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COUNCIL OF THE CITY OF PHILADELPHIA
CAPITAL PROGRAM & BUDGET HEARINGS
BEFORE THE COMMITTEE OF THE WHOLE

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- - -
Room 400, City Hall
Philadelphia, Pennsylvania
Tuesday, February 23, 1999
9:45 a.m.

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10 Bill No. 990023 - An ordinance adopting the
11 Operating Budget for the Fiscal Year 2000.

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PRESENT: COUNCIL PRESIDENT ANNA C. VERNA, Chair
COUNCILWOMAN JANNIE BLACKWELL
COUNCILMAN DAVID COHEN
COUNCILMAN JAMES F. KENNEY
COUNCILMAN MICHAEL A. NUTTER
COUNCILWOMAN MARIAN B. TASCO
COUNCILMAN ANGEL L. ORTIZ
COUNCILMAN FRANK DICICCO
COUNCILMAN BRIAN J. O'NEILL
COUNCILMAN W. THACHER LONGSTRETH
COUNCILMAN FRANK RIZZO

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CHARLES MCPHERSON,
Chief Financial Officer

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2 P R O C E E D I N G S

3 COUNCIL PRESIDENT Verna: Good morning,
4 everyone. Sorry we're late getting started this
5 morning.

6 I just wanted to make announcement that
7 the Law and Government Committee, which had a
8 public hearing scheduled for 10 o'clock today, is
9 being cancelled until April the 15th, at 2 p.m.
10 Thank you.

11 This is the continued public hearing of
12 the Committee of the Whole regarding Bill No.
13 990023. The first group to testify today will be
14 the Civil Service Commission.

15 (Nicholas DiPiero comes forward.)

16 COUNCIL PRESIDENT Verna: Good
17 morning. Nice seeing you. Please identify
18 yourself for the record and proceed with your
19 testimony.

20 MR. DIPIERO: Nicholas DiPiero,
21 Chairman of the Civil Service Commission.

22 Good morning, President Verna and
23 Members of City Council. I'm Nicholas DiPiero,
24 Chairman of the Civil Service Commission, and I am
25 pleased to testify on behalf for Civil Service

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2 Commissioners Joseph Fisher and Marwan Dreidie and
3 myself in support of the Commission's budget
4 request for the Fiscal Year 2000.

5 And I also would like to take a minute
6 of a personal notation of myself on your
7 appointment as President of City Council.

8 COUNCIL PRESIDENT Verna: Thank you,
9 thank you.

10 MR. DiPiero: Nobody could be prouder
11 than I am.

12 COUNCIL PRESIDENT Verna: I knew I was
13 coming here, and I wanted to make it a little
14 public -- congratulations.

15 COUNCIL PRESIDENT Verna: Thank you.

16 MR. DiPiero: And on behalf -- as I
17 look at us face to face, I remember when you first
18 ran for office the first time, and in
19 Philadelphia, you came in front of the Amalgamated
20 Clothing Workers, which was a politically active
21 union, and we supported you ever since.

22 COUNCIL PRESIDENT Verna: And I
23 remember how helpful you were then, and I
24 appreciate it.

25 MR. DiPiero: It shows that we pick

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2 winners.

3 COUNCIL PRESIDENT Verna: Thank you.

4 MR. DiPiero: And the fact is, I tell
5 people, I don't remember the years too good, but I
6 think it was about five years ago when we were
7 both kids.

8 COUNCIL PRESIDENT Verna: You're
9 absolutely right.

10 (Laughter.)

11 MR. DiPiero: So lots of luck.

12 COUNCIL PRESIDENT Verna: Thank you.
13 Thank you so much.

14 MR. DiPiero: Our total budget request
15 of \$154,957 represents a 2.5 percent increase over
16 Fiscal Year 1999, an appropriation of 158,193.
17 This increase is reflected in the Class 100 and
18 provided for the negotiated salaries increase for
19 civil employees. The remainder of our request is
20 unchanged from the Fiscal Year '99 level and will
21 provide funds for training necessary, materials
22 and supplies in the purchase of minor equipment.

23 Under the Home Rule Charter, the
24 Commissioners are charged with approving or
25 disapproving a large variety of actions affecting

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2 Civil Service employees, and these include the
3 establishment of job classes, position and pay
4 classifications, residency waivers, personnel
5 service contracts, Civil Service regulations and
6 exemptions from the Civil Service. And to date,
7 in Fiscal Year '99, the Commission has approved 47
8 classification and pay actions, 15 changes to
9 regulations, 5 residence waivers, 15 personnel
10 services contracts, and 531 exemptions from the
11 Civil Service.

