

1

2

COUNCIL OF THE CITY OF PHILADELPHIA

3

COMMITTEE ON LAW AND GOVERNMENT

4

- - -

5

Room 400, City Hall
Philadelphia, Pennsylvania
Tuesday, December 13, 2005
10:30 a.m.

6

7

- - -

8

9

PRESENT:

10

COUNCILMAN JAMES F. KENNEY

COUNCILMAN JACK KELLY

11

COUNCILMAN RICHARD T. MARIANO

COUNCILWOMAN DONNA REED MILLER

12

COUNCILMAN MICHAEL A. NUTTER

COUNCILMAN FRANK RIZZO

13

COUNCILMAN BRIAN J. O'NEILL

14

BILL 050344 - An ordinance providing for the
submission to the qualified electors of the
City of Philadelphia of an amendment to the
Philadelphia Home Rule Charter regarding City
Council approval of rates and charges fixed by
the Water Department...

15

16

17

RESOLUTION 050355 - Resolution proposing an
amendment to the Philadelphia Home Rule
Charter regarding City Council approval of
rates and charges fixed by the Water
Department...

18

19

RESOLUTION 050869 - Resolution authorizing
City Council's Committee on Law and Government
to hold public hearings on reestablishing the
Veterans' Advisory Commission...

20

21

22

- - -

23

V A R A L L O Incorporated
Litigation Support Services
Eleven Penn Center
1835 Market Street, Suite 600
Philadelphia, Pennsylvania 19103
215.561.2220 215.567.2670.

24

25

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 COUNCILMAN KENNEY: Good
3 morning, ladies and gentleman. I
4 apologize for the delay.

5 The Council Committee on Law
6 and Government is now in session, with a
7 quorum consisting of Councilmembers
8 Rizzo, Councilmember Mariano,
9 Councilmember Kelly and -- Councilman
10 O'Neill, are you on the Committee?

11 COUNCILMAN O'NEILL: No.

12 COUNCILMAN KENNEY: Councilman
13 O'Neill is sponsor of one of the bills,
14 and Councilman Nutter is on his way or
15 has been in already.

16 So the first issue we're
17 dealing with today is Bill No. 050344,
18 which is an ordinance providing for the
19 submission to the qualified electors of
20 the City of Philadelphia of an amendment
21 to the Philadelphia Home Rule Charter
22 regarding City Council approval of rates
23 and charges fixed by the Water Department
24 for supplying water and sewage disposal
25 services, as approved by resolution of

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 the City Council; fixing the date of a
3 special election for such purpose;
4 prescribing the form ballot questions to
5 be voted on; and authorizing the
6 appropriate officers to publish notice
7 and to make arrangements for the special
8 election.

9 We will also hear testimony on
10 Resolution No. 050355, which is a
11 resolution proposing an amendment to the
12 Philadelphia Home Rule Charter regarding
13 City Council approval of rates and
14 charges fixed by the Water Department for
15 supplying water and sewage disposal
16 services, and providing for the
17 submission of the amendments to the
18 electors of Philadelphia.

19 The Chair recognizes
20 Councilmember O'Neill.

21 COUNCILMAN O'NEILL: Thank you,
22 Mr. Chairman. I thank the Committee for
23 allowing me to testify today.

24 This is a first step. I don't
25 expect the bill to be reported out of

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 Committee today, but I hope it's the
3 beginning of some discussion about the
4 one area where people have substantial
5 bills in this City that there is
6 absolutely no oversight over, and it's
7 something that started in 1951 in the
8 Charter where the Water Commissioner has
9 always had the absolute right to raise
10 rates. But I would just give some
11 perspective.

12 I bought a rowhome in 1975. I
13 remember getting all my pre-settlement
14 costs, and the water bill estimate for
15 that property, 1,800 square foot
16 Northeast rowhome with a garage on the
17 first floor, was \$15 a quarter, \$60 a
18 year. I assume that back in 1951, it may
19 have been \$5 or \$10 a quarter, not
20 something that I'm sure was a big item on
21 the Charter Commission's agenda.

22 Now the new rates, I believe,
23 are up around \$60 when these rate
24 increases become effective over the next
25 three years for that same property, but

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 it's \$60 a month. That's \$720 a year.

3 That's a 1,200 percent increase in three
4 decades.

5 As bad as gas bills are, they
6 haven't gone up 1,200 percent in the last
7 three decades or anywhere near that.
8 That property has probably gone up 300
9 percent, three times the original value
10 over 30 years, but the water bill is
11 1,200 percent. And I believe that City
12 Council should be responsible to the
13 voters for final approval of water rate
14 increases.

15 I understand the Water
16 Commissioner will testify as to some
17 legal difficulties with that, and I think
18 they can be worked out. Historically,
19 apparently back before 1951, there was
20 some under-funding of the water system or
21 the water infrastructure. I think we're
22 way beyond that at this point. And I
23 understand one of our witnesses from
24 Community Legal Services, who knows a lot
25 more about this than I do, will testify

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 that this doesn't go far enough, that
3 there actually should be an independent
4 body similar to the PUC that would review
5 the Water Commissioner's rate increase,
6 not a Hearing Examiner appointed by the
7 City.

8 It's kind of the fox and the
9 hen house thing where you just knock
10 the -- the Hearing Examiner always seems
11 to just take a shave off of the
12 recommendation. Often times when that
13 occurs, it's a built-in shave that was
14 expected, but it's not what I think the
15 rate payers of this City deserve.

16 And there's also not an
17 incentive to manage well. There's not an
18 incentive to be as efficient as possible,
19 because you basically print money if
20 you're the Water Department. You get to
21 raise rates as your costs go up, but
22 there's no intervening force that keeps
23 those rate increases at a minimum. And
24 that's all I have to say today.

25 I hope this will be a

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 continuing process, and I consider the
3 testimony that I had summarized for me
4 from Community Legal Services to be a
5 friendly amendment.

6 COUNCILMAN KENNEY: Thank you,
7 Councilman.

8 The Chair recognizes Councilman
9 Mariano.

10 COUNCILMAN MARIANO: Thank you,
11 Councilman Kenney.

12 Councilman O'Neill, I
13 appreciate your statements, and I think I
14 understand what you're talking about. If
15 this wasn't the way it was and it would
16 go to per se the Public Utility
17 Commission, I mean, we still have the
18 same problems with other utilities.
19 They're raising -- and you're absolutely
20 right, and they're going to rise because
21 of whatever reasons that you and I cannot
22 affect, no matter Councilpeople or not,
23 but what would you suggest? What's the
24 way out of this?

25 COUNCILMAN O'NEILL: I'm not

1 12/13/05 - LAW - BILL 050344 - RES. 050355
2 suggesting -- I think the Public Utility
3 Commission would be sort of the drastic
4 last step in this evolution, which I hope
5 never gets that far, but let me just say
6 that the last time I heard testimony from
7 the Gas Works since both City Council,
8 which has some say over the Gas Works,
9 and the Public Utility Commission, which
10 now has ultimate say over the Gas Works,
11 had held up a lot of their requests
12 because of their poor collections, their
13 collections have gotten better than the
14 Water Department in less than two years.

15 That's a sad state of affairs,
16 because you can live without gas, not
17 comfortably when it's 18 degrees out, but
18 you can't live for two days without
19 water.

20 Water is something that should
21 have a 99.8 percent collection, because
22 I've seen enough families try to do it.
23 You go about two days, and your neighbors
24 make sure you're out of there if you're
25 not paying your water bill, because

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 there's certain things that happen that
3 people can't live next door to you.

4 So you have the ultimate hammer
5 to be able to turn it off. We have worse
6 collections than the Gas Works. We were
7 only as good as the Gas Works if we took
8 five years of water collections rather
9 than just the one year when all this
10 controversy about poor gas collections
11 occurred just two years ago.

12 The Water Department eventually
13 gets its money, and they have pretty high
14 collection rates if you go over five
15 years. It shouldn't take five years when
16 you can shut something off and two days
17 people can't survive.

18 And we're not talking about the
19 kind of bills -- I said \$60 a month. We
20 all know the gas bills are a lot higher
21 than that. This is a very collectable
22 amount, but I think it's indicative of
23 the fact that there is no true oversight
24 here. And it's not the Commissioner's
25 fault, it's not the Department's fault.

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 It goes back to the Charter when this
3 wasn't a big deal and I'm sure there were
4 problems with water infrastructure. But
5 bills were tiny at that time. They're
6 large now, and I don't think there's any
7 question about it, but I'm not requesting
8 that this be governed by the PUC. Most
9 water companies are, but I think the idea
10 or the suggestion that we'll hear about,
11 an independent review by people who are
12 knowledgeable.

13 I mean, let's face it, we
14 wouldn't be knowledgeable when it came to
15 you. We'd be learning this, but I still
16 think it's our role. We're not budget
17 specialists either, and there's a whole
18 lot of things we're not experts on. We
19 take the best evidence we get. We have
20 the best staff work, and we try to
21 combine the two and make good judgments.
22 But the more information we have, the
23 better off we are with judgments, and I
24 wish I had thought about that as another
25 step in the process.

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 COUNCILMAN MARIANO: Thank you,
3 Councilman. Your idea about the
4 collections is something I didn't think
5 about. It makes it make more sense.
6 Thank you.

7 COUNCILMAN KENNEY: The Chair
8 recognizes Councilmember Rizzo.

9 COUNCILMAN RIZZO: Thank you,
10 Councilman O'Neill.

11 One of the things I guess I've
12 wondered about is the fact that the Water
13 Department does not actually collect the
14 revenue. Have you looked at or is there
15 any statistics or any thoughts about the
16 fact that another department entirely,
17 the Water Revenue Department, is
18 responsible for the collection? Would
19 there ever be a day where that maybe
20 should be a Water Department function
21 itself, or do you believe it's okay where
22 it is? Because Water Revenue, I don't
23 know how motivated they are to collect
24 money, like you identified early, the
25 motivation. They get what they get and

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 the Water Department just raises the
3 rates if they don't get enough.

4 Should there be some
5 consideration of how that is structured?

6 COUNCILMAN O'NEILL: That may
7 be a totally separate issue. I'd save
8 that for another day. I just point out
9 that -- I mean, the Water Department
10 eventually gets to a pretty high
11 collection rate, but five years means
12 that there's collection agencies,
13 attorneys involved and less revenue
14 collected. I just think with a
15 relatively small bill, still 60 compared
16 to the gas bills and electric bills is
17 small, but you have the ultimate weapon,
18 water. It's the one thing -- you can't
19 bring a space heater in, you can't run
20 things off the other utility, electric
21 running instead of gas. People use an
22 electric burner if they're not paying
23 their gas. They use a gas burner if
24 they're not paying their electric.
25 Water, you can't function.

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 COUNCILMAN RIZZO: Thank you.

3 COUNCILMAN O'NEILL: Something
4 called toilets.

5 COUNCILMAN KENNEY: Councilman
6 Kelly.

7 COUNCILMAN KELLY: Thank you,
8 Councilman, for your testimony this
9 morning. I just have, I guess, a
10 question. It has to do with following up
11 on Councilman Rizzo's question on
12 collections.

