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COUNCIL OF THE CITY OF PHILADELPHIA
PUBLIC HEARING

3

BEFORE THE COMMITTEE OF THE WHOLE

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- - -
Room 400, City Hall
Philadelphia, Pennsylvania
Monday, April 7, 2008, 10:15 a.m.
- - -

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Bill 080022 - Amending Philadelphia Code re
tax rates, credits, and alternative tax
computation...

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Bill 080157 - Amending Philadelphia Code re
tax rates, credits, and alternative tax
computation...

10

Bill 080160 - Re Parking Tax, establishing
rate of taxation on parking transactions...

11

12

Bill 080164 - Re construction, encroachments,
projections over, on, and under streets...

13

14

Bill 080165 - Re Philadelphia Building
Construction and Occupancy Code, amending fee
schedule for various construction-related
activities...

15

16

Committee Members Present:

17

Anna C. Verna, Chair

18

Marian B. Tasco, Co-Chair

19

Darrell L. Clarke

20

Bill Green

21

William K. Greenlee

22

Curtis Jones, Jr.

23

Jack Kelly

24

James F. Kenney

25

Donna Reed Miller

26

Frank Rizzo

27

Maria D. Quinones-Sanchez

28

- - -

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2 COUNCIL PRESIDENT VERNA: Good
3 morning, everyone. This is a continued
4 public hearing of the Committee of the
5 Whole regarding Bill No.'s 080022,
6 080157, 080160, 080164, and 080165.

7 The first department to
8 testify...

9 MR. McPHERSON: ... is the
10 Department of Licenses and Inspections.

11 (Witnesses come forward.)

12 COUNCIL PRESIDENT VERNA: Good
13 morning.

14 COMMISSIONER ELFREY: Good
15 morning.

16 COUNCIL PRESIDENT VERNA:
17 Please identify yourself for the
18 record.

19 COMMISSIONER ELFREY: I'm John
20 Elfrey, Acting Commissioner for the
21 Department of Licenses and Inspections.

22 COUNCIL PRESIDENT VERNA:
23 Proceed with your testimony, please.

24 COMMISSIONER ELFREY: Good
25 morning, Council President Verna and

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2 members of Council. I am John Elfrey,
3 Acting Commissioner for the Department
4 of Licenses and Inspections.

5 Accompanying me today are key members
6 of the department's management team,
7 including Deputy Commissioner Eileen
8 Evans, Deputy Commissioner Dominic
9 Verdi, and our administrative services
10 director, Bridget Collins-Greenwald.

11 We appreciate the opportunity
12 to present our Fiscal Year 2009
13 Operating Budget request to City
14 Council and to provide you with our
15 plans for the upcoming year.

16 The Department of Licenses and
17 Inspections is requesting a total FY
18 '09 budget of \$40,602,397, of which
19 \$29,635,668 is in the City's General
20 Fund, \$10,250,000 is in the Grants
21 Revenue Fund, and \$716,729 is in the
22 Community Development Fund.

23 The FY '09 request will fund
24 374 General Fund positions and
25 includes a total of \$10 million in

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2 demolition funding.

3 As always, we will continue to
4 prioritize emergency, public safety,
5 and economic development concerns, and
6 will maximize productivity with
7 current resources.

8 The mission of the Department
9 of Licenses and Inspections is to
10 administer and enforce the City's Code
11 requirements for the enhancement of
12 public safety. Through the issuance
13 the building, electrical, fire,
14 plumbing and zoning permits, we will
15 enhance public safety, foster economic
16 development, contribute to healthy and
17 sustainable neighborhoods, provide
18 excellent customer service, and
19 contribute to a high-performing
20 government.

21 Through our inspection
22 process, we will enhance public
23 safety, educate our customers, and
24 improve the quality of life in our
25 city.

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2 Finally, through our licensing
3 process, we will provide exemplary
4 customer service, foster healthy and
5 sustainable neighborhoods, and
6 contribute to the economic development
7 of the City.

8 We will develop plans for
9 publicizing our customer service
10 standards on our website and in
11 waiting areas of the department.

12 We are also working with the
13 Law Department to determine redress
14 standards if do not meet our
15 established goals. We will develop
16 more accurate measures to describe the
17 benefits of the department's
18 activities.

19 Finally, we will coordinate
20 our clean-and-seal, demolition, and
21 inspection activity with the
22 Philadelphia Police Department in the
23 nine designated high-crime areas as
24 well as other sections of the City.

25 We will design our customer

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2 service standards through information
3 gathered from focus groups and
4 customer surveys. We will then
5 implement customized customer-service
6 training to improve the level of
7 understanding of our customers' needs
8 and begin to develop a comprehensive
9 leadership team-building training to
10 ensure that all of our managerial and
11 supervisory personnel clearly
12 understand and are working toward the
13 same customer-service standards.

14 We will electronically store
15 historic zoning information and make
16 it easily available for our customers
17 and staff to access for research. We
18 will also conduct an analysis to
19 determine an appropriate fee structure
20 to offset these costs.

21 We are investigating
22 establishing a local international
23 code council chapter comprised of code
24 officials, design professionals,
25 developers, contractors, and others in

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2 the industry to work outside the Code
3 -- to work together outside the Code
4 enforcement arena to improve the built
5 environment through cooperation,
6 consistency, and integrity. This
7 chapter will also sponsor training
8 seminars on local codes and how to
9 properly submit plans for the City,
10 thus saving customers and employees
11 the time they spend conducting
12 multiple reviews for projects.

13 In cooperation with Licenses
14 and Inspections, the Building Industry
15 Association has recommended that the
16 City more efficiently L&I sections of
17 the public-area concourse in the
18 Municipal Services Building. We will
19 develop a plan to more efficiently
20 utilize the back office space to raise
21 the productivity level of our existing
22 staff.

23 Overall, through the use of FY
24 '09 budgetary funds, the department is
25 committed to achieving the maximum

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2 customer-service satisfaction,
3 contributing to the safety of all
4 citizens, and providing assistance in
5 the areas of neighborhood
6 sustainability and economic
7 development.

8 I would be happy to answer any
9 questions at this time.

10 COUNCIL PRESIDENT VERNA: Thank
11 you very much, Commissioner.

12 Can you tell us how many
13 General Fund positions you were
14 budgeted for in Fiscal 2008?

15 COMMISSIONER ELFREY: Council
16 President, that number is 375.

17 COUNCIL PRESIDENT VERNA: I
18 think -- I believe it was 386,
19 according to the detail.

20 COMMISSIONER ELFREY: The
21 additional people were probably the
22 Vacant Lot folks that are funded under
23 the Managing Director's Office along
24 with the CLIP personnel that would make
25 up the difference.

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2 COUNCIL PRESIDENT VERNA: Would
3 you look at Page 7 of the detail,
4 please.

5 (Witness complies.)

6 COMMISSIONER ELFREY: Yeah, the
7 difference would be with the Vacant Lot
8 folks funded in the Managing Director's
9 Office and the CLIP Program.

10 COUNCIL PRESIDENT VERNA: So
11 who's -- where are they going, to the
12 Managing Director's Office or --

13 COMMISSIONER ELFREY: They've
14 been there for quite some time, ma'am.

15 Licenses and Inspections funds
16 -- I'm sorry. Licenses and
17 Inspections is reimbursed through the
18 Managing Director's Office for the
19 Vacant Lot Program and the CLIP
20 Program.

21 And we'll be happy to provide
22 you a detailed analysis on that, but
23 that's been happening for sometime.

24 COUNCIL PRESIDENT VERNA:
25 Really?

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2 COMMISSIONER ELFREY: Yes.

3 COUNCIL PRESIDENT VERNA: I

4 don't quite understand that, but -- so

5 we're going to have approximately 12

6 positions eliminated or -- explain that

7 to me, because I'm not quite

8 understanding.

9 Somebody's doing the work in

10 your department and they had been in

11 your budget and they're not going to

12 be in '09; does that mean that we're

13 eliminating positions?

14 COMMISSIONER ELFREY: No,

15 ma'am. I don't know that we're

16 eliminating any positions. And we'll

17 be happy to give you a detailed

18 analysis of that.

19 COUNCIL PRESIDENT VERNA: Are

20 you going to look at Page 7 of the

21 detail?

22 COMMISSIONER ELFREY: I'm going

23 to ask Bridget Greenwald to step up.

24 MS. GREENWALD: Good morning.

25 I'm Bridget Collins-Greenwald, the

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2 administrative services director for
3 the Department of Licenses and
4 Inspections.

5 In our target budget in FY
6 '08, we were targeted for 375 General
7 Fund positions. I don't think you're
8 seeing that in the detail on Page 7;
9 you're looking at the original
10 appropriation.

11 COUNCIL PRESIDENT VERNA: But
12 we budgeted for 386.

13 MS. GREENWALD: It was 386. In
14 our target budget, though, for Fiscal
15 Year '08, we were at 375. So
16 basically, our Fiscal Year '09 budget
17 mirrors our Fiscal Year '08 target
18 budget.

19 COUNCIL PRESIDENT VERNA: So
20 it's still a reduction of 12 positions,
21 as we understand it.

22 MS. GREENWALD: There was a
23 reduction from the original
24 appropriation to the target budget last
25 year, yes, but we're actually working

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2 within that target budget right now, so
3 we're actually not really losing a
4 position from where we're at currently.

5 COUNCIL PRESIDENT VERNA: Can
6 you tell us how many vacancies you
7 currently have?

8 COMMISSIONER ELFREY: We have
9 25 vacancies... all of which we're in
10 the process of filling.

11 COUNCIL PRESIDENT VERNA: I beg
12 your pardon?

13 COMMISSIONER ELFREY: All of
14 which we're in the process of filling;
15 we expect to have them all filled
16 within the next three months.

17 COUNCIL PRESIDENT VERNA:
18 That's good to here.

19 COUNCILMAN RIZZO: Point of
20 information, Madam Chair.

21 COUNCIL PRESIDENT VERNA: Yes.
22 The Chair recognizes Councilman Rizzo.

23 COUNCILMAN RIZZO: Could you be
24 specific and tell us where those
25 vacancies are, the 25, for the record,

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2 please?

3 COMMISSIONER ELFREY: Sure. We
4 have nine abatement workers for our
5 clean-and-seal unit, four field
6 investigators, a programmer analyst, a
7 housing -- two housing and fire
8 inspectors, public administration
9 analyst, an engineering specialist, a
10 contract clerk, two civil engineers,
11 three service reps, and two more
12 housing and fire inspectors.

13 COUNCILMAN RIZZO: That
14 obviously would have an impact on any
15 organization, Madam President, so I'm
16 pleased to hear that -- within three
17 months you're telling us --

18 COMMISSIONER ELFREY: We're
19 confident.

20 COUNCILMAN RIZZO: We're going
21 to follow up on that because when it's
22 my turn, I have some questions about
23 field inspections, so we'll talk more
24 about that in a minute, but thank you
25 for reporting that.

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2 COMMISSIONER ELFREY: Okay.

3 COUNCIL PRESIDENT Verna: Are
4 there any existing civil service lists
5 for the vacancies that exist?

6 COMMISSIONER ELFREY: Yes,
7 there are.

8 COUNCIL PRESIDENT Verna: Well,
9 why would it take three months to fill
10 these positions?

11 COMMISSIONER ELFREY: I said
12 for all of them, ma'am. There's lists
13 for some. I think one or two we don't
14 have a list, but I'll be happy to
15 provide that information.

16 We have lists for
17 clean-and-seal workers, and that
18 accounts for nine of the vacancies.
19 We also have lists for some of the
20 inspectors, and we're in the process
21 of interviewing and pulling them off
22 the list.

23 COUNCIL PRESIDENT Verna: And
24 you say that will take three months?

25 COMMISSIONER ELFREY: I said

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2 that would take three -- I'm saying
3 from this point forward for three
4 months, we should have all 25 filled,
5 okay. So I'm not saying for those that
6 have an existing --

7 COUNCIL PRESIDENT Verna: Well,
8 how about the nine that you say we have
9 an existing list for; when would they
10 be hired?

11 COMMISSIONER ELFREY: First
12 week of May.

13 COUNCIL PRESIDENT Verna:
14 That's a little different.

15 Commissioner, you mentioned in
16 your testimony that you will be
17 developing customer-service standards;
18 when do you expect to have them
19 developed?

20 COMMISSIONER ELFREY: Working
21 with Philly Stat and the Managing
22 Director's Office, we hope to have our
23 customer-service standards developed by
24 the middle to the end of May.

25 COUNCIL PRESIDENT Verna: The

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2 revenue projection for your department
3 are \$45.6 million for Fiscal Year 2009.
4 The projections indicate that you will
5 be collecting \$2.9 million from street
6 use, an increase of \$500,000 over
7 Fiscal '08. Can you explain what
8 street use is and how you will be able
9 to generate an additional \$500,000 in
10 '09?

11 COMMISSIONER ELFREY: I'm going
12 to ask Miss Greenwald to give you an
13 answer.

14 MS. GREENWALD: Yes. We
15 projected that based on looking at
16 historical data of the revenue that was
17 coming in, so we increased the revenue
18 projection somewhat for Fiscal Year
19 '09.

20 As for the street-use permit,
21 I'm not exactly --

22 (Addressing colleagues.) Can
23 you say exactly what that one is, the
24 street-use permit?

25 Hmm, I'd have to get back to

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2 you exactly on the specifics of that.

3 We just looked at the historical trend

4 of the revenue that was coming in.

5 The street-use permit exactly, I,

6 unfortunately, am not familiar exactly

7 what that is.

8 COUNCIL PRESIDENT VERNA: Does

9 anybody know?

10 (No immediate response.)

11 COUNCIL PRESIDENT VERNA: Does

12 anybody know?

13 COMMISSIONER ELFREY: We will

14 get that information for you.

15 COUNCIL PRESIDENT VERNA:

16 You're also projecting to collect

17 \$20 million in building structure and

18 equipment, which is also an increase of

19 \$500,000 over FY '08. Can you explain

20 what permits generate these funds and

21 how you will increase collections?

22 MS. GREENWALD: Yes. Those

23 permits are our building permits, and

24 we have had in the past -- historically

25 in the past five years, we've seen the

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2 trend increasing in our building-permit
3 fees, so we just based that projection
4 on what we've seen over the past few
5 years.

6 COUNCIL PRESIDENT VERNA: You
7 know, with the current economy and I
8 think -- I don't see much building
9 going on these days.

10 MS. GREENWALD: Well, we
11 actually -- excuse me. We actually
12 haven't seen that decrease in our
13 permit revenue coming in to date, so
14 we've actually still have been pretty
15 optimistic of with our revenue
16 projections. We're actually ahead in
17 Fiscal Year '08 of where we thought we
18 would actually be at this point.

19 COUNCIL PRESIDENT VERNA:
20 Commissioner, on Page 98 of the
21 Five-Year Plan, it states: L&I will
22 develop a comprehensive public
23 relations campaign to communicate about
24 the services offered by the department.
25 The campaign will involve print-media

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2 outreach of community and business
3 groups and the distribution of fact
4 sheets outlining services to more
5 specifically-defined groups within the
6 City. To deal with abandoned
7 buildings, Neighborhood Services
8 Division will formulate a targeted
9 demolition plan. L&I will work with
10 operating departments, City Council,
11 and residents to coordinate efforts to
12 bring neighborhoods into Code
13 compliance. The department will
14 develop measures to monitor success and
15 communicate achievements to City
16 residents.

17 What is the projected cost of
18 the public relations campaign?

19 COMMISSIONER ELFREY: Most of
20 the public relations -- it -- we
21 project it to be minimal. I don't have
22 a solid number yet, but most of that
23 campaign will be through community
24 meetings, working through City Council,
25 working with neighborhood groups to get

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2 the word out.

3 We also plan to enhance our
4 website tremendously. We want to get
5 the word out on what L&I does, how it
6 does it, and how the community can
7 help us to do our job, using the Web.

8 We -- that's basically how we
9 plan to do it.

10 COUNCIL PRESIDENT VERNA: Where
11 would we find these minimal funds
12 budgeted?

13 COMMISSIONER ELFREY: They're
14 basically on our Class 200
15 administrative costs.

16 As I said, we don't have a
17 solid dollar number yet; when we do,
18 we will publicize it.

19 COUNCIL PRESIDENT VERNA: Can
20 you tell us the status of the targeted
21 demolition plan.

22 COMMISSIONER ELFREY: Deputy
23 Commissioner Evans, along with staff,
24 is working with the amount that we have
25 budgeted to try and do small

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2 neighborhood packages. We haven't
3 identified completely where they are.
4 We will, of course, talk to Council
5 when we do.

6 But the thought is that
7 instead of going in and maybe doing
8 one demolition on Fourth Street and
9 then coming back two months later and
10 another demolition on Fifth Street, we
11 would try to target them in a package.
12 Basically, it's a customer service
13 issue too. Less disruption to the
14 neighborhood.

15 We're hoping to reduce costs
16 with economies of scale, and we hope
17 to have that plan started in July or
18 August of this year.

19 COUNCIL PRESIDENT VERNA: What
20 is the cost of a demolition these days
21 for a two-story building?

22 COMMISSIONER ELFREY: About
23 \$26,000, three-story.

24 COUNCIL PRESIDENT VERNA:
25 26,000? I remember it being 8,000.

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2 COMMISSIONER ELFREY: Excuse
3 me, ma'am?

4 COUNCIL PRESIDENT VERNA: I
5 said, 26,000? I remember L&I doing
6 them for 8,000 --

7 COMMISSIONER ELFREY: Oh.

8 COUNCIL PRESIDENT VERNA: -- a
9 couple of years ago.

10 COMMISSIONER ELFREY: Well,
11 that includes --

12 COUNCIL PRESIDENT VERNA: I
13 know time goes by when you're having
14 fun.

15 COMMISSIONER ELFREY: Well, I
16 don't have fun knocking down buildings.

17 COUNCIL PRESIDENT VERNA: But
18 it just seems to me that it was a
19 couple of years ago that it was costing
20 8,000. Is this --

21 COMMISSIONER ELFREY: But that
22 includes everything.

23 COUNCIL PRESIDENT VERNA: Is
24 this for -- when you talk about
25 demolition, are you including cleaning

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2 the lot and grassing and the fencing?

3 Is all of that included --

4 COMMISSIONER ELFREY: Yes,

5 ma'am, it is.

6 COUNCIL PRESIDENT VERNA: -- in

7 the price?

8 COMMISSIONER ELFREY: Yes,

9 including the stuccoing on the side

10 houses, if necessary. That's basically

11 soup to nuts, yes.

12 COUNCIL PRESIDENT VERNA:

13 Commissioner, can you tell us how you

14 propose to bring neighborhoods into

15 Code compliance?

16 COMMISSIONER ELFREY: I think,

17 basically, through education and

18 enforcement. Of course, we don't like

19 to use enforcement, but I think the

20 more we get the word out to folks --

21 and I this Saturday was a perfect

22 example with the Mayor's cleanup. We

23 need to build on that and focus on

24 keeping our neighborhoods and our

25 properties clean.

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2 We're just going to try to
3 educate the public through Council,
4 through community groups, through
5 community meetings, whichever, in any
6 way we possibly can.

7 COUNCIL PRESIDENT Verna: And
8 can you tell us how you propose to
9 bring City Council into the process?

10 COMMISSIONER ELFREY: We would
11 like to meet with City Council and ask
12 us -- ask you to help us to get the
13 word out. I think it's very important
14 that we leverage the knowledge and the
15 experience you have with the
16 neighborhoods to help us.

17 COUNCIL PRESIDENT Verna: In
18 your opinion, does the proposed L&I
19 budget for Fiscal Year '09 fund all of
20 the initiatives as stated in the
21 Five-Year Plan? How do we propose --
22 do you think we're going to be able to
23 do all of that?

24 COMMISSIONER ELFREY: We're
25 certainly going to try, ma'am, yes.

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2 COUNCIL PRESIDENT VERNA: Okay.

3 We wish you success.

4 COMMISSIONER ELFREY: Thank

5 you.

6 COUNCIL PRESIDENT VERNA: The

7 Chair recognizes Councilman Rizzo.

8 Oh, I'm sorry. Each

9 Councilmember will get five minutes

10 because there are a number of

11 Councilmembers that do want to be

12 recognized.

13 Councilman Rizzo.

14 COUNCILMAN RIZZO: Thank you,

15 Madam Chair.

16 Prior to NTI, the budget item

17 for demolitions, to follow up on

18 President Verna's question, was

19 \$20 million per year. That money was

20 committed to NTI bond debt service for

21 thirty years to fund what essentially

22 was a five-year program.

23 In this budget, I see that the

24 funding for the Five-Year Plan for

25 demolition is now \$10 million a year.

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2 Why -- you know, what's that about,
3 and is that an adequate funding level
4 at this time?

5 COMMISSIONER ELFREY: You're
6 speaking of the NTI funding or the
7 General Fund demolition?

8 COUNCILMAN RIZZO: The NTI
9 funding went from twenty to ten.

10 COMMISSIONER ELFREY: Yeah, and
11 I think that's basically being reduced
12 because it's towards the end of the
13 program. There's demolitions left in
14 approximately five Council Districts,
15 totaling, I believe, about 198
16 demolitions.

17 COUNCILMAN RIZZO: But it was
18 initially planned for 20 million, so
19 someone changed the number.

20 COMMISSIONER ELFREY: I can't
21 answer that question, sir.

22 COUNCILMAN RIZZO: Could you
23 get back to us on that.

24 COMMISSIONER ELFREY: Certainly.

25 COUNCILMAN RIZZO: How that

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2 number got changed, please.

3 COMMISSIONER ELFREY: Sure.

4 COUNCILMAN RIZZO: Going back
5 now to the 25 vacancies that you have
6 --

7 COMMISSIONER ELFREY: Mm-hmm.

8 COUNCILMAN RIZZO: -- let's
9 talk about the ones that I kind of
10 think are very, very important. Let's
11 talk about inspections that you -- your
12 department does. Could you go over the
13 various types of inspections that you
14 do?

15 COMMISSIONER ELFREY: The
16 neighborhood services unit does
17 quality-of-life inspections basically
18 for exterior quality-of-life property
19 maintenance violation. We do housing
20 and fire inspections, both in
21 commercial buildings, we do inspections
22 inside homes. We do inspections for
23 demolition activity. We do weights and
24 measures inspections. We visit gas
25 stations and supermarkets to check the

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2 scales and check to make sure that the
3 proper amount of gas is being issued.

4 COUNCILMAN RIZZO: Restaurants.

5 COMMISSIONER ELFREY:

6 Permitting, construction services.

7 COUNCILMAN RIZZO: Restaurants?

8 COMMISSIONER ELFREY: Well, we
9 do restaurants as it relates to housing
10 and fire and electrical -- not housing
11 and fire, but fire and electrical
12 inspections. The Health Department
13 does inspections for restaurants.

14 COUNCILMAN RIZZO: Let me ask
15 you, are some of those inspections that
16 you just described, are they required
17 annually, semiannually? How frequently
18 are you required to do that work?

19 COMMISSIONER ELFREY: Let me
20 ask Deputy Commissioner Verdi to step
21 up.

22 (Witness comes forward.)

23 DEPT. COMMISSIONER VERDI: Good
24 morning. Deputy Commissioner Dominic
25 Verdi.

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2 To answer your questions,
3 Councilman, some are required yearly,
4 some are required every two years.
5 I'd have to give you a list of what
6 type of -- if you'd let me know what
7 type of inspection you're speaking of,
8 I can give you a better answer.

9 COUNCILMAN RIZZO: I'll get
10 right to my point; we don't need to go
11 do a lot of research.

12 Are you current -- based on 25
13 vacancies -- and I did hear in the
14 list some inspectors -- are you
15 meeting your mandate? Are you doing
16 all you're supposed to do annually
17 where you're required to do annually
18 and every two years? Are you on
19 target? Are you behind in any
20 inspections in our city?

21 COMMISSIONER ELFREY: I am told
22 we are behind, yes.

23 COUNCILMAN RIZZO: You are
24 behind.

25 COMMISSIONER ELFREY: Yes. And

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2 we are currently --

3 COUNCILMAN RIZZO: Where are
4 you behind?

5 COMMISSIONER ELFREY: We are
6 behind in housing inspections,
7 quality-of-life inspections.

8 COUNCILMAN RIZZO: That's it?

9 COMMISSIONER ELFREY: I've
10 asked Deputy Commissioner Verdi and
11 Deputy Commissioner Evans to compile of
12 list of what we are behind in --

13 COUNCILMAN RIZZO: How
14 significant --

15 COMMISSIONER ELFREY: -- and
16 how -- I don't have the final numbers
17 yet, sir.

18 COUNCILMAN RIZZO: Well,
19 let's -- if you're behind, somebody has
20 a feeling how significant it is. I
21 don't need to know if it's six months,
22 two hours and 43 minutes. Do we have a
23 problem or don't we?

24 COMMISSIONER ELFREY: I don't
25 know that we have a problem that we

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 can't overcome once we get our full
3 inspection staff on board.

4 COUNCILMAN RIZZO: Well, how
5 many inspectors in that 25 are you
6 missing? That doesn't sound like -- I
7 heard two, three.

8 COMMISSIONER ELFREY: No. I
9 think it's more than that.

10 COUNCILMAN RIZZO: Well, tell
11 me again.

12 COMMISSIONER ELFREY: It was a
13 total of seven.

14 COUNCILMAN RIZZO: So you're
15 down seven inspectors and you have a
16 list for those inspectors?

17 COMMISSIONER ELFREY: Correct.

18 COUNCILMAN RIZZO: You're
19 behind and you don't hire them?

20 COMMISSIONER ELFREY: Yes, we
21 are hiring them, sir. We're in the
22 process of hiring them now.

23 COUNCILMAN RIZZO: Okay. So
24 you'll have all --

25 COMMISSIONER ELFREY: What I

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 said was, all 25 would be on board in
3 three months in total.

4 COUNCILMAN RIZZO: When will
5 the seven inspectors be hired?

6 COMMISSIONER ELFREY: I think
7 we have lists. They should be on
8 board, I would assume, by the middle of
9 May.

10 COUNCILMAN RIZZO: So you're
11 telling me the reason we're behind --
12 at least you believe we're behind is
13 because of the lack of these seven
14 inspectors? I mean, it makes sense.

15 COMMISSIONER ELFREY: Sure. It
16 contributes to it, absolutely.

17 COUNCILMAN RIZZO: So we need
18 to -- we would appreciate a report on
19 how behind we are. And you anticipate
20 that when you employ these seven
21 inspectors, there's certainly a
22 learning curve, how quickly you're
23 going to be back on track, because
24 obviously, we would want the most --
25 that inspection should be prioritized

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 in my opinion. The most significant
3 inspections should be conducted first;
4 would you agree with me on that?

5 COMMISSIONER ELFREY: You're
6 simply right, sir, and that's exactly
7 what we've asked for.

8 COUNCILMAN RIZZO: Mm-hmm.
9 Okay. Well, we really need to get a
10 report.

11 And I think we need to re-call
12 L&I, Madam President, to talk about
13 the significance of the backlog of
14 work that they have. You're okay with
15 that?

16 COUNCIL PRESIDENT VERNA: (Nods
17 head.)

18 COUNCILMAN RIZZO: We're going
19 to ask you to come back here with that
20 information for the record.

21 Thank you, Madam President.

22 COUNCIL PRESIDENT VERNA:
23 You're welcome.

24 The Chair recognizes
25 Councilman Jones.

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2 COUNCILMAN JONES: Thank you,
3 Madam President.

4 I understand that you're
5 behind, but can you enlighten me with
6 the types of inspections we are behind
7 on, the categories? I know there are
8 inspectors that inspect buildings, I
9 mean, but can you give us the
10 categories of which we are behind on?

11 COMMISSIONER ELFREY: Okay.

12 COUNCILMAN JONES: And while
13 the clock is still ticking, I'd like to
14 also know, when it comes to landlords
15 and renters and housing conditions, is
16 that one of the categories we are
17 behind on?

18 COMMISSIONER ELFREY: Go ahead.

19 DEPT. COMMISSIONER VERDI: One
20 of the categories we are behind on is
21 some of the housing-related issues.

22 We -- there's a staffing need,
23 which the Commissioner has addressed,
24 and we are going to prioritize all
25 complaints and inspections regarding

1 4/7/08 - Whole - 080022, 157, 160, 164, 165
2 fire and life safety.

3 COUNCILMAN JONES: I have "A
4 Tale of Two Cities," and I'm going to
5 try describe 'em.

6 In one part of my district,
7 which is the lower end of my district,
8 which is the low- to moderate-income
9 end of my district, I have a high
10 concentration of renters and
11 landlords, where conditions are
12 falling below standard. And there is
13 a need for L&I to come out and assist
14 tenants on the conditions of those
15 properties that they live in.

16 In another part of my
17 district -- East Falls, Roxborough and
18 Manayunk -- we have a high degree of
19 renters. The difference is
20 quality-of-life issues, town-and-gown
21 issues, where they aren't given a high
22 degree of priority, because when you
23 have to choose between an imminently
24 dangerous party and someone's beer
25 party, you tend to go to the

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 imminently dangerous party, which is
3 logical.

4 What I want to know is two
5 things:

6 One, can we ask that in
7 high-renter districts that we tack on
8 a -- and let's say if we came up with
9 a formula that says when a
10 neighborhood has over 40 percent
11 renters that there be a zoning overlay
12 or a requirement that they help to
13 defray some of the costs by way of
14 inspections or added inspections, both
15 for areas like that, but also
16 town-and-gown areas where we have high
17 degrees of populations of students
18 that are kind of running amok and the
19 owners don't tend to care as much
20 about the people who are actually
21 stakeholders and home owners that get
22 besieged with beer parties.

23 So is there a way to -- I know
24 there's a law on the books, I know
25 it's not being enforced as much

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 because we don't have inspectors, but
3 is there something we can do about
4 that?

5 DEPT. COMMISSIONER VERDI: We
6 could work with Council to look at any
7 type of a zoning overlay or any overlay
8 that Council would like to have
9 initiated.

10 But just to let you know, just
11 to clear up one issue: There is no --
12 I mean, we do have different types of
13 inspectors. And when you say we
14 respond to a dangerous building case
15 before we respond to beer parties, we
16 respond to them both in the same
17 manner.

18 We have two different
19 inspectors that deal with that. We
20 have inspectors that do deal with just
21 dangerous buildings, and they come
22 under Deputy Commissioner Eileen
23 Evans.

24 I have a group that deals with
25 beer parties or those type of issues,

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 and we work closely with the Fifth
3 District captain up in the Manayunk
4 area in reference to the Nuisance Task
5 Force.

6 So we do address those issues
7 equally when the complaints come to
8 our attention.

9 COUNCILMAN JONES: I can assure
10 you -- I've spent -- and I'm, in fact,
11 going to invite the at-large
12 Councilmembers to join me in a walking
13 tour on a Friday or a Saturday night
14 that shows what people have to live --
15 the conditions they have to live under.
16 And I'm going to encourage my
17 colleagues to join me on that.

18 And I'm going encourage you to
19 come with me --

20 DEPT. COMMISSIONER VERDI: I'd
21 be happy to do that.

22 COUNCILMAN JONES: -- to see if
23 we are addressing that issue. And I
24 would argue that we're not.

25 And I'm not blaming you here

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 today. I'm saying that we have to
3 address that issue. We have a good
4 law on the books. What we don't have
5 is enforcement.

6 Same thing on the other end of
7 my district, where we have a high
8 degree of renters and we have a high
9 degree of landlords who tend to know
10 that they can, in fact, duck L&I
11 inspections for a period of time
12 because of the long degree of
13 rotation; they know this.

14 I know for a fact that
15 Councilman Green and Councilman Rizzo
16 have addressed that in different parts
17 of this city. So maybe you're not up
18 on it and but the owners are.

19 And what we want to do is not
20 point fingers or blame. We want to
21 figure out what it takes to resolve
22 these issues, and that's what we want
23 a commitment to work with you on.

24 COMMISSIONER ELFREY:
25 Councilman, we'll be happy to work with

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 you and we look forward to doing and
3 resolving these issues. That's why
4 we're here and that's what we plan to
5 do, sir.

6 COUNCILMAN JONES: Well, the
7 first thing, we're going to take that walk
8 with the at-larges and walk around the
9 district and kind of take a bird's eye
10 look at what many of the residents of
11 the 4th District already know, which is
12 that we need to get you some more
13 resources up there.

14 COMMISSIONER ELFREY: We will
15 be happy to accompany you and we will
16 bring staff.

17 COUNCILMAN JONES: Thank you.
18 Thank you, Madam President.

19 COUNCIL PRESIDENT VERNA: Thank
20 you.

21 The Chair recognizes
22 Councilman Greenlee.

23 COUNCILMAN GREENLEE: Good
24 morning.

25 My questions are kind of along

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 the same line as Councilman Rizzo and
3 Councilman Jones.

4 And particularly Councilman
5 Jones said the one word,
6 "enforcement," and that seems to be in
7 my previous life, working with
8 Councilman Cohen for many, many years,
9 dealt with L&I a lot.

10 And it seems like this is
11 still pretty much the same situation.
12 A person calls in with a complaint, a
13 citizen, we do, whatever. And the
14 original inspection gets done maybe
15 not too bad a period of time, but
16 that's when -- that's when it seems
17 like it almost halts.

18 The follow-up time, especially
19 if it's not like a really, really
20 major life-and-death thing. And then
21 if still the violation isn't solved on
22 the -- upon the second inspection, to
23 get to enforcement through court seems
24 to take forever. And these problems
25 sit for long, long periods of time

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 again. Again, a lot of them may not
3 be life and death, but they're
4 certainly, as Councilman Jones said, a
5 real problem in the community.

6 And I was wondering -- and I
7 know, when it gets to the enforcement
8 or court, that's somewhat out of your
9 hands 'cause you got court backlog and
10 all, but could you just take me
11 through the timeframe of what ideally
12 you would like to see as far as
13 original inspection, how long it
14 takes, how long for a follow-up, and
15 then if, again, the violator either
16 refuses or is unable to do something,
17 you know, how we finally get it done
18 through enforcement.

19 COMMISSIONER ELFREY: I would
20 like to see, after the original
21 inspection, depending on the severity
22 of the violation, that a reinspection
23 occur within 30 days.

24 COUNCILMAN GREENLEE: Mm-hmm.

25 COMMISSIONER ELFREY: That

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2 would be the best-case scenario.

3 Now, some violations do not
4 require a 30-day reinspection; I think
5 some are a little bit longer than
6 that. And, Dominic, you can jump in
7 in a second if you wish.

8 But I would like to see us get
9 into a program and follow that program
10 and monitor it and track it and chart
11 it and give this information to the
12 public where we say, you know,
13 inspection one is July 1st, inspection
14 2 is July 31st.

15 COUNCILMAN GREENLEE: Right.

16 COMMISSIONER ELFREY: And then
17 soon after, another reinspection, if
18 they don't comply, it goes to court.
19 And we're going to do everything on our
20 end because we control some of the flow
21 with the Equity Court cases to get the
22 cases out our shop as quickly as we
23 possibly can and into the Law
24 Department's hands.

25 And, Dominic, if you can --

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2 DEPT. COMMISSIONER VERDI:

3 Councilman, I understand. The one part
4 of your question is a valid question in
5 reference to court cases. We have an
6 issue -- our inspector will write a
7 violation. The problem is, we don't
8 always have physical contact with the
9 owner.

10 COUNCILMAN GREENLEE: Right.

11 DEPT. COMMISSIONER VERDI: We
12 have to make sure that the ownership is
13 a valid ownership, then we have to --
14 and we go do the reinspection.

15 For the moment, the
16 reinspections are being done on a
17 timely fashion. We have a new system
18 that is able to track it and the
19 supervisors will track it.

20 Our problem is -- and you're
21 correct in stating that our problem
22 becomes an issue when it goes to the
23 Municipal Court. The issue with
24 Municipal Court is that it's then
25 turned over to the court system to

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2 actually or physically get a body to
3 accept the subpoena that requires us
4 to get them into court.

5 Now, what happens is, in most
6 cases -- in cases that involve major
7 public safety, like if there's a fire
8 alarm issue or if there's things of
9 that nature, we'll try to abate the
10 situation, and most of the times, 90
11 percent of that abatement means
12 evacuating the building based upon its
13 occupancy. But the issue does become
14 a little -- it becomes cumbersome when
15 it does have to go into the municipal
16 court system.

17 In larger buildings or
18 buildings that we know we have a
19 viable owner, we'll send it to Common
20 Pleas Court, where we're able to get
21 to give us judge --

22 COUNCILMAN GREENLEE: Right.
23 That's for equity --

24 DEPT. COMMISSIONER VERDI:
25 Right, Equity Court, to be able to get

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2 a judge to give this person a total
3 deadline on when that case needs to be,
4 you know, back before the judge.

5 And even in them cases, we
6 have issues where the judge may
7 continue it, the lawyers may continue
8 it; it becomes more or less a court
9 issue.

10 COUNCILMAN GREENLEE: Mm-hmm.

11 DEPT. COMMISSIONER VERDI: But
12 years ago, when we had the availability
13 for some abatement, we were actually
14 physically fixing the problem. But,
15 unfortunately, we don't have that
16 funding.

17 COUNCILMAN GREENLEE: You talk
18 about --

19 COMMISSIONER ELFREY: And,
20 Councilman, I'd just like to add that.
21 We plan to take a wholistic approach
22 and work with the Law Department on
23 these issues too.

24 COUNCILMAN GREENLEE: Okay.

25 COMMISSIONER ELFREY: Go ahead.

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2 COUNCILMAN GREENLEE: When you
3 talk about abatement, it brings up one
4 particular issue that I see one of the
5 signs back here talked about and I was
6 going to ask anyway.

7 Landlords providing heat to
8 residents, to tenants, you know,
9 there's some, maybe they don't know,
10 but there's obviously isn't adequate
11 heat at certain times during the
12 winter and people call in and
13 complain. That seems to be that that
14 should take a real priority; that
15 should just go through, well, in 30
16 days, you're supposed to fix it.

17 COMMISSIONER ELFREY: No, it
18 doesn't, it doesn't.

19 COUNCILMAN GREENLEE: And I --
20 yeah, that's what I was going to say.
21 Could you take me through that? I
22 mean, is there a issue when, say, a
23 heater is just plain-out broken, the
24 landlord won't fix it? Does L&I have
25 the ability to just force the issue, go

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 in, fix it, bill the owner, that kind
3 of thing?

4 DEPT. COMMISSIONER VERDI: In
5 some cases, we do have the ability --
6 we have emergency processes to repair
7 the heat.

8 COUNCILMAN GREENLEE: Mm-hmm.

9 DEPT. COMMISSIONER VERDI: Just
10 to give you -- to let you know that
11 most heat complaints are answered
12 within a 24-hour period; I should say
13 mostly. From what I see, all, 24
14 hours.

15 COUNCILMAN GREENLEE: Mm-hmm.

16 DEPT. COMMISSIONER VERDI: We
17 have a heat hotline that's answered
18 nights and weekends.

19 COUNCILMAN GREENLEE: Right.

20 DEPT. COMMISSIONER VERDI: We
21 have an emergency-duty person on
22 standby seven days a week, twenty-four
23 hours a day. So the heat complaints
24 are being responded to.

25 I can't tell you how many

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 times I was called throughout the
3 winter of people telling me they had
4 to evacuate a building because of no
5 heat. We're not going to let people
6 stay in the building, we're not giving
7 that that 30-day process.

8 Now, with our new reinspection
9 fees, we're able to actually find the
10 owner for any lengthy noncompliance,
11 so we are taking a proactive stance on
12 those type of violations, or those
13 complaints.

14 COUNCILMAN GREENLEE: All
15 right. Thank you.

16 Thank you, Madam President.

17 COUNCIL PRESIDENT VERNA:
18 You're welcome.

19 The Chair recognizes
20 Councilman Green.

21 COUNCILMAN GREEN: Thank you,
22 Madam President.

23 I was reviewing a bunch of
24 questions I had for you when
25 Councilman Greenlee was asking

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 questions, so I apologize if he's
3 already asked you this.

4 One of his early questions
5 related to following up after the
6 initial inspection and then being able
7 to keep track of that. You mentioned
8 a, I guess, relatively new computer
9 system that -- can you -- do you have
10 essentially a work order entry or work
11 order management system or an
12 inspection computer system that
13 creates deadlines and alerts for
14 people to go out at different times,
15 and can you talk about that briefly?

16 COMMISSIONER ELFREY: Yes.
17 It's called the Hansen (sp?) system,
18 and cases are created when a customer
19 calls in. A case number's assigned,
20 it's assigned to an inspector,
21 depending on the type of violation it
22 is.

23 And there is something within
24 the system that tickles -- for lack of
25 a better term -- a reinspection date

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 once the original inspection is made.

3 COUNCILMAN GREEN: So the only
4 question that I think we have is: What
5 if a customer didn't call in; how
6 does -- routine inspections or
7 inspections, you know, every few years
8 of a particular property or a property,
9 whether it was trouble, how does that
10 get into a system that generates
11 additional --

12 COMMISSIONER ELFREY: It's --
13 that's entered by the inspector. I
14 think it's commonly referred to as "a
15 pickup."

16 COUNCILMAN GREEN: Commonly
17 referred to as a...?

18 COMMISSIONER ELFREY: As "a
19 pickup." If the inspector's out on the
20 street and notices something that
21 doesn't look right or sees a violation
22 of a particular property, they can
23 enter the violation information
24 themselves.

25 COUNCILMAN GREEN: But what

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 about standard inspections?

3 COMMISSIONER ELFREY: Same

4 thing. An inspector enters that too.

5 They'll go out onto the site at a

6 particular location; if there are

7 violations, they would be entered into

8 the Hansen system by the inspector.

9 COUNCILMAN GREEN: But what

10 about things where you -- I mean, don't

11 you, every once in a while, inspect

12 major apartment buildings? don't you,

13 every once in a while, inspect

14 restaurants?

15 COMMISSIONER ELFREY: Mm-hmm.

16 COUNCILMAN GREEN: Don't you --

17 COMMISSIONER ELFREY: They're

18 called "program inspections," yes, sir.

19 COUNCILMAN GREEN: Are they in

20 the Hansen system also?

21 COMMISSIONER ELFREY: Yes.

22 COUNCILMAN GREEN: Okay. So

23 now, every single inspection that the

24 City is required to do on some sort of

25 annual or biannual basis -- whether

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 it's a restaurant, whether it's an
3 apartment building, whether it's a
4 follow-up -- is now in the Hansen
5 system?