12 A major role of the Civil Service
13 Commission is to function as an appellate body to
14 hear and decide on Civil Service employees'
15 appeals or personal decisions. Most appeals are
16 regarding dismissals, suspensions of more than 10
17 days, demotions, oral examinations, denials for
18 requests of leaves of absence, and denials for
19 injury time and appeals for back-to-work orders.

20 With this budget, Madam President and
21 members of Council, the Commission its important
22 work of assuring the preservation of the
23 Philadelphia merit system, as mandated by the
24 Philadelphia Home Rule Charter.

25 Thank you.

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2 COUNCIL PRESIDENT Verna: Thank you.

3 Can you elaborate on the five residency
4 waivers? What classifications were they?

5 MR. DiPiero: Let me get some help.

6 The Personnel Director usually makes the
7 recommendations.

8 COUNCIL PRESIDENT Verna: Mm-hmm.

9 MR. DiPiero: And I want to make sure
10 my answers are accurate.

11 (Linda Seyda comes forward.)

12 MS. Seyda: As Commissioner DiPiero
13 stated --

14 COUNCIL PRESIDENT Verna: Excuse me,
15 Miss Seyda, just identify yourself for the record
16 please.

17 MS. Seyda: I am Linda Seyda. I am the
18 Personnel for the City.

19 As Commissioner DiPiero indicated, this
20 fiscal year to date, the Commission has approved
21 five residence waivers. One waiver is one that I
22 know that Council is familiar with: that is a
23 waiver to enable the Police Department to recruit
24 police officers from the military.

25 The other four were also for

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2 recruitment purposes. One was in the Department
3 of Public Property for a building services
4 administrator. Two were for Geographic
5 Information Systems specialists. I believe those
6 positions were in the City Planning Commission.
7 And the last waiver was in the Prisons, and that
8 was for a specific individual, and that concerned
9 a hardship case concerning this individual, who
10 needed to be close to family members.

11 COUNCIL PRESIDENT Verna: The employee
12 in the Prison, was that a new employee that we're
13 giving a residency waiver to?

14 MS. Seyda: No, that was not for
15 recruitment purposes. This was a long-term
16 employee who is recovering from a cancer operation
17 and needs to be with family members who are out of
18 the city -- those family members being her primary
19 caregivers.

20 COUNCIL PRESIDENT Verna: And you say
21 there was one police officer?

22 MS. Seyda: One waiver for the Police
23 Department, and that's a waiver that will permit
24 the Police Department to recruit new police
25 officers from the military.

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2 COUNCIL PRESIDENT Verna: Is this
3 waiver for a year?

4 MS. Seyda: The waiver is to permit the
5 Police Department to recruit, but new hires will
6 be required to establish --

7 COUNCIL PRESIDENT Verna: No, I'm
8 talking about the five residency waivers that were
9 granted. Is the waiver for a year?

10 MS. Seyda: The class waivers are for
11 -- the recruitment waivers are for the
12 recruitment period and one year after appointment.
13 The new hires are required to establish residency
14 within the city within one year after appointment,
15 that's correct.

16 COUNCIL PRESIDENT Verna: The Chair
17 recognizes Councilman DiCicco.

18 COUNCILMAN DiCicco: Thank you, Madam
19 President. And good morning Miss Seyda.

20 I'd just like to go back to the
21 employee of the prison, who has obviously some
22 serious health concerns. The waiver is granted to
23 this employee. Where is this employee? I believe
24 you said it's a female. Where is she living now?
25 The one that needs to be close to her family?

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2 MS. SEYDA: I believe that she is --

3 COUNCILMAN DICICCO: I don't need an
4 address, just a county would be helpful.

5 MS. SEYDA: I believe it's in New
6 Jersey.

7 COUNCILMAN DICICCO: New Jersey. She
8 works full-time, she's not incapacitated to the
9 point where she can't work?

10 MS. SEYDA: She is working full-time,
11 but she needs to be close to family members who
12 could tend to her needs.

13 COUNCILMAN DICICCO: After working
14 hours.

15 MS. SEYDA: Yeah, after working hours.
16 The waiver was granted for a six-month period, and
17 it will be reviewed this coming July to determine
18 if it's still appropriate.

19 COUNCILMAN DICICCO: Do you know the
20 marital status of this person? Is she a married
21 person or single?

22 MS. SEYDA: I believe that she's
23 widowed. I know that she was living alone prior
24 to this waiver being granted.

25 COUNCILMAN DICICCO: And when was this

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2 waiver granted?

