

1
2 COUNCIL OF THE CITY OF PHILADELPHIA
3 PUBLIC HEARING
4 BEFORE THE COUNCIL COMMITTEE ON APPROPRIATIONS
(FY '03 BUDGET HEARING)

5 - - -
Room 400, City Hall
Philadelphia, Pennsylvania
6 Tuesday, 2/19/02
9:55 a.m.
7 - - -

8 BILL 020037 Authorizing transfers in appropriations
for FY '02 within Grants Revenue Fund from the
9 Director of Finance - Provision for Other Grants to
the Police Department and the Board of Trustees of
10 the Free Library of Philadelphia.

11 BILL 020038 Authorizing transfers in appropriations
for FY '02 from the General Fund, certain or all City
12 offices, departments, boards, and commission and from
the Grants Revenue Fund, the Director of Finance -
13 Provision for Other Grants to the General Fund
certain or all City offices, departments, boards, and
14 Commissions.

15 BILL 020039 Authorizing transfers in appropriations
for Fiscal Year 2002 within the Aviation Fund from
16 certain or all City offices, departments, boards, and
commissions to certain or all City offices,
17 departments, boards, and commissions.

18 COUNCILMEMBERS PRESENT:

19 Joan L. Krajewski, Chairperson
20 Michael A. Nutter, Vice Chairperson
Jannie L. Blackwell
21 Darrell L. Clarke
Donna Reed Miller
22 Angel L. Ortiz

23 - - -
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1 2/19/02 APPROPRIATIONS COMMITTEE HEARING

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1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39

2 COUNCILWOMAN KRAJEWSKI: Good morning.

3 The Committee on Appropriations is now in session.

4 Will the clerk please read the title of the bills.

5 THE CLERK: Bill No. 020037, an ordinance
6 authorizing transfers in appropriations for Fiscal
7 Year 2002 within the Grants Revenue Fund from the
8 Director of Finance - Provision for Other Grants to
9 the Police Department and the Board of Trustees of
10 the Free Library of Philadelphia.

11 Bill No. 020038, an ordinance authorizing
12 transfers in appropriations for Fiscal Year 2002
13 from the General Fund, certain or all City offices,
14 departments, boards, and commission and from the
15 Grants Revenue Fund, the Director of Finance -
16 Provision for Other Grants to the General Fund
17 certain or all City offices, departments, boards,
18 and Commissions.

19 And Bill No. 020039, an ordinance
20 authorizing transfers in appropriations for Fiscal
21 Year 2002 within the Aviation Fund from certain or
22 all City offices, departments, boards, and
23 commissions to certain or all City offices,
24 departments, boards, and commissions.

25 COUNCILWOMAN KRAJEWSKI: Before we begin,

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2 I would just like to take a moment to recognize
3 Troupe 19 from the Boy Scouts of America. They're
4 here today with their troupe leader, Mr. Wayne
5 White, working towards their citizenship merit
6 badges. Welcome.

7 Do you want to stand up so we can see you?

8 (Troupe members stand up.)

9 (Applause.)

10 COUNCILWOMAN KRAJEWSKI: Welcome to City
11 Council. You are indeed a credit, believe me.

12 Do we have someone from the Administration
13 to testify?

14 (Witness comes forward.)

15 MR. DUBOW: Good morning, Councilwoman
16 Krajewski and members of the Appropriations
17 Committee. My name is Rob Dubow, and I serve as
18 Budget Director for the City of Philadelphia.

19 I appear before you today to offer
20 testimony on Bills No. 020037, 020038, and 020039,
21 which make Fiscal Year 2002 budget appropriation
22 transfers between and among classes and departments
23 in the City's General Fund, Grants Revenue Fund,
24 and Aviation Fund.

25 I have shown in Exhibit A, attached to

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39

2 this testimony, that there is a total of 36
3 transfers requested in Bill No. 0020038, including
4 21 transfers involving a net change in departmental
5 appropriations and 9 transfers between classes
6 within departments that do not result in any net
7 change in appropriations.

8 The largest increase in appropriation
9 requested is \$12 million in Class 200 funds for the
10 Department of Licenses and Inspections to cover
11 demolitions and other NTI-related activities.

12 The Administration also requests an
13 increase of \$11.1 million in Class 100 and 200
14 appropriations for the Philadelphia prison system
15 to cover overtime expenses resulting from
16 higher-than- anticipated inmate population levels
17 and the cost of inmates being housed in Delaware
18 County.

19 The Administration also requests
20 \$8.8 million for the Department of Public
21 Property's Class 200 appropriation of which
22 \$3 million is an internal transfer from its Class
23 800 and \$1 million transferred from
24 telecommunications Class 200 appropriation. The
25 increased appropriations will cover the costs of

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 security upgrades in City facilities made in
3 response to the terrorist attacks on September
4 11th.

5 An additional \$7.1 million is requested in
6 the Fire Department's appropriation to offset
7 overtime expenses incurred as a result of the
8 bioterrorism response and costs related to the
9 arbitration award.

10 The Administration also requests a net
11 increase in the Law Department's appropriation of
12 \$3.5 million to fully fund expected contractual
13 obligations for outside legal counsel.

14 Increases are requested in the Department
15 of Recreation's Class 200 Veterans Stadium Complex
16 appropriation in the amount of \$413,698 to cover
17 higher insurance costs and contract costs due to
18 prevailing-wage rate clauses. And in the
19 Department's Class 100 appropriation, the amount of
20 \$73,197 to cover overtime costs related to
21 conversions of Veterans Stadium field for football
22 and baseball uses and for salary increases.

23 The Sheriff requests an additional
24 \$400,000 in Class 100 appropriation to cover
25 overtime costs related to increased anti-terrorism

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2 security in.

3 Additionally, the Administration requests
4 \$361,875 to fund increases in the City's contract
5 for legal services with the Defender Association of
6 Philadelphia to cover office moving expenses and
7 additional rent in the Association's new location.

8 An increase of \$327,509 is requested from
9 the Mayor's Office of Community Services to fund
10 Empowerment Zone staff salaries and related
11 expenses that were previously funded through a
12 grant.

13 The Administration also requests \$300,000
14 in the Director of Finance Class 200 appropriation
15 and \$289,938 in the First Judicial District
16 appropriation for lease payments for Community
17 Court.

18 Another increase in appropriation is
19 requested for the Fairmount Park Commission. This
20 appropriation of \$240,731 is primarily to fund
21 volunteer coordinator positions and maintenance of
22 the Johnson art collection.

23 Other departments requesting increases
24 include the Commission on Human Relations,
25 \$105,000; and the Atwater Kent Museum, \$9,809.

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2 These increases in appropriation are made possible
3 in part through \$15,227 from the Director of
4 Finance - Provisions for Other Grants,
5 \$12.9 million in appropriations from the Department
6 of Revenue Sinking Fund resulting from lower-than-
7 projected interest rates on short-term borrowings,
8 and \$12.2 million from the Director of Finance -
9 Employee Benefits line -- those funds are available
10 because there were fewer employees than had been
11 included in the budget. Additionally, there's
12 \$872,493 available from the Department of Human
13 Services because the State did not include funding
14 for some requested support in the needs-based
15 budget.

16 Internal transfers, where there's no net
17 increase in appropriation level, includes \$469,108
18 from Class 100 to Class 200 within the Mayor's
19 Office of Information Services to cover contractual
20 staff support; \$225,00 from 200 to 300 and 400
21 within the Department of Public Health to purchase
22 medical supplies for neighborhood health-care
23 centers and the public lab; \$129,062 from Classes
24 300 and 400 to Class 200 within the Police
25 Department to cover drug testing, helicopter

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 insurance increases, and automated fingerprint
3 identification system maintenance. Other internal
4 transfers include the Office of Fleet Management
5 for \$85,842 to be transferred from Class 2 to Class
6 3 and 400; City Treasurer for \$19,844 from 2 to
7 100; and the Capital Program Office for \$4200 from
8 Class 200 to Classes 3 and 400.

9 I have testimony on the other bills.
10 Would you like me to read those now, or should we
11 just do questions on the first bill first?

12 COUNCILWOMAN KRAJEWSKI: No, we'll go with
13 the first bill.

14 MR. DUBOW: Okay.

15 COUNCILWOMAN KRAJEWSKI: My question is,
16 can someone give us more detail regarding the
17 security improvements planned for City Hall and the
18 MSB?

19 MR. DUBOW: Yeah.

20 COUNCILWOMAN KRAJEWSKI: What kind of
21 improvements? how long will the improvements take?
22 and when will they begin?

23 MR. DUBOW: I'm going to have Rick Tustin
24 of the Capital Program Office to come up here and
25 give that detail.

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2 (Witness comes forward.)

3 COUNCILWOMAN KRAJEWSKI: Good morning.

4 MR. TUSTIN: Good morning, Councilwoman.

5 My name is Rick Tustin and I'm actually the
6 Director of the Capital Program Office.

7 After the events of September the 11th,
8 our office was asked to come in and look at City
9 Hall, MSB, and One Parkway as the initial areas of
10 improved security, for improved security. We met
11 with several firms, outside firms, to put together
12 a plan of what we feel needed to be done for these
13 three buildings to increase the security. And we
14 actually ended up with a detailed list of 16 for
15 City Hall in particular, 16 subprojects that we
16 felt needed to be done.

17 Those projects include:

- 18 • Site security work, which includes
19 installation of new bollards around the perimeter
20 of City Hall. These are what they call "pipe
21 bollards," which actually go at the curbline, which
22 protect the building from vehicles being able to be
23 driven up on the sidewalk and getting underneath
24 the building or adjacent to the building.
25 • Addition of some security cameras around

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 the exterior of the building as well so that
3 security personnel can see what's happening outside
4 the building before it gets inside the building and
5 hopefully be proactive in taking counter measures.
6 • In addition to that, we would be making
7 security improvements to all the exterior doors,
8 looking at putting in a card-access system on all
9 the exterior doors so that people who want to
10 access the building, employees in particular, would
11 use a card-swipe system that would allow them to
12 enter the building at any time. It would also
13 record the time and date that they entered the
14 building as well.
15 • In addition to that, on the exterior of
16 the building, we would be putting in new portal
17 gates around the exterior of the buildings. Those
18 portal gates would be opened and closed daily by
19 the Department of Public Property so that it would
20 restrict access to the courtyard of City Hall
21 during after-hour times.
22 • And, also, we looked at how you could
23 enter the building of City Hall, because that's
24 always a concern, how you can get unauthorized
25 entrance to the building. We found there are

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2 several ways of getting entrance to the building
3 itself without being observed. One area is through
4 the basement area. On the northeast corner,
5 there's an old tunnel that goes into a concourse
6 entrance that has been inactive for years, but yet
7 it's still -- people can get through if they want
8 to, so we'd be sealing off that entrance.

9 • We'd also be looking at securing all of
10 the grating around the perimeter of City Hall.
11 Right now, the grating, which goes over an area,
12 which would then lead you down into the basement
13 area, can be picked up. They're only in four-foot
14 sections of metal grating, so we would have to
15 secure that so it would not be able to be picked up
16 and get moved so people could get access down
17 there.

18 • In addition to that, after we looked at
19 the exterior of the building and how you get into
20 the building, then we started to look at the
21 interior of the building itself and what we could do
22 to improve security within the building. The
23 northeast corner and the northwest corner have been
24 traditionally the public access into City Hall
25 during normal working hours. We met with the

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 Department of Public Property and the Police
3 Department and other departments as well to look at
4 putting in a security kiosk at each one of those
5 entrances that would have security personnel staff
6 there, as well as a turnstile system that again
7 would be activated through a card access. There
8 would also be a queuing area for visitors to come
9 and sign in, to leave some form of identification,
10 at which point they would be given a security badge
11 to go into the building.

12 We have not resolved the issue of whether
13 those people should be escorted from staff within
14 the building up into the building or whether they
15 would be just given a visitor's badge, and as long
16 as they had some sort of identification that they
17 would leave at the security desk, they would have to
18 come back and pick it up.

19 • In addition to that, we're also looking
20 at improving the security within the floors of City
21 Hall. We're looking at doing that through a series
22 of cameras within the hallways of City Hall as well
23 as metal detectors as well at several of the
24 entrances.

25 • In addition to that, we're looking at

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 this City Council chamber here. We've been asked to
3 look at what we can do to secure this room and
4 provide some sort of a separation between the
5 gallery area and the Council area itself up front
6 here. We've looked at putting in some sort of a
7 plexiglass system so that people would be able to
8 observe what's going on, but there would be a level
9 of enhanced security, enhanced security, for City
10 Council sitting in chambers.