6 COMMISSIONER ELFREY: That's
7 correct.

8 COUNCILMAN GREEN: Okay. That
9 sounds promising.

10 COMMISSIONER ELFREY: Yeah, I
11 think it is. And we're looking forward
12 to --

13 COUNCILMAN GREEN: How long has
14 that system been up and running?

15 COMMISSIONER ELFREY: Final
16 implementation was last year. We're
17 still working internally to identify
18 management reports and tools that we
19 can better utilize to make our jobs
20 easier in exactly this type of
21 situation.

22 So it's been in operation for
23 a year, but we're still tweaking it.

24 COUNCILMAN GREEN: Is there a
25 paper report implemented in addition to

1 4/7/08 - Whole - 080022, 157, 160, 164, 165
2 reporting within Hansen?

3 COMMISSIONER ELFREY: What type
4 of report, sir?

5 COUNCILMAN GREEN: So an
6 inspector's in a field, they notice a
7 violation; do they write something on
8 paper in addition to putting something
9 in Hansen?

10 COMMISSIONER ELFREY: They may
11 jot down a location if they don't have
12 their computer with them at the time
13 and then transfer that information into
14 Hansen. And correct me if I'm wrong,
15 Dominic that's --

16 DEPT. COMMISSIONER VERDI:
17 Yeah. Councilman, every inspector now
18 is assigned a laptop or notebook.
19 There is really no need for any
20 paperwork for them to turn back into
21 the department. Everything is able to
22 be reviewed by the supervisor, that
23 inspector's supervisor, as it's being
24 written.

25 The only paper that's

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 generated from that system is a
3 violation notice or any subsequent
4 paperwork that's required to go to
5 owner or tenant or whoever's the
6 building property manager, but there
7 isn't any paper to be submitted to the
8 City.

9 COUNCILMAN GREEN: Do you have
10 any estimate on how much time or how
11 much more productive inspectors and
12 other people can be now that you've
13 eliminated paper record-keeping?

14 COMMISSIONER ELFREY: I don't.
15 I don't have that information with me,
16 no, sir.

17 COUNCILMAN GREEN: Mr. Verdi?

18 DEPT. COMMISSIONER VERDI: As
19 far as the information, I mean, I've
20 seen an upswing as far as inspections
21 compared to four or five years ago. As
22 far as a definite number, I couldn't
23 give you that information until we look
24 into how much clerical staff we --
25 before, the process would be that the

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 inspector had to write the violation.

3 I think the bigger issue is the time it
4 takes for notification at this point.

5 To give you a look back
6 historically, a violation was written
7 on paper, then given to a supervisor
8 who had to sign off. Then that
9 supervisor would then have to put it
10 on a clerical person's desk to be
11 input into the system. As we declined
12 in the clerical staff, that backlog
13 got bigger and bigger.

14 Now -- and it would take --
15 if, for instance, a violation was
16 written today, an owner may not get it
17 for ten days. If that violation is
18 put in the system today by the
19 inspector, tomorrow morning, a paper
20 copy is printed out in the mailroom
21 and it's mailed out by sometime
22 tomorrow afternoon.

23 COMMISSIONER ELFREY: And
24 that's exactly the type of information
25 we're looking to track with the system

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 moving forward. When I said "tweaking
3 it," those are the type of reports that
4 I want to see and, I'm sure, the deputy
5 commissioners and our management team
6 want to see because that's going to
7 help us manage and guide our day-to-day
8 process.

9 COUNCILMAN GREEN: Yeah. In
10 terms of --

11 (Timer bell rings.)

12 COUNCILMAN GREEN: Oh, well,
13 I'll talk to you in a second.

14 Thank you.

15 (Laughter.)

16 COUNCIL PRESIDENT VERNA: Thank
17 you.

18 The Chair recognizes
19 Councilman Clarke.

20 COUNCILMAN CLARKE: Thank you,
21 Madam President.

22 Good morning.

23 COMMISSIONER ELFREY: Good
24 morning.

25 COUNCILMAN CLARKE: I'd like to

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 shift the focus a little bit briefly.

3 The City of Philadelphia

4 recently did a bond initiative, and we

5 floated approximately \$150 million in

6 bonds for demolitions, and the number

7 may be off. And the assumption is

8 that we have depleted those bond

9 dollars, 'cause I know I'm pretty much

10 out of my money in my Council

11 District, so I'm assuming that most of

12 the other Councilmembers are also.

13 And I know we have a debt service

14 payment that we have to pay on the

15 bond.

16 And you have allocated

17 \$10 million per year for demolition?

18 COMMISSIONER ELFREY: Correct.

19 COUNCILMAN CLARKE: And you

20 mentioned earlier in your statement

21 that you were going to do bid packages,

22 I think I heard you say?

23 COMMISSIONER ELFREY: That is

24 correct.

25 COUNCILMAN CLARKE: Will the

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 bid packages be similar to the old

3 process under the NTI Program?

4 COMMISSIONER ELFREY: We want

5 to take the best of both worlds

6 Licenses and Inspections has some very

7 good work processes internally relating

8 to curbside bids. And in the NTI

9 Program, there were economies of scale

10 in doing the bid packages.

11 So what our staff is doing,

12 and it's actually being directed by

13 Eileen Evans, Deputy Commissioner

14 Evans, is trying to get the best of

15 best of worlds to make us the most

16 efficient and productive that we can

17 be with these demolition packages.

18 COUNCILMAN CLARKE: Meaning

19 that if the bond dollars had been

20 available, or were available, and you

21 had to utilize -- instead of hiring --

22 I forget the name of the company that

23 we hired. We hired a company to

24 oversee the process; who was --

25 COMMISSIONER ELFREY: Hill

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2 International.

3 COUNCILMAN CLARKE: Hill
4 International. So had we internally
5 been in the position to use a process
6 that included economies of scale and
7 had the ability to implement a
8 somewhat, quote/unquote, curbside
9 process to expedite the demolitions,
10 done that internally, we wouldn't have
11 had to have hired Hill International.

12 COMMISSIONER ELFREY: I can't
13 say that, sir. I don't know the answer
14 to that question. And I wouldn't know.

15 COUNCILMAN CLARKE: I always
16 wondered why we did that if we had
17 internal systems. And I know you're
18 relatively new, so that's why you --

19 COMMISSIONER ELFREY: Yeah,
20 that's --

21 COUNCILMAN CLARKE: It's
22 fortunate for you that you can't answer
23 that question.

24 COMMISSIONER ELFREY: Right. I
25 can't --

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2 COUNCILMAN CLARKE: So you can
3 deny any culpability.

4 (Laughter.)

5 COUNCILMAN CLARKE: You also
6 referenced that you had 198, I think
7 you said, properties to be demolished?

8 COMMISSIONER ELFREY: Over five
9 Council Districts, yeah.

10 COUNCILMAN CLARKE: Why do you
11 think it's only 198. Is that -- that's
12 what's on your list or --

13 COMMISSIONER ELFREY: That's
14 what was left on the NTI, five active
15 demolition bid packages, and it was
16 about 198 properties.

17 COUNCILMAN CLARKE: Does that
18 mean that that's all you intend on
19 doing?

20 COMMISSIONER ELFREY: Oh, no,
21 that's -- no.

22 Eileen, do you want to explain
23 that.

24 COUNCILMAN CLARKE: Explain
25 that to me.

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2 DEPT. COMMISSIONER EVANS: Good
3 morning. Deputy Commissioner Evans.

4 COUNCILMAN CLARKE: Good
5 morning.

6 DEPT. COMMISSIONER EVANS: The
7 198 properties refer to what's left in
8 the existing NTI bid packages. That
9 doesn't speak at all to what we intend
10 to do going forward, just what's
11 currently existing in the NTI bid
12 packages as NTI phases out.

13 COUNCILMAN CLARKE: And that
14 will be done under utilizing NTI bonds
15 or using General Fund --

16 DEPT. COMMISSIONER EVANS: NTI
17 bonds.

18 COUNCILMAN CLARKE: NTI bonds.

19 DEPT. COMMISSIONER EVANS: Yes.

20 COMMISSIONER ELFREY: And then
21 all those NTI bonds will be depleted.

22 DEPT. COMMISSIONER EVANS: Yes.

23 COUNCILMAN CLARKE: Okay.

24 COMMISSIONER ELFREY: Just for
25 a point of clarification, sir, we've,

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2 with the General Fund dollars, we've
3 done about 224 demolitions to date, and
4 we think we can do about 156 more by
5 the end of the fiscal year.

6 COUNCILMAN CLARKE: Wait a
7 minute. Say that again.

8 DEPT. COMMISSIONER EVANS: Out
9 of the General Fund money to date, we
10 have demolished 224 properties by
11 curbside, not counting NTI bond money
12 or NTI demolitions.

13 COUNCILMAN CLARKE: Right.

14 DEPT. COMMISSIONER EVANS: And
15 the projection is that by the end of
16 the fiscal year, we will demolish
17 another 156 by curbside.

18 COUNCILMAN CLARKE: And then we
19 will be relegated to \$10 million in
20 demolition.

21 DEPT. COMMISSIONER EVANS:
22 That's correct.

23 COUNCILMAN CLARKE: How does
24 that compare to prior years prior to
25 the NTI Program in terms of available

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2 revenue for demolition; is that low,
3 high, or about the same?

4 COMMISSIONER ELFREY: I'd have
5 to go back and get that information. I
6 don't have that information, sir.

7 Eileen, do you remember?

8 DEPT. COMMISSIONER EVANS: No,
9 I don't. I'm going to wait for the
10 Commissioner to go back and get that
11 information.

12 COUNCILMAN CLARKE: That's
13 okay.

14 COUNCIL PRESIDENT VERNA:
15 Excuse me, please. The Chair
16 recognizes Councilman Green for a point
17 of information.

18 COUNCILMAN GREEN: Thank you,
19 Madam Chair.

20 Just to follow up on
21 Councilman Clarke's question, for the
22 record, can you tell us the difference
23 between the cost of L&I, the
24 traditional cost of L&I demolishing a
25 property versus the cost of the

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2 per-property, the average cost of
3 demolishing it under the NTI bid
4 package process?

5 COMMISSIONER ELFREY: We'd have
6 to go back and get that for you, sir.
7 I don't have that information with me
8 today.

9 COUNCILMAN GREEN: I believe
10 it's \$9,000 for L&I and \$20,000 under
11 the NTI bid package process. So you
12 may want to re-look at whether or not
13 we can do twice as many homes by taking
14 -- by, you know, perhaps going back to
15 the old systems.

16 I don't know if that's where
17 Councilman Clarke was going with his
18 question about, you know, efficient --
19 about how many are done, but if you
20 could report that number back to the
21 Chair, I'd appreciate it.

22 COMMISSIONER ELFREY: We sure
23 will.

24 COUNCILMAN GREEN: Thank you,
25 Madam Chair.

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2 COUNCIL PRESIDENT VERNA: All
3 right. The Chair recognizes Councilman
4 Clarke.

5 COUNCILMAN CLARKE: Thank you,
6 Madam President.

7 I actually wasn't going there,
8 but just to expound on that particular
9 reference -- and correct me if I'm
10 wrong -- we asked that question
11 earlier on about the process 'cause we
12 noticed the increase in demolition
13 costs in NTI years versus prior years
14 under these traditional systems.

15 And we were told that the
16 treatment level on demolitions under
17 NTI was different than the treatment
18 level under the traditional L&I
19 demolitions, where L&I would
20 essentially go out. There was a
21 lower-cost stucco process, there was
22 no treatment to the ground that
23 remained, and I'm assuming that there
24 was some level of costs associated
25 with the administrative fees from Hill

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2 International.

3 COMMISSIONER ELFREY: Right.

4 I --

5 COUNCILMAN CLARKE: And my
6 question to that is, since Councilman
7 Green brought it up, as we move forward
8 under the process in the next fiscal
9 year, what level of treatment on
10 demolitions will we have moving
11 forward?

12 (Timer bell rings.)

13 COUNCILMAN CLARKE: 'Cause
14 under the old NTI demolition, we used
15 to have, like I said, a higher level of
16 sidewalk, stucco, it was the greening
17 and the fencing, and it at least made
18 it -- on an interim basis, it made the
19 lot look somewhat decent until we could
20 figure out what to do with it on a
21 long-term basis.

22 COMMISSIONER ELFREY: Correct
23 me if I'm wrong, Eileen, but we're
24 going to be providing the same level of
25 treatment with the grading of the lot

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2 after the demolition and the stucco on
3 the side walls, but we will not be
4 doing fencing.

5 DEPT. COMMISSIONER EVANS: No,
6 that's correct.

7 Councilman Clarke, your
8 assessment is correct. The answer
9 that we have given was that there was
10 a difference in the quality of the
11 demolitions between NTI and
12 traditional L&I. There were some
13 discussion that we should bring them
14 both up to the same standard, which
15 accounts, to some degree, for the
16 increase in cost, but also explains
17 the difference in the cost in the
18 past.

19 We are going to do stucco of
20 the same quality, greening and
21 seeding. And as Commissioner has
22 indicated, it will not include fences.

23 COUNCILMAN CLARKE: And
24 participation goals were extremely high
25 in the last --

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2 DEPT. COMMISSIONER EVANS: Yes,
3 exactly.

4 COUNCILMAN CLARKE: That's all
5 going to be a part of the new process?

6 DEPT. COMMISSIONER EVANS: Yes.

7 COMMISSIONER ELFREY:
8 Absolutely.

9 COUNCILMAN CLARKE: Okay. I
10 tried to sneak that in.

11 Sorry, Madam President.

12 (Laughter.)

13 COUNCIL PRESIDENT VERNA: I
14 think you just said fencing would not
15 be included?

16 COMMISSIONER ELFREY: No,
17 fencing is not included on General Fund
18 demolitions moving forward; it is
19 included on NTI. And if I misspoke, I
20 apologize for that.

21 COUNCIL PRESIDENT VERNA: Okay.
22 The Chair recognizes --

23 COMMISSIONER ELFREY: I think I
24 said "soup to nuts," ma'am, and maybe I
25 -- I'm sorry if --

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2 COUNCIL PRESIDENT VERNA:

3 That's okay.

4 The Chair recognizes

5 Councilman Jones.

6 COUNCILMAN JONES: Thank you,

7 Madam President.

8 On the minority participation,

9 it says you spent, I believe,

10 \$8 million last fiscal year; is that

11 right? And what was your

12 participating --

13 COMMISSIONER ELFREY: Yes.

14 That's the figures we have, \$8,029,420,

15 correct.

16 COUNCILMAN JONES: And how much

17 went to MBE and WBE/DBE firms?

18 COMMISSIONER ELFREY: I don't

19 have that breakdown in front of me, but

20 we will provide that information. I

21 have it as a percentage but I don't

22 have it as a dollar number.

23 COUNCILMAN JONES: Well, what's

24 the percentage roughly?

25 COMMISSIONER ELFREY:

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2 African-American was 15.48

3 percent.

4 Asian was 12.7 percent.

5 Indian was 1.77 percent.

6 Women were 9.94 percent.

7 And there was another

8 approximate 10 percent in two or more

9 categories.

10 COUNCILMAN JONES: And did that

11 --

12 COMMISSIONER ELFREY: But I can

13 get you -- I'm sorry.

14 COUNCILMAN JONES: It says you

15 contracted with 32 non-governmental

16 agencies; what does that mean?

17 COMMISSIONER ELFREY: That's 32

18 private entities.

19 COUNCILMAN JONES: So these are

20 the contracts in question.

21 COMMISSIONER ELFREY: Mm-hmm,

22 correct.

23 COUNCILMAN JONES: Okay. Let

24 me shift questioning to commercial

25 corridors. What types of inspections

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2 do you do along inner-city commercial
3 corridors to the businesses that are
4 there? And what I'm specifically
5 talking about is internal but also
6 signage, unified signage; are you on
7 top of that? What type of inspections
8 do you conduct?

9 COMMISSIONER ELFREY: There's
10 several types of inspections. There's
11 the business compliance unit to make
12 sure the folks have their business-
13 privilege licenses, that everything is
14 in order within the business, and
15 they're up to date with whatever
16 license, depending on the type of
17 business that is required.

18 As far as external signage is
19 concerned, there's also inspections on
20 that. If there are signs that are out
21 there on the commercial corridors and
22 they shouldn't be there, they're not
23 permitted, they're there illegally,
24 they don't have the zoning for them,
25 we will write a violation.

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2 COUNCILMAN JONES: So we are on
3 the corridors within the 4th
4 Councilmatic District in compliance
5 with the signage?

6 DEPT. COMMISSIONER VERDI:
7 Councilman, unfortunately, it changes
8 daily. Our inspectors go out today and
9 get those -- some of those businesses
10 in compliance, and then tomorrow, they
11 seem to add signs all over the
12 building.

13 Our inspectors have been in
14 all of those corridors, and we have
15 worked together with some of the
16 community groups in that district.
17 And we do inspect yearly those
18 businesses.

19 The problem with those
20 businesses is, a lot of them will get
21 extra income from cigarette companies
22 or whatever to put these signs up.
23 When we get complaints, it's -- we do
24 do a programmatic inspection
25 throughout the business corridors

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2 every year, but we also respond to
3 complaints when they're sent to our
4 office in reference to excessive
5 signage.

6 COUNCILMAN JONES: My issue --
7 and I led you to this point -- is that
8 there are several issues. One, there
9 are good businesses.

10 And then there are businesses
11 that need some incentive to be good.
12 And so, in cases like that, I'm going
13 to look to a cooperation with L&I so
14 that the community deserves a good,
15 unified, well-kept shopping district.

16 So when businesses aren't good
17 neighbors, whether they put their
18 trash out, short-dump, whether they
19 have illegal signage, whether they
20 sell drug paraphernalia, we want to
21 keep them as good neighbors.

22 So we want to work with you.
23 As we get complaints in our office, we
24 want to refer them to you. When
25 businesses don't close when they are

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2 supposed to and are attractions to
3 elements that aren't altogether
4 law-abiding, we want to work with you
5 to help those businesses become better
6 neighbors, if you would.

7 I believe that L&I can play an
8 important developmental role in
9 inner-cities to keep the standards
10 high. We deserve a healthy shopping
11 environment, and we believe that you
12 are strategic partners in that and
13 want to utilize you fully.

14 We're trying to hold -- we're
15 getting ready to put \$1.2 million
16 worth of site improvements to
17 Lansdowne Avenue, for example. It
18 doesn't matter if we do trees,
19 sidewalks, curbs if the existing
20 businesses don't understand because
21 they are absentee landlords reaping
22 investments as they sit on the beach
23 in Florida, that we are serious about
24 upgrading the shopping experience for
25 people in that corridor.

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2 So we're going to need you to
3 kind of help us to make them better
4 citizens and good neighbors.

5 COMMISSIONER ELFREY:

6 Councilman, many of things that you
7 just said fit nicely with the Mayor's
8 Strategic Plan, and we are a big part
9 of that, and we look forward to working
10 with you.

11 COUNCILMAN JONES: Well, I'll
12 hold you to it.

13 Thank you, Madam President.

14 COUNCIL PRESIDENT VERA: Thank
15 you.

16 The Chair recognizes
17 Councilman Greenlee.

18 COUNCILMAN GREENLEE: Thank
19 you, Madam President.

20 Just to follow up quickly on
21 the other questions I had when I ran
22 out of time, Deputy Commissioner
23 Verdi, you had -- we were talking
24 about the problems with enforcement
25 and particularly in Municipal Court,

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2 has there been some conversations with
3 some of the officials at Municipal
4 Court? Is there a way to sort of
5 speed the process up, address those a
6 little bit better?

7 DEPT. COMMISSIONER VERDI:

8 We've spoken to some of the judges, and
9 we have an enforcement person that's
10 working very closely with them.

11 I don't want to put the full
12 blame again, like I said, on them
13 totally.

14 COUNCILMAN GREENLEE: No, I
15 understand.

16 DEPT. COMMISSIONER VERDI: It's
17 also an issue with actual servicing of
18 the paperwork.

19 COUNCILMAN GREENLEE: Mm-hmm.

20 DEPT. COMMISSIONER VERDI: In
21 some cases, they -- if we can't find an
22 owner to serve with a subpoena, that
23 also could be a delay.

24 COUNCILMAN GREENLEE: Mm-hmm.

25 And you talked about some cases go to

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2 Common Pleas Court, and I know over the
3 years I've tried to push some of those
4 cases, 'cause the court can actually
5 order you or instruct you to do
6 something, you know.

7 What is roughly the percentage
8 of cases that would wind up in Equity
9 Court? And what's kind of the rough,
10 defining line there, you know, to get
11 it to Equity Court.

12 DEPT. COMMISSIONER VERDI: It's
13 based on the severity of the situation.
14 As far as percentage, I can get -- we
15 can get you a percentage of our cases
16 that go to Common Pleas Court.

17 COUNCILMAN GREENLEE: Okay.

18 DEPT. COMMISSIONER VERDI: But
19 it's relatively -- it's an issue
20 whether or not it imposes immediate
21 life-safety issues.

22 COUNCILMAN GREENLEE: Talking
23 about that and about the heat
24 complaints that I referenced before, in
25 order to actually go in and fix the

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2 heater and bill the owner, do you have
3 to get a court order -- I guess you
4 have to get some kind of court order to
5 do that, or do you have the ability to
6 just go in and do it or --

7 DEPT. COMMISSIONER VERDI: We
8 have the ability in some cases to go in
9 and just do it.

10 COUNCILMAN GREENLEE: Okay.

11 And as -- do you do that a lot? I
12 mean, if it's --

13 DEPT. COMMISSIONER VERDI: I
14 wouldn't say a lot.

15 COUNCILMAN GREENLEE: Mm-hmm,
16 okay. 'Cause I'm just thinking -- I
17 guess -- is it accurate to say that a
18 lot of times, it's either the same
19 properties or the same landlords that
20 are delinquent in this kind of thing or
21 guilty in this kind of thing?

22 DEPT. COMMISSIONER VERDI: It's
23 just -- it's just that -- it's -- I'm
24 not saying it's the same type -- it's
25 the same types of landlords.

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2 COUNCILMAN GREENLEE: Mm-hmm.

3 DEPT. COMMISSIONER VERDI: Land

4 lords as, Councilman Jones mentioned,

5 who are not good neighbors --

6 COUNCILMAN GREENLEE: Right.

7 DEPT. COMMISSIONER VERDI:

8 Where somebody wants to live on a beach

9 in Florida and have someone live in

10 their apartment here.

11 COUNCILMAN GREENLEE: Mm-hmm.

12 And on that line, is there -- do you

13 have a mechanism for that kind of

14 landlord; if he or she applies for

15 another property, you know, for a

16 license or whatever, can you hold up

17 those licenses, saying, you know,

18 You've screwed up six other properties

19 and we're not letting you screw up

20 three or four more.

21 DEPT. COMMISSIONER VERDI: Yes.

22 There's a process that we have. We're

23 able to flag licenses and flag owners.

24 COUNCILMAN GREENLEE: Okay.

25 DEPT. COMMISSIONER VERDI: And

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2 we do have, in fact -- and in some
3 cases, when we have -- our inspectors
4 notice a pattern of a certain landlord,
5 we'll actually get all of the
6 properties of that landlord together in
7 one package and take that type of
8 package into Equity Court.

9 COUNCILMAN GREENLEE: Okay,
10 good. That's kind of what I was going
11 to say, 'cause, you know, sometimes the
12 person can be really a bad neighbor but
13 then they get other properties and it
14 just makes 'em worse neighbors.

15 DEPT. COMMISSIONER VERDI: One
16 of the difficult situations is, a lot
17 of the tenants may know it's the same
18 person. We, in fact, might get it as
19 "that address, LLC."

20 COUNCILMAN GREENLEE: A
21 different name.

22 DEPT. COMMISSIONER VERDI: And
23 then another address is a different
24 LLC. So it's kind of hard for us in
25 some in cases to physically track the

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2 person that's behind the corporations.

3 COUNCILMAN GREENLEE: Mm-mm.

4 And I think, since we're complaining
5 here, let me give you some -- I think
6 what everybody admits is good news, it
7 seems like the line down there in the
8 MSB has really gotten a lot better as
9 far as getting licenses and --

10 COMMISSIONER ELFREY: Thank
11 you. Well, thank you. I hear that --

12 COUNCILMAN GREENLEE: Thank
13 you.

14 COMMISSIONER ELFREY: That's on
15 behalf of the staff.

16 COUNCILMAN GREENLEE: Right.

17 COMMISSIONER ELFREY: I mean,
18 Deputy Commissioner Verdi and Evans and
19 the folks at L&I have been tremendous
20 over the last couple of months and are
21 really trying to get that done.

22 COUNCILMAN GREENLEE: I've
23 heard that from a lot of people.

24 COMMISSIONER ELFREY: Yeah.
25 And the credit goes to them.

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2 COUNCILMAN GREENLEE: And I
3 know I -- and that's good because there
4 were those individuals who just got
5 frustrated and actually wanted to do
6 the right thing and didn't do it
7 because they just didn't want to wait
8 that long. Now at least they don't
9 have that excuse.

10 DEPT. COMMISSIONER VERDI:

11 There's no excuse anymore.

12 COUNCILMAN GREENLEE: Right.

13 COMMISSIONER ELFREY: And we
14 want everyone to do the right thing,
15 and we want to make it as painless as
16 possible for them.

17 COUNCILMAN GREENLEE: And along
18 that line, Madam President, for the
19 record, certainly over the years,
20 Deputy Commissioners Verdi and Evans in
21 their various positions have been very
22 helpful, and I appreciate that.

23 So I know you guys try to do
24 the best you can sometimes, but
25 it's -- the system is the problem, but

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2 we appreciate all of your help. Thank
3 you.

4 COMMISSIONER ELFREY: Thank
5 you.

6 DEPT. COMMISSIONER VERDI:
7 Thank you.

8 COUNCILMAN GREENLEE: Thank
9 you, Madam President.

10 COUNCIL PRESIDENT VERNA:
11 You're welcome.

12 I understand the budget
13 director would like to come to the
14 witness table to explain something
15 that was addressed earlier.

16 (Witness comes forward.)

17 COUNCIL PRESIDENT VERNA: Good
18 morning.

19 MR. AGOSTINI: Good morning,
20 Madam President. Steve Agostini,
21 Budget Director. Good morning,
22 members.

23 I understand and I apologize I
24 wasn't here earlier. I had a personal
25 matter I was trying to take care of.

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2 With respect to the issues
3 that have been raised today but in
4 other days, the issues with respect to
5 the budget targets that were
6 implemented by the prior
7 administration and that we have been
8 working with as we've put together the
9 for the budget for '09 as well as the
10 Five-Year Plan, with respect to the
11 issues of the number of vacancies that
12 have been clearly identified for a
13 number of departments, including L&I,
14 where services are very critical and
15 those vacancies have not helped that
16 situation, the Administration
17 understands what your concerns and
18 frustrations are. We're trying to get
19 our hands around that.

20 I would just ask you to be
21 patient. Today, I think, marks the
22 beginning -- or the end of the third
23 month for us. For myself, I'm trying
24 to get a handle on what all of that
25 means and what the impacts are.

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2 As I've said to you and
3 committed to this body and to you,
4 Madam President, we're planning to get
5 our hands around those vacancies,
6 we're planning to get our hands around
7 the target budgets and in an attempt
8 to be sure that the services that you
9 expect and that citizens expect are,
10 indeed, delivered.

11 I would just ask you to give
12 us a little time, be patient with us
13 as we try to work through what has
14 been issues that have taken some time
15 to get to this point, and it's going
16 to take us a little time to get our
17 hands around and try to resolve.

18 We understand your
19 frustrations; we've heard them loud
20 and clear and we're working through
21 them and expect that you will point
22 those out and keep us to task on that,
23 and I would appreciate that as well.

24 But if you would give us a
25 little patience and -- and we're

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2 trying to get our hands around it.

3 COUNCIL PRESIDENT Verna: Thank
4 you. We appreciate that.

5 Okay. Councilman Green.

6 COUNCILMAN GREEN: Thank you,
7 Madam Chair.

8 To follow up once again on the
9 line of questioning from Councilman
10 Greenlee, I don't understand why you
11 can't serve process to people, and
12 maybe we can go through that a little
13 bit, because every LLC, every
14 partnership, every corporation, every
15 entity formed in the State of
16 Pennsylvania is required to have an
17 agent for service of process listed
18 with the Department of State.

19 If they don't, then the State
20 will go after them and find out who
21 they are at the State's expense,
22 because every person, every LLC -- so
23 you don't have to find the person
24 behind the owner; you just go to the
25 Department of State, you look up who

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2 their agent for service to process is,
3 and you send the process there via
4 certified mail, and you're done.

5 They have notice, they don't
6 show up, the court grants the relief
7 you want, you go in and do it, it's a
8 lien against the property, it's over.

9 I don't understand with a
10 extraordinary efforts people are
11 taking to contact people behind the
12 LLC.

13 DEPT. COMMISSIONER VERDI:
14 Councilman, I guess to answer your
15 question, first of all, we don't serve
16 our own writs; it's done by the court
17 system. That's number one.

18 Number two is, when I
19 mentioned LLCs, I'm mentioning
20 different properties. The Councilman
21 asked, Could we track an owner?

22 Now, LLCs, a lot of owners
23 hide will behind --

24 COUNCILMAN GREEN: I'm not -- I
25 understand that point.

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2 DEPT. COMMISSIONER VERDI: Okay.

3 COUNCILMAN GREEN: I'm not

4 asking about that point.

5 DEPT. COMMISSIONER VERDI:

6 Okay. The third thing is, we want the

7 owner to show up; we try our best to

8 get that owner to show up.

9 We don't want the court to

10 give us, in some cases, relief by a

11 fine, 'cause what happens with that

12 relief by a fine, if the owner is

13 served and the court -- and the person

14 does not show up in court, the judge

15 is going to normally give him a \$5,000

16 fine. It doesn't solve the violation

17 issue.

18 COUNCILMAN GREEN: But why

19 can't -- but if there's a violation and

20 the owner doesn't show up, why isn't

21 part of the relief you're seeking the

22 ability to go in and remediate at the

23 owner's expense, putting a lien against

24 the property?

25 DEPT. COMMISSIONER VERDI: The

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2 fine -- as far as the \$5,000 fine that
3 sits there, because that \$5,000 fine
4 does not go into the General Fund, we
5 don't have the funds to go in and
6 relieve every violation on every
7 property.

8 COUNCILMAN GREEN: So what
9 you're saying is -- do you seek the
10 relief of being -- when someone doesn't
11 show up, do you then take it upon
12 yourself to go remediate and put a lien
13 against the property?

14 DEPT. COMMISSIONER VERDI: The
15 judge -- there is a lien put against
16 the property by a court fine.

17 COUNCILMAN GREEN: Do you go in
18 and remediate?

19 DEPT. COMMISSIONER VERDI: In
20 some cases, we may remediate.

21 COUNCILMAN GREEN: Why not in
22 every case, because of a lack of funds;
23 is that what you're --

24 DEPT. COMMISSIONER VERDI: More
25 or less, yes.

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2 COUNCILMAN GREEN: How much
3 would -- here -- here -- if you get
4 back, it's this big circle, right? You
5 don't contact the individual owner, he
6 doesn't show up, there's a lien put on
7 the property, but you don't actually go
8 in and do the work, so the situation
9 continues to spiral downward for the
10 people who live in that property.

11 You can put more fines on
12 them, but that just is a lien against
13 the property. Nobody is taking care
14 of the problem because you didn't go
15 in and remediate the problem and put a
16 lien against the property, and then --
17 and then get paid back based on
18 (indiscernible) or we didn't take the
19 property once there's a lien of over
20 \$850 and sharing it at sheriff's sale
21 to let someone responsible come in and
22 buy it and, you know, pay off the lien
23 and do the (indiscernible).

24 So what I'm suggesting is, the
25 reason that L&I has the problem it has

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2 is because it doesn't go in and
3 remediate the problem. We don't take
4 the properties from these absentee
5 landlords and we don't put them up for
6 sale to someone who may be more
7 responsible as a new landlord.

8 It's a very simple problem to
9 solve, and that is, just seek the
10 relief to give you an order that
11 allows you to go in and remediate
12 whatever the cost to that is, apply it
13 to the property, and then let's sell
14 the property if they don't show up the
15 next time they come into court. It's
16 not difficult.

17 The individual owner is an
18 entity, not a person, and we can get
19 whatever relief we want or service of
20 process we want against that entity
21 just by going to their agent for
22 service to process that they list
23 under the Department of State records.
24 It's simple. I don't -- I guess I
25 don't understand why our process

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2 doesn't solve this problem.

3 Does anyone have any comment
4 on that?

5 COMMISSIONER ELFREY: We will
6 look at the entire process and do a
7 pleat review with the Law Department to
8 see how we can make it better.

9 COUNCILMAN GREEN: Okay. Well,
10 I'm giving you a suggestion as to how
11 to make it better. And if you need
12 additional funds in your budget that
13 allow you to go in to remediate where
14 these situations occur, let us know how
15 much that is, because that would solve
16 the problem.

17 If landlords knew if they
18 didn't show up or their agent of
19 service of process got a notice, that
20 you would go in, fix it, charge 'em,
21 and then if they don't show up next
22 time, you'd sell their property out
23 from under them, if knew that, they'd
24 be there. But because there's no real
25 enforcement, they know they can hide.

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2 I've heard you testify -- or
3 L&I testify before that you can't find
4 them, and that's a problem. L&I has
5 created that problem by making that
6 our process. That's all I suggest to
7 you.

8 So let's change the process so
9 we can protect people who are --

10 COMMISSIONER ELFREY: Thank you
11 for the suggestion, and we will look at
12 the process.

13 COUNCILMAN GREEN: Thank you
14 very much.

15 (Applause.)

16 COUNCILMAN GREEN: I guess I'm
17 almost out of time, Madam President? I
18 have additional questions.

19 Thank you.

20 COUNCIL PRESIDENT VERNA: The
21 Chair recognizes Councilwoman Miller.

22 COUNCILWOMAN MILLER: Good
23 morning.

24 I'm going to piggyback on
25 Councilman Green's questions regarding

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2 remediating properties of absentee
3 landlords.

4 And I'm sure in all Council
5 Districts, we have these problems with
6 these absentee landlords who just come
7 in, particularly over the last couple
8 of years, and purchase lots of houses,
9 lots of lots, form their LLCs, and
10 disappear.

11 We have a house in our
12 district that has been vacant for more
13 than two years. People from the
14 community clean it; I've even had
15 relatives go out just as a favor to me
16 to clean it. And the owners actually
17 live in Saudi, Arabia, so they could
18 care less about this particular
19 property. And I have a whole disk of
20 pictures of lots that speculators have
21 purchased, and that's it.

22 Now, if I call 'em and if they
23 answer the phone, I'll tell them to
24 clean, and they will go out and clean,
25 but why should I have to call them? I

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2 shouldn't have to monitor this.

3 So I was actually thinking
4 that maybe whomever cleans the lot
5 should send them a bill or just keep a
6 record of them cleaning and have a
7 bill.

8 Is there a estimated -- I'm
9 sure you work along with the CLIP
10 Program. Is there a list of estimated
11 costs for cleaning a lot, for
12 remediating a house, for any of that?

13 COMMISSIONER ELFREY: It --

14 COUNCILWOMAN MILLER: I mean,
15 what would be the average cost for
16 that? I know it depends on the size,
17 but --

18 COMMISSIONER ELFREY: Yeah, I
19 don't have that information, ma'am, but
20 to your point on the cleaning of vacant
21 lots, the Vacant Lot Program, under the
22 direction of the Managing Director's
23 Office, does go out and clean lots, and
24 they are subsequently billed, the owner
25 of record, for that cleaning, including

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2 administrative costs.

3 COUNCILWOMAN MILLER: So once
4 the person gets the bill, who tracks
5 whether they pay it?

6 COMMISSIONER ELFREY: Once it's
7 billed, it goes to the Department of
8 Revenue, who is then responsible for
9 liening the property. The Department
10 of Licenses and Inspections does not
11 track nor collect those dollars.

12 COUNCILWOMAN MILLER: I'm sure
13 you don't, but I just wanted to know
14 who did that, because I'm wondering if
15 any of these people have ever paid
16 these fines.

17 I mean, this is -- we have
18 lots, we have too many lots that are
19 just left and they're not cleaned. I
20 mean, people don't care.

21 COMMISSIONER ELFREY: I know.

22 COUNCILWOMAN MILLER: And out
23 in the neighborhoods, people care about
24 that. I mean, I care when I ride by
25 the same building or same lot week

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2 after week, you call it and it gets
3 cleaned, then it grows again.

4 I mean, it just has to be some
5 kind of end. And I support the
6 question that Councilman Green asked:
7 Why can't we just get these people in
8 court and put these properties up for
9 sheriff's sale?

10 COMMISSIONER ELFREY: I agree.

11 COUNCILWOMAN MILLER: And maybe
12 someone will buy it that will take care
13 of it because it's becomes just a
14 continuing, continuing headache.

15 So I would like to see if you
16 guys can work on coming up with a
17 quicker method. It just seems like it
18 takes too long to get people into
19 Equity Court. It just takes too long.

20 COMMISSIONER ELFREY: We agree
21 and we will look at the process.

22 COUNCILWOMAN MILLER: All
23 right. Thank you.

24 Thank you, Madam President.

25 COUNCIL PRESIDENT VERNA:

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2 You're welcome.

3 The Chair recognizes

4 Councilman Clarke.

5 COUNCILMAN CLARKE: Thank you,

6 Madam President.

7 I wanted to do a follow-up on

8 the earlier questioning. I snuck in a

9 question at the end about

10 participation and you said yes. Let

11 me elaborate a little more.

12 Under the NTI Program, there

13 was an aggressive, proactive program

14 that -- I think it was called "The

15 Emergent Contractor's Program" that

16 actually went out and identified

17 minority contractors particularly for

18 demolition, and we got substantial

19 numbers and actually created a number

20 of businesses in the demolition field.

21 Moving ahead, now that NTI is

22 being phased out as it relates to

23 funding, what's the process that's

24 going to be utilized to ensure that we

25 continue those aggressive numbers on

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2 participation of demolition?

3 COMMISSIONER ELFREY: We are

4 going to closely work with the

5 Administration and MBEC and the

6 Procurement Department and --

7 COUNCILMAN CLARKE: No, you are

8 the Administration.

9 COMMISSIONER ELFREY: Pardon

10 me?

11 COUNCILMAN CLARKE: You said

12 you're going to work with --

13 COMMISSIONER ELFREY: I'm

14 sorry. I meant the Mayor's Office.

15 COUNCILMAN CLARKE: You are the

16 Administration.

17 COMMISSIONER ELFREY: Yes. The

18 Mayor's Office, the Managing Director's

19 Office, Procurement, MBEC, and the

20 community to get as many minority

21 contractors on board as we can.

22 COUNCILMAN CLARKE: What I'm

23 asking you is that we had a very

24 detailed, comprehensive program in

25 place to deal with minority

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2 participation on this issue. And I'm

3 -- I would like to think there's a

4 little more beyond just, you know, the

5 tradition "We're going to sit down and

6 everybody work together."

7 COMMISSIONER ELFREY: Mm-hmm.

8 COUNCILMAN CLARKE: Is that

9 program, as structured, going to be

10 eliminated or be changed? will it be

11 continued? Or have you all not given

12 any thought to that?

13 COMMISSIONER ELFREY: We

14 haven't gotten to that point yet but we

15 will.

16 COUNCILMAN CLARKE: Okay.

17 Eileen, do you want to give a little

18 more --

19 DEPT. COMMISSIONER EVANS:

20 Yeah.

21 COMMISSIONER ELFREY: Eileen,

22 do you want to comment?

23 DEPT. COMMISSIONER EVANS:

24 Councilman, we have not eliminated the

25 ranges or the percentages that are

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 required for minority participation.

3 The change in the program from NTI to

4 L&I is simply that the bid packages

5 will be smaller.

6 As opposed to 50, 60, 100

7 properties, we're looking at 20 to 25

8 max, but the ranges are still in place

9 that were in place through Procurement

10 and MBEC, so haven't changed that

11 aspect is at all.

12 COUNCILMAN CLARKE: And those

13 ranges were what?

14 DEPT. COMMISSIONER EVANS: I

15 don't know the ranges; I'd have to look

16 that up. But whatever they are, we are

17 not changing those ranges.

18 As you said, we did work

19 closely, and NTI worked closely with

20 MBEC, to establish those, and with

21 Procurement, and we so have no intent

22 of changing the minority

23 participation.

24 We have -- the Emerging

25 Contractors Program came through the

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2 African-American Chamber of Commerce,
3 and they're actually reaching out to
4 be a part of NTI. We do have contacts
5 with the Asian-American Chamber of
6 Commerce we still maintain.

7 Those who went through the
8 Emerging Contractors Program are now
9 active participants in the demolition
10 program. And so the graduates are now
11 active participants as prime
12 contractors and not as subs.

13 And so we can see that there's
14 been some progress through that
15 program.

16 COUNCILMAN CLARKE: And we will
17 continue that process.

18 DEPT. COMMISSIONER EVANS: Yes.

19 COUNCILMAN CLARKE: It may have
20 a different name but it will be the
21 same.

22 DEPT. COMMISSIONER EVANS: Yes,
23 exactly.

24 COMMISSIONER ELFREY: And the
25 goal is to continue that process and

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2 try to make it even better if we can.

3 COUNCILMAN CLARKE: Okay. And

4 in terms of being able to track the

5 participation, how is that going to be

6 done? Because if the NTI process is

7 phasing out, how will we know that

8 those goals are being reached?

9 DEPT. COMMISSIONER EVANS: We

10 know which contractors are MBEC- and

11 WBEC-certified, and we also know that

12 labor standards has particular

13 percentages of participation in place.

14 And so the entire process involves a

15 review by Procurement, a review by MBEC

16 to ensure that those percentages are

17 met.

18 COUNCILMAN CLARKE: So we

19 should depend on MBEC --

20 DEPT. COMMISSIONER EVANS: Yes.

21 COUNCILMAN CLARKE: -- is what

22 you're saying?

23 DEPT. COMMISSIONER EVANS:

24 Mm-hmm.

25 COUNCILMAN CLARKE: With the

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2 assumption that MBEC is going to be
3 around?

4 DEPT. COMMISSIONER EVANS: It's
5 a part of the process.

6 COUNCILMAN CLARKE: Okay.

7 DEPT. COMMISSIONER EVANS: Oh -
8 - well, it's a part of the process. If
9 MBEC isn't around in its present form,
10 the requirements of MBEC will be
11 absorbed by Procurement.

12 COUNCILMAN CLARKE: Okay. An
13 earlier question about the dollar-
14 amount for demolition prior to NTI, and
15 now I'm being told it was approximately
16 \$20 million 'cause that set the
17 threshold for the debt service on the
18 NTI bond, and we're now talking about
19 half of that. And I recall, prior to
20 that, there was always concerns about
21 demolition.