3 MS. SEYDA: The waiver was granted
4 January 6th of this year, and it is effective
5 through July the 5th.

6 COUNCILMAN DICICCO: And there was
7 another person, I believe. . .

8 COUNCIL PRESIDENT VERNA: Public
9 Property.

10 COUNCILMAN DICICCO: Public Property.
11 Thank you, Madam Chair.

12 What was the purpose for granting a
13 waiver to that individual?

14 MS. SEYDA: There was -- a waiver was
15 granted by the Commission in February of this year
16 for the class of Building Services Administrator,
17 and that waiver was granted to enable the
18 Department of Public Property to recruit for this
19 position. I believe that the position is still
20 vacant; it has not yet been filled.

21 COUNCILMAN DICICCO: I'm a little
22 confused.

23 COUNCIL PRESIDENT VERNA: You mean it's
24 someone some from out of the city to --

25 COUNCILMAN DICICCO: Come in as

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2 temporary employee?

3 COUNCIL PRESIDENT Verna: Come in and
4 do recruitment work?

5 MS. Seyda: The Department of Public
6 Property is recruiting a building services
7 administrator. And when that person is appointed,
8 if that person is not a City resident, he or she
9 will be required to establish residency within the
10 City within one year of appointment.

11 COUNCILMAN Dicicco: I'm still a little
12 confused here. Maybe it's too early in the
13 morning for me.

14 COUNCIL PRESIDENT Verna: It's too
15 early for you, it's too early for me too because I
16 -- that just goes over my head.

17 COUNCILMAN O'Neill: (Inaudible, off
18 mike.)

19 COUNCIL PRESIDENT Verna: Do understand
20 this, Councilman?

21 COUNCILMAN O'Neill: (Nods.)

22 COUNCIL PRESIDENT Verna: Oh, okay.

23 COUNCILMAN Dicicco: I apologize.
24 Could you just walk me through it one more time?

25 MS. Seyda: One more time. The

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2 Department of Public Property has a vacancy for a
3 building services administrator. They have been
4 recruiting, they have placed ads in the local
5 newspaper. My recollection is that they received
6 something like that 40-some responses to their ad,
7 and almost all of the individuals who meet the
8 qualifications for this position reside outside
9 the City.

10 COUNCILMAN DICICCO: "Almost all,"
11 meaning that there's some that do reside in the
12 City.

13 MS. SEYDA: I believe that there -- can
14 provide you with the specifics. I believe that
15 there are maybe two or three people who meet the
16 minimum requirements for the position, who have
17 City addresses. Whether or not they will actually
18 compete and take the test for the position, we
19 don't know yet. I do not believe that they've
20 administered that test yet.

21 COUNCILMAN DICICCO: So -- again, I'm
22 still trying to understand that. The person that
23 is in that position now, the building services
24 administrator, is a non-Philadelphian resident.

25 MS. SEYDA: No. Actually, no one's in

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2 the position now; the position is vacant. And the
3 Department of Public Property is recruiting to
4 fill the position.
5 COUNCILMAN DICICCO: I'll yield to
6 Councilman Nutter.
7 COUNCILMAN NUTTER: Thank you,
8 Councilman.
9 Miss, Seyda on that point, what are the
10 qualifications that seemingly make it so difficult
11 to get someone in this particular position who may
12 be in Philadelphia? Who was in the position.
13 MS. SEYDA: Excuse me?
14 COUNCILMAN NUTTER: Who was in the
15 position?
16 MS. SEYDA: I do not know, I don't
17 recall.
18 COUNCILMAN NUTTER: Was it recently
19 vacated?
20 MS. SEYDA: I'm not certain what the
21 circumstances were. I mean, we will be, you know,
22 pleased to provide you with that information. I
23 just don't know off the top of my head.
24 COUNCILMAN NUTTER: I understand, I
25 understand. Do you recall what the specifications

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2 were for that particular job?

3 MS. SEYDA: No, I do not recall
4 specifically.

5 COUNCILMAN NUTTER: Okay.

6 MS. SEYDA: It is a senior-level
7 position in the department, and as I recall, there
8 are certification requirement, the specifics of
9 which I don't recall at this point, but I will
10 provide the information to you.

11 COUNCILMAN NUTTER: Maybe you have to
12 have a background managing a certain number of
13 buildings or a certain amount of infrastructure or
14 a certain number of years at a senior level for a
15 company or a municipality or anything like that?

