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2 COUNCIL OF THE CITY OF PHILADELPHIA

3 COMMITTEE ON APPROPRIATIONS

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5 Room 400, City Hall
6 Philadelphia, Pennsylvania
7 Thursday, April 29, 2010
8 9:00 a.m.

9 - - -

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PRESENT:

12 COUNCILWOMAN JOAN L. KRAJEWSKI, CHAIR

13 COUNCILMAN FRANK DiCICCO

14 COUNCILMAN W. WILSON GOODE, JR.

15 COUNCILMAN BRIAN J. O'NEILL

16 COUNCILWOMAN MARIA QUINONES-SANCHEZ

17 COUNCILWOMAN DONNA REED MILLER

18 COUNCILMAN FRANK RIZZO

19

20 BILLS 100216, 100217 and 100218

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2 COUNCILWOMAN KRAJEWSKI: Good
3 morning. The Committee on Appropriations
4 is now in session. I believe we have
5 three bills.

6 Will the Clerk please read the
7 three bills.

8 THE CLERK: Bill No. 100216, an
9 ordinance authorizing transfers in
10 appropriations for Fiscal Year 2010 from
11 the Grants Revenue Fund, the Director of
12 Finance - Provision for Other Grants to
13 the Housing Trust Fund, the Mayor -
14 Office of Housing and Community
15 Development.

16 Bill No. 100217, an ordinance
17 authorizing transfers in appropriations
18 for Fiscal Year 2010 within the Grants
19 Revenue Fund from the Director of
20 Finance - Federal Stimulus Funding to the
21 Department of Parks and Recreation -
22 Parks, the Department of Human Services -
23 Philadelphia Prisons and the District
24 Attorney.

25 Bill No. 100218, an ordinance

1 4/29/10 - APPROPRIATIONS - BILL 100216, etc.

2 authorizing transfers in appropriations

3 for Fiscal Year 2010 within the General

4 Fund from the Managing Director -

5 Division of Technology, the Managing

6 Director - Office of Fleet Management,

7 the Department of Human Services -

8 Philadelphia Prisons, the Department of

9 Revenue - Sinking Fund Commission, and

10 the Board of Revision of Taxes and from

11 the Grants Revenue Fund, the Director of

12 Finance - Provision for Other Grants to

13 the General Fund, the Managing Director -

14 Division of Technology, the Managing

15 Director - Office of Fleet Management,

16 the Department of Streets, the Department

17 of Parks and Recreation - Recreation, the

18 Department of Licenses and Inspections,

19 the Department of Records, the Director

20 of Finance - Fringe Benefits, the

21 Auditing Department, the Board of

22 Revision of Taxes, the Sheriff and the

23 First Judicial District of Pennsylvania.

24 COUNCILWOMAN KRAJEWSKI: Thank

25 you.

1 4/29/10 - APPROPRIATIONS - BILL 100216, etc.

2 Someone from the

3 Administration?

4 (Witnesses approached witness
5 table.)

6 COUNCILWOMAN KRAJEWSKI: You'll
7 testify on the three bills?

8 MR. AGOSTINI: Yes, I will.
9 Good morning.

10 COUNCILWOMAN KRAJEWSKI: Thank
11 you.

12 MR. AGOSTINI: Steve Agostini,
13 Budget Director. Scott Wilds to my left,
14 OHCD.

15 The first bill before you,
16 100216, is a transfer of five and a half
17 million dollars into Class 250 in order
18 to implement components of the Year 35
19 Consolidated Plan that has been approved
20 by this Council in prior action. This is
21 to allow for a number of programs,
22 neighborhood-based rental program,
23 homeless prevention program and some
24 program delivery costs and general
25 administrative costs. Again, the amount

1 4/29/10 - APPROPRIATIONS - BILL 100216, etc.

2 is for five and a half million dollars.