22 And, unfortunately, the NTI
23 did not get to as many properties that
24 we had earlier anticipated, so there
25 are still a significant number of

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2 vacant properties in the City of
3 Philadelphia.

4 And I'm glad to hear that
5 you're talking about bid packages,
6 'cause we hope that that will deal
7 with economies of scale and somehow
8 reduce the price.

9 My concern is that with
10 \$10 million, utilizing a process of
11 bid packaging and the fact that the
12 NTI significantly supported not only
13 the traditional safety issues but also
14 supported development initiatives
15 'cause we're in areas where we're
16 going to clear space for development,
17 we utilize NTI bonds.

18 How do we think that the
19 \$10 million, given the fact that we're
20 talking about 26, \$25,000 per
21 building, will reasonably make an
22 impact on those issues?

23 DEPT. COMMISSIONER EVANS: The
24 \$10 million is earmarked for demolition
25 demolitions. L&I is not going to be

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2 involved in the development aspect of

3 --

4 COUNCILMAN CLARKE: No, I

5 understand that.

6 DEPT. COMMISSIONER EVANS:

7 Okay, all right.

8 COUNCILMAN CLARKE: But when

9 you develop a track of land, you have
10 to clear the site.

11 DEPT. COMMISSIONER EVANS:

12 Mm-hmm.

13 COUNCILMAN CLARKE: And what

14 we've been doing is using demolition
15 dollars to clear the site --

16 (Timing bell rings.)

17 DEPT. COMMISSIONER EVANS:

18 Mm-hmm.

19 COUNCILMAN CLARKE: So the

20 question is, you know, if you reduced
21 it by half of what it was prior to --
22 and I understand it was \$30 million
23 under NTI and prior to that it was 20.

24 DEPT. COMMISSIONER EVANS:

25 Mm-hmm.

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2 COUNCILMAN CLARKE: -- and now
3 we're talking about 10, how are we
4 going to realistically make an impact
5 dealing with both life-safety issues
6 and possible development issues? And
7 if we're not going to use it for
8 development issues, I need to know that
9 'cause we have to look at other pots of
10 money to support that.

11 DEPT. COMMISSIONER EVANS:
12 Well, we are anticipating that out of
13 the 10 million that we'll be able to
14 demolish 400 properties, just using the
15 bid packages. Whatever the other
16 properties that need to be immediately
17 addressed will be addressed by
18 curbsides.

19 And so, again, out of the
20 10 million, our expectations is that
21 400 properties will be able to be
22 demolished.

23 COUNCILMAN CLARKE: And
24 curbsides will come out of -- I'm
25 sorry. Curbsides will come out of what

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2 budget?

3 DEPT. COMMISSIONER EVANS: It's

4 out the of the same pot of money,

5 actually.

6 COUNCILMAN CLARKE: You sound

7 like you're double-counting.

8 DEPT. COMMISSIONER EVANS: No.

9 With 400 --

10 COUNCILMAN CLARKE: You said

11 that 400 will be done --

12 (Indiscernible; parties

13 talking over each other.)

14 COUNCILMAN CLARKE: Four

15 hundred will be done out the

16 10 million, and then curbsides will be

17 done --

18 DEPT. COMMISSIONER EVANS: Four

19 hundred is total, including curbsides

20 --

21 COUNCILMAN CLARKE: Including

22 the curbsides --

23 DEPT. COMMISSIONER EVANS: All

24 of this is coming out of the 10

25 million.

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2 COUNCILMAN CLARKE: Okay.

3 COMMISSIONER ELFREY: That's
4 correct.

5 COUNCILMAN CLARKE: Okay.

6 Thank you, Madam President.

7 COUNCIL PRESIDENT VERNA: The
8 Chair recognizes Councilman Rizzo.

9 COUNCILMAN RIZZO: Thank you,
10 Madam Chair.

11 I want to talk about the
12 Department of L&I's proaction when it
13 comes to seeing the things that we as
14 Councilmembers see and the people that
15 all of us represent.

16 How many employees do you have
17 in L&I?

18 COMMISSIONER ELFREY: We're
19 budgeted for 374.

20 COUNCILMAN RIZZO: Okay. When
21 you're at that number, that tells me
22 that you've got 374 pair of eyes that
23 know more about -- even the clerical
24 people, I think, eventually know what
25 L&I's responsibility is.

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2 Do you still, in the spring,
3 have inspectors work the weekends?
4 What is the responsibility of an
5 employee of L&I.

6 If you see that lot that is
7 dirty -- what amazes me, when I call
8 L&I on occasion, something that's
9 existed for a long, long time, I'm
10 told, "We have nothing on this. This
11 is, like, the first time that we've
12 ever heard about this problem."

13 I would hope -- and I'm sure
14 you would, too -- that your
15 organization is very proactive and out
16 there looking for the things that the
17 people that we work for are
18 complaining about.

19 The house -- I mean, I just
20 can't imagine driving through a
21 community and still seeing a home that
22 is not boarded up, but there are
23 probably hundreds that have not been.

24 It takes a Councilperson to
25 call L&I to get a house that is open

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2 closed? It shouldn't be that way.

3 COMMISSIONER ELFREY: And it

4 isn't, sir. We have clean-and-seal

5 crews out on the street every day

6 cleaning and sealing properties

7 throughout the City. In fact, I think

8 year, we're targeted to do about a

9 thousand, and we'll probably do another

10 thousand next fiscal year.

11 So we do work proactively

12 internally based on inspections by our

13 inspectors. And if it's an open

14 property that needs to be cleaned and

15 sealed, it's referred to the

16 clean-and-seal unit, and that action

17 is taken.

18 COUNCILMAN RIZZO: I used that

19 just as an example of many situations

20 that L&I's responsible for. Are you

21 behind on clean-and-seals?

22 COMMISSIONER ELFREY: Yes. We

23 believe we are behind on clean-and-

24 seals. And that's a part of the

25 package that I've asked the managers to

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 put together to find out exactly what
3 we're behind on and by how much.

4 Early indications are, with
5 the hiring, the nine clean-and-seal
6 abatement workers scheduled for the
7 first week in May, that any backlogs
8 which we have will be cleaned up
9 within a matter of less than six
10 months.

11 COUNCILMAN RIZZO: Are you
12 anticipating -- you said next year
13 another thousand. Are you expecting
14 that there are properties in the
15 pipeline that will become abandoned?
16 Where did you come up with the thousand
17 next year if you're not behind?

18 COMMISSIONER ELFREY: That's
19 basically what we're budgeted for and
20 based on the productivity of a clean-
21 and-seal crew on the daily basis.

22 So in other words, we have a
23 budget, we know about how many
24 clean-and-seals we can do per day.
25 And that's our goal, about a thousand.

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2 COUNCILMAN RIZZO: So you will
3 be able to tell us -- see, I'm a little
4 confused on -- where is the thousand
5 from next year; are they already out
6 there or are they becoming abandoned as
7 we sit here?

8 COMMISSIONER ELFREY: Well,
9 where we want to be is, it's sort of
10 like the inventory on the shelf. I
11 want our folks to tell me what our
12 beginning inventory is, and I think
13 this will answer your question. Do we
14 have -- and I'm just though this number
15 out there -- 5,000 open properties
16 right now.

17 During the year through our
18 inspection process, how many do we add
19 to that, okay? And how many do we end
20 up at the end of the year based on
21 what we can do? And that's where we
22 need to be, and that's where we will
23 be.

24 COUNCILMAN RIZZO: Do you -- if
25 you come back at us and find out that

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2 -- and I'll let my colleague speak on
3 his question directly 'cause I'm sure
4 he'll get it out better than I will.

5 If you determine that you've
6 got a issue here with several hundred
7 backed up into the pipeline, what can
8 you do as a manager? Can you hire
9 contractors? can you put more people
10 on?

11 I mean, I can't imagine just
12 seven people -- you have to get trucks
13 for them, equipment. Is there trucks
14 parked that this seven people are not
15 able to get out of the garage? Or how
16 do you deal with a backlog if, in
17 fact, you have one?

18 COMMISSIONER ELFREY: Well, as
19 part of the Mayor's Strategic Plan,
20 we're going to work smarter, better,
21 and faster. So we're going to take a
22 good look at those numbers, we're going
23 to take a good look at our productivity
24 levels and see where we are at the end
25 of the year.

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2 I don't know if we're going to
3 need more money in the budget. I
4 don't know if, by working smarter,
5 better and faster, that we can really
6 eat into that backlog and we won't
7 need more money in the budget.

8 It's -- but at the end, we're
9 going to have to take a look at those
10 numbers and make those decisions.

11 COUNCILMAN RIZZO: I come
12 through -- and no disrespect to Streets
13 or L&I, and I know the clock's going to
14 sound momentarily, but I took a little
15 shortcut coming off of Allegheny Avenue
16 to get up to Germantown Avenue, and
17 there were -- I could not imagine that
18 I was in a major city; it was so, so
19 bad. I mean lots just strewn with
20 debris and other -- and I know the
21 District Council office has been trying
22 to get it cleaned up.

23 (Timer bell rings.)

24 COUNCILMAN RIZZO: So in my
25 opinion, just looking at some of the

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2 places that I go, somebody else should
3 have seen that because, I understand
4 from the neighbors, it's been like that
5 for months.

6 COMMISSIONER ELFREY: If you
7 pass that information -- I talk to Josh
8 Cohen from your staff; quite often he
9 calls me. If you have him provide
10 those addresses, I will be glad to pass
11 that on to Tom Conway in the Vacant Lot
12 Program.

13 COUNCILMAN RIZZO: Okay, good.
14 Thank you, Madam Chair. And
15 can -- Councilman Green had a quick
16 question on that.

17 COUNCIL PRESIDENT VERNA: He'll
18 be next.

19 COUNCILMAN RIZZO: Okay,
20 thanks.

21 COUNCIL PRESIDENT VERNA: I
22 just have one question that I would
23 like to ask before recognizing
24 Councilman Green.

25 Do we have a backlog for the

1 4/7/08 - Whole - 080022, 157, 160, 164, 165
2 demolition of eminently dangerous
3 properties?

4 DEPT. COMMISSIONER EVANS: No,
5 no, we don't. We defined "eminently
6 dangerous" such that if we cited a
7 property as eminently dangerous, our
8 responsibility is to immediately
9 demolish it, and so we are current with
10 all ID properties.

11 COUNCIL PRESIDENT VERNA: How
12 about dangerous properties? I know we
13 label them either "dangerous" or
14 "eminently dangerous."

15 DEPT. COMMISSIONER EVANS: We
16 only use the two categories of
17 eminently dangerous or unsafe.

18 COUNCIL PRESIDENT VERNA: All
19 right.

20 DEPT. COMMISSIONER EVANS: So
21 there are a number of unsafe properties
22 but those properties are not in threat
23 of collapse or eminent danger.

24 COUNCIL PRESIDENT VERNA: Thank
25 you very much.

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2 The Chair recognizes

3 Councilman Green.

4 COUNCILMAN GREEN: Thank you,

5 Madam Chair.

6 I'd like to spend a second

7 talking about online applications. I

8 think the PowerPoint presentation on

9 Page 5, there was a report issued in

10 October of 2001 by the Managing

11 Director's Office, L&I, and the

12 Commerce Department that said that 71

13 percent of permits and 82 percent of

14 licenses issued by L&I were routine,

15 and as a result, the application

16 approval process for them could be

17 automated.

18 Of the 71 and 82 percent

19 identified in the October 2001 report,

20 what percentage have online

21 applications?

22 COMMISSIONER ELFREY: Sir, I

23 have not seen that report, but I will

24 get that information for you.

25 COUNCILMAN GREEN: If you could

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 provide that to the Chair.

3 What percentage of your
4 applications are actually made online
5 for permits and licenses?

6 COMMISSIONER ELFREY: I don't
7 have that information in front of me.
8 I can tell you, the most recent -- I
9 believe it was the housing inspection
10 licenses that we made available online
11 in January, I believe it was 17 percent
12 as of this date were filed online,
13 which is encouraging.

14 COUNCILMAN GREEN: Um --

15 COMMISSIONER ELFREY: Bridget,
16 did you have something to add to that?

17 MS. GREENWALD: I don't know
18 the exact percentage of our licenses
19 and permits that we do have online, but
20 we do, as the Commissioner stated, the
21 housing renewal license just went on.
22 You can get a fast-form building permit
23 online, which is your building permits
24 that don't need plans.

25 You can also get your real

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2 estate certs on line, which has been a
3 big one for us. Most people just --
4 that requires a simple zoning check
5 and then, automatically, someone's
6 sent back their real estate cert.

7 COUNCILMAN GREEN: Right. If
8 you could provide the Chair with a
9 chart showing the comparison of the
10 permits and licenses that were
11 recommended to go online in 2001
12 compared to which are actually on line
13 --

14 COMMISSIONER ELFREY: Mm-hmm.

15 COUNCILMAN GREEN: -- and then
16 also tell us the total percentage of
17 permits and licenses that are applied
18 for online.

19 And, also, do you know, is
20 there any additional cost to the
21 customer for applying online versus --
22 or paying a fee online versus coming
23 in and paying it?

24 COMMISSIONER ELFREY: In some
25 cases, there are, sir, depending on the

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 circumstance, but our goal, I think, is
3 to reduce those costs because, as we
4 get more people to apply and get their
5 permits and licenses online, at some
6 point down the road, I would think that
7 our costs would be reduced and we can
8 pass that onto the customer.

9 COUNCILMAN GREEN: Well, if 17
10 percent of just this one item, housing
11 approvals, are on line, that's 17
12 percent fewer pieces of paper that are
13 coming in just on that exact process at
14 L&I.

15 COMMISSIONER ELFREY: Exactly,
16 exactly.

17 COUNCILMAN GREEN: And if you
18 haven't captured savings from that,
19 obviously, you should be redesigning
20 your work-flow processes to do so.

21 COMMISSIONER ELFREY: And we
22 will.

23 Sir, could I have the name of
24 that report? I'm sorry. You
25 mentioned a report back, I think it

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 was, seven or eight years ago?

3 COUNCILMAN GREEN: It's an
4 October 2001 report prepared in joint
5 effort by the MDO's office, L&I, and
6 the Commerce Department. I don't have
7 the exact name of the report.

8 COMMISSIONER ELFREY: Okay.

9 COUNCILMAN GREEN: My -- I'd be
10 happy to have my staff forward it to
11 you if you would like.

12 COMMISSIONER ELFREY: That
13 would be great. I would appreciate
14 that.

15 COUNCILMAN GREEN: Okay. The
16 other thing I wanted to talk about was,
17 it's my understanding that there are
18 available commercially-permitting
19 processes that would allow people to
20 submit plans electronically, allow
21 those plans to be automatically sent to
22 the Water Department, the Streets
23 Department, and other places so that
24 they don't have to fill out 14
25 different applications, et cetera.

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2 Can you discuss where the
3 Department is on that? And I think in
4 October 2007, there was testimony that
5 you were looking at such changes in
6 your processes in coordination with
7 Water, Streets, and the other people
8 who have to review the same plans.

9 COMMISSIONER ELFREY: That's
10 correct, sir. And, as a matter of
11 fact, staff have identified a couple of
12 packages that are out there currently
13 being used in other cities.

14 We are going to be meeting
15 with Streets, Planning, and the Water
16 Department -- I think the meeting is
17 tomorrow -- to discuss what our needs
18 would be internally to implement such
19 a process.

20 I mean, I think that's a big
21 win for the development community and
22 it's a big win for the City
23 departments if we can get to the point
24 where we're submitting electronic plan
25 reviews and approving them online so

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 that not only we see what's going on,
3 but our customers see what going on at
4 the same time.

5 We are in very preliminary
6 discussions about this process and
7 about these programs that are out
8 there. But, as I said, we are going
9 to meet for the first time tomorrow to
10 see what that might look like for the
11 City.

12 COUNCILMAN GREEN: Do you have
13 an estimate of what the efficiencies
14 and/or the savings are?

15 COMMISSIONER ELFREY: No, not
16 at this time, sir. It's too early in
17 the game.

18 COUNCILMAN GREEN: Would you
19 please provide those to the Chair when
20 you get them?

21 COMMISSIONER ELFREY:
22 Absolutely.

23 (Timer bell rings.)

24 COUNCILMAN GREEN: Thank you.

25 (Councilwoman Tasco assumes

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 position as Committee Chair.)

3 COUNCILWOMAN TASC0: The Chair

4 recognizes Councilwoman Sanchez.

5 COUNCILWOMAN SANCHEZ: Thank

6 you.

7 Thank you, folks.

8 Along the lines -- as I was

9 listening to the testimony earlier

10 from the office, President Verna and

11 you folks were talking about the

12 public relations campaign, and I

13 wanted to go on record the importance

14 of making sure that any education

15 campaign that we have be done in

16 several different languages, which is

17 one of the challenges that we face.

18 And I say that, understanding that I

19 have a district with probably one of

20 the highest noncompliance issues as it

21 relates to both businesses and

22 housing. But, also, as I work with

23 folks, you know, their inability to

24 navigate how to come to compliance

25 because of sometimes our lack of

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2 coordination.

3 So I want to make sure that I
4 go on the record saying that.

5 I also notice that in your
6 contracting, on your minority
7 contracting, there were no Hispanic
8 firms. Is there a reason?

9 COMMISSIONER ELFREY: I cannot
10 speak for the last year as to why there
11 were no firms, but I can promise you
12 that we will do everything in our power
13 to make sure for the coming fiscal year
14 that there will be.

15 COUNCILWOMAN SANCHEZ: Okay.
16 Going back to some of the discussions
17 around NTI and CLIP, one of the things
18 that I hear -- and I get inconsistent
19 messaging around it -- is, all of the
20 remediation work that we do doesn't
21 necessarily get liened, and it didn't
22 under NTI, some of the work that we're
23 doing.

24 Does every service that we
25 provide, as it relates to remediation,

1 4/7/08 - Whole - 080022, 157, 160, 164, 165
2 being liened, and at what rate? And
3 if you could share that with Chair,
4 I'd be very much interested.

5 I have about 300 vacant
6 properties, lots that we have as a
7 result of our work through NTI, so I
8 want to know, moving forward, that
9 they are in a pipeline for potential
10 acquisition.

11 COMMISSIONER ELFREY: Just one
12 point of clarification, Councilwoman:
13 At what rate? What do you mean by
14 that?

15 COUNCILWOMAN SANCHEZ: If we
16 provide a clean-and-seal on a
17 particular lot, how are we lienning
18 those properties.

19 COMMISSIONER ELFREY: Oh.

20 COUNCILWOMAN SANCHEZ: What's
21 the rate that we're charging?

22 COMMISSIONER ELFREY: Oh, I
23 understand, okay.

24 COUNCILWOMAN SANCHEZ: Those
25 types of things. That would be

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2 important for me to see.

3 Years ago, probably '93, '94,
4 there was a District Services Office
5 that on American Street, and that was
6 very helpful in helping us direct
7 people there for some basic questions,
8 especially when folks were doing some
9 minor work, remodels in the house that
10 didn't require major plans.

11 What types of services are we
12 offering in the six different
13 locations where we have staffing and
14 sites like the Northeast City Hall at
15 sixth and Lehigh as it relates to L&I?

16 COMMISSIONER ELFREY:

17 Presently, we are not in the Northeast
18 City Hall. We are looking internally
19 to expand, and I don't know at what
20 rate or when yet some of the services
21 we offer.

22 I believe Eileen Evans' group
23 is starting in May or June, a Saturday
24 service, where all of the district
25 operations will offer appointments to

1 4/7/08 - Whole - 080022, 157, 160, 164, 165
2 those that want to do minor home
3 repairs and want to get permits for
4 that and would need advice on what the
5 L&I process is.

6 And we're going to be rolling
7 that out in a public relations
8 campaign, once all the T's are dotted
9 and the I's are crossed.

10 (Laughter.)

11 COMMISSIONER ELFREY: As far as
12 the other services, could you just
13 repeat your question again?

14 COUNCILWOMAN SANCHEZ: What are
15 we doing at Sixth and Lehigh? I know a
16 there's a staff person there; what's
17 the function of that staff person there
18 from L&I?

19 COMMISSIONER ELFREY: Go ahead,
20 Eileen.

21 DEPT. COMMISSIONER EVANS: That
22 particular office is a fully-staffed
23 district office, and so clerical there
24 are several building inspectors there,
25 there's clerical support staff, and

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2 their function is to address within
3 defined boundaries all of the building-
4 and construction-related complaints
5 that are in that particular service
6 area.

7 COUNCILWOMAN SANCHEZ: So I can
8 go over there and get information?

9 DEPT. COMMISSIONER EVANS: Yes.

10 COUNCILWOMAN SANCHEZ: That's
11 not the feedback that I've gotten. I
12 don't know if Councilman Clarke --

13 DEPT. COMMISSIONER EVANS:
14 Well, it is a fully-staffed -- I mean,
15 if they're not providing service, I
16 would love to know that.

17 COUNCILWOMAN SANCHEZ: I would
18 like to know what services we're
19 supposed to be providing over there.

20 DEPT. COMMISSIONER EVANS:
21 Okay.

22 COUNCILWOMAN SANCHEZ: That
23 would be helpful. And when you say
24 "fully staffed," what does that mean?
25 Does that mean that anybody can go in

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2 there and pretty much get answers to
3 some of the basic quality-of-life
4 questions that we're talking about?

5 DEPT. COMMISSIONER EVANS: No.

6 Those -- the district offices are
7 construction-related district offices,
8 so it's not necessarily -- the staff is
9 aware of clean-and-seal activities, but
10 they don't necessarily deal with
11 quality of life. These are building
12 inspectors, plumbing inspectors, and so
13 we're dealing with construction-related
14 issues in the local district offices.

15 COUNCILWOMAN SANCHEZ: So
16 you're reviewing plans; no permits get
17 issued out of there?

18 DEPT. COMMISSIONER EVANS: Fast-
19 form building permits that do not
20 require plans can be issued from the
21 district offices.

22 COUNCILWOMAN SANCHEZ: I was
23 not aware of that. Okay. Well, I'd
24 like to get a full scope of services --

25 DEPT. COMMISSIONER EVANS: Sure.

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2 COUNCILWOMAN SANCHEZ: -- that
3 are being offered there, because that's
4 where I was getting to. The district
5 office that we had before, there was
6 some issuance of some of the permits on
7 American and Lehigh, but I --

8 DEPT. COMMISSIONER EVANS: If I
9 may, as the Commissioner stated, we are
10 reviewing internally whether or not we
11 can actually, and should, expand
12 services in the district offices so
13 that you can receive licenses in the
14 district offices and a different
15 variety of permits in those district
16 offices. Traditionally, it has just
17 been construction-related.

18 COUNCILWOMAN SANCHEZ: Okay.

19 COMMISSIONER ELFREY: I'd like
20 to emphasize we're reviewing that.

21 COUNCILWOMAN SANCHEZ: Well, it
22 seems to me that we have several
23 different types of offices throughout
24 the City probably strategically
25 located, and as we look at becoming

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2 more customer-friendly that we would
3 look at all of the staffing. We have
4 six different sites with L&I staff.

5 (Timer bell rings.)

6 COMMISSIONER ELFREY:

7 Absolutely. We need to leverage the
8 resources that we have in the field
9 throughout the City to provide the best
10 service that we can, and that's some of
11 the things that we're looking at.

12 COUNCILWOMAN SANCHEZ: Thank
13 you. My time is up.

14 COUNCILWOMAN TASCO: Good
15 morning and thank you.

16 I'm Councilwoman Tasco, and I
17 just -- I -- probably you've gotten
18 this question about inspections, but I
19 want to talk about the large apartment
20 buildings.

21 We have one building in the
22 9th District called the Linley Towers,
23 and it has a history of inspection
24 violations and issues. And this has
25 been a long, long, long, long,

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2 long-term problem. And they store
3 trash in the wells. At one point, I
4 thought we tried to close this
5 building down, but they continue to
6 operate.

7 And so what follows a
8 complaint? And when you file your --
9 what follows your inspection and what
10 follows when there are violations and
11 the violations pile up and pile up?
12 And then they're allowed to continue
13 to remain open.

14 DEPT. COMMISSIONER VERDI:
15 Councilwoman, to address that issue, we
16 recently inspected that building two
17 weeks ago, all right? The building --
18 the case itself is in Equity Court.

19 We were prepared to evacuate
20 the entire building based on
21 complaints that we were getting in
22 reference to fire alarm. The problem
23 with the building is, to evacuate a
24 building with a hundred people is
25 somewhat an issue.

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2 We have been working with the
3 owner. The case has got a continued
4 date in Common Pleas Court, and I'll
5 be happy to give you a full report on
6 it when I get back. I'm not quite
7 sure what the attorneys talked about
8 last week.

9 But we do know that the
10 firearm alarm system is back in
11 working order. Most of the property
12 violations have -- are starting to be
13 complied. We have an inspector that's
14 supposed to go up there this weekend
15 again to look at some issues with the
16 management company, but the property
17 is coming into compliance steadily.

18 Unfortunately, it did take
19 quite some time to get that person
20 again into Equity Court, which we did.
21 And we were prepared again to evacuate
22 the building even though it had a
23 hundred residents.

24 COUNCILWOMAN TASC0: I think we
25 evacuated a building similar -- it may

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2 have been the same building -- some
3 years back, and the Department of Human
4 Services helped to evacuate the people
5 and find locations for them.

6 So if that's an issue, maybe
7 we -- have you talk to the Department
8 of Human Services to try and --

9 DEPT. COMMISSIONER VERDI: Our
10 manager from Housing did talk to Human
11 Services. We also have been
12 coordinating with the Managing
13 Director's Office of Emergency Services
14 if we had to evacuate the building.

15 And, again, the good part of
16 it is, the fire alarm systems and the
17 safety systems are back in working
18 order. Now it's a matter of having
19 the inspectors go through each
20 individual violation with the courts
21 to make sure that the quality-of-life
22 issues are being addressed.

23 COUNCILWOMAN TASCO: Yeah, but
24 what happens, they go into court, they
25 make these promises, they do a little

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2 bit of a fix-up, and then they start
3 the next week back to business as
4 usual. That's why there's such a long
5 history.

6 They continue to collect rent
7 and then they let the services, the
8 quality-of-life services decline, and
9 then we -- it's a constant circle.
10 It's going round and round and round
11 all the time.

12 (Applause.)

13 DEPT. COMMISSIONER VERDI: In
14 this case and other cases, we do notice
15 that's what happens when they have a
16 court case.

17 The court case in this matter,
18 we're asking the Law Department to
19 have a request put in where this case
20 stays open. If, in fact, this person
21 does not stay in compliance, it would
22 be immediately -- we could immediately
23 order him back into court. It's not
24 similar to a Municipal Court hearing;
25 this is a Common Pleas hearing.

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2 We can have that added to the
3 order, so we could have an open order
4 that could stand for two, three, four
5 years if we have to, and it's
6 something I have to discuss with the
7 Law Department today, as a matter of
8 fact in reference to --

9 COUNCILWOMAN TASC0: Who's --

10 DEPT. COMMISSIONER VERDI: --
11 allowing us to go back there and --

12 COUNCILWOMAN TASC0: Who in the
13 Law Department is handling this case?

14 DEPT. COMMISSIONER VERDI: I'd
15 have to get that information for you.

16 COUNCILWOMAN TASC0: If you
17 could get that to me --

18 DEPT. COMMISSIONER VERDI: Sure.

19 COUNCILWOMAN TASC0: -- and
20 would you get me the court date,
21 please?

22 DEPT. COMMISSIONER VERDI:
23 Absolutely.

24 COUNCILWOMAN TASC0: All right.
25 Thank you.

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2 What is the inspection
3 process -- this is an ongoing problem
4 for us also -- in the commercial
5 districts on trash pickup? The Zoning
6 Board of Adjustment, the business
7 owners are told that they're required
8 to have commercial trash pickup for
9 their businesses; however, they do not
10 have commercial trash pickup. And on
11 Fifth Street, they put their trash out
12 on Sunday.

13 And also in some of the other
14 business districts in my district and,
15 I'm sure, in other districts, trash is
16 put out on Saturday. It sits over
17 Sunday if trash is on Mondays. And
18 they're supposed to have commercial
19 trash pickup.

20 What are you all doing to work
21 with these businesses to let them
22 understand what the requirements for
23 trash pickup are?

24 DEPT. COMMISSIONER VERDI:

25 Well, one of the issues -- not only --

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2 the Zoning Board does, in fact, in some
3 cases -- I shouldn't say in all
4 cases -- require commercial trash
5 pickup, but there are some businesses
6 that are not required to go before the
7 Zoning Board.

8 Now, the issue as far as trash
9 pickup, Commissioner, I think that
10 would have to be addressed by the
11 Streets Department.

12 COUNCILWOMAN TASC0: Yeah, but
13 if they are in violation -- because the
14 Streets Department will pick the trash
15 up. They pack it in such a way that
16 it's not something -- it doesn't look
17 like a bin requirement, so you have
18 these small boxes all along the
19 sidewalk littering the sidewalk.

20 So the Trash Department, when
21 they come by on Monday, they pick the
22 trash up, but they should have
23 commercial bins, they should have
24 large bins for their trash but they
25 don't.

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2 This is nothing new; it's been
3 going on for years, ever since I've
4 been there.

5 COMMISSIONER ELFREY: Ma'am, if
6 you'd give us those exact locations or
7 I could reach out to your staff --

8 COUNCILWOMAN TASC0: I would
9 love to.

10 COMMISSIONER ELFREY: -- today
11 or tomorrow where they are, we'll look
12 into that for you.

13 COUNCILWOMAN TASC0: Well,
14 why -- what I think ought to happen,
15 there has to be a collaboration between
16 L&I --

17 COMMISSIONER ELFREY: And the
18 Streets Department.

19 COUNCILWOMAN TASC0: -- and the
20 Streets Department.

21 COMMISSIONER ELFREY:
22 Absolutely. That's exactly what we --

23 COUNCILWOMAN TASC0: -- on how
24 you're going to enforce the Code.

25 COMMISSIONER ELFREY: Yes.

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2 COUNCILWOMAN TASC0: That's
3 what I think has to happen.

4 COMMISSIONER ELFREY: You're
5 right.

6 COUNCILWOMAN TASC0: Because if
7 the Trash Department picks it up --
8 because we're going to call if the
9 trash is not picked up, but the
10 businesses don't have a -- they get
11 away with it, so they don't comply.

12 COMMISSIONER ELFREY: Right.

13 COUNCILWOMAN TASC0: The other
14 thing about these commercial trash
15 bins, they're supposed to be enclosed,
16 and there's no enforcement. I don't
17 know how long you've been in the
18 department, so these issue are ongoing.

19 COMMISSIONER ELFREY: Three
20 months, ma'am.

21 COUNCILWOMAN TASC0: I want you
22 to know that this is a problem.

23 Another thing, working with
24 the trash bins -- well, that's your
25 area on the trash bins. They got to

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2 be required to have those trash bins,
3 so the trash is out --

4 (Indiscernible; parties
5 talking over each other.)

6 COMMISSIONER ELFREY: They
7 should have a licensed Dumpster. Those
8 that are required should have a
9 licensed Dumpster. It should be
10 graffiti-free, by the way, and that's
11 --

12 COUNCILWOMAN TASC0: But
13 there's no enforcement.

14 COMMISSIONER ELFREY: That's a
15 pet peeve of mine. And it also needs
16 to be closed; it shouldn't be
17 overflowing.

18 And, again, we'll get with the
19 Streets Department.

20 COUNCILWOMAN TASC0: Well, I
21 know you have some staffing issues, but
22 the enforcement and the -- the
23 inspection and enforcement are the two
24 most important things in the L&I
25 Department because the L&I Department,

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2 I've always been supportive of you
3 having more staff because you have the
4 greatest impact on the quality of life
5 for people in this city because of the
6 various issues and the areas that you
7 have to cover.

8 So I certainly hope that our
9 mayor will find within his budget to
10 be able to hire more people so that we
11 can take care of some of the issues
12 that my office has been -- I've been
13 here twenty years and these problems
14 are twenty years old. They never get
15 resolved.

16 COUNCILMAN RIZZO: Point of
17 information, Madam Chair.

18 COUNCILWOMAN TASCO: Point of
19 information, Councilman Rizzo.

20 COUNCILMAN RIZZO:
21 Commissioner, a few years ago, this
22 Council passed legislation requiring
23 Dumpsters to be licensed, and
24 Mr. Haigler, I believe, was the person
25 that I was speaking with. And we were

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2 told because of the delay for
3 implementation was that it was going to
4 roll out at the beginning of the year.

5 Would you provide to the Chair
6 a report on where we are with the
7 legislation that this Council passed
8 about leaving Dumpsters in the
9 right-of-way, all of the issues
10 associated with Dumpsters. Some
11 contractors will drop them in Center
12 City in the operating line.

13 So that legislation -- and
14 I've been very patient. L&I was
15 telling me that they needed time to
16 get this all together. So if
17 Mr. Haigler, when the Chair feels it's
18 appropriate, because I've seen no
19 improvement, and we have legislation
20 signed by the Mayor, and we still --
21 and there's Mr. Haigler, so if you
22 could let him hang closer here for a
23 minute --

24 COMMISSIONER ELFREY: Yeah.

25 And Mr. Verdi's here --

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2 COUNCILMAN RIZZO: And then
3 when it's my turn again, I would like
4 to get an update on where we are
5 because I don't like wasting my time on
6 this.

7 DEPT. COMMISSIONER VERDI:
8 Councilman, I think you have -- there's
9 two different issues that the
10 Councilwoman is dealing with trash
11 Dumpsters; your issue is construction
12 Dumpsters.

13 COUNCILMAN RIZZO: I'm talking
14 about Dumpsters, Dumpsters that are --

15 DEPT. COMMISSIONER VERDI:
16 These are -- the legislation that
17 Mr. Haigler had passed is in reference
18 to construction Dumpsters.

19 COUNCILMAN RIZZO: I'm talking
20 about -- it's about all kinds of
21 Dumpsters. I'm talking about
22 Dumpsters, construction Dumpsters that
23 are --

24 DEPT. COMMISSIONER VERDI: But
25 that ordinance that -- you just

1 4/7/08 - Whole - 080022, 157, 160, 164, 165
2 referenced the ordinance. The
3 ordinance that you spoke to Mr. Haigler
4 about is in reference to construction
5 Dumpsters. The legislation was passed
6 and signed by the Mayor, and it is
7 being enforced between the Streets
8 Department and our construction people.

9 COUNCILMAN RIZZO: Where's the
10 licenses for the Dumpsters?

11 DEPT. COMMISSIONER VERDI: The
12 licenses for the Dumpsters come through
13 our office but are approved by the
14 Streets Department.

15 COUNCILMAN RIZZO: Okay. We
16 need to get together on this because
17 this is a problem. These Dumpsters are
18 all over the place, and they're
19 supposed to have licenses. I ask for
20 the licenses, they say, "Oh, we're
21 waiting for L&I," so I think if there's
22 confusion here, we really need to get
23 our arms around it.

24 DEPT. COMMISSIONER VERDI: Just
25 to give you some background as far as

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2 Dumpsters are concerned, if you see a
3 Dumpster on the sidewalk, the Dumpster
4 on sidewalk has to be approved by the
5 Streets Department as a public Dumpster
6 or -- it's not a private Dumpster.

7 If a Dumpster is on private
8 property, it's considered a private
9 Dumpster, and we have the licenses for
10 both of those.

11 The third type of which you're
12 speaking about is strictly to deal
13 with construction debris at a
14 construction site, and that's what
15 that legislation was for. And we'll
16 get you the information.

17 COUNCILMAN RIZZO: Okay. Thank
18 you. And I'll come back and talk to
19 you about that.

20 Thank you for that
21 opportunity, Madam Chair.

22 COUNCILWOMAN TASCO: Thank you
23 very much.

24 The Chair recognizes
25 Councilman Green.

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2 COUNCILMAN GREEN: Thank you,
3 Madam Chair.

4 I just want to say that you
5 guys are where the rubber meets the
6 road, and that's why we all have so
7 many questions. You know, many of the
8 quality-of-life issue, as Councilwoman
9 Tasco was saying, are affected by how
10 effective, efficient, you know,
11 better, smarter, faster your office
12 is.

13 And so I think we're all
14 looking for ways to recommend
15 solutions or possible efficiencies or
16 advantages that you may consider and
17 decide to take advantage of or not.

18 But I just want to say, you
19 know, my office, every dealing we've
20 had with L&I so far has been extremely
21 positive. You have been effective and
22 efficient. And, you know, I want to
23 acknowledge that and thank you for
24 that and don't want you to think that
25 because we're asking questions on the

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2 negative side that -- or, you know, it
3 may sound like criticism, but you
4 should take it as our way of
5 suggesting perhaps how to be even
6 better.

7 COMMISSIONER ELFREY: Thank
8 you, Councilman. I appreciate that.

9 And we're always open to
10 suggestions. We want to think outside
11 the box, and we want to be in a
12 partnership with the citizens of
13 Philadelphia and Council to help us do
14 that. And we welcome --

15 COUNCILMAN GREEN: In
16 particular, your electronic
17 initiatives -- although, I think, for
18 my tastes, we're moving too slowly on
19 something that I applaud you on. You
20 did -- you were one of the first
21 departments to have forms up some time
22 ago in the Street administration, and I
23 think it can bring tremendous savings
24 or perhaps decrease backloads of cases
25 if you -- the more efficient you get

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2 with that, and I encourage you to
3 continue that activity as quickly as
4 possible.

5 And if there is not money in
6 this year's budget to make those
7 changes if you could provide what you
8 need for the Chair in order to
9 implement a full paperless system to
10 the extent that that's practicable,
11 that's something that I'm looking to
12 support.

13 Thank you very much for your
14 testimony today.

15 COMMISSIONER ELFREY: Thank
16 you.

17 COUNCILWOMAN TASC0: Let me
18 just ask you another question. What is
19 the diversity of the staff of L&I?

20 MS. GREENWALD: Currently, we
21 are at -- we have:

22 About 40 percent of our staff
23 is white.

24 53 percent black.

25 5 percent Hispanic.

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2 1 percent Asian.

3 And then we have 2 percent are

4 "other."

5 (Laughter.)

6 MS. GREENWALD: That's a
7 category that's established by the
8 Central Personnel Unit. It's THE
9 people that don't actually want to
10 put -- they actually go into the
11 "other" category.

12 COUNCILWOMAN TASC0: Now, how
13 much Asian, 1 percent?

14 MS. GREENWALD: We have 1
15 percent Asian.

16 COUNCILWOMAN TASC0: So what's
17 1 percent, one person?

18 MS. GREENWALD: About four
19 people, yeah.

20 COUNCILWOMAN TASC0: Because,
21 you know, the City is very diverse and
22 if you look at the diversity of the
23 City, particularly when you're dealing
24 with the commercial community, and you
25 look at the racial makeup of the

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2 business owners, it would seem to me
3 that we would try to increase that
4 number because we do have a number of
5 Asian merchants where communication is
6 very important.

7 And if we have people who
8 could really communicate with the
9 merchant to work with them on some of
10 the issues, we might have a better
11 response because, you know, they come
12 to the country, they don't know the --
13 understand all of the laws, and they
14 feel a little intimidated sometimes in
15 responding.

16 So I think if we could find a
17 more effective way to be more
18 inclusive of that community and then
19 deploy those employees to those areas
20 where you have a diverse community and
21 require that connection, that's very
22 important when you're dealing with
23 people.

24 DEPT. COMMISSIONER VERDI:

25 Just, Councilwoman, so you understand,

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2 we do take that into conversation,
3 especially the fact that we do have a
4 language line in our concourse and is
5 available at other offices for someone
6 that doesn't speak or doesn't
7 understand English, and it has quite a
8 different variety of Asian dialects.

9 We also have -- we also, if we
10 need to, have the Department of Human
11 Services, and one of the other issues
12 that when our inspectors are out in
13 the field, we do instruct them, if
14 they have a problem with the language
15 issue, that we do sometimes contact
16 the Police Department, who will send
17 us someone that speaks the dialect or
18 language of the person that we're
19 trying to bring into compliance.

20 COUNCILWOMAN TASC0: Well, it's
21 much more effective if you have
22 somebody on the staff who can speak the
23 language and not have to call the
24 Police Department. Now, when you're
25 talking to a businessman about trash

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2 containers and you call the Police
3 Department, in some of the countries
4 they came from, that's very
5 intimidating.

6 So if there's someone on staff
7 who can communicate and educate at the
8 same time about what their
9 requirements are, I think it would be
10 much more effective in terms of
11 getting the results that we would like
12 to have.

13 COMMISSIONER ELFREY: I agree
14 with you, Councilwoman, and we'll work
15 with Central Personnel on that.

16 COUNCILWOMAN TASC0: At one
17 time, we had asked the mayor Ed Rendell
18 at the time to hire more people in the
19 Commerce Department because they had
20 these business action centers.

21 COMMISSIONER ELFREY: Mm-hmm,
22 the Mayor's Business Action Center.

23 COUNCILWOMAN TASC0: And we
24 asked them to make sure that there was
25 a diverse staff so that, whether it's

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2 Latino or Columbian or whatever,
3 there's that connection 'cause people
4 relate to people they feel comfortable
5 with.

6 COMMISSIONER ELFREY: You're
7 right and we agree.

8 COUNCILWOMAN TASC0: So that's
9 something I think that would be a good
10 idea.

11 COMMISSIONER ELFREY: Thank
12 you.

13 COUNCILWOMAN TASC0: Thank you.

14 The Chair recognizes -- is
15 Councilman Clarke around? Maybe he'll
16 come back, but for the moment, we will
17 recognize Councilwoman Sanchez.

18 COUNCILWOMAN SANCHEZ: Thank
19 you.

20 Let's talk a little bit more
21 about CLIP. And as we move forward
22 with the funding not coming through
23 NTI, how is it that we're looking to
24 -- 'cause we've talked about it and I
25 think the Mayor's talked about it,

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2 we've all talked about it and we've
3 all ran on it, expanding a CLIP-like
4 program in other parts of the City
5 because of its intensive service.

6 So what are we doing next year
7 that's going to be different, better?

8 COMMISSIONER ELFREY: In
9 reference to the CLIP Program, that is
10 run out of the Managing Director's
11 Office.

12 COUNCILWOMAN SANCHEZ: Okay.
13 But it has L&I staff assigned to it?

14 COMMISSIONER ELFREY: Yes.
15 Yes, it is does.

16 COUNCILWOMAN SANCHEZ: Okay.
17 So then let me ask you, based on L&I's
18 needs and resources. What would you
19 say we could do differently in moving
20 forward on the program to be able to
21 expand it?

