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COUNCIL OF THE CITY OF PHILADELPHIA

PUBLIC HEARING

COMMITTEE OF THE WHOLE

- - -

Room 400, City Hall

Philadelphia, Pennsylvania

Monday, May 3, 2004

9:50 a.m.

- - -

BILL 040255 - An Ordinance adopting the  
Operating Budget for Fiscal Year 2005

- - -

PRESENT:

COUNCIL PRESIDENT ANNA C. VERNA  
COUNCILWOMAN BLONDELL REYNOLDS BROWN  
COUNCILMAN W. WILSON GOODE, JR.  
COUNCILMAN JAMES F. KENNEY  
COUNCILMAN JUAN F. RAMOS  
COUNCILMAN FRANK RIZZO  
COUNCILWOMAN JANNIE L. BLACKWELL  
COUNCILMAN MICHAEL A. NUTTER  
COUNCILMAN DARRELL L. CLARKE  
COUNCILMAN RICHARD T. MARIANO  
COUNCILMAN BRIAN J. O'NEILL

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1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               PRESIDENT Verna: The hearing of  
3       the Committee of the Whole regarding Bill No.  
4       020455 will now come to order.

5               Judge. We have Council members who  
6       are in their offices, and they will be able to  
7       hear the testimony. I think you have waited  
8       long enough.

9               Please identify yourself for the  
10      record and proceed with your testimony.

11              HONORABLE FREDERICA A.

12      MASSIAH-JACKSON: Good morning, Council  
13      President Verna. My name is Frederica  
14      Massiah-Jackson. I am the President Judge of  
15      the Philadelphia Court of Common Pleas and the  
16      Chair of our Administrative Governing Board of  
17      the First Judicial District.

18              And I would like to introduce you to  
19      Joseph Cairone, who is the First Judicial  
20      District Court Administrator. He will be  
21      presenting the testimony today.

22              And I would like to introduce you to  
23      Kevin Cross, who is our Deputy Court  
24      Administrator for Financial Services. And, of  
25      course, Mr. Cross has a great deal of the

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       backup information relating to the budget  
3       today.

4               PRESIDENT Verna: Fine.

5               MR. JOSEPH A. CAIRONE: Good  
6       morning, Madam President, Council Members.  
7       With your permission, I would like to proceed.

8               PRESIDENT Verna: Please do.

9               MR. CAIRONE: The First Judicial  
10      District respectfully submits its FY '05  
11      general fund and grants revenue budget for the  
12      fiscal year commencing July 1, 2004, with the  
13      recognition that this City Council  
14      and 66 other counties throughout this  
15      Commonwealth are faced with the dilemma of  
16      funding 60 judicial districts that by case law  
17      should be state funded.

18              We, therefore, seek your support  
19      committed to the tasks of increasing city  
20      revenue and reducing costs wherever possible  
21      as borne out by our performance over the past  
22      several years.

23              This budget submission is consistent  
24      with the City of Philadelphia and FJD FY '03  
25      mandamus settlement and FY '04 budget

1        OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2        agreements, both of which allow any and all  
3        savings generated by the FJD to be transferred  
4        to the court improvement account to fund FJD  
5        technology, training, and facilities projects.

6                Table 1 of our written testimony  
7        offers a comparison between the court's  
8        General Fund Operating Budget, our FY '05  
9        submission, and the city-sponsored FY '05  
10       budget proposal of \$106 million which  
11       represents a 7.6 percent decrease in overall  
12       funding totaling approximately \$9 million.

13               While reviewing the comparison,  
14       please note that the FJD's FY '05 budget  
15       submission includes additional services  
16       totaling approximately \$2.4 million, as well  
17       as line items to address DROP terminal leave  
18       formerly funded by the city and DROP  
19       right-sizing.

20               Net of the new programs and  
21       additional operating expenses, the FY '05  
22       proposed budget is \$3 million less than the  
23       district's current FY '04 budget.

24               The proposed new programs and  
25       additional operating expenses, however, are

1        OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2        required for continued third-party grant  
3        funding of the court's juvenile specialized  
4        probation program; the continued operation of  
5        two decentralized juvenile probation offices,  
6        one each located in North and West  
7        Philadelphia; juvenile advocacy services  
8        provided by the Support Center For Child  
9        Advocates; the continued provision of  
10       interpreter services, including those offered  
11       by the court to the deaf and hearing impaired;  
12       community court coordinator services;  
13       additional Traffic Court postage; fully  
14       state-reimbursed judicial staff following  
15       Harrisburg's increase in the District's  
16       judicial complement; and, finally, the FJD's  
17       continued participation in the city's DROP  
18       right-sizing program.

19                The combined Family Court Juvenile  
20       Operations increase of \$894,000 consists of  
21       three components.

22                When we testified before this body  
23       last year, we established that the Juvenile  
24       Court Judge's Commission grant funding of the  
25       juvenile specialized probation program

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       requires a departmentwide juvenile probation  
3       officer complement of 233.

4               Absent staffing at the full 233  
5       officer level, the JCJC has advised they will  
6       withdraw support for continued funding of the  
7       probation officers currently assigned to the  
8       specialized probation program.

9               To account for the total shortfall  
10      of 33 departmentwide officer positions, the  
11      FJD negotiated with JCJC a phase-in of  
12      additional positions negotiated over the  
13      course of three years, 11 hires in FY '03, FY  
14      '04 and FY '05 respectively.

15              The FY '03 hires were supported  
16      within that fiscal year budget and are,  
17      therefore, not resubmitted as an increase in  
18      this submission.

19              The 11 positions filled during FY  
20      '04 were funded by a one-time \$400,000  
21      carry-over from Fiscal Year '03.

22              We, therefore, request funding for  
23      22 probation officers in FY '05 to avoid the  
24      potential closure of the court's juvenile  
25      specialized probation program.

1        OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2                The second component of the Family  
3 Court request is made because of juvenile  
4 probation's unique supervisory requirements.

5                The department, located at 1801 Vine  
6 Street, has decentralized part of its  
7 operation to better serve its client base.  
8 Two units were relocated to remote sites at  
9 46th and Market and I and Tioga Streets.

10               Grant revenue originally budgeted  
11 for rent is no longer available as a result of  
12 reduced funding.

13               The District's request for \$72,000  
14 will permit juvenile probation's continued  
15 community partnerships at these locations.

16               The last element of the Family  
17 Court's juvenile request is to provide for the  
18 Support Center For Child Advocate's increase  
19 in representation of children in need in our  
20 dependency court proceedings.

21               The center continues to deliver the  
22 highest quality of services to each child and  
23 family, and has been recognized as a highly  
24 dedicated provider in this area.

25               In recognition of the center's

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       increased caseload and concurrent increased  
3       costs of services, the FJD agreed to increase  
4       the center's contract by \$35,000.

5               In reality, the center's services  
6       exceed the contracted cost, but they have  
7       graciously agreed to maintain the current  
8       level of supports provided.

9               It is our belief that neither the  
10       District nor the public it serves can afford  
11       to lose the services of this valued provider.

12              We are all aware of issues  
13       appropriately raised during our testimony last  
14       year and the need to provide additional  
15       services in the area of domestic violence.

16              During this past fiscal year,  
17       various improvements in operations and to the  
18       physical plant at 34 South 11th Street have  
19       occurred to provide increased services to the  
20       victims of domestic violence.

21              We have worked closely with various  
22       interest groups to review operations and  
23       participated in preparation of a request for  
24       grant dollars to create a domestic violence  
25       triage center.

1        OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2                To address the continued demands in  
3        domestic violence filings, as identified in  
4        our written testimony, and in anticipation of  
5        an increase in client inquiries and filings  
6        resulting from the city's domestic violence  
7        hotline initiative, we request additional  
8        funding for clerical support.

9                There is also an increased request  
10       to support Family Court child custody issues.  
11       Increased court-ordered home investigations,  
12       mental health assessments, and family  
13       counseling sessions require the addition of  
14       one psychologist to enable the custody unit to  
15       comply with state-mandated time frames for  
16       scheduling conferences and case disposition.

17               As you are aware, the First Judicial  
18       District is committed to engaging citizens in  
19       the administration of justice by enhancing  
20       access to judicial proceedings and the  
21       services provided by the courts.

22               Utilizing the Trial Court  
23       Performance Standards as a guide, persons with  
24       no or limited English proficiency are assisted  
25       through the use of bilingual forms and

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       documents, professional interpreter services,  
3       and bilingual and multi-lingual FJD employees.

4               In the last calendar year, the FJD  
5       serviced a broad cross-section of fellow  
6       Philadelphians by providing interpreter  
7       services in 51 languages.

8               This effort has been recognized by  
9       the Pennsylvania Supreme Court Committee on  
10      Race and Gender Bias. In particular, the  
11      committee remarked in part in its final  
12      report, "Pennsylvania's First Judicial  
13      District in Philadelphia County has taken a  
14      lead role by initiating a formal court  
15      interpreter system. Philadelphia remains the  
16      only Pennsylvania county that attempts to  
17      provide interpreter services to courts in a  
18      systematic manner."

19              The FJD implemented many new ideas  
20      and initiated several improvements to address  
21      the needs of persons with no or limited  
22      English proficiency and those with hearing  
23      disabilities in the following areas: The  
24      recruitment and training in court procedures  
25      of bilingual and multi-lingual employees,

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       staff interpreters, and contract interpreters;  
3       telephonic services; services for the deaf and  
4       hard of hearing; the establishment of a court  
5       information office; and the development of  
6       forms, brochures, and videos in Spanish and  
7       English.

8               The FJD supplies accommodations for  
9       the deaf and hard-of-hearing community in  
10      several ways. These services are provided by  
11      the court to assist litigants, attorneys,  
12      witnesses, and judges.

13             Overall, since 1999, contract  
14      interpreter services expenditures have  
15      increased by 147 percent, without  
16      corresponding increases in funding by the  
17      city.

18             The FJD can no longer internally  
19      fund these uncontrollable expenses and,  
20      therefore, requests a \$200,000 increase from  
21      baseline FY '02 Class 200 funding for this  
22      line item consistent with projected FY '05  
23      increases as provided before you.

24             The Philadelphia Municipal Community  
25      Court has emerged as an alternative court that

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       combines criminal justice and social services  
3       in a centralized location to respond to  
4       quality-of-life offenses.

5               As a court of alternative  
6       sentencing, community service and behavioral  
7       health treatment programs are emphasized for  
8       less serious criminal offenses rather than  
9       incarceration.

10              The court's mission is to reduce  
11       recidivism by addressing the defendant's  
12       underlying social service needs.

13              In addition to community service,  
14       ancillary services include drug treatment,  
15       education and employment referrals, and anger  
16       management counseling, as well as on-site  
17       physical health screenings and continued  
18       medical care and referrals.

19              This budget submission includes  
20       funding for two community coordinators in  
21       order to continue this diversionary service  
22       program.

23              Traffic Court city-generated  
24       revenues totaled \$10.8 million in Fiscal Year  
25       '03. We anticipate the city's share of

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 Traffic Court collections will exceed \$12  
3 million this fiscal year.

4 To continue Traffic Court  
5 initiatives, to enhance notification, dunning,  
6 and enforcement, we require additional postage  
7 expenditures totaling \$72,000.

8 Our submission also seeks funding  
9 for judicial positions related to a  
10 legislative increase in the Philadelphia  
11 judicial complement.

12 This request is cost neutral, given  
13 that the city receives reimbursement from the  
14 state for judicial staff.

15 As promised during our negotiations  
16 with the city last year, the FJD will continue  
17 to participate in the city's DROP work force  
18 right-sizing initiative in Fiscal Year '05,  
19 under our previous agreement which excludes  
20 those identified from consideration.

21 To support our submission and others  
22 proposed, the FJD has preliminarily identified  
23 cost reductions necessary to achieve various  
24 budget targets. Making those reductions will  
25 impact the current level of service delivery.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2       But until all variables are examined, specific  
3       predictions are impossible.

4               The FJD is continually developing  
5       plans to further reduce costs.

6               As you are aware, we have reduced  
7       positional levels by a total of 21 percent  
8       over the past several years. When all  
9       additional positions relating to the city's  
10      requested assistance in prison overcrowding  
11      relief are removed from the equation, the  
12      reduction in work force totals 26 percent.

13              During this same time, case loads  
14      have increased in all courts of the FJD, as  
15      detailed extensively in the appendices and  
16      attachments provided.

17              This fact alone demonstrates the  
18      commitment of the judiciary to cooperate with  
19      its government partners in seeking  
20      efficiencies wherever possible.

21              Not only have we planned for  
22      additional savings as part of our submission,  
23      but the FJD has, consistent with the long  
24      established practice of sharing FJD-generated  
25      increases in revenue from filing fees,

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       submitted a revised civil fee bill to the  
3       Supreme Court of Pennsylvania which seeks  
4       increases to its current fee structures in  
5       alignment with surrounding county fees.

6               In FY '04, under the current fee  
7       structure, the civil revenue projections  
8       indicate \$16.2 million will be transferred to  
9       the city General Fund.

10              The FJD has generated substantially  
11       increased revenues over the past five years  
12       thanks to aggressive collection policies in  
13       Traffic Court, the prothonotary, and adult  
14       probation, where collections directly benefit  
15       both the city's General Fund and victims of  
16       crime.

17              The revenue sent to the city from  
18       Traffic Court are ironically not a result of  
19       increased ticketing activity by police, which  
20       dropped by 22 percent in 2003, but, rather, by  
21       traffic court's aggressive initiatives and an  
22       increase in dispositions before Traffic Court  
23       judges.

24              Historically, filing fees for all  
25       local governmental agencies have been waived

1        OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2        by the district, notwithstanding the fact that  
3        these fees are added to judgments entered in  
4        favor of those agencies. These fees amount to  
5        approximately \$2 million per year.

6                Under the FJD's proposed budget of  
7        \$114.9 million, this practice can continue.  
8        However, a General Fund budget of less than  
9        the requested amount will require a  
10       reexamination of this policy.

11               We have stated in prior budget  
12       testimony, and continue to emphasize, that the  
13       FJD generates revenue in excess of 55 percent  
14       of its operating budget request. Appendix 2  
15       provided details to collection of FJD-related  
16       revenue.

17               These new or increased revenues are  
18       from the following sources, to mention a few:  
19       The recently enacted senior judge  
20       reimbursement provides the city with  
21       approximately \$250,000; Traffic Court citation  
22       collections have increased dramatically by  
23       \$4.4 million over the past two fiscal years  
24       and are anticipated to increase further as the  
25       electronic citation program develops and

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       awareness campaigns increase.

3               The Municipal Court has implemented  
4       a pretrial summary diversion program that has  
5       generated in excess of \$672,000 to date.

6               And, finally, the Family Court  
7       juvenile branch is working with DHS to  
8       increase reimbursable expenses under Act 148  
9       and Title 4(E).

10              Since FY '98, the FJD has generated  
11       \$21 million in additional revenue to the city  
12       General Fund as provided in Appendix 3.

13              Notwithstanding substantially  
14       increased revenues to the city generated by  
15       the District, the FJD has accepted reduced  
16       budgets in FY '02, FY '03, and FY '04 in the  
17       spirit of cooperation.

18              This budget submission for FY '05  
19       continues to demonstrate the District's  
20       commitment to increasing revenue and services  
21       and, wherever possible, reducing expenditures.

22              For the past ten years, the FJD has  
23       not requested any funding whatsoever from the  
24       city's Operating Budget for any of the very  
25       substantial improvements to its technology

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       infrastructure or its physical facilities.  
3       Rather, these expenditures have been totally  
4       self-funded through prudent expenditures and  
5       the responsible management of our budget.

6               Many of the improvements in question  
7       benefit not only the judges and employees of  
8       the court, but are of mutual benefit to the  
9       District's criminal and juvenile justice  
10      partners; such as, the police, prisons,  
11      district attorney, clerk of quarter sessions,  
12      sheriff, and the Department of Human Services.

13             All of these justice partners rely  
14      heavily on the FJD systems in carrying out  
15      their respective missions.

16             With that said, this submission,  
17      coupled with very conservative expenditures,  
18      may allow us to maintain that which we  
19      currently provide.

20             The FJD supports various segments of  
21      its operation through grant revenues. An  
22      overwhelming majority of those revenues  
23      received by the FJD are from Title 4(D). In  
24      conjunction with the State Bureau of Child  
25      Support Enforcement and the Federal Office of

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       Child Support Enforcement, the Philadelphia  
3       family court's Title 4(D) child support  
4       enforcement program has implemented Phase One  
5       of the Improved Case Management, ICM, plan  
6       during Fiscal Year '04.

7               The ICM plan is designed to improve  
8       case processing and generate additional  
9       program revenues to ensure a future  
10      self-sufficient program.

11             The ICM plan establishes a team  
12      approach to case processing, with a major goal  
13      to increase performance measures by improving  
14      the four major areas: Paternity  
15      establishment, court-ordered establishment,  
16      collection of current support, and collection  
17      on arrears cases.

18             These new integrated efforts will  
19      increase the number of absent parents located,  
20      support orders established and enforced, and  
21      collections provided to Philadelphia families.

22             This new plan of action will  
23      dramatically improve child support services to  
24      children and families in Philadelphia and is  
25      fully supported by the Commonwealth of

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2       Pennsylvania Department of Public Welfare.

3               Although not a part of the  
4       FJD-submitted budget request, recent events at  
5       the Criminal Justice Center further  
6       demonstrate the need for adequate security in  
7       all government facilities.

8               The minimal amount of security in  
9       City Hall should be of concern to all of us.  
10       We recognize that, as a multi-purpose public  
11       facility, imposition of security measures will  
12       cause some degree of inconvenience.

13              Additionally, security hardware and  
14       adequate security staff involve substantial  
15       expenditures.

16              We are aware that the Capital  
17       Programs Office has been working towards  
18       improving security in City Hall, and we  
19       solicit the support of Council in expediting  
20       work in this very important endeavor.

21              Finally, on behalf of the  
22       Philadelphia judiciary, Administrative  
23       Governing Board, employees of the First  
24       Judicial District, and the citizens of  
25       Philadelphia for whom we appreciably work, we

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       respectfully seek City Council's consideration  
3       and approval of our General Fund budget  
4       request of \$114.9 million for Fiscal Year '05.

5               Thank you for your attention, and we  
6       are happy to entertain any questions.

7               PRESIDENT VERNA: Thank you, Mr.  
8       Cairone.

9               Did the Administration inform you of  
10      their intended budget reductions? And, if so,  
11      did they share with you their rationale for  
12      the cuts?

13              MR. CAIRONE: They did share with us  
14      their intended budget reductions. And we have  
15      had -- and the rationale, the overall city  
16      rationale, of reductions. Not specific to the  
17      court, but the need to reduce budgets as a  
18      result of the city's fiscal dilemma.

19              We have had several meetings with  
20      city Administration germane to this issue, and  
21      we have exchanged information at several of  
22      those meetings.

23              PRESIDENT VERNA: If your proposed  
24      budget gets approved as is, what operational  
25      impact will this have on the ability of the

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       courts to operate?

3               MR. CAIRONE: In fact, Madam  
4       President, we will enhance the services  
5       provided by the court.

6               PRESIDENT VERNA: I said, if the  
7       proposed budget as presented is approved, what  
8       operational impact will this have on the  
9       ability of the courts to operate?

10              MR. CAIRONE: Although we haven't  
11       analyzed entirely the budget impact at 106, we  
12       have preliminarily reviewed operations that  
13       may be impacted.

14              And the reason I say, "may," it is  
15       because we don't want to make decisions in a  
16       vacuum, without other agencies that we  
17       interface with.

18              But our first blush is to look at  
19       the court's core responsibilities. And what  
20       we have identified are those items that do not  
21       fit within core responsibilities.

22              There are many jurisdictions  
23       throughout the country that do not operate  
24       24/7 as courts. We need to look at the  
25       continued operation of preliminary

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       arraignments on a 24/7 basis, the operation of  
3       bail interviews, pretrial conditional release  
4       supervision, and all of those matters that  
5       relate to 24/7 operation.

6               And, of course, there is a  
7       snowballing effect in that respect. If we  
8       reduce some of our shifts, for instance, the  
9       3:00 to 11:00 or 11:00 to 7:00, then we can  
10      reduce some of the data processing and MIS  
11      shifts in relation to that.

12             We have looked at the possibility of  
13      not bringing in jurors one day a week to  
14      reduce the cost of juror services.

15             We have looked at the possibility  
16      of -- the unique, distinct possibility of  
17      reducing specialized probation programs  
18      because they increase the case loads of other  
19      probation officers, and we can't --

20             PRESIDENT VERNA: Excuse me. Do you  
21      mind explaining what specialized?

22             MR. CAIRONE: Sure. There are  
23      certain defendants that fit into categories  
24      that require special supervision; such as,  
25      mental health, domestic violence, sexual

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       offenders. We provide reduced caseloads for  
3       those individuals, or probation officers that  
4       supervise those individuals, because of the  
5       intensity of the supervision.

6               We also participate in the youth  
7       violence reduction program. Each adult  
8       probation officer has a caseload of between 30  
9       and 35 that are assigned to that program.  
10      General supervision probation officers carry a  
11      caseload in excess of 180.

12             So if we had to reduce our costs,  
13      naturally we would look at reducing  
14      specialized areas so that we could spread the  
15      caseload over those that remain.

16             We have looked at ceasing all  
17      improvements for physical plant, of course,  
18      because there will be no surpluses.

19             We have looked at cell phone use,  
20      parking, automobiles. And we are doing that  
21      in conjunction with the Managing Director's  
22      Office.

23             We have looked at collapsing the  
24      juvenile probation satellite offices, which  
25      will be necessary.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               We have looked at, of course,  
3       eliminating all overtime as it relates to  
4       probationers that have to come in off hours or  
5       the use of warrant officers off hours to  
6       support electronic monitoring and conditional  
7       releases.

8               We have looked at reducing pretrial  
9       supervision for those defendants that are  
10      released conditionally after incarceration  
11      because they cannot afford limited bail, and  
12      for those defendants that are placed on  
13      conditional Type 1 and Type 2 release after  
14      the preliminary arraignment, which is specific  
15      to reducing prison overcrowding.

16              And, of course, we have looked at  
17      the general areas that most people look at,  
18      and that is reducing positions through  
19      attrition and not filling positions as quickly  
20      as they are vacated, as we have done this  
21      fiscal year.

22              So those are some of the things that  
23      we have looked at.

24              We have looked at the possibility --  
25      I'm sorry. Do you want me to continue?

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 PRESIDENT Verna: No. Just what you  
3 have said, in looking at some of those cuts,  
4 wouldn't that be creating a very, very huge  
5 backlog?

6 MR. CAIRONE: Yes.

7 PRESIDENT Verna: To say the least?

8 MR. CAIRONE: Yes. And I didn't  
9 mention the need to close certain courtrooms  
10 as a result, because we won't have staff to  
11 staff them.

12 PRESIDENT Verna: It is almost  
13 paralyzing.

14 You mentioned in your testimony that  
15 the new programs you are requesting are  
16 required for continued third-party grant  
17 funding of the court's juvenile specialized  
18 probation program.

19 For the record, can you explain the  
20 program, who funds it, and what happens if you  
21 were to lose this funding?

22 MR. CAIRONE: Again, this is  
23 specialized probation. These are juvenile --

24 PRESIDENT Verna: What you just  
25 mentioned?

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               MR. CAIRONE: Well, these are -- the  
3 programs I mentioned previously related to  
4 adults. These are juveniles, but they fit  
5 within similar categories.

6               These are juveniles that have been  
7 identified as the highest risk, sexual  
8 offenders, assaultive backgrounds, that  
9 require specialized probation and intensive  
10 supervision.

11              The program is funded through the  
12 JCJC program, which is a Juvenile Court  
13 Judge's Commission. It is a state-funded  
14 agency. So the money is --

15              PRESIDENT VERNA: Are they matching  
16 funds?

17              MR. CAIRONE: It is not a matching  
18 fund.

19              The only match that's required is  
20 that we maintain a certain level of probation  
21 officer positions, and they will give us the  
22 funding for the 31 officers assigned to the  
23 program.

24              PRESIDENT VERNA: Thank you.

25              The Chair recognizes Councilman

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 Nutter.

3 COUNCILMAN NUTTER: Thank you, Madam  
4 Chair. I just have a couple of questions.

5 I would like to get a better  
6 understanding from the court's perspective on  
7 the issue of recidivism.

8 Do you have any statistical  
9 information that would indicate on a yearly  
10 basis how many of the same people over any  
11 period of time, a year, two years, three  
12 years, end up coming back through the criminal  
13 justice system, coming back through the  
14 courts?

15 MR. CAIRONE: We do not currently  
16 maintain that statistical data. I don't know  
17 if the police department does through police  
18 photo numbers.

19 We do maintain probation information  
20 as far as defendants that are on A, B, C, or D  
21 probations. So, we can identify those that  
22 have had multiple probationary sentences.

23 COUNCILMAN NUTTER: What is the A,  
24 B, C, D system?

25 MR. CAIRONE: Each time a defendant

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       may be sentenced to a probationary period, we  
3       escalate it alphabetically by the next  
4       probationary sentence he or she may receive so  
5       that we know that they have been in the system  
6       before.

7               COUNCILMAN NUTTER: Could you  
8       provide us, obviously without any descriptive  
9       information, any statistical data for the  
10      last, I don't know, three to maybe five years  
11      how many -- is A once and is B a second time,  
12      and it goes in that direction?

13             MR. CAIRONE: That's correct.

14             HONORABLE MASSIAH-JACKSON:  
15      Councilman, I do believe the prison department  
16      keeps some of that data that you are asking  
17      about, about the recidivism.

18             COUNCILMAN NUTTER: Okay. I just  
19      wonder whether, through your computer system  
20      over in the courts, you would have any ability  
21      to provide us any information, just in terms  
22      of who is coming through your system and how  
23      many times over some period of time to show --

24             MR. CAIRONE: I think we can  
25      probably provide the data as it relates to

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       probation, but I do want to make sure that I  
3       am not making an incorrect statement.

4               As far as those that return through  
5       the preliminary arraignment process, we don't  
6       currently track that information. But unless  
7       it requires programming, I will find out if we  
8       can put something together in that nature, as  
9       well.

10              COUNCILMAN NUTTER: Okay. I am  
11       assuming that when there is an inquiry about  
12       someone who is in the system, there must be  
13       some identifier, whether it is -- is it called  
14       a PPI or a Social Security number, or  
15       something.

16              MR. CAIRONE: Police identification  
17       number, that's correct.

18              COUNCILMAN NUTTER: All right. On  
19       Page 18 of the testimony, it talks about the  
20       Domestic Violence Task Force.

21              Again -- and I know that her Honor  
22       was asked to be a member of the task force --  
23       does the court system have any ability to give  
24       us data or information regarding the issue of  
25       domestic violence as it comes through the

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2       court system?

3               And could you tell me, or tell us,  
4       rather, either what kind of trends you are  
5       seeing in the courts on domestic violence, how  
6       are those cases being handled in terms of  
7       prosecution and sentencing, what happens or  
8       what has been happening to individuals who  
9       might violate, for instance, I guess it is  
10      either called a Protection Order or Stay Away  
11      Order.

12             Any information that you have in  
13      that regard would be appreciated.

14             HONORABLE MASSIAH-JACKSON:  
15      Councilman, as you know, I was appointed by  
16      the Mayor to that Domestic Violence Task  
17      Force, which is chaired by Commissioner  
18      Sylvester Johnson and Ellen Tracey. I have  
19      some statistical information which may be on  
20      point.

21             The domestic violence unit of the  
22      courts was created in 1990. And that was in  
23      response to a 1989 amendment, state amendment,  
24      to the Protection From Abuse Act.

25             At that time, back in 1989, there

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       were 2000 PFAs, protection from abuse,  
3       petitions, filed. And we subsequently opened  
4       up our unit. We had five court employees.

5               By the end of that year, 7,000  
6       petitions were filed. And when we go forward  
7       to 2003 --

8               COUNCILMAN NUTTER: Your Honor, I am  
9       sorry. You are saying by the end of 1989?

10              HONORABLE MASSIAH-JACKSON: 1990.

11              COUNCILMAN NUTTER: There were  
12       7,000.

13              HONORABLE MASSIAH-JACKSON: Correct.

14              And if you look at Page 4 of the  
15       testimony, you will see a chart.

16              By the end of 1990, there were 7,000  
17       petitions filed. And by Year 2003 --

18              COUNCILMAN NUTTER: 14.

19              HONORABLE MASSIAH-JACKSON: Correct.  
20       There were 14,004 petitions filed, and our  
21       domestic violence unit had increased to 14  
22       employees.

23              So, over the years, there has been a  
24       dramatic increase in the number of domestic  
25       violence petitions and protection from abuse.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               If you want, I can give you the  
3       breakdown of what happened to each of those  
4       orders, those 14,000 orders

5               COUNCILMAN NUTTER: That would be  
6       helpful.

7               I just wondered what actually  
8       happens when someone violates an order, and  
9       how they are being dealt with in the court  
10      system.

11              HONORABLE MASSIAH-JACKSON: I can  
12      answer that, if you want.

13              COUNCILMAN NUTTER: Oh, great.

14              HONORABLE MASSIAH-JACKSON: I have  
15      two pages for you.

16              COUNCILMAN NUTTER: You are always  
17      prepared, always prepared.

18              HONORABLE MASSIAH-JACKSON: Our  
19      domestic violence unit in Family Court is  
20      available from 8:00 a.m. to 5:00 p.m. Monday  
21      through Friday. And we have an emergency unit  
22      that works through our Municipal Court from  
23      5:00 p.m. to 8:00 a.m. Monday through Friday.  
24      And, of course, 24/7 over the weekends and  
25      holidays.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               That emergency unit is staffed by  
3       masters, attorneys appointed by the Municipal  
4       Court, and authorized by the PFA Act to grant  
5       emergency relief.

6               Petitioners filing in the domestic  
7       violence unit are screened, they complete  
8       their intake forms, they are interviewed in  
9       private offices, and then the petitions are  
10      presented to Common Pleas Court judges for  
11      review and a possible entry of a temporary  
12      Protection Order.

13              All petitioners are presented with  
14      lists of resources for additional assistance  
15      that they may require.

16              Then, once they go before the judge  
17      of the Court of Common Pleas, each judge will  
18      hear the case, the judge reviews the petitions  
19      which are filed, and including those emergency  
20      petitions which may have been filed overnight  
21      or over the weekend.

22              Then a petitioner receives two  
23      copies of the petition that's filed, one for  
24      his or her records and one to be served to the  
25      respondent.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               Personal service must be made to the  
3       respondent before the court date, and the  
4       petitioners are encouraged to use police  
5       assistance.

6               And certainly with the initiative of  
7       Sylvester Johnson, the police have been much  
8       more receptive to these. And written  
9       instructions are given to the petitioners.

10              Copies of all orders are entered and  
11       sent to the Pennsylvania State Police, and  
12       there is a state registry for Protection  
13       Orders.

14              The court must notify State Police  
15       within 24 hours of the entry of an Order, and  
16       then the State Police enter the Orders into  
17       their database.

18              If an arrest is made, then the  
19       individual may be charged with indirect  
20       criminal contempt, if there is a violation of  
21       that Order.

22              If there are additional charges  
23       which rise to the level of a felony, then the  
24       case goes before a judge in the Criminal  
25       Justice Center.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               There may be charges at the  
3       misdemeanor level, and those are heard over 34  
4       South 11th Street, with the domestic relations  
5       division.

6               If there is no arrest, then the  
7       victim may open a Civil Petition For Contempt,  
8       and Women Against Abuse or the Philadelphia  
9       Legal Assistance Fund will assist those  
10      ladies.

11              And, also, another alternative is  
12      that a private Criminal Complaint may be  
13      filed, in which case that would be heard in  
14      Municipal Court.

15              COUNCILMAN NUTTER: Thank you, Your  
16      Honor. One last question in that regard.

17              Of the 14,000 or -- I don't know if  
18      you have any data for last year, but I think  
19      for '02 it was up in the 14,000 range, as  
20      well.

21              HONORABLE MASSIAH-JACKSON: Correct.

22              COUNCILMAN NUTTER: Do you have any  
23      information that indicates how many of those  
24      Protection Orders were violated?

25              HONORABLE MASSIAH-JACKSON: Well,

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       not all 14,000 ended up as final Orders.

3               COUNCILMAN NUTTER:   Okay.

4               HONORABLE MASSIAH-JACKSON:   In 2003,  
5       1,124 were entered by default; 2,546 were  
6       final Orders, and they were entered into by  
7       agreement; and there were 307 final Orders  
8       that were entered by court, by the court,  
9       after a hearing.

10              But 6,700 of those petitions were  
11       dismissed because the plaintiff failed to  
12       prosecute, and 813 of those petitions were  
13       withdrawn at the plaintiff's request.

14              COUNCILMAN NUTTER:   So about half.

15              HONORABLE MASSIAH-JACKSON:   Yes.

16              So I can see if we have the  
17       information about the number that were  
18       actually violated.

19              COUNCILMAN NUTTER:   Thank you.

20              The last question was about this  
21       mitigation protocol you mentioned on Page 18.

22              HONORABLE MASSIAH-JACKSON:   Yes.

23              COUNCILMAN NUTTER:   Can you tell me  
24       a little bit about that, and when did it get  
25       started, and what was the genesis of it?

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 HONORABLE MASSIAH-JACKSON: Yes. In  
3 Year 2001, when I came before this City  
4 Council, you may recall the First Judicial  
5 District asked for \$3 million specifically for  
6 counsel fees, court-appointed counsel fees.

7 That request was denied at that  
8 time, but in 2002 we received \$1.5 million in  
9 counsel fees.

10 COUNCILMAN NUTTER: I remember that.

11 HONORABLE MASSIAH-JACKSON: And from  
12 that one and a half million dollars,  
13 approximately -- about a quarter of a million,  
14 250,000, was set aside specifically to create  
15 what is really ground-breaking, this protocol  
16 for mitigation representation to defendants  
17 who are charged with first-degree homicide  
18 where death penalty's an issue.

19 And Mr. Cross and I and Dominic  
20 Rossi, one of our deputies for First Judicial  
21 District, the three of us worked with the  
22 Philadelphia Bar Association and Jules Epstein  
23 and created this mitigation protocol.

24 It specifically addresses the  
25 penalty phase of a homicide hearing, after

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       defendant has been found guilty of  
3       first-degree murder and faces the possibility  
4       of death.

5               COUNCILMAN NUTTER: So you are using  
6       those funds to help?

7               HONORABLE MASSIAH-JACKSON: Just  
8       that portion of the funds.

9               Most of the balance of that one and  
10       a half million is for counsel fees for Family  
11       Court, over in juvenile section.

12              COUNCILMAN NUTTER: Right. Okay.  
13       Last comment.

14              With regard to the overall budget,  
15       and the issues affecting the First Judicial  
16       District, and the ongoing discussion of who  
17       should fund the courts, given the proposed  
18       cut, can you tell us if there have been any  
19       attempts or efforts to seek even some partial  
20       funding for the First Judicial District by the  
21       state in accordance with, as I understand -- I  
22       am sure you know better -- a previous State  
23       Supreme Court ruling with regard to funding  
24       for courts?

25              HONORABLE MASSIAH-JACKSON:

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       Councilman, if you look at Page 1, Footnote 1,  
3       you will see, although this Order of the  
4       Supreme Court from July 26, 1996, states 1996,  
5       the original opinion in this Allegheny case --

6               COUNCILMAN NUTTER: I thought it was  
7       an early one.

8               HONORABLE MASSIAH-JACKSON: -- was  
9       1986 or '87.

10              COUNCILMAN NUTTER: Right.

11              HONORABLE MASSIAH-JACKSON: And,  
12       since that time, I believe every judicial  
13       district throughout the state has looked to,  
14       has spoken with our AOPC, which is our central  
15       Administrative Office of Pennsylvania Courts,  
16       looking for additional funding.

17              The state legislature has not only  
18       not been receptive to assisting individual  
19       districts; the state legislature has cut the  
20       funding of the statewide court AOPC.

21              So the answer is, yes, we look to  
22       the state legislature. But, as I have  
23       recounted, we have had no success at all.

24              COUNCILMAN NUTTER: Thank you.

25              Thank you, Madam Chair.

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 PRESIDENT VERNA: Thank you.

3 Your Honor, weren't we able to hire,  
4 if my memory serves me, four employees that  
5 are funded through the state? Was it four?

6 MR. CAIRONE: There are 13 employees  
7 that are currently state employees, including  
8 Mr. Cross and myself.

9 HONORABLE MASSIAH-JACKSON: And that  
10 started what, 1999?

11 MR. CAIRONE: That started in  
12 January of 2000.

13 PRESIDENT VERNA: I think they  
14 originally started covering 4, now we are up  
15 to 13?

16 MR. CAIRONE: No. I think the  
17 original proposal was specific to what it is  
18 today, Madam President.

19 HONORABLE MASSIAH-JACKSON: And,  
20 Madam President, as you know, the original  
21 theory is that the 13 would expand to all 2500  
22 employees. But, that's never happened.

23 PRESIDENT VERNA: I recall.

24 The Chair recognizes Councilman  
25 Rizzo.

1           OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2                   COUNCILMAN RIZZO: Thank you, Madam  
3 Chair.

4                   I wanted to touch on that, also,  
5 just to bring us up to date on that Supreme  
6 Court issue.

7                   Because we are starting to find out  
8 that the state owes the city a lot of money,  
9 and in other areas, also.