3 With respect to Bill No.

4 100217, that bill contains 967,000 in the

5 transfer request associated with Recovery

6 Act spending. They are for grants in the

7 following departments: Department of

8 Parks and Recreation for 130,000 for a

9 Forest Service grant; Department of Human

10 Services and the Prison System of 240,000

11 for Workforce Development Corporation's

12 grant for vocational skills and

13 skill-based training for ex-offenders;

14 and the District Attorney, the Victim

15 Service Job Creation grant and Technology

16 for Optimum Performance grant. Again,

17 that's in total about \$1 million for

18 those grants.

19 And then the last bill is

20 100218, is a transfer ordinance for

21 operating for the departments. The

22 amount in the bill is for 38,910,000, ten

23 transfers. The transfers -- the large

24 transfers are to the Streets Department,

25 17.3 million for costs associated with

1 4/29/10 - APPROPRIATIONS - BILL 100216, etc.

2 snow removal for the two large snowstorms
3 we had at the beginning of the calendar
4 year; the fringe benefits line in the
5 Director of Finance, \$13 million to fully
6 fund our health medical payments for the
7 current fiscal year; the Division of
8 Technology, \$4.48 million to cover
9 various operating shortfalls. That
10 includes an internal transfer of about
11 1.2 million to cover some of those
12 shortfalls. And the First Judicial
13 District, \$2 million to fund additional
14 costs associated with our court-appointed
15 counsel.

16 There are numerous other
17 smaller transfers that I can go into in
18 detail if members of the Committee have
19 questions about that.

20 COUNCILWOMAN KRAJEWSKI: Thank
21 you.

22 Mr. Agostini, I have some
23 questions regarding Bill No. 100218 as it
24 relates to the Department of Technology.
25 I think there's a growing concern among

1 4/29/10 - APPROPRIATIONS - BILL 100216, etc.

2 Councilmembers about the huge amount of
3 money, both capital and General Fund
4 dollars, that is being appropriated to
5 the Division of Technology. Given the
6 current fiscal crisis in which the City
7 finds itself, I would appreciate if you
8 could forward to this Committee
9 information which would include some
10 general background information on the
11 number of employees being reassigned and
12 from what City agency, the number of new
13 employees being hired, if any, and where
14 the DOT will be located and a financial
15 breakdown of where and how the general
16 operating and capital dollars will be
17 spent. Please include this in a
18 timeframe for spending the capital
19 dollars as it relates to FY2011.

20 MR. AGOSTINI: Madam Chair, I'd
21 be happy to do that. We will get that
22 over to you within the next couple of
23 days so that you have that in front of
24 you. We'll also provide to you sort of
25 initial spending assumptions for the

1 4/29/10 - APPROPRIATIONS - BILL 100216, etc.

2 capital expenditures, along with the
3 consolidation, number of new positions,
4 to the extent that we have them, as well
5 as a breakdown on some of the costs.
6 I'll be happy to do that for you.

7 If you want, I can try to go
8 into some detail on that now, but I can
9 provide that in written testimony back to
10 the Chair.

11 COUNCILWOMAN KRAJEWSKI: I can
12 wait.

13 MR. AGOSTINI: Okay.

14 COUNCILWOMAN KRAJEWSKI: Thank
15 you.

16 MR. AGOSTINI: You're welcome.

17 COUNCILWOMAN KRAJEWSKI: Are
18 there any questions from members of the
19 Committee?

20 Councilwoman Sanchez.

21 COUNCILWOMAN SANCHEZ: Thank
22 you.

23 Good morning.

24 MR. AGOSTINI: Good morning.

25 COUNCILWOMAN SANCHEZ: Any of

1 4/29/10 - APPROPRIATIONS - BILL 100216, etc.

2 these transfers are not covered through
3 current funding levels and will they add
4 to the deficit?