11 • In addition to that, we're going to
12 create a security fire command center, which will be
13 located in the northeast corner behind what's known
14 as freight elevator, and that security console and
15 that security command center will be the point where
16 all the cameras throughout City Hall as all of the
17 detectors on the doors would be tied back into that
18 station. People manning those consoles will,
19 through walkie-talkies, have direct access to the
20 security staff that would roam through City Hall,
21 and so if there was a breach of an entrance or if
22 they were notified of something that was
23 inappropriate, they would be able to contact
24 somebody to go investigate it right away.

25 So we've actually looked at many, many

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 ways of improving the security of City Hall, and
3 we've put together some preliminary numbers to do
4 that work. And although I've just given you a brief
5 overview, we actually do have a full PowerPoint
6 presentation -- I'd be willing to come and give you
7 one -- of the actual security of the building.

8 As far as timing is concerned, several of
9 the projects I just mentioned we've already
10 designing in-house: The bollard system around the
11 perimeter, the securing of the tunnel, the grating
12 around the perimeter, as well as the modifications
13 of the first-floor windows we've already started
14 documenting in-house. We can't implement it until
15 we have the funding to do that, but we wanted to get
16 the design done.

17 We've met with the Historic Commission and
18 Art Commission on several of the projects. We've
19 discussed them with the Department of Licenses and
20 Inspections and Procurement so that the normal time
21 that it takes to move projects through, we can try
22 to cut some of that down and move projects through
23 quicker on this type of work, 'cause it is security
24 for the building.

25 And our total for City Hall is

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 approximately \$6.5 million of security.

3 COUNCILWOMAN KRAJEWSKI: There were recent
4 articles in newspapers regarding federal money
5 becoming available for the homeland security for
6 cities wishing this type of improvement. This
7 money would be available through grants. Will the
8 City's expenditure, the \$8 million or so, be
9 replaced if and when the federal dollars become
10 available? Could you walk us through this process?
11 When will the federal money become available and
12 what other plans does the City have for federal
13 money?

14 MR. DUBOW: We're actually in the
15 process -- let me take a step back. As we
16 understand what President Bush included in his
17 budget was reimbursement for costs going forward
18 for security matters that we're actually putting
19 together estimates of our costs like from this
20 point forward and we'll put it in a package that
21 we'll send to the feds to seek reimbursement, and
22 we will include these costs in that package. We're
23 not sure of what their timing is and we don't know
24 what amount of money we would get out of that.

25 COUNCILWOMAN KRAJEWSKI: But it will

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 become available?

3 MR. DUBOW: There's money available in the
4 federal budget, but we don't know what they'll wind
5 up approving and what they won't approve.

6 COUNCILWOMAN KRAJEWSKI: I understand.

7 Any questions?

8 COUNCILMAN NUTTER: A couple.

9 COUNCILWOMAN KRAJEWSKI: Councilman
10 Nutter.

11 COUNCILMAN NUTTER: Thank you, Madam
12 Chair.

13 Mr. Tustin, thank you for the overview.
14 Now, does that somehow relate to -- testimony in
15 our package today in Public Property talks about
16 security improvements to City Hall, MSB, and One
17 Parkway. These improvements include close-circuit
18 cameras, etc. The estimated cost of these
19 improvements is \$8 million

20 MR. TUSTIN: Yes.

21 COUNCILMAN NUTTER: Is that the same as
22 the -- is the 6.5 million for City Hall a part of
23 the 8 million?

24 MR. TUSTIN: Yes, yes it, does,
25 Councilman.

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39

2 COUNCILMAN NUTTER: All right. And let's
3 talk about funding. I understand from Mr. Dubow's
4 testimony that we're going to make application to
5 the federal government, but as he indicated, and I
6 think as we all know, that remains to be seen, and
7 the feds' fiscal year starts in October.

8 What are we going to do on our own to
9 speed up this process and allocate any dollars to
10 make sure that funds are available for these three
11 main buildings here in Center City? The \$8 million
12 in the Public Property testimony, where is that?

13 MR. DUBOW: It's a transfer ordinance.
14 That's what we're --

15 COUNCILMAN NUTTER: That's what the
16 \$8 million is for?

17 MR. DUBOW: Yes, yes.

18 COUNCILMAN NUTTER: Okay, so you're doing
19 these out of operating?

20 MR. DUBOW: That's right.

21 COUNCILMAN NUTTER: Okay, all right. And
22 what's the timetable for these various projects?

23 MR. TUSTIN: Well, as I said previously,
24 we've broken 'em down to 16 subprojects because it
25 was a good way of us getting our hands around the

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 amount of work. The first four projects, which are
3 the bollard projects and the security grating
4 enclosing the tunnel area and the windows, we would
5 hope to start the implementation of that as soon as
6 the transfer money is available.

7 As I said, the design work is almost
8 complete for those four subprojects, so we'll be
9 able to move on them very quickly once we have
10 money available.

11 One of the things I forgot to mention was
12 the elevators on the northeast and northwest side
13 of the building will also be improved as part of
14 the security. We will be adding some additional
15 cameras to that as well. And that design work is
16 actually already underway; we had funding to
17 proceed with hiring a design firm to evaluate all
18 of the elevators within the building and then give
19 us the cost to upgrade the elevators, particularly
20 in the northeast and northwest corner. So that
21 work underway as well. And actually, none of the
22 installation can actually start until we have the
23 funding approved through this transfer ordinance to
24 start the work.

25 COUNCILMAN NUTTER: Can you forward to the

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 Chair a fairly detailed schedule with your
3 estimations on start and completion date of the
4 various projects?

5 MR. TUSTIN: Yes.

6 COUNCILMAN NUTTER: And, Mr. Dubow, just
7 so that I better understand, on your Schedule A,
8 the reason I asked the earlier question, I didn't
9 see \$8 million for Public Property.

10 MR. DUBOW: Oh, because there's some
11 internal transfers in Public Property, so you see
12 less than the full amount because there are savings
13 in their Class 800, which is the water bill, and
14 there's savings in 100, which is
15 telecommunications, so we used that to offset some
16 of these costs

17 COUNCILMAN NUTTER: Okay, all right.
18 Thank you.

19 That's all I have on that particular
20 issue, Madam Chair. I will have other questions.

21 COUNCILWOMAN KRAJEWSKI: No other
22 questions?

23 COUNCILMAN NUTTER: I have other questions
24 that are not related this.

25 COUNCILWOMAN KRAJEWSKI: I would like to

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 get into the prisons.

3 MR. DUBOW: You mean questions about
4 prisons.

5 COUNCILMAN NUTTER: You don't really want
6 to get into the prisons; you just want to talk
7 about them.

8 (Laughter.)

9 COUNCILWOMAN KRAJEWSKI: Do we have
10 someone here?

11 MR. DUBOW: Yeah. The Commissioner is
12 coming up.

13 COUNCILWOMAN KRAJEWSKI: Okay.

14 (Witness comes forward.)

15 COUNCILWOMAN KRAJEWSKI: Good morning,
16 Commissioner.

17 COMMISSIONER COSTELLO: Good morning,
18 Councilwoman.

19 COUNCILWOMAN KRAJEWSKI: As much as I
20 respect you, I take back that other statement.

21 What is the current prison population?

22 COMMISSIONER COSTELLO: The current prison
23 population today is a little over 7600.

24 COUNCILWOMAN KRAJEWSKI: I'm sorry, I'm
25 sorry, excuse me. Please state your name for the

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 record.

3 COMMISSIONER COSTELLO: Thomas Costello,
4 C-O-S-T-E-L-L-O, Commissioner Of Prisons. To my
5 left Ed Semanski, who is our Fiscal Officer.

6 COUNCILWOMAN KRAJEWSKI: Thank you. You
7 may continue, Commissioner.

8 COMMISSIONER COSTELLO: Our population
9 today -- I just received the latest number -- is a
10 little over 7600; that's the total population that
11 the prison system is responsible for. The actual
12 number is 7667, and that includes 6,860 males and
13 797 female inmates.

14 COUNCILWOMAN KRAJEWSKI: Excuse me, repeat
15 that.

16 COMMISSIONER COSTELLO: That's 6,860 male
17 inmates and 797 female inmates.

18 COUNCILWOMAN KRAJEWSKI: What is the
19 capacity for prisoners outside the City, for
20 example, in Delaware County and other areas where
21 we transport our prisoners when our jails become
22 overcrowded?

23 COMMISSIONER COSTELLO: The capacity right
24 now is 450.

25 COUNCILWOMAN KRAJEWSKI: Is the prison cap

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 going to become an issue again, do you believe, and
3 what is the City doing to address the growing
4 number of prisoners in our prison system?

5 COMMISSIONER COSTELLO: I'm sorry,
6 Councilwoman. Could you repeat the first part?

7 COUNCILWOMAN KRAJEWSKI: Is the prison cap
8 going to become an issue again? What is the City
9 doing to address the growing number of prisoners in
10 our prison system?

11 COMMISSIONER COSTELLO: The City cap --
12 the actual cap for the prison system, as far as the
13 courts are concerned, was eliminated in 1995. The
14 last cap, the official cap that we had, was 5600.

15 We do have a goal to reduce the population
16 at least to the level that we would not require to
17 take inmates or house inmates outside of the prison
18 system. Looking at the numbers today, the
19 self-imposed goal, I guess, for the City would be
20 around 7,000. Given the numbers that we're housing
21 outside the prison system, that would be a
22 reasonable goal to try to maintain.

23 There are a number of initiatives that
24 are -- that have been undertaken by the Office of
25 Population Management, including a lot of

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 alternatives to incarceration. There are --
3 there's also a new facility being constructed that
4 will open in the early part of 2003, which will
5 also will add relief to the system and provide
6 additional beds, about 768 additional beds total.

7 COUNCILWOMAN KRAJEWSKI: Thank you.

8 Are there any questions?

9 COUNCILMAN NUTTER: Yes.

10 COUNCILWOMAN KRAJEWSKI: Councilman
11 Nutter.

12 COUNCILMAN NUTTER: Mr. Costello -- or
13 Commissioner Costello, I didn't understand a part
14 of your response. The cap that had been lifted was
15 5600; did you say that?

16 COMMISSIONER COSTELLO: Yes, sir.

17 COUNCILMAN NUTTER: Okay. And where did
18 that number come from?

19 COMMISSIONER COSTELLO: That number came
20 from the court, from the federal court.

21 COUNCILMAN NUTTER: Okay. And what was
22 that based upon?

23 COMMISSIONER COSTELLO: That was based
24 upon the standardized capacity of the Philadelphia
25 prison system, I believe, in 1990, when the

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 moratorium first kicked in.

3 COUNCILMAN NUTTER: Okay. And so why
4 would we have a goal that is 1400 more?

5 COMMISSIONER COSTELLO: Because since the
6 time of the cap that was placed on the City, we've
7 added several thousand beds to the system.

8 COUNCILMAN NUTTER: Well, what's the
9 capacity of the system now?

10 COMMISSIONER COSTELLO: Well, the
11 operating capacity right now inside the system
12 would be determined on the classification of the
13 overall population and how much space would be
14 needed to dedicate to each aspect of that
15 classification. On a normal day, with the number
16 of beds --

17 COUNCILMAN NUTTER: I have no idea what
18 you just said. I heard the words; I do not know
19 what they mean.

20 COMMISSIONER COSTELLO: For example, we
21 have about 850 beds dedicated to the female
22 population. On any given day, if the population is
23 below 850, then those beds -- then we do not
24 take -- we have -- that's the capacity for the
25 female population. If the population grows and we

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 have to -- based on the classification of the
3 inmate, that would be the first classification
4 right now, male and female. If the population
5 would increase, then we would have to take beds
6 away from the males, and that would affect the
7 total number of male beds that would be available.
8 So --

9 COUNCILMAN NUTTER: Do you move the
10 females into the male area?

11 COMMISSIONER COSTELLO: We would not move
12 the females into the male area; we would take beds
13 from the male population and --

14 COUNCILMAN NUTTER: Physically move beds
15 out of the male area into the female area?

16 COMMISSIONER COSTELLO: Not move beds.
17 Probably operations, or pick a part of the facility
18 or another small facility.

19 COUNCILMAN NUTTER: All right, let me ask
20 it this way: How many beds do we have available
21 for people to sleep on? Or how many cells do we
22 have to house people? What -- I mean, I'm still
23 back at the first question. What is the capacity
24 of the system?

25 COUNCILMAN ORTIZ: Councilman?

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2 COUNCILMAN NUTTER: Yes?

3 COUNCILWOMAN KRAJEWSKI: Councilman Ortiz.

4 COUNCILMAN ORTIZ: We keep speaking about

5 beds and you could place beds in the hallway.