10                  What do you think we can do? Again,  
11 maybe our approach should be, let's not go  
12 after it all all at once, but let's start  
13 chopping away a little bit at the state to get  
14 some funding.

15                  What do you think we can do as a  
16 Council, what the Administration can do as an  
17 Administration, and collectively what can we  
18 do to start the process and get some funding  
19 headed this way?

20                  Because it amazes me. It is very  
21 difficult to try to explain to my constituents  
22 how the State Supreme Court could rule on the  
23 funding of the courts, and no one pay  
24 attention.

25                  What have we done to try to make an

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       issue of this?

3               I really haven't seen anyone really  
4       get extremely aggressive on this particular  
5       point. We have kind of, at least from my  
6       observation, we have accepted the fact that,  
7       like you have just mentioned, that the  
8       legislature isn't receptive to funding either  
9       specific courts or all the courts to some  
10      degree.

11             What do you think we can do?

12             Because I don't think it is fair  
13      that the Supreme Court ruled, and the state is  
14      ignoring that.

15             Maybe they need to come before you,  
16      Judge, I don't know.

17             HONORABLE MASSIAH-JACKSON: Well,  
18      Councilman, perhaps a resolution from this  
19      body presented to the AOPC, the Administrative  
20      Office of Pennsylvania Courts, expressing your  
21      concerns about this ongoing situation of lack  
22      of funding, and asking the AOPC to take  
23      aggressive action with the state, at least  
24      recommending that.

25             I can tell you that the AOPC has

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       heard from all 60 judicial districts with  
3       concerns such as you have expressed.

4               COUNCILMAN RIZZO: Judge, do you  
5       think we could be -- again, to start the  
6       process, are there maybe some creative ways  
7       that when the court sentences someone that  
8       goes to the state for incarceration, that  
9       maybe we could come up with some type of a  
10      criteria that says, okay, we want to be paid  
11      for this particular activity.

12             And if you could come back at us  
13      with that resolution to be specific in areas  
14      that we should -- if we start our list, and  
15      the top 100, let's start at No. 1 and say,  
16      this is an area where the state, it is real  
17      obvious that they should be supporting our  
18      system here in the City of Philadelphia. Do  
19      you think that's possible?

20             HONORABLE MASSIAH-JACKSON:  
21      Councilman, I will work with you on a  
22      resolution. I will find out the language that  
23      should be used or could be used for something  
24      like that.

25             COUNCILMAN RIZZO: Because I am sure

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       that there are areas in the system that are  
3       specific and supportive of the state.

4               Am I correct to say that there are  
5       people that are sentenced that are taken out  
6       of our system because of the magnitude or the  
7       sentencing guidelines, and they go directly to  
8       their incarceration as directly at the state  
9       level?

10              MR. CAIRONE: That's correct.

11              COUNCILMAN RIZZO: And the state  
12       assumes that. So they are assuming that part  
13       of the burden?

14              MR. CAIRONE: Yes, they are. Once a  
15       defendant is transferred to a state facility,  
16       then the state assumes that responsibility.

17              COUNCILMAN RIZZO: Could you just  
18       educate me for a second. What does a person  
19       need to do to not go to the city jail versus  
20       the state jail?

21              MR. CAIRONE: There is a maximum  
22       sentence of two years or more, and that makes  
23       it a state-incarcerated sentence.

24              So anyone that's sentenced to 1 to 2  
25       years or greater --

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 COUNCILMAN RIZZO: Stays here?

3 MR. CAIRONE: No; goes to the state.

4 Anything less than two years as a maximum  
5 sentence can stay in the county.

6 COUNCILMAN RIZZO: I am sure that,  
7 after today, you could get together and you  
8 could come up with some areas where it is  
9 very, very obvious that we could appeal to the  
10 state.

11 I think we have to start someplace.  
12 It is like anything. They owe us. What is  
13 the significance of the state's -- could you  
14 put a number to what the state -- did this  
15 ruling say that they were responsible in total  
16 for the funding?

17 What exactly, if you could put a  
18 number to the state's responsibility versus  
19 the city's responsibility, or is it all the  
20 state's based on this ruling? Could you just  
21 give us, enlighten us on that?

22 MR. CAIRONE: It is all the judicial  
23 districts within the Commonwealth of  
24 Pennsylvania that were mandated state funding.

25 COUNCILMAN RIZZO: What I meant was,

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       dollars to this system.

3               Did that ruling suggest -- or, not  
4       suggest, did it state that the entire funding  
5       should be the state's responsibility?

6               MR. CAIRONE: Yes.

7               COUNCILMAN RIZZO: With no  
8       responsibility of the city at all?

9               MR. CAIRONE: That is correct.

10              HONORABLE MASSIAH-JACKSON: Yes,  
11      that's correct.

12              COUNCILMAN RIZZO: And not one dime  
13      has showed up.

14              HONORABLE MASSIAH-JACKSON: Correct.

15              MR. CAIRONE: Well, except for the  
16      13 positions that they have assumed in January  
17      of 2000.

18              COUNCILMAN RIZZO: I think we need  
19      to start.

20              MR. CAIRONE: And I think if you  
21      looked at the Justice Montamura plan, there  
22      was a phase-in approach based on positions of  
23      how it could occur.

24              And this, the positions that we  
25      currently occupy, was the first phase of the

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       plan.

3               COUNCILMAN RIZZO: One thing I  
4       wanted to point out.

5               So it obviously is important to you,  
6       if you put it in your remarks here today, is  
7       the Traffic Court postage, and I am sure  
8       postage throughout the entire system.

9               And the reason I am making this  
10       observation to you, as we talk about this, we  
11       are finding that many of our agencies within  
12       our government are not or -- do they have a  
13       person -- do they have a person that is -- I  
14       am trying to stay in eye contact with you  
15       there.

16               That there is no one in this  
17       government that is keeping their eye on the  
18       postage rates as they change on a monthly or  
19       annual basis.

20               That we find that in many agencies  
21       there is one way to send a letter, and it is  
22       First-Class Mail. But when you find that  
23       there are many ways, with presorted zip codes  
24       and bulk rate, and I know that probably in  
25       your areas it is very sensitive, you use a lot

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       of Certified, I assume, I will tell you, in  
3       some of the areas, in some of the agencies,  
4       after they looked at it and either worked with  
5       the postal service itself or a person with  
6       expertise, they were able to absolutely save a  
7       significant amount of money in the area of  
8       postage.

9               And I assume, is this your entire --  
10       or is this just Traffic Court, \$72,000?

11              MR. CAIRONE: That just represents a  
12       small piece of Traffic Courts.

13              We are asking for an increase in  
14       that amount to Traffic Court postage to  
15       continue the initiatives that they started to  
16       increase collections.

17              COUNCILMAN RIZZO: So this is  
18       additional postage expenditures, the  
19       additional is 72,000?

20              MR. CAIRONE: Yes. And 52,000 of  
21       that expenditure is specific to Certified  
22       Mail, which is required.

23              When police officers write citations  
24       and can't deliver it to the offender, they are  
25       sent to Traffic Court, and then we are

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       responsible to send them by Certified Mail to  
3       the defendant, by state statute.

4               COUNCILMAN RIZZO: A good  
5       investment, seriously, other than the  
6       certified and the other types of very  
7       expensive mail, is to -- I think it would be a  
8       great investment to either ask the people from  
9       the postal service to come in and look and see  
10      what you do. If they provide that service, I  
11      don't know.

12              Or a consultant or someone within  
13      our government that's already here that really  
14      understands where there is a potential to save  
15      money.

16              Because in every agency that's  
17      looked at it in just the last few months, they  
18      tell me that they have identified a  
19      significant amount of ways to reduce their  
20      postage costs, knowing -- you know, an  
21      example.

22              You take a magazine with an article  
23      that you want to send someone, and you take it  
24      down to the Post Office. And if you don't ask  
25      the question, they will tell you it is going

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       to be \$1.75 to mail it First-Class.

3               But then when you tell them in the  
4       envelope it is an educational magazine, it  
5       turns out to be, like, 40 cents. So you can  
6       imagine that there is a significant amount of  
7       money to be saved.

8               And I know you folks watch every  
9       dollar over there very carefully, since it is  
10      all ours, and I am sure you will if we get  
11      some state money, also.

12              But I would really encourage you to  
13      look at that, because I think you will be  
14      pleasantly surprised that you will be able to  
15      get a bigger bang for your buck when it comes  
16      to taking advantage of some of the postal  
17      regulations that are out there

18              MR. CAIRONE: Thank you. And we  
19      will do that.

20              And we have done that in the past,  
21      and in fact have had substantial savings in  
22      both probation and pretrial.

23              We deliver two bulk mailings to the  
24      postal service on a daily basis currently.  
25      And Traffic Court is currently working with

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       the Office of Administrative Review to examine  
3       their bulk mailings, as well, and to reduce  
4       costs in that area.

5               And we actually have taken some  
6       steps, Councilman, to effectuate changes in  
7       Traffic Court already.

8               COUNCILMAN RIZZO: That will be  
9       great.

10              Because if you look at it as a big  
11       universe, and you pull it all together, you  
12       could really -- and I am not suggesting we use  
13       technology to communicate with many of the  
14       people that come before you, but I am talking  
15       about the inner-agency stuff, and to use  
16       technology to the extreme would be very  
17       helpful.

18              Thank you, Madam Chair.

19              PRESIDENT Verna: You are welcome.

20              The Chair recognizes Councilwoman  
21       Brown.

22              COUNCILWOMAN BROWN: Thank you,  
23       Madam President. Good morning.

24              MR. CAIRONE: Good morning,  
25       Councilwoman.

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 HONORABLE MASSIAH-JACKSON: Good  
3 morning.

4 COUNCILWOMAN BROWN: On Page 7 of  
5 your testimony, you discuss DROP program. You  
6 mention that there are certain job  
7 classifications that you do not allow to  
8 participate.

9 Could you discuss that for us?  
10 Please explain why.

11 Also, why are they allowed to be  
12 exempt from the program? I was unaware that  
13 some agencies are able to opt out of it.  
14 Please.

15 MR. CAIRONE: Judicial staff, which  
16 is the first area that we have identified, we  
17 have asked for an exemption in that area since  
18 the city is reimbursed dollar for dollar for  
19 all judicial staff. So that would not have an  
20 impact. And we are mandated by the numbers  
21 that we must provide to the judiciary.

22 I am sorry. Mr. Dubow, maybe, is  
23 clarifying your question, and I want to make  
24 sure I understand it appropriately.

25 Are you asking that they are in the

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       DROP program, and they are not leaving,  
3       Councilwoman, or they are in the DROP program,  
4       they are leaving, and we are replacing them,  
5       and they are exempt from the DROP  
6       right-sizing?

7               COUNCILWOMAN BROWN: Well, your  
8       second question is, actually, my followup  
9       question.

10              MR. CAIRONE: So, then, I will  
11       address both of them.

12              COUNCILWOMAN BROWN: Please.

13              MR. CAIRONE: All of our employees  
14       that are in DROP are in the participating  
15       categories.

16              Once they finish their  
17       DROP-qualifying period, they leave the First  
18       Judicial District, they resign, and they are  
19       not rehired. So, they do leave.

20              But there are certain categories  
21       where we have asked for exemption in replacing  
22       those employees; in other words, that they be  
23       exempt from the 50 percent that cannot be  
24       replaced. And these are the categories that  
25       we have identified on Page 7.

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 COUNCILWOMAN BROWN: On Page 7?

3 MR. CAIRONE: Yes, ma'am.

4 COUNCILWOMAN BROWN: Is there a rule  
5 in place that would prohibit retirees to not  
6 be rehired in your department?

7 MR. CAIRONE: Our administrative  
8 governing Board ruled on that issue, and we  
9 have decided that DROP employees will not be  
10 rehired.

11 COUNCILWOMAN BROWN: How long ago  
12 was that?

13 MR. CAIRONE: When the DROP program  
14 was initiated. It was within the last year  
15 that the ruling came about.

16 HONORABLE MASSIAH-JACKSON:  
17 Councilwoman, as you know, I am the Chair of  
18 the Administrative Governing Board.

19 And we have discussed that, and we  
20 have made it pretty clear to our First  
21 Judicial District that once someone retires on  
22 DROP, they are not rehired.

23 COUNCILWOMAN BROWN: They are not  
24 rehired within the First Judicial District?

25 MR. CAIRONE: That's correct.

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 COUNCILWOMAN BROWN: Just by way of  
3 background, I am developing some of these  
4 questions from Friday, April 23, where the  
5 Philly News, the article that talked about  
6 cashing in on pension loophole. So just know  
7 that's the framework from which I am speaking.

8 On Page 7 of your testimony, you  
9 mention legislative increases in judicial  
10 complement, that's a quote, legislative  
11 increases in judicial complement, and that you  
12 are seeking funding for staff related to that.

13 Can you provide more detail for us  
14 on that?

15 MR. CAIRONE: Yes. The judiciary  
16 was increased by three positions.

17 HONORABLE MASSIAH-JACKSON: We used  
18 to have 90 judges on our Court of Common  
19 Pleas, now we have 93. But that's by state  
20 legislature.

21 COUNCILWOMAN BROWN: I see. That  
22 explains that.

23 Could you provide to the Chair a  
24 numerical list that breaks down by race and  
25 gender employees who work as probation

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       officers; indicate, if you would, how many are  
3       male, female, African-American, Caucasian,  
4       Hispanic, and Asian.

5               Please provide separate breakdowns  
6       for both the adult and juvenile probation.

7               HONORABLE MASSIAH-JACKSON: Sure.

8               COUNCILWOMAN BROWN: And also show  
9       me on this listing those who are supervisors  
10      by race and by gender.

11              MR. CAIRONE: Not a problem.

12              COUNCILWOMAN BROWN: There is an  
13      enormous concern raised by some of us here,  
14      and a number of individuals at the state  
15      level, that the supervisory leadership levels  
16      of both juvenile and adult probation in no way  
17      reflect the makeup of the majority of those  
18      who come through those doors.

19              And, so, this is an attempt to see  
20      what the facts are first, and proceed from  
21      there.

22              MR. CAIRONE: We appreciate that.

23              COUNCILWOMAN BROWN: One last thing.

24              If I read your testimony correctly  
25      on Page 1, you outline that there is an \$8.6

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       million difference from the proposed budget  
3       and what you are asking for.

4               Can you please list out for me what  
5       is included in that 8.6 million.

6               And I am curious to know, of that,  
7       how much of that are mandated dollars? I  
8       mean, it is like the city budget where there  
9       is no wiggle room because of mandates, then  
10      you have the discretionary portion of the  
11      city's budget.

12              Could you break this 8.6 million  
13      down somewhat the same way?

14              MR. CAIRONE: Well, I'm not sure we  
15      can do that, to be honest with you, because we  
16      are not sure how the city came to the 106.

17              What they did was, they initially  
18      proposed a budget of 111 in December, and then  
19      further reduced that amount by an additional 5  
20      percent in their second submission when the  
21      Mayor presented his testimony.

22              So the only thing the city did was  
23      identify the 5 percent reduction in each of  
24      the class categories, and did not identify how  
25      those reductions should occur.

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 I believe they left that up to each  
3 agency. And we are currently reviewing where  
4 it is that we would have to make cuts.

5 And I mentioned to Council President  
6 Verna some of the areas that we have  
7 considered thus far.

8 COUNCILWOMAN BROWN: Okay. Finally,  
9 an update, if you will, on the space -- this  
10 was an issue expressed and advocated heavily  
11 by Councilman Ortiz, and we actually  
12 participated in meetings where you gave us an  
13 update on the space of where victims and those  
14 who act out, if you will, around the issue of  
15 domestic violence. Can you just give us an  
16 update on that?

17 HONORABLE MASSIAH-JACKSON: Yes.  
18 Councilwoman, I touched briefly on this with  
19 Councilman Nutter earlier. But we have made  
20 significant improvements in the area that you  
21 and I visited over at 34 South 11th Street.

22 There are private offices for  
23 interviewing. The plexi-glass window, there  
24 are now two of them. And when somebody  
25 initially goes in for intake, and we have made

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       it a more private area.

3               COUNCILWOMAN BROWN: So are you  
4       pleased with the progress to date?

5               HONORABLE MASSIAH-JACKSON: We are  
6       pleased with the progress to date.

7               We have also increased security in  
8       that area, with more individuals walking  
9       through the hallways, as well as the  
10      plexi-glass and cameras and surveillance  
11      equipment. Yes.

12              COUNCILWOMAN BROWN: Okay. If there  
13      is no violation, I guess, of confidentiality,  
14      in the meeting where you came to the decision  
15      that it is not appropriate or is inappropriate  
16      or for whatever reason retirees from your  
17      department will not come back to that  
18      department, do you recall the reasoning or  
19      rationale that you moved to to render that  
20      particular decision?

21              MR. CAIRONE: Yes. I think our  
22      thought process was that the individual  
23      entered DROP with the thought that they made a  
24      commitment to leave employment at the end of  
25      that four-year period, or some time prior to

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2       that, at their discretion.

3               And that since they made that  
4       commitment, that we would hold them to that  
5       and evaluate whether the position needed to be  
6       filled.

7               And if it did need to be filled,  
8       certainly we would fill it at an entry level,  
9       at a savings, so that we could generate  
10      additional savings within the budget.

11              COUNCILWOMAN BROWN: Okay, then.

12              HONORABLE MASSIAH-JACKSON: They  
13      signed a contract, you know, when they entered  
14      into the DROP program.

15              COUNCILWOMAN BROWN: All right.

16      Thank you for your explanation.

17              Thank you, Madam President.

18              PRESIDENT Verna: You are welcome.

19              The Chair recognizes Councilman  
20      O'Neill.

21              COUNCILMAN O'NEILL: Thank you,  
22      Madam President.

23              Good morning.

24              HONORABLE MASSIAH-JACKSON: Good  
25      morning.

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 MR. CAIRONE: Good morning,  
3 Councilman.

4 COUNCILMAN O'NEILL: I was hoping to  
5 get into some technology issues, but I will  
6 leave them aside initially.

7 I have had some conversations. And  
8 I will be honest, they are both from probation  
9 officers in adult court and union members,  
10 union officials.

11 So I don't want to pretend it is  
12 just coming innocently off the street.  
13 Although I know quite a few, and was in  
14 juvenile probation for several years some time  
15 ago. As a juvenile. I think I was that young  
16 then.

17 Could you just describe -- the  
18 frustration, let me just give you the  
19 frustration level. And I don't know adult  
20 probation, juvenile is different, you have to  
21 go to the homes, you have to do home visits,  
22 it is a big part of the job.

23 And the questions I have gotten, or  
24 the frustrations are, that they are kind of  
25 locked in the office all day, caseloads are

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       too high, but the inability to get out and  
3       make visits, contacts in the community; unlike  
4       the juvenile, which has branched more into the  
5       community than it was when I was there.

6               And their requests, or some of the  
7       requests, are for staggered hours. People  
8       work all day. If they work all day, they  
9       can't get into the office.

10              If there is something going on in  
11       the community, the probation officer can't get  
12       out there, if they are confined to a  
13       9:00-to-5:00 schedule.

14              There is also some issues with the  
15       number of vehicles available because of the  
16       number of probation officers and caseloads.

17              But if you could just talk about  
18       that. I am sure this isn't the first time you  
19       have heard it, but I would like to get  
20       something on the record.

21              Because the court is doing a pretty  
22       good job from a historical perspective. You  
23       can always do better, I am sure they could  
24       find a lot of things wrong.

25              But with so much progress being

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       made, would I rather speak in a constructive  
3       way with you about this, because I am sure you  
4       have some ideas and plans.

5               MR. CAIRONE: Well, ironically, I  
6       could address the vehicles first.

7               It is ironic that the Managing  
8       Director's Office is telling us that we  
9       underutilize our vehicles. And we could  
10      always use more vehicles for probation  
11      officers so they can go out into the field.

12              We do have vehicles that are  
13      available. We have visitation policies that  
14      must be followed. We insist that two  
15      probation officers go out in each vehicle on  
16      the adult side when they do make visitations.

17              And, quite frankly, we have quite  
18      limited by the number of visitations that can  
19      occur on a daily basis by the number of  
20      automobiles that are available to us.

21              COUNCILMAN O'NEILL: Are they  
22      allowed to use their own cars?

23              MR. CAIRONE: We do not approve that  
24      they use their own cars. And that's because  
25      we don't want to put them into a position

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       where they have to lie to their insurance  
3       carrier that they are not using their vehicles  
4       for business purposes, and then, God forbid,  
5       something happens and they are liable.

6               So that's why, at least on the adult  
7       side, we are insisting that they use the  
8       city-provided vehicles to make the daily  
9       visitations.

10              The vehicles are available off  
11       hours, if the visit is warranted during those  
12       hours. And if there are extra vehicles  
13       available, we will certainly make them  
14       available to the officers.

15              Now, in truth, adult probation is  
16       different than juvenile probation. It is more  
17       of a centralized process, and there is not a  
18       need for the home -- the frequent home  
19       visitations that there are with juveniles  
20       because of the interaction between the parent  
21       and the juvenile.

22              And that's important for the  
23       juvenile probation officer, to get into the  
24       home and see the family situation, as opposed  
25       to the adult situation.

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 We will make available, and I think  
3 we are making available currently, flex hours  
4 for those probationers that have probation --  
5 or, probation officers that have probationers  
6 that work full time.

7 Now, we may do it in a little bit of  
8 a different fashion that some of our employees  
9 wish it to be done.

10 And that is, look, I am not going to  
11 hide the fact that we are cost-conscious. And  
12 we have to be cost-conscious, given the flavor  
13 of what we are discussing here today.

14 We wouldn't be doing our jobs  
15 prudently if we didn't consider the cost  
16 associated with everything that we do on a  
17 daily basis.

18 We have made available in the past  
19 one officer from each unit. And the officers  
20 are assigned to units geographically in line  
21 with the way police districts and police  
22 officers are assigned, so that we can build  
23 some rapport in that respect.

24 And we have made one officer  
25 available from each unit to see clients that

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       can't come in during normal working hours in  
3       off hours.

4               Now, the problem is that we want to  
5       use flex time hours, and many of the officers  
6       want to use comp time or overtime for those  
7       purposes, and that's understandable. I have  
8       been there, and I have experienced that  
9       myself.

10              But, again, we are trying to reduce  
11       the comp time, we are trying to reduce the  
12       overtime. And we have to balance the scales,  
13       if you will, in order to do it appropriately.

14              Now, I know that Administrative  
15       Judge Fitzgerald has directed that we make  
16       more flex hours, or, if necessary, comp hours  
17       or overtime, available for adult probation  
18       officers to see clients that are working full  
19       time.

20              We encourage them to work full time,  
21       obviously. And there is no reason that we  
22       would encourage them to miss work just so they  
23       could make a probation officer's appointment.

24              So we will look at that. We will  
25       expand it, if necessary. But, at the same

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       time, we are committed to being frugal in that  
3       area, when it is necessary.

4               COUNCILMAN O'NEILL: Let me just  
5       mention the other area that comes to mind that  
6       I have heard about. And that is that, I know  
7       this is a little sensitive from a management  
8       standpoint, but that, while the caseloads have  
9       grown and the probation officers haven't  
10      increased to the same proportion, that you are  
11      kind of top heavy with supervisory personnel,  
12      almost to the point where there is, you know,  
13      too much at the top and too little at the  
14      bottom.

15             We hear the same thing about the  
16      police department. I think it is valid on the  
17      police department. I don't know as much about  
18      the probation operation.

19             So if you could comment on that, I  
20      would appreciate it.

21             MR. CAIRONE: Sure. And, in fact,  
22      in 1995, we did a review of the adult  
23      probation department and came to that very  
24      conclusion.

25             And, as a result, as co-chief

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       probation officers and others in  
3       higher-ranking managerial positions have left,  
4       we have not replaced them and spread their  
5       responsibilities amongst other managers within  
6       the department.

7               And, as a result, have been able to  
8       actually increase the PO level at the  
9       adults -- on the adult side, so that we could  
10      try to reduce caseloads, instead of having  
11      them increase.

12             I mean, it is no secret that there  
13      are more and more people that are being  
14      assigned to probation. We are dealing with  
15      over 60,000 probationary cases at the adult  
16      probation level, and that consists of about  
17      52,000 individuals. And we only have 250  
18      probation officers to assign to those  
19      individuals.

20             So, we have looked at that. We have  
21      made some dramatic changes at the adult  
22      probation level, as far as management is  
23      concerned. And it is our position that we  
24      will continue to review that as people leave,  
25      or we can find other assignments for them

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       within the agency that they would be good at  
3       managing. So, we are committed to that.

4               Now, they are currently doing the  
5       same thing on the adult probation side.  
6       Administrative Judge Field -- I am sorry, on  
7       the juvenile side. Excuse me.

8               Administrative Judge Field recently  
9       replaced Retiring Chief PO Ken Hayle with a  
10      new chief probation officer. And they  
11      collectively are looking at the structure of  
12      juvenile probation and how it can better  
13      support our operations by increasing line  
14      staff and decreasing management, managerial  
15      positions, through attrition or other means,  
16      as far as transfer.

17              COUNCILMAN O'NEILL: One technology  
18      question.

19              There is an organization I am very  
20      active with, Public Technology, Incorporated,  
21      out of Washington, D.C., that is sort of a  
22      joint venture with the National Counties  
23      Association, and National League of Cities, and  
24      the ICMA, the International City and County  
25      Managers Association.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               One of the things they try to do, or  
3 maybe the thing they most try to do, is  
4 incubate private-sector technologies using  
5 task forces of real line people all around the  
6 country that work in large cities and  
7 counties, and try to make them accessible to  
8 other member jurisdictions, and even smaller  
9 cities and counties.

10              The one item that I want to ask you  
11 about is, one of the great difficulties in  
12 this country, from homeland security, from  
13 policing, from public safety vantage points,  
14 is the inability for systems to talk to each  
15 other and databases that can't be accessed.  
16 Everybody wants their own control.

17              There is at least one company that  
18 is way out there in front of everyone else  
19 that is working in Louisiana right now, state,  
20 federal, state, and all local jurisdictions,  
21 and has managed to develop software that seems  
22 to have 360 databases, national, state,  
23 county, local, talking to each other.

24              And when the police officer pulls up  
25 to a car, files the license plate, within

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2       about five seconds all 360 of those are  
3       accessed. That police officer knows the  
4       person in that car, just about everything  
5       about them except some very private things,  
6       but anything they have ever done in the  
7       criminal area or in the court area.

8               And in a very small town in  
9       Louisiana, they had their first person on the  
10      terror watch list came up.

11             But saw some examples of, you know,  
12      approaching a car where this person has  
13      nothing to lose. If they didn't know about  
14      the information, homicides, you know, on the  
15      run from these different things, that officer  
16      is in a much different degree of jeopardy than  
17      if they are staying in their car waiting for  
18      help because they know they have a truly  
19      dangerous felon on their hands.

20             They are looking for pilots to do in  
21      large cities or counties. We happen to be a  
22      city and county.

23             The concern of courts and police  
24      departments is, naturally, control over their  
25      information; who gets it, who doesn't get it.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2       You certainly don't want to be giving  
3       information away to the enemy.

4               I am told that both our police  
5       department and our courts have been resistant  
6       because of that fear. But I am also told that  
7       it is an unrealistic fear; that you can  
8       decide, the courts, the police department, who  
9       has access to your information and who  
10      doesn't.

11             And I am just wondering how I go  
12      about trying to get you into the mix. Because  
13      pilots are free, that's the nicest part of  
14      them. And somebody else, you know, the  
15      private sector, is paying for them because  
16      they think they have something to sell to  
17      someone else.

18             Dianna Neff is very familiar with  
19      it, our MOIS Director. And I am just  
20      wondering if I can, can I get you two together  
21      to --

22             MR. CAIRONE: Well, sure. We are  
23      happy to participate in any initiative in that  
24      endeavor. But I thought we already were in  
25      the mix, quite frankly.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               Just so you understand, some  
3       historical perspective about sharing  
4       information.

5               We actually started in 1995, as a  
6       result of the Criminal Justice Center  
7       initiative, a review with all of the criminal  
8       justice partners, and came up with a solution  
9       to sharing information at the front end that  
10      has been unprecedented to date, and that is  
11      our PARS system.

12              And there are a number of people  
13      that want access to PARS throughout the city  
14      on a daily basis today.

15              And what PARS does, it  
16      electronically transfers information from the  
17      police department, to the district attorney  
18      and pretrial services, and then to the  
19      Municipal Court in order to effectuate the  
20      preliminary arraignment process.

21              And one of the things that we  
22      completed during that process was the  
23      understanding that each of us owns certain  
24      information that is germane to our operations.

25              And we understand that the police

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2       own the police photo number, and that's the  
3       photo number that will carry through the  
4       process from beginning to end. And that we  
5       will accept that police photo number as  
6       correct.

7               And what we do is, we build  
8       information within PARS to the point where the  
9       preliminary arraignment occurs. And we all  
10      share that information appropriately. And  
11      there are security measures that are built in  
12      within that process.

13             So we all -- we are already sharing  
14      data in that respect. And then the PARS  
15      system populates the court system and other  
16      areas to create the Municipal Court --

17             COUNCILMAN O'NEILL: This is a much,  
18      much more robust system.

19             MR. CAIRONE: I understand. There  
20      is also the JNET initiative.

21             COUNCILMAN O'NEILL: I am always  
22      concerned when you tell me -- and I am sure  
23      you are being honest -- that you are  
24      participating, or you think you are  
25      participating.

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 And I just on Saturday have spoken  
3 to the director of our MOIS and asked, are we  
4 in this, and the answer is no.

5 And the reason is that the courts  
6 and the police are nervous about -- and I will  
7 be kind saying, "nervous about," because I was  
8 actually told there was a refusal.

9 But how do I get you together  
10 with -- I will take it one at a time. You,  
11 the courts, together with MOIS to make sure  
12 that they know you are okay with this?

13 I mean, this is almost futuristic  
14 stuff. There is no other system I am aware of  
15 on the federal, state level that even talks  
16 about connecting all these systems.

17 HONORABLE MASSIAH-JACKSON:  
18 Councilman, I am going to first say, at Page  
19 38 of our testimony, you will see a brief  
20 description of PARS and you will see a brief  
21 description of JNET.

22 But in a more elaborate vein, along  
23 the lines you are talking about, the  
24 Commonwealth has a statewide automated system  
25 using the internet, and we are connected.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               If someone is arrested in  
3 Philadelphia, in Pittsburgh they will know.

4               COUNCILMAN O'NEILL: Judge, I  
5 understand.

6               But if you have seen -- I will give  
7 you the name. The company's name is Think  
8 Stream, that's who we are trying to do the  
9 pilot with.

10              You are talking about two databases  
11 you just mentioned, yours and the states. We  
12 are talking about 360 databases, basically  
13 every possible database that a criminal could  
14 be, you know, involved in.

15              And for law enforcement, for  
16 homeland security, I don't think there is  
17 anything out there that approaches this.

18              HONORABLE MASSIAH-JACKSON: We are  
19 willing to meet with them. That's not even an  
20 issue. We are willing to do that.

21              COUNCILMAN O'NEILL: Okay. We  
22 covered it.

23              MR. CAIRONE: My only concern is  
24 where Dianna may have gotten her information  
25 that we are resistant, since no one has

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       approached me to discuss this.

3               COUNCILMAN O'NEILL: The courts  
4       might be, someone other than you.

5               Thank you.

6               PRESIDENT Verna: Thank you.

7               The Chair recognizes Councilman  
8       Ramos.

9               COUNCILMAN RAMOS: Thank you, Madam  
10      Chair.

11              Thank you, Madam President, the  
12      courts, for being here, and your  
13      administrators.

14              I want to thank you first for taking  
15      time out a few months ago. The judge was so  
16      kind to come visit me and talk to me about the  
17      work that they do, given that I am a freshman  
18      around here.

19              And we spent about two hours  
20      together. It was a very candid discussion  
21      about a number of issues and particular  
22      concerns of mine.

23              One of my concerns were the service  
24      to limited English proficient people,  
25      specifically people, Spanish-speaking people.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2       And we went on for a good while to talk about  
3       that issue of, you know, interpreters, and how  
4       people were being welcomed into the courts and  
5       so forth.

6               So what the good judge did is, she  
7       sent me a 24-page report. And I appreciate  
8       that a lot.

9               HONORABLE MASSIAH-JACKSON: Mr.  
10      Councilman, I hope I answered your questions  
11      in that report.

12              COUNCILMAN RAMOS: I had prepared a  
13      list of questions, and you answered them in  
14      this well-put booklet on your work on the  
15      issue of limited English proficiency and the  
16      city's initiative to implement this program  
17      through Global Philadelphia, mostly, in all of  
18      our city services, including the courts.

19              How many people visit Family Court  
20      in a year? Do you keep that type of data?  
21      How many people come through your Family Court  
22      division in a year?

23              HONORABLE MASSIAH-JACKSON: I can  
24      tell you how many cases.

25              MR. CAIRONE: We can tell you how

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 many cases are scheduled on a yearly basis.

3 COUNCILMAN RAMOS: That's fair  
4 enough.

5 MR. CAIRONE: But how many people  
6 actually attend those cases, the only way we  
7 would be able to know that is to ask the  
8 sheriffs at the front door to give us a --

9 COUNCILMAN RAMOS: He is right here.

10 MR. CAIRONE: At the Family Court.  
11 So, we don't have that data  
12 available.

13 COUNCILMAN RAMOS: How many cases?

14 MR. CAIRONE: We can get you that  
15 data.

16 COUNCILMAN RAMOS: Okay. I see in  
17 your report on the limited English  
18 proficiency, you state, I just want your --  
19 just give me, for my purposes, a better  
20 understanding what you mean by this.

21 It says the courts -- this is, Madam  
22 President, on the courts, this is on Page 4 of  
23 your booklet entitled, Engaging Persons With  
24 No Or Limited English Proficiency in the  
25 Judicial Process.

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 On Page 4, Background on the  
3 Organization, the second paragraph you state,  
4 "The courts must work to enable persons with  
5 no or limited English proficiency, (LEP), to  
6 participate. And these efforts are not  
7 limited to the strict verbatim translation of  
8 languages. All parties proceeding should  
9 fully understand the nature of the events and  
10 their part in the process and eventual  
11 outcomes."

12 I don't want to bring up, you know,  
13 something that comes up that might be a  
14 concern, but can you define what you mean by  
15 this, please?

16 HONORABLE MASSIAH-JACKSON:

17 Certainly. I think I understand.

18 If you look at the brochures, Page  
19 10, videos, forms, brochures

20 COUNCILMAN RAMOS: I saw that.

21 HONORABLE MASSIAH-JACKSON: That's  
22 the sort of background we provide to anyone  
23 who comes into the court, courthouse. So it  
24 could be a family member or a friend, someone  
25 in the audience.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               But for the individual who is on  
3       trial or has a specific proceeding, those  
4       individuals do have the verbatim translation  
5       of the language.

6               But the second sentence there, "all  
7       parties to the proceeding should fully  
8       understand the nature of the events," that's  
9       to give them background as to what it is they  
10      are involved in.

11              COUNCILMAN RAMOS: Does the Civil  
12      Rights Act say that there has to be verbatim  
13      translation?

14              HONORABLE MASSIAH-JACKSON: I'm not  
15      familiar with the Civil Rights Act that you  
16      are referring to.

17              COUNCILMAN RAMOS: The Civil Rights  
18      Act on limited English proficiency of 1964.  
19      This is where this is derived from.

20              I didn't look it up, either. But I  
21      think -- I don't want to guess, but I will  
22      look it up on my end.

23              It lends itself to saying, you  
24      know -- correct me if I am wrong -- I don't  
25      mean it as a positive or a negative, that,

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       regardless, the show must go on when you come  
3       to court.

4               In other words, if we don't -- if  
5       one of our eight translators are not  
6       available, and if you are not ready, knowing  
7       that you are going into an English-speaking  
8       court, you know, we are not definitely obliged  
9       to provide you at that moment because the  
10      case, you know, has to go on.

11              HONORABLE MASSIAH-JACKSON: That is  
12      not the approach we take, Councilman.

13              COUNCILMAN RAMOS: I am not saying  
14      the approach. I am just saying when I read  
15      this account, it says all parties to  
16      proceedings should fully understand the nature  
17      of the event and their part in the process and  
18      eventual outcome."

19              HONORABLE MASSIAH-JACKSON: Right.

20              COUNCILMAN RAMOS: So I could go  
21      there, you know, Spanish speaking, with very  
22      little English proficiency, and the  
23      interpreter -- and I know this has happened as  
24      recent as last year -- the interpreter is not  
25      available.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               HONORABLE MASSIAH-JACKSON:

3       Councilman, the first sentence says, we are  
4       not limiting to verbatim translation; that is,  
5       we are doing more than the verbatim  
6       translation. Both sentences need to be read  
7       together.

8               So that as someone comes to the  
9       courthouse and has limited English  
10      proficiency, what we as a court do, we don't  
11      limit, do not limit, to the verbatim  
12      translation; rather, we try to ensure that  
13      they fully understand the nature of the  
14      offense, and we explain to them their part in  
15      the process.