22 COMMISSIONER ELFREY: To expand
23 the CLIP Program?

24 COUNCILWOMAN SANCHEZ: Mm-hmm.

25 COMMISSIONER ELFREY: What we

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2 would do differently?

3 COUNCILWOMAN SANCHEZ: Mm-hmm.

4 Given the resources that we're talking
5 about, is expansion possible? because
6 it would require more L&I support.

7 COMMISSIONER ELFREY: I don't
8 know the answer to that question yet.
9 We would have to know what the
10 expansion would look like, where it
11 would be, and how many folks. I don't
12 feel comfortable answering that
13 question right now, ma'am.

14 COUNCILWOMAN SANCHEZ: Okay.
15 As it relates to -- again, I'm going to
16 go back to business-compliance issues
17 in looking at cease-operations, I know
18 for a fact that I have a lot of folks
19 who skirt the permit process for a lot
20 of reasons; some of it is financial,
21 other is lack of understanding of the
22 system.

23 And I want to do my part in
24 ensuring people that if they comply,
25 that we will be supportive, but I have

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2 encountered situations where we asked
3 people to go through the permit
4 process, which triggers an inspection,
5 which immediately triggers a
6 cease-operations, leaving people
7 frustrated that I'm telling them to
8 go, you got to go get your permits,
9 you got to get your stuff in order.
10 They go in, you know, and then when
11 the inspection is triggered, there's a
12 cease-operation.

13 How can we better close that
14 loop? Because to me, the
15 cease-operation, if there's a public
16 safety measure, is important, but we
17 also are not articulating what
18 compliance issues they need to come --

19 COMMISSIONER ELFREY: Exactly.
20 And that's a partnership with the
21 community, with City Council, with L&I
22 in the City. We need to do a good job
23 of educating our customers and
24 constituents so that if someone wants
25 to start a business in the City and

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2 they're doing due diligence in trying
3 to do the right thing and get the
4 permits and the license, which is, of
5 course, what we want them to do, they
6 have a full understanding of the
7 process is and what they need to comply
8 with and how so it doesn't trigger a
9 cease-operations.

10 COUNCILWOMAN SANCHEZ: When
11 trigger a cease-operation, what do we
12 do to folks? We go in, we put up that
13 red sticker; what do we do, what do we
14 say to folks?

15 COMMISSIONER ELFREY: Dominic,
16 do you want to --

17 DEPT. COMMISSIONER VERDI:
18 First of all, Councilwoman, I think
19 it's a misconception on how fast we
20 issue a cease-operations.

21 COUNCILWOMAN SANCHEZ: Mm-hmm.

22 DEPT. COMMISSIONER VERDI: A
23 cease-operations does not get triggered
24 by someone coming in and asking for a
25 permit.

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2 COUNCILWOMAN SANCHEZ: Mm-hmm.

3 DEPT. COMMISSIONER VERDI: The
4 inspection, that process -- if somebody
5 came in and asked for the permit, it's
6 probably 'cause that inspector three or
7 four times prior, before, to look into
8 the process.

9 COUNCILWOMAN SANCHEZ: Mm-hmm,
10 mm-hmm.

11 DEPT. COMMISSIONER VERDI: And
12 why I say that, if the inspector went
13 out to the location and it didn't have
14 the proper zoning, zoning is usually a
15 three-step processes that will take --
16 before we issue a cease-operations,
17 there's the initial violation, then
18 there's an intent-to-cess order and an
19 administrative hearing that will call a
20 person into.

21 Then there's an intent-to-
22 cease, which we try to give in that
23 last warning and say, We're coming
24 back in five days if you don't try to
25 follow this process. And then we

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2 initiate the cease-operations.

3 If we initiate the cease-

4 operations and the business must be

5 closed, we turn the paperwork over to

6 the Police Department, who then

7 enforce the cease-operations.

8 COUNCILWOMAN SANCHEZ:

9 Question: In all those times when we

10 say we have an intent, all of the

11 different processes, are we giving to

12 folks in writing what corrective

13 actions they must meet and how they

14 come back and trigger the reinspection?

15 DEPT. COMMISSIONER VERDI:

16 Absolutely. They have a copy of the

17 violation notice. The violation has a

18 phone number. If they do not

19 understand what's in that violation --

20 and there is a written part of the Code

21 that explains to them what they need to

22 do to come into compliance.

23 There are several phone

24 numbers or one phone number for that

25 inspector on that form, which they can

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 get the information.

3 COUNCILWOMAN SANCHEZ: Is that
4 phone number regularly answered? And
5 I'll give you an example.

6 I had a situation, and
7 Commissioner Evans had to reassure me
8 where there was in error an eminent
9 domain sign posted. And I told my
10 staff, let's go through the process
11 and call the number.

12 We called the number
13 connectively five days at all
14 different times and never got a
15 pickup.

16 DEPT. COMMISSIONER VERDI: I
17 could tell you the phones at Business
18 Compliance are operational. Between
19 the hours of 8:30 and 4 o'clock every
20 day, someone answers the phones that
21 have anything to do with business
22 compliance.

23 And there's also -- if those
24 phone lines aren't answered, there
25 is -- the businesses are aware that

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 there's licenses -- on their license

3 there's also phone numbers that could

4 be called, and they are answered.

5 (Timer bill rings.)

6 COUNCILWOMAN SANCHEZ: But this

7 is a personal -- we just did this two

8 weeks ago.

9 DEPT. COMMISSIONER VERDI: I

10 don't know --

11 COUNCILWOMAN SANCHEZ: And we

12 called at all times. I had them start

13 calling from 8:00 in the morning. We

14 called a different day around 10:30.

15 So I don't know how we do a

16 job -- how do we monitor to make sure

17 those calls are being answered?

18 because then, you know --

19 DEPT. COMMISSIONER VERDI: Do

20 you have that --

21 COUNCILWOMAN SANCHEZ: I

22 shouldn't have to call, you know,

23 shouldn't have to ask Eileen Evans just

24 for assurance that it was in error; we

25 knew it was in error. We wanted

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2 someone do give us something in writing
3 to assure the owner that it was in
4 error.

5 DEPT. COMMISSIONER VERDI:
6 Could your staff e-mail us or send us
7 that number? And we'll look into why
8 that number wasn't answered.

9 COUNCILWOMAN SANCHEZ: Yes,
10 we'll share it with you.

11 I would also like to ask --
12 and I'll come back. All of these
13 packages that we're talking about, I'd
14 like to -- if I can get a sample
15 package of those and I want to say if
16 there's an English and a Spanish one
17 when necessary, when we're giving out
18 some of these -- specifically when we
19 go out and we know that the business
20 owner does not speak English or
21 doesn't do it readily and --

22 'Cause I had a situation where
23 a woman was put through Zoning because
24 she was doing an accessory sign
25 outside. She went to the Zoning

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2 hearing and did the phone call
3 situation for the translator. And at
4 the end of the day, they told us don't
5 put the sign out. She had spent all
6 of this money and had spent three
7 months in a process when it was just a
8 sign that she sometimes posted her
9 specials on.

10 COUNCILWOMAN TASC0: Well, I
11 just have to say you have a tough
12 department.

13 (Laughter.)

14 COMMISSIONER ELFREY: And we're
15 up to the challenge.

16 COUNCILWOMAN TASC0: And we
17 really want to help you.

18 COMMISSIONER ELFREY: We have a
19 lot of good folks at L&I and --

20 COUNCILWOMAN TASC0: You really
21 do.

22 COMMISSIONER ELFREY: And we
23 have a lot of --

24 COUNCILWOMAN TASC0: But you
25 don't have enough folks at L&I; that's

1 4/7/08 - Whole - 080022, 157, 160, 164, 165
2 the problem.

3 COMMISSIONER ELFREY: We have a
4 lot of good folks at L&I that really
5 care and do a good job, and we're going
6 to leverage that.

7 COUNCILWOMAN TASC0: And I
8 wasn't here earlier, but I see one of
9 the comments that the President had
10 made about your public relations
11 campaign.

12 You know, we've been in
13 Council and we go to the community
14 meetings two and three times a week,
15 and it's the same scenario over and
16 over again.

17 We think the public knows --
18 they know what to do in terms of their
19 neighborhood. What we lack is
20 enforcement. That's what we lack,
21 enforcement.

22 (Applause.)

23 COUNCILWOMAN TASC0: So if you
24 have money to spend, I would rather you
25 hire whoever -- more staff to provide

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 the inspections and the enforcement and
3 whatever is needed to make sure that
4 things get taken care of.

5 And then you'll -- the public
6 will know that you are doing your job,
7 'cause if I have to call five times
8 because there's a problem someplace --
9 and I won't say I've called five times
10 'cause you've been real good on
11 responding to us.

12 COMMISSIONER ELFREY: Good.
13 That's good to hear.

14 COUNCILWOMAN TASCO: But the
15 bad guys kind of outmaneuver you
16 because there are more of them and
17 fewer of you, and they know that it's
18 going to take some time for you to get
19 back out to do a reinspection, so they
20 do what they want to do.

21 So I just -- the department
22 has been very supportive, very
23 responsive to my office, and I wanted
24 to say that, but the system is
25 overwhelming, and we do have a lot of

1 4/7/08 - Whole - 080022, 157, 160, 164, 165
2 problems in this city.

3 Councilman Rizzo?

4 COUNCILMAN RIZZO:

5 Commissioner, I'd like to go back to
6 the construction Dumpsters, and could
7 you assemble the people that you think
8 would be the ones to discuss that with
9 me.

10 COMMISSIONER ELFREY: Sure,
11 absolutely. We'll have the Streets --

12 COUNCILMAN RIZZO: No, right
13 now.

14 COMMISSIONER ELFREY: Oh, I'm
15 sorry.

16 COUNCILMAN RIZZO: Yeah. Two
17 years ago, we had no legislation on
18 construction Dumpsters, where a
19 contractor would put one on a sidewalk,
20 force pedestrians into the street. We
21 had contractors doing demolition or
22 doing remodeling; they would place a
23 Dumpster in the running lane of a
24 roadway.

25 I'd like to know, three years

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2 ago, before the legislation, what's
3 different today and the status of that
4 legislation that this Council worked
5 very hard on to deal with the issues.

6 If you're limiting it right
7 now to construction Dumpsters, that's
8 fine with me but we'll find out if it
9 does embrace other Dumpsters that are
10 left on the right-of-way.

11 COMMISSIONER ELFREY: If I may,
12 Councilman, I'm going to ask Otis
13 Haigler to explain the legislation
14 issue, but we'll be more than happy to
15 provide your office and the Council
16 President a full report on where we are
17 with Dumpsters, what has happened in
18 the past, so that you can review that.

19 (Witness comes forward.)

20 COUNCILMAN RIZZO: First of
21 all, to Mr. Haigler, Mr. Haigler, you
22 know that I've been dealing with the
23 implementation of this for many, many
24 years now. And out of courtesy to you
25 and to the Streets Department and L&I,

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2 I backed off and allowed it to
3 implement on the timeline that you
4 described.

5 Is this legislation
6 implemented today?

7 MR. HAIGLER: Yes, it is.

8 COUNCILMAN RIZZO: Could you
9 describe that legislation and what is
10 required of it? Because earlier, you
11 had questions about enforcement, L&I,
12 Streets, who's responsible. Could you
13 go over it briefly?

14 MR. HAIGLER: Sure.

15 COUNCILMAN RIZZO: And please
16 specifically the licensing and the
17 enforcement of Dumpsters that are
18 especially left and impede the flow of
19 pedestrian traffic and vehicle traffic.
20 And the requirement to cover them I
21 think you added at night; I don't see
22 any of that.

23 But let's listen to what you
24 have to say.

25 MR. HAIGLER: Yes. For the

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2 record my name is Otis Haigler, Jr.

3 I'm the Director of Legislative Affairs

4 for the Department of Licenses and

5 Inspections.

6 The legislation that

7 Councilman Rizzo speaks of is

8 legislation that was passed, I

9 believe, about two, three years ago

10 related to construction equipment, and

11 the construction equipment includes

12 construction Dumpsters; the other

13 parts of the equipment was scaffolding

14 and other things that are a part of

15 the public right-of-way.

16 But specifically towards

17 construction Dumpsters, we have

18 implemented that with the Streets

19 Department. L&I's responsibility

20 deals with licensing of the companies.

21 We license the various companies that

22 have construction Dumpsters in their

23 fleet.

24 Now, the requirements of the

25 Code, on that section of the Code,

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2 deals with all Dumpsters that are
3 placed in the public right-of-way, not
4 private Dumpsters that's within the
5 property line, not Dumpsters in
6 restaurants, but Dumpsters that are
7 specifically in the public
8 right-of-way that could be used for a
9 variety of issues in the public
10 right-of-way, not necessarily just for
11 construction debris, but it could be
12 utilized for cleaning purposes or
13 whatever, as long as it's in the
14 public right-of-way.

15 We work with the Streets
16 Department. The Streets Department's
17 responsibility there is to issue a
18 permit for the actual placement of the
19 Dumpster in the right-of-way.

20 L&I's responsibility is to
21 license annually the companies, their
22 fleet of Dumpsters, and we issue what
23 we call "fleet licenses" to license
24 the various Dumpsters of every
25 individual company that proposes to

1 4/7/08 - Whole - 080022, 157, 160, 164, 165
2 put their Dumpster in the public
3 right-of-way.

4 The Streets Department, along
5 with L&I, develops certain regulations
6 to regulate the Dumpsters.

7 As Councilman is aware, there
8 were requirements that they would have
9 reflectors on the Dumpsters. There
10 was a specific requirement that the
11 Councilman requested that the
12 Dumpsters would be covered when
13 they're not in use.

14 There were requirements that
15 there be something placed underneath
16 the Dumpsters.

17 All of those things have been
18 placed in the regulations as a
19 requirement. And, as we know right
20 now, we are enforcing that.

21 COUNCILMAN RIZZO: So L&I's
22 role is strictly to license the
23 Dumpsters that are in the right-of-way?

24 MR. HAIGLER: That is correct.

25 COUNCILMAN RIZZO: Are -- to

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2 your knowledge, how many licenses have
3 you issued?

4 MR. HAIGLER: I don't have the
5 exact number, but I can get back to you
6 with that.

7 COUNCILMAN RIZZO: Could you
8 get back to the Chair with that?

9 Commissioners, what I'm trying
10 to get to, we went through a lot of
11 work to get that legislation passed
12 and the other processes.

13 I just want to make sure that
14 the license -- these companies that
15 come into Philadelphia that place
16 those Dumpsters in the right-of-way,
17 that they're doing it according to the
18 regulations, and that's all I would
19 like to catch up with you on, to make
20 sure that when we back away from this
21 issue and start dealing with something
22 else, that at least that's in place.

23 It took three years to get it
24 implemented.

25 COMMISSIONER ELFREY: We don't

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 want to let all of that hard work go to
3 waste, sir, and it's an important
4 quality-of-life issue for the citizens;
5 it's a public-safety issue. And we're
6 with you.

7 COUNCILMAN RIZZO: 'Cause, you
8 know, there's nothing like this windy
9 weather that we've had recently. A
10 construction Dumpster's left on the
11 highway; the next thing, you have
12 pieces of drywall blowing all over the
13 place, trash all over the neighborhood.

14 COMMISSIONER ELFREY: I agree
15 with you.

16 COUNCILMAN RIZZO: And it
17 really -- the regulation needs to be
18 enforced. Thanks for your
19 acknowledgment of that.

20 Thank you, Madam Chair.

21 COUNCILWOMAN SANCHEZ: Point of
22 information.

23 COUNCILWOMAN TASCO: You're on.

24 COUNCILWOMAN SANCHEZ: Point of
25 information. I think that one of the

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 things that Councilman Rizzo is
3 speaking to -- and I just wanted to add
4 it as we review this whole Dumpster
5 situation.

6 When we issue the permits,
7 when we're giving out those permits, I
8 think there needs to be strong
9 language around the collection and the
10 placement of the Dumpster in the
11 appropriate location.

12 I have several sites in
13 Frankford, for instance, where I have
14 multifamily dwellings and buildings
15 who have the private Dumpster
16 collection. In one case, we've tried
17 work with the manager, but the
18 collection company comes, picks it up,
19 and then leaves it and blocks
20 sometimes two parking spots for folks.

21 So I think in whatever we're
22 giving when we issue some of these
23 commercial Dumpsters needs to really
24 articulate that they are responsible
25 for that Dumpster, or the company that

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 they contract, putting the Dumpster
3 back where it belongs.

4 And I think we've shared with
5 your offices some pictures and
6 examples of where we have had problems
7 historically and if you look at the
8 file.

9 And I just think that, you
10 know, going back to Councilwoman
11 Tasco's point, you know, we keep
12 spinning the wheels on the same, same
13 issue, that we have to figure out how
14 we stop it, because it just -- it
15 seems petty for us to make the same
16 call over and over on one Dumpster,
17 but for the people who live on that
18 block whose two parkings or driveways
19 --

20 COMMISSIONER ELFREY: It's not
21 petty to them. They live with it
22 everyday and they shouldn't have to.

23 COUNCILWOMAN SANCHEZ: Yeah. I
24 think we need to look at what we're
25 doing in that permitting process and

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 what can we be doing there to send a
3 strong message that, you know, not only
4 that we're going to cite them but that
5 they comply with this.

6 And I think that the pickup
7 companies, the companies have a lot to
8 do with that.

9 COMMISSIONER ELFREY: Thank
10 you.

11 COUNCILWOMAN TASCO: Thank you
12 very much. Thank you for your
13 testimony, and we wish you well. Thank
14 you.

15 COMMISSIONER ELFREY: Thank
16 you.

17 MR. MCPHERSON: The next
18 department is the Board of L&I Review.

19 MS. GREENWALD: Good morning,
20 Councilwoman Tasco and members of
21 Council. I'm Bridget Collins-
22 Greenwald, the administrative services
23 director for the Department of Licenses
24 and Inspections. I appreciate the
25 opportunity to present the Board of L&I

1 4/7/08 - Whole - 080022, 157, 160, 164, 165
2 Review Fiscal Year '09 Operating
3 Budget.

4 The Board of L&I Review is
5 requesting a total FY '09 budget of
6 \$222,458 in the City's General Fund.
7 For the General Fund breakout, we are
8 requesting:

9 \$198,108 in Class 100.

10 \$23,722 in Class 200.

11 \$628 in class 300.

12 The FY '09 request will fund
13 three full-time General Fund positions
14 comparable to the FY '08 authorized
15 General Fund position level.

16 Thank you. I will be happy to
17 answer any questions you may have.

18 COUNCILWOMAN TASC0: Are there
19 any questions of this witness?

20 (No questions.)

21 COUNCILWOMAN TASC0: Thank you
22 very much.

23 Next?

24 MR. McPHERSON: Board of
25 Building Standards.

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 MS. GREENWALD: Good morning,
3 Councilwoman Tasco and members of
4 Council. I'm Bridget Collins-
5 Greenwald, the administrative services
6 director for the Department of Licenses
7 and Inspections.

8 I appreciate the opportunity
9 to present the Board of Building
10 Standards Fiscal Year 2009 Operating
11 Budget request. The Board of Building
12 Standards is requesting a total FY '09
13 budget of \$112,792 in the City's
14 General Fund. For the General Fund
15 breakout we are requesting: \$112,733
16 in Class 100 and \$59 in Class 200.

17 The FY '09 request will fund
18 two General Fund positions comparable
19 to the FY '08 authorized General Fund
20 position level.

21 I'd be happy to answer any
22 questions you may have.

23 COUNCILWOMAN TASCO:
24 (Inaudible; off-mic.)

25 MS. GREENWALD: The Board of

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 Building Standards hears appeals from
3 the construction permits. So if you
4 have an appeal or an opinion you would
5 like on any type of construction
6 permit, it would go to the Board of
7 Building Standards.

8 COUNCILWOMAN TASC0: And the
9 board is appointed by the...?

10 MS. GREENWALD: By the Mayor.

11 COUNCILWOMAN TASC0: By the
12 Mayor, same as the Zoning Board of
13 Adjustments.

14 MS. GREENWALD: Yes.

15 COUNCILWOMAN TASC0: Okay.
16 Thank you very much for your testimony.

17 MS. GREENWALD: One more.

18 MR. McPHERSON: The Zoning
19 Board of Adjustment.

20 MS. GREENWALD: Good morning,
21 Councilwoman Tasco and members of
22 Council. I'm Bridget Collins-
23 Greenwald, the administrative services
24 director for the Department of Licenses
25 and Inspections. I appreciate the

1 4/7/08 - Whole - 080022, 157, 160, 164, 165
2 opportunity to present the Zoning Board
3 of Adjustment's Fiscal Year Operating
4 Budget request.

5 The Zoning Board of Adjustment
6 is requesting a total FY '09 budget of
7 \$445,810 in the City's General Fund.
8 For the General Fund breakout, we are
9 requesting: \$402,272 in Class 100 and
10 \$43,538 in Class 200.

11 The FY '09 request will fund
12 five full-time General Fund positions
13 comparable to the FY '08 authorized
14 General Fund position level.

15 Thank you. I will be happy to
16 answer any questions you may have.

17 COUNCILWOMAN TASC0: Thank you
18 very much.

19 I see Miss Jaffe is here, who
20 is the Chair of the Zoning Board.
21 Thank you for coming, welcome, and
22 we're glad to see you back on the
23 Zoning Board.

24 MS. JAFFE: Thank you.

25 COUNCILWOMAN TASC0: Any

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 questions of the Zoning Board?

3 Councilwoman Sanchez.

4 COUNCILWOMAN SANCHEZ: Yes. As

5 it relates to the Zoning Board, I know

6 that we're going through several

7 adjustments, but I had a question.

8 When we are reviewing Zoning

9 Board variances, do we look and factor

10 in the history of the business as part

11 of our decision-making process to

12 grant certain variances and expanded

13 uses for facilities?

14 MS. GREENWALD: Could you

15 repeat that question, Councilwoman?

16 COUNCILWOMAN SANCHEZ: When

17 we -- when the Zoning Board is making a

18 decision, factoring in a decision, for

19 a permitted use of an existing business

20 or expansion of a current business, do

21 we factor in any of its previous

22 history in terms of noncompliance, Code

23 violations, any of that stuff, when

24 we're issuing variances?

25 MS. JAFFE: If it appears on

1 4/7/08 - Whole - 080022, 157, 160, 164, 165
2 the paperwork.

3 COUNCILWOMAN TASC0: Would you
4 identify yourself for the record first.

5 MS. JAFFE: Susan Jaffe, Chair
6 of the Zoning Board.

7 If it appears on the paperwork
8 or we have anything in the file, it
9 would be factored in.

10 COUNCILWOMAN SANCHEZ: So
11 unless it's in your file, you wouldn't
12 factor that in?

13 MS. JAFFE: We wouldn't know to
14 factor that in. We -- unless there was
15 something in the file or there were
16 neighbors there or we received
17 information about it, it would not be
18 factored in.

19 If there were violations,
20 absolutely. If we had paperwork, yes.

21 COUNCILWOMAN SANCHEZ: So then
22 my question to the Commissioner is: As
23 the staffing of the Zoning Board
24 prepares its paperwork on properties,
25 is that something that we consistently

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 make sure that we go back and re-review
3 any previous complaints or history on
4 the properties?

5 COMMISSIONER ELFREY: Yes.

6 They check the Hansen system to ensure
7 that all of the violations and any
8 supporting documentations are in the
9 package.

10 COUNCILWOMAN SANCHEZ: So
11 that's in the file?

12 COMMISSIONER ELFREY: It should
13 be.

14 COUNCILWOMAN SANCHEZ: I have a
15 serious situation with 2429 North
16 Palethorpe. It's an illegal garage
17 that has operated for a long time.
18 Three weeks ago, they came before the
19 Zoning Board. There was a lot of
20 opposition to it because he did not
21 have the proper equipment to paint.

22 Saturday, I went over there
23 and, lo and behold, he's painting. We
24 issued a cease-operations. The Zoning
25 Board authorized his usage one day,

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 and two days later, we had a
3 cease-operations because of its
4 history.

5 And he's just blatant about it
6 and he's painting. And we knew, based
7 on the history of the property, that
8 his intent was not just to do body and
9 fender but to paint.

10 But the Zoning Board -- and
11 there was plenty of opposition, both
12 community folks, our office. There
13 was a history on the case and we
14 issued the variance, obviously, with
15 the proviso that he's not doing
16 painting, but historically, that's
17 what he's been doing, and that's what
18 he was doing Saturday at 4 o'clock.

19 MS. JAFFE: As I understand it,
20 that case -- we actually had L&I go out
21 and take a look at that case because
22 there were complaints that he was doing
23 work at night. And I wish Dominic were
24 here, but he said there was no work
25 being done at night, although some of

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 the protestants had said that.

3 I'm familiar with the case,
4 though, because it's one of the few
5 cases that stands out in my mind as,
6 you know, a case that could have gone
7 either way, and perhaps we made the
8 wrong decision on it. I don't know.

9 I can only say that when I got
10 that information, I did ask L&I to go
11 out and check and --

12 COUNCILWOMAN SANCHEZ: There is
13 a cease on it.

14 MS. JAFFE: And I know they've
15 been out there several times.

16 COUNCILWOMAN SANCHEZ: There is
17 a cease on it, but the gentleman is
18 very blatant. He does work Saturdays
19 and Sundays. It's about four blocks
20 from my house. I get at least two
21 neighbors a week that come to my house.

22 I drive by there deliberately
23 every time, and he's still doing it;
24 he's working -- it's a very small
25 street, he's still working out on the

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 street. And, like I said, at
3 4 o'clock on Saturday, when we
4 finished our cleanup, I said, Let me
5 go drive by there. Lo and behold, he
6 was painting.

7 Now, they're telling us we got
8 to call the Police Department. I've
9 talked to the captain, I have the
10 neighbors constantly calling. But, as
11 you know, that's a low-priority call.
12 So we're in a -- it's in a section of
13 the City where there's other things
14 that are much, much more important.

15 In a case like that, it would
16 seem to me that that's not something
17 that we want to consistently trouble
18 the Police Department about, because
19 it's not going to get on the top of
20 the priority list. And as much as
21 neighbors call and it's always on --
22 we put it on roll call, it's still
23 functioning. We have not been able to
24 get the Police Department to go out
25 there and close it down.

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 COMMISSIONER ELFREY: At the
3 conclusion of this meeting, I'll speak
4 to Deputy Commissioner Verdi, and we'll
5 reach out to the Police Department and
6 try to coordinate our efforts to
7 alleviate that situation.

8 COUNCILWOMAN SANCHEZ: He
9 has -- I've spoken to the captain. I
10 mean, he sent me a text this morning
11 and we were still on it.

12 MS. JAFFE: I would offer one
13 other suggestion. I mean, I don't like
14 to talk about specific cases; I'd
15 rather talk in general terms, and your
16 question started out as a general
17 question and then got very specific.

18 COUNCILWOMAN SANCHEZ: Mm-hmm.

19 MS. JAFFE: But, you know, if
20 you feel that we voted in the wrong
21 way, you can ask for a reconsideration
22 or you can go through the process and
23 file an appeal with Common Pleas Court.

24 COUNCILWOMAN SANCHEZ: There is
25 going to be an appeal coming through,

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 but I wondered if there was a
3 reconsideration process that --

4 MS. JAFFE: There is. We're
5 getting tons of them because we're
6 dealing with the former board, but I
7 know this case was our -- you know, at
8 least the most recent was our
9 responsibility.

10 Thank you.

11 COUNCILWOMAN SANCHEZ: Another
12 point. I mean -- and I know this is
13 really complicated. I have 12 ward
14 leaders and 15 civic groups doing
15 zoning in the district, and that is one
16 that we are working with them to
17 streamline, and every zoning volunteer
18 group has its own processes not
19 necessarily documented. We've gotten
20 them to the point where they're
21 defining boundaries.

22 I'm meeting with each -- I met
23 with all the groups on an initial
24 round, all 15 of them, to say we need
25 to do this in a more thoughtful feel

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 way, and as much as I appreciate all
3 of their energy, I'd love them to talk
4 about what they want in their
5 neighborhoods versus what they don't
6 want.

7 So we're working to help make
8 this process smoother. And part of it
9 is by sending a consistent message
10 around processes in terms of who do
11 they talk to, what are some of the
12 problems that some of the civic groups
13 have with certain types of businesses,
14 so is that when someone is going
15 before the Zoning, they're informed,
16 and that has not been an easy process.

17 I've mediated several meetings
18 where I think the neighbors were out
19 of bounds in how they treated folks
20 and definitely don't create a culture
21 and an environment where people want
22 to go in, even along the corridors as
23 we talk about corridor development.

24 But this is something that I
25 encourage -- and I know when I worked

1 4/7/08 - Whole - 080022, 157, 160, 164, 165
2 with Councilwoman Tasco, she has the
3 Zoning -- a powerful woman over there,
4 Miss Johnson, who lives off of that
5 stuff.

6 I really think that we should
7 put together, my suggestion is, a task
8 force based on some of the experience
9 that is in Council, based on the
10 reality of all of the different
11 stakeholders who want to have a say,
12 and try to come up with one process or
13 as close to one process as possible,
14 'cause I think it's going make our
15 lives easier.

16 I know we're going to do it in
17 the 7th. People can get upset me if
18 they want, but I'm not doing three
19 hours of zoning meetings with 15
20 different groups.

21 But just something that we
22 need to give thought to, because as
23 much as we say the zoning reform piece
24 is going to happen, it's going to take
25 three or four years. And in the

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 meantime, we have people spending
3 hundreds and hundreds of hours in
4 these discussions. I just think we
5 need to do a better job.

6 Again, for me to sit through a
7 community meeting for three hours to
8 talk about one business and have 50
9 people, where we could be talking
10 about a whole host of, you know, more
11 proactive issues, is very difficult.

12 And I don't have the answer.
13 I know we're looking to try to
14 streamline that and create a more -- a
15 fairer process. Even for businesses
16 coming in and making some
17 recommendations to them, but this is
18 something that we really need to, in
19 the interim, kind of work at.

20 So I know that this is new for
21 you. At some point, I'd love to just
22 kind of brainstorm 'cause, again, we
23 want to make this easier, but it's
24 just very, very complicated 'cause
25 it's just -- it's been going on for 30

1 4/7/08 - Whole - 080022, 157, 160, 164, 165
2 years.

3 COMMISSIONER ELFREY:
4 Councilwoman, at your convenience, have
5 your staff contact us, and we will be
6 happy to set up a meeting with you and
7 do that brainstorming; that's a good
8 idea.

9 COUNCILWOMAN SANCHEZ: Yeah, we
10 definitely want someone assigned to
11 work with us. We're going to do a
12 retreat with all of my civic groups,
13 and we would definitely like to have
14 someone from L&I to come talk to us,
15 because, as great as all those provisos
16 are, I know you don't have the staff to
17 do the enforcement.

18 And as much as I tell the
19 groups, you can do ten provisos; we're
20 not going to be able to enforce some
21 of the stuff, so...

22 COMMISSIONER ELFREY: We'll be
23 happy to work with you.

24 COUNCILWOMAN SANCHEZ: Thank
25 you.

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2 COUNCILWOMAN TASC0: Okay. Are
3 there any other questions?

4 (No further questions.)

5 COUNCILWOMAN TASC0: There
6 being none, thank you so much. Thank
7 you so much for your testimony.

8 We will recess this hearing
9 until 1:30. Thank you so much.

10 (Committee stands in recess.)

11 (Proceedings resume at
12 1:55 p.m.)

13 COUNCIL PRESIDENT VERNA: The
14 Committee of the Whole is now back in
15 session.

16 The next department to
17 testify...

18 MR. McPHERSON: ... is the
19 Water Department.

20 (Witnesses come forward.)

21 COUNCIL PRESIDENT VERNA: Good
22 afternoon. Please identify yourself
23 for the record and proceed with your
24 testimony.

25 COMMISSIONER BRUNWASSER: Good

1 4/7/08 - Whole - 080022, 157, 160, 164, 165
2 afternoon.

3 COUNCIL PRESIDENT Verna: Good
4 afternoon.

5 COMMISSIONER BRUNWASSER: Good
6 afternoon, President Verna and members
7 of Council. I am Bernard Brunwasser,
8 Water Commissioner, appearing before
9 you today to testify on behalf of the
10 Philadelphia Water Department's Fiscal
11 2009 Operating Budget request.

12 On my right is Deputy
13 Commissioner of Operations Debra
14 McCarty, and on my left is Deputy
15 Commissioner for Finance and
16 Administration, Joseph Clare.

17 Our proposal for a Water
18 Department budget of \$297 million is
19 augmented by an additional
20 \$292 million for other Water Fund
21 activities, including the Water
22 Revenue Bureau, debt service, and
23 central agency support, for a total
24 Water Fund budget of \$598 million.

25 The Water Department Class 100

1 4/7/08 - Whole - 080022, 157, 160, 164, 165
2 budget request of \$97.7 million is up
3 by \$7 million over the Fiscal 2008
4 estimated obligation and \$2.4 million
5 over the Fiscal 2008 appropriation
6 level due primarily to a grant-funded
7 water security initiative and for
8 additional staff for storm water plan
9 review and the partial funding of
10 current vacancies.

11 Class 200 budget requests of
12 \$104.7million for contractual services
13 are up by 16.4 million over FY 2008
14 estimated obligations and \$3.8 million
15 over FY 2008 appropriation levels due
16 to increased costs for utilities and
17 inflation.

18 Class 300 and 400 requests of
19 \$48.3 million are up by \$8.7 million
20 over Fiscal 2008 estimated obligations
21 and \$7.8 million over Fiscal 2008
22 appropriation levels due primarily to
23 large increases in the cost of
24 chemicals used at the department's
25 water-treatment and water-pollution

1 4/7/08 - Whole - 080022, 157, 160, 164, 165
2 control plants.

3 The proposed Fiscal Year '09
4 total Water Fund Operating budget of
5 \$589 million is \$115 million lower
6 than our Fiscal 2008 appropriation.
7 The reduction results from the removal
8 of the nonrecurring Fiscal Year 2008
9 costs for the City's New River City
10 Economic Development project, which
11 was budgeted in Fiscal Year 2008
12 through the Water Fund at
13 \$125 million.

14 As you know, the Philadelphia
15 Water Department is a municipal
16 utility serving the citizens of the
17 Philadelphia region by providing
18 integrated water, waste-water, and
19 storm-water services. Our primary
20 mission is to operate and maintain the
21 infrastructure necessary to provide
22 high-quality, affordable drinking
23 water to protect the public health, to
24 provide an adequate and reliable water
25 supply for all residential, business,

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 and public needs, and to sustain and
3 enhance the region's watersheds and
4 quality of life by managing waste
5 water and storm water effectively.

6 Philadelphia's drinking water
7 is safer than ever, substantially
8 better than state and federal
9 regulations for purity require.

10 Philadelphians have recognized the
11 high-quality services provided by the
12 Water Department, and our most recent
13 citizen surveys show an 80 percent
14 customer satisfaction level, with
15 overly PWD services and overall water
16 quality.

17 The Water Department is also
18 treating waste water to award-winning
19 levels, overseeing the cleanest water
20 environment in over 150 years and
21 making progress in protecting our
22 watersheds to keep our streams and
23 rivers clean.

24 This year, the Southeast and
25 Southwest water-pollution control

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 plants will receive platinum awards of
3 perfect effluent compliance
4 respectively from the National
5 Association of Clean Water Agencies.
6 These platinum awards are for a
7 minimum of five years of perfect
8 regulatory compliance.

9 Southeast now has eight years
10 of perfect regulatory compliance and
11 Southwest has five years of perfect
12 regulatory compliance. The Northeast
13 plant will receive a gold award for
14 perfect compliance in calendar-year
15 2007, its third year in a row with
16 perfect compliance.

17 The Water Department plans to
18 monitor water quality and waste-water
19 treatment performance through
20 participation in the City's Philly
21 Stat Program. Performance measures
22 for these areas as well as other
23 critical areas such as main breaks,
24 hydrant availability, asset
25 replacement, and storm-drain cleaning

1 4/7/08 - Whole - 080022, 157, 160, 164, 165
2 will be closely monitored and reported
3 on a monthly basis.

4 The department's budget for
5 Fiscal Year '09 anticipates the need
6 for approximately \$35.6 million in
7 additional revenues from a proposed
8 rate increase. The department's staff
9 is currently projecting a need for an
10 approximate rate increase of:

11 7.8 percent beginning on July
12 1, 2008;

13 a 6.4 percent increase
14 starting July 1, 2009;

15 a 6.6 percent increase
16 starting July 1, 2010;

17 and a 6.5 percent increase
18 starting July 1, 2011, for a typical
19 customer.

20 These rate adjustments are
21 largely driven by costs for employee
22 fringe benefits and pensions, debt
23 service on the department's next bond
24 issue, and general inflation.

25 Even with these revisions to

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 rates, Philadelphia's water and sewer
3 charges will continue to be among the
4 lowest in the region.

5 The department also plans to
6 transmit legislation to City Council
7 that will provide additional charges
8 for the setting of charges for
9 storm-water service.

10 The legislation would amend
11 Section 13-201 and clarify that all
12 properties are responsible for storm-
13 water-related charges and that the
14 charges may be based on property
15 characteristics.

16 Under the proposed rates, the
17 storm-water service charge for
18 non-residential properties will
19 transition from charges based on meter
20 size to charges based on property
21 characteristics. The transition will
22 address inequities in how some
23 non-residential customers currently
24 pay for storm-water management. These
25 rates will also incentivize smart

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 storm-water practices such as the use
3 of green roofs and porous pavement.

4 This proposed change in
5 property-based storm water rates will
6 have no negative impact on the storm
7 water charge for residential
8 customers.

9 The Water Department remains
10 committed to providing utility
11 services consistent with the highest
12 level of customer service as set forth
13 in the City's Strategic Plan. This
14 would not be possible without the
15 Water Department's dedicated and
16 professional staff, many of whom hold
17 leadership positions in the American
18 Water Works Association, the National
19 Association of Clean Water Agencies,
20 the Delaware River Basin Commission,
21 the Eastern Meter Management
22 Association, the Partnership for the
23 Delaware Estuary, the Coastal Zone
24 Management Steering Committee for
25 Pennsylvania, the Water Environment

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2 Federation, the Pennsylvania
3 Department of Environmental Protection
4 Water Advisory Council, and the
5 Pennsylvania Section of the American
6 Water Works Association.

7 We look forward to continued
8 partnership with City Council toward
9 further improvement in Fiscal 2009 and
10 the years ahead.

11 At this time, I would be happy
12 to answer any questions that you may
13 have.

14 COUNCIL PRESIDENT VERNA: Thank
15 you very much, Commissioner.

16 You mentioned the New River
17 City Economic Development project in
18 your testimony. For the record, can
19 you tell us the benefits that the
20 Water Fund and the water ratepayers
21 receive from this program?

22 COMMISSIONER BRUNWASSER: Yes.
23 All of the money that has been
24 appropriated for the New River City
25 Program is for public water and sewer

1 4/7/08 - Whole - 080022, 157, 160, 164, 165
2 infrastructure, and virtually all of it
3 is earmarked for use in the Navy Yard.

4 As you may know, the Navy
5 Yard's water and sewer infrastructure
6 was not up to par as far as the City's
7 requirements were concerned, and this
8 will allow us to bring that parcel,
9 that huge parcel, up to City standards
10 and also have it expand to reach more
11 customers.

12 COUNCIL PRESIDENT VERNA: Thank
13 you.

14 This wasn't done at the Navy
15 Yard simply because we were under the
16 impression that the Food Distribution
17 Center would be located there; it's
18 for the entire complex, is it not?

19 COMMISSIONER BRUNWASSER: Yes.

20 COUNCIL PRESIDENT VERNA: Thank
21 you.

22 You also mention in your
23 testimony the quality of our drinking
24 water, and I know that it was quite a
25 talk about a month ago about the trace

1 4/7/08 - Whole - 080022, 157, 160, 164, 165
2 elements of certain drugs that were
3 found in our water. Would you mind
4 commenting on that, please.

5 COMMISSIONER BRUNWASSER: Of
6 course. The article that appeared was,
7 I believe, written by an Associated
8 Press reporter, and what he did was
9 look at some -- ask many of the water
10 utilities in the country if they had
11 been testing for pharmaceuticals in
12 their source water and their drinking
13 water. Some have, some have not.

14 Recently -- in recent years,
15 we have been able to test at parts per
16 trillion and even parts per
17 quadrillion, which are so
18 infinitesimally small.

19 What Philadelphia did, when we
20 found out from a US GS survey in 2000
21 that pharmaceuticals were showing up
22 in trace amounts throughout the
23 country, or in various areas of the
24 country, we decided to begin testing
25 ourselves.

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2 We do not have the capability
3 of measuring parts per trillion. We
4 had to use a special lab, and there's
5 only a handful of laboratories that
6 can even measure in these very minute
7 quantities.

8 And what we discovered -- the
9 numbers that you saw in that report
10 were not accurate. What we discovered
11 was that there were 32 pharmaceuticals
12 in our source-water supplies out of 75
13 that we specifically looked for.

14 In our finished water supply,
15 there were 17 trace pharmaceuticals
16 found. These include caffeine, these
17 include Tylenol, and some of the
18 relatively common over-the-counter or
19 prescription drugs.

20 What we have discovered in
21 Philadelphia is very much the same as
22 has been discovered not only in the
23 United States, all over the United
24 States, but also in Europe and in
25 other parts of world.

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2 The problem is that when you
3 test at these phenomenally small
4 amounts -- we used to test in parts
5 per billion. One part per billion is
6 the equivalent of one thousand parts
7 per trillion. And all of the
8 pharmaceuticals that we found traces
9 of were in the parts per trillion; we
10 didn't find a single pharmaceutical in
11 parts per billion.

12 So now, since we want to be in
13 the forefront of water research -- and
14 we are. We have so many experts. We
15 have three Ph.D.s on staff who are the
16 head of the laboratory and head of
17 planning and research and also one of
18 heads of our laboratories. They have
19 Ph.D.s, and they're in the forefront
20 of researching this. And we want to
21 know what's in the water even if we're
22 sure it's not harmful.

23 The federal government has no
24 standards, no guidelines for
25 pharmaceuticals in water. This is an

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2 emerging science, and we've only been
3 looking at this for the past seven
4 years or so.

5 And Philadelphia tested more
6 thoroughly than almost any other water
7 utility in the country. So we found
8 perhaps a few more compounds than
9 most, but they were in such small
10 quantities. And even if we took half
11 a dozen tests, if we only had one hit
12 in the half a dozen tests, we accepted
13 it and said, Okay, we think we've
14 found some of "Product X."

15 What I have to tell you is,
16 nobody in the scientific community at
17 this stage of the game believes that
18 this is a danger or a problem today, a
19 human health issue.