6 COUNCILMAN NUTTER: No, I understand that;

7 that's why I wanted to talk about cells.

8 COUNCILMAN ORTIZ: Okay, that's the point

9 that I wanted to get to.

10 COMMISSIONER COSTELLO: There are no beds

11 in the hallway, Councilman.

12 COUNCILMAN NUTTER: All right, good.

13 COMMISSIONER COSTELLO: Councilman Ortiz,

14 there are no beds in the hallway.

15 COUNCILMAN NUTTER: How many cells are

16 there, how many rooms are there? What is the

17 physical capacity of the system?

18 COMMISSIONER COSTELLO: Councilman, I will

19 give you the physical capacity of the system. I

20 will give you the number of beds in the system, but

21 that will not give you the physical capacity at any

22 given time.

23 COUNCILMAN NUTTER: Why. Does everybody

24 not get a bed?

25 COMMISSIONER COSTELLO: Because there are

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 beds that are dedicated to certain classifications
3 that cannot be used for anything but that
4 classification. For example, we have 400 beds
5 dedicated for intake; those 400 beds have to be
6 available at all times for an intake population
7 that cannot used by anyone else but new inmates
8 coming into the system that are quarantined for
9 three days.

10 COUNCILMAN NUTTER: Right.

11 COMMISSIONER COSTELLO: So even though I'm
12 going to give you a number, the number will not
13 reflect, for instance, the number of inmates that
14 we can hold in the prison system under standardized
15 conditions. And that number is 7256.

16 COUNCILMAN NUTTER: What? What is 7256?

17 COMMISSIONER COSTELLO: 7,256 beds within
18 the system either in cells or in dormitory
19 settings.

20 COUNCILMAN NUTTER: All right, why don't
21 we do this: Why don't you give us, through the
22 Chair, a chart laying out all of the facilities,
23 all of the beds, who they are dedicated to, and how
24 they're used; and then in a separate box, show me
25 how they are being used today, as we speak, for the

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 population that you have.

3 COMMISSIONER COSTELLO: Okay, Councilman.

4 COUNCILMAN NUTTER: That would be helpful
5 'cause, I mean, we could, like, stay for the rest
6 of the day, the Chair would be very upset with me,
7 and eventually we could get, like, to an answer,
8 but why don't we do that.

9 COMMISSIONER COSTELLO: Okay.

10 COUNCILMAN NUTTER: Thank you.

11 COUNCILWOMAN KRAJEWSKI: Councilman Ortiz.

12 COUNCILMAN ORTIZ: You said cells and
13 dormitory settings. What is the difference between
14 a dormitory setting and a cell?

15 COMMISSIONER COSTELLO: A cell holds no
16 more than two inmates. Under the American
17 Correctional Association's definition for a cell,
18 under the physical plant standards, a cell holds
19 one or two individuals. A dorm holds anywhere
20 between 3 and 50. So 3 and 50 are considered
21 dormitories -- a dormitory, and a cell would be
22 considered one or two.

23 COUNCILMAN ORTIZ: How many of the inmates
24 today are in dormitory settings? By "dorm," you
25 mean sort of like a barracks-type of setting in

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 which they share one bathroom, the shower, or
3 whatever it is?

4 COMMISSIONER COSTELLO: They would be in
5 an area that would hold less than two and three or
6 more. I could give that information to you,
7 Councilman. I'd have to break it down.

8 COUNCILMAN ORTIZ: You don't have how many
9 there are today in dormitory settings?

10 COMMISSIONER COSTELLO: I have the number
11 here. I have the housing and assignment plan which
12 delineates each area, but I would have to break
13 that down in each facility because, for example,
14 some facilities have both dorms and cells. So I
15 would have to break that down and just tell you how
16 many dormitory beds are available in each facility
17 and how many cells are available.

18 COUNCILMAN ORTIZ: I took a tour the other
19 day, and I -- well, it was more or less the medical
20 facilities, so I didn't -- I didn't go through the
21 whole system, but, yeah, I'd like to see the
22 Chairperson get a framework of where these
23 dormitory settings are and how many are currently
24 in the system at this point.

25 And I would like to -- for you to give us,

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 if you can, the number of -- I know that it's not
3 here, but the number of prisoners diagnosed with
4 hepatitis C and HIV as they come into the system,
5 the current number of prisoners with hepatitis C
6 and HIV.

7 COMMISSIONER COSTELLO: Okay.

8 COUNCILMAN ORTIZ: Is any of this money
9 going for the prison system health contract?

10 COMMISSIONER COSTELLO: The transfer
11 ordinance, no, sir.

12 COUNCILMAN ORTIZ: No more questions,
13 Madam Chair.

14 COUNCILWOMAN KRAJEWSKI: Thank you.
15 Councilwoman Miller.

16 COUNCILWOMAN MILLER: Thank you, Madam
17 Chair.

18 Good morning, Mr. Costello.

19 COMMISSIONER COSTELLO: Good morning,
20 Councilwoman.

21 COUNCILWOMAN MILLER: How many inmates do
22 we have housed in Delaware County?

23 COMMISSIONER COSTELLO: This morning, we
24 have 414.

25 COUNCILWOMAN MILLER: Okay, so when you

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 speak of completing a new facility that will allow
3 you to have a greater capacity here in
4 Philadelphia, you're talking about the female
5 facility that you're currently building?
6 COMMISSIONER COSTELLO: Yes, ma'am.
7 COUNCILWOMAN MILLER: Okay.
8 COMMISSIONER COSTELLO: The female
9 facility that's going to provide us relief next
10 year.
11 COUNCILWOMAN MILLER: Next year is when
12 it's completed?
13 COMMISSIONER COSTELLO: Yes, ma'am.
14 COUNCILWOMAN MILLER: Okay. So then,
15 therefore, you won't need to send people to
16 Delaware County, hopefully. I mean, it depends on
17 how many people get arrested, I do understand that.
18 What is the capacity at the women's
19 facility at 17th and Indiana?
20 COMMISSIONER COSTELLO: 232.
21 COUNCILWOMAN MILLER: What is the current
22 population?
23 COMMISSIONER COSTELLO: Today the
24 population there is at 223.
25 COUNCILWOMAN MILLER: Okay. So it's

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 almost at full capacity, actually.

3 COMMISSIONER COSTELLO: Yes, ma'am.

4 COUNCILWOMAN MILLER: Okay. All right,
5 those were my questions.

6 Thank you.

7 COUNCILWOMAN KRAJEWSKI: Thank you very
8 much, Commissioner.

9 COMMISSIONER COSTELLO: Thank you,
10 Councilwoman.

11 COUNCILWOMAN KRAJEWSKI: Mr. Dubow, could
12 you tell me how much money has been appropriated to
13 L&I specifically for demolitions since January the
14 1st? I recall a \$10 million appropriation and
15 there have been others.

16 MR. DUBOW: The original FY 2002 budget
17 had \$2 million for demolitions, and then we added a
18 transfer that had \$8 million, to bring the total to
19 10.

20 COUNCILWOMAN KRAJEWSKI: How many
21 buildings have been demolished under the program
22 since last year? Are broken down by Council
23 Districts or Council offices receiving a list of
24 properties scheduled for demolition in their
25 districts?

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2 COUNCILWOMAN KRAJEWSKI: Commissioner

3 McLaughlin, do you have that?

4 (Commissioner McLaughlin and

5 Bob Solvibile come forward.)

6 COUNCILWOMAN KRAJEWSKI: Good morning,

7 Commissioner. Please state your name for the

8 record.

9 COMMISSIONER MCLAUGHLIN: Ed McLaughlin,

10 Commissioner of Licenses and Inspections.

11 MR. SOLVIBILE: Robert Solvibile, First

12 Deputy Commissioner for L&I.

13 COUNCILWOMAN KRAJEWSKI: Good morning,

14 gentlemen. You heard the question?

15 COMMISSIONER MCLAUGHLIN: I'm sorry, what

16 was it?

17 COUNCILWOMAN KRAJEWSKI: Shall I repeat

18 it?

19 COMMISSIONER MCLAUGHLIN: Yes, please.

20 COUNCILWOMAN KRAJEWSKI: Can you tell me

21 how many buildings have demolished under the

22 program since last year? Are they broken down by

23 Council Districts? Are Council offices receiving

24 the names of the properties within their Council

25 District?

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39

2 COMMISSIONER MCLAUGHLIN: We do break it
3 down by Councilmatic District, and I don't have
4 that with me, but we can get that information

5 COUNCILWOMAN KRAJEWSKI: You can get it to
6 the Chair?

7 COMMISSIONER MCLAUGHLIN: Yes.

8 COUNCILWOMAN KRAJEWSKI: Thank you.

9 COMMISSIONER MCLAUGHLIN: Can we expand on
10 that?

11 MR. SOLVIBILE: Also, Councilwoman, we
12 manually send out a monthly report to the Council
13 Districts with the addresses of the buildings that
14 were demolished. We had some difficulty 'cause the
15 young lady doing it is ill with a serious problem,
16 and we haven't done it for a month, but we did
17 catch up recently, and you should get that now on a
18 steady basis, on a monthly basis, a breakdown of
19 the buildings demolished in your districts.

20 COUNCILWOMAN KRAJEWSKI: Yes, by Council
21 Districts?

22 MR. SOLVIBILE: Yes.

23 COUNCILWOMAN KRAJEWSKI: Thank you.

24 While we're on the subject of demolition,
25 I'd like to go one step further and discuss vacant

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 lots. I have been trying to get various fencing
3 jobs completed at recreation centers in my
4 district. Some of these jobs have been pending
5 since last year. When our office calls to inquire
6 about these ridiculous delays, we are given all
7 kinds of excuses. The new one is that the
8 contractor executing the City while fencing
9 contract is busy fencing vacant lots.

10 I wasn't aware that we were fencing vacant
11 lots under the vacant lot program. Are we fencing
12 vacant lots?

13 COMMISSIONER MCLAUGHLIN: No, not unless
14 we get a special request, but nobody should be busy
15 because they're doing vacant lots. That is not
16 correct.

17 COUNCILWOMAN KRAJEWSKI: Well, that's what
18 we're being told.

19 COMMISSIONER MCLAUGHLIN: By who?

20 COUNCILWOMAN KRAJEWSKI: The Recreation
21 Department, 'cause we need fencing in the
22 recreation centers and they said they're too busy
23 putting fencing around the vacant lots. I'll have
24 to look into that, but that's what we're being
25 told.

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2 COMMISSIONER MCLAUGHLIN: For me, I can
3 tell you that we're not putting any burden on
4 anybody.

5 COUNCILMAN ORTIZ: Maybe he's not telling
6 the Licenses and Inspections that they're doing
7 that.

8 MR. DUBOW: We'll look into that and see
9 what's happening there.

10 COUNCILWOMAN KRAJEWSKI: Because we are
11 having a problem getting fencing in the recreation
12 centers, but they're saying this is what they're
13 doing.

14 Okay, you will get back to me on that,
15 Mr. Dubow?

16 MR. DUBOW: Yes.

17 COUNCILWOMAN KRAJEWSKI: Thank you.

18 Councilman Ortiz, do you have questions?

19 COUNCILMAN ORTIZ: Yes.

20 Commissioner and Mr. Dubow, with the
21 10 million plus the \$12 million, that's \$22 million
22 that have been transferred to Licenses and
23 Inspections during the current year for demolition
24 and other NTI-related activities. Do you have a
25 record of -- the Chairman asked you for the

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 demolitions. What other related activities -- this
3 goes beyond the bond issue that we have that we
4 passed the other day, right?

5 MR. DUBOW: That's correct.

6 COUNCILMAN ORTIZ: Is this an advance on
7 the bond issue, or is this going to be deducted
8 from the bond issue?

9 MR. DUBOW: Last January when we testified
10 on the budget, we said that if we did not pay the
11 full -- at that point, we had \$20 million budgeted
12 for debt service on the bonds. We said if we did
13 not spend that on debt service, we would apply it
14 to other NTI activities. So it's separate from the
15 bond issue. In other words, the money's available
16 because the bond issue's being issued later than
17 when we had anticipated.

18 COUNCILMAN ORTIZ: So it's added on to the
19 \$290 million bond issue?

20 MR. DUBOW: That's correct.

21 COUNCILMAN ORTIZ: Do we have details as
22 to what the \$10 million and the \$12 million have
23 been used in terms of all of the related NTI
24 activities? I see Pat shaking her head so --

25 MR. DUBOW: Yeah, the 10 million is what

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2 Commissioner McLaughlin committed to getting more
3 detail on, and I'll let Pat Smith answer about the
4 additional 12.

