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COUNCIL OF THE CITY OF PHILADELPHIA

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COMMITTEE ON APPROPRIATIONS

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Room 400, City Hall
Philadelphia, Pennsylvania
Thursday, December 1, 2005
9:15 a.m.

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PRESENT:

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COUNCILWOMAN JOAN L. KRAJEWSKI

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COUNCILMAN DARRELL L. CLARKE

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COUNCILMAN W. WILSON GOODE, JR.

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COUNCILWOMAN DONNA REED MILLER

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COUNCILMAN JUAN RAMOS

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COUNCILMAN FRANK RIZZO

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COUNCILMAN JACK KELLY

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BILLS 051091, 051092, 051093 and 051101

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V A R A L L O Incorporated

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Litigation Support Services

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Eleven Penn Center

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Philadelphia, Pennsylvania 19103

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COUNCILWOMAN KRAJEWSKI: Good morning. The Committee on Appropriations is now in session.

Will the Clerk please read the bills.

THE CLERK: Bill No. 051091, an ordinance authorizing transfers in appropriations for Fiscal Year 2005 within the Aviation Fund from the Director of Finance to the Director of Finance - Fringe Benefits; and

Bill No. 051092, an ordinance authorizing transfers in appropriations for Fiscal Year 2005 within the Water Fund from the Water Department to the Water Department; and

Bill No. 051093, an ordinance authorizing transfers in appropriations for Fiscal Year 2005 within the General Fund from certain or all City offices, departments, boards and commissions to certain or all City offices, departments, boards and commissions; and

Bill No. 051101, an ordinance

1 12/1/05 - APPROPRIATIONS - BILLS 051091, ETC.
2 authorizing transfers in appropriations
3 for Fiscal Year 2006 within the General
4 Fund from certain or all City offices,
5 departments, boards and commissions to
6 certain or all City offices, departments,
7 boards and commissions.

8 COUNCILWOMAN KRAJEWSKI: Thank
9 you.

10 Is there someone from the
11 Administration here?

12 Just one moment. I just want
13 to announce a quorum. To my left, we
14 have Councilman Rizzo, Councilwoman
15 Miller, and to my right, Councilman Ramos
16 and Councilman Goode, and myself.

17 MS. REED: Good morning,
18 Councilwoman Krajewski and members of the
19 Appropriations Committee. I'm Dianne
20 Reed, Budget Director, and I'm here to
21 testify on Bills 051091, 92, 93 and
22 051101. I also have with me members of
23 the Administration who are prepared to
24 provide detail if you have questions on
25 any specific parts of the proposed

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2 transfer.

3 This is the year-end transfer
4 ordinance which will provide
5 appropriations for areas where there were
6 deficits from areas where there were
7 surpluses. Most of the surpluses
8 resulted from the workforce reduction and
9 some better management of overtime and
10 things like that.

11 I'm speaking now of Bill
12 051093, which is the General Fund bill.
13 Some of the purposes that were funded in
14 the transfer include Public Property. We
15 have about \$5 million of Oracle licenses
16 that the Water Department funded for us.
17 We have to pay them back. We also have
18 \$3 million of increased costs in water
19 bills.

20 In finance, we have upgrades to
21 the FAMIS finance system and a new
22 procurement system called Web Procure,
23 because the other one was ceasing to be
24 optimally functional. We also have a
25 transfer to pay for the Core Scholarships

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2 Funds, which are of particular interest
3 to City Council. We also have a few
4 other finance expenses. One is for
5 higher workers' comp claims, which we've
6 been experiencing the general claims in
7 procurement. We have had to transfer
8 about \$600,000 in last year to pay for
9 the ads in multiple languages, as
10 required, and this year we actually
11 funded that in the budget, so we will not
12 have to make this transfer again, because
13 we have not been able to achieve any of
14 those savings which we had been
15 anticipating.

16 We're also giving about
17 \$200,000 to the Law Department for
18 additional outside counsel and to the
19 District Attorney partly for some Class
20 100 chart fall for the Line Squad and for
21 repayment of productivity bank loan.