20 But we want to be sure that we
21 begin to monitor this from time to
22 time to make sure that if we're to
23 discover any pharmaceutical in our
24 water, in our whole water supply or
25 the whole chain of water that we see,

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2 that they either remain minute and
3 will not cause a problem in the
4 future.

5 We're -- the federal
6 government is just beginning to look
7 into this now and also the state
8 government, and I think the state
9 government is now developing -- has
10 developed a bill which addresses the
11 disposal of unused medication.

12 And we have already put
13 information on our website telling
14 folks what to do, you know, what we've
15 discovered, telling them what they can
16 do in the future in order to make sure
17 that this does not become a problem.

18 We don't think it's a serious
19 health concern today for human beings.
20 But, you know, we -- clearly we know
21 what we have, and that's saying more
22 than many of the utilities at this
23 point in time.

24 Again, not everybody can test
25 for this because there's only a couple

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2 of laboratories in the country that
3 can measure in parts per trillion.
4 And even the measurement at those
5 levels hasn't been vetted entirely
6 because it's been done for a very
7 short period of time.

8 But we are -- yeah, this is
9 part of our research, and that's why
10 we really didn't want to give this out
11 to the media yet; but at the same
12 time, we didn't want to be seen as
13 holding back information.

14 COUNCIL PRESIDENT VERNA: Thank
15 you very much. I appreciate your
16 explanation.

17 Commissioner, what initiatives
18 is the Water Department implementing
19 with regards to the storm water runoff
20 problems that we are experiencing?

21 COMMISSIONER BRUNWASSER: Well,
22 we have just completed our two-and-a-
23 half-year study of our sewer system in
24 those areas of the City that have
25 experienced sewer backups into their

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2 basements.

3 The good news is that we have
4 found solutions, a solution to
5 virtually all of these problems. And
6 the unfortunate thing is that to
7 correct longtime sewer problems over a
8 large area within the City will take
9 some time.

10 We have projects that we will
11 be designing to relieve storm water
12 backups -- or sewage backups in the
13 neighborhoods of Northern Liberties,
14 many areas of South Philadelphia and
15 Washington Square West and Lower
16 Kensington. I believe that that's
17 basically it.

18 And what is happening in these
19 areas is, during these highly intense
20 storms -- and we had a number of them
21 between 2004 and 2006, as we all know.
22 During these highly intense storms,
23 the sewer itself can fill up very
24 quickly, and before it's able to send
25 the flow to the waste-water treatment

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2 plant, it will back up at times
3 into -- you know, water seeks its own
4 level. It will back up into some
5 low-lying basements and cellars in
6 these neighborhoods.

7 Usually, it's the lowest
8 fixture in the house that will go
9 first. If someone has a toilet in
10 their basement, if they have a sink in
11 their basement, if that's the lowest
12 point, it will start to come out.

13 We also have a program for
14 back-flow prevention. And we will, at
15 our cost, install a back-flow
16 preventer in some of these homes where
17 we believe we can see that they have a
18 problem. And that should resolve it.
19 If it's done correctly and the people
20 maintain the installation
21 appropriately, that should help them
22 out until the more permanent solution,
23 such as a large intercepting sewer
24 being built into their neighborhood to
25 relieve storm flooding, to capture as

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2 much storm water as possible and take
3 it directly to the river.

4 Until those solutions are
5 completed, this will be a -- this
6 would be an area that we can help now.
7 We've actually budgeted money in the
8 current year's budget for this, and we
9 certainly have money budgeted in next
10 year's budget as well.

11 COUNCIL PRESIDENT Verna: Thank
12 you.

13 The Chair recognizes
14 Councilman Jones for a point of order.

15 COUNCILMAN JONES: What exactly
16 is a back-flow (inaudible). Can you
17 describe that?

18 COMMISSIONER BRUNWASSER: I'll
19 let Debra McCarty explain that one.

20 DEPT. COMMISSIONER McCARTY:
21 Debra McCarty Deputy Commissioner of
22 operations.

23 Councilman, it's a device that
24 you can put on either your drain line
25 feeding the sewer, so it would be a

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2 single point that -- basically, it
3 allows flow to go in one direction and
4 not other. Just very simply, it's
5 like a flap.

6 You can also put it on the
7 individual fixtures, as the
8 commissioner mentioned, the drain in
9 the basement, the wash sink drain,
10 things like that. And that's the
11 basement protection program, that's
12 what our goal is, to put it on the
13 individual devices because if your
14 downspout is connected to your drain
15 line, we have to, you know, make sure
16 it's upstream of where that connection
17 is or disconnect the downspout.

18 So it's less problematic, we
19 believe, if we put it on individual
20 fixtures.

21 But, basically, it's a simple
22 device, and the homeowner, as the
23 Commissioner mentioned, needs to make
24 sure it stays clean because you don't
25 want anything stuck on it when the

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2 sewer is backing up. It's supposed to
3 be closed.

4 COUNCILMAN JONES: If it's that
5 simple -- I have constituents that
6 call, that they just know when it
7 rains -- and if the installation of a
8 simple device like that is all it takes
9 to stop that?

10 DEPT. COMMISSIONER McCARTY:
11 Well, it depends upon what's causing
12 the problem. There are many reasons
13 that you could get sewage in your
14 basement.

15 COUNCILMAN JONES: Thank you.

16 DEPT. COMMISSIONER McCARTY:
17 So, you know, we would encourage folks,
18 if they have a problem like that, to
19 call 685-6800, and we'll investigate
20 it.

21 COUNCILMAN JONES: Thank you,
22 Madam President.

23 COUNCIL PRESIDENT VERNA:
24 You're welcome.

25 Commissioner, you mentioned

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2 one of the causes for the water rate
3 increase being debt service on the
4 department's new bond issue. Several
5 of us were not able to attend the
6 briefing that you had in the caucus
7 room last week because we were in here
8 on the budget hearings.

9 Would you mind explaining
10 rather quickly what bond issue and why
11 will it require an increase in our
12 rates?

13 COMMISSIONER BRUNWASSER: Well,
14 President Verna, as you know, the
15 department has a huge infrastructure
16 which we maintain, and we have a
17 capital budget, I think, currently of
18 approximately \$142 million.

19 This is approximately -- this
20 is along the order of what we need for
21 normal maintenance and replacement of
22 water mains or replacement of sewer
23 mains and repairs and renewals at our
24 seven plants right now.

25 It's -- the value of our

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2 infrastructure would run into the tens
3 of billions of dollars, and so we have
4 a -- it's a very expensive proposition
5 to keep ourselves ahead of the curve.

6 Many water and sewer utilities are way
7 behind the curve and are looking for
8 thing federal government to bail them
9 out with their infrastructure needs.

10 There's no bailout coming, at least
11 not while there's a war on, so they're
12 still waiting.

13 We've been aggressive at
14 replacing water mains and sewer mains.
15 And in the long run, it saves us a
16 great deal of cost.

17 We now add to our burden of
18 140 million or so with additional --
19 with the need to fund these
20 corrections and improvements to our
21 sewer system in South Philadelphia,
22 Northern Liberties, and these other
23 areas of the City. And in order to do
24 that appropriately, we will have to
25 raise more capital.

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2 Now, the department raises
3 close to 30 percent of its capital
4 needs through its own revenues, and so
5 we do a lot of pay-as-you-go type of
6 financing, but we still have to go out
7 for relatively large bonds issues.
8 Mr. Clare could certainly tell you
9 what the effect that the project bond
10 issue do over the four-year rate
11 period.

12 DEPUTY COMMISSIONER CLARE:
13 Council President, there's actually one
14 new bond issue planned in this rate
15 period. It was already approved. It's
16 a \$323 million issue that now looks
17 like it -- the bonds will be issued in
18 approximately February 2009.

19 The first debt service will
20 hit in July 2007 for approximately
21 \$22 million a year.

22 We'll also need authorization
23 for another bond issue, approximately
24 \$350 million in the fall of next year,
25 and those bonds will likely be issued

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2 in February of 2012. The debt service
3 would fall outside this rate period
4 but would be in the order of about
5 \$25 million a year.

6 Neither of those are in our
7 current rate projections. They're in
8 our rate study, but they're not in our
9 current rate set that were set in July
10 of last year.

11 COUNCIL PRESIDENT VERNA: Thank
12 you very much.

13 The Chair recognizes
14 Councilman Clarke.

15 COUNCILMAN CLARKE: Thank you,
16 Madam President.

17 Good afternoon.

18 I was actually going to ask
19 you some questions about water shutoff
20 policy, but I think Councilman
21 Greenlee will take that mantle in
22 questioning particularly related to a
23 more recent activity in my Council
24 District. And since Councilman
25 Greenlee is an at-large Councilperson,

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2 he gets to be involved in everybody's
3 district.

4 I wanted to talk to you about
5 an issue that I've talked about for
6 quite some time, storm-water
7 management. As you know, it was a
8 recently enacted policy that was
9 required by the federal government.

10 COMMISSIONER BRUNWASSER:

11 Ultimately, it's the federal
12 government, yes.

13 COUNCILMAN CLARKE: All right.

14 And while I understand the need for it
15 essentially because of the antiquated
16 systems that we have, both our water
17 and sewer flowing into the same
18 system -- and I live in one of those
19 areas that has been affected by
20 flooding -- it has created a
21 substantial problem with development in
22 particular both in terms of ability to
23 move the process and in terms of the
24 ultimate cost.

25 And I know I've been talking

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2 to you about it. I give you a call
3 all the time about a project that's
4 being stalled because of this issue.

5 COMMISSIONER BRUNWASSER: Yes.

6 COUNCILMAN CLARKE: Is there
7 anything, both from a perspective of
8 expediting that process -- and I know
9 we apparently did something with the
10 nonprofit development corporations and
11 the costs associated, because
12 regardless of expediting the process,
13 there is a cost, and I'm seeing some
14 developers spending upwards of a
15 quarter of a million dollars that was
16 an unbudgeted expense.

17 Are we going to, one, come up
18 with a process that expedites that
19 across the board, not just with
20 nonprofits?

21 And, two, do we take into
22 account the increased costs to
23 developer, given the difficulties
24 associated with the housing market and
25 other development-related activities

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2 right now?

3 I know that was a very long
4 question but -- because I've talked to
5 you about it for quite some time.

6 COMMISSIONER BRUNWASSER:

7 Right. We have taken steps. Some of
8 the steps are in this Fiscal '09
9 Operating Budget. We are hoping to add
10 engineers to the process of plan
11 review.

12 COUNCILMAN CLARKE: Staff?

13 COMMISSIONER BRUNWASSER:

14 Staff, yes. And not only staff but
15 also to continue to augment with
16 contractual engineers who we will bring
17 in under contract to augment our staff
18 until, you know, until we, you know,
19 have -- have gotten to the point where
20 we believe our level of service is as
21 good as it can be.

22 COUNCILMAN CLARKE: Is that a
23 part of the \$7 million increase
24 request?

25 COMMISSIONER BRUNWASSER: Yes.

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2 Now, what I should tell you
3 is, you know, Licenses and
4 Inspections, L&I, used to be known as
5 kind of the holdup on these permitting
6 problems, and now we've sort of taken
7 the mantle since our new regulations
8 went into effect in January of 2006.

9 Some of these engineering
10 reviews that we have to do take dozens
11 of engineering man hours to
12 accomplish. We can't kind of -- we're
13 not in the position that we can ever
14 rubber stamp these things.

15 We actually have to do the
16 modeling to see if the engineering
17 firm has adequately taken care of
18 storm water that hits this parcel.
19 They have to collect the first inch of
20 rain of any rain event, and that is a
21 tough task for some of these parcels,
22 particularly the parcels that have not
23 left themselves very much land in
24 which to, you know, in which to answer
25 this challenge.

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2 COUNCILMAN CLARKE: Let me jump
3 in there.

4 COMMISSIONER BRUNWASSER: Yes.

5 COUNCILMAN CLARKE: Have we
6 established guidelines that the
7 developers can use as a blueprint for
8 --

9 COMMISSIONER BRUNWASSER: Yes.

10 COUNCILMAN CLARKE: --
11 submission?

12 COMMISSIONER BRUNWASSER: Yes.

13 COUNCILMAN CLARKE: So we
14 know -- they get --

15 COMMISSIONER BRUNWASSER: Yes.
16 They are --

17 (Indiscernible; parties
18 talking over each other.)

19 COUNCILMAN CLARKE: -- they're
20 following types of remediation.

21 COMMISSIONER BRUNWASSER: Yes.
22 And they're posted on our website as
23 well. And we're working with L&I. I
24 think the L&I Commissioner was in here
25 this morning, and we're working with

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 L&I and others in the Law Department to
3 speed up the process as best we can.

4 One of things, as you
5 mentioned, for these nonprofit
6 builders or the builders who are
7 building subsidized housing, we have
8 given them the option, if time is of
9 the essence, and I know often they
10 come in and they say, you know, "I've
11 got to get this approved, I've got to
12 get my loan approved by the bank. I
13 can't do that until this process is
14 done."

15 We have given them the option
16 to go to any licensed professional
17 engineer in Pennsylvania to get him to
18 approve the plans. We will accept
19 those plans.

20 COUNCILMAN CLARKE: If it's a
21 approved --

22 COMMISSIONER BRUNWASSER: By A
23 professional --

24 COUNCILMAN CLARKE: -- by you
25 guys?

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2 COMMISSIONER BRUNWASSER: Yes.

3 A licensed professional engineer in
4 Pennsylvania, we will accept that for
5 these types of projects.

6 COUNCILMAN CLARKE: So why
7 don't we do that for everybody?

8 COMMISSIONER BRUNWASSER:
9 Because some of these projects -- we're
10 talking about -- we're thinking about
11 the larger projects?

12 COUNCILMAN CLARKE: Yes.

13 COMMISSIONER BRUNWASSER: We
14 don't want to do that for those. We
15 want to take a closer look at those.

16 COUNCILMAN CLARKE: Why? I'm
17 asking you why.

18 COMMISSIONER BRUNWASSER:
19 Because it's a complicated process.

20 (Timer bell rings.)

21 COMMISSIONER BRUNWASSER: And
22 we have other -- we have State permits
23 to also help these developers with Act
24 537 plans.

25 The really large projects are

1 4/7/08 - Whole - 080022, 157, 160, 164, 165
2 ones that we absolutely want to have a
3 hand in reviewing. Some of the
4 projects that are subsidized housing,
5 like I said, we have made an
6 accommodation. We say, Okay, if it
7 helps you -- if it helps you -- it's a
8 pilot program. If it helps you, we
9 will allow you to go get your approval
10 from a licensed professional engineer
11 in Pennsylvania.

12 COUNCILMAN CLARKE: Okay. My
13 time is up, but that answer is -- does
14 not past muster, and I'm going to come
15 back. I have a follow-up question.

16 COUNCIL PRESIDENT VERNA: The
17 Chair recognizes Councilman Green for a
18 point of information.

19 COUNCILMAN GREEN: Why?

20 COMMISSIONER BRUNWASSER: Why?

21 COUNCILMAN GREEN: (Inaudible,
22 off-mic.)

23 ... Councilman Clarke's
24 question. Why don't you allow anybody
25 who's doing a development to submit

1 4/7/08 - Whole - 080022, 157, 160, 164, 165
2 plans from a licensed professional
3 engineer?

4 COMMISSIONER BRUNWASSER: Well
5 --

6 COUNCILMAN GREEN: Every
7 jurisdiction surrounding the City of
8 Philadelphia -- Montgomery County,
9 Chester County, Delaware County, Bucks
10 County -- all permit private engineers
11 to submit stamped.

12 COMMISSIONER BRUNWASSER: Right.

13 COUNCILMAN GREEN: And that's
14 acceptable to their local storm-water
15 management agencies. We do not do
16 that. I'm aware of many developers;
17 it's taken them nine months to a year
18 to get storm water approval management.
19 Why don't we allow that?

20 COMMISSIONER BRUNWASSER: This
21 particular program that we began is a
22 pilot program, and we have offered that
23 option to these particular folks who
24 are -- who are -- basically have
25 sometimes a very short timetable of

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 getting their funding.

3 COUNCILMAN GREEN: That is

4 every person doing development in the

5 City of Philadelphia.

6 COMMISSIONER BRUNWASSER:

7 Correct.

8 (Indiscernible; parties

9 talking over each other.)

10 COMMISSIONER BRUNWASSER:

11 Correct.

12 COUNCILMAN GREEN: That's not

13 just (indiscernible). That's all of

14 our developers.

15 The question is: Why don't

16 you allow everyone to do that? Not

17 why you allow the nonprofit to do it.

18 Why don't you allow everyone to do it?

19 That's the question.

20 COMMISSIONER BRUNWASSER: We

21 may if we see that this program is

22 working out well.

23 Now, any of the large parcels,

24 they have professional engineers doing

25 their work now. They have to do it,

1 4/7/08 - Whole - 080022, 157, 160, 164, 165
2 they have to have professional
3 engineers doing their work.

4 COUNCILMAN GREEN: Yes, but you
5 don't -- but then it takes them nine
6 months to go through an approval with
7 you, and the changes that are asked for
8 are very, very --

9 COMMISSIONER BRUNWASSER:
10 Generally speaking, Councilman, since
11 this program has started, the
12 submissions that we have gotten were
13 not the best. We have -- we -- despite
14 the fact that we have open house every
15 week in our -- for our storm water
16 program, and we invite contractors and
17 developers and engineers in every week
18 to our place.

19 Even at the beginning of this
20 process, back in January of 2006, we
21 actually gave contractors a CD ROM
22 outlining everything they needed to
23 do.

24 COUNCILMAN GREEN: You still
25 haven't answered the question, but I'll

1 4/7/08 - Whole - 080022, 157, 160, 164, 165
2 get back to it during my time for
3 questioning.

4 Thank you, Madam Chair.

5 COUNCIL PRESIDENT Verna:

6 You're welcome.

7 The Chair recognizes
8 Councilman Greenlee.

9 COUNCILMAN GREENLEE: Thank
10 you, Madam President. Good afternoon.

11 First on the issue that
12 Councilman Clarke touched on, I'll
13 facetiously call it "our favorite
14 subject" between the Water Department
15 and me.

16 On the barring of shutoffs
17 Friday, Saturday, Sunday, and the day
18 before holidays, Councilman Clarke
19 alluded to an issue in his district
20 last week on Friday, which was
21 apparently a former school building,
22 the former Sartain building, and it
23 was -- almost got shut off; I know it
24 got stopped at the end.

25 What -- I understand -- and I

1 4/7/08 - Whole - 080022, 157, 160, 164, 165
2 also talked to Revenue Commissioner
3 Richardson on this.

4 COMMISSIONER BRUNWASSER:
5 Mm-hmm.

6 COUNCILMAN GREENLEE: It
7 appears to be still some problem on how
8 properties are coded, whether they're
9 coded residential or not. And how far
10 back is that; do you know? I mean, I
11 don't know if you know or if that's
12 more a Revenue question, but I think
13 the Sartain School has been a residence
14 for quite a while, right? Am I not
15 right, Councilman.

16 COUNCILMAN CLARKE: That was a
17 residence for senior citizens.

18 COUNCILMAN GREENLEE: Yeah,
19 right, okay. You're absolutely right.

20 I mean, it was a school at one
21 time, but it hasn't been in a long
22 time, I know that.

23 So I -- it sounds like the
24 coding issue is pretty old. Is
25 that -- I mean, is that fair to say or

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 do you know or --

3 COMMISSIONER BRUNWASSER: No, I
4 don't know too much in the way of
5 specifics.

6 Now, remember, since we do get
7 our information from the Water Revenue
8 Bureau, it's supposed to have gone
9 through, you know, due processes. And
10 unless we see something that is
11 unusual and we see some kind of
12 mismatch, chances are we believe it's
13 a clean property to shut off.

14 Now, there are some miscoded
15 properties, believe me, in this
16 database.

17 COUNCILMAN GREENLEE: Mm-hmm.

18 COMMISSIONER BRUNWASSER: We
19 have over 470,000 customers.
20 Guaranteed, if even if it's one tenth
21 of 1 percent, that's a high number --

22 COUNCILMAN GREENLEE: Mm-hmm.

23 COMMISSIONER BRUNWASSER: -- of
24 these coded properties. And we are
25 kind of hoping that over time,

1 4/7/08 - Whole - 080022, 157, 160, 164, 165
2 particularly with a new billing system,
3 the data that we cleansed, so to speak,
4 to get into a new billing system will
5 straighten most of that out.

6 COUNCILMAN GREENLEE: Sort of
7 clean that out?

8 COMMISSIONER BRUNWASSER: Clean
9 most of that out, but it's certainly
10 not our intent to shut somebody off who
11 is not supposed to be shut off.

12 COUNCILMAN GREENLEE: Yeah, I
13 understand. And -- but I guess it
14 seems to be particularly with schools
15 'cause I know there's a lot of -- at
16 least Commissioner Richardson lead me
17 to believe that that's a problem
18 that -- because there have been a lot
19 of school buildings over the years that
20 have been converted to residences of
21 varying kinds.

22 But on that where you just
23 said about where -- that unless
24 there's something obviously wrong,
25 will there -- or has there been or

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2 will there be communication with the
3 actual people that go out? because, I
4 mean, I think, from what I know of
5 this building, it's clearly a
6 residential building now. Now, maybe
7 it didn't see that on the person's
8 paper that went out.

9 But are the workers told now
10 about this law, that you can't shut
11 off on Friday, Saturday, and Sunday.
12 And it would seem like in this case,
13 the person that went out there who, by
14 the way was very aggressive, but I
15 won't get into that, said, you know,
16 could have said, Well, geez, you know,
17 we're not supposed to shut off on
18 Friday; this is clearly a senior
19 building.

20 COMMISSIONER BRUNWASSER: Yeah.
21 If it's clearly -- and you know I had
22 told our shutoff people back in
23 November not to shut off apartment
24 buildings.

25 COUNCILMAN GREENLEE: Right. I

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2 was going to get to that too.

3 COMMISSIONER BRUNWASSER: So it
4 was still -- so we still preceded the
5 ordinance by a few months --

6 COUNCILMAN GREENLEE: Right.

7 COMMISSIONER BRUNWASSER: -- at
8 least when it came to apartments
9 houses.

10 COUNCILMAN GREENLEE: Mm-hmm.

11 COMMISSIONER BRUNWASSER: I
12 guess it was not clear to him. I don't
13 know all of the details.

14 COUNCILMAN GREENLEE: No, I
15 understand, I understand, I'm
16 particularly concerned with school
17 buildings 'cause my guess is this might
18 not be the only one that this could
19 happen with because there are -- I can
20 think of the Daroff School, and that's
21 near me, where I live, and a lot of
22 others that have been -- if they're
23 still coded "non-residential," we could
24 still have that problem, you know.

25 DEPT. COMMISSIONER McCARTY:

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2 (Inaudible, off-mic.)

3 COUNCILMAN GREENLEE: Yeah,
4 well, if they pay the bill, then we got
5 no problem, but we always agreed, if
6 they pay the bill, we have no problem.

7 Another question on something
8 I think we agree on more. The -- is
9 it called the "Help Program" where you
10 -- where there's a person that has a
11 violation and the Water Department
12 arranges for the work to be done and
13 the bills --

14 COMMISSIONER BRUNWASSER: Yes.

15 COUNCILMAN GREENLEE: -- and
16 payback on their bills.

17 COMMISSIONER BRUNWASSER: Yes.

18 COUNCILMAN GREENLEE: I mean,
19 it seems --

20 COMMISSIONER BRUNWASSER: It's
21 a low-interest loan.

22 COUNCILMAN GREENLEE: Yeah, a
23 low-interest loan. That seems to have
24 been a -- is it -- would you classify
25 that as a successful program? It

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2 certainly seems to have worked very
3 well, helps people either get their
4 water back on quickly or keep their
5 water on. Is that --

6 COMMISSIONER BRUNWASSER: We
7 think it's been a very successful
8 program, yes.

9 COUNCILMAN GREENLEE: Mm-hmm.
10 And I guess as far as getting the money
11 back it's paid -- is it paid directly
12 on the water bill, or is there a
13 separate bill sent?

14 COMMISSIONER BRUNWASSER: No,
15 no, it's a separate bill.

16 COUNCILMAN GREENLEE: A
17 separate bill?

18 COMMISSIONER BRUNWASSER:
19 There's a separate bill.

20 COUNCILMAN GREENLEE: And for
21 the most part, have you had pretty good
22 success in getting the money back?

23 COMMISSIONER BRUNWASSER: Uh,
24 again, I'm not so sure.

25 COUNCILMAN GREENLEE: Okay.

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2 COMMISSIONER BRUNWASSER: I
3 don't have a separate way of checking
4 that.

5 COUNCILMAN GREENLEE: Uh-huh,
6 okay.

7 COMMISSIONER BRUNWASSER: But
8 the Water Revenue Bureau may.

9 COUNCILMAN GREENLEE: Okay,
10 gotcha.

11 Last question: In that
12 cleaning, which seems, for the most
13 part, particularly when there's
14 requests made, seem to get done pretty
15 quickly. I know certainly the people
16 that we work with in your department
17 seem to communicate that very well.

18 The one problem that seems to
19 come up is sometimes when cars are
20 parked, particularly if that inlet's
21 in the middle of the back. Is
22 there -- I know, for example, when the
23 Streets Department is going to do some
24 work around a pothole or a plumber's
25 ditch or whatever, they can put signs

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2 up blocking parking. Is -- does the

3 Water Department have that ability?

4 Do you think that would be helpful?

5 'Cause I know sometimes that's

6 the issue we get back when it hasn't

7 been cleaned in a long time.

8 (Timer bell rings.)

9 COUNCILMAN GREENLEE: That

10 that's been the problem, that cars are

11 parked there, legally parked, but

12 parked there.

13 COMMISSIONER BRUNWASSER:

14 Right, right. I think, you know, we do

15 a lot of our work on a scheduled basis,

16 which is good because it helps us to be

17 more efficient.

18 COUNCILMAN GREENLEE: Mm-hmm.

19 COMMISSIONER BRUNWASSER: And

20 we do -- I think we can do that if we

21 don't already. We do that, you know.

22 COUNCILMAN GREENLEE: Okay.

23 Good. Thank you.

24 Thank you, Madam President.

25 COUNCIL PRESIDENT VERNA:

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2 You're welcome.

3 The Chair recognizes

4 Councilman Green.

5 COUNCILMAN GREEN: Thank you,

6 Madam Chair.

7 I -- back to the storm-water

8 management briefly. I'm aware of

9 numerous developers who follow

10 guidelines that were published at one

11 point and then fill out paperwork

12 under existing guidelines at the time

13 they applied for a permit. You then

14 change your guidelines. Everything's

15 approved, except now they're told to

16 fill out new paperwork to match your

17 existing current paperwork so that you

18 can't fill out --

19 I think, you know, I think

20 this is something that maybe the Water

21 Department shouldn't be involved in

22 because my understanding is the

23 software package you're using is

24 something that works very well for

25 large suburban-type developments,

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2 where there's lots of land, but you're
3 not using the software packages that
4 are existing and available for urban
5 infill projects, where a lot of these
6 situations come up, where essentially,
7 there's no back yard allowed because
8 you've got to have these ditches and,
9 you know, runoff.

10 And you're not taking ponds
11 for runoff, you're not taking into
12 account the fact that the lots may
13 have been blacktopped. Now there's
14 going to be grass on them prior to
15 change. I mean, it just -- it doesn't
16 seem to me that this is working.

17 And, you know, I don't know if
18 you have specific plans for making it
19 work that you want to share with us,
20 or this is something we can just
21 follow up on in separate hearings?

22 COMMISSIONER BRUNWASSER: No.
23 We -- we do have plans. We have
24 improved a great deal. We don't have
25 the kind of backlog that we had

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2 sometime in the past.

3 As I said, we're augmenting
4 our forces, and this is a learning
5 process for us, it's been a learning
6 process for us; but also, for these
7 builders, particularly for those
8 builders that do not very much
9 suburban experience, because the
10 suburbs have been doing this for a
11 longer period than we have.

12 COUNCILMAN GREEN: But the
13 suburbs don't have urban infill like we
14 have, and that's where many of the
15 delays and problems are.

16 COMMISSIONER BRUNWASSER:
17 Right. Well, I'm going to have
18 Mr. Steve Furtek, who is our chief
19 engineer and our general manager for
20 planning and engineering, address the
21 question about storm water.

22 MR. FURTEK: Councilman, to
23 some degree, you're absolutely correct.
24 The infill issue with very small lot
25 sizes is a little bit problematic for

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2 us and for the developer. We're
3 looking at introducing a fee-in-lieu
4 system, where the developer could pay
5 into a fund rather than do onsite
6 management. We would, in turn, use
7 that money for storm-water management
8 somewhere in that watershed or in the
9 City.

10 We're also looking at trading
11 options for the developer.

12 Now, these are a work in
13 progress; we don't have them available
14 as of yet, but we're getting there.

15 COUNCILMAN GREEN: Okay. And
16 what about the software program
17 specifically?

18 MR. FURTEK: I'm not quite
19 certain exactly what you're referring
20 to in that comment.

21 COUNCILMAN GREEN: There are
22 different programs that people apply to
23 different types of lots. And,
24 apparently, the City of Philadelphia is
25 using only one program, which is a

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2 program that generally applies when
3 you're doing sort of Lowe's or Home
4 Depot-type developments. When you
5 apply that to an urban infill project,
6 you're never going to get the kind of
7 water storage that you could get on a
8 big site like that.

9 And there are different
10 specific software packages using
11 similar models but that take into
12 account the specific situation of
13 urban infill and are somewhat more
14 permissive. They also take into
15 account factors like maybe you're, by
16 putting a home on it, actually
17 improving the watershed because
18 there's going to be grass where there
19 was none, et cetera.

20 MR. FURTEK: Okay. I'm not
21 quite versed on the details of the
22 software programs. Generically
23 speaking, I think we'll accept programs
24 of a variety of nature as long as they
25 provide that one inch of rain capture

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2 on the site, but I can get back to you
3 with more information on that.

4 COUNCILMAN GREEN: Yeah, please
5 provide that to the Chair, because I
6 don't believe that to be the case.

7 MR. FURTEK: Okay.

8 COUNCILMAN GREEN: Also, there
9 seems to be -- in storm-water
10 management, there seems to be a feeling
11 among developers almost that the staff
12 is not trained properly or up to speed,
13 and as a consequence, every decision is
14 being made by managers.

15 Managers may not be trained,
16 and as a consequence, basically, the
17 whole system is shutting down because
18 people are afraid to say yes.

19 Would you --

20 MR. FURTEK: We've made
21 tremendous strides in trying to improve
22 the system. We had -- we probably went
23 from about a 26-day review time to
24 about a 10-day review time as of
25 recently on technical submittals. We

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2 invested about a million dollars in
3 outside consulting services to help us.
4 We've reallocated resources within the
5 department to this issue.

6 COUNCILMAN GREEN: Mm-hmm.
7 (Timer bell rings.)

8 MR. FURTEK: If you look at our
9 department in this issue now today
10 versus a year ago or a year-and-a-half
11 ago, it's a tremendous difference.
12 And, unfortunately, I think we're
13 living off a bad reputation from a
14 year-and-a-half ago.

15 COUNCILMAN GREEN: Okay.

16 MR. FURTEK: I think you'll see
17 that the difference is quite dramatic,
18 if you really ask people.

19 COUNCILMAN GREEN: Okay. I
20 just have a lot of calls from
21 developers that asked this question
22 this week, not a year-and-a-half ago.

23 MR. FURTEK: I mean, our number
24 of reviews per project averaged over
25 six; we're down to about three now. So

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2 that's a significant change. The
3 number of days we take to review each
4 submittal has gone down tremendously.
5 So there are huge strides here.

6 COUNCILMAN GREEN: Okay. Thank
7 you, Madam Chair. I'll come back to
8 this.

9 COUNCIL PRESIDENT Verna: Thank
10 you.

11 The Chair recognizes
12 Councilman Jones.

13 COUNCILMAN JONES: Thank you,
14 Madam President.

15 A couple of quick questions.
16 On clean-water pipelines, how much
17 water do we lose? What percentage of
18 water do we lose annually to breaks?

19 COMMISSIONER BRUNWASSER: I'm
20 not sure exactly how much we lose. We
21 have approximately on average two
22 breaks a year -- I mean, two breaks a
23 day. That's a -- for an entire year.

24 So we have about 3300 miles of
25 water mains and we have

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2 approximately -- the five-year average
3 is about 230 breaks per thousand miles
4 of water main, and so we're talking
5 something over 700.

6 Some of them are on small
7 mains losing a little bit of water
8 relatively speaking, and some are on
9 big transmission mains that could be
10 30 inches in diameter, 48 inches in
11 diameter. And those can lose
12 thousands -- thousands of gallons in
13 minutes.

14 COUNCILMAN JONES: Does 23
15 percent of our fresh water sound a
16 little high annually?

17 COMMISSIONER BRUNWASSER: Of
18 loss to water main breaks?

19 COUNCILMAN JONES: Yes.

20 COMMISSIONER BRUNWASSER: Yes.

21 COUNCILMAN JONES: What would
22 you estimate it as?

23 COMMISSIONER BRUNWASSER: I
24 don't have that with me. We do have
25 estimates of what the breaks -- I think

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2 we do have some estimates of the
3 breaks. There's a lot of leakage in
4 the system --

5 COUNCILMAN JONES: Well --

6 COMMISSIONER BRUNWASSER: -- as
7 there is in --

8 COUNCILMAN JONES: Combined
9 leakages and breaks, what percentage
10 would you guesstimate that we lose a
11 year to the dirt?

12 COMMISSIONER BRUNWASSER:

13 Leakage and water main breaks?

14 COUNCILMAN JONES: Yes.

15 COMMISSIONER BRUNWASSER: It
16 may be 23 percent.

17 COUNCILMAN JONES: That's a
18 figure I got from a study, which I will
19 forward to you --

20 COMMISSIONER BRUNWASSER: Yes,
21 yes.

22 COUNCILMAN JONES: -- that said
23 that 23 percent of our fresh water
24 annually we lose to water main breaks.
25 Now, it's my understanding that we're

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2 --

3 COMMISSIONER BRUNWASSER: I
4 think that's a probably a combination
5 of breaks and leakage.

6 COUNCILMAN JONES: But the
7 report goes on to say it's because of
8 the aging infrastructure that we have,
9 which is understandable. Is it, in
10 fact, then logical that if we start to
11 repair that, that those savings alone
12 would pay for the repairs?

13 COMMISSIONER BRUNWASSER:
14 The -- one could -- there is a -- there
15 is an analysis that one could do to
16 kind of figure out where the payoff
17 point is, yes. I don't -- I'm not sure
18 where that is today, but --

19 COUNCILMAN JONES: I think if
20 we're talking about somewhere in the
21 neighborhood of 23 percent clean water
22 loss, we're talking about the
23 possibility that the repairs could be
24 paid for by the savings, the value of
25 the product that we produce --

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2 COMMISSIONER BRUNWASSER: Right.

3 COUNCILMAN JONES: That it

4 merits us looking into it --

5 COMMISSIONER BRUNWASSER: Yes.

6 Well --

7 COUNCILMAN JONES: -- because

8 most of those job opportunities are

9 labor-intense, correct?

10 COMMISSIONER BRUNWASSER:

11 Correct.

12 Now, I should tell you that

13 230 breaks per thousand miles of pipe

14 is better than the American Water

15 Works Association average of water

16 utilities, even though our system is

17 older than most.

18 COUNCILMAN JONES: All right.

19 We'll put that on the record for today.

20 COMMISSIONER BRUNWASSER: And

21 270 is the average number of breaks per

22 thousand miles of water main per year

23 because, you know, you have 1,000

24 miles, and it could happen, you know,

25 at an infinite number of locations on

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 that thousand miles of main.

3 But we are better than most.

4 And we have stepped up our water-main

5 replacement program since the

6 mid-1990s, and we have a system

7 in-house that we've had actually for

8 quite a long time, where we assess all

9 of the water mains that are in service

10 currently and designate the worst ones

11 for the next round of renewals.

12 COUNCILMAN JONES: My point

13 here is that, as we start to look at

14 shrinking resources, as we start

15 talking about going green and having

16 green water urinals, I think the first

17 place we could start is in 23 percent

18 of the leakage being repaired if, in

19 fact, the commodity that we're trying

20 to save is actually worth enough to

21 sell to other municipalities to bottle

22 as -- if they can bottle that water

23 that they're bottling based on some of

24 the surveys I've seen about the quality

25 of our water, we could bottle our own.

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2 So if the product is worth
3 what it's worth, then we might want to
4 take a look at investing in repairs,
5 which are labor-intense. We can hire
6 Philadelphians and put them to work in
7 honest jobs to do some of the repairs
8 if we just looked at it as a potential
9 revenue increase to our municipality.

10 And I'd like you to look at
11 that. Twenty-three percent may be
12 less than some; it's still too much,
13 in my opinion.

14 COMMISSIONER BRUNWASSER:
15 Right. Well, our -- the major cost
16 factors with the lose of water are the
17 loss of the chemicals that you use to
18 purify the water and also the
19 electricity that you use to pump it.

20 COUNCILMAN JONES: Okay.

21 COMMISSIONER BRUNWASSER: And
22 those are the two major components
23 because we do not have to pay for the
24 source itself.

25 COUNCILMAN JONES: Second

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2 question: Under the Controller's
3 report, we see that some of our larger
4 institutional customers that owe us
5 money happen to be the federal
6 government, state government, and
7 others? And what are we doing to
8 collect some of those outstanding
9 balances owed by them?

10 (Timer bell rings.)

11 COMMISSIONER BRUNWASSER: We
12 would like to shut them off.

13 (Laughter.)

14 COMMISSIONER BRUNWASSER: But
15 we -- you know, again, we don't make
16 that determination ourselves, and I
17 think -- I think the new revenue
18 commissioner, I think, has promised to
19 become, you know, much more aggressive,
20 and hopefully, at first, he will hold
21 out the olive branch to these other
22 governments and these other agencies
23 and maybe nonprofit or quasi-city or
24 state, government agencies and, you
25 know, hope for the best, that we

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2 collect before we're forced to do a
3 shutoff.

4 COUNCILMAN JONES: Okay. I'd
5 like to see them become current. Uncle
6 Sam has gotten a free ride off of the
7 City of Philadelphia long enough.

8 Thank you, Madam President.

9 COUNCIL PRESIDENT Verna:
10 You're welcome.

11 The Chair recognizes
12 Councilman Clarke.

13 COUNCILMAN CLARKE: Okay, thank
14 you. Thank you, Madam President.

15 Storm-water management, I'm
16 going to follow up on that, but before
17 I do, do I understand that to the
18 Councilman's question with respects to
19 government entities that we do not --
20 or you cannot make the decision to
21 shut 'em off, but yet we can shut off
22 a senior citizens' building because of
23 a dispute in a billing? I see some
24 inconsistencies in that.

25 COMMISSIONER BRUNWASSER: What

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2 we found out with the senior citizen

3 building was, apparently --

4 COUNCILMAN CLARKE: I know what
5 you found out.

6 COMMISSIONER BRUNWASSER: -- we
7 did not know it was a senior citizen
8 building.

9 COUNCILMAN CLARKE: I'm just
10 talking about as a matter of respect.
11 And I'm really ticked off about that;
12 that's why I let Councilman Greenlee
13 ask the questions your guy out there
14 and came back two times after
15 apparently being told, allegedly being
16 told by a supervisor to terminate the
17 shutoff notice, and came back in spite
18 of the fact that he saw the senior
19 citizens sitting in that building, then
20 he's made a decision that he didn't
21 care what anybody did; he was going to
22 cut that off anyway.

23 But yet, we have some
24 hesitancy in shutting off a government
25 building, right? A government that

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2 clearly --

3 COMMISSIONER BRUNWASSER: But

4 the hesitancy wasn't on the Water

5 Department's part, Councilman.

6 COUNCILMAN CLARKE: Pardon me?

7 COMMISSIONER BRUNWASSER: The

8 hesitancy wasn't on the Water

9 Department's part; it was on the -- you

10 know, we do not -- we can only shut off

11 those buildings that --

12 COUNCILMAN CLARKE: You get

13 authorized?

14 COMMISSIONER BRUNWASSER: --

15 that we've been authorized to shut off

16 by the Revenue Department.

17 COUNCILMAN CLARKE: All right.

18 Well, I'll deal with the Revenue.

19 Storm-water management. And I

20 apologize, I had to step out of the

21 room a minute 'cause I knew Councilman

22 Green was doing a follow-up.

23 What was the answer to the

24 question about whether or not we can

25 expand the program to allow licensed

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2 recognized engineers to submit
3 storm-water management plans that we
4 would simply, based on understanding
5 the nature of the entity that we were
6 dealing with, approve and move this
7 processes along as opposed to hiring
8 as many additional engineers that
9 you're talking about hiring to do the
10 actual analysis? What was the answer
11 to that question?

12 MR. FURTEK: When we tried that
13 program, it was a pilot program we
14 stated with the public agencies of
15 subsidized housing. And we were going
16 to see how it worked. It may have
17 worked well and we might roll it out to
18 others.

19 Ironically, it has not been
20 used once, so the program's been put
21 out there; no one's tried it or
22 attempted it yet.

23 COUNCILMAN CLARKE: And do you
24 know why?

25 MR. FURTEK: No, I don't.

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2 COUNCILMAN CLARKE: Are we
3 going to find out? Or we don't think
4 it's our responsibility to find out?

5 MR. FURTEK: Well, I think the
6 program's available and people have not
7 availed themselves of it at this point.
8 I'm not sure why.

9 COUNCILMAN CLARKE: 'Cause it
10 just started. I mean, it's not like we
11 implemented that program a long time
12 ago.

13 MR. FURTEK: That's correct.

14 COUNCILMAN CLARKE: 'Cause it
15 happened as a result of the Norris
16 Square project --

17 MR. FURTEK: That's right.

18 COUNCILMAN CLARKE: -- in
19 Councilwoman Sanchez's -- and that was
20 five months ago, so we're not talking
21 about --

22 MR. FURTEK: That's correct.

23 COUNCILMAN CLARKE: So are we
24 going to -- I mean, what are we going
25 to do? I mean, I understand you do

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2 what you do in your department, but I,
3 like Councilman Green, at the end of
4 the day, people look at -- they say,
5 you know, Councilman -- and I heard
6 earlier reference about a ten-day
7 process, but right now, I have two
8 projects in my district that I just
9 dealt with that had to do three
10 resubmissions that went beyond the
11 ten-day process.

12 MR. FURTEK: Right.

13 COUNCILMAN CLARKE: This is --

14 MR. FURTEK: I mean, I can
15 certainly control the amount of time a
16 submittal is in my hands and how long
17 it takes me to review that. I can
18 control that with resources, with
19 consulting services. What I can't
20 control is the quality of that
21 submission.