13 I think I would probably put
14 this to the Water Commissioner rather
15 than anyone, because I would like to know
16 the rate of collections and how they're
17 collecting, but I think one of the
18 problems that we're facing, and I'm sure
19 he's going to point it out, is the
20 infrastructure problems.

21 Now, I know they've been
22 raising these rates over the years
23 because of probably the infrastructure of
24 Philadelphia is a very old one and
25 they're replacing probably the whole

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 system eventually. I don't know where
3 we're at on that, but I know over the
4 last probably ten years, they've been
5 working on this, and I think that's
6 probably one of the reasons that they're
7 going to be using to justify the
8 increases.

9 COUNCILMAN O'NEILL: Well, I'm
10 not here to fight the increase at this
11 point. It's already been approved.
12 Infrastructure is a viable and very sound
13 reason for a rate increase if you've got
14 to replace things, but that should be all
15 laid out and reviewed. It shouldn't just
16 be this is what the Water Commissioner
17 says it should be. I'm an absolute czar
18 in this area, except I hire a Hearing
19 Examiner to review it and make a
20 recommendation, which I don't even have
21 to follow.

22 COUNCILMAN KELLY: Thank you.

23 COUNCILMAN KENNEY: Thank you
24 very much.

25 Anyone else testifying on this

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 bill? I think the Water Commissioner has
3 testimony that's been submitted.

4 Excuse me. I'm sorry. Anyone
5 from the Administration here at all to
6 say anything on the record? If you'd
7 like, yes.

8 Please identify yourself for
9 the record.

10 COMMISSIONER BRUNWASSER: Good
11 morning, Councilman Kenney and other
12 members of the City Council. My name is
13 Bernard Brunwasser. I'm the Water
14 Commissioner, and if I may, I'd like to
15 read my testimony into the record.

16 COUNCILMAN KENNEY: Well, what
17 I would suggest, since it's about seven
18 pages long, is, we'll submit the entire
19 testimony to the stenographer. I think
20 maybe you could hit some of the salient
21 points that you think should be talked
22 about in today's discussion. If you'd
23 like to read the whole thing, that's
24 fine, but we all have a copy of it, the
25 stenographer has a copy of it, and if you

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 want to just highlight some -- since the
3 bill is not coming out of Committee
4 today, if you want to just highlight some
5 of your issues.

6 COMMISSIONER BRUNWASSER: Can I
7 give you a somewhat shortened version,
8 then?

9 COUNCILMAN KENNEY: Sure.
10 Thank you.

11 COMMISSIONER BRUNWASSER: Thank
12 you.

13 I'm here to testify on Bill No.
14 050344 and Resolution 050355. These
15 bills are designed to transfer final
16 water and sewer rate-making authority
17 from the Water Department to the City
18 Council. It is my strong opinion that
19 this bill and resolution should be
20 withdrawn.

21 In the first decade of the 20th
22 century, the citizens of Philadelphia
23 were coping with hundreds of deaths from
24 typhoid fever each year. The death toll
25 peaked in 1906, just about 100 years ago,

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 with a loss of 1,063 citizens. The large
3 number of typhoid deaths forced the City
4 to adopt the filtration process for its
5 drinking water supply.

6 When the first filtration
7 plants were built a few years later, they
8 were considered outstanding engineering
9 accomplishments of their day.
10 Unfortunately, this momentum to improve
11 water quality soon ended as a result of
12 two world wars, a depression and the
13 inclination of City leaders at the time
14 to use water and sewer funds at their own
15 discretion.

16 The utility went into a long
17 period of decline, and by the 1930s and
18 '40s, Philadelphia's drinking water and
19 river environment were a laughing stock.
20 It was said that one could stand at City
21 Hall and smell either the Delaware or the
22 Schuylkill River depending on which way
23 the wind was blowing. The rivers were
24 for factories and refineries, not for
25 marinas and condos.

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 As noted in the Water
3 Department's Annual Report of 1952, and I
4 quote, In more recent years, however, the
5 water works system began to suffer from
6 lack of sufficient funds for proper
7 operation, from lack of maintenance and
8 failure to renew depreciated equipment,
9 and from lack of funds for new
10 construction to keep abreast of expanding
11 demands and modern practice, unquote.

12 The Water Department was given
13 the authority to set rates by the Home
14 Rule Charter in 1951. The Charter on
15 Page 81 goes on to explain why this power
16 was granted. Quote, The Water Department
17 is to fix and regulate rates and charges
18 for supplying water and sewage disposal
19 services so that this function will not
20 be subject to the political pressures
21 that have been brought to bear upon
22 Council when it has undertaken to perform
23 this task. Rate-making for utility
24 services has long been regarded as being
25 primarily an administrative function

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 subject to legislative standards, and
3 this section follows this practice.
4 Council is to ordain the standards
5 pursuant to which rates are to be fixed,
6 a proper function of the legislative
7 branch, and the Department is to fix
8 rates within such standards, an
9 appropriate function of the
10 administrative branch, unquote.

11 The public outcry about the
12 City's poor water quality had made the
13 new reform government of Joseph Clark
14 take notice and resulted in the transfer
15 of the water and sewer utility into the
16 hands of professionals who were somewhat
17 insulated from public and political
18 pressure when determining the funding
19 requirements necessary to maintain an
20 efficient and professional utility.

21 With the adoption of the new
22 City Charter and under the leadership of
23 Commissioner Samuel Baxter, the utility
24 prospered and finally began to build long
25 promised wastewater treatment facilities

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 in the mid 1950s, facilities that were
3 first recommended as an essential step to
4 protecting the public health in the early
5 decades of the 20th century.

6 New and improved water
7 treatment plants soon followed, along
8 with universal metering and other major
9 advancements. The progress has continued
10 up to the present day. Today, the
11 Philadelphia Water Department is
12 considered a model public utility, a
13 utility that supplies drinking water of a
14 quality that substantially meets and
15 exceeds purity goals set far higher than
16 any of those required by state and
17 federal regulation and one that processes
18 wastewater to award-winning levels,
19 overseeing the cleanest water environment
20 in 150 years. Thereby, protecting our
21 watersheds to keep our streams and rivers
22 clean.

23 I and my predecessors have had
24 many opportunities over the past years,
25 during both the annual and capital budget

1 12/13/05 - LAW - BILL 050344 - RES. 050355
2 reviews, to share with you our successes
3 in cost containment and revenue
4 enhancement. Council has direct
5 authority to approve appropriations for
6 both the Water Department's operating and
7 capital fund. All the costs included in
8 the existing Water Department cost of
9 service rates are based on those
10 appropriations.

11 In terms of rates, we continue
12 to have some of the lowest rates in the
13 region for water, wastewater and
14 stormwater services. The Water
15 Department has had great success in
16 containing costs, increasing employee
17 productivity and improving services.
18 These cost-saving measures have succeeded
19 in keeping our services high and our
20 rates low.

21 From fiscal '96 through fiscal
22 '04, the Water Department increased rates
23 in four of those nine years, for a total
24 increase for residential customers of
25 only 8.4 percent during that entire

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 nine-year period. That was less than
3 half of the rate of inflation, even
4 though inflation was low during that same
5 period.

6 However, the costs of providing
7 services, including personnel, debt
8 service, chemicals, gasoline,
9 environmental mandates and increased
10 security, have continued to rise, and as
11 a result, the Water Department increased
12 rates beginning last February.

13 Compared with eight local
14 utilities serving the Delaware Valley,
15 Philadelphia's rates for residential
16 water service are lower than all but one
17 local provider, the City of Trenton.
18 That's for water. They're slightly lower
19 right now. Our sanitary sewer rates are
20 the lowest of all local providers
21 surveyed.

22 Now, the current rate process
23 we believe has tremendous checks and
24 balances in it, and we approve the actual
25 rates, of course, under the Charter, but

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 we have to ensure that those charges
3 cover the operating expenses and debt
4 service obligations. The Water
5 Department-related revenues are placed in
6 a separate Water Fund account.

7 The standards established by
8 City Council in The Philadelphia Code at
9 Sections 13-101 and 13-201 provide
10 further direction to the Water
11 Department. These sections establish
12 basic standards of fairness and equity.
13 Rates for each class of customer are
14 based on the actual cost of service.
15 There can be no cross subsidies between
16 classes of customers. There is no
17 provision in the City Code regarding the
18 affordability of water and sewer rates,
19 except for the discounts provided to
20 qualifying senior citizens and charities.

21 All proposed changes in rates
22 must be submitted to City Council 30 days
23 in advance of a formal filing with the
24 City Department of Records. Under the
25 Water and Sewer General Bond Ordinance,

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 the Water Department is not permitted to
3 operate at a loss. To do so would result
4 in the violation of the Department's bond
5 covenant.

6 In 1992, the Water Department,
7 in coordination with Community Legal
8 Services and City Council staff members,
9 established the current rate process
10 regulations. The rate process was
11 modeled on the rate proceedings in place
12 at the Public Utility Commission. The
13 regulations authorized the Mayor, City
14 Council President and City Controller to
15 jointly appoint a Hearing Officer to
16 oversee the rate-setting process and a
17 Public Advocate to challenge the
18 necessity of a rate increase. Any
19 affected member of the public can appeal
20 the rate filing and become a party to the
21 formal technical hearings.

22 In fiscal 2001 and fiscal 2005
23 rate filings, the parties included large
24 commercial customers, senior citizen
25 advocates, the Interfaith Coalition on

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 Energy, multi-family property owners and
3 managers. CLS has been consistently
4 chosen as the Public Advocate.

5 This process takes
6 approximately one year and costs the
7 Department in excess of \$1 million per
8 rate case, including significant outlays
9 for funding of the Public Advocate and
10 their experts, the Hearing Officer and an
11 outside rate consultant and a substantial
12 amount for advertising.

13 The regulations provide for an
14 extraordinarily open process, with
15 disclosure of the Water Department's
16 supporting documentation for the rate
17 increase, the examination of Water
18 Department personnel and other City
19 witnesses, expert testimony and testimony
20 in opposition to the rates. The Hearing
21 Officer is charged with managing both the
22 technical hearing process and receiving
23 testimony from the general public at
24 scheduled public hearings. The Water
25 Commissioner does not participate in the

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 rate hearings.

3 At the conclusion of the
4 hearings, the Public Advocate, the Water
5 Department and all other parties may file
6 briefs and reply briefs in support of
7 their various positions. The Hearing
8 Officer reviews all testimony and, based
9 on the records, provides the Water
10 Commissioner with a report and a
11 recommended decision on the rates.

12 The Water Commissioner, in
13 making his final determination, must
14 fully consider and give substantial
15 weight to the Hearing Officer's report.
16 If the Commissioner disagrees with the
17 report, he must state the reasons for
18 that disagreement, citing to support in
19 the record for his decision. The
20 Commissioner's rate determination can be
21 appealed by any party to the Court of
22 Common Pleas.

23 The current water rate process
24 provides for many checks and balances and
25 for significant oversight by the public.

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 So basically what we're saying is that
3 the rate process that's currently in
4 effect works. It's very extensive, it's
5 very comprehensive, and it's very open.