16 MS. SEYDA: There are experience
17 requirements for the position at, I believe, the
18 management level.

19 COUNCILMAN NUTTER: Mm-hmm.

20 MS. SEYDA: But I just don't recall the
21 specifics.

22 COUNCILMAN NUTTER: All right, I
23 understand.

24 Councilman, I yield back.

25 COUNCIL PRESIDENT VERNA: Councilman,

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2 excuse me a minute, please.

3 Does anyone have any other questions of
4 Mr. DiPiero? Because I am told he has a 10
5 o'clock meeting. I'm sure that Miss Seyda would
6 be able to answer any and all questions we may
7 have.

8 Thank you.

9 COUNCILWOMAN TASC0: I have a question.
10 Is my mike on today?

11 COUNCIL PRESIDENT Verna: I can hear
12 you.

13 COUNCILWOMAN TASC0: Good morning.

14 When we had the hearings of the
15 Personnel Department before City Council in the
16 fall, we took testimony from various employees who
17 felt that they had been passed over promotion at
18 the same time that they were working out of class,
19 and I would like to know what audits, assessments,
20 and evaluations revealed of their particular cases
21 and how the difference of opinions were resolved.

22 It was Marian Cooper, Allison
23 Richardson, and Marry Miller Turner.

24 MS. SEYDA: I do recall those names. I
25 don't have that information with me this morning.

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2 We do have it, though, and I will be pleased to
3 provide it to you later today.

4 We have looked into this, and we do
5 have the information. I just don't have it with
6 me this morning.

7 COUNCILWOMAN TASC0: Okay. Last month,
8 we also received copy of a letter that members of
9 the Personnel Department signed protesting --

10 COUNCIL PRESIDENT VERNA: Excuse me
11 Councilwoman. I was asking if anyone had any
12 questions of Mr. DiPiero.

13 COUNCILWOMAN TASC0: Oh, sorry.

14 COUNCIL PRESIDENT VERNA: Because he
15 has a 10 o'clock hearing. So if no one has any
16 questions of Mr. DiPiero, we can excuse him.

17 COUNCILWOMAN TASC0: No, I don't think
18 so.

19 (No questions for Mr. DiPiero.)

20 COUNCIL PRESIDENT VERNA: Thank you
21 very much, Mr. DiPiero.

22 I believe Councilman DiCicco was still
23 being recognized.

24 COUNCILWOMAN TASC0: Oh, I'm sorry.
25 I'll stop talking.

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2 COUNCILMAN DICICCO: That's okay.

3 The other position was -- I think you
4 mentioned was a position in the Planning
5 Commission. Did you say that, Miss Seyda?

6 MS. SEYDA: Yes, I did.

7 COUNCILMAN DICICCO: Do you know what
8 that position was? Or is?

9 (Other personnel members join Miss
10 Seyda at the witness table.)

11 MS. SEYDA: Information systems
12 specialist. And there were two classes, a
13 lower-level class and a higher-level class. Those
14 were class waivers. They were both granted in --
15 waivers were approved September 2nd of '98.
16 They're for recruitment purposes and will require
17 the appointees to establish residency within the
18 City within one year of appointment.

19 COUNCILMAN DICICCO: Do you happen to
20 know how many people applied for that position?
21 Do you have a breakout of the a number of people
22 who may have been Philadelphians?

23 MS. SEYDA: No, I do not, but we will
24 be pleased to provide that information to you
25 after the hearing.

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2 COUNCILMAN DICICCO: If you would
3 supply it to the Chair, please, and then --

4 MS. SEYDA: Yes.

5 COUNCILMAN DICICCO: Thank you.

6 I have no further questions.

7 COUNCIL PRESIDENT VERNA: Thank you.

8 The Chair recognizes Councilman
9 O'Neill.

10 COUNCILMAN O'NEILL: Miss Seyda, I have
11 two questions. One, I thought when the Council
12 President asking you about the five waivers, you
13 responded and talked about the police, but were
14 all the waivers of a temporary nature?

15 MS. SEYDA: Yes, all of the waivers are
16 of a temporary nature in that they all require the
17 appointees to move into the City.

18 COUNCILMAN O'NEILL: And in the prison
19 case, it's reviewed in six months.

20 MS. SEYDA: Yes.

21 COUNCILMAN O'NEILL: So it's temporary
22 also.

23 MS. SEYDA: Yes.

24 COUNCILMAN O'NEILL: The other question
25 I have is, you mentioned the military on the

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2 police. There was not a request by the
3 Administration to go into the outlying areas
4 around Philadelphia and recruit not just military
5 but other qualified candidates who might be
6 willing to move into the City if they get the job
7 but may not be willing to move in just with the
8 possibility of getting a job?