22 So when we're seeing six,
23 seven submissions and we write a
24 three-page letter defining exactly
25 what needs to be done, that's a

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2 problem.

3 So we went on a proactive
4 approach and said, okay, we need more
5 training. We've had several outside
6 sessions where, you know, basically
7 seminars, workshops with developers,
8 with the development community, in the
9 hopes that we can all get on the same
10 page to make this all quicker.

11 The submittal level has come
12 down; it's down to about three
13 submittals now for a project approved.
14 Our time to review has come down very
15 much; it's probably one-fourth or
16 one-fifth of the time it was a mere
17 eight months ago. So there's been
18 dramatic steps taken.

19 Is it perfect? No, I'll grant
20 you, it's not perfect.

21 COUNCILMAN CLARKE: So why
22 wouldn't we entertain expanding the
23 program that has worked in the suburban
24 counties that allows licensed,
25 recognized, knowledgeable engineers to

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 simply submit a plan --

3 MR. FURTEK: We wanted to do it
4 as a pilot, to make sure it works.

5 COUNCILMAN CLARKE: Well, why
6 do we have to limit --

7 MR. FURTEK: Don't forget.
8 We're coming from the experience that
9 the engineering firms that are
10 submitting are all licensed engineers
11 and we're having a problem with that.
12 I mean, that's the foundation --

13 (Timer bell rings.)

14 COUNCILMAN CLARKE: So the
15 problem is not at the Water Department.

16 MR. FURTEK: What's that?

17 COUNCILMAN CLARKE: The problem
18 is with the nonprofit, it's with the
19 engineers; it's not with the Water
20 Department.

21 MR. FURTEK: No, no. So we
22 took a smaller pool and said let's try
23 it, let's see how it works, let's see
24 how successful it is. If it works good
25 for both parties, hey, I'm all for it.

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2 COUNCILMAN CLARKE: But if
3 there's no submissions, you won't know
4 if that works 'cause said that nobody's
5 taken advantage of the program because
6 we've limited it to a.

7 (Indiscernible; parties
8 talking over each other.)

9 MR. FURTEK: And you did point
10 out very appropriately that it's been a
11 relatively short period of time.

12 COUNCILMAN CLARKE: You're
13 still not answering the question. Why
14 don't we authorize everybody to -- why
15 can't we do a pilot program -- I heard
16 the bell, Madam President, I'm winding
17 down.

18 Why can't we widen the pool of
19 people to do the submissions in a
20 pilot program? I mean, the problem
21 with nonprofits, nonprofits run on
22 cycles, so when the funding is
23 available at PHFA, which is one time a
24 year, then you may get submissions.
25 Developers want to develop every day

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2 of the week, so the ability to submit
3 storm-water management proposals are
4 probably going to be on a more
5 consistent basis.

6 MR. FURTEK: I can take that
7 back for consideration.

8 COUNCILMAN CLARKE: I see the
9 deputy has stepped to the table.

10 DEPUTY MAYOR CUTLER: Council
11 President Verna, Rhina Cutler, Deputy
12 Mayor for Transportation and Utilities.

13 Councilman, I am unaware of
14 the issue of the pilot program. I
15 have heard, although not recently,
16 that there were issues with the
17 development community in terms of the
18 time it takes to processes the plans
19 for the development.

20 I'd like the opportunity to go
21 back and take a look at the pilot
22 program and see if it can it, in fact,
23 be expanded.

24 I will say for the record that
25 even on road projects and bridge

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2 projects for engineers, oftentimes the
3 engineers that the private developers
4 use are not familiar with the
5 standards that we require them to be
6 familiar with. But that, in fact,
7 should be our job to provide that
8 outreach to tell me people what it is
9 we want from them.

10 So I will make a commitment to
11 go back and look at this and see where
12 the gaps are and then get back to the
13 President with information for you
14 all.

15 COUNCILMAN CLARKE: Thank you.

16 Thank you, Madam President.

17 COUNCIL PRESIDENT VERNA: Thank
18 you.

19 The Chair recognizes
20 Councilman Rizzo.

21 COUNCILMAN RIZZO:

22 Commissioner, I think we really need to
23 correct the record. With the
24 government agencies that owe the
25 Revenue Department for water, in many

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2 cases, it's slow pay for reasons of
3 bureaucracy, and they know that it's
4 slow pay. The money arrives; it's not
5 like -- and I'd like you to tell me if
6 I'm wrong here. There's no government
7 agencies that have refused to pay us.
8 It's the fact that they're slow in
9 paying us; is that correct? Is that
10 exactly what the scenario is?

11 COMMISSIONER BRUNWASSER: I
12 presume you're correct, Councilman. I
13 don't know enough on these individual
14 properties but, presumably, the federal
15 government has enough money to pay us.

16 COUNCILMAN RIZZO: But, I
17 mean --

18 COMMISSIONER BRUNWASSER: Yes.

19 COUNCILMAN RIZZO: -- we just
20 can't say here in Council that the
21 government isn't paying our utility
22 bills when, in fact, I don't know if
23 they're subject to penalties for slow
24 pay, but I'm sure the Commonwealth of
25 Pennsylvania pays their water bills; at

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2 least I would hope so.

3 And if that's not the case, I
4 think we need the Deputy Mayor of
5 Utilities to have the Revenue
6 Department come back here to tell us
7 if any government agency owes the City
8 of Philadelphia money, whether federal
9 or state.

10 DEPUTY MAYOR CUTLER:

11 Councilman, it's my understanding --
12 and, again, we are not the agency that
13 collects the water bills, but it is my
14 understanding that they not only owe us
15 the original amount, but they are
16 subject to penalties and they owe us
17 that as well.

18 COUNCILMAN RIZZO: But the
19 issue is that they're not refusing to
20 pay, it's slow pay; is that correct.

21 DEPUTY MAYOR CUTLER: That is
22 my understanding. Perhaps I could just
23 call them and nudge them along a
24 little.

25 COUNCILMAN RIZZO: Well, let me

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2 tell you, if anybody can nudge, you can
3 do it.

4 (Laughter.)

5 COUNCILMAN RIZZO: Let's go
6 back to something very basic,
7 Commissioner, I want to talk to you
8 about. I'm having a tough time
9 understanding the impact on this new
10 rate that you're trying to develop for
11 storm water. I'd like to know what
12 effect it's going to have on the
13 average residential customer.

14 COMMISSIONER BRUNWASSER:
15 Councilman, most residential customers
16 will basically not be affected by the
17 new ordinance that we're seeking as
18 part of the next rate process.

19 What happened in Fiscal Years
20 2002 through 2004 was that we had
21 discovered in the 1990s that we had --
22 the model that we used as a surrogate
23 for storm water, which is meter size,
24 was not allocated approximately, and
25 the residential customer was

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2 overpaying for storm water in their
3 service charge, and the large
4 properties were underpaying, the
5 commercial/industrial group was
6 underpaying.

7 So between the years 2002 and
8 2004, in three gulps, we straightened
9 out the difference between
10 residentials and commercial/
11 industrials so that most residentials
12 are now paying appropriately for storm
13 water in their bill. Their service
14 charge is allocated based on a typical
15 or average-size residential parcel.
16 So that's what we did back then.

17 At the end of Fiscal 2004, the
18 commercial/industrial customers, as a
19 whole, were appropriately charged for
20 storm water, but within that group,
21 using meter size, which is still a
22 surrogate, was not the best method.
23 The best method would actually be
24 to -- using GIS and BRT and Records
25 Department information to actually

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2 take a look and see what the size of
3 their parcels are and the
4 characteristics of those parcels
5 vis-a-vis storm water.

6 In other words if you have two
7 identical-sized lots and one is
8 completely paved and one is completely
9 grassed, the one that is paved should
10 pay more than the one that is all
11 grassed, because there's a higher
12 runoff coefficient from the paved
13 parcel.

14 So this is the gist of what
15 we're planning to do. Beginning in
16 Fiscal 2010 through Fiscal 2012, we
17 hope to reallocate within the
18 commercial/industrial group
19 appropriately based on lot size and
20 not on meter size.

21 COUNCILMAN RIZZO: So you do it
22 presently by meter size?

23 COMMISSIONER BRUNWASSER: Yes.

24 COUNCILMAN RIZZO: Scattered
25 throughout the City, there are under

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2 2,000 water-only customers; that means
3 they have onsite sewage, septic tanks.

4 (Timer bill rings.)

5 COMMISSIONER BRUNWASSER: Yes.

6 COUNCILMAN RIZZO: In your
7 testimony, you're encouraging people to
8 recover storm water.

9 COMMISSIONER BRUNWASSER: We
10 are, but we are able to offer the
11 large-meter customers who can make a
12 real dent in storm water --

13 COUNCILMAN RIZZO:
14 Commissioner, I'm talking past. I
15 started off my conversation talking
16 about the average residential customer.

17 COMMISSIONER BRUNWASSER: Right.

18 COUNCILMAN RIZZO: You have
19 2,000 customers that have no sewage at
20 all going to you that's going into a
21 septic tank, it's pumped out.

22 Why would we want to go after
23 those? And I think you better check
24 with the Law Department; I think there
25 was a lawsuit that stopped that.

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2 COMMISSIONER BRUNWASSER: There
3 was in the 1980s.

4 COUNCILMAN RIZZO: And the --
5 so I think we have to understand what
6 the lawsuit said before we move
7 forward, to see if it's even
8 appropriate to do, but those 2,000
9 customers that you're encouraging to
10 recover their storm water that have no
11 tie to the City's sewage systems to try
12 to recover or charge them for storm-
13 water runoff when, in many cases, it
14 goes, in the northeast or the
15 northwest, into Wissahickon Creek.

16 So I'm going not to be very
17 supportive of that effort to charge
18 these -- especially the water-only
19 customers an additional fee for water
20 runoff, where they pay zero right now,
21 correct?

22 COMMISSIONER BRUNWASSER: Yes.
23 They do not pay for storm water.

24 COUNCILMAN RIZZO: Okay, all
25 right. We're going to need to learn

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2 more about that. You know, I
3 personally try to be very supportive of
4 what you folks do over there, but
5 sometimes I don't want to see you get
6 unreasonable. And that one to me seems
7 a little unreasonable.

8 Thank you, Madam Chair.

9 COUNCIL PRESIDENT Verna:

10 You're welcome.

11 The Chair recognizes
12 Councilman Kelly.

13 COUNCILMAN KELLY: Thank you,
14 Madam Chair.

15 First of all, good luck in
16 trying to get money from the federal
17 government. The way they're spending
18 our money today, with the national
19 debt going up, I'm not so sure they
20 could afford a water cooler at this
21 point. But good luck to you, anyway.

22 Commissioner, what I want to
23 ask you is what's -- maybe it's more
24 appropriate if I ask this to the
25 Revenue Commissioner, but I want to

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2 know the criteria used to shut off any
3 facility. In other words, do you have
4 a different policy regarding --
5 whether it be apartments, whether it
6 be nonprofits, whether it be a
7 business or government building -- is
8 there any difference there?

9 COMMISSIONER BRUNWASSER: Well,
10 actually, the major division is between
11 residentials and commercial/
12 industrials.

13 So when it comes to a
14 residential shutoff, the criteria is
15 two cycles, two billings, two payments
16 missed, with a total of at least \$75
17 owed before the Bureau would start a
18 shutoff procedure.

19 Now, the reason it's only \$75
20 is, we made a commitment that it's
21 much better to head off these problems
22 before the money gets out of hand. So
23 \$75 isn't a lot of money, but it's
24 best to begin your collection effort
25 in the early stages, when the person

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2 has a better chance to resolve a
3 reasonably small bill.

4 COUNCILMAN KELLY: Would that
5 include apartments also?

6 COMMISSIONER BRUNWASSER: Yes,
7 I believe so, yeah. I think it's
8 the -- when you get to commercial, to a
9 business establishment, they only have
10 to be one month in arrears before we
11 can start the procedure.

12 Now, the shutoff procedure,
13 with due process, the sending of two
14 notices, adds a good two months or so,
15 two to two-and-a-half months to the
16 process before someone actually shows
17 up to shut off the property.

18 And most folks do make an
19 agreement, or they either pay their
20 bill off or call for an agreement and
21 make a partial payment to the Revenue
22 Department and an agreement to pay off
23 the old balance perhaps over the next
24 six months or so.

25 COUNCILMAN KELLY: All right.

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2 In other words, it's two months, and
3 after two months, the Revenue
4 Department would send you a list of
5 properties to be shut off?

6 COMMISSIONER BRUNWASSER: Well,
7 it would be two months of them missing
8 the bill -- not making payment. They
9 have to have at least a \$75
10 delinquency.

11 COUNCILMAN KELLY: And then
12 it's an additional two month to send
13 out the notice?

14 COMMISSIONER BRUNWASSER: Not,
15 it will -- they will send out, I guess,
16 a 30-day notice, a first notice, which
17 basically tells you that in 45 days --
18 after 45 days, if you've not paid your
19 bill or come in to make an agreement,
20 that you will be --

21 COUNCILMAN KELLY: Well --

22 COMMISSIONER BRUNWASSER: --
23 ready for shutoff.

24 COUNCILMAN KELLY: Okay.

25 COMMISSIONER BRUNWASSER: Now,

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2 30 days after that 45-day notice, they
3 get a 15-day -- they get a second
4 notice of shutoff, telling them that
5 they have about 15 days to come in.

6 And then anytime after that
7 date, which is at least 15 days out,
8 the Water Department will come out and
9 shut you off.

10 COUNCILMAN KELLY: In other
11 words, you work very, very closely with
12 the Revenue Department.

13 COMMISSIONER BRUNWASSER: Yes.

14 COUNCILMAN KELLY: In other
15 words, they would notify you, if the
16 person made a payment --

17 COMMISSIONER BRUNWASSER: Yes.

18 COUNCILMAN KELLY: -- to stop
19 that shutoff.

20 COMMISSIONER BRUNWASSER: Yes.

21 COUNCILMAN KELLY: And that
22 would be within the 15 days, I assume;
23 is that right?

24 COMMISSIONER BRUNWASSER: Yes.

25 You know, so what you've got is a

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2 minimum of two months of nonpayment of
3 the bill plus a very minimum of 45
4 days.

5 Now, there's some
6 administrative time that may go by,
7 maybe another week to ten days, so
8 you're talking -- generally speaking,
9 when the Water Department gets a
10 property for shutoff, it's generally a
11 good four months since they've paid
12 their bill, I would say, on average.

13 COUNCILMAN KELLY: And is that
14 policy still with -- include nonprofits
15 or government offices?

16 COMMISSIONER BRUNWASSER: Yes.

17 COUNCILMAN KELLY: In other
18 words, it includes everyone.

19 COMMISSIONER BRUNWASSER: Yes.

20 COUNCILMAN KELLY: Okay. All
21 right. Thank you.

22 Thank you, Madam President.

23 Thank you, Commissioner.

24 COUNCIL PRESIDENT Verna: The
25 Chair recognizes Councilman Green.

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2 COUNCILMAN GREEN: Thank you,
3 Madam Chair.

4 Do you negotiate your own
5 electric rates?

6 COMMISSIONER BRUNWASSER: No,
7 no, we don't.

8 COUNCILMAN GREEN: Who does
9 that?

10 COMMISSIONER BRUNWASSER: The
11 City does that on our behalf.

12 COUNCILMAN GREEN: The City --

13 COMMISSIONER BRUNWASSER: Of
14 Philadelphia, the Public Property.

15 COUNCILMAN GREEN: Public
16 Property negotiates that.

17 COMMISSIONER BRUNWASSER:
18 Energy office.

19 COUNCILMAN GREEN: Okay. How
20 much electricity -- how much do you
21 buy; do you know what your rate is
22 compared to commercial industry or --

23 COMMISSIONER BRUNWASSER: We
24 have been governed up until -- well,
25 actually, I think we're still under it.

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2 We've gotten a discount that the City
3 negotiated some years back, and I think
4 it's still in effect until, oh, I don't
5 know, maybe January, January of 2009.

6 COUNCILMAN GREEN: How much do
7 we pay for chemicals for the processes?

8 COMMISSIONER BRUNWASSER: Quite
9 a bit. It's been going up. Our
10 chemical costs have gone up about
11 \$5 million just in one fiscal year.

12 COUNCILMAN GREEN: Do you know
13 what the total dollar-amount is?

14 COMMISSIONER BRUNWASSER: Yeah.
15 I could tell that you in a second.

16 This year, we expect to spend
17 \$19.6 million.

18 COUNCILMAN GREEN: And how much
19 do you pay -- do you know the
20 dollar-amount you pay for electricity?

21 COMMISSIONER BRUNWASSER: It's
22 -- well, I'm -- give or take a million
23 or two, we're about a \$20 million-
24 a-year user of electricity. We --

25 COUNCILMAN GREEN: And that

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2 involves operating the facilities to
3 make clean water?

4 COMMISSIONER BRUNWASSER: Yes.

5 COUNCILMAN GREEN: And then
6 also pumping?

7 COMMISSIONER BRUNWASSER: Yes.

8 The pumping is probably the single most
9 expensive part of our operation.

10 COUNCILMAN GREEN: Okay. So
11 it's roughly \$40 million if -- as
12 Councilman Jones is pointing out, if we
13 could -- what is real -- if we were to
14 repair the infrastructure so that we
15 don't lose 23 percent of our water a
16 year, how much would that cost?

17 COMMISSIONER BRUNWASSER: Uh --

18 COUNCILMAN GREEN: What's a
19 realistic number to get down to, 5
20 percent loss, a 10 percent loss?

21 COMMISSIONER BRUNWASSER: This
22 is a big controversy within the water
23 industry. We have on hand -- the head
24 of our system for distributing water,
25 he is the quintessential expert in the

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2 U.S. There's a limit to what we can
3 do, but there's leakage in every
4 system.

5 COUNCILMAN GREEN: Sure.

6 COMMISSIONER BRUNWASSER: Even
7 new systems. And there's an
8 engineering --

9 COUNCILMAN GREEN: I'm not
10 being -- I'm just asking the question.

11 COMMISSIONER BRUNWASSER: No.

12 COUNCILMAN GREEN: What's
13 realistic to get down to? Is there an
14 investment we could make that could
15 lower our leakage? And what is it?

16 COMMISSIONER BRUNWASSER: We
17 are investing, but what that investment
18 dollar is, I don't know.

19 COUNCILMAN GREEN: Okay. It
20 just seems we could save 9 million a
21 year roughly in chemicals and
22 electricity if we got down to zero
23 leakage; that's unrealistic. But what
24 is the most efficient system in the
25 country; do you know?

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2 COMMISSIONER BRUNWASSER: No,
3 because most of the water utilities
4 have varying ways of reporting
5 unaccounted-for water. Some utilities
6 account for one hundred percent of
7 their water, but -- which -- and none
8 of it is leakage.

9 So it's a -- the -- our people
10 have tried to get the American Water
11 Works Association to adopt a standard
12 of what leakage means. And I would
13 say that it would be wonderful to lose
14 only 10 percent of your water.

15 Remember, now, some of the
16 water losses that we have are in
17 firefighting or in legitimate uses of
18 our hydrants.

19 COUNCILMAN GREEN: Sure.

20 COMMISSIONER BRUNWASSER: But
21 it would be a tremendous investment to
22 try to really bring down the leakage.
23 And it's a amazing 'cause --

24 COUNCILMAN GREEN: Do you know
25 if it would be a tremendous investment,

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2 or is that a --

3 COMMISSIONER BRUNWASSER: Oh,

4 we're --

5 COUNCILMAN GREEN: So what's it

6 on the order of?

7 COMMISSIONER BRUNWASSER: We go

8 through 1500 miles of water main

9 inspection each year, but -- just for

10 inspecting, and it's not as obvious as

11 one would think, but it would be a

12 large number to try to, for example, to

13 say we're going to replace all of the

14 lydite pipes in our distribution

15 system; this is pipe that was laid

16 about 60 years ago. Probably because

17 of the war, we did not have the best

18 materials at that time. That's a group

19 pipes we'd love to replace. And we

20 have pipes that are over a hundred

21 years old in the system, some of which

22 are doing perfectly well.

23 But if you were to replace all

24 of that and somehow go into all the

25 old parts of the City, especially the

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2 parts that have, you know, subway cars
3 near them or heavy truck traffic, et
4 cetera, that would be a monumental
5 task.

6 (Timer bell rings.)

7 COMMISSIONER BRUNWASSER: It
8 costs us, I think, per one mile of
9 sewer main -- about \$3 million in miles
10 per sewer main and about 1 million per
11 water main per mile.

12 So we have 3300 miles of water
13 main and --

14 COUNCILMAN GREEN: And how much
15 of the kind you're talking about,
16 lydite and over a hundred years old?

17 COMMISSIONER BRUNWASSER: I
18 don't have that percentage. I would
19 say that our average age of pipe is
20 about 75 years.

21 COUNCILMAN GREEN: Okay. Does
22 anyone else have questions?

23 (Councilman Clarke assumes
24 position as Committee Chair.)

25 COUNCILMAN CLARKE: Yes,

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2 Councilman.

3 COUNCILMAN GREEN: Thank you.

4 COUNCILMAN CLARKE: Councilman

5 Rizzo.

6 COUNCILMAN RIZZO: Thank you

7 Mr. Chairman.

8 You know, you guys are pretty
9 innovative. I heard from one of my
10 contacts in the suburban company that
11 you're -- in trying to deal with this
12 leak issue, you've done something
13 very -- or you're considering --
14 you're going to lower the pressure in
15 certain areas when the pressure is not
16 needed to minimize the amount of water
17 that's lost, you know. And I think
18 that's a pretty smart thing for you
19 guys to even think of.

20 So there's a perfect example
21 of thinking out of the box and being
22 able to reduce the loss of water when
23 water pressure's not required. Good
24 thought there.

25 One of the things that really

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2 bothers me, and I've talked to this
3 issue before, is the permits that we
4 give to contractors, landscape
5 gardeners, or whoever, to come to a --
6 to come to a hydrant and fill up a
7 tanker truck and pay only a few
8 dollars for that water.

9 I mean, I saw personally --
10 not recently, but in the recent past,
11 a tanker truck pulling up to a City
12 limit hydrant, Northwestern and
13 Germantown Avenue, loading up many
14 thousands of gallons of water and
15 heading right back to the suburbs with
16 it.

17 I would hope that we are
18 scrutinizing as carefully as possible,
19 especially -- you know, when water was
20 cheap, I guess it wasn't a big deal,
21 but more people, I think, are taking
22 advantage of those construction
23 permits and taking water to wash down
24 driveways at their facility or
25 whatever, and that's not the purpose

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2 of that permit for them to take water
3 without -- it's blanket. They can
4 take, from what I understand, as many
5 gallons of water as they want with
6 that permit and have to self-report on
7 how much they take?

8 COMMISSIONER BRUNWASSER:

9 Well --

10 COUNCILMAN RIZZO: I don't know
11 how it works, but could you please send
12 a copy to the Chair of how many of
13 those type of arrangements we have and
14 the purpose of them and if we need to
15 refresh the requirements for those, I'd
16 appreciate it.

17 Do you have any knowledge of
18 that right now?

19 COMMISSIONER BRUNWASSER: Well,
20 I can say, Councilman, I know you have
21 raised the issue in the past, and due
22 to you raising that issue, we made sure
23 that we raised the cost of these
24 permits to reflect what we believed
25 were accurate, true costs of the

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2 department.

3 COUNCILMAN RIZZO: How does a
4 suburban contractor come to a
5 Philadelphia hydrant and take thousands
6 of gallons of water someplace? How do
7 we get compensated for that? I mean,
8 tell me, how much is this permit?
9 Maybe I'll buy an old used truck. I
10 don't know.

11 COMMISSIONER BRUNWASSER: I'm
12 not sure this guy had a permit.

13 COUNCILMAN RIZZO: How much is
14 the permit? Somebody knows.

15 COMMISSIONER BRUNWASSER: I do
16 know we raised the cost significantly.
17 It's \$200 for a one-week permit and
18 \$2,000 for a six-month permit.

19 Now, believe it or not, our
20 water, as you say, it's not as cheap
21 as it used to be but it's still very
22 cheap, and it's less than half of
23 Philly's -- well, Aqua, Pennsylvania
24 and Pennsylvania (indiscernible).

25 COUNCILMAN RIZZO: That's my

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2 point. That's why a particular
3 contractor got the permit, had his
4 business in Montgomery County, came to
5 Philadelphia, filled up 5, 6,000 -- I
6 don't know how many a truck, took it
7 back, and they're watering the lawn
8 with it.

9 So I really think that there
10 should be a better way.

11 COMMISSIONER BRUNWASSER: Right.

12 COUNCILMAN RIZZO: If they want
13 our water, they should pay for it by
14 the gallon, just like any other
15 commercial customer pays. I mean, for
16 2,000 bucks for six months, they can
17 take a lot of our water.

18 COMMISSIONER BRUNWASSER: I
19 agree with you, Councilman.

20 If you see him again, if you
21 could, you know -- of if you give us
22 the location, we may take -- you know,
23 we have people who live up that way,
24 and we'll look for him and see --

25 COUNCILMAN RIZZO: I just think

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2 the whole process should be as tight as
3 humanly possible. It's got to have
4 real justification for it. Just a
5 person to just show up with 2,000 bucks
6 and to give them six months, especially
7 during the summer months, a blanket
8 access to a hydrant, that if a
9 policeman shows up, I mean, that's how
10 I learned about it, I called the police
11 on this guy. And they went over and he
12 showed 'em a permit and drove off to
13 Montgomery County.

14 So I really think it's too
15 loose, and I'd appreciate your
16 revisiting it.

17 COMMISSIONER BRUNWASSER: We
18 will, and we will check all of our
19 existing permits. And it's not as many
20 as one would think, but -- so we'll be
21 able -- should be able to pin down who
22 this is.

23 COUNCILMAN RIZZO: Good. And
24 do you have any comments on that
25 lowering the pressure thing? I forgot

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2 to ask you about that. Have you
3 started to do that yet?

4 COMMISSIONER BRUNWASSER: Yes,
5 yes, we have. As I said, we have one
6 of the foremost experts in the water
7 industry on unaccounted-for water, or
8 lost water, as some would say.

9 And we isolated -- we were
10 able to isolate a piece of our area,
11 our service area in one of the
12 neighborhoods. And so we get good
13 readings going in. We actually have a
14 meter of the water going into feed
15 this neighborhood.

16 And we know, with AMR now,
17 what all of the meter readings are on
18 any given day. So when we play with
19 the pressure, for instance, perhaps
20 after midnight till 8:00 a.m., or what
21 have you, we are able to tell -- have
22 a pretty good idea of what kind of
23 leakage there is in the system.

24 (Timer bill rings.)

25 COMMISSIONER BRUNWASSER: --

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2 and then test as to water pressure. I
3 think our water pressure is
4 approximately 55 pounds per square
5 inch. If we lower that to 30 or
6 something like that during these
7 offpeak hours, we get an idea of how
8 much is getting lost, you know, and how
9 much is not getting lost, so...

10 COUNCILMAN RIZZO: Thank you,
11 Commissioner.

12 COUNCILMAN CLARKE: Thank you,
13 Councilman.

14 Councilman Green, Councilman
15 Kenney was here earlier.

16 COUNCILMAN KENNEY: That's
17 okay.

18 COUNCILMAN CLARKE: Are you
19 okay? Councilman Green.

20 COUNCILMAN GREEN: Thank you,
21 Mr. Chairman.

22 I just have a -- I have a
23 question about your testimony and
24 about the explanation for why rates
25 are going up that you provided. One

1 4/7/08 - Whole - 080022, 157, 160, 164, 165
2 of my staff members was at your
3 meeting the other day.

4 I don't understand how pension
5 health care and other fringe benefit
6 costs are causing your rates to go up
7 in the future because, you know, if we
8 do the pension obligation bond, those
9 costs are going down for the city as a
10 whole, and that would presumably
11 include you.

12 COMMISSIONER BRUNWASSER: We
13 will adjust -- I mean, the budget can
14 be adjusted if that actually happens.
15 I'm assuming it can happen, but I have
16 not -- we have not heard exactly what
17 the parameters of that will be for us.

18 COUNCILMAN GREEN: So these
19 rate increases assume that the bond's
20 not issued; is that correct?

21 DEPUTY COMMISSIONER CLARE: It
22 --

23 COUNCILMAN GREEN: In other
24 words, it assumes your contribution to
25 the MMO.

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2 DEPUTY COMMISSIONER CLARE: It
3 assumes a roughly 5 percent increase
4 over Fiscal '08 costs. In the last
5 four years roughly, our pension and
6 health-care costs have doubled. So
7 what was provided in the last rate case
8 is roughly one half of our current
9 costs.

10 So we're -- although we've
11 saved money in our areas, you know,
12 the current rates do not have enough
13 even to cover what our Fiscal '08
14 pension obligations are.

15 COUNCILMAN GREEN: Okay.

16 MR. AGOSTINI: Madam President,
17 Steve Agostini, Budget Director.

18 Councilmember, we will go back
19 and look at those rates as they are
20 affected by pension. It's our
21 anticipation that if we do move
22 forward with a pension obligation bond
23 that, indeed, there will be savings
24 that will accrue not only to the Water
25 Department but to the Airport

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2 Commission as well, and they will get
3 reflected in rates.

4 COUNCILMAN GREEN: Thank you.

5 Along the lines of what
6 Councilman Rizzo was asking, it's come
7 to my attention that we have deals
8 with surrounding municipalities,
9 counties, water authorities, et
10 cetera, where we charge them for our
11 water far less than we charge our own
12 citizens.

13 Can you explain why we do
14 that, why we don't charge them the
15 same thing we charge a business in our
16 jurisdiction or a citizen?

17 COMMISSIONER BRUNWASSER:
18 Basically, it's -- this is -- these are
19 wholesale rates. We are not allowed to
20 retail to the suburbs. We don't have
21 individual homes or businesses that are
22 our customers in the suburbs.

23 So what we do is, we bring,
24 for instance, the water to our border,
25 where it is then taken by Bucks County

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2 or Aqua, Pennsylvania, and distributed
3 into their system, into their series
4 of water mains, et cetera. And they
5 are the ones that collect from their
6 retail customers thereafter.

7 So what we're doing is, we're
8 providing wholesale water at -- for
9 example, Bucks County, it's one pipe,
10 one pipeline at a reasonably steady
11 amount of flow 24/7, and there's a
12 cost associated with that, and we have
13 fully captured all of the costs
14 associated with providing water to
15 Bucks County.

16 And when their current
17 contract, which was signed in 1966,
18 when that contract expires in 2011, we
19 will also be charging them a
20 management fee over and above the cost
21 of service rates.

22 COUNCILMAN GREEN: We only
23 charge for the cost of service; we
24 don't make a profit on that?

25 COMMISSIONER BRUNWASSER: We

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2 have on virtually all, I think, all of
3 our other wholesale contract --
4 wholesale contracts, most of which are
5 the waste-water side, we do charge a
6 management fee of at least 10 percent.

7 COUNCILMAN GREEN: Were those
8 contracts -- are those contracts
9 required -- was that 1966 contract
10 approved by City Council?

11 DEPUTY COMMISSIONER CLARE: We
12 have an ordinance that enables us to
13 wholesale both water and waste water.

14 COUNCILMAN GREEN: But any
15 contract over a year requires the
16 approval of City Council?

17 DEPUTY COMMISSIONER CLARE: No,
18 not based on the enabling legislation
19 from Council, which allows to enter
20 into long-term agreements.

21 COUNCILMAN GREEN: That's a
22 Charter provision; we can't overrule a
23 Charter provision, I don't think.

24 COMMISSIONER BRUNWASSER: No,
25 these are -- I think the Charter

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2 provisions were written for the
3 expenditures, not for -- not for
4 receiving revenues --

5 COUNCILMAN GREEN: Okay, that's
6 true.

7 COMMISSIONER BRUNWASSER: --
8 from outsiders.

9 COUNCILMAN GREEN: Yeah, okay.
10 Well, who sets the wholesale
11 rate?

12 COMMISSIONER BRUNWASSER: The
13 Water Department.

14 COUNCILMAN GREEN: So why is
15 our wholesale rate not making us a, you
16 know, at least a 20 percent internal
17 rate of return like private industry
18 would require?

19 (Timer bell rings.)

20 COMMISSIONER BRUNWASSER: I
21 think most of the water industries in
22 Pennsylvania are probably not making
23 much more than 10 percent currently.

24 COUNCILMAN GREEN: Okay. Why
25 aren't we making a 10 percent internal

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2 rate of return? Why don't we set
3 wholesale rates at a point that lowers
4 the cost of operation to the citizens
5 of the City of Philadelphia who
6 subsidize this every year with capital
7 expenditures, floating bonds, et
8 cetera?

9 COMMISSIONER BRUNWASSER: Yeah,
10 the citizens of Philadelphia do not
11 subsidize the townships, neither do
12 townships subsidize the City.

13 What we are able to do through
14 these contracts is to spread the large
15 fixed costs of our -- of our water
16 plants, our waste-water plants, and
17 the appropriate -- the appropriate
18 water mains and sewer mains that we
19 have servicing, you know, both the
20 City and the suburbs; in other words,
21 they also pay for capital separately.

22 COUNCILMAN GREEN: To us.

23 COMMISSIONER BRUNWASSER: Yes,
24 yes. They get a capital charge in
25 addition to their operating charge.

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2 Now, this brings us about \$35 million
3 in annually in revenue.

4 And, obviously, that -- the
5 owners of the system, the citizens of
6 Philadelphia, the government of
7 Philadelphia owns us. That accrues to
8 our benefit.

9 And I should say that they
10 have already received notice of the
11 rate increase, and they will begin
12 paying new higher rates beginning July
13 1st.

14 COUNCILMAN GREEN: Can we, by
15 ordinance, set what rates minimum for
16 that you are required to charge?

17 COMMISSIONER BRUNWASSER: I
18 don't believe so, I don't believe
19 that's in the Charter.

20 COUNCILMAN GREEN: If we've
21 enabled you to enter into these
22 contracts, can't we set a floor on
23 rates?

24 COUNCIL PRESIDENT VERNA: I
25 don't think so.

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2 COMMISSIONER BRUNWASSER: I
3 think you can set standards, certain
4 standards. We set rates -- the Water
5 Department sets rates within the
6 standards set by City Council. In
7 other words, City Council has told us,
8 We want eligible seniors below a
9 certain income level to get a 25
10 percent discount. So when we set
11 rates, that is part of our standard,
12 the standards that the Council has set.

13 So I think in the Charter, it
14 says that the Department sets rates
15 subject to the standards of the
16 Council. But the Council does not set
17 rates.

18 COUNCIL PRESIDENT VERNA: Okay,
19 Councilman Green, if you have other
20 questions --

21 COUNCILMAN GREEN: Yes, Madam
22 President.

23 COUNCIL PRESIDENT VERNA: --
24 you're going to have to wait for the
25 next go-around.

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2 Thank you.

3 The Chair recognizes

4 Councilman Kenney.

5 COUNCILMAN KENNEY: Thank you,

6 Madam President.

7 I was in my office, listening
8 to the testimony, and the time I was
9 up here, I was listening to all of the
10 things that you do wrong. I figured
11 I'd come up and tell you about
12 something you're doing right.

13 I think in the last 16 years
14 I've been here, I think the Water
15 Department has been one of the more
16 professional and competent departments
17 in our government.

18 But I want to compliment you
19 on one particular effort that you've
20 made, and that's relative to the
21 flooding conditions and situations in
22 South Philadelphia, especially during
23 heavy rains.

24 First of all, I think that the
25 seminars or meetings that you have

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2 held, the town meetings, have been
3 extremely informative, extremely
4 helpful in helping people understand
5 how a lot of these issues started with
6 the angle of their outflow pipes and
7 all of these things that I sat
8 actually for the first time and
9 learned a lot myself.

10 So I think it's done a great
11 deal of education in getting people to
12 be less -- not less annoyed about
13 their flooding problems but more
14 understanding of what the physical and
15 engineering issues are surrounding it.

16 Secondly, on your capital
17 program, your capital projects in that
18 South Philadelphia area, especially
19 the huge water mains, storm drains,
20 and storm mains that you've been
21 reinstalling and refurbishing and
22 fixing down there have gone a long way
23 in reducing the number of complaints
24 that I know I get and for sure that
25 Councilman DiCicco has gotten over the

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2 years 'cause he's gotten slammed as
3 heavy as the rain has slammed us in
4 the area.

5 So a lot of these capital
6 projects that have been completed,
7 that are ongoing, and that are planned
8 have really calmed down the real
9 serious concerns that people had.

10 We have a little way to go,
11 but I just want to thank you for your
12 attention to this issue because, as
13 you know, a flooded basement can ruin
14 a couple years of your life in trying
15 to get your house back together.

16 So I want to thank you for
17 that and thank you for your
18 professionalism that you've always
19 shown here and in conducting your
20 mission.

21 And that's all I have to say.

22 COMMISSIONER BRUNWASSER: Thank
23 you.

24 COUNCIL PRESIDENT VERNA: Thank
25 you, Councilman.

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2 The Chair recognizes

3 Councilman Jones.

4 COUNCILMAN JONES: I just thank

5 you for your endurance, having sat

6 through these many hours of testimony.

7 And I would just ask real

8 quick: Your Water Ways Restoration

9 Team, I understand that you've

10 dedicated a crew to remove large

11 debris from streams and tributaries.

12 Can you give me some idea where you've

13 decided to focus your efforts?

14 COMMISSIONER BRUNWASSER: Well,

15 Councilman, I think we have six water

16 ways -- I mean, we have watersheds in

17 the City and so, you know, obviously,

18 Fairmount Park everyone is familiar

19 with, but we have water -- we have a

20 number of watersheds and we have

21 Pennypack Park and Cobbs Creek and

22 places like that.

23 I think they go where they

24 believe is the most -- is the most

25 problematic spot, but they're working

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2 their way through the park, and
3 they've removed a tremendous amount of
4 tonnage.

5 I believe we may be reporting
6 this in Philly Stat, you know, from
7 now on how much debris has been
8 removed from waterways inside the
9 City.

10 This goes all the way from
11 abandoned vehicles to the usual
12 shopping carts and trash. And this is
13 the -- the group that does this is
14 very energetic and very happy to do
15 this kind of environmental work.

16 So we're going to see whether
17 or not we can augment them in the
18 future as well. We'll see what the
19 need is.

20 COUNCILMAN JONES: It says you
21 have five new projects. I just -- for
22 purposes of -- if you could give to the
23 President those projects, that would be
24 helpful to me.

25 COMMISSIONER BRUNWASSER: Okay.

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2 Great.

3 COUNCILMAN JONES: Thank you.

4 Thank you, Madam President.

5 COUNCIL PRESIDENT Verna: The

6 Chair recognizes Councilman Green.

7 COUNCILMAN GREEN: Thank you,

8 Madam Chair.

9 Back to this issue of what we

10 charge the suburbs. Isn't there one

11 place where you sell water directly,

12 to Philadelphia Park?

13 DEPUTY COMMISSIONER CLARE:

14 There is one building. We do waste

15 water directly on City Line Avenue, the

16 GSB Building, I believe, and the

17 Friends Select Building.

18 COUNCILMAN GREEN: Okay.

19 DEPUTY COMMISSIONER CLARE: I'm

20 not aware of --

21 COUNCILMAN GREEN: I thought in

22 the '70s, when Philadelphia Park was

23 built, we put a water line right into

24 that property.

25 COMMISSIONER BRUNWASSER: There

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2 may have been a pipeline at one time,
3 but since the late '70s, Philadelphia
4 Park has been a customer of Bensalem.

5 COUNCILMAN GREEN: You might
6 want to check on that.

7 COMMISSIONER BRUNWASSER: Okay,
8 we will.

9 COUNCILMAN GREEN: Maybe that's
10 where 20 percent of our water's going.
11 I don't know. But there was a direct
12 line from us to them, I believe. I
13 could be wrong.

14 But in this time, when we're
15 -- yes?

16 COUNCILMAN JONES: Point of
17 information.

18 COMMISSIONER BRUNWASSER: The
19 Chair recognizes Councilman Jones.

20 COUNCILMAN JONES: Thank you,
21 Madam President.

22 That's 23 percent of our fresh
23 water that we lose annually to leaks
24 from breakage.

25 COUNCILMAN GREEN: Thank you,

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 Councilman Jones.

3 So I note -- can you tell
4 me -- I'm trying to figure out what we
5 can make by having different wholesale
6 rates. And we're making a lot of
7 tough choices in this budget year for
8 us. I don't know whether we can
9 recapture, as the owner of the Water
10 Department, any revenue or profits you
11 have or whether we can place a tax on
12 water that's put outside the City. We
13 can't do that?

14 COMMISSIONER BRUNWASSER: That
15 was -- there was a time in the 1970s,
16 when the Water Department was charged a
17 payment in lieu of taxes, and that was
18 thrown out by the State Supreme Court.

19 COUNCILMAN GREEN: Well, we can
20 tax water that crosses the City line
21 from Philadelphia to Bucks County or
22 place a tax in addition to the
23 wholesale rate? Has that ever been
24 tried?

25 COMMISSIONER BRUNWASSER: I

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2 don't know if that would be legal or
3 not. I mean, that would be a question,
4 obviously, for the Law Department, I
5 suppose.

6 COUNCILMAN GREEN: I just note
7 that we're charging our -- for water
8 charges, we're charging our residential
9 customers here in the City of
10 Philadelphia \$20.36; I don't know what
11 that is per -- what is that per
12 thousand gallons?

13 COMMISSIONER BRUNWASSER: No,
14 that's a typical customer. That's
15 7,000 gallons.

16 COUNCILMAN GREEN: That's 7,000
17 gallons, okay.

18 COMMISSIONER BRUNWASSER: Or,
19 excuse me, 7,000 cubic feet, which is
20 much, much more than 7,000 gallons.

21 COUNCILMAN GREEN: For 7,000
22 cubic feet. And what would we charge,
23 say, Bucks County for example?

24 COMMISSIONER BRUNWASSER: I
25 don't have that number at my

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 fingertips. But, again, it's --

3 COUNCILMAN GREEN: Yeah, I
4 understand your point. They charge
5 their customers, what; do you have any
6 sense?

7 COMMISSIONER BRUNWASSER: I
8 think Bucks County, they may be in the
9 table.

10 COUNCILMAN GREEN: They're
11 not -- they're in the table for sewer
12 charges at 49.76 compared to our 18.

13 COMMISSIONER BRUNWASSER: Yeah.
14 I think Bucks County Water & Sewer is a
15 wholesaler. I think Aqua -- well --

16 COUNCILMAN GREEN: So we sell
17 to Aqua in Bucks County?

18 COMMISSIONER BRUNWASSER: We
19 sell -- we sell to Aqua, we sell to
20 Bucks County.

21 COUNCILMAN GREEN: Well, I can
22 tell you Aqua, Pennsylvania, charges
23 its customers in Bucks County 46.51 for
24 the water that we're selling them for
25 5, 7, 8. They don't have any of the

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2 production costs associated with that.