5 MR. AGOSTINI: The \$13 million
6 associated with the fringe benefits will
7 add to the current deficit.

8 COUNCILWOMAN SANCHEZ: How
9 much?

10 MR. AGOSTINI: The \$13 million.

11 COUNCILWOMAN SANCHEZ: The
12 whole 13?

13 MR. AGOSTINI: The whole
14 amount. And if I might for a moment,
15 part of that 13 -- the entire 13 million
16 was part of what we had assumed we would
17 generate in savings. There's a timing
18 issue associated with that. Because we
19 are on a calendar year basis with our
20 health plans, we will generate savings
21 for the City-administrated plan we
22 believe at the end of the current
23 calendar year. Unfortunately, that will
24 fall into the FY11 fiscal year as opposed
25 to the FY10, but we still anticipate

1 4/29/10 - APPROPRIATIONS - BILL 100216, etc.
2 about \$6 to \$7 million. Because of the
3 timing, it's not going to show up in
4 FY10. It would have reduced this number
5 by that \$6 to \$7 million.

6 COUNCILWOMAN SANCHEZ: In terms
7 of the -- I know there's \$50 million in
8 snow removal at the state. What do we
9 expect to receive of that pool to offset
10 the appropriations for the Streets
11 Department?

12 MR. AGOSTINI: Councilmember,
13 that's unclear at this point. We have
14 applied to PEMA. We are about to apply
15 to FEMA for reimbursements for those
16 snowstorms. We're going to try and get
17 as much of that expenditure recovered to
18 the extent we can. Maryann Tierney in
19 the Office of -- in the MDO is sending
20 out a letter jointly with me to begin the
21 process of capturing some of those costs
22 so that we can submit that. That letter
23 is going to go out either today or
24 tomorrow.

25 COUNCILWOMAN SANCHEZ: The 13

1 4/29/10 - APPROPRIATIONS - BILL 100216, etc.

2 million, is that in our budget documents
3 under consideration now?

4 MR. AGOSTINI: The 13 million
5 is not.

6 COUNCILWOMAN SANCHEZ: You just
7 gave me a heart attack.

8 MR. AGOSTINI: Sorry.

9 COUNCILWOMAN SANCHEZ: Okay.
10 In terms of the Housing Trust Fund, you
11 say there's a shortfall in current year
12 for Year 35. Does this create a deficit
13 for Year 36? We haven't approved the
14 Consolidated Plan yet, so I want to make
15 sure.

16 MR. WILDS: Good morning. I'm
17 Scott Wilds, Deputy Director of Housing.
18 There's no deficit in funding.
19 There's a deficit in appropriation
20 authority.

21 COUNCILWOMAN SANCHEZ: Okay.

22 MR. WILDS: We have caught up
23 on some spending from prior budget years
24 that has cut into the appropriation
25 authority, but we have the funds.

1 4/29/10 - APPROPRIATIONS - BILL 100216, etc.

2 COUNCILWOMAN SANCHEZ: Okay.

3 So this is just a transfer to cover,
4 because things are actually moving on
5 time versus --

6 MR. WILDS: Exactly, and even
7 ahead of time.

8 COUNCILWOMAN SANCHEZ: So we're
9 actually in Year 35 and this is Year 38,
10 we're almost catching up?

11 MR. WILDS: We're at 35 now and
12 this is this current year, yes, ma'am.

13 COUNCILWOMAN SANCHEZ: All
14 right. Thank you.

15 Mr. Agostini, as it relates
16 to -- I'm very concerned about this \$13
17 million. So that's the only figure that
18 is going to carry over to our budget
19 documents --

20 MR. AGOSTINI: We are --

21 COUNCILWOMAN SANCHEZ: -- of
22 all of these appropriations?

23 MR. AGOSTINI: Of all of these
24 appropriations, that's correct.

25 COUNCILWOMAN SANCHEZ: Thank

1 4/29/10 - APPROPRIATIONS - BILL 100216, etc.

2 you.

3 COUNCILWOMAN KRAJEWSKI: Thank

4 you.

5 Are there any other questions

6 from members of the Committee?

7 (No response.)

8 MR. AGOSTINI: And we'll

9 provide that information.

10 COUNCILWOMAN KRAJEWSKI: You

11 better go while the getting is good.

12 MR. AGOSTINI: I know.

13 COUNCILWOMAN KRAJEWSKI: Thank

14 you very much.

15 That ends our public hearing on

16 Appropriations. Now we'll go into our

17 public meeting.