22 City Commissioners, the savings
23 that we hoped were achievable with the
24 new voting machines haven't quite worked
25 out to plan and so we do have some

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2 increased costs in overtime and also for
3 voting machine maintenance and so forth,
4 and that adds up to about a million, and
5 then we also have an additional payment
6 to the First Judicial District for their
7 AOPC Procurement Fund.

8 And for the Bill 051091, that
9 is a transfer from Finance, purchase of
10 services to fringe benefits, and this
11 covers cost of pensions for Aviation Fund
12 employees, because as the workforce was
13 reduced in the General Fund, that made
14 Aviation's share of the cost a little bit
15 higher on a proportionate basis.

16 051092, this is a transfer
17 within the Water Department from personal
18 services, not as many positions being
19 filled, to the indemnities line item for
20 higher claims.

21 And the Bill 051101 is a
22 transfer from fringe benefits in Fiscal
23 '06 budget, not Fiscal '05, to the Office
24 of Housing and Community Development to
25 cover the costs for weatherization

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2 initiatives.

3 And this concludes our
4 testimony. We are asking for a
5 suspension of the rules, and we'd be
6 happy to answer any questions of the
7 Committee.

8 COUNCILWOMAN KRAJEWSKI: Thank
9 you.

10 I noticed your testimony given
11 by the Prisons Commissioner. Is there
12 someone here that could answer any
13 questions?

14 MS. REED: I can try to do
15 that.

16 COUNCILWOMAN KRAJEWSKI: Do you
17 know the current population of the prison
18 system?

19 MS. REED: He's hovering around
20 8,000. So the population was up last
21 year and it continues to be up this year
22 as well.

23 COUNCILWOMAN KRAJEWSKI: I'm
24 aware that the contractual agreement with
25 Delaware County will not be renewed once

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2 it expires. What plans do you have to
3 house these additional inmates?

4 MS. REED: Well, part of the
5 answer to that, and I think we'd have to
6 give you a definitive answer on that, but
7 is that we are moving into the time of
8 the year when the census is the lowest.

9 Additionally, the prison system
10 has been able to get an extension from
11 Delaware County to May, so there will be
12 more time to look at alternatives.

13 COUNCILWOMAN KRAJEWSKI: Thank
14 you.

15 I would like to announce that
16 we have Councilman Kelly here as well and
17 Councilman Clarke.

18 Are there any other questions
19 from members of the Committee?

20 Councilman Rizzo.

21 COUNCILMAN RIZZO: Good
22 morning, Budget Director.

23 MS. REED: Good morning.

24 COUNCILMAN RIZZO: You
25 mentioned something that I have an

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2 interest in, this Oracle Water Department
3 billing system. Could you just for the
4 record tell us what you know about the,
5 what I'll call, delays and plots of money
6 being spent, 20 million plus so far, on a
7 project that hasn't even seen the light
8 of day, other than some licensing issues?
9 Now you tell me that we're going to have
10 to pay the Water Department back for the
11 licensing of the product --

12 MS. REED: Right.

13 COUNCILMAN RIZZ0: -- a product
14 that's going to support their billing
15 system?

16 MS. REED: Yes. That was
17 expenses for last year. I think we'll
18 probably have to get somebody from MOIS
19 to give you a definitive description of
20 where that project stands right now.

21 COUNCILMAN RIZZ0: You are
22 aware there's problems with that project?

23 MS. REED: Yes.

24 COUNCILMAN RIZZ0: I'll deal
25 with that. I don't need to do that in

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2 public with them, but I just wanted you
3 to be aware, it seems as though you are,
4 that there are some significant issues
5 with the Oracle Ocean Project, I believe
6 it's called.

7 MS. REED: Correct.

8 COUNCILMAN RIZZIO: Thank you.

9 COUNCILWOMAN KRAJEWSKI: Any
10 other questions?

11 (No response.)

12 COUNCILWOMAN KRAJEWSKI: I have
13 a question regarding Bill 051093. It
14 relates to the Core Scholarships. What
15 was the original amount allocated to the
16 Core Scholarship? I thought it was 4
17 million.

