
stenographic notes taken by me upon the
foregoing matter on March 19, 2009, and that
this is a true and correct transcript of same.

MICHELE L. MURPHY
RPR-Notary Public

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