6 There is abundant evidence that
7 the system I have just described is
8 working. It is not, as some may believe,
9 a rubber stamping of the Water
10 Department's rate filing. For example,
11 during the 2005 rate process, after the
12 experts for the Public Advocate and the
13 commercial consortium reviewed evidence
14 and testimony, the Water Department
15 agreed that certain reductions could be
16 made from the original rate filing.
17 These reductions were incorporated into
18 the Water Department's brief with a
19 reduction in proposed rates.

20 The Hearing Officer's report
21 recommended further reductions. I
22 accepted some, but not all of the Hearing
23 Officer's reductions in my final
24 determination. Where I disagreed with
25 his report, I believe there was

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 significant evidence in the record to
3 support my decision.

4 During the course of this
5 process, the overall rate proposal was
6 reduced by about 36 percent from an
7 overall about 43 percent rate increase
8 over four years to 27.65 percent over
9 four years, resulting in \$116.3 million
10 in reduced revenue over the rate period.
11 Neither my fiscal 2005 rate determination
12 nor Commissioner Kishinchand's fiscal
13 2001 rate determinations were appealed by
14 any of the parties.

15 The process we now have works
16 well. It complies with the guidelines
17 outlined by the framers of the Home Rule
18 Charter, yet provides for significant
19 public input. It does not allow politics
20 to enter into the process, nor should it.

21 Nearly all of the Water and
22 Sewer Bonds now in circulation were
23 issued under the 1993 General Revenue
24 Bond Ordinance. This ordinance provides
25 the basis of covenants or contract terms

1 12/13/05 - LAW - BILL 050344 - RES. 050355
2 under which the bonds were issued. The
3 bond covenant regarding rate-setting
4 authorities states, quote, Under the
5 Charter, the Water Department is
6 empowered and required to establish, one,
7 rates for water and wastewater service in
8 accordance with standards ordained by
9 City Council, but without further
10 authorization required by City Council,
11 at levels which provide sufficient
12 revenue to meet operating expenses of the
13 water and wastewater systems, including
14 interdepartmental charges for services
15 provided to the Water Department, and,
16 two, debt service requirements on all
17 obligations issued for the Water
18 Department, as well as other specific
19 covenants of the General Ordinance,
20 unquote.

21 I have been advised by the Law
22 Department that the proposed amendment to
23 the Charter would be in direct conflict
24 with a bond ordinance and this covenant.
25 As a consequence, if the amendment was

1 12/13/05 - LAW - BILL 050344 - RES. 050355
2 passed, the City would be in breach of
3 its bond covenants. Bond holders and the
4 trustee for those bond holders would have
5 various rights that they could pursue
6 against the City. Among these are
7 invalidating the Charter change or
8 requiring immediate redemption of all the
9 bonds.

10 The invalidation of the Charter
11 change would likely last for the term of
12 the longest bonds, or about 25 years. If
13 a redemption requirement were imposed on
14 those bonds, the Water Fund would face
15 very large transaction costs. Currently,
16 there are about \$1.9 billion in water and
17 wastewater bonds outstanding, and the
18 transaction costs for refinancing could
19 be over \$50 million.

20 Most of the bonds were issued
21 at interest rates lower than the
22 now-current interest rates so that
23 refinancing would have significant
24 increased interest costs to the rate
25 payer. Redemptions would also result in

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 the imposition of a substantial call
3 premium for bonds for which the call date
4 has not yet been reached.

5 I am also concerned that the
6 proposed Charter change will be perceived
7 very negatively by the bond-rating
8 agencies and investors. Over the years,
9 I've seen many statements in investor
10 reports that list the Water
11 Commissioner's authority to set rates as
12 a positive attribute of the City's Water
13 Fund. Often it was one of the few
14 positives among negative attributes, such
15 as declining population base and low
16 General Fund bond rating.

17 Bond insurers, institutional
18 investors, private bond holders and
19 others have a keen interest in who sets
20 the rates for this utility. Rate-setting
21 by a political body would be viewed as a
22 negative by those financial experts and
23 investors, and would make Philadelphia's
24 water and sewer revenue bonds less
25 desirable.

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 Thank you for allowing me this
3 time to share my views on this very
4 important matter to the City and to the
5 Water Department. I hope you will
6 consider my concerns as this Committee
7 goes into its deliberations. I would be
8 happy to answer any of the questions that
9 you have.

10 Thank you.

11 COUNCILMAN KENNEY: Thank you
12 for your testimony.

13 Councilman O'Neill.

14 COUNCILMAN O'NEILL: Yes.

15 Commissioner, you mentioned
16 that your rates are pretty competitive
17 with the area. An investor-owned utility
18 has to pay taxes and also has to provide
19 investment return to its investors,
20 right?

21 COMMISSIONER BRUNWASSER:
22 Correct.

23 COUNCILMAN O'NEILL: There's a
24 lot of pressure with those additional
25 costs that you don't have.

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 COMMISSIONER BRUNWASSER:

3 Correct.

4 COUNCILMAN O'NEILL: You just
5 have to make sure you have enough money
6 to operate.

7 COMMISSIONER BRUNWASSER:

8 Right, and meet our bond requirements.

9 COUNCILMAN O'NEILL: Right.

10 Well, that's part of your operation.

11 COMMISSIONER BRUNWASSER: Yes.

12 Yes.

13 COUNCILMAN O'NEILL: If you
14 were put under the authority of the PUC
15 or some other independent regulatory body
16 that would have ultimate approval over
17 rates, let's assume first just the PUC,
18 would that put all our bonds in jeopardy?

19 COMMISSIONER BRUNWASSER: I
20 would have to explore what that would be,
21 what that would mean. I think it's clear
22 and I have --

23 COUNCILMAN O'NEILL: I can
24 assure you it wouldn't put our bonds in
25 jeopardy. Maybe having a political body

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 somebody can make a case, but I really
3 don't think if you had an independent
4 body like the PUC or a similar agency,
5 that anyone would question that the
6 decisions on rates are not political.

7 So I appreciate your legal
8 advice. I'll have it checked on the
9 Council review, but I've already stated I
10 really think there should be somebody
11 with a lot more expertise than Council
12 that stands in the middle between you and
13 us. Right now we're totally unregulated.
14 Council review would just be one level of
15 regulation, but I do believe there
16 probably should be a very forceful level
17 that is similar to the PUC. And I don't
18 think it would have any impact on our
19 bonds at all.

20 COUNCILMAN KENNEY: Thank you.
21 Councilman Kelly.

22 COUNCILMAN KELLY: Yes.
23 Good morning, Commissioner.

24 COMMISSIONER BRUNWASSER: Good
25 morning.

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 COUNCILMAN KELLY: According to
3 your testimony, you're the one that sets
4 the rates for your department.

5 COMMISSIONER BRUNWASSER: Yes.

6 COUNCILMAN KELLY: Now, when
7 you set these rates, you, of course, take
8 in consideration and can take the
9 recommendations of the Hearing Officer.

10 COMMISSIONER BRUNWASSER: Yes.

11 COUNCILMAN KELLY: But there's
12 nothing to probably force you to take his
13 recommendations. In other words, you are
14 the one that takes the sole
15 responsibility in projecting that.

16 COMMISSIONER BRUNWASSER:

17 That's correct, but if you look back as
18 long as we've had Hearing Officers, and I
19 guess that dates back to the late -- like
20 probably, I think, 1979, in those days,
21 in the early days, the Hearing Officer
22 did not make recommended decisions. He
23 summarized the record. But since the
24 time that Hearing Officers have
25 summarized the records and made a

1 12/13/05 - LAW - BILL 050344 - RES. 050355
2 recommendation to the Commissioners, the
3 Commissioners have not strayed very far
4 from the Hearing Officer's
5 recommendation.

6 COUNCILMAN KELLY: Does a
7 Hearing Officer get involved in actually
8 the functions of your department? In
9 other words, for instance, there's no
10 oversight by anyone, as far as I can see.

11 COMMISSIONER BRUNWASSER:
12 Oversight in what way?

13 COUNCILMAN KELLY: Well, for
14 instance, collectables, the collections.
15 I'm going back to PGW. Whereas until
16 they were taken over by the PUC, their
17 collection rate was horrible, it was
18 terrible, and they were practically in
19 bankruptcy for that whole system of
20 theirs. Now they have to do something
21 and they have to do it because it's an
22 oversight. These people are under the
23 gun.

24 And I don't think it's a bad
25 thing to have somebody reviewing what

1 12/13/05 - LAW - BILL 050344 - RES. 050355
2 you're doing or what your department is
3 doing. If they're operating in an
4 efficient manner to maybe not cut down
5 the cost but maybe cut down the increases
6 as they come up, then this isn't too bad
7 of a bill, as far as I can see.

8 This is something we really
9 have to look at. I think there are ways
10 that we can just hold these increases
11 down. As Councilman O'Neill testified
12 earlier, it's about a 1,200 percent rise
13 over the years.

14 COMMISSIONER BRUNWASSER: Well,
15 if I --

16 COUNCILMAN KELLY: And, there
17 again, it's not your fault, because of
18 the infrastructure problems and a lot of
19 other problems that you have, you have to
20 deal with, but I don't think it's bad to
21 have somebody, really an independent body
22 you might say, to overlook and to review
23 the steps that you're taking to run your
24 department.

25 COMMISSIONER BRUNWASSER: I

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 understand your point. I think our
3 typical bill at this point in time is
4 about \$47 per month, and I think it's
5 scheduled to rise to 53. Obviously, a
6 \$60 bill is not out of whack. It depends
7 on usage, obviously.

8 I was around in the Water
9 Department when these bills began to
10 rise, and they began to rise in the late
11 '70s through 1991. They rose very
12 rapidly because the department was forced
13 to go to full secondary wastewater
14 treatment. We rebuilt three wastewater
15 treatment plants at a cost of close to
16 \$900 million.

17 This was the biggest project,
18 next to the stadiums. In real dollars,
19 it's bigger than the stadiums, because
20 \$900 million in the late '70s and '80s
21 was a lot more money in terms of those
22 years.

23 But we went to full secondary
24 treatment, and basically the water bill
25 was fairly stable, but the sewer side of

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 the bill went up tremendously, not only
3 in Philadelphia but all over the country,
4 because this was a federal mandate. We
5 were fortunate enough to get about
6 two-thirds of that payment from the
7 federal government. And when we took
8 that, we also -- when we took federal
9 dollars, we also promised to have cost of
10 service rates and certain other strings
11 attached, and we did that.

12 Let me say one other thing
13 about not being regulated. In effect,
14 we're regulated by the federal
15 government, the Environmental Protection
16 Agency. We're regulated by the
17 Department of Environmental Protection.
18 We're not necessarily regulated on the
19 dollar amount that we charge, but, again,
20 it's been true for a long time that we
21 are the lowest priced water and sewer
22 utility in the region.

23 COUNCILMAN KELLY: Who sets the
24 rates for the suburban customers?

25 COMMISSIONER BRUNWASSER: Well,

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 for example, you may have seen that Aqua
3 Pennsylvania, which was Philly Suburban,
4 has just recently filed for a new rate
5 increase, and their cost of water is
6 already more than double. I'm talking
7 about the water side now. Their typical
8 bill for water alone is the same as our
9 typical bill for combined water,
10 wastewater and stormwater utility. And
11 with us, 60 percent or more of the charge
12 is the sewer side.

