

Committee on Appropriations
May 16, 2019

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COUNCIL OF THE CITY OF PHILADELPHIA
COMMITTEE ON APPROPRIATIONS

Room 400, City Hall
Philadelphia, Pennsylvania
Thursday, May 16, 2019
3:33 p.m.

PRESENT:

COUNCILWOMAN MARIA D. QUINONES-SANCHEZ, CHAIR
COUNCILWOMAN JANNIE L. BLACKWELL
COUNCILMAN ALLAN DOMB
COUNCILMAN KENYATTA JOHNSON
COUNCILMAN DAVID OH

BILL 190314 - An ordinance authorizing
transfers in appropriations for Fiscal Year
2019 from the General Fund, certain or all
City offices, departments, boards and
commissions, the Grants Revenue Fund...

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2 COUNCILWOMAN SANCHEZ: The
3 Committee on Appropriations is now called
4 to order having established a quorum. To
5 my right, Councilman Oh. Sitting at his
6 chair, Councilman Kenyatta Johnson, Vice
7 Chair of the Committee. To my left,
8 Councilman Brian O'Neill and Councilman
9 Allan Domb. And I know that Councilwoman
10 Jannie Blackwell is in the hallway.

11 Will the Clerk read the title
12 of the bill.

13 THE CLERK: Bill No. 190314, an
14 ordinance authorizing transfers in
15 appropriations for Fiscal Year 2019 from
16 the General Fund, certain or all City
17 offices, departments, boards and
18 commissions, the Grants Revenue Fund,
19 certain or all City offices, departments,
20 boards and commissions to the General
21 Fund, certain or all City offices,
22 departments, boards and commissions, and
23 the Special Gasoline Tax Fund, certain or
24 all City offices, departments, boards and
25 commissions.

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2 COUNCILWOMAN SANCHEZ: Thank
3 you.

4 Will the panel, starting with
5 Anna -- I just want to remind folks, the
6 office circulated Anna Adams' original
7 memo with a description of the bill, and
8 I'll let her read the rest of her
9 testimony in case there's any additional
10 questions.

11 MS. ADAMS: Thank you,
12 Councilwoman.

13 Good afternoon, Chair
14 Quinones-Sanchez and members of the
15 Appropriations Committee. My name is
16 Anna Adams and I serve as Budget Director
17 for the City of Philadelphia. Joining me
18 at the table is Sarah de Wolfe, who is
19 Deputy Budget Director.

20 I appear before you today to
21 offer testimony on Bill No. 190314, which
22 provides for a transfer from within the
23 General Fund and from the Grants Revenue
24 Fund to the General Fund and the Special
25 Gasoline Tax Fund. This ordinance is

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2 needed to transfer appropriations to
3 various City agencies to address other
4 areas where funds are being realigned or
5 shortages have occurred.

6 In the General Fund, the areas
7 to be addressed by the transfer
8 appropriations into and within the
9 General Fund by this ordinance are the
10 following:

11 \$325,000 to the Council for
12 increased contracting and advertising
13 costs in addition to technology upgrades.
14 This amount is fully offset by an
15 internal transfer of \$325,000;

16 \$156,891 to the Managing
17 Director's Office for the realignment of
18 the opioid response initiative and
19 municipal ID program. This amount is
20 fully offset by an internal transfer of
21 \$156,891;

22 \$498,555 to the Managing
23 Director's Office - Legal Services to
24 address Defender Association pay parity
25 with other City agencies;

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2 \$601,500 to the Office of Fleet
3 Management for the repair of specialized
4 fire vehicles;

5 \$5,501,000 to the City
6 Commissioner for the procurement and
7 preparation of electronic poll books and
8 voting machine printers;

9 300,000 to the Director of
10 Finance for a payment to the Capital
11 Budget;

12 4.9 million to the Director of
13 Finance for a contribution to the School
14 District of Philadelphia originating from
15 a grant from the Commonwealth.

16 In the Special Gas Tax, \$4.4
17 million to the Streets Department for the
18 purchase of additional street sweeper
19 vehicles.

20 I respectfully request that you
21 report this bill out of Committee with a
22 favorable recommendation, and I further
23 request that the rules of Council be
24 suspended so as to permit first reading
25 at the next session of Council.

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2 I appreciate the opportunity to
3 testify before this Committee today and
4 would be happy to answer any questions
5 you may have. Additionally,
6 representatives from departments involved
7 with the transfers are available as well.
8 I've enclosed their testimony also in our
9 packet that we sent.

10 COUNCILWOMAN SANCHEZ: Thank
11 you.

12 Anyone from the Committee have
13 questions?

14 (No response.)

15 COUNCILWOMAN SANCHEZ: Let me
16 thank the Administration. I know some of
17 these -- I want to particularly thank you
18 obviously on the municipal ID and the
19 opioid response, but I'm happy to see
20 this transfer here for the Defender
21 Association around pay parity. I think
22 it's hugely important for the work they
23 do, and as we talk about criminal justice
24 reform, that we treat all of those
25 departments equally.