16              So we have an expansive approach,  
17      not a limiting approach.

18              COUNCILMAN RAMOS: Okay. So besides  
19      the strict verbatim, there are other means as  
20      well as your --

21              HONORABLE MASSIAH-JACKSON: Correct.

22              COUNCILMAN RAMOS: I had judge Lynne  
23      on my radio show one Sunday last year, and he  
24      told me he had this new system where he can  
25      dial and get a translator on the phone.

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 And I told him, well, we need to get  
3 that word out there so people -- and get our  
4 judges, all the judges, to use it, as well.

5 So that last sentence does not imply  
6 that -- I mean, what happens if you don't have  
7 a translator and you cannot communicate in the  
8 language, the principal language, of the  
9 person? Does the court proceeding continue?

10 HONORABLE MASSIAH-JACKSON: Oh, no.  
11 No.

12 As a matter of fact, Councilman, we  
13 have a procedure where if an individual knows  
14 in advance that they have a court date, let's  
15 say, tomorrow or Friday, they can -- if they  
16 desire, they can call to the courtroom in  
17 advance, their attorney will call, and say, "I  
18 have someone who speaks Spanish," or --  
19 Spanish is easier. But let's say French or  
20 Creole or Chinese or whatever.

21 And we, within the court, make  
22 arrangements to have that type of interpreter  
23 present in the courtroom on the day a case is  
24 listed.

25 Or at the first listing, there is a

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2 continuance request for a specific date and  
3 time to address the specific language that's  
4 needed.

5 The telephonic service that you are  
6 referring to, you will see on Page 8, 3.4,  
7 that's what Judge Jimmy Lynne was referring  
8 to.

9 You can see all the different  
10 languages that were requested in Year 2003,  
11 from A to Z. There were a total of 687  
12 different requests.

13 And this is just using the telephone  
14 services. And the word is out there.  
15 Certainly we have spent almost a million  
16 dollars in the past year for many different  
17 languages.

18 Now, this is just telephone  
19 services.

20 COUNCILMAN RAMOS: Yes. And I see  
21 in that graph, which was a point that you and  
22 I discussed --

23 HONORABLE MASSIAH-JACKSON: What  
24 page?

25 COUNCILMAN RAMOS: I am sorry. Page

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2       8, Madam President.

3               HONORABLE MASSIAH-JACKSON: Yes.

4               COUNCILMAN RAMOS: That one point  
5       that we discussed was that it is very  
6       important for us in this great society that we  
7       live in to be welcoming of immigrants of so  
8       many parts of the world.

9               HONORABLE MASSIAH-JACKSON: Yes.

10              COUNCILMAN RAMOS: But in our city,  
11       what we have is a tremendous increase. While  
12       others are leaving Philadelphia, we see that a  
13       Spanish-speaking population is moving into  
14       this area, now primarily from the area of  
15       Central America, particularly Mexico.

16              HONORABLE MASSIAH-JACKSON: Yes.

17              COUNCILMAN RAMOS: And you will see  
18       by even on your graph, on your statistical  
19       chart here, on Page 8, that the need for  
20       Spanish-speaking translation was almost 5 to 1  
21       more so than all the other languages combined.  
22       And that's a stark reality of the situation in  
23       our city.

24              And it is very indicative of the  
25       growth of -- without acknowledging the growth

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       of other immigrant communities, but of the  
3       growth of this Spanish-speaking community  
4       coming from Latin America, it is really  
5       increasing in this region.

6               One of the things that you pointed  
7       out on the front page of this report is that  
8       Philadelphia remains the only Pennsylvania  
9       county that a terms to provide interpreter  
10      services to the courts in a systematic manner.

11             HONORABLE MASSIAH-JACKSON: Yes.

12             COUNCILMAN RAMOS: Is there a plan  
13      to establish certification procedures, and  
14      what kind of time frame are we looking at?

15             So although Philadelphia County has  
16      yet to establish certification procedures, has  
17      developed a model that may prove helpful  
18      elsewhere in the Commonwealth.

19             How far ahead? I am very glad that  
20      we are taking this initiative, and it is very  
21      commendable. How far are we ahead from  
22      certification?

23             HONORABLE MASSIAH-JACKSON: Well,  
24      Councilman, if you look at Page 21, there is  
25      a --

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 COUNCILMAN RAMOS: Now I have two of  
3 your reports. Which one? The Spanish  
4 report --

5 HONORABLE MASSIAH-JACKSON: Of the  
6 interpreter report, Page 21.

7 The certification procedure is a  
8 statewide procedure. And, so, it is not  
9 Philadelphia, it is not limited to  
10 Philadelphia.

11 You will see under Recommendation  
12 19, the comment, response, there is no  
13 requirement for certification of interpreters  
14 in Pennsylvania. However, all of our First  
15 Judicial District staff Spanish interpreters  
16 have passed a New Jersey certification.

17 And, also, the Delaware examination  
18 has been -- in the State of Delaware, rather,  
19 there is a certification, and many of the  
20 contract interpreters have passed one or the  
21 other.

22 So within Philadelphia, we do not  
23 have a certification, but we model and  
24 certainly adopt the New Jersey and Delaware.

25 Additionally, there is a Senate bill

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       currently in place in Harrisburg, Senate Bill  
3       669, I believe -- we referred to it at Page 23  
4       and top of 24 -- where the concept of testing  
5       and certification has been introduced in the  
6       State Senate in Pennsylvania, and we certainly  
7       support that.

8               COUNCILMAN RAMOS: I think you have  
9       done a very excellent job, and the job that  
10      you do is a very difficult job in the court  
11      system and so complex.

12             But my whole intent in our meeting  
13      and during this proceeding is to just be able  
14      to share with you how this growing immigrant  
15      community is going to impact on how we live in  
16      this city and how government services people.

17             And I am glad that this  
18      Administration has taken the lead through  
19      Global Philadelphia to address this issue of  
20      limited English proficiency. And I thank you  
21      again for the report you forwarded to me.

22             HONORABLE MASSIAH-JACKSON:  
23      Councilman, thank you very much. I would like  
24      to believe that I am particularly sensitive to  
25      the concerns you express about the immigrant

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       community because both of my parents were  
3       immigrants. And they met in Philadelphia, and  
4       I was born and raised in Philadelphia, but my  
5       mother's native language was French.

6               And I certainly saw, as a child,  
7       what she had to go through trying to speak  
8       with an accent, and trying to work things out,  
9       and the difficulties when she went to public  
10      offices or city offices.

11             And I believe our whole First  
12      Judicial District has been very sensitized to  
13      the issues relating to race, gender, and  
14      language barriers. And we have tried to  
15      eliminate those or minimize those in whatever  
16      way we can.

17             COUNCILMAN RAMOS: Thank you, ma'am.

18             PRESIDENT VERNA: Thank you.

19             The Chair recognizes Councilman  
20      Mariano.

21             COUNCILMAN MARIANO: Thank you,  
22      Madam President.

23             On Page 7 you talk about, let me get  
24      back to that, the staff to support legislative  
25      increase in judicial complement. Can you

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 explain that to me?

3 MR. CAIRONE: Under DROP

4 right-sizing?

5 COUNCILMAN MARIANO: No; on top.

6 MR. CAIRONE: Oh, this is an  
7 increase in the judicial complement from 90 to  
8 93, and the staff required to service those  
9 three additional judges.

10 COUNCILMAN MARIANO: So what's each  
11 judge get, a person?

12 MR. CAIRONE: Three at the Common  
13 Pleas level.

14 COUNCILMAN MARIANO: How much extra  
15 is that? It doesn't say how much extra it is.

16 MR. CAIRONE: It is \$305,000. It is  
17 in the budget on Page 2.

18 And, Councilman, that is a  
19 dollar-for-dollar reimbursement from the  
20 state, so it is cost neutral.

21 COUNCILMAN MARIANO: Okay. Thank  
22 you.

23 The second question is, Page 9. And  
24 I think Council O'Neill beat this one up  
25 pretty good. But future technology needing

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       upgrades. I think what Councilman O'Neill  
3       spoke about was one end of it. What about the  
4       other end? And it may happen, excuse me for  
5       my ignorance.

6               If you have to be in court for  
7       something, maybe something with your family,  
8       it may be something that happens to you,  
9       witness, victim, whatever, is there a website  
10      we can go to without using hallwatch.org?

11             MR. CAIRONE: Absolutely. And every  
12      one of our criminal cases that are scheduled  
13      are on the website, as well as civil and civil  
14      docketing, orphans court, and Family Court.

15             COUNCILMAN MARIANO: What would that  
16      website be, first judicial website?

17             MR. CAIRONE: That's correct.

18             COUNCILMAN MARIANO: Is it to the  
19      point where you could go to that today and  
20      find out what judge is sitting in what  
21      courtroom tomorrow?

22             MR. CAIRONE: We do have the  
23      judicial schedule on the website, as well.

24             COUNCILMAN MARIANO: Those were two  
25      easy ones. Here is a third one. Security.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       You talk about security in City Hall, Page 10.  
3       Actually, you talk about City Hall.

4               Are you responsible for all security  
5       over the Criminal Justice Center, or is that  
6       the sheriff?

7               MR. CAIRONE: That's the sheriff,  
8       although we share responsibility in the  
9       courtroom.

10              COUNCILMAN MARIANO: So getting into  
11       the building, with the elevators and the whole  
12       screening process is the sheriffs. But up in  
13       the courtroom it is the sheriffs to one point?  
14       Is there any point where you would be in  
15       charge of security?

16              MR. CAIRONE: We help with the  
17       courtroom security, obviously, and controlling  
18       the crowds and the individuals that are coming  
19       into the courtroom, because the sheriff is  
20       responsible for the defendant that's in the  
21       courtroom.

22              COUNCILMAN MARIANO: Thank you.  
23       They are all my questions.

24              Thank you very much.

25              PRESIDENT VERNA: You're welcome.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               The Chair recognizes Councilwoman  
3       Blackwell.

4               COUNCILWOMAN BLACKWELL: Thank you,  
5       Madam President.

6               Question with regard to court  
7       issues. We have a teen court. And the  
8       President and I were both at a meeting with  
9       the D.A.

10              Does the D.A. sponsor some court  
11       programs and the court sponsor other court  
12       programs, or are they all paid for by the  
13       court?

14              HONORABLE MASSIAH-JACKSON: Which  
15       court program?

16              COUNCILWOMAN BLACKWELL: We have  
17       night court and then they have teen court.  
18       They may have teen court. I think I saw it.

19              HONORABLE MASSIAH-JACKSON: Let me  
20       just check here.

21              COUNCILWOMAN BLACKWELL: I know the  
22       judges volunteer in night court.

23              MR. CAIRONE: Is the teen court  
24       perhaps something that is administered through  
25       the District Attorney's Office, and utilizes,

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 I don't want to say, judges pro tem, but  
3 volunteers to sit as judges in the districts?

4 HONORABLE MASSIAH-JACKSON: There is  
5 also something that I have read about in the  
6 high schools themselves, where the students  
7 are involved in a court.

8 COUNCILWOMAN BLACKWELL: They do  
9 have that. But these things don't reach you,  
10 they don't --

11 HONORABLE MASSIAH-JACKSON: No.

12 MR. CAIRONE: Not that particular  
13 court.

14 COUNCILWOMAN BLACKWELL: Okay. All  
15 right. There are three instances. Okay.

16 Thank you.

17 PRESIDENT VERNA: The Chair  
18 recognizes Councilman Clarke.

19 COUNCILMAN CLARKE: Thank you, Madam  
20 President. Good morning.

21 MR. CAIRONE: Good morning,  
22 Councilman.

23 HONORABLE MASSIAH-JACKSON: Good  
24 morning.

25 COUNCILMAN CLARKE: I want to ask

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       you a couple of questions about community  
3       service programs. I think I probably ask this  
4       question every budget session.

5               First, can you talk to me about the  
6       categorization of community service programs,  
7       if you have them on the various courts, in  
8       Family Court? Talk to me about that.

9               HONORABLE MASSIAH-JACKSON: What do  
10      you mean by "community service"?

11              COUNCILMAN CLARKE: My  
12      understanding, that there are a number of  
13      individuals who are given lesser crimes, and  
14      they are required -- they are given community  
15      service sentencing, as opposed to jail time.

16              And every year I ask the question  
17      trying to get a handle on who is responsible,  
18      because I understand they may be different  
19      categories of community service and different  
20      sentencing requirements. And I walk away  
21      never knowing who is in control of all of  
22      this.

23              MR. CAIRONE: Well, community court  
24      itself was specifically designed to address  
25      quality-of-life type crimes. And we started

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       out addressing summary offenses, and it has  
3       been expanded since its inception in February  
4       2002 to include some misdemeanor.

5               COUNCILMAN CLARKE: I am familiar  
6       with community court. I am, actually, on the  
7       Board of that.

8               But prior to us even having  
9       community court, individuals have received  
10      community service.

11              MR. CAIRONE: That's correct.

12              In the adult probation department,  
13      for instance, we have individuals that  
14      interface with the recreation department and  
15      other agencies within the city and with DHS  
16      and CODAAP and other areas where there may be  
17      defendants that are sentenced to community  
18      service.

19              And, as a result, we'll go out on  
20      Saturdays to clean lots and recreation centers  
21      and things of that nature with the defendants  
22      that are sentenced to those probationary  
23      periods.

24              So that we have some supervisory  
25      responsibility at the adult probation level to

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       do things of that nature. But, it is limited  
3       in scope.

4               COUNCILMAN CLARKE: Is it the  
5       probation department that's in charge of that  
6       program?

7               HONORABLE MASSIAH-JACKSON: No.  
8       Councilman, a judge, any judge, sitting in  
9       adult court may sentence an individual, if it  
10      is appropriate, to a probationary sentence,  
11      let's say 12 months probation, and that  
12      defendant must do a certain number of hours of  
13      community service.

14              When that sentence is imposed, then  
15      that defendant goes to the adult probation  
16      department and has a probation officer. And  
17      then, as Mr. Cairone has said, the probation  
18      officer coordinates a community service and  
19      provides the judge with a count, you know,  
20      defendant so and so has done one half of their  
21      community service, up to the 100 percent.

22              COUNCILMAN CLARKE: Is there any one  
23      individual in the probation department that's  
24      responsible for crafting that program?

25              Because the reason I am asking this

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       question, my understanding is that there are  
3       substantial amount of individuals who have  
4       received alternative sentencing, i.e.,  
5       community service programs.

6               And I never -- I don't know who is  
7       responsible for the entire program. You have  
8       just said that a probation officer gets an  
9       individual. And I am assuming that that  
10      person just lends that person to a particular  
11      organization.

12             But one of the concerns that I have,  
13      given the realities of our budgetary process,  
14      we are going to probably be in a position  
15      where we will not be able to deliver a  
16      substantial number of services, particularly  
17      as it relates to labor.

18             We had Fairmount Park Commission in  
19      here the other day, and I know that that's  
20      going to be a union issue somewhere down the  
21      line.

22             HONORABLE MASSIAH-JACKSON:

23      Councilman, are you suggesting --

24             COUNCILMAN CLARKE: With Sheriff  
25      Green sitting here, I remember his initiative

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       years ago, and the unions rose their head and  
3       said, no way.

4               HONORABLE MASSIAH-JACKSON:  
5       Councilman, are you suggesting that the judges  
6       should sentence individuals to delivering --  
7       to picking up trash or cleaning up the park?

8               COUNCILMAN CLARKE: Yes. I mean, we  
9       have Fairmount Park Commission in here, and  
10      they were talking about their inability.

11              MR. CAIRONE: We actually do some of  
12      that at the rec centers and in vacant lots in  
13      areas when we are contacted, and we interface  
14      through other city agencies to perform those  
15      services.

16              Now, we in the past have considered  
17      trash pickup and things of that nature. But  
18      we were always reminded of the union issues,  
19      and that's why we have stayed away from it.

20              COUNCILMAN CLARKE: So when I  
21      contact an organization -- and I hate to use  
22      the name, because they may get in trouble --  
23      but there is an organization, Self Help,  
24      Incorporated, as an example.

25              On occasion we contact them, we have

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       a community cleanup, and they bring a group of  
3       individuals. And I assume they are under some  
4       sort of a program, and they help us clean up  
5       the vacant lots and other things in the  
6       neighborhood. Are they a part of that  
7       program?

8               HONORABLE MASSIAH-JACKSON: Not  
9       necessarily.

10              MR. CAIRONE: We may interface with  
11       them on occasion. But we try to work with the  
12       recreation department directly and other city  
13       agencies that require these services.

14              I can send you the name of someone  
15       in adult probation and juvenile probation that  
16       you can contact. I will send it through the  
17       Council President, so everyone can have it,  
18       and then we can work with you toward that end.

19              COUNCILMAN CLARKE: So this person  
20       will be directly --

21              COUNCILMAN MARIANO: Councilman  
22       Clarke, does the Managing Director -- I have  
23       been working with an organization that I am  
24       involved with, and we work pretty much through  
25       the Managing Director's Office.

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 Are they the clearinghouse? Is the  
3 Managing Director the one we should be talking  
4 to?

5 MR. CAIRONE: That's correct.

6 COUNCILMAN CLARKE: So I shouldn't  
7 be talking to the adult probation?

8 MR. CAIRONE: We supervise the  
9 individuals, but we work with other city  
10 agencies to provide the services. They  
11 identify what's needed.

12 COUNCILMAN MARIANO: We have done  
13 some stuff up in my district. I'm sure  
14 Councilman Clarke has, too.

15 When we do stuff, if you are in that  
16 halfway house -- when you go up and do some  
17 work in Fairmount Park, and actually the  
18 place, Councilman Clarke -- it is hard not  
19 making eye contact.

20 If you do something with Councilman  
21 Clarke or myself, and you go up to a halfway  
22 house, if you are a resident of that halfway  
23 house, you have so many hours of community  
24 probation that's not involved with yours.

25 But the community probation we are

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       talking about, or the Councilman is talking  
3       about, you could just call the Managing  
4       Director and say, look, I want to clean up a  
5       rec center this weekend, we have done it many  
6       times. Do you have anybody who has community  
7       service that needs to be done.

8               You have a lot of people that need  
9       community service. Goldsmith, the Managing  
10      Director, has none. Here is the problem, as I  
11      found it.

12             Years ago -- and this wasn't really  
13      be adult probation, but it was with juvenile  
14      probation -- someone got caught selling. If  
15      Andrew comes to me and this kid has 100 hours,  
16      look this way, Andrew, your kid is not old  
17      enough for that. We let them slide 50 hours,  
18      and he slips me 200 bucks, that happens. So,  
19      therefore, that killed that.

20             We have to have people with this  
21      organization I work with, they have people  
22      that are retired businesspeople, retired  
23      military. They are actually the supervisors.  
24      They don't pick up a shovel; they are just  
25      people that say, you sent me 20 people, and

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       everyone worked 8 hours, and this is the name  
3       of the people.

4               Massiah-Jackson, I see your picture  
5       on your license. And we know you are Joe, and  
6       we know who you are. You work your way down.  
7       That's strictly how it is.

8               But from what I understand, it was  
9       the Managing Director's office that was the  
10      middleman, the clearinghouse, for all of this  
11      stuff.

12              Is there any truth to that?

13              MR. CAIRONE: That's my  
14      understanding.

15              In fact, though, we have developed a  
16      relationship with the recreation department,  
17      so they do contact us on occasion directly if  
18      there is a rec center that needs some service  
19      and we can provide it.

20              COUNCILMAN MARIANO: Maybe there is  
21      something here that needs to be tightened up.  
22      And I am going to volunteer myself and  
23      Councilman Clarke. Maybe we can do that with  
24      this organization that I was working with and  
25      maybe a couple he has or some other Council

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       members.

3               MR. CAIRONE: We are happy to  
4       participate in that endeavor.

5               COUNCILMAN MARIANO: Thank you,  
6       Councilman Clarke.

7               PRESIDENT VERNA: Point of  
8       information from Councilman Rizzo. Just a  
9       point of information.

10              There are a number of Council  
11      Members that still want to be recognized, and  
12      we have other departments here waiting.

13              COUNCILMAN RIZZO: And Councilman  
14      Clarke is still up.

15              But I just want to ask quickly. I  
16      think I am confused on who is responsible.  
17      When I drive out to Montgomery County, I see  
18      the bus with all these folks dressed in orange  
19      cover-alls picking up paper on the 422.

20              Who is responsible to set up  
21      programs like I see in Montgomery County, if  
22      we did something like that?

23              There is an organization called  
24      Ready, Willing and Able I see picking up  
25      papers and trash on the Drive. Do you think

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       it is time that we revisit with the unions  
3       exactly what we can do and what we can't do?

4               Is it the court's responsibility or  
5       is it the jail's responsibility?

6               MR. CAIRONE: Well, I think the  
7       programs that you are seeing in Montgomery  
8       County and other jurisdictions, especially if  
9       they are in orange jumpsuits, is county  
10      prison. And I know the state institutions  
11      have similar programs, as well.

12              So I think that would be a county  
13      prison issue.

14              COUNCILMAN RIZZ0: So the courts  
15      would not be involved.

16              If we wanted to go up to State Road  
17      and get 50 inmates to come and clean up the  
18      park, would the courts have to say that they  
19      are okay to do that?

20              HONORABLE MASSIAH-JACKSON:  
21      Councilman, one of the concerns you might want  
22      to consider -- you know, I don't know how far  
23      you want to go with this -- is the liability  
24      issues, if anyone gets injured while they  
25      are -- because you have decided on community

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2       service. So, it is a concern.

3               COUNCILMAN RIZZO: I will wait for  
4       my turn back and come back. But I think there  
5       is a difference between community service and  
6       what I see in Montgomery County.

7               When you are incarcerated and you  
8       are loaded on the bus and taken out to the  
9       roadway, that's not community service.

10              MR. CAIRONE: That's correct.

11              COUNCILMAN RIZZO: I will wait. I  
12       want to let my colleague get back to his  
13       questions.

14              COUNCILMAN CLARKE: Yes, I am a  
15       little confused, also, as a result of who has  
16       jurisdiction over this program. But I want to  
17       make sure that we are talking about the same  
18       thing.

19              I'm, essentially, talking about a  
20       sentence given by a judge that you are to  
21       provide a certain amount of person hours in  
22       the community.

23              And I don't know if the judge gets  
24       into the level of detail of telling that  
25       person what type of community service they are

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       supposed to provide. I don't know if that's  
3       done.

4               MR. CAIRONE: Not usually.

5               COUNCILMAN CLARKE: Not usually.

6               So my question is, once the judge  
7       mandates that that person goes to where, a  
8       probation officer?

9               MR. CAIRONE: If it is a  
10      probationary sentence, then certainly it is  
11      supervised by the probation department.

12              COUNCILMAN CLARKE: And the  
13      probation department works with the Managing  
14      Director's Office.

15              MR. CAIRONE: And city agencies,  
16      yes.

17              HONORABLE MASSIAH-JACKSON:  
18      Depending on the type of community service,  
19      yes.

20              COUNCILMAN CLARKE: And who  
21      determines what type of community service?

22              MR. CAIRONE: We are contacted. And  
23      I am not sure if it is through the Managing  
24      Director's Office. But I know that we work  
25      extensively with the recreation department in

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       doing these things, in cleaning vacant lots  
3       and recreation centers.

4               And when we are contacted by either  
5       rec leaders or the department heads, then we  
6       will provide the services.

7               And we work with them so that we  
8       make sure that the probationers do the  
9       required service hours that are mandated by  
10      the court's sentence.

11              HONORABLE MASSIAH-JACKSON: I  
12      remember one time I used to sentence  
13      individuals to paint. In the summertime, you  
14      know, like to paint walls, paint the graffiti,  
15      things of that nature.

16              So there are agencies within the  
17      city that our probation department has contact  
18      with. Because somebody has to keep the hours  
19      and keep the time that these individuals go  
20      out.

21              COUNCILMAN CLARKE: Right. All  
22      right.

23              Can we do this, because I am afraid  
24      I am going to end up walking away the way I  
25      walk away every year on this particular

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2       question.

3               Can, Your Honor, you assign someone  
4       to meet with whomever the Chair designates as  
5       appropriate -- and I would like to be in that  
6       meeting, if that person is not me -- along  
7       with the Managing Director's Office, to sit  
8       down and talk about this process in some level  
9       of detail.

10              Because I think that if there is a  
11       more structured program, I think that we can  
12       achieve some good. And I think that it might  
13       actually help the individuals who are mandated  
14       to provide this community service if it is a  
15       more structured program.

16              And then this person could be  
17       tracked and, hopefully, at some point  
18       integrated into society and into a meaningful  
19       job and hopefully never come back into the  
20       system.

21              But I am just concerned it appears  
22       it is just a, you know, random sentence, and  
23       the person is given to a particular officer,  
24       and they are thrown somewhere, where we may  
25       need them. And from what I hear, more often

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       than not we don't utilize that particular  
3       resource, the intention of the program.

4               MR. CAIRONE: We did utilize it to  
5       the tune of in excess of 58,000 last hours out  
6       of community court. So, it is not like we are  
7       not utilizing it.

8               COUNCILMAN CLARKE: Community court  
9       is a different animal. Community court is a  
10      very structured program. Because, as I said,  
11      I sit on that Board. And that's the way you  
12      do it.

13              It is a structured program that  
14      provides assistance in terms of individuals  
15      getting their GED, individuals getting any  
16      drug treatment, activity is provided.

17              But what I understand, there is a  
18      whole other community service mandate that  
19      doesn't have that type of structure. And  
20      maybe we ought to send people through  
21      community court, maybe that's makes sense.

22              HONORABLE MASSIAH-JACKSON: It  
23      depends on the degree of guilt.

24              So, for example, community court, as  
25      you are familiar with, is not only -- tends to

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       be misdemeanor cases. But we could find  
3       someone who has been found guilty at a felony  
4       level, with a longer sentence, where there is  
5       some combination of jail time, as well as  
6       community service time.

7               But what we will do -- and I will  
8       stay in touch with Madam President, Council  
9       President -- and we will get a group together  
10      with probation department, the Managing  
11      Director, and with you or her.

12             PRESIDENT Verna: And I want  
13      Councilman Clarke to be present, because this  
14      is an issue that comes up every year. And I  
15      think we ought to finally get some response  
16      and work it out.

17             HONORABLE MASSIAH-JACKSON: We will  
18      be happy to do that.

19             PRESIDENT Verna: Thank you.

20             COUNCILMAN CLARKE: Real briefly,  
21      one last question.

22             Traffic Court, you indicated in your  
23      testimony that that's a part of revenue  
24      enhancement portion of your budget. I am  
25      assuming that over the last couple of years,

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       since live stop was implemented, there was a  
3       substantial amount of revenue taken in by  
4       Traffic Court?

5               HONORABLE MASSIAH-JACKSON: Yes.

6               COUNCILMAN CLARKE: And,  
7       subsequently, a substantial number of vehicles  
8       sold at auction.

9               Talk to me about that process. What  
10      money goes where, first of all? I understand  
11      a lot of people, we implemented this amnesty  
12      program, and people were standing in line  
13      around the corner to come in to pay off their  
14      traffic tickets.

15              MR. CAIRONE: We are not involved in  
16      the sale of the vehicles, that's through the  
17      Parking Authority. But, obviously, we are  
18      involved in the citation process and the  
19      collection.

20              And I mentioned in my testimony,  
21      just over the last two years the Traffic Court  
22      has enhanced their collections by over \$4.4  
23      million over the last two fiscal years.

24              And we anticipate that it will  
25      continue to increase with the initiatives that

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       they have developed. And one of the things  
3       that we --

4               COUNCILMAN CLARKE: What else do you  
5       anticipate?

6               MR. CAIRONE: Well, we have an  
7       electronic citation program that we are  
8       working on now with the Philadelphia Police  
9       Department that will enable us to get the  
10      citation into the Traffic Court computer  
11      system more quickly, and we will be able to  
12      process it more quickly. And we think THAT  
13      that will enhance collections.

14              And we have had some awareness  
15      programs that we have initiated in the past,  
16      such as the amnesty program. And we  
17      anticipate that we will continue to have  
18      programs like that.

19              COUNCILMAN CLARKE: Are we getting  
20      ready to do another amnesty?

21              MR. CAIRONE: No, I didn't say that.  
22      I said we anticipate doing programs of that  
23      nature in the future. We are not getting  
24      ready to do one now.

25              COUNCILMAN CLARKE: I wanted to let

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 my folks know, if we were going to do that.

3 One last question. In your  
4 testimony -- you may not be able to answer  
5 this, but it is in your testimony on Page 8 --  
6 is it 22 percent reduction in ticketing  
7 activity by the police? What do you attribute  
8 that to?

9 HONORABLE MASSIAH-JACKSON: Well,  
10 Councilman, we cannot address why there is a  
11 reduction in ticketing by the police.

12 But we are very proud of the fact  
13 that we have increased the revenues collected.  
14 And we know that this Council is sensitive to  
15 that. And we have increased the revenues  
16 collected.

17 So that I think last year \$30  
18 million was collected, 15 million going to the  
19 city and the other half going to the state,  
20 based on Traffic Court's efforts.

21 COUNCILMAN CLARKE: It was just an  
22 odd number, given the aggressive nature of  
23 some of the initiatives that have been put in  
24 place by, actually, some Council -- Council  
25 passed the live stop ordinance some time ago.

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 I will ask the police department about that.

3 Thank you, Madam President.

4 PRESIDENT Verna: Thank you.

5 The Chair recognizes Councilman

6 Goode.

7 COUNCILMAN GOODE: Thank you, Madam

8 President.

9 Good morning.

10 HONORABLE MASSIAH-JACKSON: Good

11 morning.

12 COUNCILMAN GOODE: About a week from

13 now we will be discussing tax reform for a

14 couple of days. And one of the things being

15 considered will be property taxes.

16 Currently the Board of Revision of

17 Taxes is situated within the judicial branch.

18 And as we consider any number of different

19 property tax bills and revamping the whole

20 property tax system, there have been proposals

21 in the past and may be proposals in the future

22 that discuss the elimination of BRT and the

23 shifting of those functions to the executive

24 branch of government.

25 Can you tell me how you feel about

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       those proposals and what value is having the  
3       BRT situated within the judicial branch has?

4               HONORABLE MASSIAH-JACKSON:  
5       Councilman, the Board of Judges appoints the  
6       members who sit on the Board of Revision of  
7       Taxes and Board of Review.

8               However, that Board of Revision is  
9       independent, it is not a branch of the  
10      judiciary. And we, meaning the judges, have  
11      no responsibility, no oversight  
12      responsibility, in any manner.

13              COUNCILMAN GOODE: Well, likewise,  
14      neither do we as a legislative branch or the  
15      executive branch.

16              So I guess my question is, you say  
17      you appoint the Board, and then it is an  
18      independent agency. I guess what I am saying  
19      is, as we look to revamp the property tax  
20      system, how it should be constructed, is there  
21      any particular value in keeping it as it is,  
22      in the judicial branch, even if it is just a  
23      matter of the Board of Judges appointing the  
24      Board of Revision of Taxes?

25              HONORABLE MASSIAH-JACKSON: Well,

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       certainly our judges appreciate the fact  
3       that -- I believe it was the city Charter, I'm  
4       not sure where that power and authority first  
5       was created.

6               Well, all I can say is, we  
7       appreciate that. However, I think the value  
8       of having an independent body is certainly --  
9       takes the pressure off of the other bodies, if  
10      they did have oversight.

11             COUNCILMAN GOODE: It actually does  
12      not take the pressure off of it, particularly  
13      if we are going to move to a land value tax.  
14      And if we then have to begin setting tax rates  
15      on an annual basis, it is going to fall in the  
16      lap of the executive and the legislative  
17      branch.

18             So is there any particular value you  
19      have in holding onto it?

20             HONORABLE MASSIAH-JACKSON: We have  
21      not discussed that among our judges because it  
22      just hasn't come up.

23             COUNCILMAN GOODE: Thank you.

24             Thank you, Madam President

25             PRESIDENT VERNA: Thank you.

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 The Chair recognizes Councilwoman  
3 Brown.

4 COUNCILWOMAN BROWN: Thank you,  
5 Madam President.

6 Councilman Ramos' line of  
7 questioning triggered some additional  
8 questions I have with regards to my request  
9 for a breakdown by gender and ethnicity of the  
10 composition of the adult and juvenile  
11 probation.

12 Could you provide a visual for me, a  
13 table of organization, so I can actually see  
14 the inter-relatedness of those departments for  
15 both juvenile and adult probation, number one.

16 Number two, is it accurate that the  
17 President Judge is elected by your peers?

18 HONORABLE MASSIAH-JACKSON: Correct.

19 COUNCILWOMAN BROWN: How does the  
20 Administrative Judge happen? Who is  
21 responsible for either that appointment or the  
22 election?

23 HONORABLE MASSIAH-JACKSON: The  
24 Administrative Judges of Common Pleas Court  
25 and Municipal and Traffic Court, when they did

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       have Administrative Judges, they are appointed  
3       by the State Supreme Court.

4               COUNCILWOMAN BROWN: Okay. What is  
5       the defining difference between the role of  
6       the President Judge and the roles or  
7       responsibilities of the Administrative Judge?

8               HONORABLE MASSIAH-JACKSON: The  
9       Supreme Court has Rules of Judicial  
10      Administration, which are printed in our rule  
11      book pretty extensively, which review the  
12      responsibilities of the President Judge and  
13      the responsibilities of the Administrative  
14      Judge. I don't have it, you know, on hand.

15              COUNCILWOMAN BROWN: Let me ask a  
16      more specific question to that.

17              Who is ultimately responsible for  
18      the either professional development or  
19      promotion of probation officers in those two  
20      worlds, juvenile probation and adult  
21      probation? Who makes the ultimate decision?

22              HONORABLE MASSIAH-JACKSON: The  
23      Administrative Judge of each division.

24              COUNCILWOMAN BROWN: Thank you,  
25      Madam President. Thank you.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               PRESIDENT Verna: You are welcome.

3       The Chair recognizes Councilman Rizzo.

4               COUNCILMAN RIZZO: Thank you, Madam  
5       Chair. Longer than we thought.

6               I would like to go back to the  
7       Montgomery County model, where you see a work  
8       force that's provided by, I would assume, the  
9       county prison to go out and do some jobs,  
10      clean up the roadway, whatever.

11              You can always tell when they are  
12      there because the remnants, they leave the  
13      little bags for someone to pick up later.

14              But we have an organization in the  
15      city already that I see working, it is called  
16      Ready, Willing and Able. We create special  
17      service districts that, obviously, the unions  
18      have to buy into to be okay with it.

19              When a person is sentenced in  
20      Philadelphia that goes to a city institution,  
21      would the courts have to say that this  
22      particular person would be okay to go out and  
23      clean up Fairmount Park, clean up a vacant  
24      lot, a work detail?

25              I know that for years, since I have

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2       been a kid, I have been hearing the unions,  
3       the unions, the unions. But I think it is  
4       about time that someone sits down with the  
5       unions and sees what is appropriate here.

6               Because the Fairmount Park is in  
7       such disrepair that there are places where you  
8       used to be able to walk, where you can't any  
9       longer because there are trees across the  
10      walking paths. They can't bicycle in certain  
11      areas because of the condition of some of the  
12      trails.

13             At your level, do you need to do  
14      anything to have the Sheriff's Department --  
15      maybe I will ask Sheriff Green. I assume he  
16      would have to be responsible for transporting  
17      a work force to a particular area to provide  
18      that service.

19             What is the court's involvement in  
20      creating an environment where we could do  
21      that?

22             HONORABLE MASSIAH-JACKSON: I am  
23      going to start, but then Mr. Cairone will fill  
24      in.

25             When a judge sentences an

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       individual, first of all, we are not always  
3       familiar with everything in that person's  
4       background to be sure that they are able to be  
5       out on leave, out in the parks, or something  
6       of that nature.

7               And we have been asked as judges not  
8       to sentence someone, for example, to community  
9       service outright; but, rather, to sentence  
10      them to have an assessment made as to whether  
11      or not they are appropriate for community  
12      service or some other type of program.

13             Because, certainly, if someone has a  
14      drug problem, a mental health problem, or  
15      other issues, they may not be appropriate.

16             But assuming someone is appropriate,  
17      then we could have a sentence of county time  
18      with some sort of a work program.

19             COUNCILMAN RIZZO: Not to interrupt  
20      you, but let me make sure I am understanding.

21             In my mind -- and I think I am  
22      correct -- community service is in lieu of  
23      going to jail.

24             HONORABLE MASSIAH-JACKSON: No, not  
25      necessarily.

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 COUNCILMAN RIZZO: Not necessarily?

3 MR. CAIRONE: Not certainly in the  
4 instance that you have provided in Montgomery  
5 County.

6 COUNCILMAN RIZZO: I don't call that  
7 community service. When there is a sheriff's  
8 guy with a shotgun, or whatever, when you go  
9 into New Jersey, that's kind of like maybe you  
10 volunteer just to get out of the place for a  
11 few hours. I don't really understand how it  
12 works.

13 But I thought many times community  
14 service -- so what are you telling me, that it  
15 is a combination of jail time and community  
16 service?

17 MR. CAIRONE: It can be.

18 COUNCILMAN RIZZO: Don't a lot of  
19 judges just give a person 50 hours of  
20 community service, and they never go to jail?

21 MR. CAIRONE: Yes. In our county,  
22 community service is an alternative to  
23 incarceration. It is part of a  
24 non-incarcerative sentence.

25 HONORABLE MASSIAH-JACKSON: Or a

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       condition of parole.