18 The Chair recognizes --

19 MR. AGOSTINI: I got up too

20 quickly. Suspension of the rules, if you

21 could, please.

22 COUNCILWOMAN KRAJEWSKI: Okay.

23 Thank you.

24 MR. AGOSTINI: Thank you.

25 COUNCILWOMAN KRAJEWSKI: The

1 4/29/10 - APPROPRIATIONS - BILL 100216, etc.

2 Chair recognizes Councilwoman Sanchez for
3 the purpose of voting out Bill 100218.

4 COUNCILWOMAN SANCHEZ: Thank
5 you, Madam Chair. I move that Bill
6 100216 be moved out of Committee with a
7 favorable recommendation and that the
8 rules of Council be suspended to allow
9 first reading at our first public
10 session.

11 (Duly seconded.)

12 COUNCILWOMAN KRAJEWSKI: All
13 those in favor?

14 (Aye.)

15 COUNCILWOMAN KRAJEWSKI:
16 Therefore, Bill 100218 will be reported
17 out of this Committee --

18 (Off-the-record discussion
19 between Councilmembers.)

20 COUNCILWOMAN KRAJEWSKI:
21 Councilwoman Sanchez for the purpose of
22 voting out 216.

23 COUNCILWOMAN SANCHEZ: Yes. I
24 move that Bill 100216 be moved out of
25 Committee with a favorable recommendation

1 4/29/10 - APPROPRIATIONS - BILL 100216, etc.

2 and that the rules of Council be

3 suspended to allow first reading at our

4 next public session.

5 (Duly seconded.)

6 COUNCILWOMAN KRAJEWSKI: All

7 those in favor?

8 (Aye.)

9 COUNCILWOMAN KRAJEWSKI:

10 Opposed?

11 (No response.)

12 COUNCILWOMAN KRAJEWSKI:

13 Therefore, Bill 100216 will be reported

14 out of this Committee with a favorable

15 recommendation with a suspension of rules

16 so as to permit first reading at the next

17 session of Council.

18 The next bill will be,

19 Councilwoman Miller, Bill 100217.

20 COUNCILWOMAN MILLER: Thank

21 you, Madam Chair. I move that Bill

22 100217 be reported out of this Committee

23 with a favorable recommendation and

24 further move that the rules of Council be

25 suspended so as to permit first reading

1 4/29/10 - APPROPRIATIONS - BILL 100216, etc.

2 at our next session.

3 COUNCILWOMAN KRAJEWSKI: Do I

4 hear a second?

5 (Duly seconded.)

6 COUNCILWOMAN KRAJEWSKI: All

7 those in favor?

8 (Aye.)

9 COUNCILWOMAN KRAJEWSKI: All

10 opposed?

11 (No response.)

12 COUNCILWOMAN KRAJEWSKI:

13 Therefore, Bill 100217 will be reported
14 out of this Committee with a suspension
15 of rules so as to permit first reading at
16 the next session of Council.

17 Again, the Chair recognizes

18 Councilwoman Sanchez on Bill 100218.

19 COUNCILWOMAN SANCHEZ: Thank

20 you, Madam Chair. I move that Bill

21 100218 be moved out of Committee with a

22 favorable recommendation and that the

23 rules of Council be suspended to allow

24 first reading at our next public session.

25 (Duly seconded.)

1 4/29/10 - APPROPRIATIONS - BILL 100216, etc.

2 COUNCILWOMAN KRAJEWSKI: All

3 those in favor?

4 (Aye.)

5 COUNCILWOMAN KRAJEWSKI:

6 Opposed?

7 (No response.)

8 COUNCILWOMAN KRAJEWSKI:

9 Therefore, Bill 100218 will be reported
10 out of this committee with a suspension
11 of rules so as to permit first reading at
12 the next session of Council.

13 Thank you all very much. That
14 concludes our Committee on
15 Appropriations.

16 (Committee on Appropriations
17 concluded at 9:15 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 April 29, 2010, and that
this is a true and correct transcript of same.

MICHELE L. MURPHY
RPR-Notary Public

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