3 It seems to me, you know, with
4 no risk, they're just a resaler, and
5 they're marking us up 4, 5, 600
6 percent; that doesn't make sense for
7 the City of Philadelphia to do that.

8 COMMISSIONER BRUNWASSER: Yeah.

9 They -- they -- they provide -- there's
10 a provision -- somebody's providing the
11 service of -- you know, most of the
12 cost in the utility is providing the
13 other services associated with
14 providing water, you know, and --

15 COUNCILMAN GREEN: What is the
16 cost of production, including all of
17 the, you know, fixed costs of water?

18 COMMISSIONER BRUNWASSER: It's
19 --

20 COUNCILMAN GREEN: Compared to
21 the --

22 COMMISSIONER BRUNWASSER: I
23 don't have that number, but the number
24 is quite a bit less.

25 COUNCILMAN GREEN: Well --

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2 DEPUTY COMMISSIONER CLARE:

3 They're charged at full cost of service
4 plus a depreciation and return on
5 investment that exceeds what our retail
6 customers pay. And in addition to
7 that, on top of all that, they pay a 10
8 percent management fee.

9 (Timer bell rings.)

10 COUNCILMAN GREEN: Not
11 currently. Maybe they will start to in
12 2011.

13 DEPUTY COMMISSIONER CLARE:

14 (Inaudible) ... permitted by contract
15 so most of our.

16 COMMISSIONER BRUNWASSER: Aqua
17 pays that because they're a recent --
18 they're a relatively recent customer of
19 ours. They signed an agreement, I
20 believe, in 2001.

21 COUNCILMAN GREEN: Well, I
22 would just suggest that I think this is
23 something that we ought to consider
24 hearings on because there seems to me
25 to be the opportunity to capture

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 revenue that we're not capturing that
3 would allow us to avoid some of the
4 other taxes we're considering or
5 increase services to the citizens of
6 Philadelphia and other areas.

7 And I don't hear you guys
8 suggesting that, Hey, that's a good
9 idea, that we should be capturing more
10 money. I don't understand that.

11 COMMISSIONER BRUNWASSER: I
12 think we're charging appropriately to
13 the townships, and I know we've had
14 these discussions in the past.

15 What we'd like -- beginning in
16 2011, we'll certainly be charging more
17 appropriately for Bucks County.
18 Remember, this is an old -- it's a
19 contract that's been in force for over
20 40 years now, and, you know --

21 COUNCILMAN GREEN: Can you just
22 provide to the Chair a comparison of
23 other major-city water departments,
24 what they charge surrounding areas for
25 their water compared to what we do.

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2 And let's look at best practices around
3 the country and see whether or not your
4 guess is correct.

5 COMMISSIONER BRUNWASSER: No,
6 I'm not guessing about what other
7 utilities charge suburbanites, for
8 example.

9 COUNCILMAN GREEN: No, no. I'm
10 saying, you know, I'm sure Detroit's
11 water system, maybe Atlanta's water
12 system, other people that treat a lot
13 of water, sell to surrounding areas,
14 and we ought to look at that and see
15 what their margins are on that and see
16 whether or not within the industry
17 we're charging appropriate rates or
18 not. Unless you already have that
19 researched.

20 COMMISSIONER BRUNWASSER: Okay.
21 That would be a good piece of research.

22 COUNCILMAN GREEN: Okay. Thank
23 you.

24 No more questions, Madam
25 Chair. Thank you.

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2 COUNCIL PRESIDENT Verna: Are
3 there any other questions from members
4 of the committee?

5 (No further questions.)

6 COUNCIL PRESIDENT Verna:
7 Seeing none, thank you very much.

8 MR. McPHERSON: Our next
9 department is the Board of Ethics.

10 (Witnesses come forward.)

11 COUNCIL PRESIDENT Verna: Good
12 afternoon. Please identify yourself
13 for the record and proceed with your
14 testimony.

15 MR. GLAZER: Good afternoon,
16 Council President Verna and members of
17 City Council. My name is Richard
18 Glazer. I'm Chair of the Philadelphia
19 Board of Ethics. Thank you for this
20 opportunity to speak on the proposed
21 budget for the Philadelphia Board of
22 Ethics.

23 With me today at the table is
24 Shane Creamer, who's the executive
25 director of the board.

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2 COUNCIL PRESIDENT VERNA: Hi.

3 MR. GLAZER: The Ethics Board's
4 FY '09 total appropriation request is
5 \$1 million. This amount is the same as
6 the amount specified in Section 2-300
7 of the Charter, which states that the
8 Ethics Board's budget shall be at least
9 \$1 million for the first two fiscal
10 years following the effective date of
11 the Charter amendment.

12 FY '09 is actually the Ethics
13 Board's third fiscal year because the
14 Ethics Board was installed
15 approximately halfway through FY '07,
16 and that was on November 27, 2006.
17 Therefore, this is the first fiscal
18 year that the Ethics Board's budget is
19 not set by Section 2-300 of the
20 Charter.

21 The Board believes its FY '09
22 budget is the key component in meeting
23 the Administration's ethics priority.
24 If Philadelphia wishes to demonstrate
25 that City government is trustworthy,

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 then the Board's education and advice
3 are the cornerstones of our efforts to
4 create an ethical culture for the
5 City's officers and employees.

6 The Ethics Board's proposed
7 operating budget for FY '09 includes:

8 \$835,000 for personnel.

9 \$125,000 for services.

10 \$13,000 for materialities and
11 supplies.

12 And \$27,000 for equipment.

13 Needless to say, these
14 allocations are based on our best
15 estimates of staff needs and operating
16 requirements as the Board continues to
17 meet the mandates established by the
18 Charter and Code.

19 Since the Board was sworn in
20 on November 27, 2006, it has
21 accomplished much:

22 The Board is open and
23 renovated a new office, hired its
24 executive director, office
25 administrator, general counsel, and

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2 deputy executive director;

3 Administered an election with
4 the first-ever contribution limits for
5 candidates for city elective office;

6 Implemented electronic filing
7 of campaign-finance reports with
8 exceptional support from the Records
9 Department;

10 And approved regulations for
11 electronic filing of campaign-finance
12 reports and enforcement proceedings.

13 The Board has issued nine
14 advisory opinions, five advices of
15 counsel, and more than 50 informal
16 responses offering guidelines guidance
17 on the City's ethics and
18 campaign-finance laws.

19 Training seminars were
20 provided for candidates and treasurers
21 on the campaign-finance law, and the
22 Board is actively engaged in enforce.
23 The campaign-finance requirements.

24 Perhaps most important of all
25 of its accomplishments, the Board has

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2 provided live and in-person ethics
3 training to more than 25,000 City
4 officers and employees in the past
5 year. To our knowledge, no other city
6 has accomplished a live ethic-training
7 program of this magnitude. The
8 assistance of the Personnel Department
9 was critical in meeting this goal.

10 These many accomplishments are
11 set forth in more detail in our first
12 annual report that has been filed with
13 the Mayor and City Council.

14 The budget for FY '08
15 anticipated nine full-time staff
16 members; however, due to the demands
17 of the 2007 election cycle and the
18 complexity of launching a completely
19 new agency, the Board was only able to
20 hire four of these positions. We
21 expect to add four new full-time staff
22 members in the next few months,
23 including two who will start within
24 the next three to four weeks.

25 The Board's FY '09 budget

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2 represents a commitment to expand the
3 staffing level to 11; to increase the
4 Board's capacity to meet three major
5 goals; to provide advice; to conduct
6 training and adjudication; and to
7 ensure compliance with the City's
8 public-integrity laws.

9 More staff will enable the
10 Board to provide more specialized
11 training for City officers and
12 employees to prevent ethics problems
13 before they occur.

14 New public outreach programs
15 and materials will enhance citizens'
16 opinion of City government, and a new
17 business education initiative for
18 vendors will supplement and reinforce
19 broader efforts to eliminate the
20 perception of a pay-to-play culture.

21 It should be noted that the
22 Board relied heavily during its first
23 two years on pro bono legal counsel to
24 support its litigation activity. The
25 Board can no longer assume that such

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2 volunteer legal services will always
3 be available to support its growing
4 volume of litigation activity. The
5 Board has, therefore, requested an
6 additional hundred thousand dollars
7 for its FY '09 budget to meet the need
8 for outside legal representation.

9 Philadelphia has worked long
10 and hard to establish the essential
11 elements of a robust ethics program.
12 With its FY '09 budget, the
13 independent Board of Ethics will
14 continue to build the infrastructure
15 necessary to implement and promote the
16 City's public integrity laws. The
17 Board will continue to work diligently
18 and fairly to restore and maintain
19 public confidence in the integrity of
20 City government.

21 Thank you.

22 COUNCIL PRESIDENT VERA: Thank
23 you.

24 MR. GLAZER: At this time,
25 either I or Mr. Creamer to my left or

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2 other staff members who are here with
3 us today would be policed to answer any
4 questions.

5 COUNCIL PRESIDENT VERNA: Thank
6 you very much, Mr. Glazer.

7 You mentioned in your
8 testimony that you will be
9 implementing a new business education
10 initiative for vendors. Could you
11 share your thought as to how this
12 program will work?

13 MR. GLAZER: A few particulars,
14 yes. In fact, we have started some of
15 the outreach already in terms of going
16 to the ABA, to the Chamber of Commerce.
17 And recently, I attended a board
18 meeting of the Philadelphia
19 contributionship.

20 But essentially, the idea is
21 to sensitize people who do interact
22 with the City as vendors to the
23 provisions of 17-1400, the laws that
24 relate to noncompetitive bidding
25 contracts, as well as those things

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2 that affect City employees when
3 vendors interact with them, such as,
4 for example, gifts at Christmas,
5 conflicts of interest, resolving door,
6 et cetera.

7 Those things not only need to
8 be addressed with the City employees
9 but also with businesses that interact
10 with City employees.

11 COUNCIL PRESIDENT VERNA: Thank
12 you very much.

13 The Chair recognizes
14 Councilman Greenlee.

15 COUNCILMAN GREENLEE: Thank
16 you, Madam President.

17 Good afternoon, gentlemen.

18 MR. GLAZER: Good afternoon.

19 COUNCILMAN GREENLEE: I guess
20 this is kind of a general question.
21 And I know you -- and I'm well aware of
22 the ethics training you've done.

23 And in your testimony,
24 Mr. Glazer, you talk about the
25 non-advisory opinions, advices of

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2 counsel, and you said more than 50
3 informal responses.

4 I guess my general question
5 is: Has there ever been what I would
6 call like a written dos and don'ts
7 sent -- do public employees, have they
8 ever been directly informed like that?

9 'Cause I know the training
10 sessions -- I'm sure there's things
11 you cover in every single one, but
12 they're all, I guess, somewhat
13 different, depending on questions,
14 whatever.

15 Has there ever actually
16 been -- I guess I can't say it any
17 other way -- a dos and don'ts that
18 each employee has?

19 MR. GLAZER: I'm not sure
20 exactly what you're talking to, but I
21 think I can address it in some
22 respects.

23 COUNCILMAN GREENLEE: Uh-huh.

24 MR. GLAZER: On our website, at
25 a minimum, there are a series of

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2 questions and answers with respect to
3 the ethics laws.

4 The City Law Department has
5 also regularly published information
6 on particular issues. The Board
7 itself provides newsletters as well as
8 the training that has been implemented
9 for City employees.

10 And perhaps there's other
11 things that I'm not thinking about.

12 MR. CREAMER: Yes. There -- we
13 have on our website a list of what we
14 call "Ten Things Every City Employee
15 Should Know About the Ethics Rules."

16 COUNCILMAN GREENLEE: Mm-hmm.

17 MR. CREAMER: And I think in
18 terms of topic, it covers about 80
19 percent of the Ethics Code. It's not
20 exactly what I think you're
21 contemplating in dos and don'ts.

22 COUNCILMAN GREENLEE: Mm-hmm.

23 MR. CREAMER: But that may be
24 something that we can consider doing in
25 the future as part of our education and

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2 training mandate.

3 COUNCILMAN GREENLEE: I guess
4 what I'm getting at -- and I you and I
5 had a conversation a while back, and
6 you used the term even before I had a
7 chance to say it, that you didn't want
8 to play "Gotcha," and I appreciate that
9 and I understand that.

10 MR. CREAMER: Right.

11 COUNCILMAN GREENLEE: But I
12 still think there are questions
13 sometimes that people have, and maybe
14 they're Councilmembers, employees,
15 employees elsewhere, and they're not
16 quite sure, you know.

17 And I know -- I guess it's
18 impossible to cover every single thing
19 that somebody might think about, but
20 there's still seems to be a lot of
21 questions out there.

22 And I guess when I see 50
23 informal responses, you know,
24 obviously, there's things that come up
25 that people think about. And, again,

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2 in fairness, I'm not saying you're out
3 there trying to just catch people, you
4 know. And, you know, I think you have
5 in many ways worked on the education
6 aspect of it, and I appreciate that.

7 But I still -- like I said, I
8 know this is sort of vague and
9 general, and I understand what
10 Mr. Glazer said when he said he wasn't
11 quite sure where I was going, and I'm
12 not totally sure I'm going on this.

13 But I'm just -- I guess I
14 still have a little discomfort, you
15 know, sometimes that people maybe have
16 no idea that they could be doing
17 something at least -- I won't say it's
18 wrong, maybe you guys consider it
19 wrong okay?

20 And that's where I'm kind of
21 asking.

22 MR. GLAZER: Let me try and
23 address it in one other way,
24 Councilman.

25 COUNCILMAN GREENLEE: Okay.

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2 MR. GLAZER: And that is, there
3 are a relatively finite number of rules
4 for people to follow.

5 COUNCILMAN GREENLEE: Right,
6 mm-hmm.

7 MR. GLAZER: And it is in
8 everyone's interest to make them as
9 clear as possible.

10 But having said that, the fact
11 of the matter is, as our general
12 counsel always says, these issues are
13 fact-sensitive. So the slight
14 changing of a fact, as it relates to
15 conflict of interest or resolving door
16 or gifts or any of these other things,
17 affects the conclusion.

18 COUNCILMAN GREENLEE: Mm-hmm.

19 MR. GLAZER: So the bottom line
20 is that we would hope to sensitize
21 people to, when there is doubt in their
22 mind, to ask, to come and ask. And we
23 will be as responsive as we possibly
24 can as promptly as we can, because it's
25 very, very hard to anticipate every

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2 imaginable scenario that might arise.

3 COUNCILMAN GREENLEE: Mm-hmm,

4 mm-hmm.

5 MR. CREAMER: If I could also

6 address your concern.

7 I think the overall mission of

8 the Ethics Board is to enhance and

9 promote public confidence in City

10 government, and there are many ways of

11 doing that. Playing a "Gotcha" game,

12 I think, is not the only to way to do

13 it and it's probably not the best way

14 to do it, and that's why I would --

15 COUNCILMAN GREENLEE: I would

16 agree with that.

17 MR. CREAMER: That's not what

18 we're about.

19 Education and training is

20 another way that we can publicly

21 demonstrate that people are interested

22 in learning about the rules, they are

23 leering about the rules, and we are

24 answering questions about the rules.

25 But there are also other ways

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2 that we can exercise our discretion.

3 We can enter into resolutions, which

4 we've done in the past. Even when

5 people are not in violation, where

6 they've been technically out of

7 compliance, we've encouraged them to

8 come to compliance, and they have.

9 And we can demonstrate to the

10 public that these individuals and

11 committees are following our advice

12 and recommendations to come into

13 compliance, and I think those are all

14 important ways to enhance publication

15 public confidence in City government.

16 COUNCILMAN GREENLEE: Okay.

17 All right. Thank you.

18 Thank you, Madam President.

19 COUNCIL PRESIDENT VERA:

20 You're welcome.

21 The Chair recognizes

22 Councilman Kelly.

23 COUNCILMAN KELLY: Thank you,

24 Madam President.

25 Gentlemen, I just want to go

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2 back no our ethics bills relating to
3 campaign finances. Now, I voted for
4 those bills, incidentally. I just
5 want to go back and find out if there
6 has been any changes to the effect --
7 to the effect that contributing limits
8 to any person, any candidate running
9 for office.

10 MR. CREAMER: Yes, there has
11 been. And there has not been a change
12 by legislation, but the legislation
13 that was originally passed, I'm not
14 sure -- there have been several
15 amendments to the campaign-finance law.
16 I'm not sure whether it was in the
17 original law. I think it was.

18 There's a cost-of-living
19 increase that's built into the
20 contribution limit that goes into
21 effect every four years. The first
22 cost-of-living increase occurred in
23 January of this year, and so
24 individual contribution limits are now
25 \$2600 for PACs; and for firms, it is

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2 now \$10,600. And those will be the
3 limit for the next four years.

4 COUNCILMAN KELLY: How about
5 partnerships?

6 MR. CREAMER: Partnerships
7 would be subject to the \$10,600 limit.

8 COUNCILMAN KELLY: How about
9 multiple partnerships?

10 MR. CREAMER: I'm not sure I
11 know what you mean by "multiple
12 partnerships."

13 COUNCILMAN KELLY: Well, I mean
14 someone that really is -- it's more or
15 less a person with like common
16 ownership, various ownership with one
17 common company.

18 MR. CREAMER: That would
19 certainly depend on the circumstance,
20 and we'd look very carefully to see
21 what the sources of the money --

22 COUNCILMAN KELLY: Well, in
23 other words, is it perfectly legal for
24 multiple partnerships with common
25 ownership to make the contributions up

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2 to the limit of \$2600 -- or 10,600?

3 MR. CREAMER: 10,600 now. I

4 think it would depend on how those

5 contributions were made, what the

6 source of the money was, who authorized

7 the --

8 COUNCILMAN KELLY: Well,

9 according to the ethics bills that we

10 passed, multiple partnerships are

11 limited to \$10,600. Now, are they not

12 or are they?

13 MR. CREAMER: They are. But,

14 again, when you have --

15 COUNCILMAN KELLY: But if

16 someone were to contribute that, what

17 would you do? What advice would you

18 give them?

19 MR. CREAMER: Well, I'd like to

20 get the question first; that would be

21 the start. We haven't had such a

22 question. We could issue an advisory

23 opinion if we did get such a question,

24 but after the fact, we're left with an

25 enforcement situation, and it would

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2 depend upon whether's a violation, it

3 would depend upon whether --

4 COUNCILMAN KELLY: Mr. Creamer,

5 I don't want to disagree with you, but

6 you did have that question, and it was

7 October of last year, and you replied

8 the way you just did now. You replied

9 that it was perfectly legal --

10 MR. CREAMER: I -- I --

11 COUNCILMAN KELLY: -- for

12 multiple partnerships.

13 MR. CREAMER: I beg your

14 pardon, Councilman, but I did not

15 answer that question that way. And

16 that was at a training session. I have

17 clarified that.

18 COUNCILMAN KELLY: Well, let me

19 ask you another question: If someone

20 were to contribute above the limits by

21 the ethics bills, what happens there?

22 MR. CREAMER: Well, if -- it

23 would depend on when it occurred. If

24 it -- and when we've discovered it. If

25 we've discovered it quickly, before the

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2 money was spent, we might be able to
3 resolve the matter by having the money
4 returned.

5 COUNCILMAN KELLY: Now, what
6 I'm asking about is, what is the
7 penalty? Is the penalty against the
8 person contributing, or is the penalty
9 against the candidate or the campaign
10 committee?

11 MR. CREAMER: That's a good
12 question. They're actually both
13 violations. So let's say an individual
14 gives an excess contribution to a
15 candidate for City office; it's a
16 violation of Section 10-102. I think
17 it is Subsection 6 for the candidate to
18 receive it. And it's a violation of
19 Subsection 2 for the individual to make
20 that contribution.

21 So it's both a violation to
22 give and a violation to receive.

23 COUNCILMAN KELLY: Well, what
24 penalties does a person contributing
25 receive? How do you do that? Are you

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2 responsible for putting the fine in?

3 MR. CREAMER: Well, we can
4 recommend fines, yes. The violations
5 are punishable by a fine of \$1500 in
6 2007 and \$1900 in 2008.

7 COUNCILMAN KELLY: And that
8 also applies to the candidate --

9 MR. CREAMER: Correct.

10 COUNCILMAN KELLY: -- or its
11 committee?

12 MR. CREAMER: Correct. Per
13 violation, yes.

14 COUNCILMAN KELLY: So in other
15 words, both of them get fined.

16 MR. CREAMER: We -- yes. They
17 could be conceivably.

18 MR. GLAZER: This would be an
19 adjudication proceeding that either
20 would be done in accordance with our
21 internal adjudication procedure and the
22 Board would make those findings, or by
23 going to Common Pleas Court to seek the
24 enforcement.

25 (Timer bell rings.)

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2 COUNCILMAN KELLY: But you're
3 still responsible for sending out the
4 enforcement. If someone were to --
5 well, I'll ask that in the next round.

6 COUNCIL PRESIDENT Verna: Very
7 well.

8 The Chair recognizes
9 Councilman Green.

10 COUNCILMAN GREEN: Thank you,
11 Madam Chair.

12 Good afternoon, Mr. Glazer and
13 Mr. Creamer. How are you?

14 MR. GLAZER: Fine, thanks. How
15 are you?

16 COUNCILMAN GREEN: Good.

17 I was looking for -- I'm not
18 really following up on Councilman
19 Kelly's line of inquiry, but I was
20 looking for 10-102. Is that a Charter
21 or a Code reference?

22 MR. CREAMER: That's a Code
23 reference.

24 COUNCILMAN GREEN: 10-1026 and
25 10 --

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2 MR. CREAMER: I'm sorry. It's
3 20-1002.

4 COUNCILMAN GREEN: Okay.

5 MR. CREAMER: I'm sorry. It's
6 the campaign-finance law.

7 COUNCILMAN GREEN: Yeah, got
8 it.

9 MR. CREAMER: So it's section
10 1002, Subsection 6 for candidates and
11 Subsection 2 for individuals.

12 COUNCILMAN GREEN: Thank you.
13 I just was trying to follow the --

14 MR. CREAMER: Sorry.

15 COUNCILMAN GREEN: Excuse me
16 for a second while I get rid of my
17 Water notes.

18 Could you just talk -- you
19 mentioned that the mandate of the
20 Ethics Board is to increase public
21 confidence, and I agree that that
22 would be the end-result of the Ethics
23 Board doing the job well.

24 But the mandate of the Ethics
25 Board is to administer and enforce the

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2 ethics provisions of the Charter on
3 the Ethics Code; would you agree with
4 that?

5 MR. CREAMER: I agree with
6 that. I guess that was really sort of
7 our larger mission, is to increase
8 public confidence in government.

9 COUNCILMAN GREEN: No, your
10 mission is to administer and enforce
11 the ethics provisions of the Charter
12 and the Code.

13 MR. CREAMER: That's correct.

14 COUNCILMAN GREEN: Okay. I
15 just -- and then, if you do that
16 effectively, I'm confident that people
17 in government -- or the citizens will
18 view government more favorably. Just
19 the fact of your existence probably
20 helps out in that to a great degree.

21 Also, I would say the rest of
22 us in government also have that same
23 broader mission.

24 MR. CREAMER: That's right.

25 COUNCILMAN GREEN: That we

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2 could all, you know, claim that as our
3 mission, but it's how we conduct
4 ourselves also in public office or the
5 civil servants and the other people you
6 have jurisdiction over. It's how every
7 individual employee conducts themselves
8 can increase confidence in government.

9 And that's certainly a part of the
10 training sessions that you have, and I
11 just wanted to say that that's a role
12 far bigger than the Ethics Board.

13 Everyone in City government --

14 MR. CREAMER: I agree
15 completely.

16 COUNCILMAN GREEN: -- should be
17 involved in that.

18 MR. CREAMER: And the people
19 outside of government have a role in
20 that, too.

21 COUNCILMAN GREEN: I agree.

22 So can you just briefly
23 describe -- in your testimony, you
24 mentioned a number of sort of new
25 areas where you're going to go

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2 forward, advice and training to --
3 new-business education initiatives, I
4 know the President mentioned that.

5 And can you describe at what
6 point in the process -- what is the
7 process of your investigatory
8 function; in other words, the
9 enforcement?

10 Everything that's sort of
11 mentioned in here is proactive and
12 it's not really discussed. The
13 enforcement side or the investigation
14 increase side is not really mentioned
15 in your testimony. And it seems to me
16 that there's a lot of work that can be
17 done on that side.

18 Could you discuss how you
19 intend to do that or what your plans
20 are for the trees, not the forest?

21 MR. CREAMER: Certainly. The
22 testimony does mention the additional
23 requests for \$100,000 for outside
24 counsel, which is necessary due to
25 enforcement matters primarily.

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2 The budget details also
3 include some investigatory staff and
4 also a director of enforcement, who
5 will be joining us on April 22nd. So
6 that's in the information as well.

7 COUNCILMAN GREEN: Well, it
8 just seems like we're heavily weighted
9 towards policy in the Ethics Board in
10 terms of -- versus enforcement
11 investigation and inquiry.

12 For example, there's -- I
13 can't remember how many members of
14 boards and commissions there are in
15 the City of Philadelphia, plus public
16 officials. Each one of them files
17 financial-disclosure forms, other
18 statements, both with the City and
19 with the State. You know, obviously
20 you're a part of that filing system.

21 People file campaign-finance
22 reports during campaign season.
23 Vendors, you know, are looking to do
24 contracting with the City. Sometimes
25 people on boards and commissions work

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2 for City vendors.

3 There's a lot of just sort of
4 work that has to be done going through
5 each of those filings to see if
6 conflicts have arisen that were not
7 disclosed, or make sure people are
8 properly abstaining from votes.

9 And I'd like you to talk about
10 that aspect of what you do, how much
11 you've done to date and you plan to
12 deal with that in the future.

13 MR. CREAMER: With financial
14 disclosures?

15 COUNCILMAN GREEN: No, with the
16 enforcement, investigation, inquiry
17 side in general. I mean, the thing
18 that's going to really in theory help
19 you, you know, let people know that
20 you're doing that side of your job.

21 (Timer bell rings.)

22 MR. GLAZER: Let me start off,
23 and then I'll hand it off to Shane.

24 I'm not sure I totally agree
25 with the thrust of your statement,

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2 which seems to suggest that
3 enforcement's the key. We like to
4 think that education, training, and
5 those sorts of things are the more
6 important thing.

7 But, as we did say -- as I did
8 say in the testimony, the Board is
9 actively engaged in enforcement of the
10 campaign-finance requirements today.
11 And I'm sure you know that all of our
12 investigations are confidential until
13 there's a resolution of them.

14 So there are many, many things
15 going on behind the scenes right now
16 on campaign finance. And I don't know
17 if that's responsive directly to your
18 inquiry.

19 COUNCILMAN GREEN: No, not at
20 all.

21 MR. GLAZER: Then I've missed
22 your point.

23 COUNCILMAN GREEN: I'm just
24 talking generally proactive behavior in
25 the enforcement, inquiry, and

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2 investigation side, like looking at
3 financial-disclosure statements.

4 MR. GLAZER: Okay.

5 COUNCILMAN GREEN: You know,
6 comparing those to people's voting
7 records on that board of commission,
8 seeing if they had any salary from
9 somebody that they, you know, voted on.

10 That's sort of -- that's a lot
11 of grunt work, and it may not be
12 very -- you know, a lot of fun, but
13 that's -- in theory, I think we've
14 assigned that task to you guys.

15 MR. CREAMER: Right.

16 COUNCILMAN GREEN: And I
17 haven't head a lot of discussion about
18 that.

19 MR. CREAMER: With financial
20 disclosure -- I'll start there -- we
21 really only have jurisdiction over the
22 City financial form. That's in the
23 Ethics Code; it's required in Section
24 20-610 of the Ethics Code.

25 The other two forms -- the

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2 Mayor's form exists by executive
3 order. We don't have jurisdiction to
4 enforce executive orders.

5 And then the third form is, of
6 course, the State form.

7 We advise everybody who has to
8 file any combination of all three
9 forms on what they have to file, but
10 we only have jurisdiction to enforce
11 the City form.

12 And so, what we did last year
13 with very limited staff -- there were
14 two of us -- is first to identify who
15 we think has to file the City form,
16 and it's kind of easy and hard at the
17 same time. There are basically about
18 48 individuals in City government that
19 have to file. All elected City
20 officials, all department heads have
21 to file.

22 And then the third category is
23 all board and commission members. And
24 that's the hard piece to figure out.
25 There are 81 board and commissions of

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2 the City, and all of them have to file
3 the City form. Some of them have to
4 also file the State form, depending on
5 their authority. And others still
6 have to file the Mayor's form, and
7 some have to file different
8 combinations of those three.

9 We have had a very difficult
10 time identifying who are on the boards
11 and commissions. Last year we reached
12 out to all of the chairs of the boards
13 and commissions and asked them to
14 notify their membership that they had
15 to file whatever forms we had
16 determined they had to file. But
17 we -- and we're working with the new
18 administration to identify who's on
19 these boards and commissions.

20 The problem is that when these
21 people get assigned to or appointed to
22 boards and commissions, the boards and
23 commissions tend to go off and do
24 their work, and some of them get are
25 related to different departments and

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2 get tracked better. And others work
3 more independently.

4 And so, when there's turnover,
5 there may be new appointments, but the
6 administration may not be capturing
7 that turnover and change and
8 identifying the new members and
9 eliminating the old members from their
10 list.

11 It's my understanding that the
12 new administration has someone who's
13 working on gathering up more
14 information, getting better control
15 over the boards and commissions so
16 that we'll be able to better identify
17 who those people are.

18 So the first cut last year
19 with financial disclosure forms was to
20 first check to see who filed, who we
21 know have to file, and we did that.
22 The second cut is to check the forms
23 to see whether there are obvious
24 errors. Frequently -- this happens
25 every year -- people fill out the form

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2 and they'll check -- in the box for
3 income, they'll check "none," or
4 source of income, they'll check
5 "none," even though the instructions
6 say that you have to declare your City
7 income as a source of income.

8 So that would be an obvious
9 mistake that we could capture by just
10 looking at the four corners of the
11 report.

12 The third cut would be to do
13 what you're suggesting, is to sort of
14 look outside the four corners of the
15 finance disclosure statement and see
16 if you can find some conflicts or
17 other violations. And we don't have
18 the capacity to do that, nor would we,
19 I think, even with the 11 staff
20 members that we are hoping to get by
21 the end of Fiscal Year '09.

22 COUNCILMAN GREEN: So,
23 basically. I'm sorry, Madam Chair. My
24 time was up; I don't know if other
25 people have questions.

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2 COUNCIL PRESIDENT Verna: Yes.

3 Councilman Kelly has been waiting.

4 COUNCILMAN GREEN: Thank you.

5 COUNCIL PRESIDENT Verna: So if

6 you don't mind waiting until the next

7 go-around.

8 The Chair recognizes

9 Councilman Kelly.

10 COUNCILMAN KELLY: Thank you,

11 Madam President.

12 Mr. Creamer, I just want to go

13 back to the penalties process

14 according to the ethics.

15 You mentioned in your

16 testimony that if anyone gives a

17 contribution above those limits,

18 10,600 or the 2600 for an individual,

19 you mentioned that they can get fined;

20 is that correct?

21 MR. CREAMER: That's correct.

22 COUNCILMAN KELLY: And that's

23 either the person giving it or the

24 person receiving it.

25 MR. CREAMER: Correct.

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2 COUNCILMAN KELLY: Now, is
3 there any other penalties involved with
4 a person giving more? Suppose it's a
5 business; would there be another
6 penalty that you know of?

7 MR. CREAMER: Yes.

8 COUNCILMAN KELLY: What would
9 that penalty be?

10 MR. CREAMER: The penalty would
11 be under what we call "the pay-to-play
12 contract law."

13 Potentially to the extent that
14 they were a City vendor for a no-bid
15 contract or were seeking a no-bid
16 contract or if they were receiving
17 certain financial assistance from the
18 City or were seeking financial
19 assistance from the City they would
20 become ineligible to receive those
21 contracts or to receive that financial
22 assistance under 17-1400.

23 COUNCILMAN KELLY: Okay. And
24 they would be notified; is that true?
25 Would the company be notified if they

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2 were not going to have the opportunity
3 to obtain contracts with the City?

4 MR. CREAMER: I don't believe
5 so. The way the process works is, when
6 you apply for a no-bid contract or for
7 financial assistance, there are a
8 series of disclosures. There are five
9 disclosures that you have to make, and
10 one of the disclosures are the
11 political contributions that you've
12 made throughout the State actually in
13 the past two years and all your
14 affiliated companies --

15 COUNCILMAN KELLY: But you're
16 telling me that they wouldn't be given
17 any notice of the fact that they
18 wouldn't be eligible for City
19 contracts?

20 MR. CREAMER: That's up to the
21 Finance Director to determine
22 eligibility. And it's my understanding
23 that a vendor who is requesting a
24 no-bid contract submits a bid, makes
25 the disclosures --

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2 COUNCILMAN KELLY: Well, are
3 you the one that recommends that the
4 person not be eligible for a City
5 contract?

6 MR. CREAMER: No, it's the
7 Finance Director that makes the
8 determination of whether someone is
9 eligible or not.

10 COUNCILMAN KELLY: Well, how
11 would the Finance Director know? In
12 other words, isn't that your
13 responsibility to notify the Finance
14 Director?

15 MR. CREAMER: I think that that
16 could be something that we can do, and
17 we can do that. We have a database
18 that has the contributions information
19 --

20 COUNCILMAN KELLY: Well, I find
21 it peculiar that the company wouldn't
22 be notified. If the City was going to
23 say, We're not going to accept any of
24 your bids or anything else, these
25 people are getting to be wasting their

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2 time; is that true? I mean, that's the
3 way I look at it.

4 MR. GLAZER: I guess the other
5 way of looking at it is that everyone
6 is supposed to know --

7 COUNCILMAN KELLY: Well, let me
8 ask you another question if I may.

9 MR. GLAZER: -- is supposed to
10 know what the law is.

11 MR. CREAMER: If I could maybe
12 say something else. In the pay-to-play
13 contract law, you could give -- a
14 company could give legal contributions.
15 And let's say it's a law firm. Let's
16 say a hundred partners at a law firm
17 each made a maximum \$2500 contribution
18 to a City Council candidate. I don't
19 know how much money that is; it's a lot
20 of money.

21 COUNCILMAN KELLY: Right.

22 MR. CREAMER: Each of the
23 contributions was lawful and within the
24 limit; and yet, that law firm will be
25 ineligible to receive any no-bid

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2 contracts because all of those
3 contributions get added together. And
4 if they're over the limit collectively,
5 when they're aggregated, that firm
6 becomes ineligible to receive any
7 no-bid contracts.

8 So it is lawful for a firm or
9 business to --

10 COUNCILMAN KELLY: But would
11 the firm know about that? Would the
12 firm be apprised of that of situation?

13 MR. CREAMER: No, they
14 wouldn't, unless they were tracking it
15 themselves, and I think all law firms
16 are tracking their --

17 COUNCILMAN KELLY: Is that
18 public knowledge that companies, you
19 know, individuals cannot give -- if
20 there's more than, say, 40 or 50
21 individuals giving up to 2500, it would
22 exceed the limits for that firm; is
23 that right? Then you'd have to go
24 above 10,600.

25 MR. CREAMER: Right, right.

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2 COUNCILMAN KELLY: But would
3 the firm be notified?

4 MR. CREAMER: Not unless they
5 applied for a -- again, not all firms.

6 COUNCILMAN KELLY: Well, let me
7 ask you something, and I'm going to be
8 very blunt about this. What if someone
9 gives a contribution and it's a legal
10 contribution and it's up to the
11 maximum, it's \$10,600 or \$10,000 at the
12 time; would they be penalized from
13 accepting no-bid contracts or doing
14 business with the city?

15 MR. CREAMER: I'm sorry. An
16 individual or a firm?

17 COUNCILMAN KELLY: Firm.

18 MR. CREAMER: Firm? Not -- I
19 can't imagine why they would.

20 COUNCILMAN KELLY: Well, let me
21 say it another way. How about if they
22 were -- if this was one of the multiple
23 partnerships and they gave over
24 \$10,000, would they be penalized?

25 MR. CREAMER: Potentially. If

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2 the multiple partnerships were used as
3 straw donors to exceed the contribution
4 limits, then yes, we would pursue that
5 case.

6 COUNCILMAN KELLY: You would
7 pursue it?

8 MR. CREAMER: Yes.

9 COUNCILMAN KELLY: And how
10 would you pursue it?

11 MR. CREAMER: Well,
12 investigations are confidential, but we
13 would gather facts, seek more
14 information, and make a determination.
15 I'd make a recommendation to the Board
16 on --

17 (Timer bell rings.)

18 COUNCILMAN KELLY: And would
19 they be fined?

20 MR. CREAMER: It would depend
21 on what the facts determine.

22 COUNCILMAN KELLY: Well, if
23 you're going to -- if -- for instance,
24 if you're going to probably discourage
25 them or actually not permit them the

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2 opportunity to gain contracts, whether
3 they be no-bid or whatever, with the
4 City, then it seems to me that you
5 would have to almost -- you'd have to
6 notify them, number one, and you would
7 have to fine them if it was illegal,
8 what they did.

9 MR. GLAZER: Councilman, let me
10 make sure that there's clarity on this
11 issue. Eligibility under 17-1400 is
12 not the responsibility of the Ethics
13 Board. Our only responsibility --

14 COUNCILMAN KELLY: Is that the
15 Finance Department?

16 MR. GLAZER: Our only
17 responsibility is in misrepresentation
18 that would appear when --

19 COUNCILMAN KELLY: Yeah, but
20 you're the outfit that's supposed to be
21 doing the investigating. And when you
22 do the investigating, do you get back
23 to the Finance Department and tell them
24 that these people are fined? That's
25 what I'm trying to get at.

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2 MR. CREAMER: We haven't
3 reached that point yet, but we have
4 notified the Finance Department in one
5 instance where certain firms would be
6 ineligible if they sought -- we
7 first -- we checked to see if they had
8 any no-bid contracts or had any
9 financial assistance from the City;
10 they did not. And then we notified the
11 Finance Department that if they were to
12 seek any --

13 COUNCILMAN KELLY: And would
14 the Finance Department notify the
15 vendor?

16 MR. CREAMER: That would be up
17 to the Finance Department; it's not
18 require in the law, to my knowledge.

19 COUNCILMAN KELLY: So it's not
20 required --

21 MR. CREAMER: I don't think it
22 is.

23 COUNCILMAN KELLY: In other
24 words, they just go along, not knowing
25 that they have been -- they have been

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2 probably -- well, never mind, I won't
3 get into that. All right.

4 I'm sorry, Madam President. I
5 know I ran over my time.

6 COUNCIL PRESIDENT Verna: The
7 Chair recognizes Councilman Green.

8 COUNCILMAN GREEN: Thank you,
9 Madam Chair.

10 I'm a bit confused by that
11 colloquy just because I thought you
12 were saying that the Finance
13 Department was responsible for no-bid
14 contracts, or that people, when they
15 apply, are required to disclose the
16 contributions they've given.

17 And I also thought I heard you
18 say that, you know, we have to do an
19 investigation. If somebody's violated
20 the rule, you know, there's some due
21 process or that it has to be applied
22 before that person is not eligible for
23 a City contract.

24 And then I also thought I
25 heard you say that you alerted the

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2 Finance Department to people who are
3 not eligible for City contracts. What
4 due process occurred prior to you
5 notifying the Finance Department?

6 MR. CREAMER: You're right.
7 You heard all three things. And I
8 think the problem is, we're talking --
9 we're jumping back and forth between
10 different topics.

11 One is eligibility for no-bid
12 contracts under 17-1400.

13 COUNCILMAN GREEN: And who's
14 responsible for determining that?

15 MR. CREAMER: Determining
16 responsibility? The Finance Director.

17 COUNCILMAN GREEN: Okay.

18 MR. CREAMER: But I have a
19 resource -- or the Ethics Board has a
20 resource that the Finance Director does
21 not, a database of all contributions to
22 City candidates over the past a couple
23 of years.

24 COUNCILMAN GREEN: I'm not --
25 I'm not questioning --

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2 MR. CREAMER: Yeah.

3 COUNCILMAN GREEN: And I think
4 if you see something that's, you know,
5 possibly improper or maybe you view as
6 improper, certainly you should alert
7 whatever departments that might not
8 have the information you have so that
9 everybody's aware of it. I wasn't
10 suggesting you shouldn't do that, so --

11 MR. CREAMER: Right. And I
12 just provided information to the
13 Finance Director in that one case that,
14 although --

15 COUNCILMAN GREEN: That they
16 may not be or that they are not?

17 MR. CREAMER: They may not.
18 It's up to the Finance Department.
19 That they possibly may not be eligible,
20 but that determination would be made by
21 the Finance Director, not us. We have
22 limited jurisdiction to the disclosure
23 process. If there's a material mistake
24 or an omission, let's say these related
25 companies didn't report the other

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2 contributions from their related firm,
3 affiliated firms or, let's say, a law
4 firm, it doesn't --

5 COUNCILMAN GREEN: That's fine.

6 I just -- I just wanted to --

7 MR. CREAMER: -- we could
8 enforce that.

9 COUNCILMAN GREEN: On that
10 small point, I just wanted a
11 clarification. I don't want to use up
12 more of my time on that.

13 I just, you know, I had a --
14 we had some good training from you
15 guys. It included a PowerPoint
16 presentation running thirty pages as
17 well as commentary from you guys.

18 We asked for a copy of the
19 PowerPoint, which included a great
20 deal of information and, I understand,
21 is not available on your website or
22 other places for people to flip
23 through. You know, if people want to
24 remember something they heard at the
25 session, they can't find it.

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2 MR. CREAMER: Yeah --

3 COUNCILMAN GREEN: And, I
4 guess, to put it generously, you were
5 extremely dismissive -- some would say
6 rude -- in your response to my staff
7 person that asked for it. I just would
8 like to understand why.

9 MR. CREAMER: I'm not sure I
10 understand what you're referring to in
11 terms of my conduct, but --

12 COUNCILMAN GREEN: I'll read to
13 you the e-mail my staffer sent:

14 Dear Mr. Creamer, I am writing
15 to thank you for the ethics training
16 on Monday afternoon, which was
17 informative and helpful and to ask if
18 we could get a copy of the PowerPoint
19 presentation that you and Mr. Meyer
20 used.