3               MR. CAIRONE: Or a condition of  
4       parole.

5               In other counties, they may couch it  
6       differently. They may make it part of an  
7       incarceration sentence, as well.

8               But here we are dealing with  
9       individuals that are not incarcerated, that  
10      are assigned to community service.

11              COUNCILMAN RIZZO: I am not talking  
12      about that population. I am talking about the  
13      ones that are presently -- the inmates that  
14      are sitting in a city institution.

15              And, again, I think that the powers  
16      to be -- and I am not even sure who they  
17      are -- need to get together and figure out  
18      what's appropriate.

19              Because if we create special service  
20      districts where the private sector, in many  
21      cases, are responsible for the maintenance of  
22      Broad Street or Roxborough or this one or that  
23      one, that the unions aren't necessarily always  
24      objecting to everything that we suggest.

25              And I come down the Drive in the

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       morning, and I see this Ready, Willing, and  
3       Able. They are not municipal workers, as far  
4       as I am concerned, and they seem like they are  
5       very effective.

6               Because I came down one morning, and  
7       it was pouring rain, and they were out working  
8       in the rain.

9               So I think it is about time that we  
10      revisit this issue, but I won't pretend to  
11      even know where to begin.

12              MR. CAIRONE: I think, certainly,  
13      for the incarcerated population, there is two  
14      types that we have to look at.

15              There is a pretrial defendant, who  
16      is in custody for various reasons, but not  
17      because of a conviction in the open underlying  
18      case, and then there is the sentenced  
19      population.

20              So we would certainly have to ask  
21      the judges to couch their sentences to  
22      particular community service, or to say that  
23      the prison is to determine if community  
24      service is a viable option. And they can  
25      couch their sentences in that vein.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               Now, on the pretrial side, the  
3       defendants are incarcerated because either  
4       there is a detainer lodged against them for  
5       violation of probation or parole, or they  
6       simply can't make the amount of bail that's  
7       been imposed.

8               So I would certainly think that  
9       those people are more amenable to that type of  
10      service, and then it could be controlled by  
11      the prison or the county institution.

12              COUNCILMAN RIZZO:  So what I am  
13      leaving with here today is the fact that the  
14      courts would have to be somehow involved at  
15      the time of sentencing to guide the  
16      institution whether that person should be  
17      considered for that program?

18              MR. CAIRONE:  Yes.

19              COUNCILMAN RIZZO:  Because I was  
20      talking to a correctional officer over in one  
21      of the counties in New Jersey that told me  
22      that they have a list of inmates that are  
23      willing to participate in that program,  
24      because they would rather be out on the 55  
25      bypass than be wherever they are normally

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       during the daylight hours.

3               So, that's interesting. And, then,  
4       I guess all we need to do, or at least I need  
5       to do, is figure out how to start that  
6       conversation.

7               And when the Sheriff comes up, maybe  
8       he can enlighten us on some of those programs,  
9       on how they work, because I'm not sure.

10              Now that I am thinking, I am  
11       recollecting that the jail themselves, the  
12       prison themselves, had the bus and the  
13       correctional officer overseeing that.

14              MR. CAIRONE: The prison is the one  
15       that's responsible for the inmate, so they  
16       would have the control over them.

17              COUNCILMAN RIZZO: Great. Thank  
18       you. Good seeing all of you.

19              Thank you, Madam Chair.

20              PRESIDENT VERNA: Thank you.

21              Are there any other questions or  
22       comments by the members of the committee?

23              Seeing none, thank you so much. You  
24       have been extremely patient. Thank you very  
25       much.

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 The Sheriff's Office is next. Good  
3 morning. Please identify yourself for the  
4 record and proceed with your testimony.

5 SHERIFF JOHN GREEN: I am John  
6 Green, Sheriff of the City and County of  
7 Philadelphia

8 Good morning, Madam President and  
9 members of City Council. Before I start the  
10 prepared portion of my testimony, I would like  
11 to thank City Council for your courageous  
12 resolution in support of a brief moratorium of  
13 Sheriff's sales.

14 As you know, we are selling a record  
15 number of homes through our mortgage  
16 foreclosure sale, and City Council's support  
17 for a moratorium assisted a lot of home  
18 owners. Thank you very much.

19 PRESIDENT Verna: You are welcome.

20 SHERIFF GREEN: Thank you for the  
21 opportunity to speak today before this  
22 distinguished body and unveil my plan to  
23 augment security at the Criminal Justice  
24 Center.

25 In light of the increasing

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       seriousness of recent incidents at the  
3       Criminal Justice Center, I am requesting an  
4       appropriation of \$15,800,246 for the 2004-2005  
5       budget year, of which \$1,715,040 will enable  
6       us to hire 45 deputies to supplement our  
7       courtroom staff and maintain order.

8               The men and women in the Office of  
9       the Sheriff are entrusted with a tremendous  
10      responsibility, delivering suspected and  
11      convicted criminals to the halls of justice  
12      while ensuring public safety.

13             Sheriff's deputies escort men and  
14      women charged with criminal activity to  
15      courtroom hearings and trials.

16             Once prisoners are delivered to the  
17      court, sheriff's deputies provide security for  
18      all courtroom proceedings and maintain  
19      controlled environments where prisoners  
20      interact with the public.

21             In the past three months, the 55  
22      deputies assigned to serve in 55 courtrooms in  
23      the Criminal Justice Center have encountered a  
24      number of volatile and potentially  
25      life-threatening situations.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               In 2003, 243 incidents, ranging from  
3 fights, to weapons confiscations, were  
4 reported. This year's incident reports are  
5 rising and the severity of the challenges  
6 facing our personnel is far more grave.

7               Two weeks ago a man in court on a  
8 probation violation hearing was shot after he  
9 struggled with the deputy sheriff and chased  
10 the judge.

11              In March, another defendant on trial  
12 for raping and killing a 6 year old slugged  
13 one of his defense lawyers. Two weeks later,  
14 the defendant tried to smuggle a 6-inch shank  
15 into the Justice Center inside his rectum.

16              Earlier that month a defendant  
17 charged in the Lex Street murders began  
18 yelling during his attorney's closing  
19 argument. We later found him naked in the  
20 holding cell with his body smeared in his own  
21 feces.

22              Finally, deputies apprehended  
23 another defendant after he removed the tile in  
24 the client consultation room and tried to  
25 crawl into the ceiling.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               Let me say how proud I am of our  
3       deputies who have kept their calm and cool in  
4       stressful and dangerous situations. They did  
5       their jobs ably.

6               Following an internal review of  
7       these incidents, we concluded that the problem  
8       was not with the way we work, but, rather,  
9       with our current staffing levels.

10              On May 6, 2002, we had a total of  
11       500 prisoners in our charge at the Criminal  
12       Justice Center alone.

13              On any given day we need 213  
14       deputies to carry out our responsibilities at  
15       the Traffic Court, Common Pleas Domestic  
16       Court, Common Pleas Juvenile Court, and the  
17       Criminal Justice Center.

18              When the number of deputies sick, on  
19       vacation, in training, or on special  
20       assignments are factored in, we are routinely  
21       short 96 personnel.

22              To ensure public safety and adequate  
23       staffing levels, I project we must hire 45  
24       additional deputies so we can assign partners  
25       for those who work in the courts and create a

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2       physical presence that will deter prisoner  
3       fights and confrontations.

4               When violence erupts, a single  
5       deputy stationed in a courtroom is not able to  
6       secure the prisoner, maintain order, and  
7       protect bystanders who may be potential  
8       targets. Without a secure courtroom, justice  
9       cannot and will not prevail.

10              Prior to the opening of the Criminal  
11       Justice Center, the Sheriff's Office assigned  
12       a minimum of two deputies to each courtroom in  
13       City Hall.

14              The Justice Center was designed and  
15       built to provide secured centers for holding  
16       and transporting prisoners, allowing us to  
17       reduce the manpower within the courts.

18              No longer do sheriff's deputies  
19       unload and transport prisoners in public view  
20       at the southwest corner of City Hall, and no  
21       longer are deputies exposed to open outdoor  
22       environments that hold grave risk and have the  
23       potential of escalating into crisis.

24              Today prisoners are driven directly  
25       into the Center, effectively reducing the risk

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2       of escape attempt and public diversions.

3               Furthermore, deputies escort  
4       defendants through concealed walkways that are  
5       inaccessible to the public, that lead from  
6       prisoner holding cells directly to courtrooms.

7               This security feature limits  
8       interaction between prisoners and the public,  
9       which in turn reduces the risk of arguments,  
10      assaults, and confrontation in an emotionally  
11      charged environment.

12              Additionally, communications were  
13      enhanced to give sheriff's deputies greater  
14      control and protection. Deputies were  
15      equipped are radio handsets that enabled them  
16      to radio distress calls immediately and to  
17      inform their colleagues of their whereabouts.

18              When prisoners disrupt courtrooms  
19      with violent outbursts, as has happened in  
20      recent weeks, cameras and other high-tech  
21      security devices are of little use.

22      Ultimately, we must rely upon the  
23      determination and skill of the deputies in  
24      command.

25              The men and women we presently ask

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       to secure courtrooms without backup are facing  
3       greater risks. When they work alone, they are  
4       less able to physically restrain an  
5       out-of-control prisoner and more likely to  
6       have to draw their weapons.

7               Any time law enforcement officers  
8       pull and use their weapons in public, there is  
9       potential for human loss and tragedy.

10              The City of Philadelphia's severe  
11       budget deficit is forcing every department and  
12       office to make tough financial choices. At a  
13       time when other jobs are being reduced or  
14       down-sized, I am asking to hire new employees.

15              I would not seek these funds if the  
16       consequences for inaction were not so severe.

17              After Faheem Thomas-Childs was  
18       fatally shot in the schoolyard of T.M. Pierce  
19       Elementary School, many witnesses to the crime  
20       were afraid to come forward and testify.

21              If potential witnesses continue to  
22       read about prisoner rampages at the Criminal  
23       Justice Center, then many more may decide to  
24       stay at home and remain silent.

25              We cannot expect witnesses to act

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       courageously unless we are willing to make  
3       courageous choices required to ensure their  
4       safety.

5               Madam President and members of City  
6       Council, thank you for this opportunity to  
7       speak today regarding the most pressing  
8       concerns facing the Philadelphia Sheriff's  
9       Office and its personnel.

10              I respectfully request that you  
11       provide us with the necessary funding to  
12       address our need, to fund new personnel for  
13       courtroom security.

14              PRESIDENT VERNA: Thank you very  
15       much.

16              Sheriff, I notice that your  
17       department has been cut by \$654,000?

18              SHERIFF GREEN: Yes

19              PRESIDENT VERNA: And you are asking  
20       for \$1,715,000; is that true?

21              SHERIFF GREEN: Yes.

22              PRESIDENT VERNA: Additional monies?

23              SHERIFF GREEN: That's correct.

24              PRESIDENT VERNA: How many  
25       courtrooms do you actually cover, including

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 Traffic Court?

3 SHERIFF GREEN: Well, we cover 55 --  
4 excuse me, Madam Chair. If I may have Captain  
5 Cardamone come to the table to assist in  
6 answering specific questions.

7 And Captain Cardamone was drafted  
8 into service this morning, so he may not have  
9 all of the information.

10 PRESIDENT VERNA: Good afternoon.  
11 Please identify yourself, for the record.

12 MR. GARY CARDAMONE: Gary Cardamone,  
13 C-A-R-D-A-M-O-N-E.

14 PRESIDENT VERNA: My question was,  
15 how many courtrooms does the Sheriff's Office  
16 have to cover, including Traffic Court?

17 MR. CARDAMONE: I have to do a  
18 little quick math here, Madam President.

19 PRESIDENT VERNA: Okay.

20 MR. CARDAMONE: It is approximately  
21 86 courtrooms.

22 Now, leaving 86, there is the  
23 potential to rise from 86 to 95. And there is  
24 approximately 65 courtrooms in the Criminal  
25 Justice Center, of which 56 are active at a

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       time. That number can go up.

3               PRESIDENT VERNA: And how many  
4       deputy sheriffs do you have?

5               MR. CARDAMONE: In the Criminal  
6       Justice Center, there are 143 deputies  
7       assigned, not all performing courtroom  
8       functions.

9               SHERIFF GREEN: Madam President, we  
10      have a total of 183 deputies.

11              PRESIDENT VERNA: 180 --

12              SHERIFF GREEN: Three.

13              PRESIDENT VERNA: Now, you say they  
14      don't all cover the courtrooms. What do they  
15      do?

16              MR. CARDAMONE: In the Criminal  
17      Justice Center alone -- we will have to break  
18      this down by units. The Criminal Justice  
19      Center, the Sheriff's Office is available for  
20      transportation of prisoners.

21              In effect, we are running a jail,  
22      albeit a daytime jail. It takes many staff to  
23      operate that jail and maintain the records.

24              You have plant security both within  
25      the Criminal Justice Center and with our

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       facility in the Northeast that houses all our  
3       vehicles. Then you have the courtrooms, the  
4       adjacencies, and the like.

5               So when you break the numbers down,  
6       we fall far short in maintaining all the  
7       courtroom staffing that we would like to keep  
8       because of all the other duties.

9               You are, as the Sheriff pointed out,  
10      housing anywhere between 350 to 500 inmates  
11      each day within the building.

12              PRESIDENT VERNA: And of the 86  
13      courtrooms that you mentioned, do we have a  
14      deputy sheriff in each one of the courtrooms?

15              MR. CARDAMONE: No, ma'am.

16              PRESIDENT VERNA: We do not?

17              MR. CARDAMONE: We do not.

18              PRESIDENT VERNA: How many deputies  
19      are we short?

20              MR. CARDAMONE: As the Sheriff  
21      indicated, 45 should bring us up.

22              The initial deployment for the  
23      Criminal Justice Center required 56  
24      courtrooms, I think -- I am sorry, 54  
25      courtrooms, 16 adjacencies, which are small

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       cell blocks between pairs of courtrooms, and  
3       some staffing for additional people for  
4       multiple defendants and roving security. That  
5       number is at, I believe, 79.

6               We are deploying approximately 50  
7       each day. So to start the day, we are 29  
8       deputies short.

9               Add to that shortness in 1801 Vine  
10       Street, who has approximately 14 courtrooms,  
11       their staffing may be half to a little bit  
12       more.

13              You will not find a presence in the  
14       dependent courtrooms at 1801 unless  
15       specifically requested, and that would be at  
16       the expense of one of the delinquent  
17       courtrooms.

18              Traffic Court has, I believe, 5  
19       courtrooms. They do not put a sheriff in  
20       every courtroom because, also, they are  
21       responsible for maintaining a cell block,  
22       plant security, and the like.

23              34 South 11th Street, I believe, has  
24       10 courtrooms. And, once again, they do not  
25       staff every courtroom. There are certain

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       courtrooms that are staffed automatically,  
3       others by request and need.

4               PRESIDENT Verna: Sheriff Green,  
5       have you had any conversation at all with the  
6       Administration about your budget and how it  
7       would impact what you are able to do?

8               SHERIFF GREEN: As late as a few  
9       minutes ago I spoke with Rob Dubow, and we are  
10      going to get together later on in the week and  
11      discuss this matter.

12              PRESIDENT Verna: Is this the first  
13      time you are having conversation about this?

14              SHERIFF GREEN: Yes; yes. Although  
15      my office has been in touch with him, of  
16      course, and Tyrone Bynum, who handles our  
17      finance office, has frequent discussions with  
18      Mr. Dubow.

19              And our conversations started this  
20      morning, with me asking him if he knew about  
21      the increase that we are asking for.

22              The latest incident occurred after  
23      we had submitted our budget request to the  
24      Administration, and we had discussed the cut.

25              PRESIDENT Verna: It is very

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2 frightening. It really is a very frightening  
3 situation.

4 You mentioned earlier about  
5 sheriff's sales. How many sheriff's sales did  
6 we have last year?

7 SHERIFF GREEN: The total? I can  
8 get that for you, Madam President.

9 PRESIDENT VERNA: What we had in '03  
10 and what we have had in '04.

11 SHERIFF GREEN: Yes.

12 I can tell you that in March, we  
13 were selling over a thousand mortgage  
14 foreclosure properties alone.

15 PRESIDENT VERNA: Thank you.

16 The Chair recognizes Councilwoman  
17 Brown.

18 COUNCILWOMAN BROWN: Thank you,  
19 Madam President.

20 Good morning, gentlemen. I would  
21 like to continue with President Verna's line  
22 of questioning regarding your need for  
23 additional personnel.

24 You said you are requesting 45  
25 additional deputies. Are there any current

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       vacancies?

3               SHERIFF GREEN: Yes; there are four  
4       vacancies.

5               COUNCILWOMAN BROWN: So the new  
6       number would be 41; would that be accurate?

7               SHERIFF GREEN: No; it would be 45.  
8       Plus, of course, we assume that we are going  
9       to fill the four vacancies.

10              COUNCILWOMAN BROWN: All right,  
11       then. How did you arrive -- given the numbers  
12       you just shared with us, 86 courtrooms and you  
13       said up to 95?

14              SHERIFF GREEN: I am sorry?

15              COUNCILWOMAN BROWN: Your deputy  
16       there said there are 86 courtrooms that you  
17       cover, 86 courtrooms total?

18              SHERIFF GREEN: Yes. And we could  
19       go up to 95.

20              COUNCILWOMAN BROWN: There are 56  
21       active at any one time in the CJC?

22              SHERIFF GREEN: That's correct.

23              COUNCILWOMAN BROWN: And 143  
24       deputies assigned. Is that around the clock?  
25       I mean, is that -- break that down for me.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               SHERIFF GREEN: We have people  
3 assigned in our building security component --

4               COUNCILWOMAN BROWN: 24/7?

5               SHERIFF GREEN: -- 24 hours a day.  
6 We have deputy sheriffs who are assigned to  
7 the parking area, where our vehicles are  
8 maintained, 24 hours a day.

9               We have deputies that are on the  
10 highway at any given time as late as 11:00  
11 p.m. transporting prisoners throughout the  
12 state.

13              And then, of course, we have people  
14 who work in the buildings, in the actual  
15 courtroom security aspect.

16              And I should mention that we  
17 actually use people who transport the  
18 prisoners in courtroom security. And that is  
19 very unusual, based on --

20              COUNCILWOMAN BROWN: When you say,  
21 "people," you mean --

22              SHERIFF GREEN: Deputy sheriff  
23 officers, not prisoners.

24              We actually use the deputy sheriff  
25 officers. After they transport, after they

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       bring a bus or a van to the Criminal Justice  
3       Center, they are then assigned to courtrooms.

4               COUNCILWOMAN BROWN: Okay. Can you  
5       discuss, given the fact that the courts are  
6       covered 24/7, how is overtime handled? And I  
7       raise the question of overtime because that's  
8       come up with other departments.

9               Can you tell us, for example, what  
10      portion of the existing budget may be  
11      attributed to overtime?

12              SHERIFF GREEN: I am glad you asked  
13      that question, because we are rather proud of  
14      what we have been able to do as far as  
15      overtime.

16              Given our shortage, and realizing  
17      that we were -- we had a personnel problem,  
18      and we realized that after tracking the change  
19      in the number of incidents that have occurred,  
20      we realized that we would have to make  
21      financial room for more deputies, more money  
22      available.

23              And, so, we have cut our overtime in  
24      a year. For example, in April 2003 -- I mean,  
25      April 2003, our overtime costs was \$356,268.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2       In April 2004, our overtime costs was  
3       \$128,913.

4               COUNCILWOMAN BROWN: And, so, what  
5       do you attribute that to, besides what one  
6       might say is good management? What else would  
7       you attribute that to? Especially given the  
8       need for 45 additional deputies.

9               SHERIFF GREEN: That's what I  
10      attribute it to, good management.

11              COUNCILWOMAN BROWN: How did you  
12      arrive at 45, versus 35 or 55?

13              SHERIFF GREEN: 45 will allow us to  
14      put an additional deputy in every working  
15      courtroom, allowing for one courtroom to be  
16      used by -- to be covered by a floater.

17              COUNCILWOMAN BROWN: So you want  
18      partners. You want two deputies per  
19      courtroom?

20              SHERIFF GREEN: That's correct.  
21      Because now we are dealing with a different  
22      type of person, prisoner, if you will.

23              Before we were, quite frankly,  
24      dealing with people who may have been in  
25      county detention area for a relatively minor

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       crime. Today, because of the overcrowding,  
3       the people who are kept in the county facility  
4       are people who are there for serious matters.

5               And, so, we are dealing with a  
6       different type of person. We are dealing with  
7       a person who comes to court with a different  
8       mindset because he or she knows that they are  
9       there for something serious.

10              And, to be perfectly honest with  
11       you, they wouldn't have committed the serious  
12       crimes that they did if they weren't  
13       predisposed to violence.

14              COUNCILWOMAN BROWN: I am struck by  
15       your testimony, where you speak about how X  
16       number of weapons are found on prisoners.

17              So talk to me about the security  
18       system there. It says, 243 incidents, ranging  
19       from fights to weapons confiscations, were  
20       reported.

21              From what I can see as a lay person  
22       coming in the front door, there is a very  
23       vigorous approach to making sure that weapons  
24       are taken.

25              SHERIFF GREEN: That's correct.

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 But even people knowing they are  
3 coming into court, and that they may pass  
4 through a metal detector, people still bring  
5 weapons and various contraband.

6 People forget. People suspect that  
7 they can pass it on to a companion. For  
8 whatever reason, people still bring weapons to  
9 court.

10 COUNCILWOMAN BROWN: My final  
11 question comes from your testimony on Page 3.  
12 And I don't want to answer the question for  
13 you.

14 Help me understand the thread that  
15 exists between need for more sheriffs and, you  
16 know, the fatal killing of that little boy,  
17 when that happened on a schoolyard, where  
18 there may or may not have been police. So  
19 draw the connect for me.

20 SHERIFF GREEN: Most people who do  
21 police work, especially detectives, can tell  
22 you that, without information, it is very,  
23 very difficult to solve a crime.

24 You don't go around with a  
25 fingerprint kit and lift fingerprints and

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       match them with a prospective defendant. What  
3       you need is real information from real people.

4               And during the tragedy that occurred  
5       at T.M. Pierce, there was an outcry for people  
6       in the neighborhood to come forward, to come  
7       forward with whatever information you may have  
8       about the doer. Unfortunately, a lot of  
9       people were afraid.

10              We are concerned that if people  
11       suspect that the courtroom is not secure, if  
12       people read about prisoners escaping from  
13       deputies, if people read about prisoners who  
14       are able to smuggle in weapons that are made  
15       in the prison, and if people read about  
16       prisoners actually getting away and being able  
17       to get into a ceiling, that people will be  
18       reluctant to come down to court and testify  
19       out of fear.

20              COUNCILWOMAN BROWN: Just for my own  
21       knowledge base, witness protection programs  
22       are handled by the federal government?

23              There is a role for sheriffs for  
24       sure, because you have to be in the courtroom  
25       simply to protect witnesses. But the actual

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 program is handled by whom?

3 SHERIFF GREEN: Well, witness

4 protection program is generally determined and

5 handled by the various prosecutors, be that on

6 the federal, state, or local level.

7 COUNCILWOMAN BROWN: Okay. Thank

8 you very much for your testimony.

9 Thank you, Madam President.

10 PRESIDENT VERA: The Chair

11 recognizes Councilman Rizzo.

12 COUNCILMAN RIZZO: Thank you, Madam

13 Chair.

14 Good morning, Sheriff. How are you

15 doing?

16 SHERIFF GREEN: Fine.

17 COUNCILMAN RIZZO: Good.

18 I have a question. Maybe you can

19 help answer the bigger question that I have

20 today. Over at the center, the Criminal

21 Justice Center, you staff the metal detectors;

22 correct?

23 SHERIFF GREEN: That's correct.

24 COUNCILMAN RIZZO: The pass-through

25 like we have here and also the hand-held

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       units; correct?

3               SHERIFF GREEN: That's right.

4               COUNCILMAN RIZZO: After they are  
5       delivered and installed, are you responsible,  
6       the sheriff, for the ongoing maintenance and  
7       testing?

8               I asked a couple of questions. I  
9       asked a question down at the airport. I said,  
10      once these are installed, is there a quality  
11      to make sure that they are still up to the  
12      scale that they are supposed to be?

13              In other words, are they maintained,  
14      are they tested, are they certified every  
15      month to make sure that the sensitivity level  
16      is still there? Or could we have one at the  
17      end of this hallway, after six months, you  
18      could walk through with an M-1 and it doesn't  
19      go off?

20              Whose actual responsibility is it  
21      for the hardware, to make sure it is working  
22      and working the way it should be?

23              SHERIFF GREEN: Right. Councilman,  
24      if you will allow me to just discuss the  
25      specifics of the performance level of the

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       metal detectors --

3               COUNCILMAN RIZZO: That's the word I  
4       am looking for.

5               SHERIFF GREEN: -- I would do that.

6               I really wouldn't want to get into  
7       how well the metal detectors perform out of  
8       fear that someone may say, hey, you know, I  
9       may be able to smuggle a weapon into the CJC.

10              But I can tell you that Public  
11      Property, Public Property is responsible for  
12      maintaining the metal detectors.

13              COUNCILMAN RIZZO: Do you know if  
14      Public Property has an ongoing required  
15      certification program of this both hand-held  
16      and walk-through technology?

17              Because I'm led to believe that some  
18      of this stuff gets dropped in the schools.  
19      And unless it actually breaks, that's the last  
20      we -- the last contact technicians have with  
21      it. I hope that's wrong.

22              But, do you know? And, again, I  
23      understand the sensitivity, but I think we  
24      need it no either publicly or privately  
25      whether or not there is some ongoing program.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               PRESIDENT VERNA: Councilman, I  
3 think that can only be answered by Public  
4 Property. I don't think the Sheriff would  
5 have that information.

6               COUNCILMAN RIZZO: I think the  
7 Sheriff -- and I don't want to put words in  
8 the Sheriff's mouth.

9               But I think it is important that, if  
10 he is responsible for making sure that that's  
11 a safe building, that the equipment that he is  
12 using to provide that service is -- so maybe  
13 together we should be asking that question of  
14 the Department of Public Property.

15              Because I am certain that if I were  
16 responsible for that, I would want to make  
17 sure that the gear that I am using works well.

18              SHERIFF GREEN: I can tell you that  
19 our people, quite frankly, don't depend on  
20 outside people to test the equipment. We test  
21 it daily. We check it, we monitor it.

22              And I will also assure you that our  
23 people are in constant contact with Public  
24 Property.

25              Of course, it is like anything else.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2       There is always a disagreement between the  
3       server and the person who is receiving the  
4       service because of a lot of different reasons;  
5       budgetary, not having the personnel to do it,  
6       or whatever.

7               But we have an ongoing dialogue with  
8       Public Property. We test it, and they know if  
9       there is a problem.

10              COUNCILMAN RIZZO: That's good to  
11       hear. And I will talk to you privately,  
12       because the sensitivity of the potential lack  
13       of sensitivity of this equipment.

14              The last question that I have is,  
15       earlier you heard the discussion about  
16       potentially, or at least talking about, using  
17       inmates that are incarcerated in city jails to  
18       perform work like picking up papers and  
19       debris, cleanup, et cetera.

20              In some jurisdictions, is it the  
21       Sheriff that oversees that, or is it normally  
22       a program that's administered by the  
23       institution itself?

24              SHERIFF GREEN: Well, in some  
25       jurisdictions the Sheriff actually handles the

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       county lockup, or the county jail. So that  
3       would go with the responsibility of  
4       maintaining the people who are incarcerated,  
5       if they are people who have already been  
6       convicted of a crime.

7               I would suspect that there may be  
8       other counties that are -- where sheriff's  
9       offices are responsible for ensuring that  
10      prisoners are taken to the various places  
11      where they are going to serve out their  
12      obligation to the state or to the county.

13              We do that when we transport people  
14      to the various drug programs and to the  
15      various day programs that they are assigned to  
16      or remanded to.

17              I can assure you, Councilman, and  
18      members of City Council, that if we walk away  
19      today with an assurance of additional  
20      deputies, the 45, that we will find a way to  
21      provide security and transportation on a small  
22      scale for whatever programs the courts  
23      initiate.

24              COUNCILMAN RIZZO: So what you are  
25      telling me today, if the city jails wanted to

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       institute a work program, that the way we are  
3       structured now, the jail would have to provide  
4       that oversight, not the sheriff?

5               SHERIFF GREEN: Yes, the jail would  
6       have to provide that oversight, of course.  
7       And the court system would have to develop the  
8       program. But we are always willing to  
9       support.

10              As you know, Councilman Clarke is on  
11       the Board of the Community Court, and we  
12       recently assigned a deputy to Community Court.

13              When Traffic Court came to us and  
14       said, look, we have some concerns, we were  
15       able to address those concerns.

16              We always try to respond, when  
17       needed, and we are not going to change that  
18       obligation.

19              COUNCILMAN RIZZO: So what I heard  
20       you say during your answer is that the inmates  
21       that have to go to drug treatment, you  
22       transport and provide that service?

23              SHERIFF GREEN: That's correct.

24              COUNCILMAN RIZZO: And not the jail?

25              SHERIFF GREEN: Yes, that's right.

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 COUNCILMAN RIZZO: Thank you, Madam  
3 Chair.

4 PRESIDENT VERNA: You are welcome.  
5 The Chair recognizes Councilwoman  
6 Brown.

7 COUNCILWOMAN BROWN: Thank you. I  
8 actually forgot two thing, sheriff Green.

9 One with regard to the DROP program,  
10 is there a rule in place with the Sheriff's  
11 Department which prohibits retirees from the  
12 program, prohibits them from reconsideration  
13 to work within the Sheriff's Department after  
14 they opted to take DROP?

15 SHERIFF GREEN: The Managing  
16 Director issued a memorandum addressing that  
17 issue. And the memorandum in fact said that  
18 people are not encouraged to try to return to  
19 active service with the city after leaving  
20 through the DROP program.

21 As you probably know, we had one  
22 instance where we had someone who was retiring  
23 who was essential to our operation. And he is  
24 now working in our civil component, and in the  
25 real estate component of the Sheriff's Office.

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 COUNCILWOMAN BROWN: I was,  
3 actually, not aware of that.

4 And this article that really raised  
5 the question, Cashing in on Pension Loophole,  
6 they actually don't mention the Sheriff's  
7 Department, so I was unaware of that.

8 SHERIFF GREEN: I think it does.

9 COUNCILWOMAN BROWN: Does it? Okay.

10 SHERIFF GREEN: I will give you the  
11 guy's name.

12 COUNCILWOMAN BROWN: How long ago  
13 did the Managing Director issue that  
14 memorandum, do you recall?

15 SHERIFF GREEN: I know it was just  
16 before we -- before the person mentioned in  
17 the article returned.

18 COUNCILWOMAN BROWN: I see.

19 SHERIFF GREEN: I can get that day  
20 for you.

21 COUNCILWOMAN BROWN: I was unaware  
22 of that, so I thank you for sharing that  
23 information.

24 Finally, you opened your testimony  
25 by thanking us for our cooperation regarding

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       the delay of the -- or postponement of the  
3       sheriff's sales.

4               And we really need to thank you for  
5       responding to the, you know, terrible numbers  
6       that we are seeing with regards to  
7       foreclosure, and how predatory lending is tied  
8       into that, and how that really reeked havoc in  
9       families across the city.

10              So we thank you and your department  
11       for your willingness to postpone that and take  
12       a closer and better analytical look at that  
13       problem.

14              SHERIFF GREEN: Thank you.

15              It is also bad for the city.  
16       Because when properties are vacant for a  
17       number of months or years, it tends to  
18       decrease the popularity and the attractiveness  
19       of the community.

20              COUNCILWOMAN BROWN: Sure. Sure.  
21       Thank you very much.

22              Thank you, Madam President.

23              PRESIDENT Verna: Thank you. Any  
24       other questions or comments from members of  
25       the committee?

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 Thank you very much, Sheriff.

3 SHERIFF GREEN: Thank you.

4 PRESIDENT Verna: Thank you.

5 Clerk Quarter Sessions is next.

6 Ms. Miller, we have all have copies  
7 of your testimony. They will be given to the  
8 stenographer, they will be transcribed in  
9 whole.

10 If you can abbreviate your  
11 testimony, we would really appreciate it.

12 MS. VIVIAN T. MILLER: Thank you,  
13 Madam President and members of the Council.

14 I am here because I need your  
15 support. I need your support for a budget of  
16 \$4,722,227. And that's because, without that,  
17 that means that we would lose around seven  
18 people, with the 5 percent decrease. We  
19 wouldn't be able to do our job as needs to be  
20 done without the increase.

21 There, I believe, are six new judges  
22 have been appointed, and that would mean six  
23 more courtrooms.

24 As it stands, we have around 62, 63  
25 clerks. And each day around 10 to 12 people

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       are out, so that means we are short right then  
3       and there.

4               We are not able to keep people  
5       because the staff is so low, because they are  
6       not able to get vacations and take off days  
7       that they have earned over a period of time.  
8       So all this makes it almost impossible for us  
9       as far as the staff to man the courtrooms.

10              And, in conclusion, as the City  
11       Council is responsible for the plan to keep  
12       Quarter Sessions afloat, in order for the  
13       department to carry out mandated services with  
14       limited problems, we are striving to service  
15       other members of the criminal justice family.

16              And that's about it, where we are  
17       at. Thank you.

18              PRESIDENT VERNA: Thank you.

19              The Chair recognizes Councilwoman  
20       Brown.

21              COUNCILWOMAN BROWN: Good afternoon,  
22       everyone there.

23              I am, actually, posing this question  
24       to all department heads regarding the DROP  
25       program.

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 Is there a rule in place that  
3 prohibits those who leave your department  
4 because of the DROP, is there a rule to  
5 prohibit them from returning as a retiree,  
6 even though they are a retiree from that  
7 department?

8 MS. MILLER: Well, it is new, and we  
9 have not looked at anything as of yet.

10 PRESIDENT VERNA: I think what  
11 Vivian was saying, she can't even get people  
12 to join her office, nevertheless retire and  
13 come back.

14 Isn't that what you are saying?

15 MS. MILLER: Yes. We can't even get  
16 them to stay, let alone come back.

17 COUNCILWOMAN BROWN: What?

18 MS. MILLER: We can't even get them  
19 to stay, let alone ask them to come back.

20 COUNCILWOMAN BROWN: I recall last  
21 year, during testimony, either you shared with  
22 us or there was a question raised with regards  
23 to technological advances in your office.

24 Do you care to give us an update on  
25 what you have done with regards to using

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       technology to help your department run even  
3       more efficiently?

4               MS. MILLER: I would like to give  
5       you Lopez, who is my first deputy, who I put  
6       in charge of that.

7               PRESIDENT VERNA: Please identify  
8       yourself for the record.

9               MR. LOPEZ JONES: Lopez Jones,  
10       Senior First Deputy Clerk of Quarter Sessions,  
11       to answer your question, yes, there has been  
12       some progress in regards to our fines and  
13       costs that's being automated.

14              COUNCILWOMAN BROWN: With regards to  
15       what?

16              MR. JONES: Fines and costs. It has  
17       been automated.

18              Hopefully in a matter of two to  
19       three weeks that should be done. And we will  
20       be live with that, hopefully, by the end of  
21       May.

22              COUNCILWOMAN BROWN: For that type  
23       of service, what is the role, if any, of  
24       procurement, the Office of Procurement?

25              MR. JONES: None at all.

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 COUNCILWOMAN BROWN: So the  
3 identification of that vendor happened  
4 strictly within your office?

5 MR. JONES: MOIS assisted us with  
6 that.

7 COUNCILWOMAN BROWN: Okay, then.  
8 Well, I for one, I can only speak for  
9 Blondell, am still trying to get a handle on  
10 the role of procurement, and what they do  
11 across the board with all city agencies. So  
12 thank you for your testimony.

13 Thank you, Madam President.

14 PRESIDENT VERA: Thank you.

15 The Chair recognizes Councilman  
16 Clarke.

17 COUNCILMAN CLARKE: Thank you, Madam  
18 President. Good afternoon.

19 I just want to clarify your  
20 statement. It wasn't a part of your  
21 testimony. You indicated that there were a  
22 number of individuals on a consistent basis  
23 that were absent, you said ten employees?

24 PRESIDENT VERA: 10 to 12.

25 MS. MILLER: At least 10 to 12 per

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 day, yes.

3 COUNCILMAN CLARKE: Employees?

4 MS. MILLER: Yes; clerks, mainly  
5 clerks.

6 COUNCILMAN CLARKE: Do you have a  
7 sense of why that is?

8 MS. MILLER: Because we are so  
9 understaffed, we ask the clerk to maybe man  
10 two or three courtrooms.

11 So, therefore, if they put in a  
12 request for to have a leave, and we say, we  
13 sorry, you know, you can't do it, you can't  
14 have this, well, they will take it off anyhow.

15 PRESIDENT VERNA: I am sorry. How  
16 does one clerk cover three courtrooms at the  
17 same time?

18 MS. MILLER: Well, it is not the  
19 same time. You may have a courtroom that  
20 there is a plea going on, or maybe a sentence,  
21 you know, they are listening.

22 And while they are waiting for the  
23 jury to come back or something, we ask them to  
24 go to another courtroom, maybe to write notes,  
25 pertinent notes.

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 And then sometimes when that's  
3 completed, if there are another courtroom  
4 that's not back in function, then we ask them  
5 to go someplace else. So this is very hard on  
6 a person. Very, very much so.

