

COUNCIL OF THE CITY OF PHILADELPHIA
COMMITTEE OF THE WHOLE

- - -
Room 400, City Hall
Philadelphia, Pennsylvania
Monday, March 28, 2011, 10:27 p.m.
- - -

Bill 110135 - Adopt a Capital Program for the
six Fiscal Years 2012-2017 inclusive.

Bill 110136 - Adopt a FY '12 Capital Budget.

Bill 110137 - Adopting the Operating Budget
for Fiscal Year 2012.

Bill 110138 - Amending Chapter 19-1500 of The
Philadelphia Code, entitled "Wage and Net
Profits Tax," by revising certain tax rates
and making technical changes, all under
certain terms and conditions.

COMMITTEE MEMBERS PRESENT:

Anna C. Verna, Chair

Marian B. Tasco, Co-Chair

Jannie C. Blackwell

Darrell L. Clarke

W. Wilson Goode, Jr.

Bill Green

William K. Greenlee

Curtis Jones, Jr.

James F. Kenney

Frank Rizzo
- - -

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2 COUNCIL PRESIDENT VERNA: Good
3 morning, everyone. This is a public
4 hearing of the Committee of the Whole.

5 I would ask Mr. McPherson to
6 please read the title of the bills.

7 MR. MCPHERSON: Bill No.
8 110135, a Capital Program, 2012 through
9 2017.

10 Bill No. 110136, the Capital
11 Budget, 2012.

12 Bill No. 110137, the Operating
13 Budget for Fiscal Year 2012.

14 Bill 110138, a wage-tax bill.

15 And today, we will be taking
16 testimony on Bill No. 110137, the
17 Operating Budget.

18 And the first department is the
19 Mayor's Office.

20 (Witness comes forward.)

21 COUNCIL PRESIDENT VERNA: Good
22 morning. Would you please identify
23 yourself for the record and proceed with
24 your testimony.

25 MR. ARMBRISTER: Good morning,

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 Council President Verna and members of
3 City Council. I am Clarence Armbrister,
4 Chief of Staff in The Office of The
5 Mayor. I am pleased to provide testimony
6 on the proposed Fiscal Year 2012
7 Operating Budget.

8 The role of the Mayor's Office
9 is to provide the necessary leadership,
10 direction, and support to departments so
11 that they may achieve necessary funding
12 for the Mayor's Office to accomplish
13 these objections.

14 The FY 2012 General Fund
15 Budger, as proposed, includes \$2,943,426
16 in Class 100 funds to provide
17 compensation for 35 full-time employees,
18 representing a decrease of nearly
19 \$161,500 and four positions over the
20 Fiscal Year 2011 original appropriation.
21 Of the 35 people employed full-time by
22 the Mayor's office 26 are women and 9 are
23 men. Fifteen of the people employed
24 full-time by our office are minorities.

25 The requested FY '12 Budget

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2 also includes \$650,336 in Class 200;
3 \$45,903 in Class 300/400, and \$200,000 in
4 Class 500 (scholarships), for a total
5 General Fund Budget of \$3,839,665. The
6 Mayor's Office Scholarship Program, which
7 is funded at \$200,000, allows qualified
8 Philadelphia students to attend classes
9 at area colleges and universities, is
10 being level-funded, and we are once again
11 recommending that no reduction be made in
12 this category. I am pleased to report
13 that during FY '11, we provided 194
14 college students with scholarships to 24
15 area colleges and universities.

16 The proposed budget also
17 includes over \$2 million in Grants
18 Revenue funds to support the activities
19 of the Mayor's Commission on Aging and
20 the Office of Civic Engagement and
21 Volunteer Service. This grant funding
22 represents an increase of over \$500,000
23 when compared to the FY 2011 funding
24 levels and comes principally from the
25 federal government to enable the Mayor's

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2 Commission on Aging to assist older
3 adults with job counseling, training and
4 placement, and health-insurance
5 counseling.

6 The Commission on Aging is also
7 anticipating funding to support expansion
8 of Naturally Occurring Retirement
9 Communities as well as other funding from
10 the Philadelphia Corporation on Aging
11 which will help assist older adults in a
12 variety of programs.

13 The Cities of Service
14 initiative, as you may know, involves
15 creating or elevating volunteer
16 opportunities that impact educational
17 outcomes and contribute to community
18 vitality; make it easier for citizens of
19 every age to volunteer; and support both
20 public- and private-sector efforts to
21 engage more volunteers in ways that have
22 the greatest impact.

23 The Mayor's Office is committed
24 to supporting the Administration's goal
25 of 25 percent minority-, woman-, and

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2 disabled-owned business (M/W/DSBE)
3 participation on City contracting. We
4 expect to meet, if not exceed, the
5 Administration's goal in FY '12 of 25
6 percent with the office itself.

7 You will be hearing testimony
8 from additional departments in the
9 Mayor's Office later today. The Mayor's
10 Office of Community Services will give
11 testimony as to how their agency helps to
12 move vulnerable Philadelphians towards
13 self-sufficiency. It is critical that
14 Philadelphia's policies, programs, and
15 partnerships in the areas of education,
16 health and human services, housing,
17 economic development, workforce
18 development, and criminal justice are
19 well-coordinated and embrace common
20 principles designed to create
21 opportunities to advance the poor.

22 The Mayor's Office has
23 increased its focus on human capital
24 development to ensure that low-income and
25 poor Philadelphians are served to the

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2 best of our capabilities. MOCS will
3 continue to play a role in this critical
4 work.

5 The Office of Housing and
6 Community Development and the Office of
7 Labor Relations will also present their
8 Fiscal Year 2012 Operating Budget
9 requests later today.

10 I want to thank you for your
11 support, and I appreciate this
12 opportunity to provide testimony
13 regarding the Mayor's proposed Fiscal
14 2012 Operating Budget. I will be happy
15 to answer any questions that Council may
16 have regarding my testimony.

17 COUNCIL PRESIDENT VERNA: Thank
18 you very much.

19 Mr. Armbrister, on page 12 of
20 your budget detail, you reflect a
21 transfer of \$24,495 from the General Fund
22 to the Grants Revenue Fund. Can you give
23 us a breakdown of these dollars by
24 position and to which grants?

25 MR. ARMBRISTER: Council

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2 President, excuse me, I'm going to have
3 to get back to you on that particular
4 transfer, all right? I'll have to talk
5 to the Budget Office about that.

6 COUNCIL PRESIDENT VERNA: Thank
7 you.

8 On page 15 of your detail, it
9 has \$665,000 in Fiscal 2010 for
10 indemnities. Can you tell us what
11 settlements the Law Department made on
12 behalf of the Mayor's Office?

13 MR. ARMBRISTER: I'm going to
14 have to get back to you on that as well,
15 Council President.

16 COUNCIL PRESIDENT VERNA: Page
17 16, you're requesting \$486,290 for
18 consultant fees. Can you tell us the
19 types of services you will be contracting
20 for? What is the total amount the
21 Administration is requesting in the
22 proposed 2012 Operating Budget for
23 lobbying services by department?

24 MR. ARMBRISTER: Yes, let me
25 answer the first question first, Council

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2 President.

3 The lobbying services that the
4 Mayor's Office typically directs are
5 related to our agendas at both the State
6 and the federal levels. These services
7 typically involve monitoring legislation
8 as well as advising the Administration on
9 strategic objectives in terms of getting
10 legislation adopted, maybe sometimes
11 trying to get legislation not to be
12 adopted in a defensive posture. So
13 that's what those services are.

14 From time to time -- this is
15 what the Mayor's Office contributes to
16 that effort. From time to time, we do
17 get contributions from other departments.
18 So for example, the Airport may
19 contribute from time to time with respect
20 to lobbying services as well because of
21 the work that they need done specifically
22 at the federal level in the Department of
23 Transportation.

24 But we can get you a breakdown
25 of costs --

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2 COUNCIL PRESIDENT VERNA: Can
3 you give us a list of who the consultants
4 are?

5 MR. ARMBRISTER: Sure.

6 COUNCIL PRESIDENT VERNA: And
7 how much they're paid?

8 MR. ARMBRISTER: Yes.

9 COUNCIL PRESIDENT VERNA: And
10 whether they're lobbying in Harrisburg or
11 with the federal government?

12 MR. ARMBRISTER: Sure. We can
13 get you that list, Council President.

14 COUNCIL PRESIDENT VERNA: Thank
15 you.

16 On page 17 of your detail, you
17 list under "Dues," the National League of
18 Cities, but you do not request any
19 funding for this organization. Can you
20 tell us why?

21 MR. ARMBRISTER: This is the
22 detail of the...

23 COUNCIL PRESIDENT VERNA: I
24 believe it's on page 17.

25 MR. ARMBRISTER: I suspect that

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2 the Administration is not looking to join
3 the National League of Cities in this
4 year, I guess, or hasn't for the last --
5 I'm looking here, in the last three
6 years.

7 Unless it came out of the
8 Miscellaneous. I'm not sure why it's
9 listed there. I'd have to check.

10 COUNCIL PRESIDENT VERNA: I
11 think it's 41,000 for Miscellaneous.

12 MR. ARMBRISTER: Let me find
13 out if that 41,000 is paid... I think I
14 may actually have backup on that.

15 I'll have to check to see what
16 the 41,000 is allocable to.

17 COUNCIL PRESIDENT VERNA: Thank
18 you.

19 You mention on page 2 of your
20 testimony that the Commission on Aging is
21 anticipating funding to support expansion
22 of Naturally Occurring Retirement
23 Communities.

24 Can you explain what this
25 program is all about, please.

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2 MR. ARMBRISTER: Yes. If I
3 could have the Assistant Managing
4 Director, Lydia Velez, come up and
5 explain that to you.

6 COUNCIL PRESIDENT VERNA: Thank
7 you.

8 (Witness comes forward.)

9 COUNCIL PRESIDENT VERNA: Good
10 morning. Kindly identify yourself for
11 the record.

12 DEPT. MANAGING DIR. VELEZ:
13 Good morning. My name is Lydia
14 Hernandez-Velez, and I am the Deputy
15 Managing Director for Aging.

16 The future of the City is going
17 to be greatly impacted by the expansion
18 of the population age 55 and over in
19 addition to a significant increase in
20 those residents who are 75 years old and
21 over.

22 The need for the opportunity to
23 keep people in their homes, in a safe
24 environment, will be an important agenda
25 for the City and an important and

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2 explored -- actually, we have several
3 naturally-occurring retirement programs
4 in the City to enable folks to get the
5 services, the companionship, and the
6 engagement that they need in order to
7 keep them vital and active in their --
8 where they live, in their residential
9 community.

10 So the effort is to look at how
11 these trends are affecting different
12 neighborhoods in the City and be able to
13 make some agenda, incorporating all of
14 the other City departments to support
15 folks remaining in their homes.

16 COUNCIL PRESIDENT VERNA: I
17 still don't quite understand what the
18 expansion will be.

19 DEPT. MANAGING DIR. VELEZ:
20 Well, supporting -- for example, seeking
21 funding to support communities that come
22 to our office and say, "We'd like to
23 explore a possibility," so some
24 demonstration projects, the ability to
25 fund some programs directly in terms of

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2 having community organizations begin to
3 focus and look at themselves and say,
4 "Well, this is an area where we need
5 additional support to enable folks to
6 have the network of services."

7 And that could be everything
8 from services to clean their homes or
9 maintain their homes, to services to
10 engage people and connect people who are
11 willing -- and a perfect example would be
12 folks who would like to, for example,
13 walk in their own neighborhood but don't
14 feel comfortable because of their
15 physical condition and would need to
16 buddy up with somebody do make sure that
17 they engage in that activity safely.

18 There may be some needs to fund
19 some activities in community
20 organizations to promote that kind of a
21 program.

22 COUNCIL PRESIDENT VERNA: Do we
23 have a dollar figure attached to the
24 expansion of this program?

25 DEPT. MANAGING DIR. VELEZ: Not

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2 specifically. We wanted to explore some
3 of the funding. We've also been told
4 from the Department of Aging that there
5 may be the opportunity to expand some of
6 that funding for health-related in
7 conjunction with the Health Department or
8 in conjunction with the Police Department
9 to expand services to seniors.

10 COUNCIL PRESIDENT VERNA:

11 That's great. Thank you.

12 DEPT. MANAGING DIR. VELEZ:

13 Thank you.

14 MR. ARMBRISTER: Thanks.

15 COUNCIL PRESIDENT VERNA: The
16 Chair recognizes Councilman Goode.

17 COUNCILMAN GOODE: Thank you,
18 Madam President.

19 Good morning, Mr. Armbrister.

20 MR. ARMBRISTER: Good morning.

21 COUNCILMAN GOODE: Your Class
22 200 request for Fiscal Year '12 is
23 \$650,000?

24 MR. ARMBRISTER: The Class 200?

25 COUNCILMAN GOODE: 200.

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2 MR. ARMBRISTER: Yes, sir.

3 COUNCILMAN GOODE: Okay. The
4 questions that I will ask are not
5 necessarily related or targeted toward
6 your office, because that's not a lot of
7 money, but they're the same questions
8 I'll be asking of every department.

9 The first is: What is the
10 largest contract you awarded in Fiscal
11 Year '12?

12 MR. ARMBRISTER: Well, based on
13 prior history, and it's likely to be the
14 same, it will probably be the lobbying
15 contract.

16 COUNCILMAN GOODE: Okay. For
17 what amount?

18 MR. ARMBRISTER: Well, again,
19 if the past is any indication of the
20 future, the last one we issued was
21 \$420,000 for Wojak & Associates, followed
22 closely by \$100,000 to Blank Rome.

23 COUNCILMAN GOODE: Okay. I'm
24 just interested in actually the largest.
25 Is that a renewable contract?

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2 MR. ARMBRISTER: It is.

3 COUNCILMAN GOODE: And so, it's
4 not bid on every year?

5 MR. ARMBRISTER: Typically not.
6 But, in fact, we are in the process of
7 preparing an RFP to rebid that contract
8 as we speak.

9 COUNCILMAN GOODE: And how many
10 years has that firm held the contract?

11 MR. ARMBRISTER: Well, this --
12 the current formulation of that contract
13 was based on a bid that we did --
14 completed last year. So it was just
15 awarded last February.

16 But I understand that prior
17 administrations had engaged that firm --

18 COUNCILMAN GOODE: How many --

19 MR. ARMBRISTER: Prior -- I
20 don't know how far back --

21 COUNCILMAN GOODE: How far back
22 can you go in terms of how many years
23 that firm has held --

24 MR. ARMBRISTER: I can go
25 back -- we can go back and check that.

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2 COUNCILMAN GOODE: Okay.

3 Please submit that to the Chair.

4 Can you briefly describe the
5 contract requirements.

6 MR. ARMBRISTER: The contract
7 requirements are basically the same for
8 all of our lobbyists in that they provide
9 analysis, strategic recommendations
10 regarding legislation.

11 The Wojak contract relates to
12 State lobbying, it's limited to State
13 lobbying, so they do that in that regard.

14 COUNCILMAN GOODE: Okay. And
15 that is not a certified disadvantaged
16 business.

17 MR. ARMBRISTER: It is not.

18 COUNCILMAN GOODE: Does the
19 firm subcontract with any disadvantaged
20 businesses?

21 MR. ARMBRISTER: Not to my
22 knowledge, but as part of our lobbying
23 team, we do have a disadvantaged business
24 that does get one of the several
25 contracts.

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2 I know we've been only talking
3 about the largest one, but there is a
4 minority firm that does have one of our
5 lobbying contracts.

6 COUNCILMAN GOODE: So when you
7 issue RFPs, is the RFP broad, and does it
8 have a goal for DBE participation in it?

9 MR. ARMBRISTER: Well, based on
10 our -- and we've had this discussion with
11 OEO. Their recommendation, after we've
12 gone back and forth, is to use the best
13 efforts for -- that's been their
14 recommendation to us in consultation with
15 them.

16 But we feel very confident that
17 we're going to be in the position to meet
18 our 25 percent goal, as we have, I think,
19 each of the last couple years.

20 COUNCILMAN GOODE: So there's
21 no goals in the RFP or in the contract.

22 MR. ARMBRISTER: I think the
23 goal is imposed on us, as the
24 Administration, to make sure that among
25 the teams that we get as part of our

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2 lobbying contract, we meet the
3 requirement, which we have been able to
4 do the last several years.

5 COUNCILMAN GOODE: Okay. How
6 that has the goal changed during your
7 tenure?

8 MR. ARMBRISTER: How has the
9 goal changed?

10 COUNCILMAN GOODE: Mm-hmm.

11 MR. ARMBRISTER: I don't --

12 COUNCILMAN GOODE: From what to
13 what? Or has it been the same?

14 MR. ARMBRISTER: I think it's
15 been based on -- the experience has been
16 a best-efforts recommendation each of the
17 years that I've been involved.

18 COUNCILMAN GOODE: These are
19 all boilerplate questions.

20 MR. ARMBRISTER: I understand.

21 COUNCILMAN GOODE: Are there
22 any subcontracting opportunities that
23 exist within the contract?

24 MR. ARMBRISTER: There may be.
25 But as I said, on this particular

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2 contract, what we've been able to do,
3 because we hire a stable of firms, we've
4 been able to make sure that among the
5 firms that we select, there is, you know,
6 a minority firm, or firms, who
7 participate. And we'll try to do the
8 same when we go out with this RFP as
9 well.

10 COUNCILMAN GOODE: Okay. Is
11 the firm currently in compliance with the
12 City's living-wage-and-benefits standard?

13 MR. ARMBRISTER: I'm sorry. I
14 missed your question.

15 COUNCILMAN GOODE: Is the firm
16 currently in compliance with the City's
17 living-wage-and-benefits standards?

18 MR. ARMBRISTER: I don't know,
19 but I can certainly find out.

20 COUNCILMAN GOODE: Will the
21 firm be required to be in compliance in
22 Fiscal Year '12?

23 MR. ARMBRISTER: We try to make
24 sure that the firms are in compliance
25 with all requirements that the City

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2 imposes.

3 COUNCILMAN GOODE: Okay. And
4 who is directly responsible for
5 monitoring wage-and-benefits standards
6 for your department?

7 MR. ARMBRISTER: Well, I guess,
8 as the contract compliance -- ultimately,
9 it would be my responsibility as the
10 person who's monitoring that contract.

11 But that broad authority is
12 within the government. Probably Labor
13 and Standards is my guess.

14 COUNCILMAN GOODE: Okay. Thank
15 you.

16 MR. ARMBRISTER: You're
17 welcome.

18 COUNCILMAN GOODE: Thank you,
19 Madam President.

20 COUNCIL PRESIDENT Verna:
21 You're welcome.

22 The Chair recognizes Councilman
23 Jones.

24 COUNCILMAN JONES: Good
25 morning, Madam President. Thank you.

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2 Mr. Armbrister, how are you
3 today?

4 MR. ARMBRISTER: I'm well.
5 Good morning.

6 COUNCILMAN JONES: Resolution
7 100848 requires -- you don't have to look
8 it up. It requires an analysis or is
9 looking into the analysis of whether or
10 not a department should contract out a
11 good or a service or attempt to do it
12 in-house.

13 So, for example, snow removal
14 was cited as one of the things that
15 should undergo those types of analysis,
16 so that if in fact it is better to
17 contract out, we do that, if it's more
18 cost-effective and cheaper to do.

19 But if the opposite is true, if
20 it is indeed cheaper to do it in-house,
21 that we would pursue those options in
22 light of our budgets constraints and
23 potential deficits at the State and
24 federal level.

25 And I just want you to be aware

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2 of that, that we are going to -- at least
3 I am going to ask each and every
4 department to start to look to that.

5 My question to you is: The
6 stimulus committee that was formulated as
7 a result of the opportunities from the
8 federal government, it was testified we
9 had received somewhere in the
10 neighborhood, as a city, \$2 billion. It
11 was a great format that was set up to
12 look at opportunities coming from the
13 federal government.

14 I want to know post-stimulus,
15 are we going to continue that format to
16 ferret out opportunities? And will a
17 broader committee, like we had with for
18 the stimulus package, be employed to do
19 that?

20 MR. ARMBRISTER: I think, as we
21 talked about this briefly at the
22 Five-Year Plan testimony, that's
23 certainly something that we can look at,
24 Councilman.

25 COUNCILMAN JONES: I just want

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2 to reiterate that --

3 MR. ARMBRISTER: Understood.

4 COUNCILMAN JONES: -- it's not
5 going to go away, and I really want to
6 talk about it.

7 The second thing I have to talk
8 about is the Aging -- the Philadelphia
9 Corporation for the Aging; I'm excited
10 about that.

11 As a part of a joint committee,
12 we will be doing a conference May 9th.
13 It will be -- it's sponsored by WHYY. It
14 will be all day, simulcast in three
15 locations. Your new liaison for the
16 retiring, soon-to-be-retiring, and has-
17 retired community will be a part of that.

18 MR. ARMBRISTER: Good.

19 COUNCILMAN JONES: But I want
20 to also express that we need to -- one of
21 the goals in outcomes that we hope to
22 come from that conference is to have each
23 department look at the fact that we are
24 gray, to be a part of their planning
25 process going forward.

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2 MR. ARMBRISTER: Mm-hmm.

3 COUNCILMAN JONES: Meaning that
4 is it better -- if you're the Recreation
5 Department, should we be building more
6 swimming pools, or should we be building
7 more passive walking tracks?

8 But each department, whether
9 you talk about the Police Department,
10 Transportation, or even the Prisons, the
11 average age of inmates is going up.

12 MR. ARMBRISTER: Yeah.

13 COUNCILMAN JONES: But we want
14 that to be a part of their strategic
15 thinking going forward.

16 MR. ARMBRISTER: Right.

17 COUNCILMAN JONES: So this is a
18 good opportunity to incorporate that in
19 our planning.

20 MR. ARMBRISTER: And if I could
21 just add, Councilman, on that, the
22 Administration is -- it's no accident
23 that Miss Lydia Velez was just with us.
24 The Mayor commissioned a study that was
25 done internally to our office by our

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2 Director of Policy about this time last
3 year, or maybe it was during the summer,
4 and it was really an outgrowth of that
5 research that was done where the Mayor
6 said that he wanted to have more of a
7 focus on aging issues.

8 And so, we wanted to kind of
9 ramp up. We reconstituted the Commission
10 on Aging. So we're going to be very
11 aggressive as an administration about
12 trying to look at all of the things that
13 you just suggested.

14 COUNCILMAN JONES: I think
15 those two things have a long-term impact
16 on the City's budget and outlook.

17 MR. ARMBRISTER: I agree.

18 COUNCILMAN JONES: So I'm glad
19 to see that we're doing that.

20 Finally, speaking of budget,
21 have you anticipated in your presentation
22 the impact of the Governor's budget and
23 how that's going to change our
24 perspective that we had on the Mayor's
25 budget address, and how is the impact --

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2 MR. ARMBRISTER: As we've said
3 before, we continue to do that. That
4 process is ongoing particularly as
5 information becomes more available about
6 the specifics of what the Governor has
7 proposed.

8 And I can, again, continue to
9 report, as I did last week, that as far
10 as the General Fund is concerned, the
11 proposed budget that the Governor has put
12 forth is not as drastically deleterious
13 to the City as we would have thought, but
14 we are concerned about the effects of
15 that budget on the City and its
16 institutions.

17 So we continue to work with our
18 stakeholders to look at some of the
19 changes that were proposed by the
20 Governor as it relates to, you know,
21 social-service agencies, our hospitals --

22 COUNCILMAN JONES: Particularly
23 DHS.

24 MR. ARMBRISTER: -- our higher-
25 education institutions. So we are

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2 concerned.

3 COUNCILMAN JONES: Particularly
4 DHS comes to mind.

5 MR. ARMBRISTER: That is
6 correct.

7 COUNCILMAN JONES: Our
8 reimbursements come from them.

9 MR. ARMBRISTER: Exactly.

10 COUNCILMAN JONES: What would
11 that mean to intervention programs --

12 MR. ARMBRISTER: Exactly.

13 COUNCILMAN JONES: -- and
14 after-school programs.

15 MR. ARMBRISTER: Exactly.

16 COUNCILMAN JONES: -- those
17 things that are quiet threads of our
18 communities. Are we anticipating any of
19 those impacts to negatively affect our
20 budget outlook?

21 MR. ARMBRISTER: Yes. And you
22 will hear more about some of those as we
23 learn more.

24 One of the things in working
25 with the Council staff we've done is

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2 that -- we rearranged the schedule so
3 that the DHS testimony can come as late
4 in this process as possible. Hopefully
5 by that time, we'll have a much better
6 sense of the specifics of what the
7 proposals are going forth.

8 But just as we sit here in
9 budget hearings, the State is also going
10 through their appropriations hearings as
11 well, and we'll get a much better sense
12 during the course of those hearings as to
13 what some of the effects of the proposals
14 are, and we'll be in a much better
15 position as we come to the conclusion of
16 our hearings to give you a better idea as
17 to what those effects are.

18 COUNCILMAN JONES: In the
19 notorious and memorialized Freshmen 15,
20 one of the things that we recommended was
21 recovery and saving as it relates to
22 electronic transfer of checks and
23 receivables coming from the State and
24 federal government.

25 Can you report on any progress

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2 made on that?

3 MR. ARMBRISTER: If I could
4 maybe defer to the Finance Director --
5 former Treasurer and now Finance
6 Director; she may have some update on
7 that.

8 (Witness comes forward.)

9 MS. RHYNHART: Good morning.
10 Rebecca Rhynhart, Budget Director.

11 Good morning, Councilman.

12 COUNCILMAN JONES: Good
13 morning.

14 MS. RHYNHART: The Treasurer's
15 Office, together with other departments
16 in Finance, is working with departments
17 across the City to improve direct deposit
18 so that we get more and more of the
19 revenues from the State and the feds
20 through direct deposit.

21 When I last looked at it, we
22 were up to, I believe, close to 90
23 percent, so it's a big portion of what
24 we're getting.

25 What we're down to is the

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 smaller payments, which are harder to
3 capture on direct deposit, just because
4 it's much easier to -- when you sort them
5 to say, Okay, all of the payments over a
6 million dollars, we're going to go after
7 those and convert those to direct
8 deposit.

9 Now we're into the smaller
10 numbers, but we're working very hard to
11 get there.

12 COUNCILMAN JONES: So have you
13 chronicled how much that has meant by way
14 of savings and/or interest payments that
15 we've been able to get based on that
16 90 percent increase?

17 MS. RHYNHART: Mm-hmm. It
18 would be hard to do a hard and fast
19 calculation, but if you think about
20 getting the money going right into our
21 without a delay compared to, you know,
22 one, two weeks through the mail, and then
23 waiting for someone to actually open it
24 and deposit it, it's significant.

25 I mean, interest rates are so

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 low right now that it's perhaps not as
3 much as it would have been in the
4 high-interest rate environment, but every
5 dollar counts so it's adding money.

6 COUNCILMAN JONES: We had
7 estimated that it would be about a
8 million-dollar saving a year.

9 MS. RHYNHART: Mm-hmm.

10 COUNCILMAN JONES: And I would
11 be interested if you could provide this
12 committee and the Chair that kind of
13 documentation. I know we will never get
14 to a hundred percent.

15 MS. RHYNHART: Right.

16 COUNCILMAN JONES: And some
17 small checks just don't warrant the
18 paperwork, but I am pleased that at least
19 that recommendation was followed.

20 MS. RHYNHART: Mm-hmm.

21 COUNCILMAN JONES: You're
22 right. Efficiencies and effectiveness in
23 making sure that checks go cashed and
24 some not go uncashed. We had chronicled
25 that a check had sat on someone's desk

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 for approximately a year, and I'm glad to
3 hear that we're not doing that now.

4 MS. RHYNHART: Right.

5 COUNCILMAN JONES: Thank you,
6 Madam Chair.

7 COUNCIL PRESIDENT VERNA:
8 You're welcome.

9 The Chair recognizes Councilman
10 Green.

11 COUNCILMAN GREEN: Thank you,
12 Madam Chair.

13 Last week, during the Five-Year
14 Plan testimony, we discussed the 1.5 to
15 3 percent budget reduction scenarios,
16 which I believe I'm supposed to get
17 today?

18 MR. ARMBRISTER: Just one
19 second.

20 I know you had made that
21 request, and I think the answer was that
22 they were going to try to get 'em to you
23 in some format that made some sense. I
24 don't --

25 MS. RHYNHART: Right. We had

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 expected to get them to you early this
3 week. You had -- I mean, we can get them
4 to you, I would think, by -- in the next
5 few days. I wasn't aware that you wanted
6 them by today.