5 COMMISSIONER MCLAUGHLIN: But the answer
6 is yes, we do have detailed information.

7 MS. SMITH: Good morning. My name is
8 Patricia Smith, the Director of Neighborhood
9 Transformation Initiative.

10 In addition, the \$12 million will be
11 broken down into basically four categories.
12 Approximately a little bit more than 6 million will
13 continue to support demolition activities through
14 the end of the fiscal year. In addition, we are
15 allocating \$4 million to support acquisitions that
16 have been in the pipeline for which we did not have
17 sufficient community development block grant
18 activities 'and that represents, I think, about
19 eight or nine projects for which there were
20 acquisition requests, and it's a combination of
21 supporting Act 94 and urban renewal taking.

22 In addition, the City to date has
23 encapsulated approximately 54 vacant properties to
24 prevent deterioration. We will also use some of
25 the 4 million to support the Act 94 condemnations

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2 of the encapsulated properties so that we can be in
3 a position to have them rehabbed and put back into
4 occupancy, as opposed to their staying there. I do
5 have a list of the projects available for the
6 committee.

7 We've also --

8 COUNCILMAN ORTIZ: The work that has
9 already been done, not what is being planned only,
10 but what already has been done.

11 MS. SMITH: Well, out of the 12 million,
12 this is all going forward as opposed to
13 retroactively, so this is new activity.

14 COUNCILMAN ORTIZ: Okay. You will have
15 that available?

16 MS. SMITH: I'm sorry?

17 MR. DUBOW: Yes. You'll have a
18 combination between what the Commissioner's giving
19 you of what we've done so far and what Pat's giving
20 you of what we're going to do. So between those
21 two things, you'll have all \$22 million.

22 COUNCILMAN NUTTER: All right, okay.
23 Normally in a transfer ordinance situation -- I'm
24 sorry, Councilman.

25 COUNCILMAN ORTIZ: Go ahead.

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2 COUNCILMAN NUTTER: Often, we're giving
3 the department money to pay for things that have
4 actually already been done in some instances.

5 MR. DUBOW: That's right. This is
6 actually for stuff that will be done.

7 COUNCILMAN NUTTER: I understand, okay. I
8 have my own questions about these issues but,
9 Councilman, I cut across you, sorry.

10 COUNCILMAN ORTIZ: Go ahead.

11 COUNCILMAN NUTTER: Miss Smith, were you
12 saying that you're going to give us -- I'm looking
13 at the Commissioner's testimony for Bill 38, and
14 there's \$6.4 million for demolition and activities
15 related to demolition, \$4.1 million for
16 redevelopment activities?

17 MS. SMITH: And that is what is our land
18 acquisition/land assembly pipeline. I do have a
19 list of the outstanding -- what we've been calling
20 "the acquisition pipeline." These represent
21 projects that we hadn't been able to fund the
22 condemnations either through Act 94, urban renewal
23 takings.

24 COUNCILMAN NUTTER: Why?

25 MS. SMITH: Because they hadn't been

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 sufficient. It's sort of like the demand was
3 greater than our resources out of CDBG for the past
4 year or so. So this is representing us clearing up
5 that backlog of outstanding requests.

6 COUNCILMAN NUTTER: Well, how long have
7 these projects not had money available?

8 MS. SMITH: I couldn't speak to the exact
9 timeline; these are just funded requests that we
10 have not been able to support out of the CDBG block
11 grant. I could find out specifically how long
12 they've been in the pipeline.

13 COUNCILMAN NUTTER: Out of -- now, what
14 year are we in, 26? Or are we in 27?

15 MS. SMITH: On the community development
16 block grant?

17 COUNCILMAN NUTTER: Yeah.

18 MS. SMITH: We're in Year 27.

19 COUNCILMAN NUTTER: Year 27. And you're
20 saying out of the -- what was the Year 27,
21 \$71 million, 77?

22 MS. SMITH: That's correct, somewhere in
23 that area.

24 COUNCILMAN NUTTER: That we didn't have
25 \$4.1 million for acquisition --

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2 MS. SMITH: No, the money was all
3 committed mostly to other developmental activities,
4 and I can have, you know, the Office of Housing and
5 Community Development speak specifically to that.
6 We did not allocate any funds for acquisition in
7 Year 27.

8 COUNCILMAN NUTTER: Why?

9 MS. SMITH: Because, you know, you have
10 X-amount of dollars that are available, and there
11 were a number of development projects that were in
12 the pipeline that were funded as well as the other
13 traditional, you know, OHCD-type activities.

14 COUNCILMAN ORTIZ: Councilman, is there a
15 timeline being set now? Is there a timeline that
16 you're setting for the expenditure of the monies
17 that you're asking for?

18 MS. SMITH: Yes. I mean, as usual, to
19 complete the whole process for urban renewal taking
20 or Act 94 taking can take, you know, anywhere up to
21 12 months. What we would be doing is to begin to
22 contract with the RDA to fund up to \$4 million by
23 the end of the year then begin to put together
24 specific acquisition budgets for projects that are
25 in the pipeline. Like I said, I have a list of

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 projects that we're looking at.

3 We're also looking at initiating the Act
4 94 condemnations for encapsulated and stabilized
5 properties that haven't been (indiscernible) over
6 the last year or so.

7 COUNCILMAN ORTIZ: Councilman, if I may.

8 COUNCILMAN NUTTER: Go ahead.

9 COUNCILMAN ORTIZ: One last intervention.

10 Out of this money, how much of it is being
11 contracted out and how much is being done by L&I
12 in-house?

13 MS. SMITH: My understanding with
14 demolition, that's all purchase of services
15 activities. The Act 94 activities, the City
16 contracts with the Redevelopment Authority and
17 funds that activity. The preservation and
18 stabilization activities, again, that's been
19 primarily funded -- done through a contract with
20 the Housing Authority, but the preservation
21 activity also includes a home improvement grant
22 program called "It's Your Turn," which is the
23 City's contribution.

24 COUNCILMAN ORTIZ: Do we have details as
25 to those transactions, and can those details be

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 given to the Chair?

3 MS. SMITH: oh, yes, I can do that

4 COUNCILMAN ORTIZ: We would like to see a
5 list of people that have been contracted out and to
6 whom and what is the timeline and the amount of
7 monies.

8 COUNCILWOMAN KRAJEWSKI: You'll send that
9 information to the Chair?

10 MS. SMITH: (Nods head.)

11 COUNCILMAN NUTTER: Miss Smith, again, I
12 thought there was some discussion about this back
13 in the spring of '01 when we were dealing with the
14 Year 27 CDBG budget. I'm still, I guess, not
15 really understanding why we wouldn't allocate some
16 of those dollars for acquisition activity
17 especially for projects that are, quote/unquote, in
18 the pipeline.

19 I mean, what was -- when did you think
20 these dollars were going to become available or
21 where were they going to come from?

22 MS. SMITH: Well, initially when we were
23 putting together the block grant application for
24 Year 27, in the preliminary plan, we indicated
25 funding acquisition land assembly out of bond

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2 proceeds in the upcoming fiscal year. That freed
3 up, you know, the dollars to go ahead to fund a
4 number of development projects and other --

5 COUNCILMAN NUTTER: Well, I understand
6 that, but my recollection is that by the time -- by
7 the time the CDBG final plan was approved, I think
8 that that was in early June?

9 MS. SMITH: Mm-hmm.

10 COUNCILMAN NUTTER: And in another couple
11 weeks, the session was ended, so I think it was
12 pretty clear by CDBG time that there weren't going
13 to be any bond proceeds, right?

14 MS. SMITH: Well, we were still hoping
15 that we would be able to get, you know, the
16 ordinance and everything passed and some time to do
17 something this fiscal year.

18 COUNCILMAN NUTTER: Well, I understand
19 that, but then this past fall, we also had a budget
20 transfer ordinance. Do you have any recollection
21 of that?

22 Or, Mr. Dubow, weren't you here sometime
23 last fall on a transfer ordinance?

24 MR. DUBOW: The demolition portion of the
25 transfer ordinance, you're talking about?

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2 COUNCILMAN NUTTER: Could have been. I
3 just remember there being an Appropriations
4 Committee hearing sometime last fall.

5 MR. DUBOW: We came in for a transfer
6 ordinance in the fall for increases in
7 appropriations for commissioners, sheriff, and the
8 defender. We had promised to make those transfers
9 as part of the process last year.

10 COUNCILMAN NUTTER: It was probably
11 September, October?

12 MR. DUBOW: Yeah, and that's all we
13 included in that transfer. They were the things
14 that we had promised to do in the budget process.

15 COUNCILMAN NUTTER: Well, I understand
16 that. Did someone consciously decide not to
17 include either this demolition money or this
18 acquisition money at that time?

19 MR. DUBOW: We consciously decided --

20 COUNCILMAN NUTTER: And we're now dealing
21 with it here in mid-February?

22 MR. DUBOW: We consciously decided that
23 that transfer ordinance was going to have only the
24 things we promised to do in budget, so that was all
25 it was.

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2 I mean, this is typically when we come
3 with our transfer ordinance.

4 COUNCILMAN NUTTER: Okay.

5 Now, Miss Smith, did you commit to one of
6 my colleagues that there would be a detailed
7 listing of the \$4.1 million?

8 MS. SMITH: Actually, I have a listing now
9 of the acquisition pipeline and the projects
10 listed.

11 COUNCILMAN NUTTER: Okay. And what's the
12 \$1 million for preservation activities; what does
13 that mean?

14 MS. SMITH: That would include what we
15 call our preservation, encapsulation, stabilization
16 work going forward.

17 COUNCILMAN NUTTER: Okay. Where will that
18 take place?

19 MS. SMITH: That's basically citywide, and
20 what we said we would do is work with the
21 Councilperson on identifying properties to be
22 stabilized within their Council District. It also
23 includes money for the It's Your Turn Program in
24 West Oak Lane.

25 COUNCILMAN NUTTER: The what?

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2 MS. SMITH: It's Your Turn program is a
3 program, a home-improvement grant and program
4 initiated by the local initiative support
5 corporation, GMAC, and the Nationwide Insurance
6 Company. It was a program working with a CDC in
7 the northwest to provide over 700 loans and grants
8 to home owners in that area to do home-improvement
9 loans.

10 COUNCILMAN NUTTER: How many
11 encapsulations do you think you'll be able to do?

12 MS. SMITH: We generally budget between --
13 I mean, we probably -- I think we do around 30 or
14 40 a year. So I think we'll be able to do about
15 50.

16 COUNCILMAN NUTTER: Okay. And what's the
17 \$500,000 for?

18 MS. SMITH: Pardon me?

19 COUNCILMAN NUTTER: \$500,000 for MIS and
20 IT activities.

21 MS. SMITH: Yes.

22 COUNCILMAN NUTTER: What is that,
23 Management Information Systems and -- what's IT,
24 Information Technology

25 MS. SMITH: Yes. That includes what we

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2 call the "seamless digital parcel base map." As
3 you know, one of the things we need to do in the
4 City is to move our land title registry maps from
5 paper to digital form. These registry maps date
6 back to 1995 and will be updated, and it will
7 resolve any conflicts in information and assign a
8 unified identifier to each parcel.

9 And this seamless digital parcel base map,
10 if I may, is sort of like the foundation on which
11 the City's GIS system is rooted in. And in order
12 for us to go to the next step in beginning to
13 implement or designing a vacant property tracking
14 system, this is sort of like, you know, foundation
15 work.

16 And then a small portion of the money will
17 be used -- and I don't have extra copies of this,
18 just a little description. There's the University
19 of Pennsylvania Neighborhood Information System.
20 The University of Pennsylvania has asked the City
21 to match a grant that it receives so that it
22 continues to support that system. It enables
23 community-based organizations and CDCs to access
24 data about vacant properties. I believe Council is
25 also a part of that system as well as City

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 agencies. So we can look up information on vacant
3 properties.

4 COUNCILMAN NUTTER: On the document that
5 you just handed us, the acquisition pipeline
6 February 2002, could you update this document and
7 forward it to the Chair to indicate how the
8 \$4.1 million will actually be matched against these
9 various projects?