7 Maybe Mr. Jones could add some more  
8 to that, since he was our second deputy for  
9 some years.

10 MR. JONES: Well, she pretty much  
11 hit the nail on the head. It is a situation,  
12 when you have juries going on, you may go to a  
13 clerk and say, I need you to go to another  
14 room because the judge needs a disposition.

15 So we pull the court clerk from that  
16 room, send them to another room, just to put  
17 the disposition on file. And that's why you  
18 get court clerks working maybe one, two, or  
19 three courtrooms.

20 PRESIDENT VERA: I am sorry.  
21 Councilman Clarke, please proceed. I was just  
22 curious.

23 COUNCILMAN CLARKE: I was just  
24 trying to get clarity.

25 So you have approximately 60 clerks?

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 MS. MILLER: Yes. In the Criminal  
3 Justice Center, yes.

4 COUNCILMAN CLARKE: And every day  
5 between 10 or 12 of them are out absent,  
6 either excused --

7 MS. MILLER: It fluctuates. It  
8 could be 8, 8 to 12, yes.

9 COUNCILMAN CLARKE: That's kind of a  
10 relatively high rate.

11 Is there anything you think your  
12 office can do to alleviate that what I assume  
13 to be a problem?

14 Are they all Civil Service  
15 employees?

16 MS. MILLER: Yes; yes.

17 COUNCILMAN CLARKE: And what union  
18 are they in? 33?

19 MR. JONES: 33.

20 MS. MILLER: In fact, I have the  
21 union rep here. He can also substantiate that  
22 part of what I was just saying.

23 COUNCILMAN CLARKE: I believe you.  
24 I believe that to be the case, you told us  
25 that. But I am just trying to understand.

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 If I had on a consistent basis --  
3 and I am trying to do a ratio -- if I have,  
4 like, one and a half persons from my office on  
5 a daily basis absent, that is extremely  
6 problematic for me, and I would rectify that  
7 one way or another.

8 I have the luxury of -- and I say,  
9 "luxury," in that these people are not Civil  
10 Service, and they serve at the pleasure of the  
11 elected official. But this sounds like a  
12 substantially high level of absenteeism.

13 MS. MILLER: Unfortunately, but  
14 that's it. They may call in sick, they may  
15 call in vacation, they may be an emergency  
16 day. You know, they have a variety of  
17 complaints, I mean, as far as not coming in.

18 COUNCILMAN CLARKE: Did the union  
19 representative want to add to that, and tell  
20 me why its members are chronically absent?

21 PRESIDENT VERNA: Please identify  
22 yourself for the record.

23 MR. EDWARD COMACHO: My name is  
24 Edward Comacho. I am the business agent for  
25 local 696 that represents the Clerks of

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       Quarter Sessions.

3               And to answer your question,  
4       Councilman, just like Ms. Miller stated, it  
5       has a lot to do with scheduling of vacation  
6       time, AL days, also emergencies, and also the  
7       sick time.

8               One of the things that we have been  
9       looking at over the years has been the amount  
10      of work that they are trying to perform with  
11      the shortness of staff, and it can't continue.  
12      At some point it is going to affect the staff  
13      that you have currently now.

14              And one of the things that we were  
15      supporting Ms. Miller on was an increase in  
16      the court clerks. Because not only is it just  
17      trying to schedule vacation time and also be  
18      able to afford them to use their AL times --  
19      which they are losing their AL time, which  
20      they have earned over the year -- the sick  
21      time has been increasingly also, due to the  
22      fact of the stress level that they have to do  
23      going from one courtroom, to another  
24      courtroom, to a third courtroom, to try to  
25      maintain that level of productivity for the

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       Clerks of Quarter Session.

3               And I think it hinders the  
4       department, and they should be offered an  
5       opportunity to increase that level.

6               I know that last year Council had  
7       stated that they were going to look at at  
8       least increasing them by three. And we have  
9       been informed that they have been asked to cut  
10      their staffing level by 5 percent. You can't  
11      do that, when you are increasing the judges on  
12      the stand.

13              COUNCILMAN CLARKE: I think they  
14      have been asked to reduce their budget by 5  
15      percent, not necessarily targeted the  
16      personnel issue.

17              The 5 percent, I am getting a  
18      sense -- and I am not speaking for the  
19      Administration -- by I think you can cut 5  
20      percent from anywhere within the budget.

21              MR. THOMAS CHRISTMANN: Excuse me.  
22      My name is Tom Christmann, Junior. I am  
23      Budget Officer for the Clerk of Quarter  
24      Session.

25              And the 5 percent reduction, as

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       desired by the Administration, in a budget  
3       that Quarter Sessions is approved for each  
4       year, it basically almost has to come out of  
5       Class 100. Because we get so few funds in the  
6       other areas to just get us by, Classes 200  
7       through 400.

8               So if we were to absorb a 5 percent  
9       reduction, it would really result in about a  
10      loss of about seven employees to our  
11      department.

12             We are already shy, as we speak, in  
13      this current fiscal year, we are already shy  
14      about eight positions. And that's what we are  
15      trying to address with getting people on  
16      board.

17             And the stress levels that have been  
18      talked about here towards -- in regards to our  
19      court clerks really are tied to the fact that  
20      we are shorthanded presently.

21             So we are trying to get to the  
22      levels that we would like it to be, which is,  
23      for the entire department, 128 people. But we  
24      are still living in the high one teens, low  
25      one twenties consistently, and the stress is

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       getting to our staff.

3               COUNCILMAN CLARKE: Let me ask the  
4       question, since we have the union  
5       representative up here.

6               Has there been any thought to  
7       restructure the nature of the employee; i.e.,  
8       part-time employees?

9               And I know traditionally union  
10      representatives don't like that. But I am  
11      looking at a more cost-conscious way of doing  
12      business.

13              If you are telling me that, you  
14      know, clerks are targeting three -- two or  
15      three different courtrooms, would it be more  
16      prudent to have people working on a part-time  
17      basis, where they can be targeted to specific  
18      courtrooms, as opposed to having one full-time  
19      employee running all over the place?

20              Have you looked at any creative ways  
21      of dealing with both the problem with respect  
22      to overburdening the employee and any ability  
23      to address your fiscal problems?

24              MR. COMACHO: We have tried to look  
25      at several.

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 COUNCILMAN CLARKE: Are you just  
3 asking for more money?

4 I mean, we at Council right now are  
5 being asked to cut rec centers in our  
6 district.

7 I have five, six pools on the list  
8 to be cut. And that's, you know, you talk  
9 about stress. That's going to be extremely  
10 stressful for me, you know, if I have to close  
11 them all. But I am looking at creative ways  
12 of addressing that budget issue.

13 Have you all looked at any other  
14 alternatives?

15 MR. COMACHO: I think in the long  
16 term, yes, we could look at trying to develop  
17 some restructuring, if possible.

18 Like we have had in the contract  
19 over the various years, RGI, redesigning  
20 government initiative, offers that opportunity  
21 to really look at the whole department and try  
22 to work with the department in trying to  
23 restructure certain areas of responsibilities.

24 We haven't had that opportunity just  
25 yet, Councilman, but I think it is something

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       that we need to look at, too, seriously.

3               COUNCILMAN CLARKE: Is this the same  
4       document? I remember when I was running for  
5       this seat initially, and I met with, trying to  
6       get the endorsement of 33 and 47 -- didn't get  
7       it, by the way, but that has nothing to do  
8       with these proceedings.

9               MR. COMACHO: You had our strong  
10       support from 696, I will tell you that.

11              COUNCILMAN CLARKE: This time. I  
12       was unopposed this time. I appreciate it,  
13       but --

14              MR. COMACHO: Well, we have been  
15       kind of --

16              COUNCILMAN CLARKE: No. But I was  
17       just saying, excuse me, it was a document  
18       given to me at that time, '99, reinventing  
19       government. Is that the same document?

20              MR. COMACHO: Yes, it is.

21              COUNCILMAN CLARKE: And nobody has  
22       entertained addressing that from that point  
23       on, none of the departments, Administration?

24              MR. COMACHO: Quite a few  
25       departments have utilized the redesigning

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       government initiative program. Licenses and  
3       Inspections has done an excellent job with it,  
4       where we have sat on it. The Law Department  
5       has started to do so the same. And we are  
6       looking at other departments that are willing  
7       to -- Board of Revision of Taxes is also right  
8       now looking at doing that.

9               PRESIDENT VERNA: Is there an  
10       existing Civil Service list for the court  
11       clerks?

12              MR. CHRISTMANN: There is not a list  
13       for the title court clerk or court clerk  
14       trainee as we bring them in on. A little bit  
15       of a history on this position.

16              But, basically, we, in agreement  
17       with the central personnel, our list is  
18       attained through the Clerk 3 position in order  
19       to get us enough qualified candidates in order  
20       to deal with the position.

21              Prior, whenever there was a written  
22       test taken for the court clerk trainee, it  
23       never attained for us enough candidates in the  
24       course of a year to deal with the vacancies  
25       that would typically exist. So we agreed that

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       we would go elsewhere against that list. So  
3       it is a Clerk 3 that we are going against.

4               PRESIDENT VERNA: Is there an  
5       existing list for Clerk 3's?

6               MR. CHRISTMANN: Yes, there is. And  
7       we do have some approved work force request  
8       numbers that we are working against at the  
9       present time.

10              That will kick into the vacancies  
11       that we have, but it is going to take us time.  
12       By the time we interview and select, it is  
13       still going to take several weeks.

14              COUNCILMAN CLARKE: I am done.

15              PRESIDENT VERNA: Any other  
16       questions or comments from members of the  
17       committee?

18              Thank you very much.

19              MS. MILLER: Thank you very much.

20              PRESIDENT VERNA: Register of Wills  
21       is next.

22              Good afternoon. I know you have a  
23       very short statement. However, if you would  
24       summarize it, we will give this to the  
25       stenographer, she will transcribe it in full.

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 So I would ask you that abbreviate your  
3 testimony, please.

4 MR. RONALD R. DONATUCCI: Good  
5 afternoon, Council President and members of  
6 City Council. I am Ronald R. Donatucci, the  
7 Register of Wills and Clerk of the Orphans  
8 Court. To my right is my chief deputy, Ralph  
9 Wynder, and to his right is Anthony Derosé, my  
10 Finance Officer.

11 I will exercise brevity. I would  
12 just like to point out, on the second page,  
13 there was a typo error, in the second  
14 paragraph, after, "my office," "to better  
15 serve the citizens."

16 I dictated this and I reviewed it  
17 and it was typed last minute. And I think,  
18 with all candor, it was signed, like, in the  
19 11th hour the day before the election.

20 PRESIDENT VERA: Okay. We  
21 understand that.

22 MR. DONATUCCI: Council President  
23 and members, in our FY 2005 request, we are  
24 asking for \$3,503,335. The majority of this,  
25 as in the earlier testimony of the Clerk of

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       Quarter Sessions, the majority of it is in our  
3       Class 100.

4               You will see an increase in our  
5       Class 200. This is as a result of our  
6       requests right now and the feasibility study  
7       to bring our office into the position as the  
8       role model for the whole State of Pennsylvania  
9       and the Register of Wills in the  
10      computerization.

11             Basically, our system right now is  
12      internal. And the court system, through our  
13      Orphan's Court division, started to outreach  
14      through the web. And we will, basically, be  
15      able to serve the Bar Association and the  
16      public, once this system is implemented, to  
17      give total computer and internet access to the  
18      public and to the Bar Association to do  
19      similar procedures which we now require  
20      different lawyers to come into, which is  
21      also -- its revenue generated, I have to  
22      emphasize.

23             As in the past, our budget and our  
24      revenue, I believe we are always, and Mr.  
25      Dubow is here, I think he will attest to this,

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2       attest to the fact that our revenues were  
3       basically self-sustaining.

4               We put some numbers on our statement  
5       that, by the end of this fiscal year, we are  
6       going to bring in over \$3 million in revenue.

7               And that's a little bit light.

8       Because this past May -- well, this past May,  
9       this past -- well, today officially is our  
10      first day, we just raised our marriage license  
11      fees to be in line with some of the  
12      surrounding communities, and some of our  
13      probate fees.

14              We were successful this past year.  
15      Many years ago, when I became Register of  
16      Wills, there were over 200 separate checking  
17      accounts for estates where at that time either  
18      the heirs were known or unknown heirs.

19              What I did, Council President, is, I  
20      consolidated all these monies and invested it  
21      in government insured T-bills.

22              And over the years, if you recall,  
23      some years back, when Governor Rendell was our  
24      Mayor, we came to an arrangement with Governor  
25      Casey to split some of this interest. But I

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 did not turn over all the interest.

3 And I contacted the Governor, his  
4 office and the Governor, and I said, look, we  
5 are still talking approximately close to half  
6 a million dollars in interest. And why argue  
7 back and forth who really the money belongs  
8 to, is it the state or the city. And you know  
9 the fiscal problems of this city. And he  
10 agreed to split the interest. And  
11 approximately a month ago we gave the city  
12 \$222,000 additional revenue.

13 So our revenue this year should  
14 exceed way over what our present budget is.

15 So we are, basically, asking to keep  
16 our present staffing because our duties have  
17 been expanded, once again, as a result of  
18 dealing with the court system.

19 They are now, in our Orphan's Court  
20 we are dealing now through what they call  
21 banner, which was, to use a term, flown on the  
22 Register of Will's in our Orphan's Court  
23 division, where we basically have to give  
24 access to the Bar Association and different  
25 groups through the internet.

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 But we were not given any monies,  
3 additional monies. And I believe the city may  
4 be trying to collect some of this cost from  
5 the court system.

6 And, furthermore, we are always  
7 expanding our services. We are the only  
8 office in the five counties where we are open  
9 Wednesday night. We have traveling probate  
10 clerks, where we go out to the public.

11 We still provide some free services  
12 where we do go out, if it is somebody who is  
13 in a hospital and they want to get married, we  
14 will send them out free of charge, other than  
15 paying for the basic marriage license.

16 So to continue in our role, we are  
17 not only there as a city office, but we are  
18 also there to totally serve the public.

19 PRESIDENT VERNA: Thank you.

20 I see that, actually, your budget  
21 was cut in every category, Class 100, 200,  
22 300.

23 If you do not receive the funding  
24 that you are requesting, what's the  
25 operational impact going to be with the

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       operations of your office?

3               MR. DONATUCCI: Well, first of all,  
4       obviously, we are going to have to cut the  
5       number of our staff, that's number one.

6               Number two, we have raised fees to  
7       bring in additional revenue to the city.

8               PRESIDENT VERNA: And your  
9       collections will also go down.

10              MR. DONATUCCI: Unequivocally.  
11       Because the Bar Association in particular,  
12       they have always been receptive of what we  
13       have tried to do.

14              Not because I am sitting here, but I  
15       believe even me predecessors, we always had  
16       the reputation as the most user-friendly  
17       office in city government.

18              They don't mind paying these  
19       additional fees, if they are getting service.  
20       When a lawyer walks in to probate an estate,  
21       we try to get him out within a reasonable  
22       amount of time.

23              If an attorney has to come in -- if  
24       I have to cut probate clerks, and he has to  
25       hang around for two to three hours to probate

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       an estate, they are not going to be happy  
3       whenever we try to raise our fees. It is like  
4       a Catch 22.

5               PRESIDENT Verna: Exactly.

6               The Chair recognizes Councilwoman  
7       Brown.

8               COUNCILWOMAN BROWN: Thank you,  
9       Madam President.

10              First of all, good morning,  
11       gentlemen, and thank you for your explanation  
12       with regards to MOIS and the role that they  
13       will be playing in further computerizing your  
14       operation there.

15              On Page 2, mid paragraph, you talk  
16       about an added service feature. Is this new?  
17       Fourth paragraph. Or, actually, third  
18       paragraph.

19              MR. DONATUCCI: No; but we have  
20       expanded it. And once, through Michael Dean  
21       and the MOIS, once we get our system, this  
22       will bring additional revenues in. Because  
23       now if you have to check -- we have records go  
24       back to the late 1600s.

25              Now, we have, believe it or not,

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       Councilwoman, we have people from across the  
3       world that write into our office. We charge a  
4       fee to research. And if we do find the copy  
5       of what they are looking for, again, that's an  
6       additional fee.

7               COUNCILWOMAN BROWN: Sure.

8               MR. DONATUCCI: Once we get this  
9       computerization and the internet tied into our  
10      operation, we will be able to expand, and we  
11      know it will bring additional revenue in.

12              Because it is like anything else, if  
13      it is set up in the sense that, you know -- I  
14      will give you an example. This past year I  
15      was one of the few offices that we now collect  
16      our fees, some of our fees, we accept for  
17      marriage license, we encourage the use of a  
18      credit card. So we are in place already for  
19      credit cards.

20              Once our internet and our web is set  
21      up, people, they will be doing a further  
22      research for their family trees, whatever.  
23      And, you know, this will bring additional  
24      revenues.

25              COUNCILWOMAN BROWN: I see. This

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       sounds exciting.

3               As of May 1, 2004, a number of fees  
4       will be increased. Procedurally what happens  
5       internally that moves you to this decision?  
6       And is it one that you can make independently?

7               MR. DONATUCCI: Yes. What we have  
8       done is, how we usually do this, is, we  
9       contact the five surrounding counties --  
10      obviously, we are one of them -- and we look  
11      at what they charge.

12              And it was a number of years, I  
13      believe over three years ago, the last time we  
14      raised some of our fees.

15              And we are very reasonable with our  
16      fees, because we realize a lot of our  
17      constituents in the city are from some poorer  
18      areas. And we try to keep the basic fees  
19      minimal in relationship to the services we  
20      provide.

21              Obviously, if it is a big estate,  
22      you are going to be paying a much bigger fee.

23              Our marriage licenses, again, we  
24      just researched. And I was watching  
25      television one night, when there was somebody

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       trying to apply for a marriage license in  
3       Bucks County. I guess it was over two months  
4       ago. And I saw the sign up on the wall, \$50.  
5       We were only charging 40.

6               And we just raised it to 50 because  
7       we are the only office where our staff, they  
8       actually work on Wednesday night. And we are  
9       the only office, that I am aware of, maybe  
10      city government, we don't pay a dime in  
11      overtime.

12             My employees trade off. You know,  
13      they will come in later on a Wednesday. But  
14      they are willing to do that to provide  
15      services to the public.

16             COUNCILWOMAN BROWN: I was going to  
17      ask you both about overtime and the DROP  
18      program.

19             MR. DONATUCCI: We have zero in  
20      overtime.

21             And the DROP program, it is my rule,  
22      nobody. You know, I don't think they want to  
23      come back ever. We have some employees  
24      retiring in their early '80s.

25             COUNCILWOMAN BROWN: I think that

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 might be all. Thank you very much.

3 PRESIDENT Verna: Thank you.

4 The Chair recognizes Councilman  
5 Clarke.

6 COUNCILMAN CLARKE: Madam President,  
7 I don't think our employees get overtime,  
8 either, do they?

9 PRESIDENT Verna: No.

10 MR. DONATUCCI: See, patronage  
11 works.

12 COUNCILMAN CLARKE: I am not going  
13 to mess with the Charter. Let me stop.

14 Good afternoon. Mr. Donatucci, how  
15 many employees do you have outside of your  
16 office? Like, I know in the North  
17 Philadelphia Municipal Services Building, you  
18 had an employee there.

19 Do you have one in the other, the  
20 Northeast?

21 MR. DONATUCCI: We don't have any  
22 full-time employee assigned on a full-time  
23 basis. We do it several hours a day.

24 COUNCILMAN CLARKE: At a location?

25 MR. DONATUCCI: Yes.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               And they call our office and, you  
3       know, we try to provide that service. But  
4       nobody is sitting in an office all day.

5               COUNCILMAN CLARKE: Because I know  
6       one of the recommendations is to close the  
7       municipal service centers. I know the one on  
8       22nd Street is scheduled to close.

9               And I am assuming that that has no  
10      budget impact on you, in terms of monies that  
11      your department has to pay. You just,  
12      essentially, from time to time place an  
13      employee there; you are not required to?

14              MR. DONATUCCI: That is something  
15      that we did for the Northeast part of the  
16      city, the Bar Association in particular.

17              It is a real service that we do  
18      provide in that part of the city because it is  
19      the furthest part away from the city.

20              And senior citizens, again, we try  
21      to remember that the majority of people who  
22      use that office are bereaved, they just lost a  
23      husband or a wife, you know, or a child. And  
24      for them to travel all the way down, we try to  
25      take the burden off a little bit.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               We still do not provide for marriage  
3       licenses. If you want to get married, my  
4       feeling is, you have to come to City Hall. I  
5       am still a traditionalist. And let them see  
6       this beautiful building.

7               COUNCILMAN CLARKE: One of these  
8       days I will do that.

9               Thank you. That's all.

10              MR. DONATUCCI: I would like to  
11       mention, if they do close the office in the  
12       Northeast, that we are going to make every  
13       effort to, even if we have to talk to some of  
14       the attorneys up there, if they are willing to  
15       let us -- and I want to check the viability  
16       issue.

17              Because we do get a good volume out  
18       of that location, and I hope they do not close  
19       that facility. And we will do the same thing  
20       in North Philly, more in North Philly, because  
21       we do get volume out of both locations.

22              COUNCILMAN CLARKE: I just wanted to  
23       add to that, in the event that -- and the  
24       decision hasn't been determined yet -- but in  
25       the event that the North Philadelphia

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       municipal services facility will close, I  
3       think we have identified an alternative space.

4               MR. DONATUCCI: I am willing to -- I  
5       don't know. Do you have an office in North  
6       Philly?

7               COUNCILMAN CLARKE: Unfortunately,  
8       we don't have a budget to have district  
9       offices.

10              MR. DONATUCCI: But I am saying, I  
11       am willing to work with the local state rep or  
12       a Senatorial office.

13              COUNCILMAN CLARKE: We are,  
14       actually, looking at a place we have a library  
15       that's under construction in close proximity  
16       to the existing building, we are looking to  
17       ensure that we have adequate space for the  
18       operations that are currently held in the  
19       municipal services building.

20              And put them in the library, and  
21       that might actually encourage people to read a  
22       book while they are in there getting other  
23       services, and I think that might be a good  
24       idea.

25              MR. DONATUCCI: You have my word I

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       will make every effort to make sure that  
3       that's one service we will try not to cut out.

4               PRESIDENT VERNA: Thank you.

5               The Chair recognizes Councilman  
6       O'Neill.

7               COUNCILMAN O'NEILL: I would be  
8       remiss if I didn't mention on the record how  
9       the Register of Wills office is not just  
10      customer-friendly, but politician-friendly.

11              I mean, we try to get help for  
12      people all the time. It is basically what we  
13      do most of the time. And if we get the same  
14      level of service from other agencies as we get  
15      from the Register of Wills, I think our jobs  
16      would be much, much easier. So, I really want  
17      to mention that to you.

18              Because it is -- I'm sure it is, you  
19      know, the employees don't behave that way  
20      accidentally. It is something that is driven  
21      down from the top.

22              But on the issue of the Northeast  
23      office, because it is a little further, I  
24      understand, from the Northeast than even North  
25      Philly to get down here to City Hall,

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       particularly the libraries, I would hope that  
3       we could explore those or even rec centers  
4       that have very little activity during the day,  
5       but may be able to be used during those hours,  
6       when they are not tied up with kids and rec  
7       leaders and everything. I think there's got  
8       to be an outcome that can work for us.

9               And I know if it is capable of  
10       happening, Ron, you will make sure it happens.

11              MR. DONATUCCI: You have my word.

12              PRESIDENT VERNA: Thank you.

13              The Chair recognizes Councilwoman  
14       Brown.

15              COUNCILWOMAN BROWN: Yes, Madam  
16       President.

17              First let me underscore Councilman  
18       O'Neill's comments and put those in capital  
19       letters with exclamation points. Because in  
20       the four years I have been here, the customer  
21       service has been exemplary. And I do agree it  
22       does always start with leadership.

23              To this question of fees again.  
24       These hearings have revealed for us that some,  
25       I guess it would be the Revenue Department or

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       Water Department, do not do well in collecting  
3       revenues for their particular areas.

4               Are fees paid on site in your  
5       office?

6               MR. DONATUCCI: Yes. You can't  
7       raise an estate until you pay some of these  
8       monies. But, let me emphasize how computers  
9       help.

10              Years ago our additional fees, where  
11       somebody will come in -- and I want to give a  
12       compliment to Mr. Glancey. His office has  
13       worked in conjunction where somebody, if our  
14       office -- I will give you an example.

15              Somebody will come in and they will  
16       raise an estate. They will start the process,  
17       and you have to put the present value of the  
18       piece of real estate.

19              We are now tied into the Board of  
20       Revision of Taxes at least to get a fair idea.  
21       A few years prior we would have individuals  
22       come in and say a house at 5th and Pine was  
23       worth \$40,000.

24              Now what problem does that create  
25       for us? Our probate clerks, because they take

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       an oath, people put 40,000, or whoever it is,  
3       they put 40,000.

4               And after the estate has gone  
5       through the different steps, and then they  
6       put -- say the property is sold for 900,000.  
7       We have to go back and try and collect the  
8       additional fees.

9               Our computerization internally,  
10       which is not tied into the web system, other  
11       than our access that we can go on through the  
12       CityNet to find out what the property is  
13       assessed at, we now, our additional fees, I  
14       believe, last year were two or three hundred  
15       dollars that we couldn't collect, as compared  
16       to maybe six or seven years ago, 40 or 50.  
17       Because the attitude was, once the estate was  
18       finalized, try to collect the monies, because  
19       the properties sold.

20              So we usually get the money up  
21       front.

22              COUNCILWOMAN BROWN: Okay. My final  
23       question would be for my own knowledge base.  
24       Could you please forward to the Chair the list  
25       of the type of fees your office does collect

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 and the amount.

3 MR. DONATUCCI: Yes.

4 PRESIDENT Verna: Thank you.

5 Any other questions or comments from  
6 members of the committee?

7 Seeing none, gentlemen, thank you  
8 very much. Thank you for a job well done.

9 MR. DONATUCCI: Thank you, once  
10 again, for your past support.

11 PRESIDENT Verna: And the committee  
12 will stand in recess until 1:45.

13 (Recess.)

14 PRESIDENT Verna: The Committee of  
15 the Whole is now back in session.

16 Do we have anyone here from the City  
17 Commissioner's Office to testify? Please  
18 approach the witness table.

19 MS. ROBIN ZERBIB: Good afternoon,  
20 President Verna.

21 PRESIDENT Verna: Good afternoon.  
22 Please identify yourself, for the record.

23 MS. ZERBIB: My name is Robin  
24 Zerbib. I am the Acting Budget Officer for  
25 the City Commissioners.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               PRESIDENT Verna: We did not receive  
3 any written testimony from your office.

4               MS. Zerbib: We do not yet have  
5 written testimony. I have yet to meet with  
6 the Commissioner, and we were also not aware  
7 of the Council session today.

8               The last transmittal that I got was  
9 opened Thursday in my e-mail that the  
10 testimony was due. And I haven't had a chance  
11 to meet with the Commissioner, as they are  
12 certifying the election.

13              I will do the best I can to get that  
14 information to you as soon as possible.

15              PRESIDENT Verna: I think we are  
16 just going to have to schedule you for another  
17 day. We will notify the City Commissioner  
18 what day she shall have to come in.

19              MS. Zerbib: Thank you.

20              PRESIDENT Verna: You are welcome.  
21 Thank you.

22              Next to testify is the City  
23 Controller. Good afternoon.

24              MR. JONATHAN A. SAIDEL: Good  
25 afternoon, Madam President.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               PRESIDENT Verna: We did receive a  
3       copy of your testimony this morning. We will  
4       give a copy of it to the stenographer, who  
5       will transcribe it in whole. So if you would  
6       like to abbreviate your testimony, we would  
7       appreciate it.

8               MR. SAIDEL: It would be my  
9       pleasure.

10              Madam President, I am accompanied by  
11     Attorney Tony Radwanski, who is the Deputy  
12     Controller for Administration. I have Tony  
13     McNeil and Albert Scaperotto here, with two  
14     other deputies, as well as Administrative  
15     Services Director Gene Laumer.

16              The essence of my statement for the  
17     record today is that the General Fund  
18     appropriation is \$7,314,505 for the  
19     Controller's Office.

20              This is a 5 percent cut for 2005.  
21     For the last two years my office has gotten a  
22     3 percent reduction. So over the last three  
23     years, we have had a total reduction almost 11  
24     percent of the budget that we originally  
25     submitted.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               I had met with the Mayor and told  
3       him that I would try to live within the  
4       guidelines of the budget that has been  
5       presented to me.

6               That I doubt very strongly that that  
7       will be the case, you know. Because of the  
8       changes in the City Charter from the last  
9       election, I think it was 3 to 1 in the  
10      majority, my office has responsibility of  
11      auditing any department that is ancillary to  
12      the City of Philadelphia, that receives funds  
13      from the city, or has appointments from the  
14      Mayor and/or City Council.

15              Besides the state law, which now  
16      gives us an opportunity, through my office, to  
17      audit the Parking Authority of the City of  
18      Philadelphia.

19              I don't know at this point whether I  
20      may have to come back for additional funds or  
21      not. I told the Mayor that I would try to  
22      live within the means that have been presented  
23      to me, as I have the last two years. And that  
24      is a very big concern of mine.

25              We are in need of additional

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       employees to fulfill our mandated  
3       responsibilities. And now, with these  
4       additional responsibilities as an independent  
5       controller, I may be in need during the next  
6       fiscal period of additional funds. So, that  
7       remains to be seen.

8               I did make mention in my  
9       presentation about the Office of Inspector  
10      General, who has asked for additional funds.  
11      And there is a quote on the last page of my  
12      testimony which states that the Inspector  
13      General is asking for Civil-Service-exempt  
14      auditors and it is quoted as saying that, to  
15      conduct the entire range of audits, including  
16      economy and efficiency audits, of the various  
17      operations of the city government.

18             This description is taken from the  
19      Home Rule Charter, which we are all familiar  
20      with, and is actually the mission of the  
21      city's independent auditor, which is the  
22      Office of the City Controller.

23             I have met with the Mayor and told  
24      him I was concerned that the Inspector General  
25      was going to attempt to invade what has been

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       traditionally and, according to the Home Rule  
3       Charter, the provisions of the creation of an  
4       independent controller, and since 1951.

5               So I have no problem with an  
6       Inspector General's Office having a function  
7       within our government when it comes to ethics  
8       violations or investigations thereof.

9               To me, our office has 45 CPAs. All  
10      of them are Civil Service, protected under  
11      Civil Service and union regulations, and I  
12      think have done a tremendous job over the last  
13      number of years and have produced for an  
14      average of \$8 million worth of recommendations  
15      per individual.

16              The Inspector General also mentioned  
17      that they were thinking of doing internal  
18      control audits. If the Inspector General, who  
19      I have never met, by the way, wants to look  
20      and see what type of internal control systems  
21      should be changed, all he or she has to do is  
22      go back over the last number of years and look  
23      at the many audits that my office has done, as  
24      required by law, concerning the internal  
25      control problems that we have seen over the

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       last number of years in the City of  
3       Philadelphia.

4               If there is any question on my  
5       written documentation or any other questions,  
6       I am more than happy to answer it.

7               PRESIDENT VERNA: All right. The  
8       Chair at this time recognizes Councilman  
9       Nutter.

10              COUNCILMAN NUTTER: Thank, Madam  
11      Chair. Good afternoon.

12              MR. SAIDEL: Good afternoon.

13              COUNCILMAN NUTTER: Controller  
14      Saidel, let me ask this question: When you  
15      raise issues concerning the budget for the  
16      office, which I would have the same concern,  
17      doesn't the Charter provide, or seek to  
18      provide some, at least a requirement to  
19      properly fund the Controller's Office?

20              It may not necessarily be a  
21      guarantee, but it seems to speak to that  
22      particular issue?

23              MR. SAIDEL: Yes. In fact, a number  
24      of years ago, as you might remember,  
25      Councilman, I was forced to sue the City of

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       Philadelphia on a writ of mandamus when Mayor  
3       street was President of City Council because I  
4       felt that the budget was cut to such an extent  
5       that the office could not fulfill its mandated  
6       responsibilities under the Home Rule Charter.

7               The sad part about that provision  
8       is, I needed the approval of the City  
9       Solicitor that is not only my attorney, your  
10      attorney, and the Mayor's attorney, and then  
11      the cost of hiring outside counsel was  
12      actually almost as much money as was  
13      additionally given to me.

14             But, no; that's absolutely true.  
15      Which is why I am putting Council on notice  
16      that though I have always tried to live within  
17      the means of the budget that I have presented,  
18      and then subsequently received, I am concerned  
19      this particular year that I will not receive  
20      the funds that are necessary to do the job  
21      that has been entitled to us, certainly with  
22      the expanded responsibilities of the office  
23      based upon the changes in the Charter that  
24      were voted on here in City Council and passed  
25      overwhelmingly by the citizens of

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       Philadelphia.

3               COUNCILMAN NUTTER: Let me ask this  
4       question: How many audits does the  
5       Controller's Office perform on average on a  
6       yearly basis?

7               MR. SAIDEL: We perform an audit of  
8       every department in the City of Philadelphia,  
9       every agency of the City of Philadelphia, as  
10      well as the Boards and Commissions.

11              Yes, there are about 45 to 50  
12      audits, not counting what are called  
13      performance audits and operational audits,  
14      which I try to be, as you know, topical during  
15      the fiscal year to have people set aside  
16      for -- and money set aside when there is  
17      outside help that's needed from outside  
18      accounting firms.

19              COUNCILMAN NUTTER: How many  
20      performance audits do you think are conducted?  
21      And can you tell me in the past year which  
22      departments or agencies did you perform a  
23      performance audit for?

24              MR. SAIDEL: If you don't mind, I  
25      will have Al Scaperotto come up, who is the

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       post-audit supervisor.

3               COUNCILMAN NUTTER: No problem.

4               MR. SCAPEROTTO: The last fiscal  
5       year we --

6               PRESIDENT VERNA: You are going to  
7       have to identify yourself.

8               MR. ALBERT SCAPEROTTO: Albert  
9       Scaperotto. I am the post-audit deputy for  
10      the Controller's Office.

11              For performance audits, we did the  
12      audit of the office of fleet management. We  
13      also looked at the rate reduction, the special  
14      discounts given to water and sewer recipients,  
15      the low-income allowance.

16              We did the pension fund audit a few  
17      years ago, where we looked at the deceased  
18      beneficiaries.

19              Currently we are doing the MBEC  
20      audit. And we looked, as part of the  
21      Treasurer's Office --

22              COUNCILMAN NUTTER: That must be  
23      pretty interesting.

24              MR. SCAPEROTTO: Yes. But it is not  
25      finished yet, Councilman.

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 COUNCILMAN NUTTER: When do you  
3 anticipate completion?

4 MR. SCAPEROTTO: The report is  
5 scheduled to come to me this Friday. We then  
6 go through our internal quality control  
7 procedures, and it should be out for exit to  
8 the department within three weeks.

9 COUNCILMAN NUTTER: All right. So,  
10 end of May?

11 MR. SCAPEROTTO: Yes, sir.

12 COUNCILMAN NUTTER: Okay. And, so,  
13 when you talk about performance audits, it  
14 sounds like they are usually related to a  
15 specific issue within a department, as opposed  
16 to the overall operations and performance of  
17 that department. Is that a distinction?

18 MR. SCAPEROTTO: That's --  
19 currently, that's the case.

20 We just do not have the time or the  
21 resources to go in and look at all facets of  
22 the department and then identify which area  
23 within that department we should concentrate  
24 on.

25 We have been just zeroing in on

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       particular activities.

3               MR. SAIDEL: The normal audit would  
4       look to verification of cash in bank, the  
5       normal accounting processes that would exist.

6               What I have had the office do is, as  
7       things move forward -- which is the MBEC audit  
8       and the investigations into the airport are  
9       examples of topical investigations that had to  
10      be begun.

11              COUNCILMAN NUTTER: I am sorry,  
12      Controller. The work that your top what?

13              MR. SAIDEL: Topical investigations.

14              COUNCILMAN NUTTER: Topical.

15              MR. SAIDEL: Yes. In other words,  
16      to be fluid and be able to respond during the  
17      year, depending upon what came up.

18              And if a member of Council, as  
19      Councilman Goode has asked us to do a number  
20      of times, run analyses.

21              So those things come up during the  
22      year. What we try to do in the beginning of  
23      the year is look at areas we haven't looked at  
24      as a subset of each one of the operating  
25      departments.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               This year I actually wanted to audit  
3       PIDC, Commerce Department, and a variety of  
4       other agencies that, based upon the new  
5       Charter change, should give us an opportunity  
6       to look and see what the flow of information  
7       is.

8               Because wherever the Mayor makes  
9       appointments or Council makes appointments, we  
10      now have an opportunity to look at.

11              And, again, what I am concerned  
12      about is, with an expanded opportunity to give  
13      you and other members of Council an  
14      independent analyses, that, with this budget  
15      constriction, I may not have the money and the  
16      wherewithal of employees to do something  
17      that's proper.

18              COUNCILMAN NUTTER: Now, you  
19      mentioned some of the new agencies, although I  
20      thought I heard you say, Commerce. You have  
21      always had the ability to do Commerce.

22              MR. SAIDEL: I have. In fact, the  
23      last time we audited Commerce, I tried to back  
24      in PIDC and a lot of the other agencies which  
25      would not give me an opportunity to look at

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       their books and records.