7 COUNCILMAN GREEN: Well, that's
8 fine.

9 MS. RHYNHART: Okay.

10 COUNCILMAN GREEN: I mean,
11 frankly, I can't remember what we said.

12 MS. RHYNHART: Okay.

13 COUNCILMAN GREEN: But I knew
14 it was the beginning of this week.

15 MR. ARMBRISTER: Yeah, we're
16 going to get them to you.

17 MS. RHYNHART: Sure.

18 COUNCILMAN GREEN: Okay, thank
19 you.

20 Did the Mayor's Office prepare
21 its own reduction scenarios?

22 MR. ARMBRISTER: Probably, yes.
23 I don't -- I can't remember specifically
24 what they were, but we probably did, yes.

25 COUNCILMAN GREEN: Okay, great.

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2 So I'll just wait for the list.

3 In the budget detail, I guess
4 this would be in the division summary and
5 then in the Chief of Staff's testimony,
6 you indicated the budget proposes a
7 decrease of four positions, from 39 to
8 35.

9 Is anybody losing their job, or
10 is this just --

11 MR. ARMBRISTER: No.

12 COUNCILMAN GREEN: -- a
13 reduction in unfilled positions?

14 MR. ARMBRISTER: There was a --
15 there was some people who left who we
16 didn't replace, and there were a couple
17 of positions that were in the budget last
18 year that we took out.

19 So there were a couple of what
20 were, in effect, unfilled positions that
21 we got rid of, and then there were a
22 couple of people who left whom we didn't
23 replace, so people are, you know, picking
24 up and doing more.

25 COUNCILMAN GREEN: Okay. So if

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 you could just -- how many people left
3 and how many of the positions were
4 unfilled? is my question, I guess.

5 MR. ARMBRISTER: Well, there
6 are only two positions that were unfilled
7 that are --

8 COUNCILMAN GREEN: And then two
9 were --

10 MR. ARMBRISTER: And then there
11 was a net change. There were -- in
12 effect what happened was, there were
13 seven positions that we cut and three
14 that we filled, for a net four.

15 So that's effectively how we
16 got to the net four reduction.

17 COUNCILMAN GREEN: So there
18 were seven unfilled --

19 MR. ARMBRISTER: Not unfilled.
20 There were seven positions that were
21 eliminated from the budget, and not all
22 of them were unfilled. They might have
23 become vacant during the course of the
24 year.

25 So, for example, we lost Doug

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 Oliver during the course of the year, as
3 our press secretary, right? We filled
4 that position with Mark McDonald. So we
5 didn't add anybody new, and that position
6 just went away.

7 COUNCILMAN GREEN: Okay.

8 MR. ARMBRISTER: So when you
9 look at the net -- when you look at the
10 net effect of those changes, the net
11 effect is that we're down four positions
12 that we were last year.

13 COUNCILMAN GREEN: So you had
14 35 filled in June, 35 filled in December,
15 and it looks like you're going to have 35
16 filled next year.

17 MR. ARMBRISTER: I think it was
18 39, 35.

19 COUNCILMAN GREEN: No, those
20 were actual filled positions as of June
21 last year, December of last year, and it
22 looks like it will be 35 this year.

23 MR. ARMBRISTER: Right.

24 COUNCILMAN GREEN: So
25 basically, it's -- four positions you

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 didn't fill last year is what you're
3 cutting.

4 MR. ARMBRISTER: No, that's
5 really not correct. I can give you the
6 detail on that.

7 COUNCILMAN GREEN: I'm just
8 looking at page 9 of the Operating
9 Budget, and if you look at the --

10 MR. ARMBRISTER: Right, but
11 those are points in time. And what I'm
12 saying is, there were things that
13 happened during the course of the year
14 that -- just bear with me here. Let me
15 get my notes here.

16 This is what happened during
17 the course of the year: We lost the
18 senior advisor of economic development.
19 We lost a philanthropic --

20 COUNCILMAN GREEN: And that
21 person was moved to another position in
22 the Mayor's Office budget --

23 MR. ARMBRISTER: That's right.

24 COUNCILMAN GREEN: Right?

25 MR. ARMBRISTER: That's right,

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 it did. So I'm going to give you all the
3 ones that we lost.

4 We lost a communications
5 specialist, we lost a deputy press
6 secretary. And then there were two
7 positions that were not filled: a
8 director and a project manager. And then
9 we moved a receptionist over from
10 part-time to full-time and added an
11 external affairs coordinator.

12 So the net effect of all of
13 those changes was that we're down four.

14 COUNCILMAN GREEN: So you
15 replaced Doug with Desirée and --

16 MR. ARMBRISTER: No, no, we did
17 not. Doug was the press secretary. We
18 didn't have a communications director.
19 And Doug was the press secretary, and we
20 moved Mark over to Doug's position.

21 COUNCILMAN GREEN: Okay. I
22 don't want to beat a dead horse. It just
23 looks to me like the testimony is
24 basically saying we reduced four
25 positions when there were only 35

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 positions budgeted and filled last year.

3 MR. ARMBRISTER: That's not
4 right, that's not right.

5 MS. RHYNHART: There were 39 --

6 MR. ARMBRISTER: There were 39
7 budgeted last year.

8 COUNCILMAN GREEN: Not in the
9 Rebalancing Plan submitted to PICA.

10 MS. RHYNHART: Well, we have 39
11 on the Adoptive Budget.

12 COUNCILMAN GREEN: Right.

13 MR. ARMBRISTER: That was the
14 Adoptive Budget.

15 MS. RHYNHART: That would have
16 been --

17 COUNCILMAN GREEN: And they
18 were never filled last year.

19 MS. RHYNHART: Yeah. We don't
20 have -- the filled positions as of June
21 30, 2010, was 38. The Adopted Budget was
22 39.

23 MR. ARMBRISTER: 39.

24 MS. RHYNHART: And now we're
25 down to 35.

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2 MR. ARMBRISTER: 35.

3 COUNCILMAN GREEN: Hmm. Well,
4 it's not what the budget detail shows on
5 page 9, so I don't know how they're
6 inconsistent. At any rate, I will move
7 on.

8 Okay. Following up on some of
9 the questions relating to contracts, for
10 each lobbying contract, when you provide
11 the information, could you please note
12 how long the City has used the lobbying
13 firm and how the City monitors the firm's
14 performance?

15 MR. ARMBRISTER: How long have
16 we used --

17 COUNCILMAN GREEN: The firm and
18 how you monitor their performance. In
19 other words, how do you judge success or
20 failure in terms of outcomes; why are we
21 deciding to renew the contract versus,
22 you know, open it up to somebody else.

23 MR. ARMBRISTER: Well, at least
24 in the current formulation of contract,
25 we are going back out probably, in the

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 next week or so, with an RFP for our
3 lobbying contracts.

4 But typically, we judge and
5 evaluate the performance of our lobbyists
6 based on a number of factors, which would
7 include: their responsiveness to our
8 requests; their ability to provide
9 strategic advice which results in
10 positive outcomes for the City, be it in
11 the adoption of legislation or the
12 failure to adopt legislation that we
13 don't.

14 So those are all kind of some
15 of factors that we use in determining
16 whether or not to evaluate or renew a
17 contract.

18 As I mentioned, we are in the
19 process now of going through a new RFP
20 process, and that will probably be out in
21 the next week or so.

22 COUNCILMAN GREEN: What effect
23 will the appointment of Ms. Gillen as the
24 Mayor's Director of Legislative Affairs
25 have on the need for, you know, federal

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 lobbyists as compared to last year since
3 we know that they --

4 MR. ARMBRISTER: Well --

5 COUNCILMAN GREEN: -- are a
6 highly paid full-time position?

7 MR. ARMBRISTER: As opposed
8 to -- I'm sorry, I missed the end of your
9 question.

10 COUNCILMAN GREEN: Since we now
11 have a fairly high-paid full-time
12 position in that job, how will that
13 affect lobbying efforts in terms of
14 contracts?

15 MR. ARMBRISTER: Well, one of
16 the -- and it's interesting, Ms. Gillen
17 wrote me a note not too long ago,
18 wondering whether or not, you know, we
19 could maybe cut back, and that's
20 something that we're going to look at in
21 terms of this next formulation of
22 lobbying evidence.

23 She is providing great
24 coordination services to the
25 Administration on the federal side,

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 something that I must say that was
3 probably lacking prior to her taking up
4 the rein. So we are evaluating that, and
5 that's one of the reasons why we're going
6 back out on the street for lobbying.

7 COUNCILMAN GREEN: Okay.

8 That's all I have Madam President. Thank
9 you.

10 COUNCIL PRESIDENT VERNA:

11 You're welcome.

12 The Chair recognizes Councilman
13 Jones.

14 COUNCILMAN JONES: Thank you,
15 Madam President.

16 I'd be interested in trying to
17 take a look at some of the impacts on the
18 stimulus money drying up by way of --
19 it's my understanding that we spent maybe
20 50 percent of that.

21 Have you kind of looked at how
22 we phase out -- and I have you on the
23 record saying that we didn't, like other
24 entities, have a drunken free-for-all
25 with the federal money.

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2 MR. ARMBRISTER: Right.

3 COUNCILMAN JONES: But as we
4 phase it out, I mean, what are our plans?

5 MR. ARMBRISTER: Well, I'll
6 give you a kind of broad overview, and I
7 would ask you to maybe ask specific
8 departments about stimulus money about
9 how they're doing it.

10 But overall, as I mentioned
11 before, we were fairly conservative in
12 our use of stimulus funds in that we did
13 not try to incorporate them into our
14 Operating Budget.

15 The one exception that I noted
16 in my testimony last week was for
17 probation officers, and we are going to
18 basically cover those costs and bring
19 those into the General Fund. So that's
20 one area that committed to. We know that
21 we need those officers so those will be
22 (indiscernible).

23 As for other projects -- and I
24 think of one in particular -- is in terms
25 of the obesity area, in which we are

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 making some commitment of additional
3 funds beyond ARA. We think that that's a
4 very important initiative to continue,
5 and Dr. Schwarz will be in a position
6 when he comes up to give you testimony
7 about the Health Department.

8 COUNCILMAN JONES: I'm
9 surprised you committed and kept with
10 that after the sugar tax failed, that
11 this is still a priority for this
12 administration. I don't --

13 MR. ARMBRISTER: Because the
14 health of our citizens is very, very,
15 very important to us and for all of us
16 because it costs in the long run;
17 everybody recognizes that. And we all
18 know that particularly some of the more
19 insidious diseases that are a result of
20 obesity, you know, be it diabetes, high
21 blood pressure, those things.

22 So those are the things that,
23 if we can make some inroads early on and
24 not have the long-term effects of those
25 diseases is very important. And

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2 Dr. Schwarz has been not only an advocate
3 here but a national advocate and is
4 recognized for his ability to do that.

5 So those are the kinds of
6 things -- and I would ask you to maybe
7 ask maybe each of those departments.
8 But, you know, we've made some very
9 strategic and targeted investments with
10 those monies and --

11 COUNCILMAN JONES: Well, an
12 example was PHDC, the Philadelphia
13 Housing Development Corporation, received
14 considerable resources --

15 MR. ARMBRISTER: Right.

16 COUNCILMAN JONES: -- by way of
17 weatherization efforts.

18 MR. ARMBRISTER: Exactly.

19 COUNCILMAN JONES: And I just
20 wanted to know, you know, now post the
21 stimulus, whether or not we had some way
22 of continuing --

23 MR. ARMBRISTER: Well, I don't
24 know. You know, in the absence of those
25 funds, it may be somewhat difficult, but

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2 certainly are appreciative of the fact
3 that we were able to increase our
4 minority participation, per a lot of
5 small businesses, to work.

6 And hopefully, oftentimes
7 government can be kind of like the
8 starter of the engine, that, hopefully,
9 some of these businesses who have been
10 able to use those funds to start work
11 will be able to, with their own
12 reputations, go out and get additional
13 money.

14 But we're not in a position
15 probably to be able to sustain them with
16 government dollars, and that's what we
17 always talk about, is trying to make sure
18 that we are the engine of starting, but
19 we can't be the final provider of those
20 dollars.

21 So hopefully, if it's suppose
22 to stimulate activity, we hope it did,
23 and we think that it has, in fact. But
24 we are not going to be able to, on a
25 long-term basis, continue to make those

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 funds available.

3 COUNCILMAN JONES: I just -- I
4 keep thinking of the School Board and the
5 drastic halt that those dollars mean, and
6 I'm just cautiously -- I'm actually
7 pleasantly surprised that we didn't get
8 on a diet of that and then it come to a
9 screeching halt, where we couldn't manage
10 without it.

11 MR. ARMBRISTER: Right, right.
12 I mean, I think it's a testament to, you
13 know, to give -- sing some small praises
14 of the Administration's ability to try to
15 kind of manage through these tough times.

16 It is very easy, you know, to
17 try to manage with one-timers, but we've
18 had some very good discipline enforced by
19 the folks over in Finance, much to the
20 regret of some of the operating
21 departments who think that sometimes
22 finances are -- overrule things that they
23 would like to do.

24 But, you know, it's very
25 important that the City's fiscal health

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2 be maintained as a very top priority.

3 And I really want to take my hats off to
4 the Finance officials who have done just
5 a great job, and I think you'll be
6 hearing more about them and the
7 recognition that they're going to be
8 getting for the City in their ability to
9 maintain the fiscal integrity of the
10 City.

11 And I'll just leave it at that.

12 COUNCILMAN JONES: And I agree.
13 The proof is in the pudding. We received
14 close to \$2 billion worth of stimulus
15 money. As a city, we put together a good
16 committee to bring that down. And with
17 the help of the IG, the Inspector
18 General, we didn't have, to my knowledge,
19 any financial defalcations. We argued a
20 lot, but we did not run afoul of any of
21 that, which is a good thing.

22 But I want that model the
23 continue because even though there are no
24 stimulus packages, there is stimulus
25 within the departments, they're still

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 going to do contracting out for services,
3 we still will be eligible for certain
4 grants, but we can't if we don't look for
5 them and don't apply to them.

6 And I think in these tough
7 budget times, we need to continue that
8 model. Maybe we won't get 2 billion, but
9 if we got a quarter of a billion, that's
10 better than nothing, and I'd like us to
11 do that.

12 And so, I'm going to continue
13 on that until we kind of formulate a
14 committee.

15 MR. ARMBRISTER: Okay, great.

16 COUNCILMAN JONES: Thank you,
17 Madam Chair.

18 COUNCIL PRESIDENT Verna:
19 You're welcome.

20 The Chair recognizes
21 Councilwoman Tasco.

22 COUNCILWOMAN TASCO: Yeah,
23 Madam President, I think, asked a
24 question about the National League of
25 Cities.

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2 MR. ARMBRISTER: Yes, ma'am.

3 We're going to check on that.

4 COUNCILWOMAN TASC0: And don't
5 forget the Pennsylvania League also.

6 MR. ARMBRISTER: Okay.

7 COUNCILWOMAN TASC0: You have
8 to be a member of the State in order to
9 be a member of the national.

10 MR. ARMBRISTER: All right,
11 okay. We'll check.

12 COUNCILWOMAN TASC0: Thank you.

13 MR. ARMBRISTER: Thank you.

14 COUNCIL PRESIDENT VERNA:
15 You're welcome.

16 I think I may have asked this
17 question during the Five-Year Plan, and
18 I'm going to ask it again because I don't
19 know that we got an answer that was quite
20 satisfactory.

21 Philadelphia County alone is
22 slated to receive \$2.3 billion in
23 Recovery Act funds, which will spur
24 advances in science, health, and energy
25 efficiency, and create thousands of jobs.

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2 I think I did ask how --

3 MR. ARMBRISTER: You did.

4 COUNCIL PRESIDENT VERNA: I
5 did? And I don't think I got an answer.

6 MR. ARMBRISTER: Go ahead, go
7 ahead.

8 COUNCIL PRESIDENT VERNA: Can
9 you tell us how much of the \$2.1 billion
10 has been spent?

11 MR. ARMBRISTER: Council
12 President, we can get you -- you know, we
13 on a, I guess, quarterly basis, put out a
14 report, and we can get that report to
15 you. I can't give you the number off the
16 top of my head.

17 COUNCIL PRESIDENT VERNA: All
18 right. And while you're doing that, can
19 you give us the breakdown of who received
20 the funds, what were the projects, and
21 how much money -- or how many jobs have
22 been created, permanent jobs?

23 MR. ARMBRISTER: Right. And
24 we'll get you a copy of our report.

25 I just want to underscore that

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 our report deals with those monies for
3 which the City -- that the City proper is
4 responsible as a recipient.

5 The \$2 billion, if I'm not
6 mistaken, that you're quoting reflects
7 the receipt of funds throughout the
8 region. So it would include, for
9 example, SEPTA and other recipients for
10 whom we are not the reporting authority.

11 So I just want to caution you.
12 So we'll get you our report and to the
13 best --

14 COUNCIL PRESIDENT VERNA: And
15 how much the City receives.

16 MR. ARMBRISTER: Exactly.

17 COUNCIL PRESIDENT VERNA: And
18 how much is remaining.

19 MR. ARMBRISTER: Right.

20 COUNCIL PRESIDENT VERNA: And
21 how many permanent jobs have been
22 created.

23 MR. ARMBRISTER: Absolutely.
24 We'll get that to you.

25 COUNCIL PRESIDENT VERNA: Thank

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 you.

3 MR. ARMBRISTER: No problem.

4 COUNCIL PRESIDENT VERNA: Are
5 there any other questions from members of
6 the committee?

7 (No further questions.)

8 Seeing none, thank you.

9 MR. ARMBRISTER: Thank you,
10 Council President.

11 COUNCIL PRESIDENT VERNA: And
12 when can we expect to receive the
13 responses to questions that you were
14 going to get back to us on?

15 MR. ARMBRISTER: We're getting
16 them as soon as we can, Councilwoman. We
17 have someone who is taking notes, and
18 we'll try to get those to you within 72
19 hours.

20 COUNCIL PRESIDENT VERNA:
21 Within 72 hours?

22 MR. ARMBRISTER: Three days,
23 three business days.

24 COUNCIL PRESIDENT VERNA: Thank
25 you.

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2 MR. ARMBRISTER: At the most.

3 COUNCIL PRESIDENT VERNA: Okay.

4 MR. McPHERSON: The next
5 department is Inspector General.

6 (Witnesses come forward.)

7 COUNCIL PRESIDENT VERNA: Good
8 morning, welcome. Kindly identify
9 yourself for the record and proceed with
10 your testimony.

11 INSP. GEN. KURLAND: Good
12 morning, President Verna. I am Amy
13 Kurland, the Inspector General for the
14 City of Philadelphia, and I'm pleased to
15 appear before you today.

16 Last year, Mayor Nutter made
17 the Office of the Inspector General an
18 operationally independent agency; and so,
19 I am here today to brief you on the
20 Office's budget and accomplishments for
21 the second time.

22 Over the past three years, the
23 Office of the Inspector General has
24 evolved. It has become a more skillful,
25 more efficient, more successful agency,

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2 and the City's investment in the Office's
3 growth has paid big dividends.

4 In 2010, the OIG saved and
5 recovered more than \$6 million for the
6 City while working with a \$1.3 million
7 budget. Further, our investigations led
8 to the termination or suspension for
9 misconduct of 44 City employees last
10 year.

11 Thank you for the opportunity
12 to present the Operating Budget. The
13 proposed Fiscal Year 2012 budget for the
14 OIG totals \$1,281,451 in the General
15 Fund.

16 \$1,138,201, or 89 percent of
17 the budget, supports the eight full-time
18 positions and includes no provision for
19 overtime costs.

20 \$120,580, or 9 percent of the
21 budget, is for the purchase of
22 professional services, of which \$120,000
23 is for the contracted services of a
24 retired FBI agent and a retired IRS
25 investigator.

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2 We also manage for the City of
3 Philadelphia a contract for surveillance
4 services, which will expire in June of
5 2011. For reissue of that contract,
6 we're working with OEO to develop a
7 strategy to maximize the participation in
8 the bid process of businesses owned by
9 minority, women, and disabled persons
10 residing in Philadelphia. We're
11 committed to supporting the
12 Administration's goal of 25 percent
13 minority-, woman-, and disabled-owned
14 business participation.

15 The Fiscal Year '12
16 participation goal for our office is
17 16 percent, and we are proactively
18 seeking minority participation in these
19 contracts through retired federal agent
20 organizations, retired law enforcement,
21 the Association of Government
22 Accountants, local universities.
23 Additionally, we'll be increasing the
24 surveillance contracts from one company
25 to five to increase minority

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 participation.

3 We're strongly committed to
4 maintaining a diverse workforce. The
5 current makeup of the OIG staff is
6 75 percent women and minorities. We are
7 comprised of 63 percent women and
8 44 percent minority.

9 I'd like to start by saying
10 that in my experience, most City
11 employees are honest and hard-working and
12 resent being stigmatized by the small
13 number who are engaged in dishonest
14 activities. Indeed, most of the
15 complaints that we receive are from City
16 employees.

17 This year, the OIG has achieved
18 an unprecedented level of success in
19 criminal and administrative
20 investigations. For example, in the last
21 three years, we helped to get rid of
22 nearly 100 City employees who engaged in
23 misconduct, and no employee has
24 successfully appealed our recommended
25 termination and one reinstatement with

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 backpay, a situation that happened very
3 frequently in the past.

4 We've continued to revamp
5 priorities and procedures, and I'd like
6 to address several key changes that we've
7 engaged in this year.

8 First, this is our second year
9 operating as an independent City agency.
10 This means that we make decisions about
11 what to investigate or what not to
12 investigate based on what we think is the
13 right thing to do. We are very strict
14 about keeping investigative information
15 from complainants, and others
16 confidential.

17 Second, we've begun to work
18 with departments to make institutional
19 change and to prevent corruption and
20 fraud in the future. We've issued policy
21 reports recommending changes to
22 departments where we have uncovered fraud
23 and corruption, and the departments have
24 enthusiastically adopted these changes.

25 Third, we have initiated

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 several proactive projects. We're
3 working with the Procurement Department
4 to ensure that businesses that receive an
5 LBE preference are truly local
6 businesses.

7 So far, we've investigated two
8 companies that claimed to be local
9 businesses, and we've entered into
10 settlement agreements with them where
11 they have paid the City \$200,000.

12 We're also working with the
13 Office of Economic Opportunity to monitor
14 City contracts for evidence of front
15 companies, also known as "passthroughs,"
16 which create the false appearance of
17 contracting diversity.

18 Fourth, we've streamlined our
19 procedures for savings and recovery. We
20 have worked with the Law Department and
21 Pensions, and we've assisted in the
22 pension disqualification savings of over
23 \$2 million.

24 We also have a new procedure to
25 recover money from employees who have

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 stolen from the City, and that money is
3 subtracted from their separation
4 payments. These new procedures have
5 contributed to the \$6 million in savings
6 and recovery this year.

7 Fifth, we continue to
8 streamline our caseloads, focusing on
9 cases that have the greatest impact to
10 the City.

11 Sixth, we continue our ARRA
12 compliance-and-control program that we
13 work in conjunction with the Chief
14 Integrity Office and the Recovery Office,
15 proactively monitoring the federal funds
16 that the City has received.

17 And, finally, part of
18 transparency and accountability involves
19 providing more information to the public.
20 Even though we are an investigative body
21 that conducts confidential
22 investigations, we have engaged taxpayers
23 through providing more information on our
24 website and, again, providing an annual
25 report that shows our statistics and

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 other information throughout the year.

3 I'd like to briefly describe
4 our performance this year, and the
5 results have been strong. The results
6 are outlined in much more detail in our
7 annual report, which, I believe, has been
8 provided to all members of City Council,
9 but I will just briefly describe several
10 significant cases.

11 All of our criminal cases were
12 felony cases. In one situation, we
13 discovered a scheme that defrauded the
14 City of approximately \$600,000. A clerk
15 in the Records Department had been
16 copying accident reports, selling them,
17 and pocketing the cash. She and four
18 other individuals pled guilty to federal
19 bribery charges, and the court ordered
20 restitution.

21 In another joint investigation
22 with the FBI, a former title registration
23 aid for the Records Department was
24 sentenced to prison for accepting over
25 \$46,000 to prepare and record fraudulent

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 deeds.

3 We had a probe in the Revenue
4 Department that established that a former
5 Revenue collection manager had embezzled
6 more than \$400,000 beginning in the
7 mid-'90s and continuing until his
8 retirement in 2005.

9 We worked together with the
10 Police Department to investigate a former
11 L&I clerk who issued 19 professional
12 licenses to unqualified individuals in
13 exchange for cash kickbacks.

14 We worked again with the
15 Philadelphia Police Department to arrest
16 a City health inspector on 85 counts of
17 prescription fraud-related charges. That
18 investigation was conducted jointly with
19 the DEA and the DA's Office.

20 These large fraud cases not
21 only help bring criminals to justice, but
22 they also have the great potential for
23 returning to the City treasury
24 fraudulently-obtained City funds.

25 I'd like to briefly describe

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 some of our significant administrative
3 and disciplinary cases this year.

4 We track all of our sustained
5 cases. And when the Inspector General's
6 Office has recommended discipline in
7 2010, departments have imposed it in
8 every case.

9 When there were appeals, the
10 Civil Service Commission upheld the
11 imposition of discipline, and not one
12 individual has appealed the imposition of
13 discipline and received his or her job
14 back. We believe that is based in part
15 because of the quality of our work
16 product.

17 We had a significant
18 investigation that led to the resignation
19 or termination of four City employees and
20 two Parking Authority employees for their
21 involvement in a ticket-fixing scheme.

22 We continue to follow up on
23 last year's LIHEAP criminal investigation
24 where 18 individuals were charged with
25 exploiting low-income heating programs.

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 We recommended termination of
3 two more City employees for submitting
4 false applications.

5 And we continue our ongoing
6 probe of the City employees who submit
7 false sick notes.

8 In calendar year 2010, we
9 recommended disciplinary action against
10 44 City employees. Of these, 37
11 employees were terminated and seven were
12 suspended or demoted. Other actions such
13 as reprimands were taken in 15 additional
14 cases.

15 This is a strong indication
16 that the evidence in OIG investigations
17 is strong and reliable and that OIG
18 disciplinary recommendations are
19 reasonable.

20 We have other means of recovery
21 and savings besides our investigations.
22 Several of those are as follows:

23 We discovered uncashed wage
24 checks from a federal agency, and we had
25 the federal agency reissue those checks,

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 allowing the City to add \$3.4 million to
3 the General Fund.

4 We also, at the request of the
5 Delaware River Waterfront Corporation,
6 oversaw an audit and investigation of
7 grants that were awarded to two nonprofit
8 organizations. We called for nonprofits
9 to recover \$5.4 million that we believe
10 had been misspent, and we recommended
11 that the City stop grant payments to the
12 nonprofits for a potential savings of
13 \$10.2 million.

14 In conclusion, I believe that
15 it will take time before the full impact
16 of these changes to the structure of our
17 office is visible, but I believe that
18 they're already beginning to bear fruit.

19 The year ahead should bring the
20 continuation of strong performance, and
21 we will continue to build partnerships
22 with citizens and government officials to
23 improve the quality of life for all
24 Philadelphians.

25 Thank you for the opportunity

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 to testify today, and I welcome any

3 questions you may have.

4 COUNCIL PRESIDENT VERNA: Thank

5 you.

6 The Chair recognizes Councilman

7 Goode.

8 COUNCILMAN GOODE: Thank you,

9 Madam President.

10 Good morning, Miss Kulrand.

11 How are you?

12 INSP. GEN. KURLAND: Good

13 morning.

14 COUNCILMAN GOODE: The

15 questions are the same as I asked

16 Mr. Armbrister and they're the questions

17 that I'll be asking of every department.

18 Your Class 200 request is

19 roughly \$120,000?

20 INSP. GEN. KURLAND: That's

21 correct.

22 COUNCILMAN GOODE: And almost

23 all of that is going toward one contract?

24

25 INSP. GEN. KURLAND: Two

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 contracts.

3 COUNCILMAN GOODE: Okay. Well,
4 what is the largest contract?

5 INSP. GEN. KURLAND: They are
6 both -- it's equally split between the
7 two contracts.

8 COUNCILMAN GOODE: So what size
9 are the contracts?

10 INSP. GEN. KURLAND: They're
11 65,000 apiece.

12 COUNCILMAN GOODE: Okay. And
13 who currently holds the contracts?

14 INSP. GEN. KURLAND: One
15 contract is held by a retired FBI agent,
16 and one contract is held by a retired IRS
17 investigator.

18 And let me correct what I said
19 a few minutes ago. It's 60,000 a apiece,
20 not 65.

21 COUNCILMAN GOODE: Okay. And
22 are they renewable contracts?

23 INSP. GEN. KURLAND: They are
24 renewable. They have not been rolled
25 over yet; this is the first year.

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2 COUNCILMAN GOODE: So when was
3 the last time they were bid?