18 MS. REED: Yes. Not all of the
19 amount was sent over originally and so
20 this makes the correction to the amount
21 that was agreed on to Council.

22 COUNCILWOMAN KRAJEWSKI: It is
23 4 million?

24 MS. REED: I'm pretty sure.

25 Yeah.

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2 COUNCILWOMAN KRAJEWSKI: Are
3 there any graduating high school seniors
4 in public and parochial schools that are
5 not eligible for this scholarship?

6 MS. REED: I think I should
7 call Jackie Barnett to the table, who is
8 the Secretary for Education, who can, I
9 think, address some of those specifics.

10 MS. BARNETT: Good morning. To
11 answer your question about who is not
12 eligible for Core Philly Scholarships --

13 COUNCILWOMAN KRAJEWSKI: I'm
14 sorry. Excuse me. Please identify
15 yourself for the record.

16 MS. BARNETT: Jacqueline
17 Barnett, Secretary of Education for the
18 City of Philadelphia.

19 Students who are not eligible
20 for Core Philly Scholarships are students
21 who are choosing to attend schools other
22 than state or state-related universities.
23 As long as they are high school graduates
24 from private, parochial and public school
25 students, they can receive up to \$3,000

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2 to attend one of the 20 state
3 institutions in which we support. There
4 is no grade recommendation. There is no
5 essay requirement. It is their will and
6 their desire to go to college that we
7 will support.

8 COUNCILWOMAN KRAJEWSKI: How
9 are these scholarships advertised? Is it
10 up to the individual school to make
11 students aware this money is available or
12 does the City promote them? What really
13 is the process?

14 MS. BARNETT: The process is
15 such that we have an Executive Director
16 that has maintained relationships with
17 all of the high school principals, with
18 the Administration to promote the Core
19 Philly Scholarships. At the beginning of
20 the year and the middle of semester, they
21 receive an e-mail, principals and
22 counselors alike, to let every graduating
23 high school senior know that they are
24 eligible for this money.

25 With regard to the City of

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2 Philadelphia, I think that we could do an
3 improved job in promoting it within the
4 community.

5 Now, we are receiving money
6 from the Sallie Mae Fund that will hold
7 and host lots of financial aid workshops
8 in a variety of communities to sort of
9 target specific populations, and those
10 have been successful.

11 COUNCILWOMAN KRAJEWSKI: Could
12 you forward to the Chair a list of the
13 students receiving these scholarships?

14 MS. BARNETT: Absolutely.

15 COUNCILWOMAN KRAJEWSKI: By the
16 school.

17 MS. BARNETT: I have them by
18 school and by district.

19 COUNCILWOMAN KRAJEWSKI: Thank
20 you.

21 MS. BARNETT: You're welcome.

22 COUNCILWOMAN KRAJEWSKI: Are
23 there any other questions?

24 (No response.)

25 COUNCILWOMAN KRAJEWSKI: Is

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2 there anyone else here to testify
3 regarding all these bills?

4 MR. HAVER: Good morning.

5 COUNCILWOMAN KRAJEWSKI: Good
6 morning.

7 MR. HAVER: My name is Lance
8 Haver. I'm the Director of Consumer
9 Affairs.

10 I'll be very brief. I'll
11 submit my written testimony. I know I'm
12 often up here complaining. I wanted to
13 come up here and say thank you very much
14 to Councilman Ramos, Councilwoman
15 Krajewski and the rest of Council. This
16 bill is very necessary. We face a real
17 crisis. And I don't want to take any
18 more of your time.

19 COUNCILWOMAN KRAJEWSKI: Thank
20 you.

21 MR. HAVER: If you have any
22 questions, I'd be happy to answer them
23 either here or in private. Thank you.

24 COUNCILWOMAN KRAJEWSKI: Thank
25 you.

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2 Are there any questions?

3 (No response.)