3               But now, under the new law, as the  
4       system moves forward, we should be given an  
5       opportunity to look at all their records.

6               COUNCILMAN NUTTER: Just a few last  
7       questions.

8               How many outside audit firms do you  
9       contract with?

10              MR. SAIDEL: It depends upon what  
11       the specialty is that comes up during the  
12       year. I will get an average for you.

13              An example is, I am going to need  
14       outside help from an accounting firm that is  
15       familiar with parking authorities in this  
16       country when we attempt to do a constructive  
17       and bipartisan analysis of the current  
18       situation at the Parking Authority, as an  
19       example.

20              COUNCILMAN NUTTER: On Page 3 of  
21       your testimony, you make reference -- and this  
22       is all, I am sure, in a budget context -- you  
23       talk about with a technical staff of two  
24       inspectors, one certified engineer, and one  
25       CPA, it will not be possible for us to perform

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       the vital check and balance inspection on some  
3       \$250,000,000 set to be spent as a part of the  
4       Mayor's Neighborhood Transformation  
5       Initiative.

6               And then you go on to say, although  
7       the Administration has agreed to fund our  
8       inspections in this program, no money has been  
9       received.

10              Are you telling us that, at this  
11       point, there have been no audits of the NTI  
12       program?

13              MR. SAIDEL: No. Yes, the only  
14       thing that we have been able to do is --

15              COUNCILMAN NUTTER: Let me make sure  
16       the record is clear, because you said no and  
17       yes.

18              MR. SAIDEL: Well, not in the sense  
19       that I would like it to be, and I am sure in  
20       the sense you would like it to be.

21              We originally had a variety of  
22       meetings with those individuals that are  
23       involved in NTI.

24              And we were supposed to receive  
25       \$200,000 to either be used for additional

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       employees or to bring in some temps with these  
3       types of specific backgrounds to be able to  
4       analyze the NTI as the process moved through  
5       in the pre-audit section.

6               That money has not been forthcoming.  
7       So, what we are attempting to do, with the  
8       staff that we have, is to be selective based  
9       upon the amount on the invoices as they travel  
10      through the system.

11             I would much rather have had, which  
12      was supposed to be the way it was, that we  
13      would analyze NTI as it moved through the  
14      system, be able to give people an opportunity,  
15      yourselves and other members of Council and  
16      the general public, an opportunity to  
17      understand where that money was being flowed  
18      to and how it was being flowed and a  
19      turn-around time between, say, demolition and  
20      demolition payments, what demolition was being  
21      done, and rates and a variety of other things.

22             But I was supposed to get \$200,000  
23      from the Administration, which has not been  
24      received.

25             COUNCILMAN NUTTER: Other than

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       reports in the media, had your office noticed  
3       the significant escalation in costs related to  
4       demolition?

5               MR. SAIDEL: Yes. And I will ask  
6       Mr. McNeil, who is the Deputy Controller for  
7       Pre-audit, to step forward and talk about it.

8               You know, as you know, the process  
9       was supposed to be that the city would borrow  
10      a certain amount of money; demolition would  
11      occur; and during that process, eminent domain  
12      would occur; demolition would occur; homes and  
13      income-producing properties would then be  
14      created; and that money would then be placed  
15      back in the pool and moved forward and,  
16      effectively, 250 million could be 3 billion,  
17      if you use it properly.

18              As you know and I know and anyone  
19      who has followed the process knows, that  
20      that's not the case; that most of the money  
21      has been used for demolition.

22              But I will have Mr. McNeil, who is  
23      the Deputy Controller for Pre-audit, answer  
24      some of the specifics.

25              MR. ANTHONY McNEIL: My name is

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2       Anthony McNeil, Deputy City Controller.

3               To answer, to add to what Jonathan  
4       was saying, because to tear down one house  
5       roughly a few years ago was \$8,000, it now  
6       escalated to somewhere around \$22,000.

7               John pointed out some of the costs  
8       of labor, costs in materials, et cetera, and  
9       the type of NTI project. Their scope of how  
10      they want to do the job has escalated the  
11      price that much.

12              They were talking about, the  
13      original plan, was to do 14,000 houses. But I  
14      don't -- we don't really see that at this  
15      particular time.

16              Inspections that we do, we have,  
17      basically, four auditors, technical people,  
18      that go out and look at inspections in the  
19      past.

20              Before we pay a bill, our inspectors  
21      would go out and look at the work, look at the  
22      test pits they would build when they tear  
23      houses down to see if there are any materials  
24      hidden or buried in the basements.

25              We haven't had the opportunity to do

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       that because of the volume of the houses they  
3       tear down on a daily basis or a monthly basis.  
4       We don't have the staff to perform that.

5               So we asked for additional money to  
6       work along with L & I and NTI, Hill  
7       International. As they do their inspections,  
8       we would have a designated inspector to go  
9       along with them at that time. That hasn't  
10      happened to this date.

11             We did go out in January to look at  
12      some houses that have been torn down and some  
13      of the finished products.

14             But while we were in the -- during  
15      the inspection, we saw four or five violations  
16      right in front of us, where Hill and the  
17      inspectors looking at it.

18             We were supposed to do a certain  
19      kind of cement work, curing, and they didn't  
20      do the work properly.

21             So we desperately need to get that  
22      money so we can have some people and make sure  
23      the job is done right.

24             COUNCILMAN NUTTER: So, Controller  
25      Saidel, let me, I guess, ask this question:

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2       So at the time moment, based on your general,  
3       your normal standards, there have not been any  
4       serious audits of the NTI program. And we  
5       are, I guess, at least two years into it. We  
6       have the FY '05 budget coming up.

7               At what point do you think we would  
8       actually be able to start auditing the  
9       program? And what happens to all the activity  
10      that happened prior to this point?

11             MR. SAIDEL: Well, it is not an  
12      audit in the true definition of what an audit  
13      is.

14             But we were supposed to be  
15      involved -- and I am very disappointed in the  
16      lack of oversight. But understand that there  
17      is supposed to be a variety of agencies that  
18      are involved in oversight, besides myself.

19             We are doing the very best we can  
20      and have analyzed things and held up payments  
21      on a variety of times to make sure that the  
22      agencies that are empowered by the Mayor to do  
23      what they are supposed to do, as well as Hill  
24      International and a variety of other  
25      contractors that have been hired to be

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       involved in NTI, do what they are supposed to  
3       do.

4               I would hope that I would get the  
5       \$200,000 as makes it possible to move forward  
6       in whatever phase the Mayor says he is in.

7               But I think that -- and that money  
8       does not necessarily have to come out of the  
9       General Fund; it can come out of the capital  
10      fund.

11              So there is a variety of ways that  
12      we can receive the funding to make sure that  
13      we live up to our responsibilities, as I  
14      believe we should.

15              But as a bare-bones, we have held up  
16      a number of checks and forced people to do  
17      what they are supposed to do.

18              But I think that with all these cuts  
19      that my office has had, you know, everybody  
20      wants to try to live within the means that  
21      they are given, but I wanted to come here  
22      today and put Council on notice not in a  
23      negative way. Because this budget is  
24      initiated by the Mayor's Office.

25              But just to publicly say that, you

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       know, in the next couple of months, if I don't  
3       have the 200,000, if I don't feel that I have  
4       the capability of manpower and contracting  
5       power to fulfill our responsibilities, if I  
6       have to sue, I will. I will do what I think I  
7       have to do.

8               COUNCILMAN NUTTER: The 200,000 in  
9       question, was that for the current fiscal  
10      year, or was that for last fiscal year?

11             MR. SAIDEL: It is for last year.

12             It would be an ongoing process.  
13      That 200,000, if I brought in some oversight  
14      and brought in some additional people on a  
15      temporary basis, would help us catch up on a  
16      variety of things.

17             So that number was a give-and-take  
18      number that could be used for a number of  
19      months.

20             COUNCILMAN NUTTER: I understand.  
21      But I am assuming that you originally wanted  
22      it for the FY '03, which I think was the first  
23      real NTI budget. That didn't happen then.

24             MR. SAIDEL: It didn't happen then.  
25      But, to be truthful, they didn't do that much.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2       They didn't do that much.

3               COUNCILMAN NUTTER: In FY '04, we  
4       have a significant amount of activity.

5               MR. SAIDEL: That money would have  
6       lasted me well beyond a fiscal year.

7               COUNCILMAN NUTTER: I understand.

8               Madam President, I just have a  
9       couple last questions.

10              Mr. Controller, can you give us your  
11      perspective on the announced proposal by the  
12      Mayor and the Administration to, in essence,  
13      remove \$125 million from the Water Department  
14      debt reserve fund for economic development  
15      purposes?

16              What's your perspective on the idea,  
17      and any concerns you may have with regard to  
18      the loss of interest earnings?

19              MR. SAIDEL: Well, I have not been  
20      one in favor of what the Mayor has proposed,  
21      which is the transferring over of some of the  
22      SWAP money and a variety of things that have  
23      been in the last couple of years, that \$125  
24      million.

25              I informed the Mayor that that money

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       could not be used in the General Fund, that  
3       that money couldn't be used any way his  
4       Administration saw fit, but could only be used  
5       for the furtherance of the Water Department's  
6       responsibilities and their capital  
7       improvements.

8                You know, when you are asking for a  
9       46 percent, or some number like that, increase  
10      in water rates, I think that that money could  
11      be better used.

12             And I don't think it should be  
13      applied to this artificial category, I think,  
14      the Mayor placed when he gave his State of the  
15      City address, which is he wants to have a  
16      total of \$500 million for a variety of things  
17      that have yet to be determined.

18             So I don't think that that's a  
19      proper use of that funds and would be,  
20      respectfully, against any kind of movement  
21      like that.

22             COUNCILMAN NUTTER: I am assuming  
23      there must be some role for the Controller, in  
24      accordance with the Home Rule Charter,  
25      regarding the spending of any of those

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       dollars?

3               MR. SAIDEL: Well, it would be only  
4       in the sense that the Mayor, to use the money  
5       the way he wants, would probably have to get a  
6       legal opinion to say how he is going to  
7       delineate, how he is going to spend that  
8       section of the 500 million.

9               I don't know where the other, you  
10      know, \$375 million is coming from, either.

11              COUNCILMAN NUTTER: We don't know,  
12      either.

13              MR. SAIDEL: But for me and my  
14      office, I would disapprove any expenditure  
15      that was made that was not according to the  
16      law in relationship to bond proceeds being  
17      used by a revenue fund, as you know, which is  
18      what the Water Department is.

19              And the law is that money can only  
20      be used back for the furtherance of capital  
21      improvements within the Water Department  
22      structure itself.

23              COUNCILMAN NUTTER: I think the  
24      proposal at the moment, what we have been able  
25      to glean from testimony, is that it would be

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       used for, basically, new infrastructure or  
3       upgrades to infrastructure that may or may not  
4       exist in at least three locations, somewhere  
5       on the Delaware River, the Navy Yard, and I  
6       think I have heard somewhere in the Schuylkill  
7       River Park area.

8               I don't know what the infrastructure  
9       is presently in those locations. But I think  
10      we have to, for the moment, assume that there  
11      either is not any, and it would be put in to  
12      assist in development, or to significantly  
13      upgrade some systems that may be aged or  
14      failed or beyond their useful life.

15             Do you think that's an appropriate  
16      use of those dollars that were, essentially,  
17      put in by the taxpayer?

18             MR. SAIDEL: No, I don't.

19             And the reason I haven't commented  
20      is on it because there is nothing written down  
21      on paper, so it is almost impossible to vote  
22      on a budget like that, let alone --

23             COUNCILMAN NUTTER: Welcome to City  
24      Council.

25             MR. SAIDEL: Or make a decision as

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       to where I would stand as the Controller of  
3       Philadelphia.

4               But the general proposition for me  
5       is that the money should be used -- you can  
6       either use the money to reduce the debt or you  
7       can use the money to fix existing  
8       infrastructure, which would effectively reduce  
9       the amount of revenue that was necessary to  
10      keep those pipings alive.

11             COUNCILMAN NUTTER: Right.

12             MR. SAIDEL: But I haven't seen as  
13      of today the specificity that I would need.  
14      Which is why I have always made the general  
15      comment that I am against, that I disapprove  
16      of the way it is being handled.

17             But I need to see something much  
18      more specific, as I am sure everybody in this  
19      chamber needs to, from the Administration as  
20      to what they actually think they are going to  
21      do with the money, to make a judgment call.

22             COUNCILMAN NUTTER: Last question.  
23      Page 4 of your testimony, and you articulated  
24      this, you raise a concern about the request by  
25      the Office of Inspector General for \$550,000,

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       essentially to hire new people. Your  
3       statement here pretty much says it all.

4               First, there is no legitimate basis  
5       for this request. And then you go on to talk  
6       about what, in essence, is the primary role  
7       and responsibility of the Controller's Office  
8       as the Charter-designated auditing agency for  
9       the government.

10              Let me ask the question this way:  
11       From your perspective, do we need an Inspector  
12       General?

13              MR. SAIDEL: I think that an  
14       Inspector General's Office would be a valuable  
15       asset, if it existed.

16              When I met with Judge Chen, and she  
17       asked me about the use of an Inspector  
18       General, I told her that, when it comes to  
19       perceived ethics violations and a variety of  
20       other functions which have hovered somewhere  
21       in the mist, that no one has ever said is  
22       their responsibility, I think an Inspector  
23       General's Office can be a valuable tool.

24              But the problem always is that it is  
25       very difficult for an appointed official to

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2       investigate the people that appoint them.

3               So as far as the way, the makeup of  
4       the IG's office, as it seems to be envisioned,  
5       I think that's a waste of money. I think what  
6       you are doing is creating duplication.

7               You know, as I mentioned in the  
8       prepared testimony, is that we already handle  
9       that function. We have handled that function  
10      from Controllers before me and Controllers  
11      after me that will have that opportunity to do  
12      these jobs. And they are Civil Service  
13      employees, protected by unions, and will be  
14      there long after I am gone. And I am --

15              COUNCILMAN NUTTER: Well, we are  
16      hoping that you are going to be there for a  
17      long time.

18              MR. SAIDEL: I'm sure you are. In  
19      whatever capacity.

20              But the reality is, Councilman --

21              COUNCILMAN NUTTER: Yes, Mr.  
22      Controller.

23              MR. SAIDEL: Is that I think the IG  
24      that's being created -- and I am amazed that I  
25      never met the Inspector General; I think I saw

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       a picture of him, when he testified at City  
3       Council --

4               COUNCILMAN NUTTER: We met him a  
5       couple of weeks ago, met him for the first  
6       time.

7               MR. SAIDEL: Oh. Is that the office  
8       is really becoming a controller like, it is  
9       becoming a miniature Controller's Office.

10              Where I have 35 CPAs working for me,  
11       he wants to hire 1 or 2 people that are  
12       exempt, which is in clear violation of  
13       everything I have always been told about  
14       government. And I don't think that that's the  
15       proper role of an Inspector General's Office.

16              So if it was handled properly, I  
17       think it would be a welcome addition. But if  
18       it is not handled properly, it is merely a  
19       duplication of effort.

20              COUNCILMAN NUTTER: Thank you. I  
21       appreciate it.

22              Thank you, Madam Chair.

23              PRESIDENT VERNA: Thank you.

24              Mr. Controller, in this city  
25       treasurer's audit report for 2001 and 2002,

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       you mention that the fiscal agent is holding  
3       approximately \$16 million in unclaimed bond  
4       payment funds. Of this amount, approximately  
5       \$14 million was held for over two years and \$9  
6       million for over seven years.

7               In your capacity as City Controller,  
8       what actions, if any, do you think the city  
9       should take with regards to those funds, as  
10      they are over two years old?

11             MR. SAIDEL: Well, as you know,  
12      Madam President, the Wachovia is our escrow  
13      agent. And we deposit money into Wachovia,  
14      and they are supposed to distribute that money  
15      to bond holders.

16             The money that's been sitting there  
17      for not only two years, three years, but  
18      sometimes seven years, is money that is  
19      accruing interest, but it is money bond  
20      holders that have not been able to be found.

21             We had originally thought that the  
22      money would go to the state. But the City  
23      Solicitor's opinion states that that money is  
24      ours.

25             And since it is ours, the fact that

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       it is still sitting in Wachovia is beyond the  
3       pale of reasoning. That that money should be  
4       transferred back, so the city can use it for  
5       other areas.

6               And I think keep a list of those  
7       bond holders which have not received payment.  
8       And if they, some time in the future -- you  
9       would think after seven years, if you owe  
10      somebody money, they are going to come forward  
11      when they find out they are not getting it.

12             If somebody does come, then we can  
13      give them a check out of the General Fund.

14             But you should also know that the  
15      interest we are being paid effectively is less  
16      than the cost and the expenditure that we pay  
17      to Wachovia to hold that money.

18             So I think the money should be  
19      transferred immediately over and used for  
20      whatever purpose Council and the Mayor see fit  
21      to use.

22             PRESIDENT Verna: Thank you.

23             I know that you will have to make  
24      some recommendation or comment on the city's  
25      Five-Year Plan once it goes to PICA.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               Would you like to share with us any  
3 of your thoughts on the current plan that's  
4 before us, the Five-Year Plan?

5               MR. SAIDEL: I didn't know that you  
6 had a current Five-Year Plan in front of you.

7               PRESIDENT VERNA: We have a  
8 Five-Year Plan. How current it is, I don't  
9 know. It is certainly not current.

10              But, the one that we have before us.  
11 You agree that it is not something that we can  
12 simply move forward on?

13              MR. SAIDEL: Yes, I don't think,  
14 Madam President, that the current Five-Year  
15 Plan that you have can be voted on, since the  
16 Mayor has made admissions that there is not  
17 going to be \$18 million a year from the PGW.

18              Which I have always believed should  
19 not go to the city; it should be used to  
20 reduce the costs to the ratepayers of the City  
21 of Philadelphia.

22              But the process has always been  
23 that, once you have passed the Five-Year Plan  
24 and Council and the Mayor has signed it, that  
25 my office then does its due diligence, and

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2       that due diligence, and the conclusions that  
3       we reach then goes to PICA, and PICA has a  
4       certain amount of days to make their own  
5       independent decision. They can use our  
6       information or not use our information.

7               I think that the statements from the  
8       Executive Director of PICA initially on in the  
9       process, I think, was very premature.

10              But last year -- just to give you  
11       some reference point, last year I didn't issue  
12       an opinion on the city's Five-Year Plan. So I  
13       didn't say it was good and I didn't say it was  
14       bad, I just didn't issue an opinion.

15              This year hopefully the Mayor will  
16       resubmit a Five-Year Plan which will be more  
17       based upon actual circumstances that we can  
18       control, rather than some of the additional  
19       state legislation which he needs to make the  
20       plan whole.

21              I have always been concerned about  
22       putting in additional revenue sources based  
23       upon an outside legislative body and an  
24       outside government which hasn't even looked at  
25       a bill, let alone passed a bill through its

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       House and Senate and signed by the Governor to  
3       give us additional funds.

4               But I am looking forward to seeing  
5       the Mayor's new Five-Year Plan and then  
6       working with Council to see if it is something  
7       that I can voice approval for.

8               But, again, my approval or  
9       disapproval is independent of what PICA does.  
10       By I do feel that PICA should not have made  
11       the initial statements in the beginning of  
12       your process, without having the opportunity  
13       to look at the numbers as they are presented  
14       by Council.

15              PRESIDENT VERNA: Thank you very  
16       much.

17              The Chair recognizes Councilman  
18       Rizzo.

19              COUNCILMAN RIZZO: Thank you, Madam  
20       President. Good afternoon, sir.

21              MR. SAIDEL: Good afternoon,  
22       Councilman.

23              COUNCILMAN RIZZO: I would like to  
24       get your reaction. You were just talking  
25       about PICA.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               When they came before us shortly  
3       after that statement that you described, they  
4       came out with what I think surprised me, and  
5       maybe some of my colleagues, to see the  
6       in-depth operational audit they did of the  
7       Philadelphia Police Department.

8               Would you comment on that. I didn't  
9       know that that was PICA's role, to do  
10      operational audits. And that, obviously, was  
11      an operational audit in depth. I don't know  
12      whether consistent with your audit, your last  
13      audit of the police department.

14              But it kind of confuses me what  
15      exactly that was all about. They seem to pull  
16      it out of the --

17              MR. SAIDEL: It was confusing.

18              I know that you had asked a  
19      particularly poignant question about, you  
20      know, who pays them. And I think their  
21      response was that the city doesn't pay them.

22              I had no idea they were a charitable  
23      institution. But they are paid for out of  
24      bond proceeds, which is our money. I mean,  
25      effectively, somewhere along the line, it is

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       the taxpayer's money of the City of  
3       Philadelphia.

4               They don't have a large audit staff.  
5       I think they have three -- three auditors.

6               It has always been my belief that  
7       their responsibility is to look at our budget  
8       overall, which is one of the reasons why my  
9       office is empowered to do the due diligence  
10      and present information to them on an annual  
11      basis once a Five-Year Plan is approved by  
12      Council and signed by the Mayor, that our  
13      office actually acts as the staff in a limited  
14      respect to PICA.

15              But I don't know how they paid for  
16      that audit, nor do I know what in-depth work  
17      they did on that audit to justify the  
18      conclusions that they had.

19              I mean, when we do an investigation,  
20      as you know, Councilman, it takes a number of  
21      weeks and a number of man-hours. And you  
22      check and you recheck and you have exit  
23      conferences in order to talk to the  
24      departments that are being audited.

25              And then they are given an

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       opportunity to present their opposing  
3       viewpoint, or their acceptance of that audit.  
4       And that opposing viewpoint or acceptance is  
5       attached to every audit that goes out so  
6       people have an even-handed opportunity to look  
7       at the department that we are looking at, our  
8       criticisms, and their responses.

9               So I can't tell you how in-depth  
10       that audit was, nor the amount of man-hours  
11       that were used.

12              COUNCILMAN RIZZO: My next question,  
13       or maybe it is a comment, your point about the  
14       Inspector General here.

15              Wouldn't you think for an Inspector  
16       General to be able to do what they do, just  
17       the semantics, or maybe just the way this was  
18       presented, is causing some of the confusion?

19              Don't most Inspector Generals,  
20       whether at local, state, federal level, have  
21       to have some staff around them that have the  
22       ability to do an independent audit to be able  
23       to look at potential crime being committed?

24              Wouldn't it be fair to say that they  
25       have to have some limited staff to be able to

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2       do what they do?

3               MR. SAIDEL: Oh, absolutely.

4               I think the word "investigation" is  
5       a proper word. The use of the word "audit" is  
6       a term of art. I am not splitting hairs, but  
7       there is a difference between an  
8       "investigation" and an "audit."

9               And, as I had told the Mayor, that I  
10       am more than happy to meet with the IG and his  
11       representatives, or the Finance Director,  
12       whoever the Mayor wanted to, to make sure that  
13       there was no duplication of effort; that the  
14       Inspector General can have an opportunity to  
15       perform within those spirits of influence that  
16       the Mayor sees fit.

17              What I am concerned about -- and you  
18       are right, you need proper staffing for that.  
19       In many cases they use IAD from the police  
20       department, as well as I use IAD under certain  
21       circumstances as additional manpower.

22              And I think that the IG can provide  
23       a valuable role, if done properly.

24              And since this is almost as if a  
25       creation of an Inspector General, as before

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       there was an IG, you know, I used to get  
3       confidential papers from them, but I don't  
4       know who they were.

5               If it is done properly, it can be a  
6       useful tool. If not done properly, it will  
7       merely be an overlap of agencies that are  
8       involved now that I think are doing their job.

9               COUNCILMAN RIZZO: I would like to  
10      just spend a minute with the results of your  
11      hard work.

12              I think you know I read some of this  
13      stuff that you send.

14              MR. SAIDEL: Yes.

15              COUNCILMAN RIZZO: And you said  
16      something to me that was personally troubling;  
17      that you do your reports, but you don't have  
18      any enforcement capabilities.

19              It must be tough to have a job where  
20      you can see certain deficiencies, and these  
21      operating departments, or whatever department  
22      of government that you are auditing, don't  
23      respond.

24              At what point can you do something,  
25      especially when you see a particular

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       deficiency?

3               Like, I have one now that I am not  
4       going to speak about publicly, but I hope the  
5       police department is listening, because there  
6       is a particular issue that I have an interest  
7       in that is beyond an example.

8               In any of your audits, did you pick  
9       up the fact that the police department wasn't  
10      being reimbursed for the overtime that they  
11      were paying officers?

12              MR. SAIDEL: Yes.

13              COUNCILMAN RIZZO: You picked that  
14      up?

15              MR. SAIDEL: Right.

16              COUNCILMAN RIZZO: What did they do  
17      about it, when you brought it to their  
18      attention?

19              It is mind-boggling that something  
20      so significant, with hundreds and hundreds of  
21      thousands of dollars not being collected, you  
22      pointed out to them, and it is no big deal.

23              MR. SAIDEL: Well, do you know what,  
24      it is sometimes overwhelming that, when you  
25      find problems within a department, that those

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2       problems are not rectified.

3               I have always tried to make the  
4       audits that we do not specific to individuals,  
5       not saying that's this Commissioner, that  
6       Commissioner is not doing their job. Because  
7       the object is not to create a defensive  
8       posture, but to work with the Commissioners to  
9       give them an opportunity to make these  
10      changes.

11             But, remember, that the definition  
12      of an independent auditor is that you do your  
13      job. Once an auditor become an enforcement  
14      agent, it is no longer an independent auditor.

15             And the definition of being the  
16      Controller of Philadelphia is that there is a  
17      separation between management. Because if I  
18      had the power to enforce my recommendations, I  
19      would then become part of management.

20             So I think that you have to always  
21      remember that the Controller makes  
22      recommendations. We have a bully pulpit.  
23      Hopefully Council Members can then ask  
24      particular questions based on the information  
25      we give, the public can ask questions based on

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2       the information we give.

3               But it is not -- I think a movement  
4       from the Controller's Office, having the  
5       ability to enforce its recommendations, would,  
6       I think, destroy the independence that is  
7       necessary for the Controller's Office, which  
8       is why you have a Mayor and an Administration  
9       and other elected officials within the  
10      government

11             COUNCILMAN RIZZO: Mr. Controller,  
12      if you saw something in an audit that appeared  
13      to be improper, potentially criminal, would  
14      you go to the District Attorney, would you go  
15      to the Inspector General, since you are not  
16      the enforcer?

17             What would you do with something  
18      that would in fact be like I described?

19             MR. SAIDEL: In the past, when we  
20      have -- when I have found information -- I  
21      have never gone to the IG.

22             But when I have found information  
23      after a series of exit conferences, where we  
24      believe that it has gone from merely a  
25      misunderstanding, a lack of accounting

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       controls, to criminality, we have referred  
3       those files to the District Attorney or to the  
4       U.S. Attorney's Office, depending upon what  
5       that topic is.

6               COUNCILMAN RIZZO: Thank you very  
7       much. And I appreciate your good work and,  
8       most important, your communications.

9               Because I learn a lot about what  
10      goes on in this city by reading especially the  
11      executive summary. I think it is very much  
12      appreciated by me.

13              MR. SAIDEL: Thank you.

14              COUNCILMAN RIZZO: Thank you, Madam  
15      Chair.

16              PRESIDENT VERNA: You are welcome.

17              The Chair recognizes Councilman  
18      Clarke.

19              COUNCILMAN CLARKE: Thank you, Madam  
20      President.

21              Good afternoon, gentlemen. I just  
22      have a couple of questions.

23              One, during the hearings on the  
24      Charter change referendum that subsequently  
25      enhanced your authority, did you testify?

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               MR. SAIDEL: I don't remember if I  
3       did or I didn't. I am being honest.

4               COUNCILMAN CLARKE: Did anyone from  
5       your office testify?

6               MR. SAIDEL: I don't think so.

7               Usually what happens is, what I have  
8       always tried to make a rule of, is, when you  
9       have seen fit, or Council has seen fit, to  
10      increase the powers of the office that I hold,  
11      it is a double-edged sword to say I want that  
12      additional power.

13              I mean, I was fine with the powers  
14      that I did have. But if in a new topic, in a  
15      new direction, new Council, and the people of  
16      Philadelphia decided that the Office of  
17      Controller should have additional powers, it  
18      has always been my position in a general rule  
19      not to advocate additional powers because  
20      people may look at it the wrong way.

21              You know, we are only temporarily  
22      here. I am only temporarily Controller. But  
23      I think that the Charter change amendments  
24      were a step in the right direction for an  
25      independent analysis.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               Certainly with the growing amount  
3       of -- and this is not the current  
4       Administration, but just in the last 50 years,  
5       the growing amount of outside agencies that  
6       have begun to exist that are outside the  
7       strict control of Council and the Mayor of  
8       Philadelphia.

9               COUNCILMAN CLARKE: It sounds like  
10       you are giving your testimony now.

11              MR. SAIDEL: Yes, okay.

12              COUNCILMAN CLARKE: All right. I  
13       asked you that more from a budgetary  
14       standpoint.

15              I understand you are concerned about  
16       participating in a hearing, when it involves  
17       you personally and your office, in terms of  
18       enhancing your powers or the ability to do  
19       more audits.

20              What I was going to ask you -- and I  
21       can't remember if in fact you testified -- at  
22       the time of that testimony did you indicate  
23       that there will possibly be the need for  
24       additional staff people?

25              MR. SAIDEL: To tell you the truth,

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 Councilman, I don't think I did testify.

3 But, you know, when I met with the  
4 Mayor, you know, which we are not adversaries,  
5 he asked me about living within our budget.

6 And I have always -- any time in the  
7 last three years, I have always tried to live  
8 within the budget that's -- not that's the one  
9 I present, but the one that I receive.

10 And he also had a concern that I  
11 would not be able to receive enough funds to  
12 live up to my responsibilities. And I told  
13 him, as a Philadelphian, I am going to try my  
14 best.

15 And if I do need additional money  
16 for the Parking Authority and a variety of  
17 other things, then I am going to come back and  
18 ask him for it.

19 COUNCILMAN CLARKE: I know I myself  
20 participated in a number of Charter change  
21 initiatives.

22 But we don't, first of all, when we  
23 place it on the ballot, we don't talk about  
24 the cost associated with that. Right now we  
25 are wrestling with another initiative,

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       creating the Office of Insurance Advocate.

3               And we are trying to identify  
4       additional staffing levels to help the Office  
5       of Consumer Affairs, which I was instrumental  
6       in. But I also did not attach a dollar figure  
7       to that particular position.

8               MR. SAIDEL: You know yourself that  
9       there is a lot of things that we would like to  
10      do as Philadelphians. The only limitation we  
11      have to our dreams sometimes is the dollars  
12      that sit before us.

13              COUNCILMAN CLARKE: Right.

14              On this issue about the Inspector  
15      General -- and Councilman Rizzo actually  
16      touched on a substantial amount of what I was  
17      going to ask -- you indicated in your  
18      testimony that in instances where you saw some  
19      potential improprieties, you never forwarded  
20      that information or contacted the Inspector  
21      General's Office.

22              Is there a reason for that?

23              MR. SAIDEL: Never thought of it.

24              If it reached a level where I felt,  
25      as a nonlaw enforcement agency, that it

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       reached the level that it needed to be  
3       inspected and looked at by the law enforcement  
4       community, I would just directly send it to  
5       that law enforcement community.

6               Same way that if the Inspector  
7       General found something that he or she felt  
8       reached a level of criminality, based upon a  
9       layman's term, it is certainly advantageous to  
10      have the law enforcement agents of the city  
11      look at that, rather than myself.

12             COUNCILMAN CLARKE: So I take that  
13      to mean that you view your office on an equal  
14      level with the Inspector General's Office. So  
15      there is no need to refer anything to the  
16      Inspector General's Office, because you,  
17      essentially, do the same thing?

18             MR. SAIDEL: Well, I really can't  
19      say that, because I don't know what they are  
20      doing.

21             The government is effectively  
22      creating an IG because of the significant  
23      increase in the budgetary appropriation; and  
24      is now trying to define, based on the study  
25      that was done -- and I spoke to Judge Chen

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       about an Inspector General's Office.

3               I think, again, an Inspector  
4       General's Office can be a valuable asset for  
5       the people of Philadelphia. But the object is  
6       to define what they will be looking at so that  
7       there is no significant overlap.

8               Because sometimes if two people look  
9       at the same thing, you may not get any  
10      information, if it is done, you know, in a  
11      quiet way.

12              The other thing is, I told the Mayor  
13      that I have no problem having an ongoing  
14      conversation with his government to make sure  
15      that we all work in tandem, because we all  
16      want the same thing.

17              But I have never thought of the  
18      Inspector General's Office as effectively  
19      someone that sends me confidential envelopes  
20      whenever I have been asked to look at  
21      something through the Administration.

22              COUNCILMAN CLARKE: All right.

23              MR. SAIDEL: And that is not to say  
24      it couldn't be a good idea.

25              COUNCILMAN CLARKE: The Inspector

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       General has been around for a while. And  
3       maybe I should know this, but I know that the  
4       Inspector General in instances has been  
5       involved in looking at potential criminal  
6       issues in a number of different developments  
7       across the City of Philadelphia.

8               MR. SAIDEL: That may be the case.

9               COUNCILMAN CLARKE: More focus on  
10       that, than focus on other types of activity.

11              MR. SAIDEL: Again, that may be the  
12       case. They don't need to talk to me.

13              I believe an IG, a Controller's  
14       Office, unless it violates some kind of  
15       constitutional protection, that the sharing of  
16       information makes for a better audit, makes  
17       for a better investigation, and effectively  
18       makes a better city.

19              COUNCILMAN CLARKE: Thank you.

20              Thank you, Madam President.

21              PRESIDENT VERNA: Thank you.

22              The Chair recognizes Councilman  
23       Nutter.

24              COUNCILMAN NUTTER: Controller, I  
25       did have one last thing.

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 I just received, I think it is dated  
3 April 29, your regular -- what do you call  
4 this one -- monthly economic snapshot, and  
5 monthly economic forecast review. I just want  
6 you to know I do actually read these.

7 Let's talk about taxes, tax cuts,  
8 tax collections.

9 From the most recent report, it  
10 seems to indicate that, so far, if I am  
11 reading this correctly, wage tax revenues are  
12 up --

13 MR. SAIDEL: Yes.

14 COUNCILMAN NUTTER: -- over last  
15 year?

16 MR. SAIDEL: Yes. I don't have the  
17 paperwork in front of me, but that's been the  
18 growing trend.

19 I have Marissa Waxman, who runs the  
20 budgetary analysis department, if you can  
21 specific questions on the document that you  
22 have in front of you.

23 COUNCILMAN NUTTER: That's the first  
24 one, just stating for the record that  
25 collections are up this year over last year.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               MS. MARISSA WAXMAN: Yes. I am  
3       Marissa Waxman, Assistant City Controller, and  
4       we get our data directly from the Revenue  
5       Department.

6               COUNCILMAN NUTTER: And it seems to  
7       indicate -- let me ask you this question,  
8       Marissa: These figures on this report, are  
9       you comparing the same time period to the same  
10      time period for the previous Fiscal Year?

11              MS. WAXMAN: Yes; that's what we do  
12      each month, is we compare it to the month from  
13      the fiscal year before and the year to date  
14      from the fiscal year before.

15              COUNCILMAN NUTTER: And it seems to  
16      indicate that the change from this year  
17      compared to last year is a 4.21 percent  
18      increase?

19              MS. WAXMAN: I don't have them in  
20      front of me at the moment. But if that's what  
21      it says there, that is what our data says.

22              COUNCILMAN NUTTER: All right. Let  
23      me go back to the Controller.

24              Can you give us some of your  
25      perspective on the proposals first from the

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       Tax Reform Commission and second from the 21st  
3       Century Review Forum related to proposals to  
4       change the tax structure in Philadelphia?

5               MR. SAIDEL: I think that the  
6       recommendations made by the Tax Reform  
7       Commission could be one of the most  
8       significant Commissions I have ever seen in  
9       the 15 years that I have been honored to be  
10      the Controller of Philadelphia, and I believe  
11      in the last 30 to 40 years.

12             I think that it is a sensible  
13      approach. I think it is a feasible approach,  
14      both mathematically and emotionally, for the  
15      people of Philadelphia.

16             And then I think that beyond the few  
17      recommendations which would were incorporated  
18      into the Mayor's State of the City Address, I  
19      think that they should all be incorporated.

20             The need for an independent agency  
21      to represent taxpayers in front of the Board  
22      of Revision of Taxes is important. Paying  
23      estimated payments to the City of Philadelphia  
24      doesn't cost us any money.

25             And a variety of the reductions over

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       a ten-year period of wage tax, business taxes,  
3       I think is something that we, you know -- the  
4       argument always is that we can't afford it.  
5       Well, if we can't afford it today, when?

6               I mean, there comes a point in time  
7       where you have to think out of the box and  
8       attempt to make dramatic changes for the  
9       future of Philadelphia, rather than thinking  
10      around the edges.

11             So I think that the recommendations  
12      by the Tax Reform Commission should be  
13      commended and incorporated.

14             COUNCILMAN NUTTER: In your  
15      professional opinion and in your capacity as  
16      our city Controller, do you believe that we  
17      can afford fiscally the package as proposed by  
18      the Tax Reform Commission and the 13 bills  
19      that they drafted and that were introduced in  
20      this City Council?