4 INSP. GEN. KURLAND: If I can
5 just have one moment.

6 (Ms. Kurland confers off the
7 record with staff.)

8 The contract period was July
9 1st of 2010 through July 30th of 2011.

10 COUNCILMAN GOODE: So how many
11 years has either of these two firms held
12 the contract?

13 INSP. GEN. KURLAND: One of the
14 parties held the contract before I became
15 the Inspector General, and that contract
16 has been continued. The other party has
17 held the contract just for one year.

18 COUNCILMAN GOODE: So one has
19 held it for about three or four years?

20 INSP. GEN. KURLAND: That's
21 correct.

22 COUNCILMAN GOODE: Okay. I
23 think you've described the contract
24 requirements somewhat. Are either one of
25 the firms a disadvantaged business?

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 INSP. GEN. KURLAND: Neither of
3 them are.

4 COUNCILMAN GOODE: Okay. Does
5 either of the firms subcontract with a
6 disadvantaged business?

7 INSP. GEN. KURLAND: No.
8 They're all just individual.

9 COUNCILMAN GOODE: Was there a
10 goal for disadvantaged business
11 participation in the RFP?

12 INSP. GEN. KURLAND: Yes. Our
13 goal, as the Inspector General's Office,
14 I believe, was 17 percent. And
15 unfortunately, we did not meet that goal.

16 COUNCILMAN GOODE: I'm actually
17 speaking specifically about the RFPs for
18 two contracts. Was a goal set within
19 those contracts?

20 INSP. GEN. KURLAND: Within
21 those contracts?

22 COUNCILMAN GOODE: Within those
23 RFPs, first.

24 INSP. GEN. KURLAND: May I just
25 have a moment?

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2 (Ms. Kurland confers off the
3 record with staff.)

4 It was set for 55 percent.

5 COUNCILMAN GOODE: In the RFPs?

6 INSP. GEN. KURLAND: Yes.

7 COUNCILMAN GOODE: And what
8 about the contract itself?

9 INSP. GEN. KURLAND: We
10 received a waiver from OEO when we
11 established the steps that we had taken
12 to try to find minority businesses.

13 COUNCILMAN GOODE: So there was
14 a goal but not a goal in the RFP.

15 INSP. GEN. KURLAND: Excuse me?

16 COUNCILMAN GOODE: There was a
17 goal and not a goal in the RFP?

18 INSP. GEN. KURLAND: Yes.

19 COUNCILMAN GOODE: There was a
20 goal?

21 INSP. GEN. KURLAND: There was
22 a goal, yes.

23 COUNCILMAN GOODE: And then
24 because the responses did not contain
25 meaningful participation, there was not a

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 goal in the contract.

3 INSP. GEN. KURLAND: That's

4 right.

5 COUNCILMAN GOODE: Okay. How

6 has the participation goal changed during

7 your tenure?

8 INSP. GEN. KURLAND: The

9 participation goal is the same.

10 COUNCILMAN GOODE: Okay.

11 INSP. GEN. KURLAND: We

12 continue to take steps to try to locate

13 and find minority businesses to respond

14 to the contract.

15 COUNCILMAN GOODE: But there

16 are no subcontracting opportunities.

17 INSP. GEN. KURLAND: There are

18 no contracting opportunities.

19 COUNCILMAN GOODE: Okay. So

20 what have you done differently during

21 this fiscal year to change or increase

22 DBE participation?

23 INSP. GEN. KURLAND: We have

24 contacted the organization known as

25 "FLEOA," which is the federal law

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 enforcement organization. We have
3 contacted the Association of Government
4 Accountants, we have posted our job on
5 the Certified Fraud Examiner website, and
6 we've worked very closely with OEO to try
7 to identify people that they may know who
8 could respond to our contracts.

9 Additionally, before the RFPs
10 were posted, we searched the current
11 registered vendors and found none. We
12 searched the African-American Chamber of
13 Commerce database and found none. And we
14 additionally reached out to qualified
15 individuals who we knew, but none of them
16 responded to the RFP.

17 COUNCILMAN GOODE: Okay. Thank
18 you for your testimony.

19 Thank you, Madam President.

20 MR. McPHERSON: Councilman
21 Jones.

22 COUNCILMAN JONES: Thank you,
23 "Madam President."

24 I have a real quick question.
25 Is it the purview of the Inspector

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 General's to investigate political
3 activities in general of Civil Service
4 employees?

5 INSP. GEN. KURLAND: We have
6 jurisdiction over all citizens -- of all
7 City employees in the executive branch.

8 There may be misconduct
9 regarding political activity. In those
10 cases, we would either refer the case to
11 the Ethics Board or work very closely
12 with them to do the investigation.

13 COUNCILMAN JONES: So I guess
14 the bookkeeping organizational chart
15 piece that I'm trying to find out, is it
16 you who investigates and they then follow
17 up after your investigation? So it's the
18 chicken or the egg?

19 INSP. GEN. KURLAND: Well, the
20 Ethics Board also has juris -- we have
21 concurrent jurisdiction in those matters.
22 But because the Ethics Board has more
23 expertise regarding political activity,
24 we would work with them.

25 We're in the process of

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 developing a memorandum of understanding
3 with the Ethics Board to make sure that
4 we don't do the same thing twice or
5 overlap and that we're consistent in
6 investigations.

7 COUNCILMAN GOODE: 'Cause I got
8 a little bit confused about who actually
9 does what. That would be, I mean,
10 helpful to at least to understand who's
11 on first and what's on second.

12 Thank you, "Absent Chair."

13 MR. McPHERSON: Councilman
14 Greenlee.

15 COUNCILMAN GREENLEE: Thank
16 you.

17 Good morning, Miss Kurland.

18 INSP. GEN. KURLAND: Good
19 morning.

20 COUNCILMAN GREENLEE: I just
21 had a question on the criminal cases you
22 talk about. Does your office also make
23 recommendations to the departments about
24 changes they could make to maybe not have
25 these problems occur in the future?

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2 INSP. GEN. KURLAND:

3 Absolutely. That's one of the new
4 initiatives that we have this year.

5 COUNCILMAN GREENLEE: Okay.

6 INSP. GEN. KURLAND: For
7 example, in the Records Department case
8 --

9 COUNCILMAN GREENLEE: I was
10 going to ask that, yes.

11 INSP. GEN. KURLAND: Yes. Once
12 that woman was indicted and convicted, we
13 worked very closely with Commissioner
14 Decker to basically rearrange the entire
15 office.

16 Cameras are installed, walls
17 were moved, and she has much closer
18 supervision over the employees who work
19 there now.

20 COUNCILMAN GREENLEE: Okay.

21 Those recommendations particularly to the
22 Records Department -- 'cause, as you
23 might know, I've had some history
24 there -- are they public? I mean, I'd
25 like to know what those recommendations

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 were, is what I'm getting at.

3 INSP. GEN. KURLAND: Okay.

4 COUNCILMAN GREENLEE: If you
5 could submit those or --

6 INSP. GEN. KURLAND: In three
7 cases, we wrote policy reports and
8 recommendations, and those are posted on
9 our website.

10 COUNCILMAN GREENLEE: Okay.

11 INSP. GEN. KURLAND: Two of
12 them were with regard to the Revenue
13 Department after the \$600,000 was
14 discovered. And another one was
15 regarding the Delaware River Waterfront
16 Corporation audit and investigation that
17 we did.

18 COUNCILMAN GREENLEE: Okay.

19 INSP. GEN. KURLAND: With
20 regard to the Records Department, we
21 didn't write anything up. We just worked
22 closely with Commissioner Decker.

23 COUNCILMAN GREENLEE: So I
24 guess it would be more appropriate maybe
25 to ask her, when she comes in, about.

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 INSP. GEN. KURLAND: Yes.

3 COUNCILMAN GREENLEE: All

4 right. Thank you.

5 MR. McPHERSON: Councilman

6 Green.

7 COUNCILMAN GREEN: Thank you.

8 Good morning.

9 INSP. GEN. KURLAND: Good

10 morning.

11 COUNCILMAN GREEN: During your

12 testimony at last year's budget hearing,

13 there was discussion about interaction

14 between the Office of the Inspector

15 General and the Controller's Office. I

16 think the exchange ended with your

17 testifying that you were trying to work

18 things out with the Controller in terms

19 of being able to work together on

20 matters.

21 Could you please provide an

22 update on how that effort is proceeding?

23 INSP. GEN. KURLAND: We are

24 basically in the same situation we were

25 in last year. My door is open, I welcome

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 any cooperation with the Controller's
3 Office, but it has not happened.

4 COUNCILMAN GREEN: So there's
5 still cooperation with the Controller's
6 Office or ability to work together?

7 INSP. GEN. KURLAND: Nothing
8 more than we had in the last year.

9 COUNCILMAN GREEN: Okay. Do
10 you know if the Controller is using the
11 OIG's investigations to help aid its
12 broader, Charter-mandated annual audits?

13 INSP. GEN. KURLAND: I'm sorry.
14 Could you repeat that?

15 COUNCILMAN GREEN: Do you know
16 if they're using your investigations and
17 reports to help them perform their annual
18 mandated Charter audits?

19 INSP. GEN. KURLAND: I don't
20 know, I don't know.

21 COUNCILMAN GREEN: Okay. So
22 they have never -- when they're
23 investigating a department, they've never
24 reached out and asked about specific
25 things that are in any report that you've

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 ever prepared?

3 INSP. GEN. KURLAND: No, they
4 haven't.

5 COUNCILMAN GREEN: Okay. That
6 doesn't seem to make a lot of sense,
7 considering the work that you guys are
8 doing.

9 Your 2010 annual report
10 indicates that your financial
11 accomplishments -- and we went through
12 this last year. Your financial
13 accomplishments include \$3.1 million in
14 salary savings from terminations which
15 are based on two years of salary
16 projections.

17 And what I suggested last year
18 was that the only fair way to look at
19 this is whether or not positions were
20 permanently eliminated or whether or not
21 they were filled; or, you know, they
22 hired a different person to perform the
23 work, say, at a lower level so the
24 savings would only be the difference
25 between the higher salary and the lower

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 salary; you know, the supervisor's gone
3 but there's now, you know, another person
4 performing that function, et cetera.

5 Can you explain why you
6 continue to count this as -- and tout
7 this as what you've saved the City as
8 opposed to, you know, what I and many
9 others think would be a much more actual
10 accurate measure?

11 INSP. GEN. KURLAND: Okay. In
12 my testimony, I believe that I said that
13 our savings was over \$6 million. I
14 didn't include that \$3 million because
15 there really is no way for us to
16 determine exactly whether a position has
17 been eliminated; whether somebody moved
18 into that position, thus eliminating a
19 different position.

20 The savings that would have
21 occurred in pension because of a newer
22 employee, whether DROP was involved,
23 there were too many variables. And so,
24 we really need to just stick with that
25 estimate.

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2 But I did not include it in my
3 testimony when I said that the savings
4 were over 6 million.

5 COUNCILMAN GREEN: So, for
6 example, in -- I understand what you said
7 in your testimony, but what you're
8 sending around and is available in your
9 office as people walk in and what the
10 Administration gives to people who are
11 asking what's happening in the Office of
12 the Inspector General is your annual
13 report.

14 INSP. GEN. KURLAND: Right.

15 COUNCILMAN GREEN: And your
16 annual report has terminations,
17 \$3,113,480.

18 INSP. GEN. KURLAND: That's
19 right. And I dropped a footnote to
20 explain that this is a very conservative
21 approach to documenting the savings.

22 COUNCILMAN GREEN: It's a
23 very -- it's not conservative; it's a
24 very aggressive approach to documenting
25 savings, right? 'Cause you're assuming

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 positions remain unfilled for two years
3 as a consequence of a termination.

4 INSP. GEN. KURLAND: That's
5 correct. But compared to the way these
6 estimates are done in federal government
7 and in other government entities, it is
8 conservative.

9 COUNCILMAN GREEN: Well, I'm --
10 I'm only interested in accurate
11 information and not how other agencies
12 measure what they do.

13 And so, I'd ask that in the
14 future, since this is the second year
15 we've had to discuss this, you simply
16 either don't include it, or you provide
17 actual data. Now that, you know, you've
18 been there several years, it should be
19 available at least for 2009.

20 INSP. GEN. KURLAND: Okay.
21 Thank you. I'll take that into account
22 for next year's annual report.

23 COUNCILMAN GREEN: Thank you.

24 Miss Rhyhart, did you have
25 anything to add?

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2 MS. RHYNHART: No.

3 COUNCILMAN GREEN: Okay. Your
4 testimony noted the proactive efforts of
5 the Office to make institutional change
6 and prevent corruption and fraud in the
7 future. It references policy reports
8 recommending changes the OIG has issued
9 to departments where you uncovered fraud
10 and corruption, and says the departments
11 have enthusiastically adopted these
12 changes.

13 How many and which departments
14 have you issued policy reports to?

15 INSP. GEN. KURLAND: We issued
16 two policy reports to the Revenue
17 Department. One involved the case where
18 federal wage tax -- I'm sorry. One of
19 them involved the case where a Revenue
20 examiner or a Revenue employee was able
21 to steal money. And as a result of that,
22 we discovered the uncashed federal wage
23 tax.

24 I don't have the exact
25 recommendations off the top of my head;

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 they're on our website. But, for
3 example, we recommended that the City
4 pursue using direct deposit with regard
5 to money coming in from other agencies,
6 and I believe that that has -- I think
7 the testimony was that's the case in
8 approximately 90 percent now.

9 We also made recommendations to
10 the Revenue Department regarding
11 overtime. Supervisors had been giving
12 overtime to people before the overtime
13 actually happened, had been signing off
14 on the paperwork.

15 And we made recommendations
16 about how they should approve overtime
17 beforehand, make sure the person actually
18 did the overtime, and then document that.
19 And those changes were made in the
20 Revenue Department.

21 COUNCILMAN GREEN: So for the
22 record, it wasn't departments; it was a
23 department.

24 INSP. GEN. KURLAND: No. That
25 was the Revenue Department.

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 We also made recommendations to
3 the Records Department, after the
4 \$600,000 was stolen, about how to more
5 closely supervise the employees, install
6 cameras, move walls so that employees
7 were not alone with somebody coming in
8 with cash, and to take greater control
9 measures over the cash coming in. And
10 those recommendations were adopted.

11 COUNCILMAN GREEN: So why not,
12 as many organizations do, not accept
13 cash?

14 INSP. GEN. KURLAND: That's
15 something you would have to ask the
16 Records Department.

17 COUNCILMAN GREEN: But that
18 wasn't one of your recommendations?

19 INSP. GEN. KURLAND: No, it
20 wasn't.

21 COUNCILMAN GREEN: Okay. With
22 respect to the computer systems and the
23 way things get recorded in the City, with
24 respect to those, did your
25 recommendations include any changes in

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 workflow processes involving computers
3 that would prevent people from being able
4 to see somebody until what they were
5 there for was in the system?

6 INSP. GEN. KURLAND: I'm not
7 sure I understand.

8 COUNCILMAN GREEN: Well, for
9 example, if people are required to
10 register on a computer to go see somebody
11 as to what the reason they are there
12 for -- to pay cash for whatever -- or
13 there's somebody in line with an iPad or
14 an iPod or some other electronic device
15 that can communicate with our servers,
16 and they basically find out why people
17 are there, then someone giving cash to
18 another person, it will be recorded as to
19 why somebody was there, and it will be
20 much harder for people to take cash.

21 Our computer systems themselves
22 and the way our workflow processes work
23 in the City, all being paper-based, make
24 it harder to hold people accountable who
25 deal with or accept cash.

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2 Would you agree that that is a
3 true statement?

4 INSP. GEN. KURLAND: That is
5 true.

6 COUNCILMAN GREEN: And did your
7 recommendations involve updating the
8 systems so that it is harder to do that
9 and easier to hold people accountable and
10 have an actual record of everything that
11 comes into the City?

12 INSP. GEN. KURLAND: We've
13 spoken with all of the departments about
14 the need to upgrade the computer systems.

15 For example, the computer
16 system in the Water Revenue Department
17 doesn't really speak to the computer
18 system in L&I, and that can cause a
19 number of problems, and it has caused a
20 number of problems in the past.

21 COUNCILMAN GREEN: That's
22 right. And so, when you're looking at --
23 for example, have you looked at the
24 computer systems to determine whether or
25 not changes can be made to people's

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 records without leaving an audit trail of
3 who made that change?

4 INSP. GEN. KURLAND: We've
5 found situations where you can go back on
6 the computer and determine what computer
7 was used to do something, but we can't
8 determine what individual used it.
9 Somebody could have been sitting at
10 another person's desk.

11 COUNCILMAN GREEN: Somebody
12 left computer on --

13 INSP. GEN. KURLAND: Exactly.

14 COUNCILMAN GREEN: Like, for
15 example, if somebody was at the basement
16 in MSB, at a main terminal, they could
17 have -- and a lot of people go to the
18 computers at the desk. Any person could
19 have changed that; there'd be no way of
20 determining because there's not specific
21 log-in information, say, as there is, for
22 example, even in restaurants, where each
23 server has to swipe a card before they
24 can make any kind of change to the menu
25 or a bill or something like that.

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2 INSP. GEN. KURLAND: This is
3 one of the changes we'd like to see.

4 COUNCILMAN GREEN: Has it been
5 a part of your recommendations to any
6 department?

7 INSP. GEN. KURLAND:
8 Specifically, as it relates to individual
9 cases, we have not made broad
10 recommendations to the Department of
11 Technology in that sense. Really, all of
12 our recommendations are case-specific.

13 COUNCILMAN GREEN: Doesn't
14 that -- I mean, for three years, I've
15 been asking the question, you know, is it
16 possible to do what we just described,
17 change people's accounts. There are many
18 stories that, you know, people's water
19 bills accounts have gone from, you know,
20 20,000 to 500 and other things like that.
21 And I'm told that at Water Revenue, the
22 new computer system prevents that from
23 happening.

24 I don't know that 'cause I
25 don't know that -- you know, as you say,

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 you can only identify the computer, not
3 the user that's putting in information.
4 And there's no alert that if a certain
5 percentage or other kind of change made
6 that automatically goes to a supervisor
7 or something like that, right? You
8 either have access to the accounts or you
9 don't.

10 INSP. GEN. KURLAND: I'm sorry.
11 I don't really know all of the details
12 about how the computer system works at
13 Water Revenue.

14 COUNCILMAN GREEN: Or anywhere
15 else.

16 INSP. GEN. KURLAND: Again, you
17 know, it would be, when we were in the
18 middle of an investigation, we would
19 determine a problem, and that's when we
20 would recommend a change.

21 COUNCILMAN GREEN: Well, I
22 think it's a huge area of a lack of
23 accountability and transparency that
24 still exists that only modernizing our
25 systems will allow.

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2 We've appropriated the money
3 for that, and I'd certainly be anxious
4 about your input, as we look forward to
5 spending that money, to put in place
6 systems that will make it clear who made
7 a change to what account -- when, why --
8 so that there is a true trail for
9 supervisors and your office and the
10 Controller's Office, et cetera.

11 INSP. GEN. KURLAND: Right.

12 COUNCILMAN GREEN: So I hope
13 that's something we can work on over the
14 next year or so.

15 INSP. GEN. KURLAND: I hope so
16 too. And thank you for that suggestion.
17 We will be working with the Department of
18 Technology to do that.

19 COUNCILMAN GREEN: The
20 Administration testified that there were
21 1.5 and 3 percent budget reduction
22 scenarios. Did your office prepare those
23 scenarios?

24 INSP. GEN. KURLAND: Prepare it
25 for this coming year?

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 COUNCILMAN GREEN: Yes.

3 INSP. GEN. KURLAND: No, we
4 didn't.

5 COUNCILMAN GREEN: You didn't?

6 INSP. GEN. KURLAND: No.

7 COUNCILMAN GREEN: It their
8 testimony that every department was asked
9 to prepare a 1.5 and 3 percent budget
10 reduction.

11 INSP. GEN. KURLAND: We have
12 not been asked to do that.

13 COUNCILMAN GREEN: Okay. For
14 FY '11, \$1,379,000 was appropriated for
15 the IG's office, an amount that was
16 reduced by \$100,000 in its revisited
17 Five-Year Plan submitted to PICA. The
18 projected spend is \$1,281,000.

19 As of September 10th, the
20 increment run noted, in the budget
21 detail, that you had 14 staff. The
22 detail indicates that you plan to add 4
23 new Investigator II positions in FY '12,
24 bringing staff total to 18.

25 I understand that department

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 heads managed the -- managed to the
3 dollars budget, not to position levels,
4 but just wanted to hear from you about
5 how you're going to be able to hire these
6 positions with the same funding level as
7 FY '11.

8 INSP. GEN. KURLAND: In FY --
9 last year, we had 19 positions, and this
10 year, we have 18. We have had a lot of
11 attrition, and we've kind of reorganized
12 who we hired.

13 We lost a supervisor and we
14 replaced that supervisor with a regular
15 investigator, which give us additional
16 funding, plus some of the surplus to hire
17 another investigator.

18 On the whole, we just look at
19 the dollar amount, but we do have one
20 fewer position this year from last.

21 COUNCILMAN GREEN: Well, you
22 had 14 people in December 2010.

23 INSP. GEN. KURLAND: It was a
24 very short time that we had 14 people.

25 COUNCILMAN GREEN: Okay.

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2 INSP. GEN. KURLAND: As I said,
3 we had a lot of people come and go.

4 COUNCILMAN GREEN: So how many
5 people do you have now?

6 INSP. GEN. KURLAND: Now we
7 have 18.

8 COUNCILMAN GREEN: And so, you
9 don't have money for new Investigator II
10 positions --

11 INSP. GEN. KURLAND: No, we
12 don't.

13 COUNCILMAN GREEN: Is that
14 right?

15 INSP. GEN. KURLAND: We don't.

16 COUNCILMAN GREEN: Okay. The
17 detail indicates that you plan to add
18 four new Investigator II positions.
19 That's why I asked.

20 INSP. GEN. KURLAND: What
21 happened was, we used to have a position
22 just called "Investigator." We divided
23 that into Investigator I and Investigator
24 II. We had some internal promotions, and
25 then we hired some new investigators.

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2 COUNCILMAN GREEN: Okay.

3 INSP. GEN. KURLAND: We do have
4 four Investigator II positions at this
5 time, and part of that was because of a
6 reorganization.

7 COUNCILMAN GREEN: Okay. I may
8 have missed contracts for investigators.
9 Was that covered?

10 Okay. In your testimony, you
11 noted planning to increasing surveillance
12 contracts from one to five, to increase
13 minority participation.

14 The detail shows that you had
15 two contractors for FY '11, and you'll be
16 using the same two contractors for FY
17 '12. Is this just a typo in the detail?

18 INSP. GEN. KURLAND: We have
19 two investigative consultants; that is
20 the retired FBI agent and the retired IRS
21 agent.

22 In addition to those two
23 positions, which is -- that's our Class
24 200 money -- we manage the surveillance
25 contracts. And right now, we have one --

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2 I think we have two surveillance
3 contractors now and we intend to increase
4 that to five.

5 COUNCILMAN GREEN: And that's
6 where you're going to increase your
7 minority participation?

8 INSP. GEN. KURLAND: Yes.

9 COUNCILMAN GREEN: By focusing
10 on trying to get qualified minorities to
11 fill -- to perform those other four
12 contracts?

13 INSP. GEN. KURLAND: That's
14 correct.

15 COUNCILMAN GREENLEE: Okay.
16 Where is that in the budget, the
17 surveillance contracts?

18 INSP. GEN. KURLAND: The
19 individual departments pay for
20 surveillance when they request it.

21 For example, we'll have an
22 investigation and get to a certain point
23 where we believe that we can't go any
24 further unless there's surveillance.

25 If that individual that we're

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 investigating is in DHS, our Integrity
3 Officer will ask the Commissioner if they
4 would like to pay for surveillance. And
5 then the individual department pays for
6 it.

7 COUNCILMAN GREEN: Okay. Thank
8 you very much for your testimony.

9 INSP. GEN. KURLAND: Thank you.

10 COUNCIL PRESIDENT VERNA: The
11 Chair recognizes Councilman Rizzo.

12 COUNCILMAN RIZZO: Good
13 afternoon.

14 INSP. GEN. KURLAND: Good
15 afternoon.

16 COUNCILMAN RIZZO: And thanks
17 for you and your organization's good
18 work.

19 I just have a quick question
20 just so I understand. There's a lot of
21 different types at the IRS,
22 investigators. Is this person a Criminal
23 Division IRS, or is he just -- or not
24 "just," but is he -- what specifically --
25 when you say "retired IRS," boy, there's

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 a whole range of folks.

3 INSP. GEN. KURLAND: Yes. He
4 was a criminal investigator.

5 COUNCILMAN RIZZO: The Criminal
6 Division of the IRS?

7 INSP. GEN. KURLAND: Yes.

8 COUNCILMAN RIZZO: Thank you
9 very much.

10 COUNCIL PRESIDENT VERNA: Thank
11 you.

12 Any other questions from
13 members of the committee?

14 (No further questions.)

15 Thank you very much.

16 INSP. GEN. KURLAND: Thank you.

17 MR. McPHERSON: Our next
18 department is Mural Arts.

19 (Witness comes forward.)

20 COUNCIL PRESIDENT VERNA: Good
21 morning, welcome. Identify yourself for
22 the record and proceed with your
23 testimony.

24 MS. GOLDEN: Thank you. My
25 name is Jane Golden, and I'm the

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 executive director of the City of
3 Philadelphia Mural Arts Program.

4 Good morning President Verna
5 and members of City Council. My name is
6 Jane Golden, and I am here to present our
7 request for Fiscal Year 2012 Operating
8 Budget.

9 The Mural Arts Program's
10 mission is to unite artists and
11 communities through a collaborative
12 process rooted in the traditions of
13 mural-making to create art that
14 transforms public spaces and individual
15 lives. Through the inclusive democratic
16 process of mural-making, we seek to
17 unprecedented quality and innovation to
18 the communities that we serve.

19 Throughout 2010 and in 2011, we
20 have been working diligently to implement
21 elements of our five-year strategic plan,
22 with the goal of claiming on our role on
23 behalf of the City of Philadelphia as a
24 national and international resource for
25 mural-making and community-based public

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2 art.

3 The establishment of a new
4 project management office has given us
5 the capacity to streamline our programs
6 and oversee all new projects to ensure
7 that they remain aligned with established
8 organization-wide goals. We are also in
9 the process of implementing an annual
10 plan for each department.

11 By continuing to implement our
12 strategic plan over the next four years,
13 we intend to increase our impact,
14 disseminate our knowledge, and build on
15 our 27 years of experience to broaden and
16 deepen our own practice, as well as
17 create replicable project program models
18 that serve as exemplars for artistic
19 innovation, cultural collaboration, and
20 the promotion of social just.

21 In FY '12, Mural Arts will
22 continue to partner with the Mayor's
23 Office on key issues facing Philadelphia.
24 We intend to achieve this by making
25 considerable strides in the following

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2 areas:

3 One, jobs and economic
4 development. Mural Arts contributes to
5 the creative economy of Philadelphia by
6 employing more than 300 artists each
7 year. Ninety-nine percent of those
8 artists are local and 46 percent are
9 artists of color.

10 Through our successful
11 workforce development program, called
12 "The Guild," we provide opportunities for
13 temporary jobs to 60 to 70 formerly
14 incarcerated adults each year as they
15 reenter their communities and the
16 workforce.

17 Mural Arts promotes job
18 creation and economic developments
19 through our rapidly growing tour program,
20 which hosts more than 18,000 tourists and
21 resident each year on tours that take
22 visitors to some of Philadelphia's most
23 diverse neighborhoods.

24 Working in conjunction with the
25 Philadelphia Convention and Visitors

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2 Bureau, we are helping to build
3 Philadelphia's international presence and
4 stake its claim among the top-tier
5 cultural destinations.

6 Citizens and delegates from
7 cities all over the world visit us to
8 view the work, often with an interest in
9 replicating our programs of. In 2010,
10 Mural Arts was one of 14 national arts
11 organizations recognized for neighborhood
12 transformation by the Mayor's Institute
13 on City Design.

14 Education. In FY '10, our free
15 art-education programs provided more than
16 1,425 underserved Philadelphia youth at
17 40 sites, with access to quality art
18 education and youth-development
19 experiences through mural-making. Our
20 programs engage these young people at a
21 critical out-of-school time through a
22 variety of projects and programs that
23 focus on presenting them not only with
24 creative opportunities but also
25 constructive alternatives to juvenile

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 delinquency and more serious crimes.