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2 If there are no questions for
3 our panel, we will go into our public
4 meeting, and the Chair is going to ask
5 for a motion on the amendment from the
6 Vice Chair, Councilman Kenyatta Johnson.

7 COUNCILMAN JOHNSON: Thank you,
8 Madam Chairwoman. I move that the
9 amendment to Bill No. 190314 be adopted.

10 (Duly seconded.)

11 COUNCILWOMAN SANCHEZ: All
12 those in favor?

13 (Aye.)

14 COUNCILWOMAN SANCHEZ: Any
15 opposition?

16 (No response.)

17 COUNCILWOMAN SANCHEZ: Seeing
18 none, Bill 190314 is amended.

19 The Chair recognizes Vice Chair
20 Kenyatta Johnson for a motion on the
21 amendment with a rules suspension.

22 COUNCILMAN JOHNSON: Thank you,
23 Madam Chairwoman. I move that Bill No.
24 190314, as amended, be reported from this
25 Committee with a favorable recommendation

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2 and further move that the rules of
3 Council be suspended to permit first
4 reading of this bill at the next session
5 of Council.

6 (Duly seconded.)

7 COUNCILWOMAN SANCHEZ: All
8 those in favor?

9 (Aye.)

10 COUNCILWOMAN SANCHEZ: Any
11 opposition?

12 (No response.)

13 COUNCILWOMAN SANCHEZ: Seeing
14 none, Bill No. 190314, as amended, will
15 be moved out of this Committee with a
16 favorable recommendation and further
17 moved that the rules of Council be
18 suspended to permit first reading at our
19 next session.

20 Thank you very much. I also
21 want to thank you around the street
22 sweepers. Man, looking forward to that.

23 Sorry. Councilman Domb.

24 COUNCILMAN DOMB: Thank you,
25 Madam Chairwoman.

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2 And good afternoon. I couldn't
3 let you go without a few questions. It
4 looks to me like we're going to end
5 Fiscal Year '19 with \$100 million more in
6 revenue than we anticipated. Is that
7 accurate?

8 MS. ADAMS: Are you looking at
9 our latest Quarterly City Manager's
10 Report? So our latest fund balance shows
11 that we are going to end FY19 at 280.8
12 million, which is above our projection
13 from before. So, yes, over and above the
14 adopted budget. It is about \$100 million
15 above the adopted budget.

16 COUNCILMAN DOMB: \$100 million
17 above.

18 MS. ADAMS: Yes.

19 COUNCILMAN DOMB: What happens
20 to that money?

21 MS. ADAMS: So you'll see
22 that's why our fund balance is
23 significantly higher. Part of that is
24 that was a continuation from a higher
25 fund balance in FY18 where our revenues

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2 also ended a little higher. And so some
3 of that is a growth rate from a higher
4 base that we had assumed in the prior
5 quarter. If you looked at the Quarterly
6 City Manager's Report from the prior
7 quarters, we'd also recognized some of
8 that.

9 The biggest change in this
10 quarter is actually related to our
11 business income and receipts tax where
12 we're seeing large receipts have come in
13 year to date above where we projected.
14 Based on conversations with our outside
15 economic forecasting consultant and
16 conversations with other states, we're
17 assuming at this point that businesses
18 seem to be overestimating their receipts,
19 and that's why we're seeing this higher
20 amount, and it may right itself next
21 fiscal year. So although we're seeing
22 kind of a strong FY19, we might see some
23 weakness in BIRT in FY20 compared to what
24 we projected, and that's just based on
25 initial conversations that we've been

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2 having with our outside economic
3 forecasting consultant and the Revenue
4 Department in their conversations with
5 state agencies.

6 COUNCILMAN DOMB: Can you also
7 give me an update and give this Council
8 an update as to where we are with SEFA,
9 if it's been filed. I know the CAFR was
10 filed the end of the year, but it was
11 unaudited. Do you know where those
12 stand?

13 MS. ADAMS: I'm afraid I'm not
14 in the accounting unit, so I'm not sure.
15 I can ask them to follow up with you.

16 COUNCILMAN DOMB: Okay.
17 Because they were supposed to be by March
18 31st.

19 MS. ADAMS: Honestly, I'm not
20 sure. That's not within my unit, so I'm
21 not sure.

22 COUNCILMAN DOMB: All right.
23 Thank you very much. Thank you.

24 Thank you, Madam Chair.

25 COUNCILWOMAN SANCHEZ: Thank

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2 you, Councilman Domb.

3 Let me just add that as we
4 finalize this budget, we are aware that
5 there are some priorities that Council
6 will work with the Administration, and
7 the Administration has committed to work
8 with us on some of the priority areas
9 around criminal justice and some of the
10 other investments that we'd like to see.
11 So we're all pleased that we have a fund
12 balance, because there's more to do.

13 Thank you.

14 MS. ADAMS: Thank you.

15 COUNCILWOMAN SANCHEZ: Thank
16 you so much.

17 This concludes the meeting of
18 the Appropriations Committee.

19 Thank you.

20 (Committee on Appropriations
21 adjourned at 3:41 p.m.)

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CERTIFICATE

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

MICHELE L. MURPHY
RPR-Notary Public

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