13 It is extraordinarily
14 challenging for us, and what we've done
15 is avoided some of the multi-billion
16 dollar solutions that other cities have
17 had to do recently, Baltimore,
18 Washington, Pittsburgh, go on and on.
19 Most of the large cities who have
20 combined sewer systems like we have have
21 had to sign consent decrees and have been
22 forced to build deep tanks to capture
23 their combined sewer overflows and keep
24 them out of the river.

25 We have to have some

1 12/13/05 - LAW - BILL 050344 - RES. 050355
2 flexibility in our capital program and
3 our operating budget to deal with these
4 issues. Otherwise, if we're slow at
5 meeting federal standards and state
6 standards, we're going to have about a
7 one and a half billion dollar capital
8 problem added to our chores here, and the
9 debt service on that is going to be
10 amazing. And it's happening in many
11 places throughout the country.

12 COUNCILMAN KELLY: Thank you,
13 Mr. Chairman.

14 COUNCILMAN KENNEY: Thank you
15 very much.

16 Councilman Rizzo.

17 COUNCILMAN RIZZO: Thank you.

18 Commissioner, you heard one of
19 my, I guess, question, comments,
20 observations earlier about the collection
21 process and what really motivates you as
22 the Commissioner to collect and what
23 interaction you may have with Water
24 Revenue to collect more money, not just
25 simply say, Hey, look, we have a

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 shortfall, let's raise the rates.

3 A manager, I think, has to be
4 motivated, and I don't really see, but
5 maybe you can explain, your motivation.

6 Being the Commissioner of the
7 Water Department, could you point out
8 anything that you would like to see
9 changed to make that relationship better
10 or point out some things because of being
11 a municipally owned company, facility,
12 what would you do if you could make some
13 significant changes in the remainder of
14 your career to make this a better
15 operation and what could City Council do
16 to help you accomplish that?

17 COMMISSIONER BRUNWASSER:

18 That's a great question, I think.
19 Anyway, first, I want to answer the
20 question about motivation. First of all,
21 we have about 2,000 employees, give or
22 take, in the Water Department and plus we
23 fund people in the Water Revenue Bureau,
24 about 200 or so.

25 We have some great motivation

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 to keep rates low, because each and every
3 one of us lives in the City, or at least
4 are supposed to live in the City. So
5 that all of us are paying these rates as
6 well. I always kid my neighbors that I
7 get free water, but it's just a joke.

8 But we pay these rates just as
9 everyone else does, and our neighbors pay
10 these rates because we're all in
11 Philadelphia, and our families. So that
12 in itself is quite an inducement to keep
13 rates low and to become efficient.

14 Another thing is, we have
15 tremendous pride in the Water Department.
16 We have folks that are in the Water
17 Department 20, 30, 40 years. We had a
18 fellow who just retired a year ago with
19 50 years of service in the Water
20 Department.

21 We have tremendous pride in
22 what we do. We have lots of engineering.
23 We have people who love coming to work
24 and getting the job done. It's just
25 amazing, and we have a lot of pride in

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 what we've done over the last 50 years,
3 which is one of the reasons I'm here
4 today.

5 So we have a lot of motivation,
6 and we're trying to get that motivation
7 over to the Revenue Department, the Water
8 Revenue Bureau, and one of the things we
9 want to do is take them out to some of
10 our facilities and kind of see what their
11 work is helping to support.

12 If you ever see these
13 facilities, I'd be glad to take anyone
14 from City Council to the water and
15 wastewater plants. Some of these
16 facilities are over a mile long, but most
17 of it is underground, and that's where
18 the hundreds of millions of dollars were
19 spent, and most people don't see them.
20 These plants are tucked away under a
21 bridge somewhere.

22 Anyway, so we have a lot of
23 motivation and pride to do a good job.

24 I was involved in rate cases
25 for 20 years and I had to face the public

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 when we raised rates. So I had a lot of
3 motivation to say, Hey, here are where
4 our problems are, this is what we'd like
5 to do.

6 And you bring up our
7 relationship with the Water Revenue
8 Bureau. I think it makes a lot of sense
9 for us to merge with the Water Revenue
10 Bureau and have them become a department
11 of the Water Department. Now, that would
12 take a Charter change also, but the
13 motivation perhaps being close with us
14 would make it -- and answerable on a
15 daily basis would make them a little more
16 responsive, although I think they're
17 trying to do a good job with what they
18 have at the present time.

19 COUNCILMAN RIZZO:

20 Commissioner, I've talked to some people
21 in the Water Department. It's very
22 frustrating to work in a department that
23 responds to do shut-offs and know that
24 there are people out there that owe a
25 significant amount of money to the Water

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 Department, and the next statement is,
3 Well, it's not owed to the Water
4 Department, it's owed to the Water
5 Revenue Department.

6 Could we do a better job if in
7 fact the Water Department was involved
8 making some decisions on who should be --
9 my question is, do you have any input at
10 all or is it strictly a piece of paper
11 that pops out of a computer and we decide
12 whether to turn this one off, leave that
13 one on?

14 COMMISSIONER BRUNWASSER: We
15 work very closely with the Water Revenue
16 Bureau, especially on shut-offs. In
17 fact, we have a fellow that's in charge
18 of shut-offs for us who takes great pride
19 in the success of his unit. He has
20 statistics and he works closely with the
21 Bureau. They are the ones that tell us
22 who to go and shut off, but we have the
23 fellows with the wrenches. And in any
24 given day, he can shut off 500 accounts
25 in a single day.

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 And also when we see that
3 there's a problem, there's an account
4 that continuously turns itself on
5 illegally, eventually they're going to
6 cement that thing. We've also developed
7 our own locks that you place over the
8 valve at the curb stop. To some people,
9 it's a game, but we take it very
10 seriously, and, again, we work closely
11 with the Water Revenue Bureau, and over
12 the past ten years or so, we've really
13 made some improvements that have actually
14 worked out for us.

15 COUNCILMAN RIZZO: Thank you.

16 COUNCILMAN KENNEY: Councilman
17 Mariano.

18 COUNCILMAN MARIANO: Thank you,
19 Councilman Kenney.

20 Commissioner, probably -- I
21 might not be -- but out of the three new
22 water treatment plants, I think I had the
23 pleasure and the displeasure, depending
24 on how you look at it, to work on the
25 construction of two of them. They were

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 big-time jobs and they were big-time
3 money, and I appreciated it at the time.
4 It was a different world, a different
5 time. That money came from the federal
6 government. And I think from listening
7 to you and Councilman O'Neill and
8 Councilman Rizzo and hearing Councilman
9 Kelly and Kenney here, we're just trying
10 to figure out to get to one point, but
11 the point keeps coming back in my mind
12 that the water is pretty comparable, the
13 water rates are pretty comparable to our
14 neighbors in other counties, but it's the
15 sewage part. Did I misunderstood you?

16 COMMISSIONER BRUNWASSER: Our
17 water is about half the cost of our
18 neighbors. Most of the people that are
19 outside of Philadelphia, in Pennsylvania
20 at least, are served by Aqua Pennsylvania
21 or Pennsylvania American, and their rates
22 for water are more than double ours.

23 COUNCILMAN MARIANO: But the
24 sewage --

25 COMMISSIONER BRUNWASSER: The

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 sewage, they don't know -- they're not
3 sewer purveyors, and some of our
4 suburbanites have cesspools. Some of
5 them pay large fees on a quarterly basis
6 or what-have-you, and many of them pay
7 for their sewage and stormwater in their
8 taxes. They don't know how much they're
9 paying.

10 Those utilities, I think it's
11 in the testimony, a little table there,
12 those utilities around us that do sewage
13 treatment are more expensive than us on
14 the sanitary sewage basis. Nobody
15 outside of Philadelphia knows how much
16 they pay for stormwater. We know that,
17 too, and that goes into the service
18 charge, and that's why the service charge
19 is relatively high, because stormwater
20 happens whether you use water in your
21 house or not.

22 COUNCILMAN MARIANO: How are we
23 compared to the other major cities? Like
24 I think you spoke about Baltimore, New
25 York and Boston.

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 COMMISSIONER BRUNWASSER:

3 Right.

4 COUNCILMAN MARIANO: They have
5 the combined water and sewage? Are they
6 on the same system we're on?

7 COMMISSIONER BRUNWASSER:

8 Right.

9 COUNCILMAN MARIANO: And are
10 about the same age?

11 COMMISSIONER BRUNWASSER: Yeah.

12 We're similar. We're sort of in the
13 middle of the boat when we compare
14 ourselves to those utilities. However,
15 many of them don't include the
16 stormwater. So it could be that we're
17 even better off, but some of the factors
18 that we're faced with is, we have a
19 fairly high utility bill here in this
20 region compared to some other regions in
21 the country. And utilities -- I mean,
22 electric for us, just like for the
23 Streets Department, is a huge ticket
24 item, and so you have those kinds of
25 differences. Each utility in certain

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 regions is a little bit different.

3 Now, if you take a look at
4 other sections of the country, you take a
5 look at the southwest, you want to talk
6 about how expensive water is, you can't
7 imagine some of the places.

8 COUNCILMAN MARIANO: Because of
9 the climate and the weather and the way
10 it rains?

11 COMMISSIONER BRUNWASSER:
12 Right. It's a scarce commodity and it's
13 priced that way, and many of them, the
14 more you use, the higher your rate.

15 COUNCILMAN MARIANO: Thank you,
16 Commissioner.

17 Thank you, Councilman.

18 COUNCILMAN KENNEY: Thank you
19 very much.

20 Any more questions for the
21 Commissioner?

22 COMMISSIONER BRUNWASSER: Can I
23 make one point? I just got reminded of
24 something, and I'm sorry Councilman
25 O'Neill is not here, but I think under

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 our rules, I think putting us under the
3 PUC would be a major problem for
4 bond-rating agencies and under our
5 ordinance as well.

6 COUNCILMAN KENNEY: I'm sure
7 all of this will be discussed during the
8 course of the ongoing discussion about
9 this issue, so thank you very much.

10 COMMISSIONER BRUNWASSER: Sure.

11 COUNCILMAN KENNEY: Anyone else
12 to testify on this bill?

13 Please come forward.

14 Good morning. Please identify
15 yourself for the record.

16 MR. HOCHMAN: Sure. My name is
17 Bruce Warren Hochman. I'm a resident,
18 I'm a taxpayer, and I'm coming here to be
19 in -- to agree to the proposals of
20 Commissioner O'Neill on 044 and 045 -- or
21 055 (sic). Excuse me. This is my first
22 experience here. You'll have to forgive
23 me.

24 COUNCILMAN KENNEY: Just take
25 your time. You're everybody's friend up

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 here. You're okay.

3 MR. HOCHMAN: Well, I know most
4 of you. Surprised the heck out of me
5 this morning anyway.

6 I live in the Northeast. I
7 have been paying my water bills on time,
8 but I'm in the \$80 range per month
9 because we use quite a bit of water. I
10 have a son that wishes to take a shower
11 every day and hold back nothing for 20
12 minutes at least.