3 Our three distinct programs
4 are: Big Picture, which serves kids ages
5 10 to 14; our Mural Core Program, which
6 is our teen program serving young people
7 ages 15 to 21; and Art Works, serving
8 severely at-risk delinquent and truant
9 youth. We offer a sequential curriculum
10 that enables students to build on their
11 previous work, and we nurture deep
12 connections with them through building
13 connections with their peers and mentors
14 and communities.

15 In 2010, our Big Picture
16 students at seven different sites worked
17 with well-known local artists to create
18 vital wraps for BigBelly solar compactors
19 in the City and in an effort to make the
20 process of disposing of garbage a fun
21 idea.

22 On Earth Day 2011, we will be
23 hosting a formal dedication where 50 of
24 these BigBellies will be exhibited.

25 Throughout 2010 our Mural Core

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 students have been working with artists
3 to transform Bodine High School for
4 International Affairs. What we are doing
5 there is bright and inviting, and we're
6 turning the school into a learning space
7 that includes elements of public art,
8 greenery, with a deep focus on
9 environmental education.

10 Students are working with
11 engineers from the Water Department to
12 ameliorate storm-water management at
13 Bodine through the creation of a rain
14 garden.

15 In 2011, our Mural Core
16 students at E-3 power centers are working
17 to address the serious issue of housing
18 and homelessness faced by many local
19 youth through a project called "A Place
20 to Call Home," combining photo
21 elicitation, educational meetings,
22 awareness-raising, and a large-scale
23 collaborative work of public art. The
24 project will publicize the unique housing
25 challenges facing young urban youth while

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 embarking on a significant effort to
3 equip them with the skills and resources
4 necessary to ensure that they remain
5 housed.

6 Public safety. In 2010, we
7 have continued our workforce development
8 program created in 2009 to a highly
9 competitive Byrne Grant made possible by
10 the American Recovery and Reinvestment
11 Act and administered by the U.S.
12 Department of Justice.

13 During the three-year grant
14 period, Mural Arts is providing critical
15 job-skills training and temporary
16 opportunities to 125 individuals who are
17 recommended to the program by the court
18 system. We are doing this with the Youth
19 Violence Reduction Partnership, and it is
20 a three-year program teaching young
21 people mural-making, design and
22 technology, landscaping, and building
23 skills.

24 In conjunction with the
25 Philadelphia Prison System, our ongoing

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 reentry program employs 16 individuals
3 each year and present boasts a recidivism
4 rate of less than 10 percent,
5 considerably lower than the average of
6 66 percent that we see national.

7 In 2010, The Gild participants
8 worked on eight large-scale mural
9 projects and helped establish The Gild
10 headquarters by building their own work
11 stations and rehabilitating a house at
12 52nd and Locust.

13 In addition, through our
14 ongoing partnership with IBM, we have had
15 the distinct opportunity to facilitate
16 the invaluable IBM Reading Companion
17 Program within the Philadelphia Prison
18 System through participants in our
19 Restorative Justice Program. And we have
20 been able to build reading their skills
21 by challenging them to learn about
22 computers provided by IBM and classes led
23 by Mural Arts instructors.

24 Mural Arts also contributes to
25 public safety through our previously

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 mentioned art education and youth
3 development programs; specifically, the
4 Youth Study Center in St. Gabrielle's
5 Hall, which are designed specifically to
6 engage youths at critical times in their
7 lives and during hours when they are most
8 likely engage in activities that could
9 compromise public safety.

10 Healthy and sustainable
11 communities. Mural Arts advances healthy
12 and sustainable communities through our
13 community-based public art projects and
14 programs, coordinating with existing
15 strategies for community development.

16 These projects leverage grassroots social
17 capital to revitalize open spaces,
18 remediate blight, stabilize abandoned
19 lots, and build positive momentum among a
20 variety of community advocacy groups.

21 In 2010, we created 169 murals,
22 hosted hundreds of community meetings,
23 held paint days throughout the City, and
24 cleaned up lots. All of this involved
25 more than 4,000 people.

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2 In 2010, we received a very
3 prestigious grant from the Robert Wood
4 Johnson Foundation through their local
5 funding partnerships program to expand
6 our Porch Light Initiative.

7 Our ongoing partnership with
8 the Department of Behavioral Health and
9 Intellectual Disability Services. To
10 help reduce the stigma around behavioral
11 health issues through, through a series
12 of meaningful and transformative mural
13 projects and three North Philadelphia
14 neighborhoods. With the help of a team
15 from Yale University School of Medicine,
16 we have been building coalitions of
17 behavioral health service-providers,
18 artists, and community residents that
19 will address trauma in these communities
20 alongside associated issues of drug
21 addiction, mental illness, homelessness,
22 and other behavioral-health challenges.
23 And once we're finished working with
24 these three neighborhoods, we intend to
25 expand this work throughout the City.

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2 Innovation. Over the last few
3 years, Mural Arts has been embracing
4 innovation and considering what muralism
5 means in the 21st century. In 2010,
6 residents and visitors alike experienced
7 extraordinary art works by local,
8 national, and internationally know
9 artists that brighten our city's
10 landscape, emphasize its commitment to
11 great art, and offer tangible symbols of
12 vitality and pride.

13 Among these projects, a very
14 exciting one is "How Philadelphia Moves,"
15 which will be at the Philadelphia
16 International Airport. Scheduled for
17 completion in June 2011, this project
18 will provide a visually stunning gateway
19 for Philadelphia that captures the
20 richness of the region's artistry and
21 movement through portraits of dancers in
22 motion.

23 At nearly 55,000 square feet,
24 the mural will be the second-largest in
25 the world. It is being created in

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2 partnership with the Department of
3 Transportation and will be visible to
4 traffic entering and leaving the airport
5 as well as from 95. Also exciting is
6 that a hundred people -- kids and adult
7 alike -- are working on that project.

8 In addition to this, in
9 February of 2011, we launched the Albert
10 M. Greenfield African-American Iconic
11 Images collection, an inspiring
12 collection of 47 murals that represent
13 important aspects of Philadelphia's
14 African-American history, traditions and
15 culture, curated in partnership with the
16 African-American Museum of Philadelphia.
17 That collection promises to be an
18 enduring source of pride to the
19 African-American community and an
20 invaluable learning tool for young people
21 in schools worldwide.

22 To continue our focus on
23 innovation, we are also planning several
24 major corridor projects at Germantown and
25 Lehigh and Manayunk and along Chestnut

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 Street in Center City that will bring a
3 variety of well-known contemporary artist
4 to assist new work in Philadelphia.

5 We are also planning a major
6 projection project on the side of the
7 Kimmel Center and a soon-to-be announced
8 citywide project that will focus on
9 workforce development.

10 Finally, we have created a
11 mural lab through which emerging local
12 artists will be given opportunities to
13 create experimental and innovative new
14 work with students from our art education
15 programs.

16 Funding needs and uses. The
17 Mural Arts operates as a public/private
18 partnership, with an annual operating
19 budget of 7 million, one million of which
20 comes from this allocation for which I am
21 testifying today. This allocation from
22 the City funds the salaries of 12
23 employees, including my own; a great
24 mural operations crew member, an
25 executive assistant, a reception manager,

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 and two staff muralists. It also
3 supports over thirty major community
4 projects.

5 Mural Arts leverages the City
6 allocation to raise an additional
7 \$4 million in private funds from
8 foundations, corporations, individual
9 donors, and earned-income programs like
10 our Mural Tour Program.

11 The Office of Economic
12 Opportunity. The Mural Arts Program is
13 committed to supporting the
14 Administration's goal of 25 percent
15 minority-, woman-, and disabled-owned
16 business participation in City
17 contracting. However, the Mural Arts
18 Program will have no contracting
19 opportunities in FY '12.

20 I would like to thank the
21 Office of Arts, Culture and the Creative
22 Economy as well as the Managing
23 Director's Office. After 27 years of
24 Mural Arts, I am more certain than ever
25 that art has the unique power to ignite

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2 change within our communities, that this
3 work gives strength and voice to
4 citizens, and build connections across
5 our city, and that the support of the
6 arts is critical to Philadelphia's
7 continued growth, health, and success.

8 I would like to thank the
9 Council -- and I really I want to say
10 thank you from the bottom of my heart --
11 for this opportunity to present our
12 budget request for FY '12, and I am
13 available to answer any questions.
14 Should any Councilmember wish to engage
15 in further discussion on any of these
16 matters, my staff and I are happy to meet
17 with Councilmembers anytime at their
18 convenience.

19 Thank you, thank you, thank
20 you.

21 COUNCIL PRESIDENT VERNA: And
22 we thank you.

23 On page 3 of your testimony,
24 you mentioned that you were requesting
25 \$562,614 in the Grants Revenue for Fiscal

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 2012. The funding source for this grant
3 appears to be federal ARRA funds. Isn't
4 this the last year for these grants?

5 MS. GOLDEN: We are in the
6 last -- we have a year-and-a-half left
7 with that one grant. So I think we
8 are -- I mean, we're in the final stretch
9 of it, yes.

10 But I thought -- I can get back
11 to you. I can check on that. I thought
12 there was a year-and-a-half left.

13 COUNCIL PRESIDENT VERNA: I'm
14 just curious. Does the proposed
15 Five-Year Plan increase your General Fund
16 budget for Fiscal 2013?

17 MS. GOLDEN: I can check on
18 that and get back to you.

19 COUNCIL PRESIDENT VERNA: Would
20 you please?

21 MS. GOLDEN: Absolutely.

22 COUNCIL PRESIDENT VERNA: Thank
23 you.

24 MS. GOLDEN: It's a great
25 question.

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2 COUNCIL PRESIDENT VERNA: The
3 Chair recognizes Councilman Goode.

4 COUNCILMAN GOODE: Thank you,
5 Madam President.

6 Following up on the Council
7 President's question, your Class 200
8 request is \$514,000.

9 MS. GOLDEN: Pardon me?

10 COUNCILMAN GOODE: Your Class
11 200 request is for \$514,000. What is
12 that money for?

13 MS. GOLDEN: That is going for
14 projects -- mostly projects, some staff.
15 But that's -- and some art education.
16 It's a variety.

17 It's divided up. One part of
18 the City request is for salaries, the
19 City employees, the 12. The other part
20 goes for -- it's a combination of
21 large-scale projects, some art education,
22 and some staff.

23 And I can get you a detail of
24 that if you'd like.

25 COUNCILMAN GOODE: And is any

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 of that money contracted out?

3 MS. GOLDEN: No.

4 COUNCILMAN GOODE: Okay. Thank
5 you.

6 Thank you, Madam President.

7 COUNCIL PRESIDENT VERNA:
8 You're welcome.

9 The Chair recognizes Councilman
10 Kenney.

11 COUNCILMAN KENNEY: Thank you,
12 Madam President.

13 I don't have a question but I
14 do have a comment.

15 I would venture to argue that
16 your organization, your private/public
17 partnership, probably maximizes more than
18 any other entity in the City the best use
19 of tax dollars.

20 If you look at what you get
21 from us and what you generate, if you
22 look at every single action that you guys
23 do, it has some effect in multiple
24 departments and multiple issues, whether
25 it's neighborhood improvement, economic

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2 development, ex-offender and current
3 people incarcerated, mental health,
4 children and youth, public safety,
5 international and national tourism,
6 'cause we have people coming from all
7 over the place.

8 It's just an amazing set of
9 circumstance and actions that you
10 accomplish every single year. And I just
11 want to commend you and your people.

12 I've been on the Mural Arts
13 board now for about a year or so, and
14 I've seen even closer -- closeup the work
15 that you are able to accomplish. And it
16 is amazing with what we're give you and
17 what you generate the work that you turn
18 out and the reputation that the City has
19 internationally -- I mean, we have
20 muralists from Paris coming to
21 Philadelphia to see how you do that.

22 And then not only that, as time
23 has gone on, we've come from just the
24 kind of flat painted murals to much
25 different types and techniques, different

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 types of materials, the use of light, the
3 use of computers. I mean, it's just --
4 it seems like the possibilities are
5 endless.

6 So you "thank you, thank you,
7 thank you" to us, but thank you to you
8 and your folks because it's just a
9 tremendous thing. I'm so proud to be a
10 part of it and so proud to watch what you
11 do and how you change people's lives and
12 people's neighborhoods. It's wonderful.

13 MS. GOLDEN: Well, thank you
14 very much, thank you. It's a labor of
15 love.

16 COUNCIL PRESIDENT VERNA: The
17 Chair recognizes Councilwoman Blackwell.

18 COUNCILWOMAN BLACKWELL: Thank
19 you, Madam President.

20 I certainly agree with
21 everything my colleague has said. You
22 know, Jane Golden always says, "Art
23 changes lives," but we know why. She's
24 saved so many kids in trouble, so many
25 people, homelessness, people in trouble,

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 adults and youth alike, employees,
3 inmates, and kids who have problems, and
4 has as, we heard, an age group for
5 everybody in our society is.

6 I know why she says that art
7 saves lives: because she's made it save
8 lives in her approach.

9 And what's ironic to me is that
10 she raises more. What she asks for is
11 such a small pittance compared to all of
12 the money she raises. And I am proud to
13 support her, her request for this raise.

14 And I would like to ask her,
15 and I hope that Clay Armbrister is
16 listening, because we want to ask again
17 about the Tiberino Museum. I'm going to
18 ask about this until we get an answer.

19 And we want to be able to fund it, their
20 program.

21 And, Miss Golden, if there is a
22 way for them to fund -- to put funds in
23 your area, would you believe to work with
24 Mr. Tiberino to make this project a
25 reality?

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2 MS. GOLDEN: Oh, absolutely.

3 And I have conferred with the Chief
4 Cultural Officer, Gary Sawyer, and I know
5 that he's open to working with us; it
6 would be a nice team effort.

7 And we really -- Mr. Tiberino
8 has -- you know, he's an institution in
9 the City, and I think that we're all in
10 agreement that we would like to support
11 and help him however possible.

12 The idea is a good one, and we
13 just have to figure out a way to do it so
14 that it's fiscally possible.

15 COUNCILWOMAN BLACKWELL: Thank
16 you.

17 MS. RHYNHART: Rebecca Rhyhart,
18 Budget Director.

19 Just to add that, following up
20 on our conversation, the answer to part
21 of the testimony in the Five-Year Plan,
22 that that is something that we're talking
23 about, and we'll get back to you. We
24 know that it's important to you.

25 COUNCILWOMAN BLACKWELL:

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2 Absolutely. Thank you.

3 Thank you, Madam President.

4 COUNCIL PRESIDENT VERNA: Thank
5 you.

6 COUNCILWOMAN BLACKWELL: Thank
7 you, Jane. We love you.

8 MS. GOLDEN: Oh, thank you very
9 much. I really appreciate your report.

10 COUNCIL PRESIDENT VERNA: Any
11 more questions from members of the
12 committee?

13 (No further questions.)

14 MS. RHYNHART: Could I correct
15 the record from the IG's testimony if we
16 have just a moment?

17 I just wanted to say that all
18 departments were asked to do 1.5 and 3
19 percent cuts, and they did provide 1.5
20 and 3 percent cuts.

21 COUNCIL PRESIDENT VERNA: Thank
22 you.

23 Very good, we're right on
24 schedule.

25 The committee will stand in

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2 recess until 1 o'clock.

3 (Lunch break taken.)

4 (Proceedings resume.)

5 COUNCIL PRESIDENT VERNA: Okay.

6 This is a continued public hearing of the
7 Committee of the Whole.

8 Mr. McPherson?

9 MR. MCPHERSON: Our next
10 department is the Mayor's Office of
11 Community Services.

12 (Witness comes forward.)

13 MR. BULLOCK: Good morning,
14 Council president.

15 COUNCIL PRESIDENT VERNA: Good
16 afternoon.

17 MR. BULLOCK: I mean "good
18 afternoon." I'm sorry. It is 1 o'clock.

19 COUNCIL PRESIDENT VERNA: Time
20 goes by when your having fun.

21 Please identify yourself for
22 the record and proceed with your
23 testimony.

24 MR. BULLOCK: Otis Bullock, for
25 the Mayor's Office of Community Services.

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2 Good afternoon, Council

3 President Verna and members of City
4 Council. I am Otis Bullock, Executive
5 Director of the Mayor's Office of
6 Community Services. Today, I will
7 present you with a brief synopsis of the
8 activities carried out by this agency.

9 The Mayor's Office of Community
10 Services requests an FY 2012
11 appropriation of \$9,006,887, all deriving
12 from grant funding. The Mayor's Office
13 of Community Services is the community
14 action agency for the City of
15 Philadelphia. The agency is primarily
16 funded through grants from the Bureau of
17 Employment and Training Programs and
18 community services block grants.

19 It is important to note that
20 our CSBG funding may be impacted by
21 conversations currently happening in
22 Congress. MOCS major grant requires that
23 the agency provide service to low-income
24 individuals and families that live at or
25 below 125 percent of the federal

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 poverty-level guideline.

3 By January 1, 2010, through
4 December 31, 2010, MOCS provided service
5 to 34,798 people.

6 In FY '11, we estimate to spend
7 \$3,475,102 in Class 100; \$5,269,623 in
8 Class 200; \$91,099 in Class 300 and 400;
9 for a total of \$8,835,824.

10 In FY '12, we request
11 \$4,170,000 in Class 100; \$4,727,000 in
12 Class 200; \$109,319 in Class 300 and 400;
13 for a total of \$9,006,887.

14 MOCS provides these services
15 through four initiatives that are
16 directly administered in nonsubcontracted
17 agencies or programs that are supported
18 through grants.

19 MOCS has a staff of 72, ten of
20 whom are bilingual. Our Community
21 Engagement Unit staff is deployed to
22 targeted high-crime, low-income
23 neighborhoods to facilitate and support
24 the wide range of activities related to
25 mayoral initiatives which are designed to

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2 reduce the devastation that has plagued
3 these neighborhoods in recent times.

4 CEU staff assist residents with
5 a menu of services and supports designed
6 to strengthen families and communities.
7 These services include preparation of
8 federal and state income tax returns,
9 completion of entitlement applications
10 for LIHEAP and Crisis, and completion of
11 senior-citizen entitlement applications
12 for PACE, Property Tax/Rent rebates and
13 water discounts.

14 The CEU staff also provides
15 residents with the necessary referrals to
16 emergency services and/or linkages to
17 meet their needs. CEU often acts as a
18 direct link between the Mayor's Office,
19 City departments and Philadelphia's
20 low-income activities and plays a pivotal
21 role in improving the quality of lives of
22 thousands of low-income residents.

23 This is accomplished by
24 developing formal and informal
25 partnerships with community-based

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 organizations, nonprofits, and various
3 City agencies developed to tackle various
4 fragmented service systems and
5 emergencies situations that plague many
6 of Philadelphia's neediest citizens.

7 Examples of those partnerships
8 are: The Choice Food Cupboard program
9 with Philabundance on Sixth and Lehigh
10 Avenue; and the two free Super Tax Sites,
11 located at 1113 Chestnut in Center City
12 and 2049 Cottman Avenue in Northeast
13 Philadelphia, in partnership with the
14 Campaign for Working Families program.

15 The Fatherhood Employment
16 Program (FEP) will work low-income,
17 noncustodial fathers in order to: 1)
18 support their work participation; 2)
19 increase their compliance with child
20 support payments; and 3) encourage
21 positive involvement in their child's
22 lives.

23 FEP will help low-income,
24 noncustodial fathers and their children:
25 advance out of poverty by providing

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 fathers with career advancement services;
3 facilitated access to benefits and work
4 supports; training and education; and
5 financial literacy and asset-building
6 activities.

7 Our Foster Grandparents Program
8 (FGP) is charged with meeting critical
9 community needs for two of our most
10 vulnerable populations: senior citizens
11 and special-needs children. The FGP is
12 strengthening communities by utilizing
13 the underutilized resource of older
14 adults, mobilizing them to serve in local
15 schools, hospitals, and with
16 community-based organizations, filling
17 significant gaps, enabling these
18 organizations to expand their capacity.

19 Over 130 foster grandparents
20 volunteer, representing the diversity of
21 Philadelphia's neighborhoods. They are
22 in the front lines of services, providing
23 loving support to this most special
24 population.

25 Our WorkWise program, a

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 grant-funded program administered by
3 MOCS, provides job-readiness classes and
4 job placement for TANF recipients who are
5 referred by the County Assistance Office.
6 TANF recipients referred to this program
7 have been unsuccessful in other programs,
8 have serious health issues or children
9 who have been classified as incorrigible.

10 WorkWise implements two efforts
11 to work with TANF clients: the Supported
12 Work Program (SWP) and the Work Ready
13 Program (WRP).

14 The SWP is a rapid attachment
15 to employment effort where customers
16 receive classroom instruction, case
17 management, job development, and
18 retention services.

19 Work Ready targets TANF
20 recipients in danger of losing their
21 benefits. Each recipient is contacted
22 first by telephone, then by a home visit.
23 Each individual is offered the services
24 of a case manager and other support staff
25 as they reset their TANF benefits.

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2 This year, our outreach will
3 continue to be rendered to those
4 identified by the County Assistance
5 Office.

6 The Mayor's Office of Community
7 Services is committed to supporting the
8 Administration's goal of 25 percent
9 minority-, women-, and disabled-owned
10 business participation in City
11 contracting. The Mayor's Office of
12 Community Services's FY participation
13 goal is 25 percent.

14 We currently contract with
15 North Philadelphia Human Services
16 Development Corporation, which provides
17 limited case management, linkages, and
18 emergency services to residents of North
19 Philadelphia.

20 We subcontract with the Office
21 of Supportive Housing. Through this
22 partnership, MOCS supports the services
23 offered at three shelters.

24 We contract with the Department
25 of Health's lead-abatement program. And

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 by a memorandum of understanding, we
3 support lead-abatement services for
4 at-risk families.

5 We also subcontract with the
6 Department of Recreation. And through
7 this subcontract, MOCS provides support
8 for six older-adult centers located
9 throughout Philadelphia.

10 In the last year, the agency
11 hosted a variety of special programs that
12 included a back-to-school campaign that
13 distributed more than 6500 backpacks to
14 low-income children, a holiday party for
15 more than 150 low-income families and
16 over 400 children, a coat distribution
17 for more than 800 children and young
18 adult, a turkey drive for 100 low-income
19 families, and 100 families received
20 Butterball turkeys, and well over 600
21 individuals enjoyed nutritious
22 Thanksgiving dinners.

23 So if any Councilmembers wish
24 to engage in further discussion on any of
25 these matters, my staff and I are happy

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 to meet with Councilmembers at your
3 convenience.

4 Thank you.

5 COUNCIL PRESIDENT VERNA: Thank
6 you.

7 You mention on page 1 of your
8 testimony that your agency provides
9 services to low-income individuals and
10 families that live at or below 125
11 percent --

12 MR. BULLOCK: That's correct.

13 COUNCIL PRESIDENT VERNA: -- of
14 the federal poverty level. Can you state
15 for the record what those income levels
16 are?

17 MR. BULLOCK: Yes. For a
18 family of four, those levels are at
19 \$27,938 or less. A family of one is
20 about \$13,613. There's actually a
21 federal chart that outlines --

22 COUNCIL PRESIDENT VERNA: I'm
23 sorry.

24 MR. BULLOCK: There's actually
25 a federal chart that outlines all of

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 these guidelines.

3 But for a family of four, about
4 \$27,934.

5 COUNCIL PRESIDENT VERNA: Thank
6 you.

7 You mention also on page 1 of
8 your testimony that your CSBG funding may
9 be ended by actions taken at the federal
10 level. What programs and services do you
11 see that might be impacted?

12 MR. BULLOCK: You know, at this
13 moment, it's hard to say. Right now,
14 we're trying to plan for, you know,
15 what's a moving target.

16 We know that the -- in
17 Congress, the President had put a
18 proposal, you know, on the table to cut
19 CSBG by 50 percent and possibly make it a
20 competitive grant. Right now, that's
21 been, you know, debated and fought over
22 in Congress.

23 So we really don't know what's
24 going to happen at the end of these
25 negotiations in Congress. It's still

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 there. We we're planning for a moving
3 target right now.

4 COUNCIL PRESIDENT VERNA: And
5 you say it's being said that it may be
6 cut by 50 percent?

7 MR. BULLOCK: That sounds like
8 the worst-case scenario, yes.

9 COUNCIL PRESIDENT VERNA: I
10 know that MOCS used to have an office at
11 South Broad Street, at Reed.

12 MR. BULLOCK: Yes.

13 COUNCIL PRESIDENT VERNA: And
14 they moved. Where did they move to?

15 MR. BULLOCK: Actually, it was
16 not moved; it was actually closed.

17 COUNCIL PRESIDENT VERNA: Well,
18 it was closed.

19 MR. BULLOCK: Yes.

20 COUNCIL PRESIDENT VERNA: Have
21 they relocated anywhere in South
22 Philadelphia?

23 MR. BULLOCK: We have not.

24 COUNCIL PRESIDENT VERNA: Is it
25 throughout the City, or are we just in

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 certain sections of the City?

3 MR. BULLOCK: It pretty much
4 happened throughout the City a number of
5 years ago, and this was in the previous
6 administration.

7 There once was, you know,
8 twelve branch offices that MOCS held
9 throughout the City. We no longer hold
10 twelve. Right now we have two: one at
11 Sixth and Lehigh and another at 22nd and
12 Somerset.

13 COUNCIL PRESIDENT Verna: So
14 how many clients can you serve with two
15 offices being open?

16 MR. BULLOCK: Well, not as many
17 as we could with twelve.

18 COUNCIL PRESIDENT Verna:
19 That's obvious.

20 MR. BULLOCK: But our total
21 count for last year is roughly 34,000
22 clients that we served. And from my
23 understanding, these offices were closed
24 because of, you know, lack of funding.

25 COUNCIL PRESIDENT Verna: Okay.

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 I just have a couple of other questions.

3 Okay, you say over 130 foster
4 grandparents volunteer. Now, can you
5 explain all of that to me, about the
6 foster program? I thought that came
7 under DHS. Tell me how this differs from
8 what happens with DHS.

9 MR. BULLOCK: Actually, this
10 foster grandparents grant is a separate
11 grant, separate from CSBG, separate from
12 DHS. It's actually a national program
13 through the National Office of Community
14 Services.

15 And basically what the program
16 does is, you know, we take 130, you know,
17 senior volunteers. We provide them with
18 a stipend. And they provide, you know,
19 services and help to at-risk children who
20 are either, you know, in school or
21 daycare special-needs kids. And some of
22 these children are even in our hospital
23 beds. And the really, you know, help
24 these kids on it.

25 We service over 6,000 kids per

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 year through the use of these 130
3 volunteers.

4 COUNCIL PRESIDENT Verna: What
5 type of a stipend do they receive?

6 MR. Bullock: They receive a
7 very small stipend. I can get you the
8 exact amount at a later date.

9 COUNCIL PRESIDENT Verna: Would
10 you please?

11 MR. Bullock: Yes.

12 COUNCIL PRESIDENT Verna: Thank
13 you.

14 The Chair recognizes Councilman
15 Goode.

16 COUNCILMAN Goode: Thank you,
17 Madam President.

18 Good afternoon, Mr. Bullock.

19 MR. Bullock: Good afternoon,
20 Councilman.

21 COUNCILMAN Goode:
22 Congratulations and welcome back.

23 MR. Bullock: Thank you.

24 COUNCILMAN Goode: In your
25 testimony, your Class 200 allocation is

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 roughly \$5 million?

3 MR. BULLOCK: That's correct.

4 COUNCILMAN GOODE: What is the
5 largest contract that you will award in
6 Fiscal '12?

7 MR. BULLOCK: Well, actually,
8 we contract quite a bit with other City
9 agencies and nonprofits. So I would say
10 that our biggest contractors would be the
11 Department of Recreation for about 552 --

12 COUNCILMAN GOODE: What's the
13 largest non-City agency? What's the
14 largest --

15 MR. BULLOCK: The largest
16 non-City agency would be North
17 Philadelphia Human Services at \$200,000,
18 which is a nonprofit.

19 COUNCILMAN GOODE: Okay. And
20 is that a renewable contract? Or would
21 that be bid?

22 MR. BULLOCK: It has not been
23 bid. It's been renewable, you know, for
24 several years now.

25 COUNCILMAN GOODE: How many

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 years have they held the contract?

3 MR. BULLOCK: Maybe about five
4 years.

5 COUNCILMAN GOODE: Okay. Can
6 you briefly describe the contract
7 requirements?

8 MR. BULLOCK: For North
9 Philadelphia Human Services?

10 COUNCILMAN GOODE: Mm-hmm.

11 MR. BULLOCK: They provide us
12 with case-management services for our
13 clients in North Philadelphia. They also
14 do, um... I'll just take a moment real
15 quick.