10 MS. SMITH: The actual amount for each one
11 of the acquisition budgets?

12 COUNCILMAN NUTTER: Yes.

13 MS. SMITH: Some of them we're in the
14 process of developing the acquisition budget for we
15 can give an estimated number, but the Authority
16 usually bases its acquisition budgets, I believe,
17 on, you know, going out and looking at the fair
18 market appraisal, so it will be an estimated
19 number. And they don't do that work until they
20 have a contract that says it's going to be funded

21 COUNCILMAN NUTTER: Okay. Well, then how
22 do you know you need \$4.1 million?

23 MS. SMITH: It's what we're estimating
24 based on -- as I said, it's an estimated number.

25 COUNCILMAN NUTTER: Okay. So why don't we

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2 put the estimates with the --

3 MS. SMITH: Okay.

4 COUNCILMAN NUTTER: Okay, thank you.

5 Lastly, Commissioner McLaughlin, has there
6 been any interruption in the Department's ability
7 to do demolition work? Over the past year or so, I
8 know there have been a number of transfer
9 ordinance, a couple million dollars here,
10 \$8 million dollars there. Are you able to do what
11 you need to do both for imminently dangerous
12 buildings and other work that needs to be done out
13 in the street?

14 COMMISSIONER MCLAUGHLIN: Absolutely.

15 COUNCILMAN NUTTER: Okay. And has there
16 been any slow-down or stoppage in the work because
17 of any funding problems?

18 COMMISSIONER MCLAUGHLIN: None whatsoever.

19 COUNCILMAN NUTTER: Thank you.

20 And what do you estimate from a demolition
21 standpoint the City will do in terms of the number
22 of buildings, primarily residential structures?

23 MS. SMITH: I think in my last number, I
24 had -- we had about 1,000 that we completed thus
25 far this fiscal year, and I think we'll probably

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2 keep pace with our historic number, which is about
3 1300, I believe, or 1200 a year. So this should
4 enable us to keep --

5 COUNCILMAN NUTTER: For this year. Okay,
6 thank you.

7 Thank you, Madam Chair.

8 COUNCILWOMAN KRAJEWSKI: Councilwoman
9 Miller.

10 COUNCILWOMAN MILLER: Good morning.

11 I have a question as it relates to the
12 demolition and demolition-related activities. This
13 \$6 million is not part of the NTI money; this is
14 outside of NTI activities or NTI funding for
15 demolition activities. Is that correct?

16 MS. SMITH: It includes both. It would
17 include funding, for example, of what we've been
18 calling "the demonstration NTI," where we focus on
19 geographic area to prototype areas. It also
20 includes the regular demolition activities that L&I
21 needs money to carry out. It includes some
22 resources for commercial buildings, large buildings
23 which we tend to do at the end of the year.

24 So that's what we -- as well as things
25 like insurance costs and things like that.

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2 COUNCILWOMAN MILLER: Okay. You have
3 three developments, three major demos planned, and
4 I can't remember all three. It's Strawberry
5 Mansion. What are the others -- somewhere in West
6 Philadelphia? Um...

7 MS. SMITH: We just have two prototypes
8 that have --

9 COUNCILWOMAN MILLER: That are scheduled
10 in Year 1.

11 MS. SMITH: For this year, we have two
12 prototype demolition projects. One was -- we
13 targeted the Strawberry Mansion area. I believe
14 that's going to be in the area of about 120
15 properties within a defined geographic area. And
16 then we have a second prototype bid package, which
17 will be smaller in number, somewhere around 15 and
18 20 properties, which is more of a scattered site,
19 and we targeted an area in and around, I think,
20 Frankford and Oxford to do the smaller bid package.
21 That's what we're calling "the prototype."

22 And the purpose of the prototype
23 demolitions is to test out some of our operating
24 functions, field survey work, how long it actually
25 takes to do it, the size of the bid package that we

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2 can reasonably manage, that sort of thing.

3 COUNCILWOMAN MILLER: Okay, because -- so
4 once you find out how the prototype works, will you
5 be developing other geographic --

6 MS. SMITH: Yes

7 COUNCILWOMAN MILLER: -- scattered site --
8 I mean, 'cause in my district, we don't have a
9 large area that needs to all come down at once, but
10 we certainly have many, many scattered sites,
11 particularly in the North Philadelphia part of my
12 district.

13 And so originally, my question was going
14 to be, could the 66 million be used -- if it wasn't
15 going to be used for NTI demos, the prototype that
16 you're talking about, could it be used for -- in
17 Council districts that are not a part of this
18 prototype Year 1, I guess, demonstration project?

19 MS. SMITH: Yes. And the regular
20 demolition activities will be handled in a way that
21 L&I has traditionally worked with the Council
22 District persons. A lot of this goes to curbside
23 emergency-type situations, my understanding, as
24 well as some commercial property demolitions which
25 are slated.

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2 COUNCILWOMAN MILLER: Okay, so things will
3 be going on business as usual --
4 MS. SMITH: Mm-hmm
5 COUNCILWOMAN MILLER: -- in addition to
6 the NTI activities
7 MS. SMITH: In addition to the two
8 prototypes, and this is just to the end of this
9 fiscal year.
10 COUNCILWOMAN MILLER: All right. Okay,
11 thank you.
12 Thank you, Madam Chair.
13 COUNCILWOMAN KRAJEWSKI: Any other
14 questions?
15 Councilman Clarke.
16 COUNCILMAN CLARKE: Yes, Madam Chair.
17 Thank you.
18 Good morning.
19 I just want to ask a brief question with
20 respects to demolition and encapsulation to a
21 degree, and I probably should have asked this
22 question last Friday. What's the mechanism that
23 triggers an acquisition strategy?
24 MS. SMITH: For the encapsulated
25 properties?

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2 COUNCILMAN CLARKE: And demolition.

3 MS. SMITH: Right. For encapsulated
4 properties, what we said in the NTI framework is
5 that any property we encapsulate we're going to
6 initiate acquisition of that property, because the
7 intent of the encapsulation work is to stabilize so
8 we can get it back into private hands.

9 COUNCILMAN CLARKE: That's a hundred
10 percent sure when you encapsulate, there's
11 automatically an acquisition strategy--

12 MS. SMITH: Yes. We want to start that
13 because it takes time.

14 COUNCILMAN CLARKE: What about demolition?

15 MS. SMITH: For demolition, that's
16 something that we would talk with each District
17 Councilperson about. For example, do we want to
18 immediately acquire a property where we're taking
19 down a building or do we want to do more strategic
20 acquisition in the area? And we really envision
21 that as part of the planning when we sit down and
22 put the master schedule together, you know, which
23 of the demolished properties immediately should be
24 acquired and which ones should not, which ones, you
25 know, because, you know, there may be strategic

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2 acquisitions we want to do within a Council
3 District.

4 COUNCILMAN CLARKE: And that's done -- and
5 you anticipate doing all of those under Act 94?

6 MS. SMITH: Or urban renewal at this point
7 in time, yes.

8 COUNCILMAN CLARKE: What about certifying
9 properties for sheriff's sale? One of the things I
10 never understood is, why don't properties
11 immediately get certified for sheriff's sale
12 regardless of as to whether or not the City has a
13 strategy to acquire them? Why don't we just -- I
14 mean, why don't we immediately put that property on
15 the jurisdictional sales list

16 MS. SMITH: My understanding is that
17 historically, the City has not just taken in or
18 initiated a sheriff's sale on vacant property when
19 there was a concern about the ownership. That's
20 the concept of land banking where even if we
21 don't -- where we only did it in those instance
22 where we knew we had an immediate end-user in mind
23 or identified. So that's been kind of like the
24 general policy. We do believe that the policy needs
25 to be reversed.

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2 We also need to be a little bit cognizant
3 of the fact of where -- to be quite frank, we've
4 got a large backlog now. In our data and IT and
5 MIS systems, unfortunately, it's hard for us to
6 track even what we own now.

7 And so I would be a little cautious since
8 we're just beginning to take in a lot of property
9 when we don't have the appropriate information to
10 track it over time.

11 COUNCILMAN CLARKE: When you say "take
12 in," what do you mean?

13 MS. SMITH: I mean initiate the sheriff's
14 sale and then being able to track it, because not
15 everything that goes up for sheriff's sale will end
16 up in private ownership. You know, the City can
17 bid up its equity liens. And right now, we don't
18 have a lot of the infrastructure in place to kind
19 of track what's happening to these properties.

20 The Act 94 eminent domain, I think,
21 process is a little bit more defined, and we're in
22 a better position to kind of track that
23 information.

24 COUNCILMAN CLARKE: I'm fine with that.
25 I'm just trying to understand -- I call the

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2 commissioner or the deputy, I need a property
3 knocked down -- I'm thinking about one in
4 particular across from Strawberry Mansion that I
5 know that's on the list hopefully soon, Strawberry
6 Mansion High School.

7 That property gets demolished, there's
8 immediately a 6, \$7,000 lien, and the vacant lot
9 just sits there with this lien forever, sometimes
10 ten years.

11 MS. SMITH: Right.

12 COUNCILMAN CLARKE: Why isn't that
13 property put on the judicial sales list?

14 MS. SMITH: Again, as I said --

15 COUNCILMAN CLARKE: And then we don't
16 discover it until maybe five, six, seven years down
17 the line when we decide that we want to build
18 something in that area and we find out that the
19 property is substantially delinquent.

20 I mean, what is -- I'm just trying to get
21 a sense of how we dispose of all of these vacant
22 properties, 'cause most of the vacant property in
23 the City of Philadelphia is, in fact, not publicly
24 owned.

25 MS. SMITH: That's correct.

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2 COUNCILMAN CLARKE: And I don't see a
3 mechanism that gets us in a position where we can
4 dispose of these properties if somehow we decide
5 that as a part of some strategic initiative or
6 development plan, we in fact would like to acquire
7 it when we have the wherewithal to bid it at
8 sheriff's ourselves, but we don't bother to list
9 these properties at all, and they just sit there
10 with substantial municipal liens and we don't do
11 anything. I just don't understand why we don't
12 aggressively do that.

13 MS. SMITH: As I said, that's been the
14 policy. What we've said with this administration
15 is that we are going to begin to proactively, you
16 know, initiate or acquire the vacant properties,
17 even when we don't have an immediate development
18 purpose, you know, lined up for it.

19 My understanding is that historically, we
20 only went after a property when we knew we had
21 like, for example, an end-user in hand or if an
22 individual comes in and initiates the sheriff's
23 sale. So that's been -- we recognize it's been the
24 past policy, but we don't think it's an appropriate
25 policy, and we do believe that getting the property

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2 into public ownership is the first step. And right
3 now, we've been focusing on using the Act 94 urban
4 renewal taking process.

5 COUNCILMAN CLARKE: All right. And beyond
6 that, I just want to know a simple question and --

7 MS. SMITH: I can't answer why --

8 COUNCILMAN CLARKE: Okay, I want clarity.
9 Are you telling me now that when we demolish a
10 property, the policy will be now to immediately
11 list that property for judicial sale?

12 MS. SMITH: Yes. We can make that the
13 policy, but that doesn't necessarily mean it will
14 get into public ownership.

15 COUNCILMAN CLARKE: I don't want it to get
16 into public ownership. I think you're missing me.
17 Miss Smith.

18 MS. SMITH: Okay.

19 COUNCILMAN CLARKE: These properties are
20 delinquent, you know, and I want them on the list.
21 Do you understand what I'm saying? I'm just trying
22 to -- I mean, is there going to be a policy now
23 that when there's a municipal lien, a substantial
24 municipal lien, placed on a property as a result of
25 a demolition, can that property immediately get

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2 certified for sheriff's sale and get listed on a
3 sheriff's sale list and go to the judicial list in
4 process? That's what I'm just trying to
5 understand.

6 MS. SMITH: Yes. I will discuss that with
7 the Revenue Commissioner, 'cause they generally
8 initiate that. So I will --

9 COUNCILMAN CLARKE: Can you, please,
10 'cause I need to -- that needs to happen. I just
11 don't understand why we do this, and we don't ever
12 put 'em on the list.

13 Thank you, Madam Chair.

14 COUNCILWOMAN MILLER: Madam President, I
15 have one more question.

16 COUNCILWOMAN KRAJEWSKI: Councilwoman
17 Miller.

18 COUNCILWOMAN MILLER: Thank you.

19 Excuse me, Pat, what is your title,
20 Director of?

21 MS. SMITH: Director of Neighborhood
22 Transformation.

23 COUNCILWOMAN MILLER: Okay. I just want
24 to put a suggestion out here just so it will be on
25 record, and that is that we need to have a session

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2 that helps Councilpeople and their offices
3 understand how NTI can work for us.

4 MS. SMITH: Right.

5 COUNCILWOMAN MILLER: So we can ask all of
6 the questions, because there is still just lots of
7 questions and information that we need, and we
8 probably need to have a joint session, not
9 separately, because maybe I could benefit from
10 Councilman Nutter's or Councilwoman Krajewski's
11 questions, and maybe they can benefit from mine.