4 COUNCILMAN RAMOS: I believe
5 Councilman Clarke has deferred to me.

6 Thank you, Councilman Clarke.

7 COUNCILWOMAN KRAJEWSKI:
8 Councilman Ramos.

9 COUNCILMAN RAMOS: Councilwoman
10 Krajewski and all the members of Council
11 feel very strongly about this transfer
12 ordinance of \$2 million to help people
13 that will be struggling with their gas
14 bills very, very soon. Some are already
15 struggling with them. This is very
16 important for the people of Philadelphia
17 to have access for some extra help if
18 they need so given the energy crisis that
19 we're facing in this country.

20 Thank you, Madam Chair, for
21 bringing this bill up for a vote today.
22 Thank you.

23 COUNCILWOMAN KRAJEWSKI: Thank
24 you.

25 I believe that ends our hearing

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2 on appropriations. Now we'll go into our
3 public meeting.

4 The Chair recognizes Councilman
5 Clarke.

6 COUNCILMAN CLARKE: Thank you,
7 Madam Chair.

8 Madam Chair, I move that Bill
9 051091 be reported out of committee with
10 a favorable recommendation and a request
11 for a rules suspension as to allow
12 reading at the next session of Council.

13 (Duly seconded.)

14 COUNCILWOMAN KRAJEWSKI: All in
15 favor?

16 (Aye.)

17 COUNCILWOMAN KRAJEWSKI:

18 Opposed?

19 (No response.)

20 COUNCILWOMAN KRAJEWSKI:

21 Therefore, Bill 051091 will be reported
22 out of this committee with a favorable
23 recommendation, with a suspension of
24 rules so as to permit first reading at
25 the next session of Council.

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2 The Chair recognizes Councilman
3 Kelly.

4 COUNCILMAN KELLY: Madam Chair,
5 I move that Bill No. 051092 be reported
6 out of this committee with a favorable
7 recommendation and also ask for the
8 suspension of rules in order that this
9 bill may have first reading at the next
10 session of Council.

11 (Duly seconded.)

12 COUNCILWOMAN KRAJEWSKI: All
13 those in favor?

14 (Aye.)

15 COUNCILWOMAN KRAJEWSKI:
16 Opposed?

17 (No response.)

18 COUNCILWOMAN KRAJEWSKI:
19 Therefore, Bill 051092 will be reported
20 out of this committee with a favorable
21 recommendation, with a suspension of
22 rules so as to permit first reading at
23 the next session of Council.

24 The Chair recognizes Councilman
25 Goode.

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2 COUNCILMAN GOODE: Thank you,
3 Madam Chair. I move that Bill 051093 be
4 reported out of committee with a
5 favorable recommendation and that the
6 rules of Council be suspended so as to
7 permit first reading at our next Council
8 session.

9 (Duly seconded.)

10 COUNCILWOMAN KRAJEWSKI: All
11 those in favor?

12 (Aye.)

13 COUNCILWOMAN KRAJEWSKI:
14 Opposed?

15 (No response.)

16 COUNCILWOMAN KRAJEWSKI:
17 Therefore, Bill 051093 will be reported
18 out of this committee with a favorable
19 recommendation, with a suspension of
20 rules so as to permit first reading at
21 the next session of Council.

22 The Chair recognizes Councilman
23 Rizzo.

24 COUNCILMAN RIZZO: 051101,
25 we'll move this bill from this committee

1

2 and a suspension of the rules.

3 (Duly seconded.)

4 COUNCILWOMAN KRAJEWSKI: Thank

5 you.

6 All those in favor?

7 (Aye.)

8 COUNCILWOMAN KRAJEWSKI: All

9 those opposed?

10 (No response.)

11 COUNCILWOMAN KRAJEWSKI:

12 Therefore, Bill 051101 will be reported

13 out of this committee with a favorable

14 recommendation, with a suspension of

15 rules so as to permit first reading at

16 the next session of Council.

17 That ends our hearing on

18 appropriations. Thank you very much.

19 (Committee on Appropriations

20 adjourned at 9:35 a.m.)

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CERTIFICATE

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I HEREBY CERTIFY that the

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proceedings, evidence and objections are

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contained fully and accurately in the

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stenographic notes taken by me upon the

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foregoing matter on December 1, 2005, and that

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this is a true and correct transcript of same.

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MICHELE L. MURPHY

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RPR-Notary Public

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