13 COUNCILMAN KENNEY: That could
14 be a good thing, too.

15 MR. HOCHMAN: But something,
16 quote/unquote, stinks here.

17 COUNCILMAN KENNEY: Not your
18 son.

19 MR. HOCHMAN: And I'm going to
20 put this in perspective. The first thing
21 a person coming into the airport in
22 Philadelphia smells is the sewage plant,
23 and it's the last thing a visitor smells
24 as he leaves Philadelphia, is a sewage
25 plant. That's what I mean, something

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 stinks here.

3 I'm not saying that the people
4 are not doing their job, but it is
5 odiferous, is a good word, especially in
6 the summertime.

7 But I'm looking at the
8 standpoint of having an oversight
9 committee to check with -- having checks
10 and balances within the system. We
11 cannot as taxpayers keep going to
12 meetings and requesting a Board to take a
13 label to a Commissioner who has oversight
14 to everything and doesn't matter what he
15 says or comes from the public. Even
16 though he takes it into consideration
17 does not mean that he will follow it.

18 We need assistance. We are
19 getting into higher, higher rates of
20 taxation without representation in this
21 situation. It's not a fair situation.
22 And that's what I'm coming here to state,
23 and that's what I've done.

24 Thank you.

25 COUNCILMAN KENNEY: Thank you

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 very much for your testimony.

3 Any questions for this witness?

4 (No response.)

5 COUNCILMAN KENNEY: Thank you
6 for taking the time to come in and
7 express your views.

8 MR. HOCHMAN: Thank you.

9 COUNCILMAN KELLY: Good to see
10 you, Bruce.

11 COUNCILMAN KENNEY: Anyone else
12 on this bill?

13 Please come forward.

14 Good morning. Please identify
15 yourself for the record.

16 MR. BELO: I'm Talmadge Belo.

17 I'm a resident of North Philadelphia.

18 Some of the other titles I hold, I'm the
19 Vice-President of the Brewerytown Civic
20 Association, and that's a 501(c)(3)

21 non-profit in the North Philadelphia

22 area, Brewerytown to be more specific.

23 I'm also the Eastern Region Staff

24 Director for the SEIU Local 668 of the

25 Pennsylvania Social Services Union,

1 12/13/05 - LAW - BILL 050344 - RES. 050355
2 changed to Win, which is the new founding
3 fathers of our new union. We're also the
4 second largest union in the State of
5 Pennsylvania.

6 Good morning, Councilman.

7 COUNCILMAN KENNEY: Good
8 morning, sir.

9 MR. BELO: Today I'm here to
10 give testimony in support of Resolution
11 050344 and the -- correction, 355 as
12 corrected, which intends to amend the
13 Charter to allow City Council to have a
14 say on the approval of the increases of
15 the water and sewer rates if the voters
16 approve that amendment in the May
17 elections.

18 My first thoughts when
19 considering the proposal was that of
20 Mrs. Elvira Loney of the 2400 block of
21 Turner Street in the North Philadelphia
22 area. Ms. Loney is a senior citizen in
23 her 80's who lost her husband of 50-plus
24 years about two years ago. I talked to
25 her last night. I asked her about this.

1 12/13/05 - LAW - BILL 050344 - RES. 050355

2 When her husband passed away,
3 she was left with a much-reduced fixed
4 income. Her life has been a struggle
5 ever since. This wonderful lady
6 struggles to maintain an independent
7 existence in a home she and her late
8 husband worked hard to purchase. But as
9 we all know, her everyday expenses
10 continue to grow literally, without
11 mercy. Her water and sewage, along with
12 the other utilities, continue to increase
13 in costs whenever the Commissioners
14 decide an increase is necessary.

15 These actions may, in fact, be
16 necessary. However, there are no checks
17 and balances, as we said, that look out
18 for the Elvira Loneys and the hundreds
19 and thousands -- or thousands of others
20 like her in the City of Philadelphia, and
21 that's the great City of Philadelphia.

22 So I speak to the approval of
23 the amendment, and I thank you for your
24 attention.

25 COUNCILMAN KENNEY: Thank you

1 12/13/05 - LAW - BILL 050869

2 very much for taking the time to come in
3 and testify. Thank you.

4 Anyone else on these two
5 issues?

6 (No response.)

7 COUNCILMAN KENNEY: Councilman
8 O'Neill, I assume you're going to be
9 working with the Department to have some
10 further discussions on where we're going
11 with this issue.

12 COUNCILMAN O'NEILL: Yes.

13 COUNCILMAN KENNEY: Thank you.

14 The next issue for the
15 Committee today is Resolution No. 050869,
16 which is a resolution authorizing City
17 Council's Committee on Law and Government
18 to hold public hearings on reestablishing
19 the Veterans' Advisory Commission and its
20 appointment of members thereof by
21 revitalizing the Commission's mission and
22 restructuring the Commission's funding.

23 I would just like to read a few
24 opening remarks to give you some idea as
25 to the genesis of this issue and the

1 12/13/05 - LAW - BILL 050869

2 direction we would like to be going.

3 In 1957, Philadelphia's City
4 Council established the Veterans'
5 Advisory Commission to work with
6 appropriate governmental agencies engaged
7 in the distribution of veterans' benefits
8 and to advise veterans of those to which
9 they are entitled. This Commission was
10 also presumed to periodically report to
11 the Mayor and Council their findings and
12 proposals for relevant legislation.

13 While the Commission was
14 effective for a number of years, it has
15 regrettably become inactive, resulting in
16 strained resources, loss of communication
17 between the Commission and City Council
18 and between the Commission and veterans
19 organizations throughout the City.

20 A major setback for the
21 Commission includes the failure to
22 replace Commissioners who pass away or
23 resign. Presently, the seven-member
24 Commission consists of two Commissioners
25 and five vacancies. Additionally, the

1 12/13/05 - LAW - BILL 050869
2 Commission has not filed an annual report
3 since September 1966.

4 There is also a need to modify
5 the member veterans organizations to
6 permit relevant organizations to
7 participate. While the resolution
8 identifies these relevant organizations,
9 I must recognize other groups that were
10 unintentionally not mentioned in the
11 initial resolution. They are the Vietnam
12 Veterans Memorial Society, the 82nd
13 Airborne, the United Veterans Council of
14 Philadelphia and Philadelphia Stand Down
15 and Philadelphia Municipal Employee War
16 Veterans Association.

17 Taking steps to revitalize the
18 Commission and its mission will certainly
19 prove beneficial to the City's nearly
20 190,000 veterans and their families, and
21 significantly assist the Commission's
22 Director and staff with daily operations
23 and services.

24 I strongly support increasing
25 the number of appointed Commissioners

1 12/13/05 - LAW - BILL 050869
2 from seven to nine, or even more, to
3 provide the opportunity for veteran
4 representation from around the City.
5 Furthermore, I think it is necessary to
6 establish a meeting schedule and identify
7 Commissioner responsibilities.

8 I want to thank everyone who
9 has come here today. I know many of you
10 veterans are used to hurrying up and
11 waiting, and we've made you wait a little
12 longer today. We appreciate your
13 patience.

14 I want to thank everyone for
15 their support and attendance while we
16 discuss what I think is a very pressing
17 issue in light of what our country is
18 going through now and currently and in
19 recent years the veteran populations
20 continuing to grow, and I think it's very
21 important that we have a thorough
22 discussion of this issue and hopefully,
23 through the course of this process, come
24 out with an additional resolution or
25 ordinance that will reestablish the

1 12/13/05 - LAW - BILL 050869
2 Commission, make recommendations coming
3 from the veterans community on who should
4 serve on this Commission, and also trying
5 to deal with the funding issues that have
6 plagued the Commission and also try to
7 find some outside funding sources that
8 may want to match what the City is
9 willing to provide.

10 So I would like to first offer
11 testimony, which is written testimony, in
12 support of this effort from Lance Haver,
13 who is the Consumer Affairs Director for
14 the Administration, and ask Ed Lowry and
15 Tom Murtha to come forward, and Tom
16 Finnerty, if you want to come up also to
17 begin your testimony.

18 Good morning. Please identify
19 yourself for the record and proceed.

20 COMMISSIONER LOWRY: Good
21 morning. My name is Edward J. Lowry.
22 I'm the Executive Director and Founding
23 Director of the Philadelphia Veterans
24 Multi-Service Center and one of the two
25 remaining Commissioners on the

1 12/13/05 - LAW - BILL 050869

2 Philadelphia Veterans Advisory

3 Commission.

4 I have served the veteran
5 community in Philadelphia for 25 years
6 and have served on the Advisory
7 Commission since 1984. I was originally
8 appointed by then-Council President
9 Joseph Coleman.

10 I would like to thank you,
11 Councilman Kenney, Councilman DiCicco,
12 for co-sponsoring this bill and the
13 members of this Committee for the
14 opportunity to testify in support of this
15 critically needed resolution.

16 The support and endorsement of
17 this resolution will help ensure that our
18 City's present and future veterans'
19 voices will be heard. Your endorsement
20 of this resolution will send a positive
21 message of support to the City of
22 Philadelphia veterans population, young
23 and old, male and female, and also to
24 those serving to protect us from
25 terrorism.

1 12/13/05 - LAW - BILL 050869

2 The City of Philadelphia has a
3 proud history of service to our country
4 and, over the years, has always had one
5 of the highest ratios per capita of
6 veterans that serve in uniform.

7 In 1957, when Resolution 123
8 was recommended and approved by City
9 Council, it addressed the informational
10 benefits, educational and legislative
11 needs of World War I, World War II and
12 Korean War veterans. The veteran service
13 organizations of that time, 48 years ago,
14 were well represented and given the
15 opportunity to recommend and/or place
16 members on the Advisory Commission to
17 represent them.

18 Since that time, much has
19 changed in the Philadelphia veteran
20 community. We, as a nation, have been
21 involved in several wars, conflicts and
22 military actions, which have all resulted
23 in the need of additional benefits,
24 programs, services and legislative
25 action. New veteran service

1 12/13/05 - LAW - BILL 050869

2 organizations have surfaced to address
3 the needs and concerns of their veteran
4 peers.

5 It is common knowledge that
6 over the past 10 to 15 years, the
7 Veterans Advisory Commission has become
8 inactive and strained. As the faces,
9 ages and needs of our veteran population
10 have changed, the Commission members, the
11 veteran service organizations and the
12 directions, the goals and objectives of
13 the Advisory Commission office have not.

14 The need for the
15 reestablishment of the Veterans Advisory
16 Commission is critical for several
17 reasons. One, to give the newer veteran
18 organizations a voice on the Commission;
19 two, to reactivate and revitalize the
20 Commission to effectively and efficiently
21 address the changing need of all our
22 City's veterans, young, old and in the
23 future; and, third, to act as a liaison
24 between our Mayor, City Councilmembers,
25 cabinet members, City agencies and the

1 12/13/05 - LAW - BILL 050869

2 Mr. Finnerty give his testimony and then
3 we'll have whatever comments.

4 MR. FINNERTY: Good morning,
5 Councilman and members of the Law and
6 Government. My name is Thomas P.
7 Finnerty, Director of Veterans Advisory
8 Commission.