21             MR. SAIDEL: I do.

22             I think that what needs to happen is  
23      that we open up the books and records to the  
24      City of Philadelphia, and all of us that care  
25      about the future of Philadelphia. And that's

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       every member of Council, and the Mayor's  
3       Administration, and all of us. Look and see  
4       how we can streamline the government, produce  
5       the services that are necessary for this city  
6       to move forward, create an economic plan, a  
7       blueprint for the entire city, rather than the  
8       independent TIFs and KOIZs and other things  
9       that are popping up.

10               And I think incorporate those  
11       reductions and those changes in the methods of  
12       our taxation to further enhance the future of  
13       Philadelphia.

14               There may be pain in the beginning.  
15       There is always pain in the beginning. But I  
16       think that, rather than tinkering around the  
17       edges in the Five-Year Plan, just hoping the  
18       world doesn't blow up during the years that we  
19       are in office, I think is an injustice to the  
20       people we serve.

21               COUNCILMAN NUTTER: You have been a  
22       strong supporter and proponent of one of the  
23       recommendations, even before it was a  
24       recommendation, which is the -- often known as  
25       the land value tax.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               Can you tell us why you think it  
3 works well for Philadelphia?

4               MR. SAIDEL: I think it works well  
5 for Philadelphia because the majority of the  
6 homes in Philadelphia have been tract  
7 purchases, most of them -- I grew up in Oxford  
8 Circle. It was all built right after the  
9 Second World War.

10              You have 1000, 1500 homes that used  
11 to be identical, but yet in some cases has a  
12 varying degree of real estate taxes.

13              I have always believed that the  
14 emphasis should be on encouraging people to  
15 fix their homes. Because every time somebody  
16 fixes their home, it is less money we need for  
17 NTI or any type of program like that. Yet, we  
18 raise the real estate tax on somebody just  
19 because they are fixing up the home they live  
20 in.

21              I have always had a problem with  
22 increasing people's taxes when there is no  
23 income derived that benefit that we are  
24 taxing.

25              So I think that the land tax, if

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       done properly -- and, you know, the  
3       compromise, which is acceptable to me, from  
4       the Tax Reform Commission, which the Mayor has  
5       incorporated, is a way of moving forward and  
6       one hoping will send a message to those people  
7       that land bank.

8               There is a lot of land banking in  
9       Philadelphia, where companies come in and buy  
10      large tracts of land, allow the buildings to  
11      decay, the real estate taxes is reduced  
12      because of the decaying of the building, and  
13      effectively can destroy a neighborhood and  
14      then have an opportunity to buy up additional  
15      properties as the value goes down for people  
16      that have lived there all their lives.

17             So I think it is a step in the right  
18      direction. And our analysis shows that over  
19      87 percent of the people will have a reduction  
20      in the real estate taxes.

21             Now, if you own a surface parking  
22      lot in Center City, yes, you will probably pay  
23      more. So, build a multi-level parking lot.  
24      And if you have inherited a home with 5 acres  
25      of beautiful landscaping, but you live on one

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       quarter of an acre, you know, there is a good  
3       chance you will pay more in taxes for the  
4       ability to look at a creek and open ground  
5       space that the average Philadelphian can't  
6       see.

7               COUNCILMAN NUTTER: Last question.

8               You have, in accordance with  
9       ordinance passed by Council a couple of years  
10      ago, a matter that I worked on regarding  
11      primarily TIFs. And you have been responsive  
12      over the past, I think, two years -- the bill  
13      has only been in effect for a little while --  
14      with regard to giving the Controller  
15      additional responsibility to review these.

16              Your letter that you send over with  
17      them usually has a fairly long -- I don't want  
18      to call it a disclaimer, but at least an  
19      explanation of what this is and what it is  
20      not.

21              And I guess I wanted to query you  
22      with regard to, the ordinance requires certain  
23      things to be looked at and may not require  
24      certain other things. And I get the  
25      impression that that's what you are trying to

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2       lay out with regard to the letter.

3               Is it your view that more of those  
4       items that are not necessarily required in  
5       that process should become a part of that  
6       review process by the Controller's Office?

7               MR. SAIDEL: Well, as you know,  
8       Councilman, I had originally sought, when you  
9       had, you know, pushed for the additional  
10      responsibilities in the office, that I would  
11      be able to reach a conclusion whether I would  
12      agree or disagree that a TIF should be given  
13      at this particular time. That was not part of  
14      the legislation.

15              So what I have tried to do is lay  
16      out with a disclaimer the fact pattern that  
17      can be used by all members of Council to make  
18      the ultimate decision of whether a TIF should  
19      be granted.

20              You know, what I am concerned about  
21      is that, you know, TIFs in theory are good,  
22      but their application, with the lack of a  
23      citywide economic plan, is bad.

24              That the PIDC and a variety of other  
25      agencies that have evolved, which I have

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       mentioned a number of times, don't use the  
3       call-back provision to see if the expansion of  
4       employment is truly happening and what is the  
5       real definition of blighted area.

6               I mean, 5th and Walnut is a blighted  
7       area now, according to a TIF. You know, I  
8       wouldn't want to live at 4th and Walnut and  
9       find that out, when I am paying \$3,000 a month  
10      in rental payments.

11             But all that is not part of the way  
12      my office has been told to generate the  
13      information.

14             And would I like to see it  
15      strengthened? I don't need to be able to say  
16      as the Controller whether I think in  
17      conclusion whether it is right or wrong. I  
18      think I can do that as a political person, I  
19      can do that independent of that.

20             I think that's Council's  
21      responsibility and the Mayor's responsibility.  
22      I never liked to tread on other people's  
23      responsibilities and power.

24             But I think that there should be a  
25      followup investigation that I would like to

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       see happen to make sure that there is a 20  
3       percent increase in employment over the next  
4       five years, and things like that. And then  
5       reduce -- you can reduce pro rata the amount  
6       of the tax forgiveness based upon that company  
7       not living up to its responsibilities that  
8       they told us in the first place.

9               COUNCILMAN NUTTER: If those kinds  
10       of provisions or additional provisions were  
11       added -- I mean, I think we have dramatically  
12       slowed down in the TIF business here recently.

13              So do you think you would be able  
14       to -- I mean, given the earlier testimony, I  
15       am also reluctant to ask you to take a look at  
16       anything else -- but given that the volume has  
17       decreased significantly, do you think you  
18       could handle those additional data requests  
19       within the general confines of your office, or  
20       would you need additional funding to be able  
21       to?

22              MR. SAIDEL: For that specific item,  
23       off the top of my head, I would say I would  
24       not need additional funding.

25              COUNCILMAN NUTTER: Would or not?

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               MR. SAIDEL: I don't think I would.

3       Things like NTI, and you can bet on the fact  
4       that I am going to be become asking for money  
5       and for a lot of things I think we need to get  
6       the job done.

7               But because we do the initial work  
8       and the compilation of all that information,  
9       that within a five-year period, if it was a  
10      five-year program, that we would then have the  
11      information available just to match and see  
12      what the growth is.

13              I don't think that's a difficult  
14      oversight. But I think it is something that,  
15      hopefully, if it is announced that that's  
16      going to happen, it becomes a chilling effect  
17      to those people who say, I told them I am  
18      going to increase the employment by 20, but  
19      they are never going to check on me anyway.

20              COUNCILMAN NUTTER: I understand.

21      Thank you. Thank you very much.

22              Thank you, Madam Chair.

23              PRESIDENT VERNA: You are welcome.

24              The Chair recognizes Councilman  
25      Clarke.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               MR. SAIDEL: Am I to assume that  
3       when a Councilman stands up, he is going to  
4       come back and ask me a question?

5               COUNCILMAN CLARKE: You shouldn't  
6       assume that. Thank you, Madam President.

7               Mr. Saidel, first with respect to  
8       one of your responses to Councilman Nutter,  
9       and your encouragement for an individual or  
10      company who has a surface lot, they should  
11      build a garage.

12              The last time we encouraged a person  
13      that had a surface lot to build a garage, they  
14      came back to us and asked for a TIF, and we  
15      ended up funding it. So I am not sure that's  
16      a good idea.

17              MR. SAIDEL: I am just using that,  
18      Councilman, as an example.

19              You know, it has to do with the  
20      availability of the property that's owned,  
21      where it is located. I mean, it is going to  
22      take some time to work out the numbers.

23              But, effectively, someone with an  
24      open surface lot will probably pay more. Now,  
25      someone with a 50-story building in Center

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       City, within some of the councilmanic  
3       districts that overlap into Center City, will  
4       probably pay less because it is a better  
5       utilization of the limited land that we have  
6       in the City of Philadelphia.

7               COUNCILMAN CLARKE: Right. The  
8       question I wanted to ask you is somewhat  
9       related to that.

10              I guess in my first year, in my  
11       first term, I had introduced a bill and  
12       actually gotten it passed. And it was kind of  
13       a replica of Councilman John Anderson's bill,  
14       the nonutilization tax.

15              Are you familiar with the bill?

16              MR. SAIDEL: I remember -- I  
17       remember Councilman Anderson. I don't  
18       remember the specifics of the bill, no.

19              COUNCILMAN CLARKE: Essentially, the  
20       bill, for all intents and purposes, penalized  
21       an individual for underutilizing their  
22       property. It imposed an additional tax on a  
23       person that allowed their property to remain  
24       vacant for a certain period of time, similarly  
25       on a vacant lot.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               Can you tell me what the difference  
3       is between that bill that was passed and  
4       signed by the Mayor, or for some reason or  
5       another wasn't fully implemented, the  
6       difference between that and the difference  
7       between your relatively recent proposal, the  
8       land value.

9               MR. SAIDEL: I think the Anderson  
10       bill and your followup bill, which I think  
11       certainly had merit, I think the people that  
12       intentionally do not fix up properties that  
13       they own in order to reduce their real estate  
14       taxes should be penalized.

15              I think one of the things the land  
16       tax does, it is a positive influence. In the  
17       sense, what I am trying to do is advocate  
18       people fixing up their homes, knowing they  
19       won't be taxed at the full rate that they were  
20       before because we are increasing the  
21       percentage that is the tax on land regardless  
22       of whether they fix it or not.

23              The bill of the former Councilman,  
24       who was, I think, a tremendous leader,  
25       certainly when I was a youngster, was to

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       effectively -- it was a negative bill, in the  
3       sense that you are penalizing those people  
4       that do it. What I am trying to do is make it  
5       a positive.

6               COUNCILMAN CLARKE: You are  
7       penalizing the people who do not.

8               MR. SAIDEL: I still am doing that.  
9       But part of the land tax is to, effectively,  
10      say to someone, if you are improving your  
11      home, we are not going to tax you as we did  
12      before in the full extent of the increase in  
13      that market value because we are increasing  
14      the value of the land as far as that ratio is  
15      concerned.

16              COUNCILMAN CLARKE: But you would,  
17      in effect, reduce the revenue generated to the  
18      city.

19              MR. SAIDEL: I don't believe so.  
20      Our numbers show that that's not the case.

21              COUNCILMAN CLARKE: If an individual  
22      is improving the property, right, and you are  
23      not imposing a tax as we currently are based  
24      on the improvements to the property, so you  
25      are reducing the level of revenue that you

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       would traditionally get under the current  
3       system, then you are reducing the amount of  
4       revenue to the city.

5               MR. SAIDEL: I think the hope is --  
6       and I can give you all the information that  
7       you need to look at this for the backup to  
8       what my response is.

9               My belief, and after going through  
10      this for a number of months and doing a  
11      sampling that was done by Drexel University,  
12      that effectively we will increase the amount  
13      of revenue, but it will be done through the  
14      enhancement of people improving the limited  
15      amount of land that we have available within  
16      Philadelphia County; rather than, you know, if  
17      there are areas, parts of Philadelphia that  
18      have been allowed to decay almost  
19      intentionally by people waiting for the next  
20      round of development, they are going to end up  
21      having to pay more real estate taxes than they  
22      would with the preponderance of it being based  
23      on the value of the building.

24              COUNCILMAN CLARKE: Wouldn't you do  
25      that by imposing the underutilization tax, by

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       increasing the tax on the person who is  
3       underutilizing their property?

4               MR. SAIDEL: Yes, we do that. I  
5       think this bill does both. It effectively  
6       penalizes people for not fully utilizing the  
7       uses of the land, but doesn't tax you the way  
8       we do now for improvements to the land.

9               COUNCILMAN CLARKE: I understand  
10      that.

11              But my issue is, while you are  
12      increasing it on one side, you are reducing on  
13      the other. And at the end of the day, my  
14      concern is, obviously, the General Fund. You  
15      know I want to make sure we have a balanced  
16      budget.

17              And I would like to see some limits  
18      in terms of what we impose on properties,  
19      because some areas of my district were getting  
20      killed with respect to that.

21              But I think that you can achieve,  
22      one, the ability to encourage by penalizing  
23      the individual to fix up their property or  
24      build on a vacant lot by implementing the  
25      underutilization bill, and, in addition to

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2       that, create an additional revenue stream.

3               Because we know some of these people  
4       are simply not going to do it initially. So  
5       if we can impose an additional tax on that  
6       underutilized property --

7               MR. SAIDEL: We are, effectively,  
8       doing that, plus we are not going to tax  
9       people as they did before when they make  
10      improvements to their property.

11              So not only is there -- by  
12      increasing the land portion, doing what you  
13      had originally thought and Councilman  
14      Anderson, but we are also saying to a person,  
15      fix up your home.

16              COUNCILMAN CLARKE: But you are,  
17      essentially, balancing out. We are not  
18      increasing the level of revenue to the city.

19              MR. SAIDEL: With that specific  
20      issue, I wasn't looking as much about revenue  
21      today, as long as it was revenue neutral in  
22      effect; but how it would increase the  
23      opportunities and incentivize a lot of the  
24      building of land that is now sitting fallow.

25              I mean, we have, as you know, we

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       have more open ground in Chester County, so we  
3       have where they have farm land. If we can  
4       increase an opportunity for people to build,  
5       then I think in the long run the city will be  
6       better off than we are.

7               COUNCILMAN CLARKE: So that should  
8       be in addition to the abatement on new  
9       construction? Because that was, in fact,  
10      passed.

11              MR. SAIDEL: I believe that -- see,  
12      I don't have a specific problem with  
13      abatement. I don't even have a specific  
14      problems with TIFs.

15              My problem is that we don't have --  
16      and this may be well beyond your question --  
17      we don't have an overall citywide economic  
18      development scheme to fit the puzzles in in  
19      relationship to tax abatements and TIFs and  
20      the KOIZ, which the Governor has put forth and  
21      the legislature has approved.

22              All those things can't be looked --  
23      they have to be looked at in isolation. And  
24      until we have an overall scheme, I don't think  
25      we can --

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 COUNCILMAN CLARKE: I agree with  
3 you.

4 Actually, Council passed a  
5 resolution to charge the city's Commerce  
6 Department, PIDC, and a couple of the other  
7 agencies to look at a broader, more  
8 comprehensive initiative.

9 MR. SAIDEL: I think the Mayor wants  
10 to have some sort of panel. I think it is  
11 well overdue, and I applaud him for doing  
12 that.

13 Because you can't figure out where  
14 something should go until you have a plan, and  
15 then fit those answers to the puzzle within  
16 that overall plan.

17 COUNCILMAN CLARKE: Okay. Thank  
18 you, Madam President. Thank you, Mr. Saidel.

19 PRESIDENT VERNA: You are welcome.

20 Are there any other questions or  
21 comments from members of the committee?

22 The Chair recognizes Councilman  
23 Nutter.

24 COUNCILMAN NUTTER: A quick comment  
25 for the record.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               Councilman Clarke, my  
3       recollection -- I was not here at the time,  
4       but working with Councilman Anderson -- my  
5       recollection is that there was a lawsuit filed  
6       almost immediately after that bill was passed.

7               And I think by agreement with the  
8       Administration at that time, there was a  
9       nonenforcement agreement or consent decree, or  
10      whatever.

11              And the bill is, actually, still  
12      sitting on the books. And I think the Tax  
13      Reform Commission recommended that we repeal  
14      it.

15              That's all I can tell you. I wasn't  
16      involved in the court case.

17              PRESIDENT Verna: Councilman Clarke.

18              COUNCILMAN CLARKE: Yes, Councilman,  
19      thank you. Yes, I am aware of the history on  
20      the Anderson bill.

21              As a matter of fact, you and I  
22      talked about it at the time of the  
23      introduction. And we actually made some  
24      changes that the Law Department might pass the  
25      mustard in relation to the prior lawsuit.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               And I think the political times and  
3       the individuals in question created the  
4       environment that allowed it to be put on the  
5       table as a result of the settlement.

6               And I thought, given the political  
7       environment and the sponsor of the bill and  
8       the people in the Administration, that there  
9       would be no settlement. But, unfortunately,  
10      there were people in the government that  
11      didn't feel the need to implement the bill.

12              I look forward to debating with the  
13      Tax Reform Commission their need to repeal the  
14      bill, and at that time I will ask that  
15      question. I haven't bothered to ask them yet.

16              But I will interested to see the  
17      basis for it, if it has to do with the merits  
18      of the bill or simply their recommendation for  
19      the land value tax.

20              COUNCILMAN NUTTER: Councilman, you  
21      think the different political times and  
22      different political players cause different  
23      public policies?

24              COUNCILMAN CLARKE: Absolutely.

25              COUNCILMAN NUTTER: I didn't read

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       that.

3               MR. SAIDEL: For the record, I would  
4       like to note that I am not involved in this  
5       conversation.

6               PRESIDENT VERNA: Are there any  
7       other questions of the city Controller, any  
8       comments?

9               Thank you very much.

10              MR. SAIDEL: Thank you, Madam  
11       President.

12              PRESIDENT VERNA: Thank you.

13              We will now hear from the Board of  
14       Revision of Taxes.

15              Good afternoon, and welcome. Please  
16       identify yourself for the record and proceed  
17       with your testimony.

18              MR. DAVID B. GLANCEY: Good  
19       afternoon, Madam President and members of City  
20       Council. My name is David Glancey, and I am  
21       the Chairman of the Philadelphia Board of  
22       Revision of Taxes.

23              And with me today is our Executive  
24       Director, Rick Foglia; the Secretary of the  
25       Board Robert Nix; and Board members Dveral

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       Silberstein, Charlesretta Meade, and Harvey  
3       Levine.

4               So I don't want to assume that I  
5       know what is important to you, but let me try  
6       to proceed this way, and maybe it will move  
7       the testimony along rather quickly.

8               The first part of our testimony,  
9       which really runs from Pages 1 to 3, discusses  
10      last year's budget. It also discusses what we  
11      are proposing or what we are requesting in  
12      this year's budget. It talks about the 2004  
13      taxable assessment, which is roughly 3 percent  
14      more than it was in 2003.

15              The second part of our testimony  
16      speaks to the service level enhancements that  
17      we always like to share with City Council.

18              And thirdly, beginning on Page 8, we  
19      provide our annual market overview, combined  
20      with an analysis of the abatement programs for  
21      2004.

22              If you don't mind -- and I know  
23      there will be questions about the funding, our  
24      particular budget request -- if we would  
25      simply just, if you would take that written

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       submission and let it speak for itself. And  
3       then, of course, we will be happy to answer  
4       any and all detailed questions concerning  
5       those particular segments of our testimony.

6               We would, however, like to devote  
7       more detailed testimony to our full value  
8       project this afternoon. And you find that  
9       beginning on Page 4 of our testimony.

10              If you don't mind, I would like to  
11       give you a little context.

12              In October of 2002, in front of the  
13       City Council Finance Committee -- and some of  
14       you were at that Finance Committee -- the BRT  
15       raised the idea with City Council at that  
16       point of going to full value.

17              In March of '03, the BRT testified  
18       before the Philadelphia Tax Reform Commission.  
19       And we suggested to the Tax Reform Commission  
20       that this may be a reform that would be  
21       interesting. And they, obviously, included  
22       that in their final report.

23              In June of '03, both Ms. Meade and I  
24       briefed City Council, some of the members who  
25       are here, and certainly all of the staff

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       members of City Council, about full valuation  
3       before we went public with what our  
4       Equalization 2000 forms were to be.

5               And this may be a little internal.  
6       But in October of '03, we began -- and I say,  
7       "we," the Board members and some of the senior  
8       staff -- began preparing the details to move  
9       from concept to actuality to get to full  
10      value.

11             In December of '03, we rolled that  
12      out for our entire staff. In January of '04,  
13      we rolled it out to the public. And in March  
14      of '04, as you know, it became part of the  
15      Mayor's budget plan.

16             Full value is the value a property  
17      will realize if sold on the open market.

18             The BRT has always attempted to be  
19      as transparent as possible in its function and  
20      structure when dealing with the public;  
21      however, transparency is somewhat thwarted if  
22      the public doesn't understand what it is  
23      seeing.

24             The best way I can describe this is,  
25      we have been -- I have been at many Civic and

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       community meetings over the last month or so.  
3       And there was a young lady who was a citizen  
4       of our city who absolutely thought we were  
5       very transparent. She agreed with what I just  
6       described.

7               But I think her analogy is  
8       absolutely on target. What she said, she  
9       said, you know, at the BRT, with your website  
10      and everything that you have on it, and all  
11      the information you provide, when we call you,  
12      we get a lot of information.

13             She said, it is like having this  
14      big, big kind of transparent window, picture  
15      window that we look into, except what we are  
16      seeing on the picture window looks like the  
17      floor of the New York Stock Exchange.

18             You see an awful lot of activity  
19      taking place, and you know there is a lot of  
20      work going on, but we don't quite understand  
21      what it is.

22             Going to full value, we believe,  
23      will do away with that misunderstanding. When  
24      we say a property is valued at X, and that is  
25      the same as your assessed value, and the

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       millage rate, whatever it is, multiplied by  
3       that, that's your real property tax. Our  
4       point is to make it understandable.

5               Our timetable for going live with  
6       this project is Calendar Year 2005 for Tax  
7       Year 2006. And our goal is to supply you, the  
8       Mayor, Finance Director, the Budget Director  
9       with revised full value taxable assessments in  
10      February or March of 2005 in order for all the  
11      policymakers to have enough time to decide  
12      what the new millage or tax rates on real  
13      property should be.

14             These rates will be predicated upon  
15      the new values calculated by the BRT. And  
16      while that final decision rests with you and  
17      the Administration, the BRT encourages that  
18      both of you to make the total property tax  
19      yield for '06 revenue neutral.

20             BRT members fully understand that  
21      this change is going to affect every citizen  
22      in the City of Philadelphia and in every  
23      neighborhood. And in order to help everyone  
24      understand this change, we are committed to an  
25      extensive educational and outreach program.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               We have begun making public  
3       appearances at civic and community meetings,  
4       as well as meeting with various real estate  
5       industry and advocacy groups.

6               We have placed on our website a link  
7       to the road to full value Power Point  
8       demonstration, which is explains visually and  
9       with some detail how we plan to value  
10      properties at their full value.

11              We have written news releases, news  
12      advisories, given interviews to real estate  
13      trade journals and web-based journals about  
14      our project.

15              The daily newspapers and some of the  
16      electronic media have covered our story, and I  
17      am sure there will be more coverage as we get  
18      closer to going live.

19              We are committed to a policy of no  
20      surprises. When we send notices with real  
21      values to real people, we don't want anyone to  
22      say, gee, I didn't know this was going to  
23      happen.

24              While we are fully confident that we  
25      will be able to meet our goal of having full

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       values on all properties for Tax Year 2006, we  
3       are also cognizant that getting the values  
4       right is more important than getting the  
5       values fast.

6               We are committed to getting the  
7       values right through direct observations,  
8       statistical modeling, in-house reviews, and  
9       public testing of our values.

10              If we find that our values are not  
11       correct and fully defensible, we promise you  
12       and all the citizens that no notices will be  
13       sent until they are right.

14              Finally, it goes without saying, but  
15       I am going to say it anyway, that we wish to  
16       work hand in hand with you and the  
17       Administration to make this transition as  
18       seamless as possible.

19              As always, the BRT is open to any  
20       idea, suggestion, or concept that you feel  
21       will make our process better for our citizens.

22              Please share your knowledge with us.  
23       And, with that, I thank you for your  
24       attention, and we are happy to answer any  
25       questions you may have.

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 PRESIDENT Verna: Thank you very  
3 much.

4 MR. Glancey: You are welcome.

5 PRESIDENT Verna: Mr. Glancey, if  
6 you go to full value, wouldn't everyone's real  
7 estate bills increase dramatically?

8 MR. Glancey: No. On our Power  
9 Point demonstration, we actually show you  
10 three samples.

11 There is the possibility -- there  
12 will be tax shifting, and there will be some  
13 properties that could get raised dramatically.

14 A lot of that, Council President,  
15 depends on you. You are in charge of the tax  
16 rates. You have you are in charge of the  
17 millage rates.

18 PRESIDENT Verna: So we would have  
19 to reduce the millage?

20 MR. Glancey: That's correct.

21 PRESIDENT Verna: However, that  
22 poses a problem, too, regarding Act 46.

23 MR. Glancey: Right.

24 PRESIDENT Verna: What happens if  
25 the state does not amend Act 46?

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               MR. GLANCEY: Well, I mean, I don't  
3 want to jump to that conclusion.

4               PRESIDENT VERNA: Would you proceed  
5 with your plans for full value?

6               MR. GLANCEY: We are going to  
7 proceed with our plans for full value. There  
8 is no question about that.

9               We believe that valuing property  
10 now, if the state -- and I don't make that  
11 hypothetical jump. I believe that Act 46 will  
12 be technically amended to allow the millage  
13 rate to be reduced, because we are not really  
14 talking about millage. So, that's the  
15 language. We are talking about taxes. We are  
16 talking about revenue.

17              I think the legislature and the  
18 government will very much understand that --  
19 if there is an attempt to amend technically  
20 Act 46.

21              However, just say under the  
22 hypothetical that you proposed, we should  
23 still go to the right value for properties.

24              The question then is, if for some  
25 reason the millage rate cannot be reduced,

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2       then I think we are back to fractional  
3       assessments, which I think is wrong, and I  
4       think it is confusing.

5               But one of the things we are  
6       committed is not -- we are not going to get  
7       into a system where we see real property taxes  
8       rise 50 percent because there is no relief  
9       from the state in allowing you to reduce the  
10      millage rate.

11             PRESIDENT VERNA: That concerns me.  
12      That really concerns me.

13             Would you explain how you determine  
14      the value of residential properties versus  
15      commercial and industrial properties?

16             MR. GLANCEY: How we will or how we  
17      do?

18             PRESIDENT VERNA: How you will.

19             MR. GLANCEY: How we will.

20             We are meeting in the month of May  
21      with about four different software vendors.  
22      What has happened across the country and what  
23      we would like to join the rest of the kind of  
24      advanced jurisdictions in doing, is to have  
25      what is known as an automated valuation model.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               Our staff is beginning to gather all  
3       property characteristics data. And by that I  
4       simply mean, what does a property look like.

5               We are also trying to get  
6       information that we can buy about the interior  
7       of a property. Does it have three bedrooms,  
8       does it have four bedrooms, does it have two  
9       baths, et cetera, et cetera.

10              We take all of that data, and -- I  
11       am going to make this very simple -- we push  
12       it into a model, a piece of software that's  
13       going to model properties. And it is not  
14       going to take the whole city; it is going to  
15       be within GMA's so we have apples and apples  
16       and oranges and oranges.

17              Secondly, we also take the  
18       information of our sales analysis, which we do  
19       now anyway. We have a three-year sales  
20       analysis that we currently use in our  
21       equalization program. We will take that  
22       information.

23              And we will crunch the numbers of  
24       the property characteristics data to see what  
25       elements actually are causing the value --

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2       what is it that says, if a house that sells  
3       for \$100,000, what four or five elements get  
4       you to that \$100,000.

5               We will crunch all of those  
6       together. And then using that information,  
7       extrapolate from that information of homes  
8       that sold to homes that didn't sell.

9               Again, it is kind of what we do now,  
10       except what we are going to use is the full  
11       value. Instead of saying, well, it is -- my  
12       property is worth 100,000, but now we use  
13       70,000, because that's the percentage we use,  
14       then we multiply that by 32, then we multiply  
15       that by the tax rate. Even intelligent people  
16       get confused with that.

17              If it is \$100,000 property, it will  
18       be \$100,000 property. That's residential.

19              There are also models that we use  
20       for commercial and industrial properties.  
21       There will be some sales information in that,  
22       but primarily those models will be two ways,  
23       actual income data for properties that are  
24       spinning off income. See, most of the  
25       downtown office building or retail centers or

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       shopping centers.

3               And where we don't have actual  
4       income -- and, believe me, we have a lot of  
5       actual income data already because our folks  
6       are doing that manually -- we will find pro  
7       forma data, data that says the average in this  
8       part of the country and in this part of  
9       Pennsylvania, rent at a given shopping center  
10      will kick off as X, these are the, you know,  
11      the expenses, this is the vacancy.

12              So, again, we will model with that,  
13      as well.

14              But that's easier to do because you  
15      can kind of always check that. There aren't  
16      as many properties.

17              The checking and the rechecking has  
18      to be done with 450,000, roughly, residential  
19      properties, where we really need, we really  
20      need the real estate community, the civic  
21      community, the academic community to help us  
22      once we show a product, to say if it makes  
23      some sense. But, that's how we intend to do  
24      it.

25              PRESIDENT VERNA: I know that they

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       had this same system in Pittsburgh and  
3       Allentown. For some reason they did away with  
4       it. Can you tell me why?

5               MR. GLANCEY: I think you are  
6       talking about land value tax.

7               PRESIDENT VERNA: It wasn't the  
8       full --

9               MR. GLANCEY: This is entirely  
10       different. I will talk about land value tax,  
11       if you would like, also.

12              PRESIDENT VERNA: I would like to  
13       know what the difference would be.

14              I mean, do my colleagues know what  
15       the difference is? You do? Do you want to  
16       hear what the difference is? Do you want to  
17       hear what the difference is? No. You are  
18       just going to have to call me and tell me what  
19       the difference is.

20              MR. GLANCEY: I would be happy to do  
21       that.

22              PRESIDENT VERNA: I heard the  
23       Controller -- do you really know what  
24       difference is?

25              MR. GLANCEY: It is really, I mean,

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       if you want me to say a few words about it.  
3       Land value taxation is an entirely different  
4       concept than that you talking about full  
5       value.

6               We are talking about putting market  
7       value equals sale price roughly. We don't  
8       want to use a hundred percent, which I think  
9       is used in the counties around us, or sale  
10      price, because full value makes more sense.  
11      And if I could just you a short example of  
12      that.

13             On a given block of a hundred homes  
14      in the Northeast, there could be 15 sales that  
15      range between 70,000 and 85,000 dollars.  
16      Happens all the time. So, within those  
17      parameters, there is full value.

18             The low end is going to be in the  
19      70, 71, 72. The high end is going to be in  
20      the 85 area. Again, that's why we need to  
21      know the physical property characteristics,  
22      which add value to a sale, so that we can  
23      figure out, you know, which one should be at  
24      the low end and which one should be at the  
25      high end.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               As I said, land value taxation --  
3       and Controller Saidel kind of explained that.  
4       I mean, we in the process of what we are going  
5       to do, we are also going to value land, not  
6       just vacant land.

7               Valuing vacant land is easy because  
8       you can kind of find sales. It is valuing the  
9       land that is under your house that is hard.  
10      Nobody knows what that's worth.

11              If I asked you, I am sure, I said,  
12      how much is the value of land under your home,  
13      you are not going to know the answer to that.

14              What we intend to do, again, is to  
15      use some kind of modeling to see if we can get  
16      that kind of right number.

17              That will give you, all the Council  
18      people, a platform, at least, that if you  
19      decide that land value taxation is where you  
20      would go, you will have a platform of  
21      reasonably valuing property. Today it is  
22      merely an allocation.

23              We are about 18 to 20 percent of the  
24      total value of a property. The property is  
25      \$100,000, about 18,000 or 20,000 dollars of

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       that is allocated to the land. We didn't  
3       value it. There is no need to value it,  
4       because one figure is really the basis for the  
5       taxation, the combined land and building  
6       assessment. Right? Just there is only one  
7       number.

8               Your assessed value at 100,000 today  
9       is \$32,000. You don't care what portion of  
10      that is the land, nor do you care what portion  
11      of that is the building, because you are  
12      paying taxes based on that one number.

13             Under land value taxation, it does  
14      make a difference because there are going to  
15      be two different tax rates.

16             Land value taxation is, no matter  
17      how you cut it, a very radical reform, I  
18      think. And I think it is not something that's  
19      simple.

20             I am not here to -- as I said, I  
21      think that's your purview, to debate fully and  
22      fairly land value taxation.

23             One thing I would say, again, if you  
24      don't mind me saying this, is that I  
25      believe -- just now I am speaking as David

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2       Glancey, I am not speaking officially and I am  
3       not the policymaker -- I believe you have to  
4       be very careful about overpromising, you know,  
5       what land value tax seems to do.

6               My sense is that there is lots of  
7       sloganeering around land value taxation and  
8       very little empirical evidence.

9               You mentioned Allentown and  
10       Harrisburg and Pittsburgh. I have asked some  
11       folks five or six times, why did Pittsburgh  
12       get rid of land value taxation. And the  
13       answer I always get is, well, it's politics.  
14       Well, that doesn't do it for me.

15              I mean, it seems to me that -- and I  
16       think you all know, as well -- if it is a good  
17       idea, and it works, and the citizens like it,  
18       no amount of politics is going to stop that  
19       from happening because it is good politics to  
20       be for something like that. So when somebody  
21       simply says politics and gives me know other  
22       reason, I question.

23              I think land value taxation has, at  
24       least in what I have studied, land value  
25       taxation is supposed to incentivize folks to

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       develop land. I don't think that that is the  
3       first tool that is looked upon.

4               Somebody, I guess it was Councilman  
5       Clarke, raised the question about the parking  
6       lot and then the parking garage.

7               PRESIDENT VERNA: I was just going  
8       to ask you about that.

9               MR. GLANCEY: The parking lot is  
10      going to hold 100 cars and a parking garage  
11      may hold 500 cars. But if there is no market  
12      for 500 cars, why would you build it?

13              Seems to me that the market has to  
14      drive development, number one. Secondly, the  
15      cost of money drives development, number two.

16              And I don't doubt that taxation  
17      plays a role. I am just not sure that  
18      taxation plays the major role that some of the  
19      advocates of land value taxation says it  
20      plays.

21              And, again, I am not here to -- we  
22      are not here to, as I said, kind of give it a  
23      full and fair debate. I am not saying that  
24      that shouldn't be something that this city  
25      ought to do.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               But I think we ought to do it  
3       knowing full well what we are doing, as  
4       opposed to having rallies and having  
5       sloganeering and then just doing it because  
6       there seems to be a lot of activity around it.  
7       That's my sense of it.

8               PRESIDENT VERNA: All right. I will  
9       come back with a few more questions.

10              At this time I would recognize  
11      Councilman Rizzo.

12              COUNCILMAN RIZZO: Thank you, Madam  
13      Chair.

14              And I think you are absolutely  
15      right. I don't want to be part of reform just  
16      to reform, because lots of reform have turned  
17      out to be a disaster. So I think we do have  
18      to move slowly when we talk about land value  
19      tax, which I don't personally support.

20              The first thing that I would like to  
21      point out to you is -- and I want to thank the  
22      commissioners -- that if you ever had a  
23      process, and I think I have said this to you  
24      every year, and I will repeat it again this  
25      year, if there was ever a process that works,

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2       it is what you do.

3               And even when people come from there  
4       that haven't necessarily gotten what they  
5       want, they still appreciate the fact that they  
6       have been treated fairly. And I think that's  
7       so important.

8               Because President Verna and other  
9       members of this Council personally, staff,  
10      have witnessed hundreds and hundreds and  
11      hundreds of people that went through the  
12      process.

13              And, again, not every one of them  
14      got what they wanted, but I didn't get one  
15      negative or any insulting or any -- anything  
16      that was derogatory as a result of their time  
17      there. Because, again, they realized that, in  
18      many cases, that their property was more  
19      valuable than they believed it was.

20              So I just -- it was when they were  
21      both there. Is that politically correct.

22              But it is a good process. I want to  
23      thank the commissioners, because they always,  
24      members of the Board, for treating people in a  
25      very fair and nice way, and a comfortable way.

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 And that's all I have, Madam Chair.

3 PRESIDENT VERNA: Thank you.

4 MR. GLANCEY: Thank you.

5 PRESIDENT VERNA: The Chair

6 recognizes Councilman Nutter.

7 COUNCILMAN NUTTER: Thank you, Madam

8 Chair.

9 Good afternoon, Mr. Glancey and all  
10 of the members of the BRT.

11 I want to first certainly echo in a  
12 more serious way the comments made by  
13 Councilman Rizzo. Councilman Rizzo was  
14 serious, then I made a funny, as they say. So  
15 now I want to have the serious time, and I  
16 will adopt my very serious voice and demeanor.

17 So, seriously, you provide a great  
18 service to the citizens. And I think, in many  
19 ways, and we have worked on these over the  
20 past couple of years, to try to shed some  
21 additional light on what the BRT is and what  
22 it is not.

23 And you have helped to educate many  
24 people. And certainly let me be the first to  
25 say you have also helped to educate me

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2       directly on many of the issues.

3               And, regardless, on some of the  
4       individual pieces, whether we agree or not, we  
5       always maintain good conversation and a  
6       respect for each other's position.