16 So they provide case-management
17 services and emergency services to about
18 200 low-income families in North
19 Philadelphia. And some of these services
20 involve entitlements, like, LIHEAP
21 Crisis, and other direct-support
22 services.

23 COUNCILMAN GOODE: Okay. Are
24 there any subcontract opportunity for
25 for-profit companies within that

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 contract?

3 MR. BULLOCK: Within the North
4 Philadelphia Human Services contract?
5 No.

6 COUNCILMAN GOODE: Okay.

7 MR. BULLOCK: They provide the
8 services themselves.

9 COUNCILMAN GOODE: Okay. Is
10 that firm currently in compliance with
11 the City's living-wage-and-benefits
12 standard?

13 MR. BULLOCK: I'm not sure. I
14 would have to check with that.

15 COUNCILMAN GOODE: Okay. Will
16 the firm be required to be in compliance
17 with the living-wage standard for Fiscal
18 Year '12.

19 MR. BULLOCK: We expect so,
20 yes.

21 COUNCILMAN GOODE: Okay. And
22 who is directly responsible for
23 monitoring wage-and-benefits standards
24 for your department's contractors?

25 MR. BULLOCK: We have appointed

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 an OEO officer who works with the OEO to
3 make sure that we're in compliance.

4 COUNCILMAN GOODE: No, I'm
5 actually speaking about the wage-and-
6 benefits standard, not the business
7 diversity.

8 MR. BULLOCK: Not the minority
9 participation rates?

10 COUNCILMAN GOODE: No, the
11 living-wage-and-benefits standard.
12 There's a requirement that nonprofit
13 firms receive that receive at least
14 \$100,000 a more a year pay at least 150
15 percent of the federal minimum wage to
16 their employees.

17 I don't believe that that's
18 been implemented in the past, but through
19 a Charter amendment that was done, it now
20 applies to all contracts, including those
21 contracts. And so, we want to make sure
22 that it is absolutely being implemented
23 and enforced for Fiscal Year '12, which
24 would probably be the first yore that it
25 would be required under the Charter

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 amendment.

3 Just two other questions. The
4 Administration is currently --

5 MR. BULLOCK: Well, I will just
6 add that I will make note of that,
7 Councilman, and be sure that we're in
8 compliance with that.

9 COUNCILMAN GOODE: Thank you,
10 thank you very much.

11 Just two other quick questions.
12 One, the Administration is currently
13 realigning its workforce development
14 system. There's talk of merging the
15 Philadelphia Workforce Development
16 Corporation with the Workforce Investment
17 Board.

18 MOCS has a couple of workforce
19 development programs. How is MOCS
20 involved in that conversation?

21 MR. BULLOCK: Well, we're very
22 involved in that conversation. In fact,
23 currently, through our Work Watch
24 Program, which is a workforce development
25 program, we're working on a partnership

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 with PWDC at the current moment, which
3 has been organized by our funder, the
4 Bureau of Employment and Training
5 programs.

6 COUNCILMAN GOODE: So how do
7 you anticipate the transition? I know
8 the Workforce Development Corporation and
9 the Workforce Investment Board are
10 expected to merge. How would MOCS --
11 would MOCS programs stay under MOCS, or
12 would those programs go to a new entity?

13 MR. BULLOCK: MOCS programs
14 will still stay under MOCS. And we plan
15 to work with the other workforce
16 development corps to serve as a capacity
17 builder and a collaborator.

18 COUNCILMAN GOODE: Okay, thank
19 you.

20 Last question. I think this is
21 probably the first year I haven't seen
22 any money from the Empowerment Zone; is
23 all of that money gone now?

24 MR. BULLOCK: It's all gone.

25 COUNCILMAN GOODE: Okay, all

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 right. Thank you.

3 Thank you, Madam President.

4 COUNCIL PRESIDENT Verna: The
5 Chair recognizes Councilman Jones.

6 COUNCILMAN JONES: Thank you,
7 Madam President.

8 Good afternoon.

9 Can you -- I'm referring back
10 to your testimony that you submitted. I
11 see \$6 million from the DCED Fund?

12 MR. BULLOCK: Yes.

13 COUNCILMAN JONES: And I think
14 that's \$1.9 million from welfare. And
15 the Human Services Fund, a 100,000. And
16 then there's the foster grandparents,
17 which is 500; is that a State-related
18 agency?

19 MR. BULLOCK: Foster
20 grandparents?

21 COUNCILMAN JONES: Yes.

22 MR. BULLOCK: No, that's
23 federal.

24 COUNCILMAN JONES: That's
25 federal.

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2 MR. BULLOCK: That's a federal
3 grant.

4 COUNCILMAN JONES: So of the
5 \$9 million you receive, \$500,000 only
6 comes from outside of the State?

7 MR. BULLOCK: No. Actually,
8 the 6 million for the Community Services
9 Block Grant comes from out of the State
10 as well. And the feds, they funnel it
11 through the State, and then it's given to
12 us through a DCED. So that's kind of how
13 that works.

14 But that's a federal grant
15 that's administered by the State.

16 COUNCILMAN JONES: But it's
17 from the Department of Community and
18 Economic Development, DCED.

19 MR. BULLOCK: That's correct.

20 COUNCILMAN JONES: All right.
21 And then you have welfare. Is there a
22 reason why -- and you're a nonprofit?

23 MR. BULLOCK: Well, we're a
24 City agency. We actually serve a dual
25 role as a City agency and a community

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 action agency, which is why we receive
3 CSBG in the first beginning.

4 COUNCILMAN JONES: Are you a
5 501(c)(3) at all?

6 MR. BULLOCK: We are not, no.

7 COUNCILMAN JONES: You are not.
8 So it seems that most of these are
9 federal and then State-funded.

10 MR. BULLOCK: That's correct.

11 COUNCILMAN JONES: Is there a
12 reason why you don't go after any other
13 pools of money? Are you restricted in
14 any way?

15 MR. BULLOCK: That's a good
16 question. And, no, we are not restricted
17 in any way from going after additional
18 pools of money. In the past, we have not
19 done that, but it's my intention to start
20 to do that.

21 COUNCILMAN JONES: I mean, I'm
22 just curious, in light of the fact that
23 you can anticipate cuts from the federal
24 government.

25 MR. BULLOCK: That's correct.

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 COUNCILMAN JONES: The Governor
3 has all but said that he is going to make
4 severe cuts at the State level. And to
5 narrowly have those two sources, it might
6 be time to diversify your funding by way
7 of other philanthropic organizations
8 whose mission also is to alleviate
9 poverty, 'cause without that, you're
10 going to take, you know, maybe not this
11 year, but definitely as we go forward and
12 they tighten these budgets, it seems as
13 though you're in the direct line path and
14 those 24 percent of people living under
15 the poverty guidelines are in the direct
16 path of that.

17 MR. BULLOCK: I agree
18 wholeheartedly, Councilman. You know, I
19 would say pretty much that you're on the
20 money.

21 COUNCILMAN JONES: Is your
22 board looking at that at all? Do you
23 have a board of directors?

24 MR. BULLOCK: We do have a
25 board, yes.

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 COUNCILMAN JONES: Are they
3 looking at that diversification issue?

4 MR. BULLOCK: We are.

5 COUNCILMAN JONES: If I may,
6 who's on your board of directors?

7 MR. BULLOCK: I can give you a
8 list. We have a list of 37 board
9 members, and we have a --

10 COUNCILMAN JONES: Can you
11 provide that to the President?

12 MR. BULLOCK: Absolutely.

13 COUNCILMAN JONES: I mean, that
14 would be interesting. Based on your
15 board, it tells how you can kind of look
16 into different spheres of and potential
17 revenue sources.

18 Can we look at some of the
19 production? MOCS provides services to
20 34,000 people?

21 MR. BULLOCK: That is correct.

22 COUNCILMAN JONES: That are 125
23 percent below the poverty guideline,
24 correct?

25 MR. BULLOCK: That is correct.

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2 COUNCILMAN JONES: What
3 categories of services are we talking
4 about when you say "services"?

5 MR. BULLOCK: Well, we have
6 about nine categories for services:
7 employment, education, income management,
8 housing, emergency services, nutrition,
9 linkages, self-sufficiency, health, and
10 various other --

11 COUNCILMAN JONES: Can you give
12 us a copy of that list?

13 MR. BULLOCK: Absolutely. And
14 I can provide it to you broken down by
15 the numbers that we provide the services
16 to.

17 COUNCILMAN JONES: Can the
18 Sergeant-at-Arms get us a copy of that
19 possibly? Hello? Hello? Can the
20 Sergeant-at-Arms get a copy of that
21 possibly?

22 (Copy of list distributed.)

23 COUNCILMAN JONES: And those
24 are nine categories. Can you --

25 MR. BULLOCK: Nine categories,

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 yes, sir.

3 COUNCILMAN JONES: All right.

4 So under employment, how many people did
5 MOCS get a job for last year?

6 MR. BULLOCK: Can you repeat
7 that, please?

8 COUNCILMAN JONES: How many
9 people -- how many clients received a job
10 under your job-training program?

11 MR. BULLOCK: We have 323 who
12 received jobs last year.

13 COUNCILMAN JONES: And where
14 did -- do you have a breakdown of where
15 they got jobs? I mean, not -- I don't --
16 I would not think you had it right here,
17 but you can provide us with who the
18 employers were?

19 MR. BULLOCK: Oh, yes, yes.

20 COUNCILMAN JONES: All right.
21 And I'd be interested in -- how many of
22 them were ex-offenders?

23 MR. BULLOCK: One second,
24 'cause I do think we have that info.

25 All right, 75 of them were

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 ex-offenders.

3 COUNCILMAN JONES: Out the 300?

4 MR. BULLOCK: Out of the 323,

5 yes.

6 COUNCILMAN JONES: Okay. It

7 would be good -- are you allowed to

8 provide a list of those people who

9 received those services under the

10 ex-offenders and under employment?

11 Because I sent you a letter --

12 not you, but your predecessor about that,

13 and there was some privacy issue that was

14 raised, and I've later found out that

15 that is -- you can share that

16 information.

17 MR. BULLOCK: Well, you know,

18 that would be something that we would

19 need to look into. We couldn't share the

20 actual files with you, but the --

21 COUNCILMAN JONES: Not the

22 files but the names.

23 MR. BULLOCK: But the names.

24 I'm pretty sure we could do that.

25 COUNCILMAN JONES: So while

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 you're getting us the list of the
3 employers, the list of the individuals,
4 what would also be helpful to me would
5 be -- you talked about bringing families
6 into self-sufficiency. How many families
7 did you bring from poverty, the 125
8 percent below, above that poverty
9 threshold last year.

10 MR. BULLOCK: One sec, please.

11 Councilman, that is a number
12 that we do not have at the moment. That
13 would be something that we would have to
14 look into and get back to you.

15 COUNCILMAN JONES: If you could
16 provide the Chair with that, that would
17 be good.

18 And there would probably be a
19 corresponding -- when you say documenting
20 how you did that, they would be, someone
21 that was on welfare is now off of
22 welfare, or some type of cash assistance?
23 Or how do you qualify --

24 MR. BULLOCK: There's various
25 different levels of self-sufficiency and

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 moving towards it.

3 So what we typically try to
4 measure is the incremental steps towards,
5 you know, self-sufficiency.

6 So, for example, if we're
7 providing, you know, a literacy program,
8 which we do, and have individuals who
9 start at a certain grade level and we're
10 able to, you know, move them up, although
11 they may not have moved up enough to, you
12 know, gain a GED, we do, you know, count
13 those incremental steps towards that
14 goal, that self-sufficiency goal.

15 So when we talk about self-
16 sufficiency, you know, we don't talk
17 about, All right, you're not self-
18 sufficient today, and now you're self-
19 sufficient tomorrow. It really is an
20 incremental process moving towards that
21 goal. And that's how we measure it.

22 COUNCILMAN JONES: So those
23 standards of incremental movement towards
24 self-sufficiency are standardized by you?
25 So you say, this is a "Class A family,"

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 whatever that definition is.

3 MR. BULLOCK: Mm-hmm, mm-hmm.

4 COUNCILMAN JONES: So many
5 people in a household, so many -- a
6 certain level of income. And then you
7 say, in six months, a year, now you're at
8 B level.

9 MR. BULLOCK: That's right,
10 that's right.

11 COUNCILMAN JONES: And so, you
12 would be able to share with us what those
13 gradual steps are and those people who
14 have made those steps.

15 MR. BULLOCK: Yeah. I can even
16 show you -- you know, I would love to
17 show you our brand-new database and
18 case-management tracking system called
19 "e-logic."

20 COUNCILMAN JONES: That's Bill
21 Green. You could do me 3-by-5 cards or
22 electronic 3-by-5 cards or something.
23 I'm not that --

24 MR. BULLOCK: Because this new
25 system that we have would measure exactly

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 that and all of the different, you know,
3 service categories from education, you
4 know, to income level to housing to
5 wherever the person was when they met us
6 and where they are now.

7 COUNCILMAN JONES: So we'll
8 allow you some time and you'll come back
9 to this body and be able to give us that
10 information?

11 MR. BULLOCK: I would love to
12 'cause I'm really excited about it.

13 COUNCILMAN JONES: Okay. I'm
14 excited now.

15 I see you have the Community
16 Engagement Unit. I think you answered in
17 Councilman Goode's question about your
18 largest contract that you do in North
19 Philadelphia and what was that again?
20 Could you repeat that? The company that
21 you engage in in North Philly?

22 MR. BULLOCK: That's the North
23 Philly Human Services.

24 COUNCILMAN JONES: And they do
25 exactly what?

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 MR. BULLOCK: They provide
3 emergency services, you know, some of the
4 same services that CEU currently provides
5 at 990, only they do it in North
6 Philadelphia.

7 COUNCILMAN JONES: So is there
8 a companion organization in West
9 Philadelphia that does those kinds of --
10 'cause I know Maria often tells us that
11 the only poor district in the City of
12 Philadelphia is the Seventh, but I happen
13 to know a couple of poor people in the
14 Fourth that probably could use some help.

15 Do you have a companion
16 organization that services West Philly?

17 MR. BULLOCK: Oh, no, there is
18 not a companion organization in West
19 Philadelphia that we're providing a
20 contract to provide those services.

21 COUNCILMAN JONES: Well, I'm
22 going to ask Councilman Clarke, does that
23 come with seniority, or how does that
24 work?

25 COUNCIL PRESIDENT VERNA: Oh,

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 if it does, I'd like to know why we don't
3 have one in South Philadelphia.

4 COUNCILMAN JONES: Yeah, you're
5 wondering.

6 So is there a reason why you
7 picked North Philadelphia?

8 MR. BULLOCK: I would like you
9 guys to keep in mind that we're looking
10 at potential cuts. But, honestly, I
11 couldn't tell you why, because this
12 contract actually predates me, and it
13 also predates this administration; you
14 know, I would say that.

15 But it has been a organization
16 that provided a good service for us.

17 COUNCILMAN JONES: Keep in mind
18 that I represent a good part of North
19 Philadelphia that needs services.
20 However, there's some folk I know in West
21 Philly that also need it.

22 We sent you a letter -- not
23 you. Again, this precedes you probably.
24 A letter requesting the breakdown of
25 where and what zip codes your clients

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 come from, because it may not be just a
3 question of need but a question of
4 marketing, because if people don't know
5 that you have those services, they don't
6 apply for those services, and maybe the
7 contracting firm in North Philadelphia
8 does a real good job of it and just
9 doesn't get to West Philly.

10 MR. BULLOCK: Right, right.

11 COUNCILMAN JONES: But we'd
12 like to have it broken down by zip code
13 because it is an important part of the
14 anti-poverty effort of the City -- South
15 Philly, included Madam President, all
16 right?

17 So could you give us -- we
18 really need a breakdown, if not the
19 clients' name, at least the zip code of
20 origin would be helpful to us.

21 MR. BULLOCK: Sure, sure, we
22 could do that.

23 And in the past, we were unable
24 to that because we didn't have a database
25 or a tracking system, and now we do.

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2 COUNCILMAN JONES: Okay. Tell
3 me about your Fatherhood Employment
4 Program.

5 MR. BULLOCK: Yes, Fatherhood
6 Employment Program. The program is
7 geared toward reconnected, noncustodial
8 fathers with their children and building
9 better relationships not only with their
10 children but with their children's
11 mother.

12 We added an employment
13 component to it just last year because
14 it's hard to be a good father if you
15 can't financially care for that child.
16 So we added an employment component to
17 help these guys get some job skills, get
18 some job training, and get some
19 meaningful employment.

20 COUNCILMAN JONES: How many
21 fathers did you assist and how many of
22 them got jobs and what was the payment
23 reduction of past-due child support that
24 was received as a result?

25 MR. BULLOCK: Now, the

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 employment piece is new, so the verdict
3 is still out as to, you know, how many
4 jobs are going to happen throughout this
5 year.

6 What last year -- give me one
7 moment. Last year, we serviced about 400
8 noncustodial fathers from last year.

9 And one of the issues that we
10 had -- the reason we changed the program
11 into an employment program is because we
12 wasn't sure we were getting into the hard
13 outcomes that we wanted, which was an
14 increase in payment of child support.
15 And that's why we added the employment
16 program to it.

17 But the verdict is still out
18 this year on it.

19 COUNCILMAN JONES: Well, what I
20 would be interested in knowing is what
21 the net impact on child support was. Are
22 you familiar with, I think, Act 75 --
23 Recommendation 75? I'm sorry. Are you
24 familiar with that?

25 MR. BULLOCK: I'm not familiar.

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2 COUNCILMAN JONES: Okay. Well,
3 Recommendation 75 has caused a lot of
4 arrearages by parents -- not men or
5 women, but parents -- that owed child
6 support to be wiped out, to just be
7 deemed uncollectible.

8 I personally find that
9 offensive, and I think that as you work
10 with this program, to look at those
11 arrears and to make sure that those
12 people that are trained and then employed
13 actually go back and pay their child
14 support is a key component of this
15 program. And we'll be looking for
16 measurements for that.

17 All too often, when this
18 Recommendation 75 came out, we got a
19 flood of calls in my office about, you
20 know, "I've been tracking this guy for
21 all these years and now they're telling
22 me, Oh, well, and they're throwing their
23 hands up."

24 So any participant in that
25 program I want them to actually pay their

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 child support. I think it's important.

3 MR. BULLOCK: We want the same
4 thing, and it is a key goal.

5 COUNCILMAN JONES: Well, if
6 ain't measured, it ain't managed. We got
7 to make sure we measure it.

8 MR. BULLOCK: Absolutely.

9 COUNCILMAN JONES: Under your
10 Grandparents Foster Parents, I see you
11 have 130 foster grandparent volunteers?

12 MR. BULLOCK: That's correct.

13 COUNCILMAN JONES: How long has
14 that program been in existence?

15 MR. BULLOCK: The Foster
16 Grandparents Program came into existence
17 in 1965, at the same time that the
18 Mayor's Office of Community Services did,
19 and it's been a program of ours since the
20 beginning part. It's part of one of them
21 "Great Society" programs.

22 COUNCILMAN JONES: Oh, wow. I
23 haven't hear that in a while.

24 So, is this 130 for this year
25 that you have?

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2 MR. BULLOCK: That's right 130
3 for this year, yes.

4 COUNCILMAN JONES: So how many
5 young people have benefited from that
6 program?

7 MR. BULLOCK: Last year,
8 roughly 6,000.

9 COUNCILMAN JONES: 6,000?

10 MR. BULLOCK: Yes.

11 COUNCILMAN JONES: And 130
12 grandparents helped 6,000 people?

13 MR. BULLOCK: That is correct.

14 COUNCILMAN JONES: Well, I'm
15 going to take a look at that be -- and
16 what -- help me -- what --

17 MR. BULLOCK: I got to show it
18 to you. It's pretty amazing.

19 COUNCILMAN JONES: That's
20 amazing.

21 MR. BULLOCK: Yeah, it is.

22 COUNCILMAN JONES: That's like
23 casting bread upon water and feeding a
24 whole multitude with one fish, 'cause if
25 130 can help 6,000, I'd really -- we need

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 to replicate that, and I'd like you to
3 provide the Chair with some details about
4 that because that's amazing to me.

5 MR. BULLOCK: Foster
6 Grandparents is one of our better
7 programs; it receives national acclaim
8 year in and year out every year.

9 COUNCILMAN JONES: Mm-hmm. All
10 right, okay. What new programs has MOCS
11 created, or what should we be looking
12 forward to in light of our economy? I
13 mean, what new innovations over the last
14 couple of years have you done?

15 MR. BULLOCK: Well, you know,
16 some of the things that I mentioned in
17 the budget testimony was what was new,
18 like the Choice Food Cupboard that we've
19 done with Philabundance, which I think is
20 pretty innovative.

21 You know, it basically takes
22 the concept of a food cupboard and turns
23 it into, you know, a soup and
24 market-style shopping experience for
25 free. We're doing that down on Sixth and

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 Lehigh.

3 I would love to be able to
4 replicate that, you know, in other
5 Council District as well. But, you know,
6 we started in, you know, Councilwoman --

7 COUNCILMAN JONES: Yeah, 'cause
8 there are, you know, other poor people
9 than other --

10 MR. BULLOCK: I understand.

11 COUNCILMAN JONES: -- in the
12 Fifth and in the Seventh.

13 (Addressing Council President
14 Verna.) And there's some in South
15 Philly, right?

16 COUNCIL PRESIDENT VERNA: There
17 certainly are.

18 COUNCILMAN JONES: I mean, we'd
19 like to see geographically how these --

20 MR. BULLOCK: Right.

21 COUNCILMAN JONES: That's why
22 the zip codes of where the participants
23 come from is important.

24 As I drive through -- and
25 Councilman Clarke should be given high

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 praise for his ability to turn North
3 Philly around. I see construction there
4 all the time. But, you know, every now
5 and then, you can on our side of the
6 water and help out.

7 MR. BULLOCK: Right, right.

8 Well, not to speak for PhilAbundance, but
9 I'm pretty sure that they would love to
10 replicate that.

11 COUNCILMAN JONES: All right.

12 And, finally, do you guys -- out of your
13 \$9 million, can you give us a breakdown
14 of what other City departments you give
15 assist to --

16 MR. BULLOCK: Sure.

17 COUNCILMAN JONES: -- by their
18 financial --

19 MR. BULLOCK: Sure. We have
20 the Department of Recreation, where we
21 help to support six older-adult centers
22 across the City.

23 We have the Department of
24 Health, where we help to support the
25 lead-abatement program.

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2 We help the Mayor's Commission
3 on People with Disabilities.

4 We have Mural Arts that we help
5 support.

6 And I wanted to make sure --
7 and the Office of Supportive Housing,
8 where we support it by three family
9 shelters.

10 COUNCILMAN JONES: And can you
11 give us a breakdown of what dollars go
12 the those respective programs?

13 MR. BULLOCK: Absolutely.

14 COUNCILMAN JONES: All right.

15 Thank you, Madam President.

16 COUNCIL PRESIDENT VERNA:
17 You're welcome.

18 The Chair recognizes
19 Councilwoman Blackwell.

20 COUNCILWOMAN BLACKWELL: Thank
21 you, Madam President.

22 I only have one question. With
23 regard to -- well, maybe two. How do you
24 get your Fatherhood Employment Program --
25 how do you solicit the men, or do you?

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2 How do they come to you?

3 MR. BULLOCK: We get a lot of
4 referrals from the courts, from Family
5 Court, mostly guys who are behind in
6 their child support, they get referred to
7 us.

8 And, you know, we do a lot of
9 outreach. We do do open enrollment, but
10 we definitely do do more of it, but most
11 of our guys come through the courts.

12 COUNCILWOMAN BLACKWELL: And
13 your Foster Grandparent Program, we have
14 one -- we introduced about five education
15 resolutions, and one of 'em calls for us
16 to supplement counseling in schools. Can
17 this program help us in that regard?

18 MR. BULLOCK: I believe so,
19 absolutely.

20 COUNCILWOMAN BLACKWELL: It
21 says they're in schools now.

22 MR. BULLOCK: They're in
23 schools now.

24 COUNCILWOMAN BLACKWELL: All
25 right. Then I'll be in touch with you on

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 that.

3 MR. BULLOCK: All right.

4 COUNCILWOMAN BLACKWELL: Thank
5 you.

6 MR. BULLOCK: Thank you,
7 Councilwoman.

8 COUNCILWOMAN BLACKWELL: Thank
9 you, Council President.

10 COUNCIL PRESIDENT VERNA:
11 You're welcome.

12 The Chair recognizes Councilman
13 Green.

14 COUNCILMAN GREEN: Thank you,
15 Madam Chair. And you'll be very pleased
16 to hear, I think all of you, that I have
17 six minutes before I have to go get on a
18 phonecall.

19 Congratulations.

20 MR. BULLOCK: Thank you.

21 COUNCILMAN GREEN: Welcome, on
22 your new position. How long have you
23 been in the role?

24 MR. BULLOCK: It's been since
25 October.

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2 COUNCILMAN GREEN: October.

3 MR. BULLOCK: Yes.

4 COUNCILMAN GREEN: I expect
5 you've started to put your mark on the
6 department a little bit?

7 MR. BULLOCK: I'm trying.

8 COUNCILMAN GREEN: Okay. I was
9 a bit surprised to see that your budget
10 testimony is, word-for-word, the same
11 exact testimony as given by the Acting
12 Executive Director last year.

13 MR. BULLOCK: Okay.

14 COUNCILMAN GREEN: Is there any
15 comment? I mean, is there --

16 MR. BULLOCK: The programs are
17 the same. You know, our programs, you
18 know, are what they are. You know, we
19 still have the fatherhood program.

20 COUNCILMAN GREEN: There's
21 nothing new --

22 (Indiscernible; parties talking
23 over each other.)

24 COUNCILMAN GREEN: No new
25 priorities, no new things that you're

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 doing?

3 MR. BULLOCK: Right now, we're
4 really focused right now on trying to
5 prepare for what may be coming down the
6 pike next year, which could be, you know,
7 budget cuts, so --

8 COUNCILMAN GREEN: And you know
9 it's basically substantially the same as
10 the testimony given two years ago --

11 MR. BULLOCK: That's correct.

12 COUNCILMAN GREEN: -- to City
13 Council.

14 MR. BULLOCK: That's correct.

15 COUNCILMAN GREEN: I pointed
16 out last year that the testimony was
17 basically the same.

18 And so, what I'm going to focus
19 on in a bunch of questions I'm going to
20 send you, and they're very similar to the
21 questions that I sent last year, is
22 outcomes for the programs.

23 Like, I do find it hard to
24 believe that 130 foster grandparents
25 serve 43 children apiece, 'cause that's

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 what the numbers would have to work out
3 to be.

4 And MOCS is one area where,
5 frankly, I'm not sure we're getting value
6 for our dollar; we spend a lot of money
7 in there.

8 And you seem to replicate what
9 other departments do, perhaps do more
10 efficiently and better; like, for
11 example, workforce development and other
12 things that are happening in your office.
13 And there are other agencies that do that
14 full-time, why we're funding you with
15 that, and stuff like that.

16 So I'll be sending you -- I'm
17 not going to go through it now, but I'll
18 send you a list of detailed questions
19 that I'd like to understand exactly what
20 it is you're going to achieve with
21 the dollars you're appropriating for each
22 program, how many people you're going to
23 sow, and what the outcome of that is
24 expected to be in the next year.

25 But I will ask you: In, I

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2 think, a July 7th press release from the
3 Mayor's Office of Communications, there
4 was an announcement of a two-year
5 \$500,000 grant for the Department of
6 Agriculture to work with BenePhilly,
7 which is something the freshmen learned
8 about in our freshmen orientation.

9 Could you -- the release noted
10 that BenePhilly assists seniors in
11 applying for benefits through innovative
12 and unprecedented outreach and
13 application assistance efforts. It was
14 encouraging to learn that this effort
15 included proactive outreach to seniors
16 who are unenrolled but believed to be
17 eligible.

18 Has MOCS coordinated with
19 BenePhilly to adopt some of its best
20 practices?

21 MR. BULLOCK: We have not.

22 COUNCILMAN GREEN: To what
23 extent does MOCS engage in similar
24 proactive efforts where you go looking
25 for people you can serve as opposed to

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 sort of having people walk in the door?

3 MR. BULLOCK: Well, we do that
4 with our community organizers in CEU,
5 when we send 'em out to community
6 organizations and community events out in
7 the community, to provide them with their
8 servicers --

9 COUNCILMAN GREEN: So what do
10 you mean when you say you're community
11 organizers? Do you have people on your
12 staff whose job it is to be a community
13 organizer?