9 We are here today to discuss
10 the reconstruction of the Commission
11 members to the Advisory. In doing this,
12 the Advisory could work with members in
13 making this office more productive to
14 veterans' concerns. With an active
15 Commission, we could also have someone to
16 act as a liaison with Council and the
17 Mayor's office. It also would enhance my
18 work with the veterans organizations and
19 the following duties of our office.

20 We are responsible for the
21 following: Administering state benefits.
22 This is a huge portion of our work. We
23 have a program for war-time veterans who
24 have fallen on hard times. The program
25 is called the Emergency Assistance.

1 12/13/05 - LAW - BILL 050869

2 Response to the City's
3 observance of Veterans Day; ordering and
4 distributing flags for Memorial Day and
5 grave markers; assist and direct veterans
6 and their families with the benefits,
7 entitlement, filling out and processing
8 necessary forms; investigating and
9 arranging burials for indigent veterans
10 that remain in the City morgue; and to
11 attend meetings at the VA Hospital and
12 the VA.

13 The only drawback to our office
14 is that we are not handicapped
15 accessible. Only good can come from this
16 reconstruction. We are all here to help
17 our fellow veterans. We're happy to help
18 assist with the reconstruction of the
19 Commission.

20 I would be glad to address any
21 questions at this time. Thank you.

22 COUNCILMAN KENNEY: Thank you
23 very much.

24 I'd first like to just
25 compliment Mr. Finnerty and Joyce McHugh

1 12/13/05 - LAW - BILL 050869

2 on their extremely hard work in that
3 office. They are by themselves. They're
4 doing their best every day with a minimal
5 amount of resources, and they really do
6 show us that they care. And I think that
7 we owe them, no matter how long Tom stays
8 here with us on staff, to show them that
9 we really want to make the commitment
10 that they've made over the years to
11 serving veterans.

12 With a lot of things, good
13 ideas sometimes fall by the wayside and
14 we don't pay attention to them, but I
15 know that two of you have paid attention
16 to this every day, and I think that you
17 deserve a reconstituted Commission with
18 active members who come up with ideas,
19 who are willing to see those ideas
20 through by fighting for budget resources
21 from the City, by going outside and
22 trying to find foundations and other
23 resources to really make this an
24 effective agency that it once was back in
25 the '50s and '60s.

1 12/13/05 - LAW - BILL 050869

2 So I appreciate you coming in.
3 I know Councilman Kelly has a comment,
4 and I'd like to recognize him.

5 MR. FINNERTY: Councilman, we
6 have another woman down there whose name
7 is Maddie Johnson, and she's a big part
8 of the team, because it's a three-member
9 team. When I went --

10 COUNCILMAN KENNEY: You're the
11 two I most see, but Ms. Johnson, I'm
12 sure, is as active and hard-working as
13 you guys are, too. So thank you for
14 correcting me.

15 MR. FINNERTY: Right.

16 COUNCILMAN KENNEY: Councilman
17 Kelly.

18 COUNCILMAN KELLY: Thank you,
19 Mr. Chairman.

20 I just want to put a comment
21 out, that I can't think of a more worthy
22 group of people to be helping than our
23 veterans. Because if not for our
24 veterans, none of us would be sitting at
25 this table. And I think that I want to

1 12/13/05 - LAW - BILL 050869

2 commend you, I want to commend your hard
3 work and your efforts to help our
4 veterans in any way possible, and I think
5 this Council also agrees. Thank you,
6 gentlemen.

7 COUNCILMAN KENNEY: I also
8 think one of the important things that
9 this Commission -- and the goal of this
10 Committee is to work over the next month
11 or two. I don't want to drag this out
12 forever. I'd like to really come to some
13 conclusion over the next 30, 60, 90 days
14 so that we can come back with a piece of
15 legislation, either ordinance or
16 resolution, that would specifically name
17 the new members of the Commission, with
18 agreement from all the veterans groups,
19 and lay out what their duties are and
20 attempt to really address some of the
21 budget issues.

22 So I'd really like to come back
23 with a piece of legislation that we could
24 pass before we leave in the spring to get
25 this thing rolling.

1 12/13/05 - LAW - BILL 050869

2 Councilman Mariano.

3 COUNCILMAN MARIANO: Thank you,
4 Councilman Kenney.

5 I'd first like to start out by
6 saying kudos to Councilman Kenney and
7 Councilman DiCicco for bringing this up.
8 This has probably been long overdue.

9 I have a question for
10 Mr. Lowry, and it's historical. If you
11 started this in 1957, I guess most of the
12 people -- you were the young guy when it
13 started. Most of the people were World
14 War II and Korean veterans.

15 So through what we know this
16 happening to World War II veterans, I
17 hear a staggering figure like thousands
18 of them die a day or a week. I don't
19 know which figure is right, but it is a
20 thousand, and if it's a day or a week,
21 it's amazing, because they're basically
22 in their 90's.

23 Is that what happened to this
24 Commission? It wasn't a lack of City
25 government not paying attention. Is it

1 12/13/05 - LAW - BILL 050869

2 just because of the attrition of the
3 older age or the seniority of the people
4 that were on it?

5 COMMISSIONER LOWRY: Well,
6 first of all, in 1957, I was in grade
7 school, so I wasn't on the Commission. I
8 was appointed in '84.

9 COUNCILMAN MARIANO: I didn't
10 think you were on in '57. You said '84,
11 I think.

12 COUNCILMAN KENNEY: You had a
13 rough paper route.

14 COMMISSIONER LOWRY: Right.

15 I was appointed in 1984 during
16 the height of the Vietnam Veteran
17 Memorial Fund drive. Chairman Lederer
18 had recommended me for the appointment.
19 And to answer your question, without
20 placing the blame on anyone --

21 COUNCILMAN MARIANO: That's not
22 my intention. I just wanted to get to
23 that point.

24 COMMISSIONER LOWRY: I
25 understand.

1 12/13/05 - LAW - BILL 050869

2 COUNCILMAN MARIANO: Because I
3 have a further point after this.

4 COMMISSIONER LOWRY: But what
5 happened basically was, the World War II
6 vets predominantly served on the
7 Committee, and basically over the last 10
8 or 15 years, their average age is
9 probably somewhere between 75 and 85, and
10 that they become older, ill and have
11 other issues in their lives, physical and
12 otherwise. And basically what happened
13 was, because of the inactivity of the
14 Commission itself, some of our elected
15 officials -- over the years, the
16 President of City Council has been
17 responsible for overseeing the Committee,
18 and the few of us that were left, several
19 had died and were dead for ten years
20 before they were taken off the Committee.
21 But basically what happened was, we've
22 made an effort to try to, over the years,
23 revitalize and look forward to some of
24 these ideas. We have no goals and
25 objectives, no oversight. We had no

1 12/13/05 - LAW - BILL 050869
2 Councilmembers on the Committee for
3 probably ten years, and I believe there
4 was always supposed to be at least two, a
5 minority and a majority or just a
6 majority.

7 However, we had no teeth. We
8 were like the watchdog with no teeth.
9 And, therefore, we really tried to make
10 recommendations, we tried to move
11 forward, we tried to revitalize the
12 Committee over the years.

13 And, yes, there are
14 approximately 1,500 World War II veterans
15 dying a day. We're losing about 35,000 a
16 month. I believe at the present time
17 it's down to probably less than 3 million
18 of the 29 million or so that served. So
19 it's the nature of the beast.

20 COUNCILMAN MARIANO: My further
21 point, the reason I asked you that
22 question was, once you understand
23 veterans politics, which I don't claim to
24 understand -- and there are certain
25 levels of veteran politics depending on

21 But that's a big burden on the
22 City of Philadelphia, and I think we do
23 the best we can knowing the information
24 we know. I know both you guys are
25 veterans and probably historically you

1 12/13/05 - LAW - BILL 050869
2 Congressman, is the Chairman of the
3 democratic party that's on the Armed
4 Services Committee. That may be one way,
5 but there must be something that the
6 federal government can help.

7 I know your organization, the
8 Multi-Service Center, does great things,
9 and I think you got some federal money
10 somewhere from one of the Senators or
11 something. That's what we need here.
12 The City can just start it, but pretty
13 much the federal government or someone
14 else has to do this, because this becomes
15 overwhelming just trying to figure out
16 who is who or what's what. That's not
17 making any excuses for anybody or
18 anything that happened in the past. But
19 thanks for your help, guys, because I
20 know you guys both --

21 COMMISSIONER LOWRY: I'd like
22 to just mention one thing, that one of
23 the reasons that I'm really interested in
24 trying to reactivate this Committee, the
25 point that you make is extremely

1 12/13/05 - LAW - BILL 050869
2 important, because I'm only going to be
3 around for a couple more years serving in
4 my capacity hopefully, but we have to
5 relinquish the hats and the buttons and
6 the pins. Like a lot of the older
7 veterans, for example, have a problem
8 with doing that because of being the
9 greatest generation.

10 And basically the issue about
11 the future veterans is right now. I can
12 tell you last year we had 39,000 visits
13 at our small non-profit agency, and we
14 run three homeless programs. We are
15 already seeing homeless Persian Gulf
16 veterans, Iraqi and Afghan veterans that
17 are showing up in the homeless veteran
18 population with serious problems,
19 physical, behavioral health issues,
20 combat-related issues and problems.

21 We have 95 veterans living with
22 us for up to two years in a program we
23 run in Coatesville. We also have a
24 women's shelter there that has 30 beds
25 for female veterans, which have been

1 12/13/05 - LAW - BILL 050869

2 really neglected since they started
3 entering the military.

4 So the future is today really.

5 My concern is, when this Committee is
6 fully functioning and we have a great
7 platform to advise the Mayor and the City
8 Council and our other agencies that are
9 as important within the City because they
10 deal with veterans every day and they
11 should know the issues, but, as I say,
12 we're already seeing the veterans from
13 the war on terrorism. We have probably
14 seen probably 150 to 200 have come back
15 with serious physical wounds, mental
16 wounds, and are seriously suffering from
17 the financial issues of being called to
18 active duty.

19 The hearing that Councilman
20 Kenney had recently really addresses the
21 issues of the National Guard and reserves
22 that we discuss, but that's the tip of
23 the iceberg in a lot of respects, because
24 for the first time in 50 years, we're
25 asking reserves and National Guardsmen to

1 12/13/05 - LAW - BILL 050869

2 do things that they would never have done
3 since Korea.

4 But I really think that this is
5 a great step forward. It's important.
6 And if we're ever going to address the
7 needs of Philadelphia County veterans, we
8 have to do something along these lines to
9 really make it work, because it's all we
10 have.

11 COUNCILMAN KENNEY: See, I view
12 this as a two-pronged process. One is
13 providing the resources to Tom and staff
14 to do the day-to-day service stuff that's
15 necessary, but the other to me is the
16 composition of a Board that has some
17 clout that people will listen to to have
18 the ability not only to deal with county
19 veterans issues, but to look at
20 legislation that may be pending in
21 Harrisburg and be able to be a pulpit to
22 talk to other legislators within the
23 City, outside the City, and to kind of be
24 an advocate out of the largest area in
25 the state to talk about these things.