12 But we've been talking about this now for
13 so long and it's really time for us to completely
14 understand what's going on or what can happen, and
15 also to bring in Hill International, 'cause many of
16 us have not met the individuals from Hill, and we
17 need to figure out how we'll work together on
18 getting out there and do the outreach to the
19 stakeholders.

20 MS. SMITH: I'll be happy to set up that
21 meeting.

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

24 COUNCILWOMAN KRAJEWSKI: Any other
25 questions?

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2 (No further questions.)

3 COUNCILWOMAN KRAJEWSKI: Thank you. Thank
4 you, Commissioner.

5 COMMISSIONER MCLAUGHLIN: Thank you.

6 Mr. Dubow, we can go into our other bills.

7 COUNCILMAN NUTTER: Councilwoman, are we
8 still on 38?

9 COUNCILWOMAN KRAJEWSKI: I'm sorry, I'm
10 sorry.

11 COUNCILMAN NUTTER: Mr. Dubow, let's talk
12 about -- we've got the Law Department here for
13 \$3.4 million for outside legal counsel, which I
14 thought that we had dealt with the outside legal
15 counsel issue the last time we were here on a
16 transfer ordinance.

17 MR. DUBOW: That was the FY 2001 -- that
18 was the year-end, that was --

19 COUNCILMAN NUTTER: That was the year-end
20 transfer?

21 MR. DUBOW: Yes.

22 COUNCILMAN NUTTER: Okay. And we've got
23 the Recreation Department with higher insurance
24 costs and costs due to prevailing-wage rate causes,
25 which I actually don't know what that means.

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2 MR. DUBOW: That's for their contracts,
3 the prevailing-wage rates. We're paying the
4 prevailing-wage rates on our contracts now, so it's
5 a higher rate for contractors so the cost of our
6 contracts are up.

7 COUNCILMAN NUTTER: What contracts?

8 MR. DUBOW: For -- I'd actually have to
9 ask someone from Rec. to come up and give you
10 specific contracts, but I mean security contracts
11 at the Vet.

12 COUNCILMAN ORTIZ: Scott Rolen's contract.

13 MR. DUBOW: I think the security contracts
14 at the Vet and maintenance contracts at the Vet.
15 The cost per hour for the contractors went up, and
16 they passed those costs along to us.

17 COUNCILMAN NUTTER: And then we have these
18 overtime costs related to the conversion of
19 Veterans Stadium, baseball to football. Is this
20 the August 13th debacle?

21 MR. DUBOW: Yes, and then the conversions
22 after that.

23 COUNCILMAN NUTTER: How many were there?

24 MR. DUBOW: Four.

25 COUNCILMAN NUTTER: The City employees did

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2 them or outside people did them?

3 Is there anybody here from Recreation?

4 MR. DUBOW: It's a combination, it's a
5 combination of City and outside.

6 I thought there was someone from Rec.
7 coming up, actually.

8 COUNCILWOMAN KRAJEWSKI: Is there anyone
9 here from Recreation, Mr. Dubow?

10 MR. DUBOW: Yeah. They're coming up.

11 COUNCILMAN NUTTER: They weren't exactly
12 rushing to the table.

13 (Witnesses come forward.)

14 COUNCILWOMAN KRAJEWSKI: Good morning.
15 Would you please state your name for the record.

16 MS. PLATT-COLES: Good morning. I'm Mary
17 Platt-Coles, Deputy Commissioner for the Department
18 of Recreation. To my left is Joanne Mangano,
19 Administrative Services Director for the
20 Department.

21 COUNCILMAN NUTTER: Okay. Did you hear
22 the earlier question with regards to your \$413,698
23 on your higher insurance costs and contract costs
24 relating to prevailing-wage rate clauses and the
25 \$73,197 on the conversion issues?

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2 MS. PLATT-COLES: Yes. The conversions
3 were for four conversions, and they were performed
4 by the maintenance employees of the Department of
5 Recreation at overtime costs.

6 COUNCILMAN NUTTER: Okay. Why were they
7 done on overtime?

8 MS. PLATT-COLES: I'm sorry?

9 COUNCILMAN NUTTER: Why were they done on
10 overtime?

11 MS. PLATT-COLES: Because of the timing of
12 the games. If there's baseball games on Fridays or
13 Saturdays, and then a football game on Sunday, it
14 would be at an overtime rate.

15 COUNCILMAN NUTTER: Did we anticipate
16 those things in the FY -- this is for FY '02,
17 right?

18 MS. PLATT-COLES: Yes, sir.

19 COUNCILMAN NUTTER: Okay. And we knew
20 this was coming up, right?

21 MS. PLATT-COLES: That is correct, but due
22 to some of the turf issues, there was increased
23 amounts needed, increased personnel needed, and it
24 took longer to do the conversions.

25 COUNCILMAN NUTTER: Okay. Well, I mean, I

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2 know everyone was obviously significantly
3 sensitized by the August 13th event, so did you
4 just add in extra people just to make sure that it
5 went quickly or we didn't have the same problem, or
6 did we have extra people with extra duct tape? I
7 mean, why did you have the extra folks out there?

8 MS. PLATT-COLES: Due to the nature of the
9 turf problems, it took more people. As I said, it
10 took more staff to perform the conversions and a
11 longer time period.

12 COUNCILMAN NUTTER: Okay, all right.

13 Okay, thank you, Madam Chair.

14 COUNCILWOMAN KRAJEWSKI: Councilman Ortiz.

15 COUNCILMAN ORTIZ: I have no questions on
16 the stadium other than Scott Rolen is not signing
17 the contract and I'm concerned about the Phillies
18 season and how we're going to be able to overcome
19 the Mets and the Braves without him, so I have no
20 questions of the Recreation Department.

21 In terms of the \$7 million for Fire
22 Department and bioterrorist overtime, could we have
23 some details on that? This expenditure came up
24 after the September 11th, I imagine, and I'd like
25 to see any detail as to what occurred and what

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2 transpired and how we came up to \$7 million
3 expenditures on that.

4 MR. DUBOW: Yeah, we can give you that.
5 It's a combination, though, of that plus the costs
6 from the arbitration award, the full cost of the
7 arbitration award. So it's not just the response
8 to the bioterrorism threat.

9 So I will get you that.

10 COUNCILMAN ORTIZ: The arbitration award
11 in relating to hepatitis C, is that it part of it?

12 MR. DUBOW: No. Just the entire cost of
13 the arbitration award wasn't fully -- at the time
14 we did the '02 budget, the whole arbitration award
15 issued hadn't been resolved, so the full costs of
16 it weren't in there.

17 COUNCILMAN ORTIZ: And in the Law
18 Department expenditure, that goes from -- you spoke
19 about the '01 expenditure for outside counsel; is
20 this added on to that expenditure? And what has
21 been the expenditure for outside counsel up to this
22 time?

23 MR. DUBOW: I'm going to ask someone from
24 the Law Department to come up and answer that.

25 The answer to the first part is yes, it's

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2 for a separate year.

3 COUNCILMAN ORTIZ: Right.

4 MR. DUBOW: So the '01 was a distinct cost
5 and then this is the '02 costs, so --

6 COUNCILMAN ORTIZ: Right. So what
7 happened to the '02 costs up to this point, and why
8 are we adding \$3 million? What have we taken on
9 that needs close to \$3.5 million more?

10 MR. DUBOW: Someone from the Law
11 Department's coming up.

12 (Witness comes forward.)

13 COUNCILMAN ORTIZ: What issues are we
14 hiring outside counsel for?

15 MS. MOUZAYCK: Good morning. Donna
16 Mouzayck for the Law Department.

17 There were a number of unanticipated
18 expenses that account for the \$3.6 million. The
19 first category of expense I would attribute to a
20 case called "the Miller case." I know that those
21 of you who have worked on recent L&I issues are
22 probably familiar with that.

23 Under Miller, we're required now to give
24 notice to anyone who has an interest in the
25 property which requires additional title searches.

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2 So a number of those expenses for title
3 certificates are put as over budget; and in fact, I
4 think it comes up to like \$230,000.

5 There are a number of other areas as well.

6 I think that there were significant litigation
7 activities or matters that were unanticipated last
8 year. Certainly the biggest of those would have
9 been the Parking Authority and the School District.
10 I think if you took those two expenses together,
11 that probably accounts for over 30 percent of the
12 additional money that we're asking for in the
13 transfer.

14 COUNCILMAN ORTIZ: The money that you're
15 asking for is going to pay for the litigation on
16 the Parking Authority and the School District most
17 of it?

18 MS. MOUZAYCK: Yes.

19 COUNCILMAN ORTIZ: Most of it?

20 MS. MOUZAYCK: Over 30 percent of the 3.6.

21 COUNCILMAN ORTIZ: Over 30 percent?

22 MS. MOUZAYCK: Are attributable to those
23 two areas.

24 COUNCILMAN NUTTER: Councilman, if I
25 can --

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2 COUNCILMAN ORTIZ: Go ahead.

3 COUNCILMAN NUTTER: What firms were
4 involved in those two particular matters.

5 MR. DIAZ: Councilman, Nelson Diaz, for
6 the record.

7 In addition to Councilman Ortiz's
8 question, there were a number of legal services
9 totally involved with regard to this, but the two
10 major firms, as I recall, in the School District
11 case was the Ballard firm, and the Aronchick
12 Hanglely firm were two major firms in the
13 representation of the School District cases. And
14 in the --

15 COUNCILMAN NUTTER: Was it out of that
16 activity that the 65-page memo was developed?

17 MR. DIAZ: That's correct.

18 But as I saw also the contracting area
19 there were -- there was a considerable amount of
20 payment also with regard to the stadium deals.

21 COUNCILMAN NUTTER: I'm sorry, Solicitor,
22 I don't mean to interrupt you. So, I mean, the
23 conclusion of that is, which I guess we didn't know
24 at the time, is that we actually paid for that.

25 MR. DIAZ: Yes, we did.

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2 I'm sorry, the other firm that also we
3 paid for was the Dilworth firm on the School
4 District case, but the Dilworth firm was more
5 involved in the litigation end of it, and the
6 Aronchick Hangle and the Ballard firm were more
7 involved in the strategy issues that you question
8 about --

9 COUNCILMAN NUTTER: With regard to the
10 65-page memo.

11 MR. DIAZ: That's correct, right.

12 COUNCILMAN NUTTER: Okay. So, I mean, we
13 now subsequently learn that we actually paid for
14 that.

15 MR. DIAZ: That's correct.

16 COUNCILMAN NUTTER: Okay, all right.

17 COUNCILMAN ORTIZ: What about the Parking
18 Authority litigation; what was that firm?

19 MR. DIAZ: The Parking Authority
20 litigation is Ballard and Spector Gadon.

21 COUNCILMAN NUTTER: And that's still in
22 litigation, right?

23 MR. DIAZ: Correct, it's still in
24 litigation, but right now, there's a stay pending a
25 jurisdictional issue before the Supreme Court.

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2 Until the Supreme Court decides the jurisdictional
3 issue, we have no idea of whether to proceed
4 forward. The jurisdictional issue relates to
5 whether or not it should have been filed in the
6 Commonwealth Court or the Common Pleas Court.

7 COUNCILMAN NUTTER: So we're asking the
8 Supreme Court to decide which court it should go
9 to?

10 MR. DIAZ: They're waiting for us to
11 decide that.

12 COUNCILMAN NUTTER: Okay.

13 COUNCILMAN ORTIZ: You said the Dilworth
14 firm did the litigation on the school issue?

15 MR. DIAZ: The Dilworth firm prepared all
16 of the documents for preparation for the
17 litigation, but the litigation was never filed.

18 COUNCILMAN ORTIZ: Never filed?

19 MR. DIAZ: Yeah. The agreement entered
20 and the partnership then entered into by the Mayor
21 gave us the response not to proceed with the
22 litigation so, therefore, that litigation and that
23 part of the engagement is over.

24 COUNCILMAN ORTIZ: Has that agreement, by
25 the way, I'm just kind of wondering. Has the

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2 agreement that we entered into with the State, has
3 that been drawn up and which firm is in charge of
4 drawing that up?

5 MR. DIAZ: I prepared -- I asked my
6 corporate department area to give me a framework of
7 developing an agreement, of taking the development
8 of that agreement and giving it to Debra Kahn and
9 asking Debra Kahn to fill in the blanks between her
10 negotiations and the negotiations that they're
11 having in the State, and then to give it back to us
12 so we can refine it to make sure that it complies
13 with all of the requirements of City Council, the
14 City Charter, and all of the --

15 COUNCILMAN ORTIZ: So how long is it going
16 to take Miss Kahn to fill in the blanks?

17 MR. DIAZ: The last e-mail that I saw
18 between her and Richie Feder was that they're
19 making progress, and they have certain areas that
20 they've agreed to and some minor areas that they
21 have to get the signoff, I guess, from the
22 Commissioner or the Secretary of Education.