7               I think it is also significant that  
8       at least the past few years I have noticed the  
9       members of the Board come to the budget  
10      hearings as a further indication of the BRT's  
11      commitment to the citizens of the city.

12              I wanted to -- I did want to ask you  
13      about land value, but I think we have gone  
14      through that one pretty extensively.

15              Maybe the last question I would ask  
16      about it is, to the extent that you could come  
17      across any data on land value, what I've  
18      generally been struck by -- not that we should  
19      do what other people do just for the sake of  
20      doing it.

21              I mean, I think other cities'  
22      experiences with things in many instances have  
23      proved good for Philadelphia to do them, and  
24      the reverse is often true, as well.

25              What I have noticed about this issue

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       is that virtually no other major city in the  
3       United States of America has so far adopted  
4       this particular proposal. A number of smaller  
5       cities in Pennsylvania and I guess in other  
6       parts of the country.

7               Do you have any perspective on that?  
8       And then I have one last question about land  
9       value, and then I will move on.

10              MR. GLANCEY: Well, yes. I mean, I  
11       think that perspective, as you just raised in  
12       your comment and question, should ring a bell  
13       for us.

14              You know, if this has been something  
15       that is what it says it is, why -- and it has  
16       been around since the middle of the 19th  
17       century, why hasn't it been used more  
18       extensively.

19              Now, in all fairness, it has been  
20       used rather extensively in Europe. But in the  
21       United States, it doesn't.

22              The empirical evidence that I have  
23       seen -- and I can share some of this data with  
24       you -- it is not great. I mean, it is  
25       academic journals usually. Most of them are

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       economically oriented, as opposed to real  
3       property oriented.

4               There are two studies. One out of,  
5       I believe it is, Northwestern University,  
6       where -- and I forget the professor, but I  
7       will find it and I will share this. I will  
8       give it to the Council President, and she will  
9       share it with you.

10              Is that this gentleman who believed  
11       in land value taxation, he simply thought, at  
12       his conclusion -- and there is a lot of arcane  
13       economic mumbo-jumbo in some of it -- but he  
14       believed as his conclusion that it is a good  
15       system if we are maybe starting the world,  
16       starting the beginning of everything, maybe  
17       that is a system that could have been  
18       instituted.

19              But given what urban America -- and  
20       he particularly talked about urban  
21       jurisdictions. Given urban jurisdictions  
22       today, he thought it might be impossible to  
23       really figure out what land value is, you  
24       know, in an urban jurisdiction.

25              Secondly, now, this is somewhat old,

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2       but it does come from Pittsburgh.

3               And it is the Western

4       Pennsylvania -- Pennsylvania Economy League,

5       Western Section. And you may have even been

6       aware of that; I don't know. I know I have

7       some of that data back in my office. Again, I

8       would share that. But this is old, this goes

9       back to the '80s, probably about mid '80s.

10              And, really, the conclusion of that

11       particular study was that it was hard to tell

12       whether land value taxation was in fact

13       causing the kind of development that took

14       place because there was a significant amount

15       of public investment also taking place at the

16       same time that could also have been causing

17       this. So it was kind of up in the air.

18              And, again, I really want to

19       emphasize, I don't sit here today slamming

20       land value taxation. That's not my point.

21              COUNCILMAN NUTTER: I understand.

22              MR. GLANCEY: But my point is,

23       again, I think just -- it is a major reform.

24       And lots of information about it doesn't -- is

25       very thin; very long, but very thin. There is

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       not a lot of depth to some of the information.  
3       And we should be looking at that, if we can.

4               COUNCILMAN NUTTER: Last question in  
5       this area.

6               Given the large number of nonprofit  
7       institutions in Philadelphia, any perspective  
8       on the impact of having a land value tax in  
9       this city, given the size of the nonprofit  
10      community and any budgetary impacts at all?

11              MR. GLANCEY: Well, theoretically it  
12      shouldn't have any. Because right now there  
13      is no taxation on those -- on the land or the  
14      buildings.

15              COUNCILMAN NUTTER: Right.

16              MR. GLANCEY: You know, land value  
17      taxation really is one large tax abatement. I  
18      mean, if you think about it that way, that's  
19      the easiest way for me to comprehend it.

20              A tax abatement says you pay taxes  
21      on the land and you pay nothing on the  
22      building for a limited period of time. Land  
23      value taxation, in its truest sense from Henry  
24      George, says the same thing. But we are now  
25      looking at split rate, as opposed to a

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       completely no rate on building.

3               So I think the best answer to your  
4       question, I guess, Councilman Nutter, is that  
5       I don't think, at least to the best of my  
6       knowledge I don't think, it would have any  
7       impact on the budget.

8               If I could just elaborate one  
9       further second. And it was kind of, I think,  
10      what Councilman Clarke and the Controller were  
11      talking about.

12              There will be shifting. If there is  
13      going to be a 70 percent reduction, or 70  
14      percent of the residences will have a decrease  
15      in value -- and, again, that information is  
16      only based on what the values are today and  
17      what the land allocations are today.

18              If the Council changes rates, if the  
19      values go up, all of that has to be  
20      recalculated. And that's going to happen in  
21      the next couple of years, it seems to me.

22              In any respect, if 70 percent of the  
23      residences will see a decrease, and it is  
24      revenue neutral, there is going to be an  
25      increase somewhere.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               And it seems to me that it would  
3       be -- and, again, it would be those either  
4       property owners if they are individual  
5       residences, or they will be businesses that  
6       don't use land in an intensive fashion.

7               If you are using land in an  
8       intensive fashion, you may see a tax decrease.  
9       If you are not using land in an intensive  
10      fashion, you will more than likely see an  
11      increase.

12              But it can be revenue neutral. It  
13      doesn't have to be. It may not affect the  
14      budget; it will affect those who are paying  
15      taxes to fund the budget.

16              COUNCILMAN NUTTER: A hundred  
17      percent value, I know you talked about that in  
18      your testimony and possibly with the Council  
19      President asking questions.

20              What I was concerned about in that  
21      regard, I thought I read in your testimony  
22      somewhere and made a note to myself, which I  
23      now can't find -- yes. Here it is. Page 4.

24              You anticipate trying to, in your  
25      words, go live in Calendar Year 2005 for Tax

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       Year '06. And then later you say, these rates  
3       will be predicated upon the new values  
4       calculated by the BRT.

5               Has there been any discussion --  
6       and, again, if you went over this already,  
7       just tell me -- do you think the BRT is in a  
8       position to really do a complete and  
9       exhaustive reevaluation of the true value of  
10      properties throughout the city, or should we  
11      hire someone to assist us?

12             And are we talking about  
13      full-fledged appraisals or -- I mean, just how  
14      will you arrive -- I mean, given how you do it  
15      today and what the numbers are and what you  
16      think they are and what anyone sees on their  
17      notice, which is absolutely at the moment  
18      incorrect, how would we get to the right  
19      point?

20             MR. GLANCEY: We intend to do it in  
21      a hybrid fashion.

22             And I think by "hybrid" I mean, we  
23      have a good professional staff that will be  
24      able to do the data collection that is  
25      necessary in order to get to the point of

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       attempting to fully value a property, property  
3       characteristics data and sales data. And I am  
4       simplifying, but, really, that's what it  
5       takes.

6               In conjunction with that, here comes  
7       the hybrid part. We are interviewing  
8       throughout the month of May at least four  
9       vendors who will be consulting and selling  
10      software.

11             Now, we are committed to try and do  
12      this. I don't know if anybody -- the  
13      successful vendor is not there yet.

14             But what we would like to do, I  
15      guess, in the ideal world, the successful  
16      vendor will have a software program that is  
17      flexible enough for us to use to value all the  
18      various property types that we have in the  
19      City of Philadelphia, and be willing to stay  
20      with us for a year or two, consult with us  
21      down the line, to make sure that not only are  
22      we doing it right, but they are doing their  
23      job right. So, to that degree, it is a  
24      hybrid.

25             Let me give you some numbers that

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       may be helpful.

3               Part of the show I take on the road,  
4       it shows that Allegheny County, with CLT and  
5       Saber, when they did this, it cost them \$26  
6       million over and above what it cost them to  
7       fund their assessment office.

8               \$10 million, I believe, for  
9       Montgomery County, \$8 million for Chester  
10      County. Lancaster County, I believe, was  
11      another significant 10 or 15 million dollars.

12              To get somewhat to our budget, we  
13      are requesting -- and we may request more at  
14      some point -- we are requesting about four and  
15      a half million dollars in Class 200 and 300  
16      and 400 money, total of \$5 million, because we  
17      are requesting a recurring Class 100 \$500,000  
18      allocation.

19              COUNCILMAN NUTTER: What is that  
20      for?

21              MR. GLANCEY: That is for adding new  
22      employees that we think we are going to need  
23      in order to continue not only doing this  
24      process, but to maintain this process.

25              Another part of that, Councilman --

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 COUNCILMAN NUTTER: How many people  
3 is that?

4 MR. GLANCEY: In '07 we have a  
5 significant amount of DROP taking place. We  
6 had a severe DROP in '04, '05 and '06 looks  
7 pretty good. But '07, significant amount of  
8 DROP. So these employees today will be  
9 filling in in '07.

10 COUNCILMAN NUTTER: The 500,000 will  
11 cover how many new employees? And is that for  
12 the '05 budget?

13 MR. GLANCEY: It is in the '05  
14 budget, yes. If I could just get that. 18.

15 Anyway, so it is that hybrid  
16 situation.

17 Yes, I think the professional staff  
18 that we have to do what I just described is  
19 exquisite, and they will do that.

20 COUNCILMAN NUTTER: The \$5 million  
21 in total, is that a General Fund request or is  
22 that something that, given the intensity of  
23 the work, as well as what we would expect as  
24 the pay-back, is that something that is  
25 possibly better funded out of productivity?

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               MR. GLANCEY: We absolutely will  
3 work hand in hand with Council to get a  
4 productivity loan application for this.

5               It currently is in the operating  
6 fund.

7               COUNCILMAN NUTTER: Okay.

8               MR. GLANCEY: We have no objection  
9 to having it come from a productivity loan  
10 application. However -- and I really want to  
11 put this on the record -- there are two  
12 caveats.

13               If it were in the Operating Budget,  
14 we would be able to use that money July 1,  
15 roughly. Assuming everything goes well, we  
16 would be able to use it July 1.

17               And, also, the money that is in the  
18 Operating Budget, which is, as I described, 4  
19 and a half million for 200, 300, and 400, and  
20 half a million for 100, is there.

21               The productivity loan, we have to  
22 keep applying as we go through the process;  
23 getting information, figuring out what it is  
24 going to cost us, get it before the  
25 productivity loan committee, and then,

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       finally, an Ordinance back from City Council.

3               The caveats I am raising are, one,  
4       we need to have the money as if we would be  
5       getting it from Operating Budget. And that's  
6       up to us to get that information to the loan  
7       committee. I understand.

8               And, two, the amount of the loan  
9       should match the amount that is in the  
10      operating fund budget today.

11              Those are the two things I would  
12      raise.

13              COUNCILMAN NUTTER: Obviously I  
14      don't make many applications to the  
15      productivity bank. Not that I am not  
16      productive, but I don't need a loan.

17              You can't get the dollars from  
18      productivity up front, or make some  
19      arrangement where --

20              MR. GLANCEY: There is a process  
21      that we have to follow.

22              And, again, part of that process we  
23      have to make sure that we do correctly. But,  
24      yes, I can't say to the -- in the productivity  
25      loan, the way the scheme is today, and I think

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       it is correct, we can't say, just give us the  
3       money and then we will give you the  
4       information thereafter.

5               That would work for somebody like  
6       me, as you know, but it may not work for the  
7       rest of city government.

8               COUNCILMAN NUTTER: I understand.

9               Lastly, on a hundred percent value,  
10       are you prepared to articulate a firm position  
11       with regard to -- I mean, obviously, Council  
12       and the BRT need to work very closely together  
13       about going to a hundred percent of value.

14               I know there was the earlier  
15       discussion about Act 46, changing rates. And  
16       let's, for this discussion, say that there are  
17       no issues about our ability to change rates up  
18       and down.

19               You would not -- or, would you  
20       agree, that you would not go to a hundred  
21       percent value until we have discussion here in  
22       Council about what the new rates should be  
23       based ongoing to a hundred percent?

24               MR. GLANCEY: Absolutely agree to  
25       that.

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 Can I just say one thing, which  
3 really answers your first question.

4 Part of getting to full value and  
5 using the time frame that I suggested here, we  
6 are committed to getting to that deadline.

7 COUNCILMAN NUTTER: Okay.

8 MR. GLANCEY: However, if we don't  
9 have the right numbers, we will go -- we will  
10 not send out a product that is not a good  
11 product. I just want you to know. Because  
12 that may bring us into '07, as opposed to '06.

13 COUNCILMAN NUTTER: I think it is an  
14 issue where it really is more important to do  
15 it right --

16 MR. GLANCEY: Absolutely.

17 COUNCILMAN NUTTER: -- than to  
18 adhere to a self-imposed deadline. I mean, I  
19 don't think the universe is going to fall  
20 apart.

21 MR. GLANCEY: One thing I also might  
22 add is that, we do not intend to do an  
23 equalization program this year because our  
24 staff, as you imagine, is fully involved in  
25 attempting to do the new program.

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 There will be valuation changes, new  
3 construction, obvious, undervaluations, those  
4 kinds of things. They will be done manually;  
5 we will not be using the automated function  
6 this year. Breathe a sigh of relief.

7 COUNCILMAN NUTTER: It should be a  
8 relatively quiet summer. Thank you.

9 Thank you, Madam Chair. Thank you,  
10 Mr. Glancey.

11 PRESIDENT VERNA: Thank you.

12 Mr. Glancey, am I correct in  
13 assuming that increasing the current real  
14 estate taxes dramatically will eliminate the  
15 value that the ten-year tax abatement was put  
16 into place for?

17 We put that into place to spur  
18 development, and I think that has been  
19 extremely successful.

20 Aren't we going to be -- are we  
21 going to be eventually eliminating that  
22 because of the --

23 MR. GLANCEY: That's a terrific  
24 question, and it really goes to those  
25 properties that are currently under abatement.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               Once we started full valuation, and  
3       then somebody files thereafter, the process  
4       will be the same as it is today. It is those  
5       properties that are currently under abatement  
6       that we have to be careful for.

7               And one possible solution -- and we  
8       have been talking about this, and it seems to  
9       me this possible solution makes the most  
10      sense, although we are willing to hear other  
11      ideas -- everyone that currently has a  
12      ten-year tax abatement, you have, the city  
13      has, I guess all of us have, made an  
14      arrangement with them, an agreement, that for  
15      ten years you would be paying the same amount  
16      of taxes that you started in Year 1.

17              What I would suggest that we do as a  
18      transition for those kinds of properties is,  
19      yes, increase the market value, but make the  
20      increase on the abated side of the value. In  
21      other words, exempt the increase until that  
22      abatement term has ended.

23              So, for instance, if it is a  
24      \$100,000 property today, and you are paying --  
25      your real property tax is based on \$10,000,

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2       the value of the land. And let's say that  
3       property really is a \$150,000 property.

4               I would suggest we take the \$50,000  
5       and put it on the exempt portion of the market  
6       value, as opposed to putting it on the taxable  
7       portion of the market value.

8               And then after the abatement period  
9       is over, then that person will know full  
10      well -- and we will notice them during that  
11      period -- they will no full well that at full  
12      value, just like they do today, their basis is  
13      no longer that abated value.

14              PRESIDENT VERNA: Well, I can see  
15      that people like the people who are at the  
16      auto malls, the parking lots, Sunoco in my  
17      district, for instance, what is it going to  
18      cost them to stay in business?

19              MR. GLANCEY: Once again, I think  
20      that's the land value taxation that you are  
21      referring to.

22              PRESIDENT VERNA: Exactly.

23              MR. GLANCEY: I don't know. I mean,  
24      that's -- that is not something that -- that's  
25      not what we are doing.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               I mean, we are going to value  
3       everything. But then if there is a -- if  
4       there is more tax on land -- I mean, listen,  
5       if you want me to guess as a citizen, sure, it  
6       is going to be significantly more money for  
7       those land owners that do not intensively use  
8       the land.

9               In the case of Sunoco, they can't.  
10       They have to have lots of land around their  
11       refinery.

12              The same thing, I would assume, for  
13       construction firms, where they need large  
14       parcels of land to park heavy equipment. You  
15       know, at the end of the day, that equipment  
16       goes somewhere, and it ends up usually on some  
17       large lot. So that will also be part of that.

18              But, again, what we see our role in  
19       this -- and, again, I am speaking -- when I  
20       speak as the Chairman of the Board and for our  
21       Board members, I think what we are saying is,  
22       we are just going to do the value. You are  
23       the policymakers, so you make that decision.

24              As a citizen who has had some  
25       contact with this, I mean, I think my analysis

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 at first kind of leads you to where I am.

3 And, secondly, sure, I think that,  
4 as we talked with Councilman Clarke, that tax  
5 shifting is going to adversely affect those  
6 properties that do not use land intensively,  
7 and you mentioned a few.

8 PRESIDENT Verna: Who really produce  
9 a great deal of revenue for the city.

10 The Chair recognizes Councilman  
11 Clarke, unless you want to yield to Councilman  
12 O'Neill.

13 COUNCILMAN CLARKE: Yes.

14 COUNCILMAN O'NEILL: I may be as  
15 strong an opponent of the land value tax as  
16 there is. And I have been looking at it for  
17 25 years. And it comes down to the same  
18 thing. You have got a problem. This isn't  
19 the solution.

20 Don't use a shotgun, when a rifle is  
21 called for, and when you are going to hit a  
22 whole lot of people who are innocent with the  
23 shotgun and they are going to get hurt for no  
24 good reason.

25 But I also think in terms of timing,

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2       from a policy standpoint, even if we all  
3       agreed that land value is as good as Jim  
4       Tayoun and Jonathan Saidel think it is, the  
5       timing is terrible.

6                You have the equivalent of a  
7       revolution going on at the Board of Revision  
8       of Taxes, going from the way we have been  
9       doing business and the way we have been  
10      assessing and sending out notices, to  
11      something totally different and more advanced  
12      and difficult to explain to people.

13              It sounds like an easy explanation  
14      until you hear Mr. Glancey give the  
15      explanation very clearly, with a Power Point,  
16      over a period of an hour or more, to some  
17      pretty intelligent people. And it is very  
18      hard to explain.

19              It is going to be -- these are the  
20      people that are really interested to come out  
21      to a meeting to hear about it.

22              So I think trying to do two things  
23      at once, even if they were both good things --  
24      and I think going to a hundred percent, as  
25      long as we are revenue neutral, is the way to

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       go. It is the way other jurisdictions do it,  
3       and it is really clear and fair to -- more  
4       fair to people.

5               So I hope we don't do land value  
6       tax, because that's our choice. And I don't  
7       think it has -- it is a big part of tax reform  
8       at all. I think it is the one piece of tax  
9       reform that isn't tax reform; it is just a  
10      change, it is another way of doing it.

11             Show me one large city anywhere that  
12      has done it. I am only aware of one  
13      medium-sized city, and that's Pittsburgh. And  
14      no one will accuse Pittsburgh of being a large  
15      city anymore. I think it is about 375,000  
16      people. And they did away with it, I  
17      understand.

18             It is mostly small communities that  
19      have tried it. And I don't know to what  
20      extent they have really done it.

21             But I can assure you that if your  
22      house is valued at a hundred thousand, and you  
23      have got a side yard and a backyard in some  
24      neighborhood, and somebody in a similar house  
25      but positioned on a half million dollar lot in

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2       Center City has a house that's worth 600,000,  
3       they are going to win.

4               You are going to start paying their  
5       taxes in part, because that's just the human  
6       nature of this. Is that if you are on a small  
7       piece of ground, you get your taxes lowered.  
8       If you are on a larger piece of ground, larger  
9       than you need to have the house in a row home  
10      situation, then you are going to pay.

11             And I think it is going to be tough  
12      enough to sell a hundred percent. That is  
13      good. I don't think anybody can argue against  
14      a hundred percent, as long as we are revenue  
15      neutral in doing it.

16             But the land value tax, there is a  
17      good reason we haven't done it up to now. And  
18      all due respect to the Tax Reform Commission,  
19      I think they went way beyond their scope on  
20      that one.

21             But, so, I hope we are not going to  
22      rush to judgment on that, because there is a  
23      tax reform recommendation in that area.

24             That is nontax policy, really. And  
25      if the state would give us the clear authority

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       to impose the tax we have had on the books  
3       since the '80s, the underutilization, or  
4       underutilization tax, or something to that,  
5       then we would be using the rifle. And we  
6       would be using it with legal authority, and  
7       not just to make good politics out of it; but  
8       it would, also, be good government policy.

9               So I hope we don't get lost in that  
10      quest. Thing you.

11             PRESIDENT Verna: Thank you,  
12      Councilman.

13             Councilman Clarke.

14             COUNCILMAN CLARKE: Thank you, Madam  
15      President.

16             Thank you, Councilman, for your  
17      endorsement of the nonutilization tax.

18             Mr. Glancey, real quick, a couple of  
19      questions.

20             One, can your department determine  
21      vacant properties and vacant land using your  
22      computer systems?

23             MR. GLANCEY: Can we determine the  
24      value?

25             COUNCILMAN CLARKE: No; whether or

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       not the property is vacant, whether or not it  
3       is occupied.

4               MR. GLANCEY: I don't believe we can  
5       at this point.

6               Can you hold one second, and maybe I  
7       can get a better answer for you.

8               Yes, Councilman Clark, as Mr. Davey,  
9       our Director of Assessments, just informed me,  
10      we have coding that will identify vacant land,  
11      but the coding will not identify vacant  
12      buildings. Because there could be a building  
13      today that is occupied, and next month is not.  
14      So there is really not a code that we use.

15              But vacant land, we can identify for  
16      you.

17              COUNCILMAN CLARKE: All right. And  
18      if you had the ability to interface with  
19      utilities, particularly Water, I guess Gas to  
20      some effect, Licenses And inspections, your  
21      ability to determine vacant properties would  
22      be enhanced considerably, if not definitely?

23              MR. GLANCEY: Absolutely.  
24      Absolutely, yes.

25              COUNCILMAN CLARKE: So utilizing the

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       current methods within all of the various  
3       departments -- and, actually, throw Revenue in  
4       there, since they were the ones who couldn't  
5       figure out a way to implement the  
6       nonutilization -- if in fact there was an  
7       order given by the various parties, the  
8       pertinent parties, to have their staff work on  
9       a strategy utilizing computer systems that  
10      would expedite that process, we can pretty  
11      much determine, actually using NTI, what  
12      properties were vacant, what land is vacant  
13      and not being utilized, no utility bills, no  
14      tax bills being paid. We can determine that  
15      in relatively short order.

16               MR. GLANCEY: I think that is a  
17      system that the city should be working towards  
18      pulling together all of those elements. We  
19      agree.

20               We are ready and willing, I think,  
21      platformwise to be able. Clearly, we can pass  
22      on what we have. We are also ready and  
23      willing now to get back from those agencies  
24      you mentioned.

25               Again, the Director of Assessments

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       told me he believes that if you go to the  
3       neighborhood information system, if you are  
4       familiar with that from University of  
5       Pennsylvania --

6               COUNCILMAN CLARKE: Yes. We have it  
7       in our office now. We send a person to class.  
8       And you can pull up a property, get all of the  
9       records, tax records, recent sale, utility  
10      bills, all that.

11             MR. GLANCEY: All of that  
12      information is given to them by us. You know,  
13      so, it seems to me, if our systems were  
14      talking to each other better, we could also do  
15      the very same thing.

16             But right now, I guess, I know in my  
17      office, probably the same as yours, I have  
18      one, maybe three licenses, I guess, that we  
19      can use that.

20             And we have, you know, 180 people  
21      who are on PCs all day. And only having three  
22      that has that information is not real helpful.

23             But we should be able to pull that  
24      all together

25             COUNCILMAN CLARKE: Okay. Good.

1        OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2        That will be very helpful to me in the  
3        foreseeable future.

4                One other question, more of a  
5        personal district-related issue. And I just  
6        want to get on the record we had a community  
7        meeting about one of the developments that  
8        hopefully at some point will take place in the  
9        Brewerytown section, the western development.  
10       And I want to get it on the record as many  
11       times as possible and documenting the  
12       response.

13               There has been some concerns raised  
14       by the existing community, which is, you know,  
15       essentially, a moderate-income neighborhood,  
16       row-home community, seen better times, frankly  
17       speaking, but people are still taking care of  
18       their homes, relatively stable.

19               And there is a proposal to develop  
20       between 400 and 600 market-rate houses just  
21       adjacent to that particular community.

22               And the first concern that was  
23       raised at the community meeting, what impact  
24       would that have on the local real estate  
25       taxes.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               Right now the properties are valued  
3       around 25, 30 thousand dollars, so the real  
4       estate taxes reflect that value.

5               The developer is talking about  
6       building homes -- it started out, actually, at  
7       159. It is now up to 225. And I expect by  
8       the time they build, it will be at least 250.

9               What impact will that development  
10       have on the existing residents' real estate  
11       tax?

12               MR. GLANCEY: To get it on the  
13       record, that should have no impact on those  
14       properties that are what we will call the  
15       older properties.

16               The older properties are a market  
17       unto themselves, as the newer properties are a  
18       market unto themselves. Comparable sales of  
19       those homes that are 159 to 250 really should  
20       have no impact on the homes that are currently  
21       valued at 25,000.

22               COUNCILMAN CLARKE: When you say,  
23       "should have" --

24               MR. GLANCEY: Will have.

25               COUNCILMAN CLARKE: Won't have any?

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 It would be better if you say, "won't have."

3 MR. GLANCEY: Won't have. They will  
4 not have any. Because, really, Councilman,  
5 they are simply not comparable properties one  
6 to one.

7 Sales of properties, sales of the  
8 older properties, will be compared to the  
9 older properties that haven't sold. And  
10 that's where the values will be extrapolated  
11 from.

12 Sales of the newer properties will  
13 be compared to sales of the newer properties,  
14 and their values will be extrapolated from  
15 that.

16 It seems to me they are two separate  
17 markets.

18 COUNCILMAN CLARKE: So, as proposed,  
19 if we develop -- because what we don't want to  
20 do is develop new market-rate housing in the  
21 adjacent community, and don't touch the  
22 community that needs some help.

23 If the proposal is to renovate or  
24 construct new homes in the existing community  
25 and keep it at a moderate level market sales

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2       price, then it will not have the negative  
3       impact in terms of rising real estate value  
4       for those people in those communities; right?

5               MR. GLANCEY: Again, as long as they  
6       are completely different types of housing, two  
7       different markets, then the sales will have no  
8       impact one to the other.

9               COUNCILMAN CLARKE: All right. I  
10      just wanted to get that on the record again.

11              Thank you.

12              PRESIDENT VERNA: You are welcome.

13              The Chair recognizes Councilman  
14      Rizzo.

15              COUNCILMAN RIZZO: Thank you, Madam  
16      Chair.

17              Just for a minute, equalization.  
18      Some jurisdictions, when they do equalization,  
19      really do look at the property. I mean, they  
20      put a notice on the door and say, would you  
21      call, we would like to set up an inspection.

22              I assume they don't do that at every  
23      home, but they do it where there may be a  
24      question.

25              It is very difficult, Mr. Glancey,

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       for us to explain to people how their taxes go  
3       up, when no one really made a personal visit.

4               Or, you know, we hear your plea to  
5       people to make sure they have photographs,  
6       they talk about the discrepancies. If we move  
7       forward to something different that's  
8       better -- and I underline "better" -- will we  
9       ever get to the point when we do equalization,  
10      come up with a more formal -- and I assume you  
11      would need more money -- to physically inspect  
12      our inventory to be able to determine with a  
13      professional opinion the value of a property?

14             Because, again, it is all I hear.  
15      How do they know what my property is worth,  
16      they never were in it. Then I tell them  
17      somebody rode by or walked by. It really  
18      doesn't cut it.

19             MR. GLANCEY: That's a really good  
20      question. Let me start by going to the  
21      beginning of it.

22             Probably not. It will cost over \$26  
23      million to send individuals into everybody's  
24      house in the City of Philadelphia.

25             That's what was spent in Year 2002

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       in Allegheny County just to have people -- I  
3       mean, they did the whole process, don't get me  
4       wrong. But that was going into every  
5       property.

6               Now, let me give you some comfort,  
7       having said no about that. The comfort level  
8       is that there are probably four data elements  
9       that will give you 90 to 95 percent of the  
10      value of a property.

11             One is location. You don't need to  
12      go into a house to see the location. I mean,  
13      you are there, you are outside.

14             Two is the square footage. We can  
15      get that square footage on a house that's sold  
16      and look at properties that are very similar.

17             And let me add -- and this is a  
18      terrific new tool that we have not yet  
19      utilized, we will utilize it in the summer,  
20      but we now have it. I have it on my PC. It  
21      is called pictometry.

22             Pictometry has the entire City of  
23      Philadelphia photographed for us. All of our  
24      evaluators will have that.

25             You can zoom in to -- I don't know

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2       what the angle is, but I have done it on my  
3       machine. You can zoom in and see your  
4       property, Councilman.

5               I can then take the mouse and  
6       outline your property, and it will tell me the  
7       size of the lot that your property is on. And  
8       it will also, if I do it properly and use  
9       another tool, it will tell me the square  
10      footage of your property to within 6 inches.

11             So we will have the square footage  
12      and the location. That's two elements.

13             The third element is the condition  
14      of the property. Condition of the property,  
15      at least exteriorly, we can do.

16             And here is where we fall a little  
17      bit. We are never going to be appraisers. I  
18      mean. Our folks have -- are appraisers, but  
19      we can't appraise every property. We are  
20      assessors/evaluators. So that means we have  
21      to do it in a mass fashion.

22             So those three elements, coupled  
23      with, what did I say, the size, the location,  
24      the condition, and -- I forget what the fourth  
25      element is. But that will get us about 90

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       percent. And we don't need to go inside  
3       usually to get that kind of information.

4               COUNCILMAN RIZZO: You have to come  
5       up with a new name for that technology. Say  
6       it again.

7               MR. GLANCEY: Pictometry. It is  
8       like a picture.

9               COUNCILMAN RIZZO: Is it online?

10              MR. GLANCEY: No. We are a  
11       licensee, along with, I believe, the police  
12       department, maybe L & I, the GIS of the City  
13       of Philadelphia.

14              And we have paid into this fund. We  
15       are all sharing it. All these departments are  
16       sharing it. So it is not something that will  
17       be on mine that you can get.

18              COUNCILMAN RIZZO: So the Fire  
19       Department, if there was a fire in a  
20       particular address, they could actually, at  
21       command headquarters, get a feel for what they  
22       are dealing with.

23              MR. GLANCEY: These pictures were  
24       taken in December. So if the fire takes place  
25       between this December and next December, you

1 OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2 will see what the building was.

3 I don't know. The fire departments  
4 should be part of this. The Streets  
5 Department should be part of it, as well.

6 COUNCILMAN RIZZO: The Fire  
7 Department should be. There is nothing more  
8 important to see something, especially --

9 MR. GLANCEY: And that's a separate  
10 tool, over and above what we are talking about  
11 doing with our other vendors.

12 But it is a terrific tool for our  
13 people. Because what it does is, save our  
14 folks from having to go out, take the tape  
15 measure or the little walking stick that you  
16 see appraisers use, and do that. They can do  
17 it in the office.

18 COUNCILMAN RIZZO: Were the pictures  
19 taken by satellite?

20 MR. GLANCEY: No; they were taken by  
21 airplane that made north-south east-west  
22 grids. The angles are all oblique angles, so  
23 you can do a 360 in all of these buildings.

24 In playing with it myself, it is  
25 extraordinary. You can find decks that you

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2       wouldn't be able to see from the street and  
3       you wouldn't want to trespass on somebody's  
4       property. You can see other structures that  
5       might be in somebody's backyard that you may  
6       never know of.

7               One thing about privacy that I think  
8       is good about this, nobody is interested in  
9       anybody's window. Once you get to, like, 200  
10      percent, the pixels break up. So that you can  
11      never really -- it is very difficult to see a  
12      human being.

13             You can see cars, you can see  
14      dumpsters, you can see air conditioners, and  
15      big air conditioners, and fireplaces, that add  
16      value to properties.

17             COUNCILMAN RIZZO: I would like to  
18      see it some time. I will stop by.

19             MR. GLANCEY: I will be happy to  
20      show you.

21             COUNCILMAN RIZZO: Thank you, Madam  
22      Chair.

23             PRESIDENT VERNA: You are welcome.  
24      Councilman O'Neill is next.

25             COUNCILMAN O'NEILL: Why, yes, Madam

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2       Chair. Thank you.

3               First I would like to, again -- I  
4       don't know how many years I have got left with  
5       Mr. Glancey, one of us or the other -- but I  
6       want to just say publicly any chance I guess  
7       that no one will ever go before a public body,  
8       a tribunal, and have a better experience,  
9       whether they win or lose, because of the way  
10      they are treated, and the way they are treated  
11      by Mr. Glancey and his Board.

12              PRESIDENT VERNA: The Chair agrees.

13              COUNCILMAN O'NEILL: But I hope that  
14      when the day does come -- and I hope it is not  
15      DROP oriented, because I think Mr. Glancey is  
16      a good example of the exception why we should  
17      keep somebody after DROP, if they are in a  
18      special situation, particularly with all this  
19      going on, with the changes at the Board -- but  
20      that it comes from -- the person that's  
21      appointed to replace him, when it does happen,  
22      is someone on the Board. Because I would hate  
23      to see an outsider, not knowing the rich  
24      history of the fine treatment citizens  
25      receive, to try to duplicate it.

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04

2               So, secondly, for one -- so, first I  
3       am hoping you stay. And, secondly, for one of  
4       your team to replace you.

5               But having said that, I will  
6       disagree with you on the example that  
7       Councilman Clarke asked for and put a pitch in  
8       for caps, at some fairly low level, maybe 3 or  
9       4 percent. I think 4 is too high.

10              It must have been election euphoria  
11      or something last year. I don't know. But I  
12      know 10 percent is the Center City number, and  
13      3 or 4 percent is the neighborhood number.  
14      But, let me give this scenario.

15              I can protect Councilman Clarke's  
16      situation with caps. I can tell you that  
17      unless Brewerytown is different than all the  
18      other areas that have been redeveloped, not  
19      just in Philadelphia, but around the country,  
20      that the prices won't match the 250's or  
21      whatever the prices are across the street, but  
22      they are going to go up astronomically the  
23      closer you are to the Brewerytown project.

24              And once that block is done, it is  
25      going to go back. And that's a good thing for

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       anybody who is selling. It is a bad thing for  
3       anybody who is staying there.

4               And I believe that caps are the way  
5       you protect and serve long-term homeowners who  
6       have invested and continue to invest in the  
7       community. Because they are sitting on an  
8       asset that is yielding nothing, that is not  
9       related to their income.

10              And, yes, we wish everyone the  
11       success. These people would not be hammering  
12       Councilman Clarke if they had a cap, because  
13       they would know that 3 or 4 percent is  
14       something that they don't have to worry about,  
15       like they have to worry about some other  
16       incremental increase, 10 percent being the  
17       lowest anybody has mentioned in a buffering  
18       situation.

19              And I can tell you, if those houses  
20       go up the way I think they will, based on  
21       these numbers, 25,000 across the street from  
22       250,000, buffering is going to be the same as  
23       a cap. Because these people are never going  
24       to get out of the buffer.

25              The 10 percent, which is what a lot

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       of people are still talking about now as a  
3       buffer, the same people that wanted the 10  
4       percent cap and thought it was fine are going  
5       to have a forever buffer. If they can't go up  
6       more than 10 percent in a year, it is going to  
7       be all the time.

8               And 10 percent is a lot in a given  
9       year for somebody who is going to die in their  
10      house, or who doesn't have a lot of income,  
11      who is not working, a fixed income.

12             So this may be a good reason to look  
13      at our -- revisit our cap situation. And we  
14      are not the only place. We wouldn't be the  
15      only place in the country that has it.

16             A whole lot of jurisdictions have  
17      these. They don't call them caps, there are  
18      other fancier names for them, but amounts to  
19      the same thing.

20             Can't go up more than a certain  
21      percentage a year. And it makes the person  
22      still vote for Councilman Clarke and not be  
23      mad at him because their house is going up in  
24      value, which is a good thing normally.

25             So I think with some modest caps we

1       OPERATING BUDGET - BILL NO. 020455 - 5/3/04  
2       can help that person, we can help Councilman  
3       Clarke, and still give the city some increased  
4       revenue from a very unfair tax.

5               Thank you.

6               PRESIDENT Verna: Thank you.

7               Any other questions or comments from  
8       members of the committee?

9               Seeing none, thank you. Thank you  
10       very much.

11               This committee will stand in recess  
12       until tomorrow, May 4, at 9:30. Thank you.  
13       4:30 p.m.

14               (Public Hearing adjourned at 4:30  
15       p.m.)

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C E R T I F I C A T I O N

I HEREBY CERTIFY that the  
foregoing proceedings of the Council of the  
City of Philadelphia of Monday, May 3, 2004,  
were reported fully and accurately by me, and  
that this is a correct transcript of same.

RE: COMMITTEE OF THE WHOLE

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DEBRA A. WHITEHEAD