14 MR. BULLOCK: That is correct.

15 COUNCILMAN GREEN: Okay. How
16 many people do that?

17 MR. BULLOCK: Ten.

18 COUNCILMAN GREEN: Ten. Part
19 of the question I'll be asking you is,
20 can you please send me a list of how
21 often those ten people have been out in
22 the field, and what specifically results
23 from each of their efforts in order to
24 roach out to the community?

25 MR. BULLOCK: Absolutely. And,

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2 actually, they're out in the field as we
3 speak, at our northeast site, doing taxes
4 and also at our Center City site.

5 COUNCILMAN GREEN: You're
6 helping --

7 MR. BULLOCK: And that's in
8 partnership with the Campaign for Working
9 Families.

10 COUNCILMAN GREEN: You're
11 assisting people with their taxes?

12 MR. BULLOCK: Yes, sir.

13 COUNCILMAN GREEN: Okay.
14 Federal taxes, State taxes?

15 MR. BULLOCK: Federal and
16 State, and --

17 COUNCILMAN GREEN: And who pays
18 for that? Is that grant money from the
19 federal government, or is that --

20 MR. BULLOCK: That's grant
21 money. All of our money is grant money
22 from either the federal government or the
23 State.

24 COUNCILMAN GREEN: Right.

25 MR. BULLOCK: So we don't use

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 our own General Fund dollars.

3 COUNCILMAN GREEN: That's
4 right. Okay. Well, I'll send you the
5 rest of my questions in writing, and I
6 look forward to your response.

7 Thank you.

8 MR. BULLOCK: But, Councilman,
9 I just wanted to note that, you know, I'm
10 very aware of your concerns, and I didn't
11 forget.

12 I came here prepared to talk
13 about e-logic with you.

14 (Laughter.)

15 MR. BULLOCK: And our new
16 database tracking system.

17 COUNCILMAN GREEN: Well, I'm
18 glad that it's up and running, and it
19 hasn't been up and running long enough
20 for us to be able measure --

21 MR. BULLOCK: It hasn't been
22 up -- right now, we're in testing phase.

23 COUNCILMAN GREEN: Right.

24 MR. BULLOCK: But we should be
25 able to, you know, be fully at it in

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2 maybe June. And I would love to --

3 COUNCILMAN GREEN: So it will
4 be up and running in June, so we'll have
5 a whole fiscal year -- or most of a
6 fiscal year of data to look at next
7 year's budget --

8 MR. BULLOCK: Absolutely.

9 COUNCILMAN GREEN: --
10 testimony.

11 MR. BULLOCK: Absolutely.

12 COUNCILMAN GREEN: And perhaps
13 it could result in different testimony
14 next year.

15 MR. BULLOCK: Absolutely.

16 COUNCILMAN GREEN: Okay.

17 MR. BULLOCK: And I would love
18 to show it to you.

19 COUNCILMAN GREEN: Thank you.
20 And I look forward to seeing it.

21 MR. BULLOCK: All right.

22 COUNCILMAN GREEN: Thanks.

23 MR. BULLOCK: Thank you.

24 COUNCIL PRESIDENT VERNA: The
25 Chair recognizes Councilman Rizzo.

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2 COUNCILMAN RIZZO: Thank you.

3 Forgive me if you've already
4 addressed this. It's about the \$634,818
5 increase for the purchase of services.
6 Did you already discuss that today?

7 MR. BULLOCK: I don't think so.
8 But where is that located?

9 COUNCILMAN RIZZO: It's in
10 section, let me see. I think it's
11 section 6, page 5.

12 MR. BULLOCK: Is that in the
13 Operating Budget, or is that in the
14 testimony?

15 COUNCILMAN RIZZO: In the
16 Operating Budget.

17 (Mr. Bullock looks through
18 documents.)

19 COUNCILMAN RIZZO: Do you want
20 to get back to me on that?

21 MR. BULLOCK: Yes. I'm just
22 trying to find my --

23 COUNCILMAN RIZZO: I mean, I
24 don't want to put you on the --

25 MR. BULLOCK: Okay.

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2 COUNCILMAN RIZZO: If you can
3 find it, it indicates that there's a
4 request for that amount in the budget.

5 MR. BULLOCK: An increase?

6 COUNCILMAN RIZZO: Yeah.

7 MR. BULLOCK: Okay.

8 COUNCILMAN RIZZO: All right.
9 Get back to me on it, okay?

10 MR. BULLOCK: All right.

11 COUNCILMAN RIZZO: Thanks to
12 the Chair.

13 MR. BULLOCK: Thank you,
14 Councilman.

15 COUNCILMAN RIZZO: Right.

16 COUNCIL PRESIDENT VERNA: The
17 Chair recognizes Councilman Clarke.

18 COUNCILMAN CLARKE: Thank you,
19 Madam President.

20 Good afternoon.

21 MR. BULLOCK: Good afternoon.

22 COUNCILMAN CLARKE: A couple of
23 quick ones.

24 In terms of your physical
25 locations, do you -- in terms --

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 satellite offices -- do you -- I know, in
3 the olden days, when we had a lot of
4 money, it used to be the Mayor's Office
5 of Community Services.

6 MR. BULLOCK: Right, right.

7 COUNCILMAN CLARKE: What do you
8 currently have now?

9 MR. BULLOCK: We just have two
10 satellite offices. We have our main
11 office at 990 Spring Garden Street. And
12 we have two satellite offices: one at
13 Sixth and Lehigh and another at the mini
14 City Hall at 22nd and Somerset.

15 COUNCILMAN CLARKE: You have
16 one at 22nd? So do you have a staff
17 person there or in the office?

18 MR. BULLOCK: Yeah. We have
19 two staff members at each.

20 COUNCILMAN CLARKE: Okay. And
21 we don't pay rent at any of those or --

22 MR. BULLOCK: We don't pay
23 rent.

24 COUNCILMAN CLARKE: At any of
25 the locations.

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2 MR. BULLOCK: Right. The mini
3 City Hall location is a City building.
4 And Sixth and Lehigh is right under the
5 Free Library.

6 COUNCILMAN CLARKE: Okay.

7 MR. BULLOCK: So we're not
8 paying rent at any of those locations.

9 COUNCILMAN CLARKE: Okay. In
10 terms of your locations and the
11 organizations that you service, is it
12 based on census track data as it relates
13 to median income or information that's
14 associated with poverty levels?

15 I mean, how do you make the
16 determinations --

17 MR. BULLOCK: We have --

18 COUNCILMAN CLARKE: -- or who's
19 the target of your resources?

20 MR. BULLOCK: We have twelve
21 poverty areas that we service, which is
22 based upon the census track. That should
23 probably change this year with the new,
24 you know, census, you know, coming out
25 anyhow.

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2 But it's not based upon, you
3 know, Council District or zip code or
4 anything like that.

5 COUNCILMAN CLARKE: I know that

6 --

7 MR. BULLOCK: It's based solely
8 on census track.

9 COUNCILMAN CLARKE: -- in spite
10 of some of the earlier questions.

11 (Laughter.)

12 COUNCILMAN CLARKE: As it
13 relates to your ability -- and it was a
14 earlier question and I got distracted and
15 I didn't quite -- your ability to solicit
16 or capture a broader cadre of resources,
17 how is that done, solely through your
18 office?

19 Or who basically goes out and
20 solicits grants for your office; is it
21 done by support from the City or the
22 various agencies or support from the
23 federal government or the federal
24 agencies -- or federally-elected
25 officials, I guess I should say.

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2 MR. BULLOCK: Right. I mean,
3 it would be done through our office. In
4 the past, it has not been done. I can't
5 answer as to why it has not been done,
6 but I know there has been a new concerted
7 effort to solicit, you know, and
8 diversify our funding streams.

9 COUNCILMAN CLARKE: Okay, all
10 right. As we move forward, I guess this
11 will pretty much tell after the census
12 data is compiled and analyzed in terms of
13 your ability.

14 I guess what I'm getting at is,
15 from my perspective, I don't think that a
16 lot of people know but the Mayor's Office
17 of Community Services. A lot of people
18 know about the Mayor's Office.

19 But in terms of being able to
20 access this information -- and I was
21 actually talking to my colleague
22 Councilman Rizzo about this, and there
23 was some concerns about making a lot of
24 this information available without the
25 necessary resource.

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2 My preference would actually be
3 that we have more people than we can
4 serve, and then we can always make the
5 argument to go out and get additional
6 resources to service our population.

7 Do we have a strategy, or do
8 you think that you're at a point where
9 you need to be in terms of making people
10 aware of the services that you offer?

11 MR. BULLOCK: Well, our budget
12 is about 8 or 9 million dollars.

13 COUNCILMAN CLARKE: Right.

14 MR. BULLOCK: Being ordained as
15 the City's antipoverty agency, you're not
16 going to, you know, end poverty with \$8
17 million.

18 COUNCILMAN CLARKE: Right.

19 MR. BULLOCK: So, I mean, my
20 strategy is to become more of a capacity
21 builder.

22 The one thing about
23 Philadelphia that we're fortunate to have
24 is a number of, you know, different
25 nonprofits and other, you know, entities

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 providing many of the same services. And
3 I know Councilman Green has brought that
4 up.

5 COUNCILMAN CLARKE: Right.

6 MR. BULLOCK: So what we're
7 trying to do is become a facilitator, you
8 know, a collaborator and a capacity
9 builder with these other agencies that
10 are, you know, doing what they did pretty
11 well. And then we bring it back at to
12 the table and bring everybody together
13 and try to measure it instead of being a
14 competitor.

15 COUNCILMAN CLARKE: Mm-hmm.

16 Are the resources that you offer online?

17 MR. BULLOCK: Are there
18 resources that we offer online?

19 COUNCILMAN CLARKE: Yeah.

20 MR. BULLOCK: Not yet.

21 COUNCILMAN CLARKE: Are we
22 working towards that?

23 MR. BULLOCK: But we're working
24 towards that.

25 COUNCILMAN CLARKE: All right.

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2 MR. BULLOCK: We're working
3 towards having a full online presence
4 including, you know, social media and so
5 on and so forth.

6 COUNCILMAN CLARKE: Yeah.

7 MR. BULLOCK: Hopefully, this
8 will be the year get that we really get
9 that done.

10 And this database that I've
11 been, you know, really talking about, you
12 know, that's a start, because in the
13 past, we haven't measured what we've been
14 doing, and this database will all us to
15 do so.

16 COUNCILMAN CLARKE: All right.
17 You know, the reason I -- one of the
18 reasons that I mention that is that
19 recently, I guess, at the end of last
20 year, there was a request for us to
21 support a stimulus grant that would allow
22 broader access to Internet services for
23 individuals.

24 And they selected a number of
25 organizations, nonprofits and locations

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 throughout the City where individuals can
3 go and get online with the computers that
4 are going to be placed in those
5 locations.

6 And I thought that, you know,
7 not only what you're taking about but a
8 lot of the services that would be offered
9 and one -- we were actually trying to do
10 a pilot program with Al Franks, but then
11 he up and resigned -- up at 22nd and
12 Cecil B. Moore, the Cecil B. Moore
13 Recreation Center.

14 MR. BULLOCK: Yeah.

15 COUNCILMAN CLARKE: I'm sorry,
16 not the recreation center, at the
17 library, because I think that our ability
18 to get that information out there can be
19 maximized by online --

20 MR. BULLOCK: Well, that would
21 be something that we would be willing to
22 support --

23 COUNCILMAN CLARKE: All right.

24 MR. BULLOCK: -- and, you know,
25 submit our own resources into making that

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2 happen.

3 COUNCILMAN CLARKE: Yeah,

4 'cause we have a number of locations
5 where, fortunately -- we're from the same
6 neighborhood.

7 MR. BULLOCK: Right.

8 COUNCILMAN CLARKE: 30th and
9 Dauphin, you probably know Kevin Upshore.
10 He took a -- it used to be his mother's
11 bar, you know, and then he took this
12 building.

13 And I walked in there last
14 week, and they had, like, 30 children in
15 there with computers.

16 MR. BULLOCK: Uh-huh.

17 COUNCILMAN CLARKE: And, you
18 know, I got to tell you, they weren't
19 necessarily accessing the type of
20 information that you provide at that
21 time.

22 MR. BULLOCK: Right.

23 COUNCILMAN CLARKE: But if we
24 had the capability of having direct feed
25 into those locations right in the heart

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 of those areas --

3 MR. BULLOCK: And that's really
4 the goal.

5 COUNCILMAN CLARKE: All right.

6 MR. BULLOCK: And, you know,
7 through these, you know, partnerships,
8 you know, we won't just have to have, you
9 know, twelve MOCS, you know, offices.

10 COUNCILMAN CLARKE: Right.

11 MR. BULLOCK: You know, every
12 community organization in the community,
13 you know, can be a MOCS office, you know,
14 through appropriate partnerships.

15 COUNCILMAN CLARKE: Right.

16 MR. BULLOCK: So that's really
17 the goal.

18 COUNCILMAN CLARKE: What is
19 your current interaction, speaking of
20 that, with the NACs, Neighborhood Action
21 Centers, or NSAs?

22 MR. BULLOCK: We have great
23 relationships with the NACs.

24 COUNCILMAN CLARKE: Do you all
25 have an online presence, so can you go to

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 the Strawberry Mansion NAC and say,
3 "Lenore, I want to get online on the
4 computers that you have in here and pull
5 up all the information that" --

6 MR. BULLOCK: I can call Lenore
7 right now.

8 COUNCILMAN CLARKE: All right.

9 MR. BULLOCK: But, yeah, we
10 do -- we have a great relationship with
11 the NACs all over the City. We work very
12 closely with them, you know, especially
13 in sharing information, information
14 coming from them, but also information
15 coming from us.

16 And coming this year, what I
17 would like to do, particularly with the
18 NACs and the smaller community groups is,
19 you know, to assist them in, you know,
20 funding opportunities and things of that
21 sort.

22 COUNCILMAN CLARKE: I mean I --
23 I'm kind of focusing on online services.

24 MR. BULLOCK: Okay.

25 COUNCILMAN CLARKE: Do you have

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 that interaction currently?

3 MR. BULLOCK: We do not have a
4 office --

5 COUNCILMAN CLARKE: If somebody
6 goes to the NAC office at West Poplar and
7 says, "I need to find out all of the
8 information that is offered by the
9 Mayor's Office of Community Services,"
10 and then go on their terminal and pull
11 all of that up, can we do that?

12 MR. BULLOCK: We can't do it --
13 we can't do it -- well, we have not been
14 doing that. I won't say that can't do
15 it; we have not been doing it.

16 I see my IT guy right here
17 shaking his head. So he knows it's a
18 good idea.

19 Can we do it?

20 MR. SPEARMAN: Yes. The
21 information is available. You just can't
22 do it --

23 COUNCILMAN CLARKE: You have to
24 go up and --

25 MR. SPEARMAN: Marc Spearman,

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2 Director of Programs and Information

3 Technology.

4 They can access the services
5 that are available to us. They can't do
6 online applications.

7 But we are partnering with the
8 State, through a program called "My
9 Compass," which will allow people to sign
10 up for entitlements themselves. They
11 would have to go online, they would click
12 in, select the site, and they can fill
13 out an application and see what was
14 available to them.

15 COUNCILMAN CLARKE: Okay.

16 Yeah, that would be very helpful, 'cause
17 I know the days when we had twelve MOCSS
18 is not going to come back maybe in the
19 foreseeable future or maybe never, but if
20 we had the ability to --

21 COUNCILMAN JONES: Marc

22 Spearman?

23 MR. SPEARMAN: Yes, sir.

24 COUNCILMAN JONES: (Not

25 completely audible; off-mic.) There's

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 two Marc Spearman.

3 MR. SPEARMAN: No, no, sir.

4 It's one at MOCS.

5 COUNCILMAN CLARKE: The other
6 one is, uh --

7 COUNCILMAN JONES: The other
8 one is --

9 COUNCILMAN CLARKE: There is
10 another Marc Spearman.

11 COUNCILMAN JONES: Yeah, but I
12 thought -- I will always -- okay, thank
13 you.

14 Thank you, Madam President.

15 COUNCILMAN CLARKE: That's not
16 the Marc Spearman that we all know, you
17 know.

18 So in terms of timeline, now
19 that we're getting this out here in a
20 somewhat public way, in terms of
21 timeline -- and I know that all of these
22 hearings are monitored by the
23 Administration.

24 What's the timeline as it
25 relates to you being in a position where

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 you will have the capabilities that we
3 just spoke of? From your best-case --

4 MR. SPEARMAN: Presently, the
5 website is up that lists the services
6 that MOCS provides. That's already up
7 and running.

8 COUNCILMAN CLARKE: Mm-hmm.

9 MR. SPEARMAN: It probably is a
10 little static now. But in terms of
11 adding links like My Compass and links of
12 that sort, I'm sure it could be done in a
13 matter of weeks.

14 COUNCILMAN CLARKE: Weeks?

15 MR. SPEARMAN: Yes.

16 COUNCILMAN CLARKE: Okay.

17 MR. SPEARMAN: Now, the thing
18 is, it would go to -- once someone goes
19 through or creates the relationship and
20 folks know to go to the Strawberry
21 Mansion NAC or the United Communities
22 around the City to get that, that I
23 couldn't tell you -- there are
24 partnerships that we still have to
25 solidify to make that happen.

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2 COUNCILMAN CLARKE: Right.

3 Yeah, I mean I think we, as Council
4 people, should play a role in that also.

5 I mean, we have our own networks, and
6 it's important that we get this
7 information out.

8 Because, you know, coming and
9 living in a community that has those
10 challenges, I mean I just think that a
11 lot of people just don't know that the
12 information is available.

13 And, you know, we send out what
14 we get from you to the block captains and
15 committee people, but you never know how
16 much of that they share with the general
17 population.

18 So, at least from my
19 perspective, I think that, you know, we
20 will be willing to work with you on that
21 once we get that capability to get it out
22 there in a very aggressive way.

23 All right, okay. Thank you.

24 MR. SPEARMAN: Thank you,
25 Councilman.

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2 COUNCILMAN CLARKE: Thank you,
3 Madam President.

4 COUNCIL PRESIDENT Verna:
5 You're welcome.

6 The Chair recognizes Councilman
7 Jones.

8 COUNCILMAN JONES: The only
9 thing I would add as a comment is, I
10 think that there's enough unanswered
11 questions to allow the agency to come
12 back, possibly before the end of the
13 budget process, with that information so
14 that we don't wait a whole fiscal year to
15 get the information like we tend to do.

16 Their mission is way to
17 important for that. To alleviate poverty
18 in the City of Philadelphia any way that
19 we can get that information before the
20 end of the budget, we'd like to have them
21 maybe come back and be able to present --

22 MR. BULLOCK: I would love to
23 come back anytime you'd like.

24 COUNCILMAN JONES: Thank you.

25 Thank you, Madam President.

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2 COUNCIL PRESIDENT VERNA:

3 You're welcome.

4 I would just, like, to have the
5 record to be very specific. Actually, in
6 your Operating Budget, you are, in
7 fact -- if I could find it. You are
8 taking monies from Class 200 and you're
9 adding them to Class 100?

10 MR. BULLOCK: I don't think
11 that is the case.

12 COUNCIL PRESIDENT VERNA: Page
13 3, section 6.

14 MS. RHYNHART: This is Rebecca
15 Rhynhart, Budget Director.

16 It probably has to do with what
17 the grants are funding, but they probably
18 need to get an answer back to you.

19 COUNCIL PRESIDENT VERNA: All
20 right. And there will be -- there are
21 seven vacancies?

22 MR. BULLOCK: Yes.

23 COUNCIL PRESIDENT VERNA: There
24 are seven vacancies?

25 MR. BULLOCK: Yes.

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2 COUNCIL PRESIDENT VERNA: All
3 right. I wanted the record to reflect
4 that. Thank you.

5 Are there any other questions
6 from members of the committee?

7 (No further questions.)

8 COUNCIL PRESIDENT VERNA: Is
9 there any indication of when we will hear
10 what the federal government is doing as
11 far as these various cuts?

12 MR. BULLOCK: No, not really.
13 You know, I was just out in Harrisburg
14 last week, and even the State don't know,
15 you know, what the feds are going to do
16 or how this is all going to end up at
17 this point.

18 MS. RHYNHART: We will keep
19 updating you, though, as we find out
20 information.

21 COUNCIL PRESIDENT VERNA: So
22 till then, we'll just have to work in the
23 dark.

24 MS. RHYNHART: Unfortunately,
25 we can't...

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2 COUNCIL PRESIDENT Verna: Thank
3 you.

4 MR. Bullock: Thank you.

5 COUNCIL PRESIDENT Verna: Thank
6 you very much.

7 MR. McPherson: The next
8 department is the Mayor's Office of
9 Housing and Community Development.

10 (Witnesses come forward.)

11 COUNCIL PRESIDENT Verna: Good
12 afternoon.

13 MS. McCulloch: Good afternoon.

14 COUNCIL PRESIDENT Verna:
15 Welcome.

16 MS. McCulloch: Good afternoon,
17 President Verna and members of City
18 Council. I am Deborah McCulloch, and I
19 am the Director of Housing.

20 I am here today to present
21 testimony on the Office of Housing and
22 Community Development proposed Operating
23 Budget for Fiscal Year 2012.

24 The proposed Operating Budget
25 under the Community Development Fund -

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 Grants Revenue Fund, Housing Trust Fund,
3 and General Fund will also be presented
4 in the spring to the Finance Committee at
5 its hearing on the Consolidated Plan
6 Ordinance. That hearing will authorize
7 the submission to HUD of the Consolidated
8 Plan, which includes the budget for the
9 Community Development Block Grant and
10 other Housing programs for Fiscal Year
11 2012, CDBG Year 37.

12 Ideally, the Consolidated Plan
13 hearing should occur prior to the
14 consideration of the Operating Budget by
15 City Council. However, as in the past
16 seventeen years, the hearings are
17 reversed.

18 Should the results of the
19 Consolidated Plan hearing require
20 adjustments to OHCD's Operating Budget,
21 as adopted by City Council, there will
22 still be time subsequent to the adoption
23 of the Consolidated Plan to amend the
24 Operating Budget. The complete Fiscal
25 Year 2012 proposed budget will be

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 presented as part of the Consolidated
3 Plan hearing.

4 The enclosed budget projects a
5 5 percent reduction in community
6 development funding for FY '12. However,
7 House Bill H.R. 1 is proposing a 66
8 percent cut in CDBG funding for FY '12,
9 which, if passed and implemented, will
10 have a devastating effect on Fiscal Year
11 '12 housing programs.

12 This bill is currently being
13 negotiated and, if finalized, the
14 appropriate reductions will need to be
15 reflected in the Year 37 Consolidated
16 Plan. Due to the nature of its funding,
17 OHCD is required to plan its annual
18 budget to comply with the federal
19 objectives, as outlined in the annual
20 consolidated plan.

21 HUD's mandated goals are the
22 creation of suitable living environments,
23 the provision of decent and affordable
24 housing, and the creation of economic
25 opportunities. In FY '12, OHCD will

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2 continue its multi-year effort to
3 maximize efficiency through the
4 consolidation of backroom support
5 functions, as well as reduced staff
6 through attrition.

7 OHCD is pleased to report the
8 following accomplishments in FY '11:

9 Completed the reconstruction or
10 rehabilitation of 633 new affordable
11 housing units, representing
12 \$111.2 million in total development
13 costs. City subsidies for those
14 developments totaled \$30.3 million.

15 These housing developments
16 included 106 homeownership units, 367
17 rental units, and 160 special-needs
18 units. An additional 788 affordable
19 housing were under construction on
20 12/31/2010.

21 Saved 1,700 homes in 2010 from
22 foreclosure through the Mortgage
23 Foreclosure Diversion Program, and
24 awarded \$12.8 million in Community
25 Development Block Grant funds to the

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 Basic Systems Repair Program,
3 representing repairs to 1,775 homeowner
4 properties throughout the City.

5 The Office of Housing and
6 Community Development is committed to
7 supporting the Administration's goal of
8 25 percent minority-, woman-, disabled-
9 owned businesses participating in City
10 contracting. The Office of Housing and
11 Community Development's FY '12
12 participation goal is 30 percent.

13 OHCD, together with the
14 delegate agencies of PHDC (the
15 Philadelphia Housing Development
16 Corporation) and the Redevelopment
17 Authority, which are funded in this
18 budget, awarded \$143.5 million in
19 contracts to non-governmental vendors in
20 FY 2010, the last full fiscal year
21 reported, of which approximately
22 \$47.3 million, or 34 percent, went to
23 disadvantaged firms.

24 It should be noted that the
25 General Fund supports only approximately

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2 1 percent of OHCD's annual budget,
3 \$2,520,000.

4 The proposed General Fund 2012
5 budget allocates \$2.39 million to support
6 vacant land stabilization and maintenance
7 activities of the Pennsylvania
8 Horticultural Society, an increase of
9 \$700,000, as well as \$130,000 to support
10 the Settlement Grant and Tangled Title
11 programs, consistent with the FY 2011
12 budget.

13 The proposed Operating Budget
14 for OHCD totals \$210.9 million in Fiscal
15 Year 2012, of which \$127.1 million will
16 be in the Grants Revenue Fund,
17 \$65.3 million in the Community
18 Development Fund, \$16 million in the
19 Housing Trust Fund, and \$2.52 million in
20 the General Fund.

21 This Operating Budget
22 represents the cost for all housing
23 programs as well as salaries for all
24 OHCD, PHDC, and Redevelopment Authority
25 staffs, rents, materials, and supplies.

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2 My testimony then gives the
3 chart of the FY '11 estimated obligations
4 and the FY '12 requested appropriations.

5 There is a decrease of \$92,046
6 in employee compensation projected for
7 FY '12 due to budgeted positions at OHCD
8 being reduced from 77 in FY '11 to 74 in
9 FY '12.

10 The decrease in budget Class
11 200 is primarily the result of the
12 reduction in funding from the American
13 Recovery & Reinvestment Act. This
14 program represented a one-time infusion
15 of federal funding and is no longer
16 funded.

17 The decrease in budget Class
18 300 is primarily due to expected savings
19 in office materials and printing costs.

20 The decrease in budget Class
21 400 is due to the completion in the prior
22 year of upgrades to office and computer
23 equipment supporting the three housing
24 agencies in FY 2011.

25 OHCD will return to City

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 Council this spring to present the
3 complete Fiscal Year 2012 proposed budget
4 as part of the Consolidated Plan hearing.

5 I'll be happy to answer any
6 questions you may have.

7 COUNCIL PRESIDENT VERNA: Thank
8 you. As usual, you do a great job.

9 MS. MCCOLLOCH: Thank you.

10 COUNCIL PRESIDENT VERNA: You
11 mention in your testimony that House Bill
12 H.R. 1 is proposing a 66 percent cut in
13 CDBG funding for FY '12. Have you
14 determined what you would propose to cut
15 if the bill passes?

16 MS. MCCOLLOCH: We haven't
17 determined that yet, in part, because
18 we're hoping that we don't have a 66
19 percent cut in our funding.

20 Our hope certainly is that, as
21 the federal budget is negotiated --
22 there's currently a continuing resolution
23 in place now, as you know, through next
24 week.

25 MR. MCPHERSON: It expires

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2 April 8th.

3 MS. MCCOLLOCH: Correct, it
4 expires -- the current continuing
5 resolution will expire April 8th.

6 COUNCIL PRESIDENT VERNA: April
7 8th.

8 MS. MCCOLLOCH: And that the
9 House and the Senate are negotiating a
10 budget back and forth. At some point,
11 they'll pass a budget, and then we'll
12 know what our reduction will be, and
13 that's when we'll have to bring the
14 Consolidated Plan before you with
15 whatever those reductions are, and we'll
16 have to submit a proposed budget.

17 COUNCIL PRESIDENT VERNA: Thank
18 you.

19 The Chair recognizes Councilman
20 Clarke.

21 COUNCILMAN CLARKE: Thank you,
22 Madam President.

23 I tried to hit my button before
24 Councilman Goode, and I beat him this
25 time.

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2 (Laughter.)

3 COUNCILMAN CLARKE: Good

4 afternoon.

5 MS. MCCOLLOCH: Good afternoon.

6 COUNCILMAN CLARKE: The first

7 question I was going to actually ask you

8 is about the continuing resolution. I

9 guess at what point -- the federal fiscal

10 year is what, July 1?

11 MS. MCCOLLOCH: No, the federal

12 fiscal year is October 1 to September

13 30th.

14 COUNCILMAN CLARKE: October 1,

15 so the CR could conceivably --

16 MS. MCCOLLOCH: This is -- the

17 continuing resolution is the federal

18 budget that started October 1st.

19 COUNCILMAN CLARKE: Right.

20 MS. MCCOLLOCH: Our comp plan

21 budget that we bring to this council is

22 our --

23 (Indiscernible; parties talking

24 over each other.)