23 COUNCILMAN ORTIZ: Just an aside,
24 Mr. Solicitor. I thought we had an agreement and
25 it seems like we're negotiating an agreement.

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2 MR. DIAZ: I think we're trying to codify
3 the agreement that they entered into, and it's been
4 my recommendation that it be codified and not one
5 that is in principle only. And that's why I
6 believe that we are attempting to get it in the
7 writing.

8 COUNCILMAN ORTIZ: So that accounts for
9 30 percent of that, of the new money that is --

10 MR. DIAZ: No, I think it's the -- there's
11 the Testa case, do you remember the Testa
12 litigation at the airport?

13 COUNCILMAN ORTIZ: At the airport, right.

14 MR. DIAZ: And that litigation is
15 continuing. And also the Aronchick firm is
16 involved in that case on behalf of the Mayor, and
17 Pepper, Hamilton & Scheetz, in that case, on behalf
18 of Franklin-Suber.

19 The PGW and the issues of the PGW with
20 regard to the questions that have arisen recently
21 in addition to whether or not is going to be a
22 proposed reform of that agency, has been part of
23 the cost. There is one small item --

24 COUNCILMAN ORTIZ: So this new
25 \$3.5 million is --

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39

2 MR. DIAZ: 3.6

3 COUNCILMAN ORTIZ: -- that's being
4 requested is going towards that litigation and
5 parking and schools and ...

6 MR. DIAZ: Yeah. The outline essentially
7 shows that the collections support and defense
8 work, the stadiums, the Testa case, PGW, the RNC
9 litigation, the Parking Authority litigation.
10 Costs for the Police Disciplinary Task Force was
11 also borne through this expense. And the School
12 District litigation and some small amount of NTI
13 implementation --

14 COUNCILMAN ORTIZ: Excuse me,
15 Mr. Solicitor. Have we hired counsel for each and
16 every one of these litigations already?

17 MR. DIAZ: Counsel has already been
18 engaged in everything that I've outlined for you.

19 COUNCILMAN ORTIZ: Could you send that to
20 the Chairperson of the committee?

21 MR. DIAZ: Yes, we can.

22 COUNCILMAN ORTIZ: Thank you very much.

23 I have no further questions for the City
24 Solicitor.

25 COUNCILWOMAN KRAJEWSKI: Councilman

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39

2 Nutter.

3 COUNCILMAN NUTTER: Thank you, Madam
4 Chair. No other questions for the Solicitor on
5 this particular point, but you'll give us the
6 detailed list of all that you've shared with us
7 this morning?

8 MR. DIAZ: Yeah, I'll mail it to you
9 immediately upon --

10 COUNCILMAN NUTTER: Send it to the Chair.

11 MR. DIAZ: Upon proper form, order, and
12 process.

13 COUNCILMAN NUTTER: I deeply appreciate
14 that.

15 MR. DIAZ: May I be excused?

16 COUNCILWOMAN KRAJEWSKI: Yes.

17 MR. DIAZ: Thank you, Madam Chair.

18 COUNCILWOMAN KRAJEWSKI: Thank you.

19 COUNCILMAN NUTTER: Let me go through
20 these real quick.

21 The Mayor's Office of Community Services,
22 you've got the Director of Finance doing a formal
23 assessment of the City's benefit plan, Community
24 Court, and \$12 million is now available through
25 Director of Finance - Employee Benefits because you

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 have fewer employees than you had included in the
3 budget. Let's talk about those items.

4 One, the Empowerment Zone had been fully
5 funded through a grant?

6 MR. DUBOW: Yeah, it had been fully funded
7 through federal funds through the middle of this
8 year. The grant money ran out. We had -- when we
9 put the budget together, we were going to look at
10 other ways to try to get that funded; nothing else
11 emerged, and so now we need General Fund support to
12 continue that funding.

13 COUNCILMAN NUTTER: So is everyone from
14 the Empowerment Zone being moved over into General
15 Fund-supported staff?

16 (Witness comes forward.)

17 MS. GLADSTEIN: Good morning. My name is
18 Eva Gladstein. I'm the Executive Director of the
19 Philadelphia Empowerment Zone.

20 We've always had some matching funds from
21 the City's community services block grant. That
22 funding has diminished over time, but it still
23 remains to this day. So we have, in addition to
24 the General Fund, \$250,000 of community services
25 block grant. That's to support staff and the

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 administrative costs.

3 COUNCILMAN NUTTER: I'm sorry, are you
4 talking about a community development block grant
5 or is this a different block grant?

6 MS. GLADSTEIN: This is a different block
7 grant, the funds from the Department of Health and
8 Human Services.

9 COUNCILMAN NUTTER: Hmm, okay. I'd
10 probably like to know a little more about that; we
11 can talk about that later. Any new source of funds
12 is always of great interest.

13 Mr. Dubow, what is this assessment that's
14 being done of the City's benefits plan and the
15 \$300,000 to go with it? What's that about?

16 MR. DUBOW: Linda Berkowitz is going to
17 come up and talk about that.

18 COUNCILMAN NUTTER: Oh, I can't wait.

19 (Witnesses come forward.)

20 MR. DUBOW: That's the kind of welcome I
21 usually get; I'm jealous.

22 COUNCILMAN NUTTER: Ladies and gentlemen,
23 you may want to notify friends and loved ones.

24 (Laughter.)

25 COUNCILMAN NUTTER: You may wish to order

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 out for lunch now and anticipate what your dinner
3 plans will be.

4 (Laughter.)

5 COUNCILMAN NUTTER: With Miss Berkowitz at
6 the table, we will be here a while.

7 Miss Berkowitz, tell us about the formal
8 assessment of the City's plan.

9 MS. LEE: I'm Linda Berkowitz, Deputy
10 Secretary of Financial Oversight.

11 The term "formal assessment of the benefit
12 plan" is somewhat of a misnomer.

13 COUNCILMAN NUTTER: Are we going to start
14 with a definition of terms and disclaimers? Is
15 this the way this is going to go?

16 Go ahead.

17 MS. BERKOWITZ: As I discussed before the
18 Committee on Law and Government during the late
19 summer, the former personnel director for the City
20 had pretty much negotiated the medical coverage
21 portion of the City-administered health plan by
22 herself, and given the fact that that is the most
23 costly piece of the City's health plan, we decided
24 to hire an expert consultant to help us do a number
25 of things, including put together an RFP. There

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 had not been an RFP for the medical portion of the
3 plan in a number of years, and given the volatility
4 in the health-care marketplace, we believed that it
5 was prudent to invest in doing an RFP.

6 We contracted with Brokerage Concepts
7 Incorporated to assist us with the RFP process, the
8 evaluation of the various proposals, and also to
9 help us look, during the course of this fiscal
10 year, at potential cost containment measures that
11 we can use.

12 As most of you know, because you're
13 covered by the City-administered plan, our costs
14 have risen dramatically.

15 COUNCILMAN NUTTER: Yeah. It's been a
16 joy.

17 So have you already spent the \$300,000?

18 MS. BERKOWITZ: Yes, we have. It is a
19 fixed-price contract

20 COUNCILMAN NUTTER: Right. And so what
21 are they going to do? And who is Brokerage
22 Concepts, where are they located, and who are the
23 principals?

24 MS. BERKOWITZ: Brokerage Concepts, Inc.
25 is located in King of Prussia. I believe they have

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 a subsidiary office on Walnut Street. They are
3 considered to be one of the leading firms in
4 employee health-benefit consulting. And the
5 principal is a gentleman by the name of Arnold
6 Katz.

7 COUNCILMAN NUTTER: Okay. And so what are
8 they going to do or what have they done?

9 MS. BERKOWITZ: Well, they've done a big
10 portion of what we contracted with them to do. We
11 asked for a very quick turnaround on the
12 development of an RFP; in fact, we gave them only
13 two to three weeks to develop it.

14 They've developed it, they've put together
15 a list of potential bidders. They handled the
16 entire RFP process. They evaluated the proposals
17 that the City received. They worked the City folks
18 through the assessment that they prepared, and they
19 then they actually worked with us in negotiating
20 the agreement with Independence Blue Cross.

21 That's what they've done so far.

22 COUNCILMAN NUTTER: And what business are
23 they in?

24 MS. BERKOWITZ: They are in the employee
25 health-benefits business.

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39

2 COUNCILMAN NUTTER: Okay, so --

3 MS. BERKOWITZ: They advise -- they do
4 consulting for organizations, including
5 governmental organizations, and I believe that they
6 also do brokering services

7 COUNCILMAN NUTTER: Okay. And will they
8 do any brokering services for us?

9 MS. BERKOWITZ: They were not doing
10 brokering services for us, no.

11 COUNCILMAN NUTTER: Will they do them in
12 the future?

13 MS. BERKOWITZ: I -- they only have a
14 one-year contract.

15 COUNCILMAN NUTTER: And what's the nature
16 of their relationship with the various benefits
17 providers?

18 MS. BERKOWITZ: Well, I'm assuming that
19 they've also negotiated with Independence Blue
20 Cross on behalf of other clients.

21 COUNCILMAN NUTTER: And so you're
22 saying --

23 MS. BERKOWITZ: Again, they're only doing
24 the medical portion of the plan for us. And as
25 most of you know, the plan consists of four major

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 portions: One is medical, then there's dental,
3 optical, and prescription.

4 COUNCILMAN NUTTER: And you're saying that
5 the only benefit to the company out of this
6 relationship with the City is the \$300,000 flat-fee
7 contract?

8 MS. BERKOWITZ: That is correct.

9 COUNCILMAN NUTTER: Okay. And no other
10 dollars flow to them as a result of any
11 negotiations for the development from outside
12 parties?

13 MS. BERKOWITZ: Not to my knowledge.

14 COUNCILMAN NUTTER: Okay. And the result
15 of which is the current benefits plan that we have?

16 MS. BERKOWITZ: Correct.

17 COUNCILMAN NUTTER: Okay. And if we have
18 issues or problems with the benefits plan, do we
19 talk to you now, or do we talk to Brokerage
20 Concepts, or do we talk to the personnel director?
21 Or who's in charge?

22 MS. BERKOWITZ: Well, I think it's a dual
23 responsibility between the personnel director and
24 myself.

25 COUNCILMAN NUTTER: Okay, all right.

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39

2 Mr. Dubow, there's \$12 million in leftover
3 money because, what, positions are vacant?

4 MR. DUBOW: Yes.

5 COUNCILMAN NUTTER: How many?

6 MR. DUBOW: We have about 600 fewer
7 positions now than were included in the budget.

8 COUNCILMAN NUTTER: Why weren't they
9 filled?

10 MR. DUBOW: Well, for a number of reasons,
11 but one is that we've had a hiring freeze since
12 November, which we imposed as we start to see
13 what's happening with the economy.

14 COUNCILMAN ORTIZ: Could we have a
15 breakdown of those positions?

16 COUNCILMAN NUTTER: I mean, when you
17 funded the positions in the '02 budget, you must
18 have had a sense either, one, that they were going
19 to be filled; or, two, that they were possibly
20 never going to be filled and you maybe have about
21 10, \$12 million sitting around off to the side in
22 the employee benefits account. Which was it?

23 MR. DUBOW: When we put together the
24 budget, we anticipated that they'd be filled.

25 COUNCILMAN NUTTER: All 600 of them?

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39

2 MR. DUBOW: Yeah. But as the year went
3 on, they have not been filled. I mean, in part,
4 because we haven't been hiring people for the last
5 three months.

6 COUNCILMAN NUTTER: Mm-hmm. And what's
7 been the impact on City services as a result of not
8 filling the 600 positions?

9 MR. DUBOW: Well, we've challenged our
10 departments to do more with less, and so far,
11 they've been able to.

12 COUNCILMAN NUTTER: And they'll be able to
13 for the rest of the fiscal year?

14 MR. DUBOW: Yes.

15 COUNCILMAN NUTTER: Okay. Let's talk
16 about MOIS.

17 MR. DUBOW: Okay.

18 COUNCILMAN NUTTER: \$469,000 for
19 contracted staff support. What does that mean?

20 (Witness comes forward.)