1 12/13/05 - LAW - BILL 050869

2 I mean, when you think about
3 veterans issues, you think about Veterans
4 Day and you think about World War II and
5 Korea veterans, and, of course, the
6 Vietnam veteran community is very active,
7 but as you said, there's a lot of younger
8 people who are in the service going
9 through some very difficult times and
10 difficult places that are going to have
11 different needs, and those needs need to
12 be addressed on an ongoing basis, not
13 just in a feel-good way.

14 And my goal here is to have the
15 Commission be a source of both
16 information and the ability to get
17 people's attention, so when the
18 Philadelphia Veterans Affairs Commission
19 issues some type of position, that our
20 Congressional delegation pays attention,
21 that the U.S. Senators pay attention,
22 that maybe we can educate them on how
23 they can better serve all veterans, not
24 only of Philadelphia but around the
25 country.

1 12/13/05 - LAW - BILL 050869

2 So I really would like it to be
3 a resource and a clearinghouse of
4 information and an ability to communicate
5 with not only elected officials, but
6 people who run agencies. I mean, look at
7 the connection we have already with the
8 homeless veterans you've talked about,
9 Councilwoman Blackwell's Committee on
10 Homelessness and Housing, our homeless
11 offices in Philadelphia. I mean, the
12 ability to have an Executive Director at
13 a Commission that can coordinate those
14 services specifically designed for
15 veteran needs I think is really what the
16 goal is here. And that's what you put in
17 my head when we had the conversation, and
18 I called to ask him for support on the
19 bills for the reserves and the Guard.
20 You expounded on what you really would
21 like to have seen done with the
22 Commission, and that really was kind of
23 the catalyst for dusting this off and
24 trying to get it back online again. So I
25 want to thank you for bringing that to my

1 12/13/05 - LAW - BILL 050869

2 attention.

3 And, Tom, I know you had a
4 comment you wanted to make.

5 MR. FINNERTY: Yeah. The war
6 that's going on now is the worst war
7 since World War II. I went down to
8 Walter Reed Hospital over Martin Luther
9 King. I rented a van. I took a couple
10 guys down, and we went down there and we
11 stayed over two days. We went to Walter
12 Reed in Bethesda. And if you seen how
13 these guys -- one guy jumped up, had his
14 leg missing and he was going to be an
15 airborne ranger. I mean, they're young.
16 As they get older, the same thing will
17 happen to them that happens to me,
18 happens to Ed. You start breaking down.

19 We have the veterans coming in
20 now, because one of the places they have
21 to put their discharge on down in Room
22 154, then they come up to the office and
23 deal with them.

24 We've seen a couple women
25 veterans, and if you heard the stories

1 12/13/05 - LAW - BILL 050869

2 they tell you, it's tough for a woman
3 veteran to be in war. I mean, I didn't
4 see that in Vietnam. And it's going to
5 be a different operation. People are
6 going to have to be prepared. I think Ed
7 is prepared, I would be prepared, because
8 we've been dealing with this so long and
9 we're compassionate to the veterans'
10 needs. When I retire, I'm still going to
11 be active in veterans' needs. It's
12 something that has to go on. It's like a
13 labor of love.

14 Veterans are hard people to
15 deal with, very, very hard, but you have
16 to be in their face. They're in my face.
17 So we usually -- it's like politics. You
18 work out a compromise, and it works out
19 pretty good. But we're all in for a
20 surprise.

21 Their post-traumatic stress
22 booklet is that thick. Vietnam veterans'
23 was that thick. But the Vietnam veterans
24 fought and fought and fought, and they're
25 still fighting, and we need people to

1 12/13/05 - LAW - BILL 050869

2 give us a hand.

3 COUNCILMAN KENNEY: Some of the
4 things as you're talking about, your
5 testimony is popping ideas into my head.
6 I mean, we have probably one of the most
7 comprehensive medical center research
8 areas in the region. You can rattle off
9 many, many very well-known hospital
10 facilities, teaching hospitals,
11 rehabilitation hospitals, cancer
12 hospital. I mean, you can go on and on,
13 and the ability to try to reach out
14 through a Commission like this to those
15 institutions to be involved in looking at
16 veterans' issues. Perhaps the University
17 of Pennsylvania would want to study
18 something to do with psychiatric issues
19 relative to people coming home from Iraq
20 and the Gulf.

21 There's a myriad of
22 possibilities to bring in, not just
23 government resources, but outside
24 institutions in the City and in the
25 region to help with this issue to get

1 12/13/05 - LAW - BILL 050869

2 everybody on board in recognizing the
3 contributions that the veterans have made
4 and trying to deal with some of their
5 special problems as a result of their
6 service.

7 So, I mean, there is an
8 unlimited amount of opportunities, I
9 think, but you really do need a voice
10 that has some clout and that has some
11 standing in the government that can go
12 out and seek out that kind of help.
13 That's what excites me about this whole
14 idea, is there's so many different -- I
15 mean, all of our educational
16 institutions, for example. How do we
17 plug in our veterans coming back that may
18 be disabled or have some difficulties in
19 readjusting to work life to get them in
20 some training program that they would be
21 willing to sponsor. I mean, there's so
22 many opportunities.

23 So I just think it's the right
24 thing to do and I think it's long overdue
25 and I'm glad we're starting to kick it

1 12/13/05 - LAW - BILL 050869

2 back in play again.

3 Councilman Rizzo, do you have
4 anything to say?

5 COUNCILMAN RIZZO: No.

6 COUNCILMAN KENNEY: Any other
7 comments?

8 (No response.)

9 COUNCILMAN KENNEY: I thank you
10 for your testimony. We'll be working
11 with staff here, both tech staff, tech of
12 the Commission that exists and my staff
13 here, to try to come up in the next
14 hopefully 60 days or so with some piece
15 of legislation to get this thing moving
16 again. So thanks for coming in.

17 COMMISSIONER LOWRY: Thank you
18 for your effort.

19 COUNCILMAN KENNEY: Thank you.

20 Is there anyone else to
21 testify?

22 Please come up.

23 Good morning. Please identify
24 yourself for the stenographer.

25 MR. PLENSKOFSKI: John J.

1 12/13/05 - LAW - BILL 050869

2 Plenskofski. Born in Philadelphia
3 November the 6th, 1926, 1937 South 4th
4 Street. My father was a Philadelphia
5 police officer, died in the line of duty
6 August the 8th, 1927. I was nine months
7 old.

8 I served in the United States
9 Army during World War II, August '44 to
10 September '47. I reenlisted for Korea
11 August the 21st. I got shot in Korea.
12 Two months and nine days later my mother
13 got a letter. I wasn't even in the Army.

14 I spent four months in a
15 hospital, come back with a 100-something
16 disability rating, gun shot wounds,
17 partial paralysis in my right arm,
18 shoulder, frostbite in my hands and feet,
19 so forth and so on.

20 I always said Korea was
21 America's forgotten victory. I found the
22 Philadelphia-Korean War Memorial with two
23 other Korean veterans starting in 1987.
24 I got the battle casualty list for 2003.
25 2,333 men from Pennsylvania was killed in

1 12/13/05 - LAW - BILL 050869

2 action, missing in action, died in
3 captivity.

4 We contacted Councilman Francis
5 Rafferty, and Mr. Kelly was a member of
6 the Commission then, with Brian O'Neill,
7 Thatcher Longstreth. We had Resolution
8 1154 passed, establishment of the Korean
9 War Memorial of Philadelphia. We named
10 our chapter after Private First Class
11 Stanley Gogoj, who was killed in Korea
12 June the 30th, 1950, five days after the
13 war began on June the 25th, 1950. We
14 named our Korean War veterans chapter
15 after him.

16 We hold our meetings in Am-Vets
17 Post 100 February 24, 1991. We had 38
18 veterans of the Korea War. So that's why
19 we named our chapter, the 38, Stanley
20 Gogoj, after the first man killed in the
21 Korean War.

22 I raised most of the money,
23 over a million dollars, to get that
24 Memorial built, yet I have nothing to
25 say, because politics took over. We need

1 12/13/05 - LAW - BILL 050869

2 more people like this gentleman over
3 here, who represents all veterans, not
4 certain groups.

5 I'm a life member of the 106
6 Infantry Division. I served in World War
7 II. I served in 24th Infantry Division
8 in the Korean War. I'm a life member
9 there. I belong to the Life Member
10 Military, earned a Purple Heart, Disabled
11 Veterans, Am-Vets. I can keep going on
12 ranting and raving.

13 Korea lost 37,000 men. That
14 means 1,000 men in eight months died over
15 there. It's rated as our country's worst
16 wars for the amount of time and the men
17 that served there. I don't know if you
18 ever heard of James Garver Maverick. He
19 served in A Company, Fifth RCT. We had a
20 man in our chapter who won the
21 Congressional Medal of Honor.

22 We had over 1,000 men killed in
23 the 5th Regimental Combat Teams attached
24 to every division that was in Korea. The
25 last man that was killed in the Korea War

1 12/13/05 - LAW - BILL 050869

2 happened to come from Company K, 5th
3 Infantry Regiment, who was attached to
4 the 45th Division. His name is Sergeant
5 Harold Cross.

6 We was the first ones to meet
7 the Chinese at the last week of October
8 1950 up by the Yellow River with the
9 British 27th Brigade. I'm a walking
10 encyclopedia about the war because I
11 spent so much time.

12 When I can raise the money
13 through the efforts of Congressman Lucien
14 Blackwell, contact Mayor John Street for
15 the 50th anniversary of making
16 arrangements to have that ceremony -- he
17 pledged he could be able to raise
18 \$650,000. I got \$100,000 installed into
19 the 1998-'99 state budget to start
20 construction. We hired Frank Fatetta in
21 1992. And he knows me. I have the
22 original plans and the design of that
23 Memorial. We did everything, but yet I
24 have nothing to say. You know why? I
25 tried to protect our rights from being

1 12/13/05 - LAW - BILL 050869
2 infringed upon. In plain words, I'm an
3 outcast because I ask too many questions.
4 We need a man like this and a few others,
5 the younger veterans, to be on this Board
6 so we have a legitimate complaint. We
7 have a voice to say what we did.

8 I think it's a slap in the face
9 to me and other veterans of the Korea War
10 who served there to have nothing to say
11 about this Memorial down there at
12 Foglietta Plaza. I tried to get that
13 Korean War Memorial site named after
14 Lucien Blackwell, and there was
15 name-calling about it by certain people.

16 I could cause a lot of
17 problems, which I don't want to do, but
18 my concern is, I want to protect my
19 rights as much as I can at 79 years old.
20 I don't know how long I'm going to be
21 around. And I'm the type of a person,
22 like some members of your City Council,
23 who will defend theirselves when the time
24 comes and necessity. And my concern is,
25 like I said, we have nothing to say or do

1 12/13/05 - LAW - BILL 050869
2 about that Memorial even though we raised
3 the money. And the Memorial has been
4 copyrighted on under our name, PFC
5 Stanley Gogoj, Chapter 38 in the Library
6 of Congress, March 1994. I was told we
7 turned it over. I never turned it over.
8 I never turned that copyright over
9 neither, because I got the copies right
10 here. I can prove anything I say or put
11 into writing.