25 COUNCILMAN CLARKE: So

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2 conceivably, if the continuing
3 resolution, or some resolution, as it
4 relates to this whole ongoing issue of
5 funding this budget piecemeal, if there's
6 an agreement reached that we'll have a
7 significant reduction in the continuing
8 resolution or a budget deal, we could
9 conceivably seek dramatic cuts in this
10 current fiscal year -- or how does that
11 work?

12 MS. MCCOLLOCH: It won't be in
13 the current -- it will be in our fiscal
14 year that starts July 1st.

15 COUNCILMAN CLARKE: Yes.
16 I'm -- right.

17 MS. MCCOLLOCH: In our fiscal
18 year that starts July 1st.

19 COUNCILMAN CLARKE: Right.
20 Wait a minute. Let me understand this.

21 So if there is a continuing
22 resolution -- 'cause I think the deadline
23 is the next of days?

24 MS. MCCOLLOCH: It's now been
25 continued throughout the --

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2 COUNCILMAN CLARKE: And that
3 continuing resolution says there's going
4 to be a reduction in the current federal
5 fiscal year --

6 MS. MCCOLLOCH: Right.

7 COUNCILMAN CLARKE: -- that
8 won't impact us in our fiscal year --

9 MS. MCCOLLOCH: Right.

10 COUNCILMAN CLARKE: -- because
11 of the time --

12 MS. MCCOLLOCH: It will not
13 impact us until July the 1st.

14 COUNCILMAN CLARKE: Until July
15 1st.

16 MS. MCCOLLOCH: Correct.

17 COUNCILMAN CLARKE: And then we
18 have a problem, okay.

19 MS. MCCOLLOCH: Yes.

20 COUNCILMAN CLARKE: So I was
21 wondering if we had to give some money
22 back.

23 MS. MCCOLLOCH: No.

24 COUNCILMAN CLARKE: So we're
25 okay with that.

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2 Okay. I just want to ask you a
3 question on the record, and I talked to
4 you in the hallway about this, and it's
5 not administrative-related, but it is a
6 question I need to get a better handle on
7 terms of the NTI budget process, and you
8 signed the letter, so I got to ask you
9 the question.

10 MS. MCCOLLOCH: That's fine.

11 COUNCILMAN CLARKE: This whole
12 issue about appraisals, I continue to
13 have some concerns about the appraisals
14 because -- in particularly as it relates
15 to parts of district that I represent
16 when I look at the comps that have been
17 set as it relates to acquisitions or
18 sales in these varies areas, particularly
19 in the North Philadelphia area, that we,
20 the City of Philadelphia, are always
21 driving the numbers higher and higher.

22 And on the private side -- and
23 I spoke to you but this one, this lot at
24 28th and Oakdale Street, which is just
25 below Lehigh, where there's a vacant lot.

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2 MS. MCCOLLOCH: Mm-hmm.

3 COUNCILMAN CLARKE: It's been
4 vacant for thirty years or more. And
5 therefore, for whatever reason, we're
6 saying that the appraised value of that
7 lot is \$16,000 and --

8 MS. MCCOLLOCH: The appraised
9 value that the Redevelopment Authority --
10 the budget in question is to acquire one
11 vacant lot in the 2800 lot of Oakdale
12 Street. The appraised value that was
13 presented by the Redevelopment Authority
14 was \$16,000 for one lot.

15 It was based on appraisals that
16 the Redevelopment Authority secured. I
17 don't have any independent information
18 about it other than what I was given by
19 the RDA. I can go back and check with
20 them again, but I'm just saying that I
21 don't have any independent information.

22 COUNCILMAN CLARKE: All right,
23 'cause it seems like all the appraisals
24 that we, the City, get, particularly the
25 Redevelopment Authority, are always on

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2 the high side.

3 And I don't know of anybody
4 that would pay \$16,000 for a vacant lot
5 at 20th and Oakdale. And throughout the
6 district, all these appraisals, they just
7 come in.

8 MS. MCCOLLOCH: Right. I can

9 --

10 COUNCILMAN CLARKE: My concern
11 is that -- I mean, I understand that we
12 have to pay money in the event that
13 there's an appeal for the compensation,
14 but this is not that. And is it required
15 that the Redevelopment Authority get the
16 appraisals?

17 MS. MCCOLLOCH: Yes, 'cause the
18 Redevelopment Authority is doing -- in
19 this case, it's an urban renewal taking;
20 the Redevelopment Authority is acquiring
21 the property.

22 COUNCILMAN CLARKE: All right.
23 It just sounds pretty ridiculous.

24 MS. MCCOLLOCH: I mean, I can
25 go back and ask them -- I can get the

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 detailed information for you. I just
3 don't know it, sitting here today.

4 COUNCILMAN CLARKE: All right.
5 In addition to which on advertising
6 costs, are you operating under the same
7 guidelines as we, City Council, or the
8 Administration are operating on in terms
9 of who we have to advertise or where we
10 have to advertise?

11 MS. MCCOLLOCH: Well, the
12 requirements for advertising are part of
13 the law surrounding how you can take
14 properties. You have to advertise in --
15 for so many days and so forth.

16 And so, the advertising
17 costs -- and you have to advertise in
18 newspapers of general circulation. So
19 the advertising costs are high.

20 And what I -- and what the
21 Councilman and I talked about earlier
22 today is that those costs are spread out
23 for however many properties are in the
24 particular ad. Like the ad will be about
25 the same cost if it's one property or

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2 twenty priorities. And so, if it's
3 twenty properties, the cost of the ad
4 gets spread out over those twenty
5 properties.

6 COUNCILMAN CLARKE: Right.

7 MS. MCCOLLOCH: And what
8 happens in some of these budgets is that
9 it shows the cost as if it's a single
10 property, which, in the particular case
11 we were discussing, it is only one
12 property, but that property will be
13 included in an ad with multiple
14 properties; and so, the cost is spread
15 out.

16 COUNCILMAN CLARKE: So let me
17 understand. The requirement in terms of
18 criteria for the advertisement is
19 established by the State?

20 MS. MCCOLLOCH: Yes, 'cause
21 it's State law.

22 COUNCILMAN CLARKE: The State
23 authorizes the acquisition. So if we
24 change -- if we, the City, change our
25 advertising requirements, it wouldn't

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2 impact this.

3 MS. MCCOLLOCH: Correct.

4 COUNCILMAN CLARKE: It would
5 still be the same.

6 MS. MCCOLLOCH: Correct.

7 COUNCILMAN CLARKE: All right.
8 In terms of the ability to negotiate a
9 fee for advertisement done, through OH,
10 or is it done through Procurement?

11 MS. MCCOLLOCH: It's --

12 COUNCILMAN CLARKE: 'Cause I
13 would think that if there's -- if we say,
14 for instance, we will have several
15 requirements for advertisement during the
16 course of the year for OHCD-related --
17 and I know this is probably a little too
18 detailed, it's not at your level.

19 But if we had negotiated a fee
20 with the entities that we're required to
21 advertise with as it relates to the
22 number of properties or the time frame
23 associated with that as opposed to every
24 time we come up with an acquisition
25 package, boom, we're hit with this

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 advertising fee?

3 MS. MCCOLLOCH: I understand
4 what you're saying, Councilman. I don't
5 know whether that negotiation has taken
6 place. I can find out.

7 COUNCILMAN CLARKE: Can you
8 find out?

9 MS. MCCOLLOCH: Right. I don't
10 know.

11 CHIEF CLERK: This whole
12 advertising thing just always amazed me
13 where, you know, the cost of this
14 advertising is \$20,000 --

15 MS. MCCOLLOCH: The cost of the
16 advertising is higher than the cost of
17 the property. I understand that.

18 COUNCILMAN CLARKE: Yeah.
19 It's, like, pretty bizarre.

20 MS. MCCOLLOCH: Right. I
21 understand your concern.

22 COUNCILMAN CLARKE: Yeah.
23 Okay, all right. I'm good. Thank you.
24 I'm good. See you later on in the year.

25 COUNCIL PRESIDENT VERNA: The

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 Chair recognizes Councilman Goode.

3 COUNCILMAN GOODE: Thank you,
4 Madam President.

5 Good afternoon, Miss McColloch.
6 How are you?

7 MS. MCCOLLOCH: Good afternoon.

8 COUNCILMAN GOODE: Your Class
9 200 allocation is technically over
10 \$200 million. What's the largest
11 contract that you will award in Fiscal
12 Year '12?

13 MS. MCCOLLOCH: It would be
14 with the Redevelopment Authority.

15 COUNCILMAN GOODE:
16 Nongovernmental.

17 MS. MCCOLLOCH: I beg your
18 pardon?

19 COUNCILMAN GOODE: The largest
20 nongovernmental contract.

21 MS. MCCOLLOCH: That OHCD
22 awards?

23 COUNCILMAN GOODE: Mm-hmm.

24 MS. MCCOLLOCH: We have small
25 -- we have fairly small contracts through

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 OHCD. We have one with Tiger
3 Productions, and I can give you the
4 amount on that.

5 COUNCILMAN GOODE: The question
6 is: What is the largest?

7 MS. MCCOLLOCH: Yeah.

8 COUNCILMAN GOODE: And I'm not
9 necessarily --

10 MS. MCCOLLOCH: Okay.

11 COUNCILMAN GOODE: I'm talking
12 about for-profit contracts.

13 MS. MCCOLLOCH: Oh. The
14 largest contract with a nongovernment
15 entity that we award is with Tiger
16 Productions, which is a for-profit
17 contractor, but --

18 COUNCILMAN GOODE: Okay. So
19 what's your largest nonprofit?

20 MS. MCCOLLOCH: The only ones
21 we award are the Redevelopment Authority
22 and PHDC.

23 COUNCILMAN GOODE: And then
24 they make awards --

25 MS. MCCOLLOCH: Correct.

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2 COUNCILMAN GOODE: -- to
3 community groups beyond that.

4 MS. MCCOLLOCH: I beg your
5 pardon, I beg your pardon.

6 We award -- I'm sorry. We
7 award a series of contracts with housing
8 counseling agencies and NACs. I'm sorry.

9 COUNCILMAN GOODE: Okay.

10 MS. MCCOLLOCH: I was thinking
11 --

12 COUNCILMAN GOODE: Okay. So
13 what's the largest contract?

14 MS. MCCOLLOCH: I'm sorry.

15 COUNCILMAN GOODE: The largest
16 nongovernmental contract that you awarded
17 in Fiscal '12?

18 MS. MCCOLLOCH: I don't know
19 off the top of my head, but I can --

20 COUNCILMAN GOODE: Okay. What
21 type of contract?

22 MS. MCCOLLOCH: It would be a
23 housing counseling contract.

24 COUNCILMAN GOODE: A housing
25 counseling contract.

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2 MS. McCOLLOCH: Yes.

3 COUNCILMAN GOODE: I don't know
4 whether we need a name for the purpose of
5 the rest of the questions. So you know
6 which firms hold those contracts for this
7 fiscal year?

8 MS. McCOLLOCH: Yes. I just
9 don't have --

10 COUNCILMAN GOODE: And are they
11 renewable contracts?

12 MS. McCOLLOCH: They are
13 renewable, the housing counseling
14 contracts. We put out a request for
15 proposals every three years, and we're in
16 the middle of that period.

17 COUNCILMAN GOODE: The next
18 question was: How many years have these
19 firms held the contract?

20 MS. McCOLLOCH: It -- this is
21 the second -- we're in the second year of
22 that, so we won't do an RFP this year.

23 COUNCILMAN GOODE: Okay.
24 Briefly describe the contract
25 requirements.

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2 MS. McCOLLOCH: For the housing
3 counseling contracts?

4 COUNCILMAN GOODE: Mm-hmm.

5 MS. McCOLLOCH: The agencies
6 are required to provide housing
7 counseling services to homeowners, people
8 who want to become first-time homeowners
9 and people who are facing foreclosure
10 issues and also some tenant counseling.

11 COUNCILMAN GOODE: And what's
12 the average size of those contracts?

13 MS. McCOLLOCH: The average
14 size. Hold on.

15 (Ms. McColloch confers with
16 staff.)

17 I'm being told that the average
18 size is approximately 150,000.

19 COUNCILMAN GOODE: Okay. And
20 you mentioned the other contracts that
21 you award would be NAC contracts?

22 MS. McCOLLOCH: NAC contracts.

23 COUNCILMAN GOODE: And the
24 average size of those contracts?

25 MS. McCOLLOCH: About 75,000 or

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 80,000 dollars.

3 COUNCILMAN GOODE: Okay. And
4 all of those are providing services, so
5 these are all personnel costs.

6 MS. MCCOLLOCH: Yes.

7 COUNCILMAN GOODE: So there are
8 no subcontracting opportunities for for-
9 profit entities.

10 MS. MCCOLLOCH: No. The only
11 possibilities would perhaps be some
12 supplies and printing contracts.

13 COUNCILMAN GOODE: Okay. On
14 the housing counseling contracts, will
15 those firms be required to be in
16 compliance with the City's living-wage-
17 and-benefits standard for Fiscal Year
18 '12.

19 MS. MCCOLLOCH: I don't know
20 the answer to that, Councilman. Um...

21 COUNCILMAN GOODE: Heretofore
22 the standard did not necessarily apply to
23 them until we changed the Charter in the
24 fall, which allowed the standard to apply
25 to noncompetitively bid and professional

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 services contracts.

3 And under the ordinance, those
4 nonprofits with contracts of more than
5 \$100,000 must comply unless they apply
6 for a waiver or are given one.

7 MS. MCCOLLOCH: Okay. No one
8 has applied for a waiver at this time.

9 COUNCILMAN GOODE: Okay.

10 MS. MCCOLLOCH: So as of right
11 now, they would all be in compliance.

12 COUNCILMAN GOODE: Okay. So
13 I'm just going to ask for the record,
14 will you submit to the Chair a statement
15 that says that all of those agencies will
16 be required to be in compliance with the
17 City's living-wage-and-benefits standard
18 unless they receive a waiver.

19 MS. MCCOLLOCH: Yes.

20 COUNCILMAN GOODE: Just lastly,
21 who is directly responsible for
22 monitoring living-wage-and-benefits
23 standards for your department?

24 MS. MCCOLLOCH: We have a
25 compliance officer, a woman named Lynn

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2 Newsome.

3 COUNCILMAN GOODE: Okay. Thank
4 you.

5 Thank you, Madam Chair.

6 COUNCIL PRESIDENT Verna:
7 You're welcome.

8 The Chair recognizes Councilman
9 Jones.

10 COUNCILMAN JONES: Thank you,
11 Madam President.

12 Good afternoon.

13 MS. McColloch: Good afternoon.

14 COUNCILMAN JONES: I'm going to
15 be very brief. I'm going to point out
16 several things.

17 The first thing is another one
18 of those Freshman 15 ideas that, you
19 know, was put forth, Madam President,
20 under your watch.

21 This is the last paper copy of
22 the newsletter put out by the OHCD, and
23 from now on, it will be an electronic
24 copy. The OHCD Bulletin will be an
25 electronic copy, and we're proud of that.

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2 The reduction of paper is one of the
3 goals of saving in City government.

4 And then the second thing that
5 I'd like to point out is on page 3 of
6 your newsletter, which talks about two
7 mixed-use projects that were done. One
8 was Osan Village, which is a mixed-use
9 property that was developed, I believe,
10 in your district, Councilwoman Verna.

11 And then one in Councilwoman Jannie
12 Blackwell's district, which was the
13 Fattah Homes, both with residents above
14 and storefronts below.

15 And we are happy that that
16 happened because, you know, this Council
17 put forth a bill that requires 5 percent
18 of all CDBG dollars to be used for
19 projects like this, that bring
20 storefronts back to inner-city areas.

21 So I just want to say thank you
22 for doing two progressive things, which
23 is the reduction of paper, and then the
24 inclusion of the mixed-use developments.

25 And you can just nod and say,

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2 "You're welcome."

3 MS. MCCOLLOCH: You're welcome,
4 Councilman. You're welcome.

5 COUNCILMAN JONES: That's all I
6 want. All right.

7 Thank you, Madam President.

8 COUNCIL PRESIDENT VERNA: Thank
9 you.

10 Are there any other questions
11 or comments from members of the
12 committee?

13 (No further questions.)

14 COUNCIL PRESIDENT VERNA: Thank
15 you very much.

16 MS. MCCOLLOCH: See you in May.

17 MR. MCPHERSON: Our next office
18 is the Mayor's Office of Labor Relations.

19 (Witness comes forward.)

20 COUNCIL PRESIDENT VERNA: Hello.

21 MR. TOLAN: Good afternoon.

22 COUNCIL PRESIDENT VERNA:
23 Please identify yourself for the record
24 and proceed with your testimony.

25 MR. TOLAN: Good afternoon,

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2 President Verna and members of City
3 Council. My name is Joseph Tolan, and I
4 am the director of the Office of Labor
5 Relations. I'm here to present the
6 Office request for our Fiscal '12
7 Operating Budget.

8 The mission of the Office of
9 Labor Relations is to coordinate
10 relations Citywide between management and
11 the labor organizations representing City
12 employees to create an effective
13 partnership to better serve the public.

14 The OLR works with City
15 managers, union representatives, and
16 their members in collective-bargaining,
17 labor contract administration, dispute
18 resolution, and labor management
19 cooperation.

20 Our objectives include
21 facilitating dispute resolution and labor
22 management cooperation, educating
23 managers and supervisors about labor law
24 and the contracts, supporting
25 collective-bargaining efforts by

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2 participating in contract negotiations
3 and interest arbitration proceedings, and
4 providing strategy advice and contract
5 interpretation to department heads and
6 upper management in support of the
7 Administration's initiatives.

8 In regard to collective-
9 bargaining, the collective-bargaining
10 agreements with all four major municipal
11 unions expired on June 30, 2009. The
12 City is still in the process of
13 negotiating and arbitrating for successor
14 agreements for two of the four major
15 municipal unions.

16 An award was issued in
17 connection with the Act 111 interest
18 arbitration concerning the City and FOP
19 in December of 2009. And as a part of
20 that award, the parties met to design a
21 new pension plan. A supplemental award
22 outlining the new plan was issued by the
23 panel in 2010.

24 An award was issued in
25 connection with the Firefighters

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2 arbitration in October of 2010. That
3 award is currently under appeal by the
4 City and Common Pleas Court.

5 The only provision that has not
6 been challenged is the implementation of
7 a new pension plan. It is not clear when
8 the court will rule on this matter.

9 In addition to the ongoing
10 negotiations with AFSCME District
11 Councils 33 and 47, the City is engaged
12 in interest arbitration with the
13 correctional officers, deputy sheriffs,
14 and probation officers.

15 The OLR is committed to
16 ensuring that the City conducts
17 collective bargaining with the municipal
18 unions in good faith.

19 In regard to training, the OLR
20 conducts training for City managers and
21 supervisors to help them function
22 effectively in a unionized environment.
23 The course covers the law and the
24 contracts and provides supervisors with
25 strategies for administering the labor

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2 contract in their workplaces.

3 In regard to contract
4 administration, the Office of Labor
5 Relations works with managers of City
6 departments to implement change in the
7 delivery of services. The OLR provides
8 guidance and assistance with issues that
9 range from discipline of problem
10 employees to design and implementation of
11 new organizational units in the
12 government.

13 For example, during FY '11,
14 staff worked with the Office of Parks and
15 Recreation on labor relations issues
16 related to consolidation of Fairmount
17 Park and the Department of Recreation.

18 In regards to dispute
19 resolution, the OLR is responsible for
20 handling District Council 33 and District
21 Council 47 grievances that departments
22 have not resolved. Combined, AFSCME
23 submitted to our office a total of 93
24 grievances in Calendar 2010. During that
25 same period, we disposed of 68

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2 grievances.

3 In regard to Labor Management
4 cooperation, our staff members routinely
5 facilitate monthly labor management
6 meetings in various departments,
7 including the Library and DHS, as well as
8 facilitating projects such as the Health
9 Department grant-funded Position
10 Initiative with District Council 47.

11 As I will be retiring in late
12 2012 or early 2013 and another senior
13 staff member has recently entered the
14 DROP, we intend to hire two positions at
15 the trainee to intermediate level, one of
16 which will replace a vacant position.

17 The Office of Labor Relations
18 is requesting \$552,416 in the FY '12
19 General Fund budget, which represents an
20 increase of \$50,000 from our FY '11
21 estimated obligations. This increase is
22 requested to permit hiring of staff as
23 part of succession planning for OLR.

24 Overall, we're requesting:
25 \$540,979 in Class 100 to

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2 support eight filled positions for the
3 entire fiscal year.

4 \$3,277 in Class 200 for the
5 purchase of services.

6 And \$8,160 in Classes 300 and
7 400 for materials, supplies, and
8 equipment.

9 The Mayor's Office of Labor
10 Relations is committed to supporting the
11 Administration's goal of 25 percent
12 minority-, women-, disabled-owned
13 business participation in City
14 contracting. However, the Office of
15 Labor Relations, for FY '12, will have no
16 contracting opportunities.

17 We would like to thank the
18 Council for this opportunity to present
19 our budget request for FY '12 and are
20 available to answer questions.

21 Should any Councilmember wish
22 to engage in any further discussion of
23 any of these matters, my staff and I are
24 happen to meet with Councilmembers at
25 their convenience.

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2 COUNCIL PRESIDENT VERNA: Thank
3 you.

4 I understand that the FOP
5 arbitration award allows the City to
6 furlough police officers for up to thirty
7 days a year; is that correct?

8 MR. TOLAN: Yes, that's
9 correct.

10 COUNCIL PRESIDENT VERNA: Are
11 there any restrictions as to when an
12 officer can be furloughed?

13 MR. TOLAN: No.

14 COUNCIL PRESIDENT VERNA: The
15 issue of contracting out continues to be
16 of concern with the City unions. Does
17 the Administration have a formalized
18 procedure that it must follow when
19 considering these opportunities in order
20 to ensure that the City's unions are
21 included in the process?

22 MR. TOLAN: The collective-
23 bargaining agreements with the two AFSCME
24 District Councils address the issue of
25 contracting out. There is an opportunity

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2 for the City to contract out work
3 provided that it does not lay off
4 employees who are displaced as a result
5 of the contracting out.

6 There is no formal process at
7 this time that's in place to be followed
8 in terms of costing out a specific
9 initiative.

10 COUNCIL PRESIDENT VERNA: Thank
11 you.

12 The Chair recognizes Councilman
13 Greenlee.

14 COUNCILMAN GREENLEE: Thank
15 you, Madam President.

16 Good afternoon, Mr. Tolan.

17 MR. TOLAN: Good afternoon.

18 COUNCILMAN GREENLEE: I know
19 you'll be back with us before you retire,
20 but thanks for all of your service to the
21 City.

22 MR. TOLAN: Thank you.

23 COUNCILMAN GREENLEE: This is
24 kind of a follow-up to the President's
25 last question. I remember there was a --

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 and I think I'm calling it the right
3 thing. It's the Redesigning Government
4 Initiative?

5 MR. TOLAN: That's correct.

6 COUNCILMAN GREENLEE: Didn't
7 that kind of cover what we're talking
8 about, where there was sort of -- either
9 a formal or an informal sitdown with the
10 unions, and they kind of discussed
11 whether, you know, the jobs could stay
12 in-house or not? From what I understand,
13 it worked for a while so --

14 MR. TOLAN: Well, actually, the
15 Redesigning Government Initiative was a
16 formalized program for certain types of
17 labor-management cooperation.

18 COUNCILMAN GREENLEE: Right.

19 MR. TOLAN: It had a specific
20 set of rules about when it would apply
21 and when it wouldn't apply. It could go
22 beyond the issue of contracting out.

23 COUNCILMAN GREENLEE: Mm-hmm.

24 MR. TOLAN: It could go to
25 anything that could produce efficiencies

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 and --

3 COUNCILMAN GREENLEE: Right.

4 MR. TOLAN: -- economies for
5 the government.

6 Even though that existed for a
7 number of years -- and under status quo,
8 it's a little bit difficult to determine
9 what its status would be today while
10 we're still negotiating a successor
11 agreement.

12 Certainly, if the union or a
13 department identifies an area that they
14 want to work together, they don't
15 actually have to call it the RGI.

16 COUNCILMAN GREENLEE: Mm-hmm.

17 MR. TOLAN: They can always sit
18 down and meet and talk about things. And
19 most departments are open to that in my
20 experience, willing to sit down and hear
21 what the union has to say and to try to
22 explore it.

23 COUNCILMAN GREENLEE: I
24 understand. I guess why did it sort of
25 go away as a formal procedure, though? I

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 mean, how did that -- 'cause, obviously,
3 the contract's still going on with 33 and
4 47.

5 MR. TOLAN: Even when it was,
6 you know, arguably new and in place, it
7 didn't apply to a lot of different types
8 of initiatives that called for labor
9 management cooperation.

10 It was something that was a
11 very spell form of cooperation, where
12 there was an absolute sharing of
13 authority between the union and the labor
14 organization, so it had to be a special
15 type of project to fit. And there were
16 not always that many projects that did
17 fit. In fact, in District Council 33, it
18 was much more common, if we had a
19 cooperative project, for it not to come
20 under that umbrella.

21 So I would say that there's
22 still opportunities, but as always, both
23 sides had to look closely at what the
24 project was to decide what the rules
25 should be for it. But, again, I think

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 that there are a lot of opportunities for
3 departments to work with the unions on
4 areas to try to improve economies.

5 It's a little bit difficult in
6 this environment, where RGI was really
7 designed to enhance job security in many
8 ways, and because of the budget
9 difficulties that many departments faced
10 in the last couple of years where they've
11 been reducing size, it's very difficult
12 to talk about economies and efficiencies
13 there because it -- I think it's believed
14 that it would lead only to more layoffs
15 or more reduction in size of the
16 departments.

17 COUNCILMAN GREENLEE: So just
18 so I'm clear, not to belabor the point --
19 no pun intended. So it still exists but
20 only in certain circumstances?

21 MR. TOLAN: It would exist if

22 --

23 COUNCILMAN GREENLEE: I'm still
24 a little confused on --

25 MR. TOLAN: If the parties had

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 a project that they agreed they could
3 make it work but --

4 COUNCILMAN GREENLEE: So both
5 sides would have to agree.

6 MR. TOLAN: And that is the way
7 it always worked.

8 COUNCILMAN GREENLEE: Mm-hmm.
9 So this administration really hasn't
10 agreed to it as much; is that a fair
11 statement?

12 MR. TOLAN: Well, I think that
13 what's happened is that since we have
14 been in the middle of this latest round
15 of negotiations with job reductions, it's
16 something that it really was designed to
17 be able to say that nobody would lose a
18 job as a result of the efficiencies. And
19 when you're looking at all of the
20 cutbacks we have, it's something that's
21 very difficult to put into play here.

22 COUNCILMAN GREENLEE: Okay.
23 Now, as far as collective-bargaining, I
24 don't expect you to get into any details
25 here, but has the Administration and the

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 Unions 33 and 47, the leadership of those
3 unions, when's the last time they
4 actually sat down? Are there any
5 discussions going on? Again, without
6 getting into any detail.

7 MR. TOLAN: Well, we are
8 scheduled to meet with District Council
9 47 on Wednesday of this week.

10 COUNCILMAN GREENLEE: On
11 Wednesday, okay. Before that, had there
12 been --

13 MR. TOLAN: Not for sometime,
14 not at a large formal session. I mean, I
15 talk to the leadership of the union
16 probably on a weekly basis about these
17 issues. There's decisions kind of
18 jointly about when does it make sense to
19 get back together in this forum.

20 COUNCILMAN GREENLEE: So you're
21 saying that the two sides really didn't
22 agree to sit down; is that what you're
23 kind of saying?

24 MR. TOLAN: We didn't feel that
25 it would be productive to get into those

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 sessions.

3 COUNCILMAN GREENLEE: You
4 didn't feel -- okay. All right, 'cause
5 it just seems like you can't get anything
6 done unless you talk, right? I mean,
7 that kind of over-simplifies it, but --

8 MR. TOLAN: Well, again, we do
9 talk all the time.

10 COUNCILMAN GREENLEE: Uh-huh.

11 MR. TOLAN: But in that kind of
12 a setting, we have not done that for a
13 while. We did recently with District
14 Council 33, and we are doing that this
15 week with District Council 47.

16 COUNCILMAN GREENLEE: Okay,
17 last question. When you say "a while,"
18 how long has it been that there was a
19 formal --

20 MR. TOLAN: Probably at
21 least -- several months at least.

22 COUNCILMAN GREENLEE: Several
23 month? Okay, all right.

24 Thank you, Madam President.

25 COUNCIL PRESIDENT VERNA:

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 You're welcome.