21 MR. DUBOW: In part, I'll give a short
22 answer, and Mr. Bortnick can give the longer
23 answer.

24 The Mayor's Office of Information Services
25 had problems keeping and retaining people, and

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 they've had to supplement that through contracts,
3 and so --

4 COUNCILMAN NUTTER: I'm sorry. What's the
5 first part of what you said? MOIS has had a
6 problem keeping people?

7 MR. DUBOW: Yes.

8 COUNCILMAN NUTTER: Why?

9 MR. BORTNICK: Karl Bortnick. Madam Chair
10 and members of City Council, my name is Karl
11 Bortnick.

12 MOIS is a competitor agency in the
13 high-tech industry, and like a lot of companies --
14 in this case, a public company -- our wage rates
15 are frequently not competitive most often so, and
16 we lose people to a more competitive private sector
17 and are, therefore, obliged to supplement our
18 services with contractors.

19 COUNCILMAN NUTTER: Who are some of these
20 contractors and why do you need \$469,000 more?

21 MR. BORTNICK: The contracted areas that
22 frequently we are hiring into are in the areas of
23 networking and desktop support service. In this
24 particular year, one additional area was important.
25 We began to work in the area of electronic

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 government and also with services to provide RFPs
3 in areas that we talked about at the previous
4 hearing on Friday, the customer information work
5 order management system.

6 COUNCILMAN NUTTER: If you could forward
7 to the Chair a listing of who all these cover --
8 I'm reading from the testimony -- to cover
9 contracted staff support for the \$469,000, I'd be
10 very interested in that.

11 MR. BORTNICK: My pleasure. Will do.

12 COUNCILMAN NUTTER: Through the Chair,
13 we'd like to know for each of the contractors what
14 they're being paid, the nature of their contract,
15 the length of the contract, and the services to be
16 provided.

17 MR. BORTNICK: Yes.

18 COUNCILMAN NUTTER: Okay, thank you.

19 COUNCILWOMAN KRAJEWSKI: Any other
20 questions?

21 COUNCILMAN ORTIZ: Yes.

22 COUNCILWOMAN KRAJEWSKI: Councilman Ortiz.

23 COUNCILMAN ORTIZ: Not for the information
24 services.

25 Councilman Nutter began a line of

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 questioning in which I was interested in, and
3 that's the transference of -- and Eva Gladstein is
4 not here, okay. The transference of the
5 Empowerment Zone staff to the City General Fund,
6 and I'd like to find out what is going to be the
7 impact of that on the General Fund. Is it going to
8 be an increase beyond what we have here on the
9 budget?

10 And we don't have very many details as to
11 the Empowerment Zone's projects and functioning,
12 and maybe we would like to begin looking into that.
13 And if you can forward to us the projects that they
14 have, loans, staffing levels, and where this money
15 is going to go to, and I think we would be highly
16 interested to begin finding out what new
17 departments are being added to the General Fund.
18 And are they going to come under the Managing
19 Director's Office, or what department is going to
20 be overseeing --

21 MR. DUBOW: Yeah, we can get you all that
22 information, and in addition, they're included in
23 the '03 budget, and we'll give you the amount of
24 that.

25 COUNCILMAN ORTIZ: Well, I'd like to get

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 the details in terms of projects, loans, and so on
3 down the line and what has transpired with the
4 money that they did get from the federal government
5 and their grants.
6 MR. DUBOW: I understand. We'll get you
7 that information.
8 COUNCILMAN ORTIZ: Okay, that's all I have
9 on this bill.
10 By the way, is the new Health Commissioner
11 here?
12 MR. DUBOW: Yes, he's here.
13 COUNCILMAN ORTIZ: I just want to say
14 congratulations to him, that's all.
15 Congratulations, sir.
16 COUNCILMAN NUTTER: Congratulations.
17 (Applause.)
18 COUNCILWOMAN KRAJEWSKI: I just have one
19 question about the Judicial District.
20 MR. DUBOW: Yes.
21 COUNCILWOMAN KRAJEWSKI: Can you explain
22 the appropriation to the First Judicial District.
23 The \$289,000, what is this funding used for?
24 MR. DUBOW: For the First Judicial
25 District's costs related to the opening of the

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 Community Court.

3 COUNCILWOMAN KRAJEWSKI: How much is that?
4 289 goes to the Community Court?

5 MR. DUBOW: Yes, all of the funding for
6 the First Judicial District, including these
7 transfer ordinances, is for Community Court
8 expenses.

9 COUNCILWOMAN KRAJEWSKI: How much does
10 this cost per year?

11 MR. DUBOW: Kevin Cross from the First
12 Judicial District is going to answer.

13 (Witnesses come forward.)

14 MR. CROSS: Good morning, Councilman. I'm
15 Kevin Cross, Deputy Court Administrator for
16 Financial Services for the First Judicial
17 District. With me is Glen (indiscernible), Deputy
18 Court Administrator for the Municipal Court.

19 The Community Court is being funded by
20 various funding sources, some of it being the
21 City's General Fund, but also some from the Pew
22 Foundation also.

23 COUNCILWOMAN KRAJEWSKI: What is its costs
24 per year?

25 MR. CROSS: I don't have those figures

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 with me directly, and I can get them for you today.

3 COUNCILWOMAN KRAJEWSKI: I would like to
4 have that.

5 MR. CROSS: There's the sources and uses
6 of funds that the City has prepared that I have a
7 copy of, and I can provide that to you.

8 COUNCILWOMAN KRAJEWSKI: Thank you.
9 Are there any other questions on this
10 bill?

11 Councilman Nutter.

12 COUNCILMAN NUTTER: Nothing for the
13 courts, Madam Chair.

14 COUNCILWOMAN KRAJEWSKI: Thank you,
15 gentlemen.

16 COUNCILMAN NUTTER: Mr. Dubow, at the
17 bottom of Page 2 of your testimony and, then I'm
18 going to have, I think, three other questions.
19 Generally it's been understood within some range
20 that most costs out at the airport --

21 MR. DUBOW: You're talking about Bill
22 020039?

23 COUNCILMAN NUTTER: Actually, that does go
24 into 39. Are you prepared or do need a few moments
25 to get ready for that?

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39

2 MR. DUBOW: No, I'm prepared for
3 questions. Do you want me to read the testimony
4 before we go into any questions on it?

5 COUNCILMAN NUTTER: I think we're all
6 right.

7 MR. DUBOW: And I'm happy not to read it.

8 COUNCILWOMAN KRAJEWSKI: Does anyone have
9 any questions on 38 yet?

10 (No further questions.)

11 COUNCILWOMAN KRAJEWSKI: Thank you.

12 We will go into the other bills then.

13 MR. DUBOW: Okay.

14 COUNCILMAN NUTTER: You're not going to
15 read your testimony, right?

16 MR. DUBOW: Did you want me to read the
17 testimony on the other two into the record?

18 COUNCILWOMAN KRAJEWSKI: The record.

19 COUNCILMAN NUTTER: There's been kind of a
20 general belief within some range that most costs
21 out at the airport are pretty much borne to some
22 extent by the airlines and that the City's costs
23 out there are actually relatively small compared to
24 the sprawling nature of that operation.

25 Obviously, with September 11th, we have to

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 put an additional group of people out there, and
3 I'm sure that much of that service continues. How
4 will any of those additional costs be absorbed by
5 airline-related activity as opposed to staying
6 essentially on the City's side of the financial
7 ledger? Has there been any discussion about that?

8 MR. DUBOW: None of these costs are being
9 absorbed by the City; it's all coming out of the
10 Aviation Fund.

11 COUNCILMAN NUTTER: All out of the
12 Aviation Fund?

13 MR. DUBOW: Yes.

14 COUNCILMAN NUTTER: Okay, all right.

15 Why don't we go to the Fairmount
16 Commission. In the testimony, since Fairmount Park
17 has recently been assigned responsibility for
18 maintaining the turf at Logan Triangle, Ninth
19 Street, and Roosevelt Boulevard, the question is,
20 who had responsibility for these before? And why
21 is the park picking this up?

22 (Witness comes forward.)

23 MR. MIFFLIN: Good morning, Councilman
24 Nutter and Councilpeople. I'm William Mifflin, the
25 Executive Director of the Fairmount Park

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 Commission, and I can answer directly the second
3 part of your question first, if I may.

4 The Logan Triangle, Ninth and Roosevelt
5 Boulevard, and Wingahocken Street is the former
6 area of the sinking homes, and the area was
7 cleared, and vegetation grew after the demolition.
8 And we have been using our requirements contract,
9 mowing contractor, now to maintain that area.

10 Who was doing it previously, I'm actually
11 not certain, but we were asked last year to include
12 this in our mowing contract, so we've done so.

13 COUNCILMAN NUTTER: And through this
14 transfer, you're going to have the money to be able
15 to do it?

16 MR. MIFFLIN: That is correct, sir.

17 COUNCILMAN NUTTER: Okay. And Logan
18 triangle.

19 MR. MIFFLIN: That is one in the -- the
20 Logan -- it's the Logan area of the City of
21 Philadelphia.

22 COUNCILMAN NUTTER: Oh, that Logan
23 Triangle. I'm sorry. I was confused between Logan
24 Circle and Logan Square.

25 MR. MIFFLIN: I apologize. Right, it's a

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39

2 little confusing.

3 COUNCILMAN NUTTER: Okay, all right.

4 COUNCILWOMAN KRAJEWSKI: I would just like
5 to take a moment, I believe, with the Fire
6 Commissioner and our Managing Director, I believe
7 that you can leave 'cause I know that you have a
8 very busy schedule. Thank you very much.

9 I'm sorry.

10 COUNCILMAN NUTTER: Thank you,
11 Mr. Mifflin.

12 With regard to DHS, the \$873,000, can
13 someone just tell us what happened there?

14 MR. DUBOW: What happened there?

15 COUNCILMAN NUTTER: Yes.

16 MR. DUBOW: When we put together the
17 budget, we assumed that the State funds -- I'm
18 being deserted -- will fund everything that's in
19 our needs-based budget.

20 COUNCILMAN NUTTER: The ship is going down
21 quick, Rob. You better jump while you can.

22 (Laughter.)

23 MR. DUBOW: Even the Scouts left me.

24 COUNCILMAN NUTTER: Right.

25 MR. DUBOW: We assume that the State will

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 fund the needs-based budget. To the extent that
3 they don't fund our requests, there are things that
4 we can't do, and that's what that relates to.

5 COUNCILMAN NUTTER: Okay. Last question.
6 Capital Program Office. In Mr. Tustin's testimony,
7 he --

8 MR. DUBOW: And he stayed.

9 COUNCILMAN NUTTER: Well, he understands.

10 MR. DUBOW: Yeah.

11 COUNCILMAN NUTTER: We had some discussion
12 just last week about -- during the Capital Budget
13 time about staff -- excuse me -- being funded on
14 the Capital Program Office, the salaries of which
15 are being paid from Capital Program dollars

16 MR. DUBOW: Right.

17 COUNCILMAN NUTTER: In this testimony, we
18 now have, it looks like, the Recreation people
19 coming over to the Capital Program Office, but
20 you're apparently now deciding to pay them out of
21 the Operating Budget. So last week, you defended
22 paying people from the Capital Budget; this week,
23 you're having people pay out of the Operating
24 Budget. What's it going to be?

25 MR. DUBOW: The salaries are paid out of

1 2/19/02 APPROPRIATIONS - BILLS 020037, 38, 39
2 capital. This is just some of the office supplies
3 and equipment for those people that we've always
4 paid out of operating.

5 COUNCILMAN NUTTER: All right. So even
6 these folks, their salaries are still being paid
7 out of capital.

8 MR. DUBOW: Yes.

9 COUNCILMAN NUTTER: But you're getting
10 them pens and pencils and drafting paper out of
11 operating.

12 MR. DUBOW: Correct.

13 COUNCILMAN NUTTER: Okay, all right. It's
14 a good answer.

15 MR. DUBOW: I try.

16 COUNCILMAN NUTTER: Folks are still
17 leaving.

18 COUNCILWOMAN KRAJEWSKI: Any questions on
19 the other bills? No other questions?

20 (No further questions.)

21 COUNCILWOMAN KRAJEWSKI: I believe this
22 ends the public hearing. This committee will stand
23 in recess till the call of the Chair.

24 Thank you very much.

25 (Proceeding ends at 11:50 a.m.)

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CERTIFICATE

I HEREBY CERTIFY that the foregoing
proceedings of the Council of the City of
Philadelphia's meeting of the Committee on
Appropriations of Tuesday, February 19, 2002, are
contained fully and accurately in the stenographic
notes taken by me upon, and that this is a true and
correct transcript of same.

RE: Ordinance No.'s 020037, 020038, 020039

_____,
Josephine Cardillo
Registered Professional Reporter
and Notary Public

(The foregoing certification of this
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