12 Fairmount Park Commission,
13 1992, from Delaware Avenue to Mather
14 Street to Second Street and Spruce
15 Street. We received a letter right here
16 -- okay to mention his name? Who
17 assisted to raise the money? He never
18 raised the money for us.

19 I think I was misled, deceived.
20 I found out there our members, our Board
21 of Directors, were meeting with a lawyer,
22 which I don't care to mention his name.
23 He controls the Memorial, and yet he is
24 not man enough to serve in the military.
25 I think he always watched too many Marine

1 12/13/05 - LAW - BILL 050869
2 movies when he was growing up. He has
3 aspirations, because he put a First
4 Marine Division plaque down there that
5 says World War II, Korea, Vietnam,
6 Southwest Asia for a Vietnam veteran who
7 lives in Bucks County, Richie Gresco. He
8 had won a Navy Cross in Vietnam.
9 Supposedly he jumped on a grenade. He
10 has a tear in his meniscus, I think, in
11 his right leg. I got tears in my
12 meniscus from being hit by kicussion
13 (ph). I got a Great Conduct Medal.

14 Now, I'm not being smart, but
15 when you have to go through what I went
16 through, get removed from the Board of
17 Directors to change the corporation to
18 Friends of the Korea War Memorial, that
19 Memorial has been started by 1992.
20 Believe me, I got the papers that can
21 prove it. I can cause a lot of trouble.
22 But I'm looking to protect my rights, our
23 rights. We want a person like that man.
24 I seen him come down at ceremonies to
25 honor Korean veterans.

1 12/13/05 - LAW - BILL 050869

2 I lost 21 members of our
3 chapter. I got two members in the
4 hospital. 25 men that would be. I think
5 it will be 23 men, who died waiting to
6 see the Memorial get built.

7 Like I said, I'm 79 years old.
8 I got a lot of medical problems. I have
9 nothing against Mr. Lowry or
10 Mr. Finnerty, because I had a petition
11 submitted to Anna Verna to get
12 Mr. Finnerty in the job as the Director,
13 not the assistant, because he does a good
14 job. Sometimes me and him have a
15 disagreeance. If you have a
16 disagreeance, it's just -- we all have
17 the right to opinion. And as some
18 members of the Board -- Frank Rizzo knows
19 me, Rick Mariano, Jack Kelly when he had
20 black hair. Let's go back.

21 COUNCILMAN KELLY: You're going
22 back some now, John.

23 MR. PLENSKOFSKI: I had hair.

24 Like I said, it's really
25 something to spend that much time and

1 12/13/05 - LAW - BILL 050869

2 have nothing to say. But we really need
3 an Advisory Board or the Veterans
4 Affairs, or whatever it is. Here you are
5 in City Council. And when I can't say
6 nothing, nobody ignores me, there goes
7 that goofy Pollock ranting and raving
8 again -- I heard that name many a time.
9 And who sponsored my father's name was
10 nothing but Congressman Bob Brady at 5th
11 and Snyder. I know Bob Brady fairly
12 well.

13 And like I just said, I don't
14 want to take up your time. I see Frank
15 Rizzo looking, but, like I said, my
16 concern is a person like me who raised
17 most of the money, did his best to work
18 with other people, wind up get a Memorial
19 built, compiled the names of 605 men
20 certified that was killed in the Korea
21 War.

22 We have a Marine down there,
23 Frederick W. Mausert, III, that comes
24 from Dresher, Montgomery County, 7th
25 Marine Regiment, got a Congressional

1 12/13/05 - LAW - BILL 050869
2 Medal of Honor. There's Bruce Mathewson,
3 another Marine from Bucks County. He
4 served in World War II. He got killed at
5 Chosa (ph) Reservoir. We have a black
6 guy, Corporal Levi Jackson, got a
7 Distinguished Service Cross.

8 I contacted Senator Rick
9 Santorum and Senator Arlen Specter. And
10 Richie Gresco wants a Congressional Medal
11 of Honor for what he did? Corporal Levi
12 Jackson as a Distinguished Service Cross
13 was a combat medic, a heavy-weight boxer
14 due to the 24th Infantry Regiment,
15 shielded two men with wounds with his
16 body and gave his life. Who would be
17 more appropriate?

18 So because I pick at that
19 dedication of that first Korean division
20 associated plaque down there on November
21 the 11th, 2003, I got voted off the Board
22 of Directors, because he went down --
23 he's got a hand-picked Board of
24 Directors. That's what gets me. Some
25 are not veterans of the Korea War. Some

1 12/13/05 - LAW - BILL 050869
2 there. He's a veteran, come back from
3 Afghanistan or Iraq. He's the type of
4 people you need down on that Advisory
5 Commission so we could go see and talk to
6 him if we have problems.

7 Frannie Rafferty was the best
8 man we ever had, I think. He's one of
9 the toughest guys, tough Irishman. And
10 if it wasn't for Frannie Rafferty, we
11 wouldn't have got that resolution passed
12 in that ground at Fairmount Park
13 Commission. And that's the way I feel.
14 That's why I'm here for, to try to
15 protect my rights, let other people know
16 what the hell goes on behind closed
17 doors.

18 COUNCILMAN KENNEY: All right.

19 MR. PLENSKOFSKI: I think you
20 need a Veterans Advisory Commission where
21 we could go see somebody, have a hearing
22 before City Council.

23 COUNCILMAN KENNEY: Thank you
24 very much for your testimony and for your
25 historic perspective.

1 12/13/05 - LAW - BILL 050869

2 Frank, do you have anything?

3 Councilman Rizzo.

4 COUNCILMAN RIZZO: I've known
5 John a long time, and I can tell you that
6 this is his life and I think the people
7 that -- and his wife. And I think that
8 the people that need to know, John, know
9 of all your hard work and your commitment
10 to veterans. And, again, it's just been
11 your life. So I just wanted you to know
12 publicly that I've recognized your hard
13 work, and God bless you for that.

14 MR. PLENSKOFSKI: That's okay,
15 but like I just said, I'd like to see
16 some young blood get on the Veterans
17 Advisory Board. Tommy Finnerty, he's
18 getting to be an old man like me. You
19 got Eddie Lowry. They're not spring
20 chickens. You have to move on, and we
21 need some people like this young
22 character who comes over -- I only talked
23 to him two or three times he was up with
24 that Polish guy, that police officer who
25 was shot and killed at the BVM. They're

1 12/13/05 - LAW - BILL 050869

2 mentioning the Plenskofski family. I
3 said to Jimmy Binns, a fighter, they're
4 using my name wrongly. So he come up
5 there. Him and Rick Mariano was there
6 and I --

7 COUNCILMAN MARIANO:

8 Mr. Chairman, for the record, that young
9 fellow that he keeps pointing to over
10 there is Pat Dugan, a member of my staff.
11 We're all aware of Pat Dugan. Pat would
12 stand up, but he got his meniscus
13 operated on yesterday.

14 I can never speak for John, but
15 I think John's heartfelt thanks -- and
16 I've seen Pat do this. On Veterans Day,
17 he speaks to the Korean War veterans and
18 he tells them that he was in Korea with
19 the 2nd Infantry Division way, way after
20 John was there, and he said the South
21 Koreans are very, very thankful for what
22 people like John and Lou Blackwell and
23 all the other names that he mentioned
24 did.

25 And my point, what I had said

1 12/13/05 - LAW - BILL 050869

2 before of the veterans politics, is
3 exactly this. There has to be young
4 people, regardless if it's Pat Dugan or
5 anybody else, just to be able to carry
6 this torch, because we're all going to
7 get old and we're all getting there.

8 MR. PLENSKOFSKI: Do you know
9 the 2nd Infantry Division, Woral Winchell
10 (ph) once said, If you have a son in
11 Korea, write him a letter. If you got a
12 son in the 2nd Infantry Division, pray
13 for them.

14 They have 7,094 men killed in
15 Korea in 37 months. And I don't know if
16 you ever know the light-weight champion
17 of the world. He was formerly a police
18 officer. I can't remember his name now.
19 I'm getting Alzheimer's. But he won a
20 Silver Star and he was from Sweetwater,
21 Texas. He was a light-weight champion of
22 the world, a wild man, but he was a
23 police officer. I just found that out.
24 And he retired.

25 But you talk about 7,094 men

1 12/13/05 - LAW - BILL 050869
2 was killed in 37 months. The 3rd
3 Infantry had 11 Battle Stars. Three
4 Invasion had 4,000 men killed. So in
5 comparison, the battle casualties during
6 the Korean War was more severe than World
7 War II or Korea was. I've always said
8 it's America's forgotten victory.

9 And I had to prove that down
10 there just recently with someone trying
11 to sucker-punch me. So I retired. I had
12 100 fights, 100 losses. So I'm going to
13 retire from fighting people. The only
14 thing I try to do is protect myself. My
15 wife is tougher than me.

16 COUNCILMAN KENNEY: Thank you.
17 Keep ducking.

18 MR. PLENSKOFSKI: I'm from
19 Fishtown originally.

20 COUNCILMAN KENNEY: Thank you
21 very much.

22 We intend to be back here in
23 about two months with something
24 definitive to bring before Council.

25 MR. PLENSKOFSKI: I'm going to

1 12/13/05 - LAW - BILL 050869

2 ask you a -- is that man eligible to run
3 to be on the Board of Advisory because of
4 his experience of being overseas and he's
5 a young blood and --

6 COUNCILMAN KENNEY: It's our
7 intention to work with the veterans
8 community and all the groups that we've
9 mentioned and have them recommend members
10 to the Board to be appointed by the
11 Council President.

12 MR. PLENSKOFSKI: I belong to a
13 lot of veterans organizations you'll be
14 seeing, believe me.

15 COUNCILMAN KENNEY: The purpose
16 of this whole effort is to get the
17 current veterans groups and the newer
18 veterans groups that are involved and
19 have them make recommendations to the
20 Council President for appointment. Okay?

21 MR. PLENSKOFSKI: And you know
22 (unintelligible) carries brother Jackie
23 Dunn. I talked to you before.
24 Stevedore, right?

25 COUNCILMAN KENNEY: Yes.

1 12/13/05 - LAW - BILL 050869

2 MR. PLENSKOFSKI: See you

3 later.

4 COUNCILMAN KENNEY: Thank you

5 very much. Thanks for your attendance.

6 (Committee on Law and

7 Government adjourned at 12:00 p.m.)

8 - - -

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1

2

CERTIFICATE

3

I HEREBY CERTIFY that the

4

proceedings, evidence and objections are

5

contained fully and accurately in the

6

stenographic notes taken by me upon the

7

foregoing matter on December 13, 2005, and

8

that this is a true and correct transcript of

9

same.

10

11

12

13

14

15

16

MICHELE L. MURPHY

17

RPR-Notary Public

18

19

20

(The foregoing certification of this

21

transcript does not apply to any reproduction

22

of the same by any means, unless under the

23

direct control and/or supervision of the

24

certifying reporter.)

25