3 Thank you very much.

4 MR. TOLAN: You're welcome.

5 MR. McPHERSON: The Youth
6 Commission.

7 (Witnesses come forward.)

8 COUNCIL PRESIDENT Verna: Good
9 afternoon. Welcome.

10 MR. WEISS: Good afternoon.

11 COUNCIL PRESIDENT Verna:
12 Please identify yourself for the record
13 and proceed with your testimony.

14 MR. WEISS: Good afternoon,
15 President Verna and members of City
16 Council. My name is Max Weiss, and I'm
17 the chairman of the Philadelphia Youth
18 Commission. And I'm joined by Jordan
19 Harris, our executive director.

20 Thank you for giving us the
21 opportunity to speak about the proposed
22 budget for the Philadelphia Youth
23 Commission.

24 This past year, the Youth
25 Commission aimed to increase its role in

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 the legislative arena while working to
3 improve its visibility and internal
4 functions. I'm happy to say that we have
5 made drastic improvements in each of
6 these areas.

7 Over the past year, the Youth
8 Commission has testified in front of City
9 Council four separate times. On three
10 occasions, recommendations that we
11 presented either at those hearings or in
12 meetings with Council and/or mayoral
13 staff were added to into the legislation.

14 Besides testifying at Council
15 hearings, the Commission has partnerships
16 with other local youth-led organizations
17 in order to advocate for non-violent
18 schools. Our involvement in the
19 legislative process has increased
20 dramatically from the last year.

21 Clearly, the Commission is
22 successfully fulfilling its Charter-
23 mandated duties by participating in
24 public hearings and other meetings with
25 public officials. In addition to being

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 heavily involved in local legislative
3 issues, the Commission has worked to
4 expand its visibility.

5 This entailed creating a
6 monthly radio show where we interviewed
7 guests such as Councilman Green, Senator
8 Casey, and State Rep Tony Payton about
9 issues that are currently affecting the
10 youth of Philadelphia. The Commission
11 also has been submitting regular updates
12 to members of Council.

13 In addition, this past winter,
14 the Commission partnered with Councilman
15 Jones, the Department of Public Safety,
16 and other organizations to put together a
17 forum to inform youth of their rights and
18 responsibilities when interacting with
19 the police.

20 A huge reason for the
21 Commission's success over the past year
22 was the newly-found stability of the
23 body. This stability can be credited to
24 the commitment of the commissioners and
25 also to the hard work of our executive

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 director, Jordan Harris. With his help,
3 we have televised monthly public
4 meetings, and we have met over twelve
5 times over the past year.

6 In addition to public meetings,
7 the Commission has held several committee
8 meetings to discuss specific policy
9 ideas. And for the first time in its
10 short history, the Commission has also
11 produced an annual report, which
12 highlights all of our accomplishments.

13 Finally, in order to ensure the
14 future success of the Commission, we are
15 working on a three-year strategic plan
16 with funding from the William Penn
17 Foundation. The future of the Youth
18 Commission looks very bright. In the
19 next fiscal year, the Commission hopes
20 to build on its current success. We
21 will continue to reach out to youth and
22 work diligently to adequately represent
23 their voice in local government.

24 I now would like to introduce
25 Jordan Harris, our executive director,

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 who will provide details on our budget.

3 Thank you.

4 COUNCIL PRESIDENT Verna: Thank
5 you.

6 MR. HARRIS: Good afternoon,
7 President Verna and members of City
8 Council, it is my pleasure to present the
9 operating budget for the Fiscal Year 2012
10 for the Philadelphia Youth Commission.

11 Just shy of a year ago, I
12 embarked on this journey as executive
13 director for the Youth Commission. The
14 Commission's focus last year was to
15 create stability within the Commission
16 and increase its level of visibility.
17 Additionally, the Commission aimed to
18 increase its level of involvement in the
19 legislative process, while continuing to
20 inform and engage youth throughout the
21 City.

22 As I reflect upon last year, a
23 few highlights emerge. We have
24 instituted a standard monthly meeting
25 date for the Youth Commission on the

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 second Thursday of every month. These
3 meetings are open to the public, and we
4 encourage youth from across the City to
5 come and join in the dialogue. For those
6 that cannot attend in person, the
7 Commission has formed a partnership with
8 Channel 64 to broadcast those meetings
9 live or via tape.

10 During these meetings, Youth
11 Commissioners are briefed on recent
12 reports or issues that are facing youth
13 and young adults across the City.
14 Commissioners and youth in attendance are
15 able to pose questions to policy-makers
16 and stakeholders about these pressing
17 issues

18 The Youth Commission meetings
19 have grown to become an opportunity for
20 youth to engage in the policy process
21 while learning about various issues. The
22 monthly Youth Commission meetings have
23 helped stabilize the Commission and raise
24 its profile across the City

25 With the support of the William

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 Penn Foundation, the Commission was able
3 to fund the completion of a three-year
4 strategic plan. Additionally, we
5 regularly engage with youth throughout
6 the City through various social media
7 outlets such as Twitter and Facebook.

8 To keep in regular contact with
9 our constituency, we have formed a
10 partnership with Instarter, Incorporated,
11 which provides us with the capability of
12 sending mass text messages and message
13 polls. By texting My Voice to 82257,
14 youth from across the City are able to
15 join the Youth Commission's
16 text-messaging list serve

17 Finally, the Commission also
18 hosts a monthly radio show on 900 AM-WURD
19 on the fourth Saturday of every month.

20 The legislation that created
21 the Youth Commission calls for the
22 Commission to advise and comment to
23 Council, the Mayor, agencies, and
24 departments of the City on proposed
25 ordinances, other legislative matters and

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 policy which are of concern to the
3 children and youth of the City.

4 This year, I am proud to say
5 that the Youth Commission has done just
6 that. The number of times the Commission
7 has commented or advised on legislative
8 matters or policies which are of concern
9 of youth of our city has quadrupled
10 compared to last fiscal year. The
11 Commission has commented via testimony
12 before Council, through letters to the
13 Mayor, and recommendations to other City
14 agencies, and in opinion articles.

15 Finally, this year, we focused
16 on creating informed and engaged youth
17 throughout the City. To achieve this
18 goal, the Commission created four
19 subcommittees. These subcommittees are
20 open to any youth throughout the City
21 that would like to be a part of the
22 process.

23 Additionally, the Commission
24 hosted several outreach events that
25 offered youth the opportunity to engage

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 with policy-makers and stakeholders.

3 I would also like to present
4 for the first time since its inception
5 the Youth Commission's 2007 Annual
6 Report.

7 Onto the budget. The Fiscal
8 Year 2012 Youth Commission Budget is as
9 follows:

10 An employee compensation of
11 \$50,000.

12 Purchase of service, \$43,312.

13 Materials and supplies, \$1,000

14 And equipment, \$1,688

15 Which brings us to a total of
16 \$96,000.

17 Only in its second full year
18 with staff, the Youth Commission is
19 establishing itself as a meaningful and
20 vital part of City government. Although
21 we are not at the finish line, we have
22 made, and continue to make, great
23 progress.

24 The Commission looks to
25 continue providing a voice and an avenue

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 for engagement of youth in this city. I
3 look forward to the challenges of next
4 fiscal year but also look to the promise
5 that can found in the eye of every young
6 Philadelphian. We will continue to
7 advocate for the youth of this city, as
8 we see them as our City's most valuable
9 resource.

10 I now close my testimony and
11 would like to thank you for this
12 opportunity. And thank you for your
13 continued support of the Youth
14 Commission, and I'm available to answer
15 any questions that you might have.

16 COUNCIL PRESIDENT VERNA: Thank
17 you so much.

18 MR. HARRIS: Thank you.

19 COUNCIL PRESIDENT VERNA: The
20 Chair recognizes Councilman Green.

21 COUNCILMAN GREEN: Thank you,
22 Madam Chair.

23 I want to thank both Jordan and
24 Max for your testimony. I want to
25 commend you both for the work of the

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 Commission this year.

3 Max is my appointee and -- but
4 volunteered for the Commission before he
5 was appointed as the chair and has put in
6 place a committee structure and the
7 Commission with the hiring of Jordan and
8 other things is really starting to
9 fulfill the Charter-mandated roles, and
10 you are advising us on different pieces
11 of legislation. For the first time,
12 you've prepared an annual report.

13 And so, I just want to thank
14 you for the work you've done this year
15 and look forward to more of the same.

16 I have some questions that I
17 ask every department. So there was no
18 detail about the \$17,337 that you're
19 spending on professional services. You
20 don't have to answer it now, but if you
21 could provide it to the Chair, unless you
22 know it.

23 MR. HARRIS: Yes, I do have
24 that information, Councilman.

25 COUNCILMAN GREEN: Okay.

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 MR. HARRIS: Would you like me
3 to give it to you -- do it now?

4 COUNCILMAN GREEN: Sure.

5 MR. HARRIS: Council Bill
6 100634 passed last year, which was the
7 tobacco and cigarette legislation, which
8 raised the fine on vendors that sold
9 tobacco products to minors.

10 The Youth Commission actually
11 worked very hard on that legislation with
12 the Health Department and were happy to
13 see the Mayor sign it into law in
14 December of last year.

15 As a part of that work, the
16 Youth Commission has worked with the
17 Health Department to secure a grant from
18 the Health Department to actually do
19 youth engagement work throughout the City
20 around tobacco advocacy. So with that,
21 the Youth Commission will be able to
22 bring another staffperson in to work on
23 that grant.

24 And a part of that, the Youth
25 Commission is dedicating \$5,000 from our

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 budget to work on that initiative as
3 well. Part of that money will be used to
4 do a youth summit around tobacco issues
5 next year in the City.

6 The Youth Commission is also
7 involved in the Campaign for Nonviolent
8 Schools. Last Tuesday, we released -- I
9 should say this. The campaign is ten
10 youth-led organizations that come
11 together to talk about the major issue of
12 violence in our schools. I'm sure
13 everybody is reading the series that is
14 going on in the Daily News right now
15 about youth violence.

16 So last November, we had a
17 youth power summit that talked about
18 youth violence, and it was hosted by the
19 Campaign for Nonviolent Schools. We put
20 some money up to do that. And in our
21 budget for next year, we have dedicated
22 \$3,000 to work with the Campaign for
23 Nonviolent Schools again this year.

24 Every -- for most of our Youth
25 Commission meetings, for most of our

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 events, we do flyers, so we have \$1200
3 for that.

4 COUNCILMAN GREENLEE: Great.
5 If you could just submit the balance of
6 the detail to the President, we'll take a
7 look at it.

8 MR. HARRIS: Okay, no problem.

9 COUNCILMAN GREEN: That would
10 be great.

11 And also, were you asked for a
12 1.5 and 3 percent budget-reduction
13 scenario from the Finance Department?

14 MR. HARRIS: Yes.

15 COUNCILMAN GREEN: Okay. Well,
16 they're forwarding that to us, so we'll
17 take a look at that.

18 Once again, thanks for a great
19 year and thank you for your work.

20 And Max is moving on to better
21 things. He's going to Teach for America,
22 and hopefully will get a Philadelphia
23 school so you can do some more work here.

24 Thank you very much.

25 MR. WEISS: Thanks.

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 MR. HARRIS: Thank you.

3 COUNCIL PRESIDENT VERNA: Thank
4 you.

5 The Chair recognizes Councilman
6 Goode.

7 COUNCILMAN GOODE: Thank you,
8 Madam President.

9 Very briefly. You have \$46,000
10 and \$43,000 this year in Class 200.

11 MR. HARRIS: Yes, sir.

12 COUNCILMAN GOODE: What's the
13 largest contract?

14 MR. HARRIS: The Youth
15 Commission, we really don't do contracts
16 per say.

17 COUNCILMAN GOODE: So it's
18 purchase of service.

19 MR. HARRIS: Yes.

20 COUNCILMAN GOODE: What's the
21 largest item that you purchased?

22 MR. HARRIS: Last year?

23 COUNCILMAN GOODE: Projected
24 for next year first.

25 MR. HARRIS: There's really no

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 contract, per say. So we're doing \$5,000
3 for the tobacco, we're doing \$3,000 for
4 the Campaign for Nonviolent Schools.

5 I guess you would say the money
6 that we spent on producing flyers for all
7 of the different events we do every year,
8 but it's not a lump sum that we do just
9 to, say, flyers, but it's ongoing.

10 COUNCILMAN GOODE: So there's
11 nothing larger than \$5,000 except for
12 your printing expenses.

13 MR. HARRIS: Yes.

14 COUNCILMAN GOODE: And how do
15 you handle do handle your printing
16 expenses? Do you use the same contractor
17 for printing service --

18 MR. HARRIS: When you say
19 "printing," we do --

20 COUNCILMAN GOODE: It's
21 in-house?

22 MR. HARRIS: Yes. We don't
23 do -- like we don't get a printer.

24 Now, the annual report, we did
25 get a printer, and we used someone that

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 one of the other departments used.

3 COUNCILMAN GOODE: But other
4 than that, there's nothing above 5,000.

5 MR. HARRIS: No, sir.

6 COUNCILMAN GOODE: Okay, thank
7 you.

8 Thank you, Madam President.

9 COUNCIL PRESIDENT VERNA:
10 You're welcome.

11 Thank you both very much.

12 PANEL MEMBERS: Thank you.

13 MR. McPHERSON: The last
14 department for today is the Office of Art
15 and Culture.

16 (Witnesses come forward.)

17 COUNCIL PRESIDENT VERNA: If
18 you'd like, you could abbreviate your
19 testimony. We will give a copy of your
20 testimony to the stenographer, and it
21 will be transcribed in full.

22 MR. STEUER: Excellent.

23 Good afternoon, President Verna
24 and members of Council. I'm Gary Steuer.
25 I am the Chief Cultural Officer and the

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 Director of the Office of Arts, Culture,
3 and the Creative Economy. I'm here today
4 to present testimony on the Office of
5 Arts, Culture, and the Creative Economy
6 and proposed Operating Budget for Fiscal
7 Year 2012, and I'm also joined by Deputy
8 Cultural Officer Moira Baylson.

9 I'm very excited to have the
10 opportunity to report today.

11 Over this past year, we have
12 actually occupied our new office and art
13 gallery in June of 2010, and, for the
14 first time, we're in one place. So we're
15 really very excited about that.

16 We really have, I think,
17 tremendous momentum going in the office
18 and looking at ways to develop
19 partnership that weave arts, culture, and
20 creativity into the economic and social
21 fabric of the City.

22 Of the office's 2011 budget of
23 roughly \$2.5 million, 81 percent of the
24 funding was distributed in the form of
25 grants to the cultural community. And

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 very few of the programs and initiatives
3 operated out of the office are funded
4 with General Fund dollars. The office is
5 committed to leveraging the City's
6 investment as much as we can with other
7 public and private resources.

8 The Philadelphia Cultural Fund
9 in 2011 will distribute a little over
10 \$1.6 million to 200 Philadelphia cultural
11 organizations. There's also a new
12 program, the Youth Arts Enrichment
13 Grants, which is another \$100,000. And
14 last year, \$350,000 was distributed to
15 these youth arts programs.

16 The challenge is, the Cultural
17 Fund was cut 42.5 percent from the 2010
18 level, so that has obviously hindered our
19 ability to support more organizations.

20 The African-American Museum in
21 Philadelphia is also funded through our
22 office. This year, it's celebrating its
23 35th anniversary. They have an annual
24 grant of roughly \$230,000 that helps them
25 to continue to serve the public and

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 deliver high-quality programming. Its
3 core exhibit, "Audacious Freedom,"
4 details the freedom journey of
5 African-Americans in Philadelphia.

6 In December of 2010, with
7 funding from the William Penn Foundation,
8 we released a report, "Creative Vitality
9 in Philadelphia," that reported a 7
10 percent increase in Philadelphia's
11 creative health from 2006 to 2008, and
12 that our creative sector is 70 percent
13 stronger than the national benchmark.

14 There were some areas for
15 improvement such as our creative-sector
16 employment, which was 15 percent below
17 the national benchmark.

18 We've also held a town hall
19 meeting on this program, where we've
20 reached out to the public to get input on
21 how we can better serve them in the
22 creative economy area.

23 We're also developing new tools
24 to reach out to the public through blogs,
25 partnerships, and social media. We are

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8

2 also now in the process of developing a
3 new website with the benefit of donated
4 in-kind services from Electronic, Inc.

5 With a \$25,000 planning grant
6 from the National Endowment for the Arts
7 matched by funding from the William Penn
8 Foundation, we have also partnered with
9 the Reinvestment Fund and Social Impact
10 of the Arts Project at Penn to create a
11 creative assets mapping database. And
12 this initiative is a comprehensive effort
13 to identify and promote arts culture and
14 creative assets in Philadelphia. We hope
15 that this will be a really useful tool
16 going forward, and we're waiting to hear
17 about additional funding for FY '12.

18 The Mayor's Cultural Advisory
19 Council, which is a diverse group of
20 leaders in the arts and creative sector,
21 worked throughout this past year.
22 They've been working on a vision and plan
23 for the office, and we hope to be able to
24 issue that to Council and the Mayor
25 shortly.

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2 In FY '11, we continued our
3 partnership with OHCD and the Department
4 of Commerce to offer the Creative
5 Industry Grant Program.

6 In FY '10, we awarded \$500,000
7 as part of the recovery portion of CDBG.
8 And in May, we will announce a \$300,000
9 fund in partnership with the Commerce
10 Department as a continuation of that
11 program.

12 Since 1992, Art in City Hall,
13 has presented an array of exhibitions
14 serving professional and emerging
15 Philadelphia visual artists.

16 I'm just trying to paraphrase
17 on the fly here.

18 Currently, on the fifth floor
19 of City Hall, we have Build A Bridge, a
20 community nonprofit providing assistance
21 for families in transition. They are
22 presenting "My Home Is in My Heart," an
23 artistic inquiry of place, home, and
24 belonging by Philadelphia's children.

25 And in May, the Village of Arts

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 and Humanities will celebrate its 25th
3 anniversary with an exhibition in City
4 Hall.

5 With the opening of our office
6 and gallery in 2010, we also now have the
7 art gallery in City Hall, and we've been
8 doing a wide array of programs in that
9 space, including a program this past
10 summer that was a partnership with the
11 School District, where we exhibited
12 extraordinary art by our children in our
13 School District schools.

14 With a collection of over 1,000
15 pieces, the Public Art Program
16 commissions new works of permanent public
17 art through the City's Percent for Art
18 Ordinance and also oversees preservation
19 and maintenance of the City's public art
20 collection.

21 Currently, there are 11 percent
22 projects in various stages of
23 development, including the Race Street
24 connector, two projects at the
25 Philadelphia International Airport, and

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2 two at neighborhood rec centers.

3 And I particularly want to talk
4 about one of the recommendations of a
5 2009 PennPraxis study that the office did
6 on public art in Philadelphia that talked
7 about the need for doing more temporary
8 public art. And we have a major new
9 project called "Soil Kitchen" that's a
10 temporary public art installation at
11 Second and Girard that's being done in
12 conjunction with the EPA's Brownfields
13 Conference.

14 And there was a big story about
15 that in the Philadelphia Inquirer today
16 that we're very excited about. And that
17 is supported by the William Penn
18 Foundation, so we've been able to do a
19 major new work of temporary public art on
20 environmental and sustainability issues.

21 For FY '12, we will continue to
22 work on creative-economy issues under the
23 sort of brand "Creative Philadelphia."
24 We will launch a quarterly-event series.
25 We will also launch our new website,

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2 philadelphia.gov/arts that will help
3 citizens connect with the art services of
4 the City.

5 We hope to continue the
6 Creative Industry Grant Program. As
7 you've heard from earlier testimony, it
8 sort of depends on the state of the
9 City's CDBG funding, but we certainly
10 hope to be able to continue that program.

11 And pending funding from the
12 National Endowment of the Arts, we also
13 help to launch the second phase of the
14 Creative Asset Mapping database program.

15 We will also continue, of
16 course, working in the Percent for Art
17 Project through FY '12 and working with
18 other City departments, which is
19 something that we do a lot of.

20 One of the exciting pieces
21 we're working on there is a reinstallment
22 of an important piece by the Puerto Rican
23 artist Raphael Ferrer, called "El Gran
24 Teatro de la Luna" that has been in
25 storage for a long time, and we hope to

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2 reinstall that at Fairhill Square.

3 Okay. Now I'm going to talk
4 about the FY '12 General Budget details.
5 The FY '12 budget shows increases to
6 Class 100 and Class 200 funds, which
7 reflect really just a final and accurate
8 consolidation of cultural staff within
9 the office's budget. It does not reflect
10 any additional staff.

11 The slight increase in Class
12 100 funds is actually a correction of an
13 error that had been made in the
14 consolidation of the office.

15 And the increase in Class 200
16 funds reflects staff salary and benefits
17 of a staff member who was previously paid
18 through the Commerce Department, so
19 that's just been just shifted over to our
20 department.

21 Class 500 reflects two annual
22 grants: a \$1,840,000 allocation to the
23 Philadelphia Cultural Fund, which
24 regrants the funding to Philadelphia
25 cultural organizations; and the \$230,000,

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2 approximately, grant that I referred to
3 earlier to the African-American Museum
4 for general operations.

5 FY '11 participation levels.
6 The office is committed to supporting the
7 Administration's goal of 25 percent
8 minority-, women-, and disabled-owned
9 businesses in City contracting. For FY
10 '12, the office will have a goal of 25
11 percent.

12 For FY '11, no RFPs were sent
13 out from the office. However, through
14 our Percent for Art Program, from the
15 City's capital budget, we are committed
16 to those goals.

17 For projects currently underway
18 and that have occurred over the previous
19 three years, 77 percent are M/W/BE firms,
20 seven out of nine projects.

21 In all of the office's many
22 non-contracting activities, including
23 selecting jurors and panels, we are also
24 committed to this goal.

25 And should any Councilmember

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2 wish to engage in further discussion of
3 any of these matters, I will be happy to
4 answer any questions.

5 COUNCIL PRESIDENT VERNA: Thank
6 you very much.

7 On page 10 of your budget
8 detail, you were requesting \$390,800 for
9 PIDC for administrative support. What
10 administrative support? And I don't
11 understand what PIDC provides.

12 MR. STEUER: Essentially, it
13 represents several task force positions.
14 So when the office was consolidated,
15 several of my staff were being paid
16 through PIDC. And so, that's really what
17 it represents, is paying PIDC for salary
18 and benefits for certain staff people who
19 serve on my staff.

20 COUNCIL PRESIDENT VERNA: That
21 confuses me. First of all, what were
22 their titles? How much were they being
23 paid? And why would they just be
24 transferred over to your department?

25 MR. STEUER: Well, it's really

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2 a question for budget. When my
3 department was created, there was no
4 staff and no budget, but there were a
5 number of staff people running arts-
6 related programs.

7 So three of the staff were
8 working through Public Property, managing
9 the Public Art and Art in City Hall
10 Program, and one staff person was with
11 Commerce.

12 And so, those staff positions
13 were moved from the agencies that they
14 were in, into my office as a way of
15 creating staffing capacity without
16 increasing expense to the City or adding
17 new lines. And they were already working
18 on arts-related programs.

19 COUNCIL PRESIDENT Verna: Are
20 they City employees? If they're coming
21 from PIDC, I'm sure they're Civil
22 Service-exempt. Why don't we make them
23 City employees?

24 MS. RHYNHART: Hi. Rebecca
25 Rhynhart, Budget Director.

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2 I think this is the way it's
3 been done historically. So there's no --
4 that is something we could look at. I
5 mean, I think, historically, there's a
6 payment that's gone from the City to PIDC
7 to cover the staff. So this is a
8 continuation of that, but that is
9 something that we could look at.

10 COUNCIL PRESIDENT VERNA: I'm
11 not going to say what I'm thinking.

12 The Chair recognizes Councilman
13 Goode.

14 COUNCILMAN GOODE: Thank you,
15 Madam President.

16 Good afternoon, Mr. Steuer.

17 Per the Council President's
18 question, your Class 200 funds are
19 strictly funds that go to PIDC to cover
20 staff; is that correct?

21 MS. BAYLSON: Hi. Moira
22 Baylson.

23 \$2,000 of those funds remain in
24 Class 200 for purchase of services for
25 the administration of the department, but

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2 the remaining goes out in a contract.

3 COUNCILMAN GOODE: You say
4 \$2,000?

5 MS. BAYLSON: That's right.

6 COUNCILMAN GOODE: Okay. So
7 let's move to Class 500, then. Your
8 Class 500 request is over \$2 million; is
9 that correct?

10 MR. STEUER: Yes, yes, that's
11 correct.

12 COUNCILMAN GOODE: What is the
13 largest contract you will award in Fiscal
14 '12?

15 MR. STEUER: The Philadelphia
16 Cultural Fund.

17 COUNCILMAN GOODE: And the size
18 of that award is how much?

19 MR. STEUER: \$1,840,000.

20 COUNCILMAN GOODE: And what's
21 the largest contract after that?

22 MR. STEUER: That is the
23 African-American Museum, which is awarded
24 \$230,688.

25 COUNCILMAN GOODE: Okay. Among

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 the Philadelphia Cultural Fund dollars,
3 there are subcontractors?

4 MR. STEUER: They run a
5 grant-making process that, in turn, makes
6 grants through a peer review grant
7 system.

8 COUNCILMAN GOODE: And what's
9 the largest awards under that process?

10 MR. STEUER: I think this year,
11 it will be about \$11,000?

12 COUNCILMAN GOODE: Okay. So
13 the only contract I see that might need
14 to be in compliance with the City's
15 living-wage-and-benefits standard might
16 be the African-American Museum in terms
17 of formal contract; is that correct?

18 MR. STEUER: I'm not familiar
19 with the --

20 COUNCILMAN GOODE: The standard
21 is, nonprofits with at least \$100,000 in
22 City contracts over a twelve-month
23 period.

24 MR. STEUER: Yeah, then that
25 would be true, yes.

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2 COUNCILMAN GOODE: Okay.

3 That's under your formal budget. You
4 also are responsible for the line item
5 that contains the subsidy to the Art
6 Museum; is that correct?

7 MR. STEUER: Not in a formal
8 way. They have a separate line item.
9 But in my role, I'm responsible for
10 overseeing and advising on all of the
11 City's cultural investments.

12 COUNCILMAN GOODE: And you are
13 familiar with the living-wage-and-
14 benefits issues at the museum, are you
15 not?

16 MR. STEUER: Yes, I am.

17 COUNCILMAN GOODE: Can you give
18 me an update?

19 MR. STEUER: I don't have an
20 update at this time.

21 COUNCILMAN GOODE: Okay. Can I
22 give you an update?

23 MR. STEUER: Sure.

24 COUNCILMAN GOODE: This is the
25 actual amendment to the budget for this

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 year that will transfer the money if we
3 don't work it out.

4 There was a commitment made in
5 writing last year that the RFP and/or
6 contract would contain language
7 consistent with the City's living-wage-
8 and-benefits policy; that has not
9 happened.

10 If it does not happen, the
11 appropriate time is budget process. The
12 proposed amendment is already drafted. I
13 already have considerable support among
14 my colleagues, particularly because they
15 don't locate to be played with.

16 And the Art Museum went as far
17 as to say, "We promise we're going to do
18 the right thing, we don't have a problem
19 putting it in writing. Next year, at
20 this time, there will not be a problem.

21 As of right now, there is sill
22 a problem.

23 MR. STEUER: Well, all I can
24 say is that as far as I know, they are
25 working on being able to come before

1 3/28/11 COMM. OF THE WHOLE - 110135,6,7,8
2 Council with a proposal that will satisfy
3 Council. And their testimony, I think,
4 is on April 6th so --

5 COUNCILMAN GOODE: I'm familiar
6 with that. If they are not prepared,
7 it's very simple; the amendment is
8 already drafted.

9 MR. STEUER: Mm-hmm.

10 COUNCILMAN GOODE: Thank you.

11 MR. STEUER: Thank you
12 Councilman.

13 COUNCILMAN GOODE: Thank you,
14 Madam Chair.

15 COUNCIL PRESIDENT VERNA: Thank
16 you very much.

17 MR. STEUER: Thank you,
18 Councilwoman.

19 COUNCIL PRESIDENT VERNA: Thank
20 you.

21 This committee will stand in
22 recess until tomorrow, Tuesday, March
23 29th, at 10 a.m.

24 Thank you all very much.

25 (Proceedings end at 3:19 p.m.)

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C E R T I F I C A T E

I HEREBY CERTIFY that the
proceedings of the City of Philadelphia
Council Committee of the Whole are contained
fully and accurately in the stenographic notes
taken by me on Monday, March 28, 2011, and
that this is a true and correct statement of
same.

JOSEPHINE CARDILLO

Registered Professional Reporter

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