21 Your response: "What do you
22 think?"

23 MR. CREAMER: Oh. I made a
24 mistake; I meant to send that to Evan.
25 Evan drafted the PowerPoint and that's

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2 why I never got a response from Evan.

3 (Laughter.)

4 MR. CREAMER: I consider it his
5 work product. We've had a lot of
6 requests. I apologize. I meant to
7 forward that message to Evan to ask
8 him, What do you think? do you want to
9 share it with them?

10 COUNCILMAN GREEN: We called
11 about it and we were told it was the
12 policy of the Ethics Board not to share
13 the PowerPoint.

14 MR. CREAMER: We have not in
15 the past. We've had a PowerPoint --
16 different iterations of it the past few
17 years, and we typically have not shared
18 it, but I thought I was forwarding the
19 question to Evan. And now I know why
20 he never respond to me. I was asking
21 him whether he wanted to make an
22 exception in this case.

23 I apologize, Lauren.

24 COUNCILMAN GREEN: It was
25 Sophie, but that's okay. I accept that

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2 explanation. Thank you very much.

3 And I'm sorry for the
4 characterization of your e-mail.

5 MR. CREAMER: I understand
6 under the circumstances.

7 Thank you for restraining
8 yourself.

9 (Laughter.)

10 COUNCILMAN GREEN: So I
11 guess -- well, when my time ended, we
12 were talking about inquiries
13 investigation and enforcement. And it
14 sounds to me like your role in that
15 regard is going to be limited to based
16 on budget and staffing. And I guess
17 what you're defining as your mission --

18 MR. CREAMER: Right.

19 COUNCILMAN GREEN: -- is going
20 to be limited to complaints referred to
21 you or that you just happened to pick
22 up; is that correct?

23 (Timer bell rings.)

24 MR. CREAMER: Well, we do get
25 complaints, but also, we see things,

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2 you know, that we -- that I can
3 initiate an investigation on my own
4 initiative as well. So we have some
5 investigations that are underway that
6 were initiated by a complaint and
7 others that I've started on my own
8 initiative.

9 And oftentimes you start
10 looking at something and you think
11 it's X and it really is Y, and
12 investigations sort of shift their
13 focus from one committee perhaps in
14 the area of campaign finance to
15 another committee.

16 COUNCILMAN GREEN: Right.

17 MR. CREAMER: And then there
18 may be other issues that arise too so
19 that the issues can sort of change and
20 add and decrease.

21 You may look into something --
22 I've taken depositions off people who
23 I thought were violating the law, and
24 they provided explanations to me, and
25 I've accepted that, and we have

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 terminated the investigations.

3 So, again, the most critical
4 thing is to get the facts, get the
5 information, and that's why I think
6 it's important to conduct these
7 investigations confidently, and that's
8 why it's required by the law.

9 COUNCILMAN GREEN: I'm not
10 questioning that.

11 Madam Chair, I don't know if
12 there's other people --

13 COUNCIL PRESIDENT VERNA:
14 Mm-hmm. Thank you, Councilman.

15 The Chair recognizes
16 Councilman Rizzo.

17 COUNCILMAN RIZZO: Thank you.

18 Could you explain to me the
19 interaction that you have with these
20 new folks that just got hired from the
21 federal government? Could you explain
22 the relationship? What are their
23 titles? Ethics...?

24 MR. CREAMER: Amy Kerlin is the
25 new inspector general, and Joan Markman

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2 is the chief integrity officer.

3 COUNCILMAN RIZZO: So tell me

4 how you work with those folks.

5 MR. CREAMER: I'll first start

6 with the inspector general. The Ethics

7 Board, as you know, has jurisdiction

8 over the City's public integrity laws,

9 which include the Ethics Code. The

10 campaign-finance law, and certain

11 provisions of the Home Rule Charter,

12 including the restrictions on political

13 activities; and finally, the

14 disclosures in the pay-to-play contract

15 lawsuit.

16 The inspector general was

17 created by a series of executive

18 orders in the 1980s. And to summarize

19 those orders, I think that the way I

20 describe the inspector general's

21 jurisdiction is this:

22 The inspector general has

23 jurisdiction to enforce fraud

24 committed against the City, whether it

25 be by a City employee or by someone

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2 outside City government; a vendor
3 perhaps, who's stealing City property
4 or things like that; an employee who's
5 lying about where they live or
6 stealing City property or lying about
7 the time that they're working for the
8 City.

9 Those are all within the
10 jurisdiction of the inspector general,
11 but they are not necessarily the
12 jurisdiction of the Ethics Board.

13 Joan Markman -- I can't speak
14 for the Administration but my
15 understanding is that she is really
16 looking at the contracting process and
17 trying to improve that system and is
18 sort of an internal advisor within the
19 Administration on matters of ethics
20 and integrity.

21 I can tell that you we do work
22 closely with Joan Markman. We also
23 have a good relationship with Amy
24 Kerlin; we have had many meetings with
25 her. We are providing training to the

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2 integrity officers that report to her
3 currently; we had one session last
4 week, we have another one tomorrow.

5 And that's --

6 COUNCILMAN RIZZO: Okay.

7 MR. GLAZER: The third federal
8 employee that you may have been
9 mentioning was Kenya Mann who was
10 appointed, and Kenya was appointed to
11 the Board. She's a member now of the
12 Ethics Board.

13 COUNCILMAN RIZZO: It would
14 have been nice to meet these folks so
15 we know who we were looking for. It
16 would be nice to meet those folks some
17 day in this environment.

18 There was a Solicitor's
19 opinion that I think would interest
20 you if you haven't caught up to it
21 yet. It was a question about a law
22 firm that would -- a partner of a law
23 firm that would serve on a host
24 committee. What -- if they put their
25 name on a fundraising host committee,

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2 what effect would that have on that
3 law firm's ability to do business with
4 the City?

5 Are you familiar with that
6 opinion?

7 MR. CREAMER: I'm not familiar
8 with the Solicitor's opinion, but we
9 issued an advisory alert last fall on
10 point. In other words, under 17-1400,
11 the pay-to-play contract law, there are
12 broad-reaching attribution rules that
13 would include if any shareholder or
14 partner of a firm or business was a
15 co-host of a fundraiser -- let's say
16 there were five cohosts and they raise
17 a \$100,000, that 100,000 raised at that
18 fundraiser gets attributed to each of
19 the five cohosts and, in turn, to their
20 firms and businesses.

21 So you could have -- one
22 fundraiser could make five law firms
23 ineligible, for example, and yet, it's
24 the same money.

25 And it's because the

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2 pay-to-play contract law, again, has
3 these aggregation and attribution
4 rules. You collate all of the direct
5 contributions by members of the firm,
6 by shareholders and certain members of
7 the firm, and then any affiliated
8 firms or businesses get added to that.

9 And then on top of that, all
10 of the money at any fundraisers that
11 any partners or shareholders were
12 hosts of, you know, if you were a
13 fundraiser or a bundler, all of that
14 money gets captured and added into
15 determination of whether your firm is
16 eligible or not to receive a no-bid
17 contract or financial assistance from
18 the City.

19 COUNCILMAN RIZZO: In a
20 nutshell, you're saying that the
21 dollars raised at that fundraiser would
22 be attributed to the -- I think that's
23 in conflict -- I think that doesn't --
24 it's not consistent with the City
25 Solicitor's opinion, I think, and I'm

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2 doing this from memory. I think --

3 MR. CREAMER: I'll take a look
4 at that.

5 COUNCILMAN RIZZO: I think you
6 really need to read that --

7 MR. CREAMER: Yes, I will.

8 COUNCILMAN RIZZO: 'Cause, as a
9 matter of fact, the Law Department just
10 asked permission to release that
11 opinion for that bound book that they
12 do. So I think that you really need to
13 know about that. And I'll try get you
14 a copy of that as soon as possible,
15 'cause I think that con -- I'm betting
16 that that's not consistent with what
17 you just reported.

18 MR. CREAMER: Okay. I'll --

19 COUNCILMAN RIZZO: Would you be
20 bound to be consistent with that
21 Solicitor's opinion?

22 MR. CREAMER: That's a good
23 question. I'd like to see it. And
24 we -- let's talk about it after we
25 produce it.

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2 COUNCILMAN RIZZO: Okay. You
3 know, I want to be right on the money
4 here and make sure that I'm on the same
5 page as you are.

6 MR. CREAMER: Okay.

7 COUNCILMAN RIZZO: But that
8 could be very troubling.

9 (Timer bell rings.)

10 MR. CREAMER: Oh, I think it
11 is. And that's why we issued the
12 advisory alert last fall. It was
13 because we became aware of fundraising
14 events where there were hosts of major
15 law firms, architectural firms, all
16 sorts of folks who regularly do
17 business with the City, and we didn't
18 believe that they were aware of the
19 potential consequences of that
20 potential fundraising activity, and
21 that's why we (indiscernible).

22 COUNCILMAN RIZZO: Okay. I'll
23 get you that.

24 MR. CREAMER: Thank you.

25 COUNCILMAN RIZZO: Thank you,

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2 Madam Chair.

3 COUNCIL PRESIDENT Verna: Thank
4 you.

5 The Chair recognizes
6 Councilman Kelly.

7 COUNCILMAN KELLY: Thank you.
8 Thank you, Madam President.

9 I just want to be clear about
10 this; that's all I want to be. Is
11 that if a law firm, for instance, has
12 six or more members of their firm who
13 contributed to a candidate and they
14 contributed to the maximum, which
15 would have been \$2500, it would have
16 been over -- that firm would be --

17 MR. CREAMER: That's what --

18 COUNCILMAN KELLY: -- in
19 violation -- it would be a violation to
20 the bill, right?

21 MR. CREAMER: Well, it's not a
22 violation of the law. Again, firms can
23 choose to not bid for City contracts
24 and --

25 COUNCILMAN KELLY: Oh, yeah.

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2 Well, I --

3 MR. CREAMER: -- contributions,

4 and that's --

5 (Indiscernible; parties

6 talking over each other.)

7 COUNCILMAN KELLY: That's the

8 only thing it affects.

9 MR. CREAMER: Exactly. They

10 just can't get a City contract.

11 MR. GLAZER: A City no-bid

12 contract.

13 MR. CREAMER: A City no-bid

14 contract.

15 COUNCILMAN KELLY: Then there

16 wouldn't be any fines leveled to

17 that --

18 MR. CREAMER: No. Again, if

19 you had a hundred partners at that law

20 firm each give a \$2500 contribution,

21 nobody's violated the law; that firm

22 just can't get a no-bid contract. And

23 that's perfectly legal. That's not a

24 violation.

25 COUNCILMAN KELLY: Okay. So

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2 that wouldn't be a violation.

3 MR. CREAMER: No.

4 COUNCILMAN KELLY: From either
5 part. The campaign also --

6 MR. CREAMER: That's correct.

7 COUNCILMAN KELLY: -- wouldn't
8 receive a violation.

9 MR. CREAMER: That's correct.

10 COUNCILMAN KELLY: That's the
11 thing that I was --

12 MR. CREAMER: Okay, yeah. I
13 think we were talking -- we were
14 switching back between two different
15 issues.

16 COUNCILMAN KELLY: Yeah. And I
17 was just wondering if the person, say,
18 used their own check, for instance,
19 rather than a firm, it would be an
20 individual; would that count?

21 MR. CREAMER: It would get
22 attributed to the firm.

23 COUNCILMAN KELLY: In other
24 words, if he was more or less a friend
25 of yours and he just happened to belong

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 to that firm --

3 MR. CREAMER: It would still be
4 attributed to the firm for purposes of
5 17-1400, the pay-to-play contract law.

6 COUNCILMAN KELLY: Okay.

7 MR. CREAMER: For purposes of
8 the campaign finance law, it's just an
9 individual contribution, and there is
10 nothing wrong with it.

11 COUNCILMAN KELLY: Okay. But
12 as far as you're concerned, since he
13 belongs to the firm, it goes under
14 that.

15 MR. CREAMER: If he were a
16 partner, if he were an associate, it
17 would not be aggregated.

18 COUNCILMAN KELLY: Oh, okay.

19 MR. CREAMER: It has to be
20 shareholders, partners, officers --

21 COUNCILMAN KELLY: Okay,
22 officers.

23 MR. CREAMER: -- et cetera. So
24 it's a narrow group of --

25 COUNCILMAN KELLY: That's what

1 4/7/08 - Whole - 080022, 157, 160, 164, 165

2 I didn't understand.

3 MR. CREAMER: -- individuals
4 within the firm of business. The law
5 firm could be a big group, but --

6 COUNCILMAN KELLY: Okay, all
7 right.

8 Thank you, Madam President.

9 COUNCIL PRESIDENT VERNA: The
10 Chair recognizes Councilman Green.

11 COUNCILMAN GREEN: Thank you,
12 Madam Chair.

13 Councilman Rizzo mentioned
14 something that I want to talk about,
15 which is (indiscernible) effect of
16 former Solicitor's opinion, but just
17 to follow up on the attribution rules,
18 to what extent do you look at whether
19 or not the -- prior to enforcing
20 something, to what extent do you look
21 at whether or not it complies with
22 federal constitutional law, our local
23 laws, or our local Charter provisions?
24 In other words, the right to assembly,
25 the right to free speech, those things

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2 that would probably apply to

3 aggregation of contributions, et

4 cetera.

5 MR. CREAMER: Well, let me

6 first say we have not looked into any

7 aggregation issues yet, nor would we be

8 asked to.

9 The way I think it would

10 possibly come up -- I mean, the way it

11 would work, that law firm would have

12 to disclose --

13 COUNCILMAN GREEN: Yeah, I

14 don't want to get into hypotheticals

15 so -- but do you look at outside the

16 four corners of the Charter and the

17 Code, whether or not you can --

18 something is, in fact, enforceable

19 under federal constitutional law with

20 respect to campaign contributions?

21 MR. CREAMER: That's a broad

22 question. I think, you know,

23 hypothetically, we certainly, you know,

24 consider issues outside of the four

25 corners of the Code and the Charter.

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2 And I think the Board has exercised its
3 jurisdiction with discretion, you know,
4 with its enforcement power, with its
5 discretion under a range of
6 circumstances, not just in
7 consideration of federal law or
8 constitutional law.

9 But in the totality of the
10 circumstances, I'd like to think that
11 we try to treat every situation fairly
12 within the law in considering matters
13 outside the Code.

14 COUNCILMAN GREEN: Right.

15 Well, I mean, I'd like to work with the
16 Board to try and clarify some of these
17 things. And one of the things that I'd
18 maybe ask you if you can -- you
19 probably can't get to it this year, but
20 I think you're going to shortly -- or
21 if you already have, maybe I haven't
22 had a chance to look at it -- give us
23 recommendations for changes to the
24 laws.

25 MR. CREAMER: Right.

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2 COUNCILMAN GREEN: One of those
3 things next year might include whether
4 or not you can actually enforce a
5 current law, because, in my view, some
6 of what is there is not enforceable
7 under federal constitutional standards.
8 And rather than waste time and effort
9 trying to enforce it, let's fix it so
10 that we can have it applied properly.

11 MR. CREAMER: I appreciate
12 that. I want to be careful how I
13 recommend or suggest that my laws
14 aren't enforceable.

15 COUNCILMAN GREEN: I
16 understand.

17 COUNCILMAN RIZZO: Point of
18 information. Do you mind?

19 COUNCILMAN GREEN: Stop the
20 timer, please, Charlie.

21 COUNCIL PRESIDENT VERNA: The
22 Chair recognizes Councilman Rizzo for a
23 point of information.

24 COUNCILMAN RIZZO: Don't you
25 think, Mr. Creamer, that it would be --

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2 you know, we live and pretty much die
3 by the Solicitor's opinion. Before you
4 put out that, don't you think it would
5 have been helpful to check to see if
6 the Law Department had a legal opinion
7 that you might not be consistent with?

8 Now, what happens if we did,
9 based on the Solicitor's opinion --
10 and I can't recollect it; it's on its
11 way down here -- and we did allow
12 someone to be on a host committee
13 based on the Solicitor's opinion? I
14 mean, you have to be on the same page
15 here.

16 MR. CREAMER: I agree. I'd
17 like to see the City Solicitor's
18 opinion. Again, the advisory alert was
19 just that. It was not an advisory
20 opinion; it was just warning people,
21 cautioning them that there may be
22 consequences. We weren't saying there
23 were consequences in any particular
24 case.

25 COUNCILMAN RIZZO: The

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2 consequences that a person will go on a
3 political candidate's political
4 action -- or their host committee,
5 that's a ramification when you scare
6 people away from the process if it's
7 not illegal, or it's not going to have
8 the impact that you suggested.

9 MR. CREAMER: Well, I think a
10 plain reading of 17-1400, there is a
11 separate section on attribution, there
12 is a separate section on aggregation, I
13 believe. And I think these specific
14 things are captured in that law, and I
15 think it really isn't up for debate.

16 COUNCILMAN RIZZO: I cannot
17 recollect --

18 (Indiscernible; parties
19 talking over each other.)

20 COUNCILMAN RIZZO: But my point
21 is, there is one, and you're not aware
22 of it. And, you know, that's no
23 disrespect that you're not aware of it;
24 you can't be aware of everything.

25 But, I mean, this just

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2 identified there's a potential that
3 we're doing something based on
4 Solicitor's opinion that you're not
5 aware of.

6 MR. CREAMER: Right.

7 COUNCILMAN RIZZO: But going
8 forward, I'm sure that that will be
9 kind of an automatic, but I assume
10 Solicitor's opinions are confidential
11 to the person asking for it. And
12 the -- that you might not be in the
13 loop and get those opinions until
14 there's permission for it to be
15 released.

16 So I'm a little concerned that
17 there's two potentially different
18 opinions here over.

19 COUNCIL PRESIDENT VERNA:
20 Councilman Rizzo, excuse me. I think
21 we're really going around in circles
22 here. If you have a copy of that
23 opinion --

24 COUNCILMAN RIZZO: It's coming
25 down right now.

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2 COUNCIL PRESIDENT VERNA: -- I

3 suggest that you share it with the
4 gentleman at the table and if you
5 consider it confidential, and then you
6 could discuss it.

7 And then, sir, Mr. Creamer or
8 whoever wants to answer it can answer
9 it.

10 Councilman Rizzo, are you
11 complete with your questioning?

12 COUNCILMAN RIZZO: Yes.

13 COUNCIL PRESIDENT VERNA:

14 Councilman Green, are you about
15 finished?

16 COUNCILMAN GREEN: Thank you,
17 Madam President.

18 Could you just for the
19 record -- I'm not aware that this has
20 been done in Council before -- briefly
21 describe your view of your requirement
22 as any other board or commission is to
23 adhere to opinions of the Solicitor
24 issued, you know, prior to the date of
25 your existence?

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2 MR. CREAMER: Okay. As you
3 know, under Section 4-1100 of the City
4 Charter, the Ethics Board has
5 jurisdiction to administer and enforce
6 the public integrity laws of the City,
7 which include the Ethics Code, the
8 campaign-finance law, the political
9 activity restrictions, and such our
10 laws as City Council may time to time
11 provide us with jurisdiction.

12 It goes on to say that -- and
13 I don't have it in front of me right
14 now, but it basically says that we do
15 not have to rely upon the advice of
16 the Law Department for enforcement
17 purposes.

18 COUNCILMAN GREEN: What --

19 COUNCIL PRESIDENT VERNA:
20 Excuse me. And would you not supersede
21 the Law Department's opinion?

22 MR. CREAMER: I believe
23 currently, Madam President, the new
24 Ethics Board has jurisdiction to --
25 actually, under 4-1100 also, to render

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2 opinions on the laws that we have
3 jurisdiction over: the Ethics Code, the
4 campaign-finance law, et cetera.

5 And so we -- the Solicitor is
6 without jurisdiction to interpret or
7 advise on the laws that we now have
8 jurisdiction over.

9 COUNCIL PRESIDENT VERNA:
10 Right. That's as we understood it.

11 COUNCILMAN GREEN: I have a
12 book down here that doesn't have 4-1100
13 in it, so --

14 MR. CREAMER: I have 4-1100
15 here. I could read this. It's a long
16 paragraph; I could read it if you want.

17 COUNCILMAN GREEN: Just the
18 relevant portion.

19 MR. CREAMER: Okay. The first
20 sentence: "The Board of Ethics shall
21 administer and enforce all provisions
22 of this Charter and ordinances
23 pertaining to ethical matters, which,
24 for purposes of this chapter, shall
25 include conflicts of interest,

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2 financial disclosure, standards of
3 governmental conduct, campaign-finance
4 matters, prohibited political
5 activities, and such additional related
6 matters as the Council may from time to
7 time assign to the Board. The Board
8 shall handle all inquiries and
9 complaints surrounding ethical matters
10 and notwithstanding the provisions of
11 Section 4-400(a) and Section 8-410 of
12 this Charter, the Board shall render
13 advisory opinions provided that, with
14 respect to opinions regarding State
15 law, the Law Department, at the option
16 of an employee requesting advice, shall
17 have concurrent authority to render
18 advisory opinions."

19 And then the rest is about
20 enforcement.

21 COUNCILMAN GREEN: Right. So
22 with respect to inquiries and
23 complaints -- I don't want to get into
24 a debate about what modifies what in
25 that paragraph. I just -- what I want

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2 toad is state for the record that many
3 members of City Council do not believe
4 that they took away authority from the
5 City Solicitor to issue them advisory
6 opinions on ethical matters or any
7 other matter; and that, in fact, under
8 the City Charter, the only opinion we
9 can rely on for a complete
10 indemnification of our actions is an
11 opinion of the City Solicitor and not
12 opinion of the Ethics Board.

13 And I look forward to working
14 with you to try to resolve this one
15 way or the other. Hopefully, we can
16 get indemnification for opinions from
17 you also.

18 MR. GLAZER: Have you --

19 MR. CREAMER: Actually, if I
20 could address that first.

21 Actually, as 4-1100 of the
22 Charter states, the Law Department has
23 concurrent jurisdiction with the
24 Ethics Board to render advisory
25 opinions under the State Ethics Act,

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2 and that is because there's a
3 provision in the State Ethics Act that
4 gives safe harbor to individuals who
5 follow the advice of a solicitor in
6 good faith; it doesn't say anything
7 about ethics boards. And, therefore,
8 that's why I believe City Council
9 included that exception.

10 However, under the Ethics
11 Code, you have to -- you only get a
12 safe harbor from prosecution if you
13 follow the advice of the Ethics Board
14 in an advisory opinion, not the Law
15 Department.

16 COUNCILMAN GREEN: Well, the
17 Charter supersedes the Code, and the
18 only protection we have under the
19 Charter is for opinions from the City
20 Solicitor.

21 MR. CREAMER: You only have
22 protection from prosecution by the
23 State Ethics Act for violations under
24 the State --

25 COUNCILMAN GREEN: We can't

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2 take away powers of the Solicitor
3 implicitly; we would have to do it
4 explicitly. And nowhere in the City
5 Charter did these changes do that.

6 And I don't want to -- we can
7 go back and forth all day. I accept
8 what you're saying as your honest
9 interpretation; you can accept what
10 I'm saying as my honest
11 interpretation.

12 My only point is that I -- I
13 think we need to work to resolve this
14 to everyone's satisfaction.

15 MR. CREAMER: I agree with
16 that. And, actually, frankly, I
17 believe it's the authority and
18 jurisdiction of the Solicitor to
19 interpret this kind of a question of
20 the Charter.

21 MR. GLAZER: That's right.

22 MR. CREAMER: It's not for us
23 to interpret; I think it's up to the
24 Solicitor.

25 MR. GLAZER: That's what I was

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2 going to say: I believe that the
3 Solicitor has an opinion on this.

4 COUNCILMAN GREEN: A written
5 opinion?

6 MR. GLAZER: No, no, not a
7 written opinion.

8 MR. CREAMER: A position.

9 MR. GLAZER: A position.

10 COUNCILMAN GREEN: Oh, okay.

11 MR. CREAMER: But we should
12 certainly include the Solicitor in any
13 discussions about resolving this issue.

14 COUNCILMAN GREEN: I agree.

15 So with respect to the
16 process, then, of your issuing
17 advisory opinions, I'd like to discuss
18 that briefly. I had a --

19 (Timer bell rings.)

20 COUNCIL PRESIDENT VERNA:

21 (Inaudible, off-mic.)

22 COUNCILMAN GREEN: Thank you.

23 I had a person at your --
24 Lauren was at your last Ethics Board
25 meeting and she made two suggestions.

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2 One was that all regulations be posted
3 up on the website; is that something
4 that you're going to be able to do so
5 that people know --

6 MR. CREAMER: You mean the
7 draft proposed --

8 COUNCILMAN GREEN:
9 (Indiscernible) regulations.

10 MR. CREAMER: We were actually
11 talking about that this morning, and we
12 haven't reached a decision yet; we're
13 still talking about that.

14 But I think we may choose to
15 hold hearings on all regulations
16 regardless that was a part of our
17 discussion today.

18 COUNCILMAN GREEN: Well, I'm
19 glad you mentioned that, because the
20 other suggestion was that you publicly
21 post your agenda, or certainly publicly
22 advertise your agenda, prior to each
23 meeting. And the reaction was that you
24 couldn't do that.

25 MR. CREAMER: Well, the

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2 reaction was we'd love to do that, but
3 we have two limitations: Number one,
4 frequently we don't have the agenda
5 until a day or two before the meeting;
6 we're still putting it together. And
7 secondly, once we have the agenda --
8 once we want to post anything on the
9 website, we have to go to MOIS, and
10 sometimes they're very responsive, but
11 other times, it may take a few days.

12 COUNCILMAN GREEN: Perhaps you
13 ought to have a meeting where you don't
14 really cover anything so that you can
15 be a month in advance.

16 (Laughter.)

17 COUNCILMAN GREEN: And let
18 me -- that's a serious comment because
19 in the discussion on the boards and
20 commissions decisions that we've had
21 privately and in other places, the
22 reaction has that, Well, we had
23 meetings on that, even though we didn't
24 issue regulations that would give
25 people a chance to comment on a new

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2 rule, which I think is the appropriate
3 way to change -- to essentially overall
4 solicitors' opinions. We had hearings
5 on it in our open meetings.

6 But if you don't publish an
7 agenda ahead of time, nobody knows to
8 go to discuss the issues that are up
9 for debate at that hearing, at that
10 meeting.

11 MR. CREAMER: I disagree. For
12 the issue that you're talking about, we
13 held discussions in, I believe, five
14 public meetings over a six-month
15 period. And at the end of each of
16 those discussions, up until the last
17 one, we said publicly at that meeting
18 that we would continue the discussion
19 at the next meeting.

20 COUNCILMAN GREEN: Was there
21 ever an agenda issued letting the
22 people know of the general public that
23 you were --

24 MR. GLAZER: There were minutes
25 of the meeting that were posted on our

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2 website that made reference to the fact
3 that it was discussed and it was going
4 to continue to be discussed.

5 COUNCILMAN GREEN: Well, as a
6 practical matter, nobody's going to
7 read every minutes of the --

8 MR. GLAZER: Well --

9 COUNCILMAN GREEN: What I'm
10 suggesting is, if you publish an
11 agenda, then you'll get more input from
12 citizens, from people who are involved,
13 from the Committee of Seventy. Even
14 though they send somebody there every
15 time, they might not be prepared to
16 discuss a new issue that wasn't in an
17 agenda.

18 MR. GLAZER: Right.

19 COUNCILMAN GREEN: Certainly my
20 office is very interested in what's
21 going on.

22 And publishing an agenda is an
23 open, transparent way to conduct your
24 business. And not publishing an
25 agenda leaves you open to criticism

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2 when you make decisions or issue
3 advisory opinions that the public
4 didn't have a chance for input and
5 maybe raise issues that, because you
6 didn't have a chance for public input,
7 you weren't able to address.

8 MR. CREAMER: Well, I think
9 it's a good suggestion, and I think
10 we'll make every effort to do that.

11 I'm just trying to indicate
12 that there are a couple of
13 limitations: One, because of the
14 nature of the work and because we have
15 monthly meetings, the agenda doesn't
16 get put together until very late; we
17 can try to expedite that but
18 sometimes, you know, we have to change
19 it. We don't have a draft ready that
20 we thought we were going to have ready
21 or something else comes in the last
22 couple of days.

23 But we can make an effort to
24 at least post a preliminary agenda
25 maybe subject to change; we can do

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2 that.

3 COUNCILMAN GREEN: Okay. Well,
4 I'm going to, I think, perhaps propose
5 legislation that would require an
6 agenda to be published in advance so
7 that it's just -- I think it's the
8 right away to go about things in the
9 conduct of your business.

10 And I want to be a strong ally
11 of yours on Council. I want to fight
12 for more funds if you think you need
13 them for enforcement, inquiry, and
14 investigation side.

15 I think that the fact that you
16 don't have the resources to sort of go
17 look outside the four corners of the
18 forms that are supposed to disclose
19 conflicts, if you're not doing it, I'm
20 not sure who is. You know, an
21 increase in that activity, pointing
22 things out, even if we're -- I don't
23 think we should be making examples of
24 people, but I think raising issues,
25 making them aware, and having the

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2 ability to have those resources is
3 going to be important to your success,
4 and we all want you to succeed; all
5 employees of the City of Philadelphia
6 do because we do want the public to
7 think of us as serving in their
8 interests.

9 MR. CREAMER: Mm-hmm.

10 COUNCILMAN GREEN: So thank you
11 very much for your testimony.

12 MR. GLAZER: We appreciate that
13 support, yeah. We welcome that.

14 COUNCILMAN GREEN: Thank you
15 very much for your testimony.

16 And if you have specific
17 recommendations for the Chair that
18 would enhance what you're doing,
19 please provide them, and we'll take a
20 look at them.

21 MR. GLAZER: We did, by the
22 way, provide a detailed annual report
23 that we hope everyone in Council got a
24 copy of it, and included in there are a
25 series of legislative recommendations

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2 as well as some of the highlights of
3 the last year.

4 COUNCILMAN GREEN: Thank you
5 very much for your testimony and your
6 patience with us.

7 MR. GLAZER: Thank you.

8 MR. CREAMER: Thank you.

9 COUNCIL PRESIDENT VERNA: The
10 Chair recognizes Rizzo.

11 COUNCILMAN RIZZO: Until you
12 figure out how to get that
13 accomplished, why couldn't you simply
14 e-mail the agenda to interested parties
15 such as Council offices until you
16 figure out how to get it on the --

17 MR. CREAMER: I could do that
18 and --

19 COUNCILMAN RIZZO: -- website.

20 MR. CREAMER: Actually, for
21 over a year, I've been e-mailing the
22 agenda and whatever other documents are
23 available to the reporters that come to
24 every meeting. And now that we have
25 others that are interested in coming, I

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2 would be happy to send it to your

3 office, Councilman Rizzo or --

4 COUNCILMAN RIZZO: And we can

5 disseminate it -- we can send it to

6 other people that are interested --

7 MR. CREAMER: I'd be happy to

8 do that.

9 COUNCILMAN RIZZO: Maybe

10 there's a way that MOIS can give you

11 access to put things, you know, in a

12 way on your website that you can do it

13 directly.

14 MR. CREAMER: We're working on

15 that actually, but it's going to take

16 time. We basically have to recreate

17 the entire website in a different

18 application, and then we'll have

19 control over it, but that's going to

20 take time, and, again, we only have

21 four staff members right now.

22 COUNCILMAN RIZZO: Thanks.

23 I have that opinion. The

24 Councilman wants to read it and then

25 I'll hand it off to you once I get

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2 another copy.

3 MR. CREAMER: Great.

4 COUNCIL PRESIDENT Verna:

5 You've been extremely patient. Thank
6 you so much.

7 MR. GLAZER: Thank you for the
8 opportunity.

9 MR. CREAMER: Thank you.

10 COUNCIL PRESIDENT Verna: Thank
11 you.

12 MR. McPHERSON: The last
13 department for the day is the Youth
14 Commission.

15 (Witnesses come forward.)

16 COUNCIL PRESIDENT Verna: Good
17 afternoon.

18 MR. DUBOW: Thank you, Council
19 President. My name is Benjamin Dubow.
20 I am the appointee of Councilman
21 Reynolds-Brown to the Philadelphia
22 Youth Commission.

23 I am pleased to appear before
24 you today to present our proposed
25 Operating Budget for Fiscal Year 2009.

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2 We are still in discussion with the
3 Budget Office on the size of that
4 budget and where those expenditures
5 will be placed and expect to conclude
6 these discussions in the next two
7 weeks. When completed, we will bring
8 that detail back for Council's
9 consideration.

10 The mission of the Youth
11 Commission is the representation of
12 Philadelphia youth in City Hall.
13 Four-hundred-thousand youth live in
14 Philadelphia. Many of the problems we
15 face today stem from issues affecting
16 youth a decade ago, and many of the
17 problems we will face in a decade stem
18 from issues affecting youth today.

19 We believe in the ability of
20 your Council to bring about change in
21 this city. We believe in the ability
22 of City youth to improve their
23 condition. We hope to unite the
24 abilities of our constituents and
25 their government to better their lives

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2 and the lives of their fellow
3 residents.

4 As a new organization, we plan
5 to dedicate much of our budget to
6 creating an effective Youth Commission
7 in the years to come. The fulfillment
8 of this goal supports three of Mayor
9 Nutter's in the City's Strategic Plan:

10 Education. America flourished
11 under the principle that the governed
12 can better their government. So too
13 can our students better their schools.
14 An effective Youth Commission is a
15 power channel through which students
16 are able to improve their education.

17 Public safety. Youth is the
18 biggest factor in determining the
19 likelihood of committing crime. Many
20 youth find themselves disillusioned
21 with their situation. They turn to
22 crime as the most available means to
23 change. An effective youth commission
24 gives these youths a path to engage
25 their government to find that change

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2 instead of turning to the streets.

3 Healthy and sustainable

4 communities. Youth have often taken a

5 back seat in community involvement.

6 The Youth Commission is a movement

7 towards greater participation of young

8 people in our city. We tell our

9 constituents that they have the

10 opportunity to become an important

11 part of their communities and that

12 their concerns are valid and will be

13 heard.

14 The upcoming year will focus

15 on gaining clout among City youth and

16 in City Hall. Our goals reflect our

17 need to become a leader for young

18 people and a professional

19 organization. To measure our success

20 we have three goals:

21 List serve. We have to expand

22 serve to at least 2,500 members by

23 year's end. A list serve is a good

24 measure of how many are showing

25 interest in our organization. It also

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2 provides a valuable means to spread
3 word of the issues affecting youth.

4 Events. Major gatherings are
5 among the best ways to spread
6 awareness. Throughout the summer and
7 fall, community organizations from
8 throughout the City (indiscernible)
9 major events on the Parkway and in the
10 neighborhoods. We seek to be present
11 at no less than five major events and
12 attach our name to at least one.

13 The new session. Many other
14 youth commissions around the country
15 are missing members. This shows a
16 lack of commitment for both government
17 officials and youth and the lack of
18 ability from the commission which must
19 connect the two.

20 We hope to begin a new session
21 next year with all 21 members of the
22 Youth Commission appointed by the end
23 of January.

24 I would like to thank this
25 Council for putting forth the

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2 referendum on the Youth Commission and
3 the votes you represent for its
4 passage. I believe both you and your
5 constituents improve the referendum
6 because of the great potential of the
7 Youth Commission. I'm honored to be a
8 part of realizing our promise, and I
9 hope I have shown you how we plan to
10 do so.

11 I thank you for your time and
12 I would be pleased to answer any
13 questions.

14 COUNCIL PRESIDENT VERNA: Thank
15 you very much.

16 Mr. Dubow, do you know anybody
17 in the Finance Department?

18 (Laughter.)

19 COUNCIL PRESIDENT VERNA: Or
20 who the Finance Director is? And can
21 you tell me why they would not have
22 included your budget in the Youth
23 Commission's budget in the present City
24 budget that we have?

25 MR. DUBOW: To answer your

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2 first question, I'm pretty familiar
3 with the Finance Director; he's my
4 father, so I have a pretty close
5 relationship with him.

6 To answer the question about
7 why the exact numbers are not
8 included, I turn to Mr. Agostini.

9 COUNCIL PRESIDENT VERNA:
10 You're going to be on safe grounds, I
11 guess.

12 MR. AGOSTINI: Madam President
13 and members, one apology before we
14 begin. The Youth Commission has been
15 very diligent, the members of the Youth
16 Commission have been very diligent.
17 We're sorry we didn't get the testimony
18 to you on time; that was the
19 Administration not following through,
20 and we apologize. They were doing what
21 they needed to do; we didn't.

22 Secondly, we are discussing
23 with the Youth Commission the size of
24 the budget. The original budget we
25 saw was about what we thought it would

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2 be, but we don't have it in the right
3 lines and items, so we're going to go
4 back and discuss that and bring that
5 back to you in the next week or two.

6 COUNCIL PRESIDENT VERA: Thank
7 you.

8 The Chair recognizes
9 Councilman Greenlee.

10 COUNCILMAN GREENLEE: Thank
11 you, Madam President.

12 Just very quickly. I know
13 it's the end of the day, but I just
14 want to put on record that I went to
15 the opening swearing-in of the Youth
16 Commission and was just very
17 impressed. In fact, I guess we should
18 congratulate ourselves; we appointed
19 some, I thought, really impressive
20 people that really showed the
21 diversity of this city, and I think
22 they will serve extremely well.

23 I know the person I appointed,
24 Nicole Rubin, who lives in the
25 northeast, just recently told me how

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2 impressed she was. She's met people
3 from different parts of the City and
4 she's learned a lot.

5 And just talking to those
6 people, I think Steve has a tough
7 road. They're going to be tough on
8 you, Steve. You better come up with
9 that money.

10 In any event, I wish him good
11 luck, and I know Councilwoman Brown,
12 who was the leader in pushing this, I
13 think we did the right thing.

14 And I'm very happy to say it
15 was my first hearing of the Law and
16 Government Committee was to put that
17 Youth Commission on the ballot, so I'm
18 proud to be part of that too.

19 So good luck to you.

20 MR. DUBOW: Thank you very
21 much, Councilman.

22 COUNCIL PRESIDENT Verna: The
23 Chair recognizes Councilman Jones.

24 COUNCILMAN JONES: Allow me to
25 also echo my colleague's sentiments and

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2 congratulate the administration of this
3 Council and the Commission for its
4 establishment. I understand there are
5 several other Commission members here,
6 and I'd like them to come up and
7 introduce themselves.

8 I'd be interested in, if
9 there's one priority you have,
10 Mr. Dubow, what will it be for this
11 year? If each commissioner could
12 answer that.

13 MR. DUBOW: Okay. I'll start.
14 I think the most important part --
15 thing the Youth Commission can
16 accomplish this year is spreading
17 awareness of our organization and
18 organizing youth in the City.

19 As a new organization, the
20 only people who know about us are the
21 people who have taken it upon
22 themselves to find out. We need to --
23 in order to have an effective Youth
24 Commission, we need to gain clout and
25 we need to have the backing of youth

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2 throughout this city, 'cause as of
3 right now, it's a little more than the
4 21 members who are saying something
5 when the Youth Commission has a --
6 when the Youth Commission recommends
7 or doesn't recommend a bill.

8 So raising awareness,
9 expanding our list serve, and being
10 present at major events are two of our
11 most important goals for the upcoming
12 year jean.

13 COUNCILMAN JONES: Saturday I
14 happened to see you at one of Mayor
15 Nutter's cleanups, weren't you? Were
16 you at the cleanups?

17 MR. DUBOW: No, unfortunately.

18 COUNCILMAN JONES: Oh, that was
19 the other handsome gentleman, your
20 father, who was there at the cleanup.
21 Okay, my mistake.

22 COUNCIL PRESIDENT VERNA: All
23 right. Would the members of the
24 Commission that are here please
25 identify themselves just by name and

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2 just I guess what part of the City
3 you're from.

4 Thank you.

5 MISS JONES: My name is Tyeena
6 Jones.

7 COUNCIL PRESIDENT Verna: And
8 where you from?

9 MISS JONES: I'm from West
10 Philadelphia. I represent the 4th
11 District.

12 COUNCIL PRESIDENT Verna: Thank
13 you.

14 MR. JONES: My name is
15 Charlotte Jones. I'm from North
16 Philadelphia and I represent the 8th
17 District.

18 COUNCIL PRESIDENT Verna: Thank
19 you.

20 MR. YOUNG: My name is Jeffrey
21 Young. I'm a 5th District
22 commissioner.

23 COUNCIL PRESIDENT Verna: Thank
24 you.

25 COUNCILMAN JONES: If each one

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2 of you -- and for the record, Madam
3 President, none of them are my
4 children. There were a lot of Joneses
5 there.

6 But for the record, what issue
7 are you most concerned about?

8 MISS JONES: Well, I am mostly
9 concerned about young youth who are
10 unaware of their surroundings, who
11 aren't safe. I'm concerned about
12 safety. I'm concerned about education.
13 I am concern about their well-beings at
14 home as well as in school. I'm
15 concerned about the respect levels.

16 I'm concerned about basically
17 everything that has something to do
18 with the youth, not just about events
19 and things of that sort. I'm really
20 concerned about getting down to why
21 are the youth so angry nowadays.

22 So I think that the Youth
23 Commission, us altogether, all 20 of
24 us now, can work together to get to
25 the bottom of why the youth nowadays

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2 are so angry, and why they consist
3 [sic] on doing the jumpings and things
4 of that nature.

5 So once we get to the bottom
6 of that then, I guess we done got to
7 the source of the problem.

8 COUNCILMAN JONES: Thank you.

9 COUNCIL PRESIDENT VERNA: Thank
10 you very much.

11 I congratulate all of you and
12 wish you the very best. We look
13 forward to work with you.

14 MR. DUBOW: Thank you very
15 much, Council President.

16 COUNCIL PRESIDENT VERNA: Good
17 luck.

18 MR. DUBOW: And thank you,
19 Councilpeople for appointing all your
20 Youth Commissioners and for being
21 present for our first hearing.

22 COUNCIL PRESIDENT VERNA: Thank
23 you very much.

24 This concludes our public
25 hearing for today. The committee will

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2 stand in recess until tomorrow,

3 Tuesday, April the 8th, at 10 a.m.

4 Thank you very much.

5 (Proceedings end at 5:05 p.m.)

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C E R T I F I C A T E

I HEREBY CERTIFY that the
proceedings of the City of Philadelphia
Council Committee of the Whole are
contained fully and accurately in the
stenographic notes taken by me on Monday,
April 7, 2008, and that this is a true and
correct statement of same.

JOSEPHINE CARDILLO
Registered Professional Reporter

(The foregoing certification
of this transcript does not apply to any
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