9 You know, I am told there are many
10 situations where we could be recruiting,
11 particularly in the Police Department. There are
12 strong African-American college graduates who are
13 outside the City and living in various suburbs who
14 would love to come in if they knew they had a
15 guaranteed position. And it may help us a lot
16 with our goals in terms of hiring and diversifying
17 the Police Department.

18 I just wondered 'cause you only
19 mentioned the military, and I know that's one area
20 that's obvious and has been discussed, but there's
21 also the general area of qualified candidates
22 which I know the current administration is really
23 trying to focus on as much as possible.

24 Could you explain that.

25 MS. SEYDA: The waiver that the

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2 Commission approved recently is one that focuses
3 on military recruitment. We have been having some
4 discussions, and there are ongoing discussions
5 currently with the Police Department about
6 residency waivers in a more general sense. But at
7 this point in time, the only waiver that we have
8 for the Police Department is to recruit in the
9 military.

10 COUNCILMAN O'NEILL: So there hasn't
11 been an official request by the Police Department
12 to go beyond that waiver?

13 MS. SEYDA: Not at this time.

14 COUNCILMAN O'NEILL: Okay, thank you.
15 That's all, Madam President.

16 COUNCIL PRESIDENT VERNA: Thank you.

17 Miss Seyda, I'm just gathering from
18 your testimony -- and maybe I'm misunderstanding
19 you -- that four of the five waivers are for
20 people who are supposed to be recruiting?

21 MS. SEYDA: The waivers are for
22 recruitment purposes to enable the City to recruit
23 candidates for these positions from outside the
24 City.

25 COUNCIL PRESIDENT VERNA: Repeat that

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2 again, please. It's to recruit people from
3 outside the City? Is that what you're saying?

4 MS. SEYDA: That is correct. Because
5 we've had difficulty recruiting individuals from
6 within the City, so for recruitment purposes only,
7 the Commission has approved four class waivers,
8 which are temporary waivers in that if an
9 individual is appointed to one of these classes,
10 they must move into the City if they are not
11 currently a City resident.

12 COUNCILMAN DICICCO: Madam President, I
13 think what we're speaking to is the issue that
14 came up some time ago when Councilman Kenney when
15 he was proposing a bill that would basically
16 change the structure which would allow us to hire
17 people before they've establish residency as
18 opposed to having -- a police officer, as an
19 example, would have to be a resident of the City
20 of Philadelphia for either six months to a year
21 before they could be hired.

22 COUNCIL PRESIDENT VERNA: Ut I thought
23 referring only to the police because they were
24 saying they were having a hard time recruiting
25 police officers.

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2 COUNCILMAN DICICCO: I think he was,
3 but I think that the Charter provides for other
4 departments, I think. What happened was, they
5 tabled this bill because they said they could do
6 it within the Charter because the language in the
7 Charter would permit us to do hiring prior to
8 residency was established.

9 I mean, personally I don't have a
10 problem bringing somebody on payroll who will move
11 into the City. My problem is generally when we
12 allow City employees who are currently employees
13 to move out of the City while maintaining
14 employment here' that's the big problem I have
15 with this. But we can get our population up by
16 brining people in, we have no residents, I don't
17 have any problems with that.

18 All right. Thank you.

19 COUNCIL PRESIDENT Verna: Thank you.

20 The Chair recognizes Councilman Rizzo.

21 COUNCILMAN RIZZO: Thank you, Madam
22 Chair.

23 Miss Seyda, I had a conversation with
24 you on the phone for about a half hour. You were
25 making calls, getting some information about this

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2 residency requirement about recruiting police
3 officers.

4 And I was surprised to hear today that
5 we're limiting our search for police officers to
6 the military facilities when I indicated to you
7 that I get numerous letters from part-time police
8 officers all around the suburban communities that
9 would love full-time positions in Philadelphia. I
10 have a stack of letters that want that particular
11 job. They've already been through the Police
12 Academy, many of them through the Philadelphia
13 Police Academy, working part time.

14 So I cannot believe if we need police
15 officers that we haven't taken advantage of those
16 men and women that want to join the Philadelphia
17 Police Department and move into the City of
18 Philadelphia.

19 MS. SEYDA: As I indicated a few
20 minutes ago, we are currently having some
21 discussions with the Police Department on this
22 issue of residency, and I know that in at least
23 one -- one or two meetings that I've personally
24 attended that the issue that you are talking about
25 has come up, and as I indicated, we are having

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2 those discussions with the Police Department
3 currently.

4 COUNCILMAN RIZZO: Thank you, Madam
5 Chair.

6 COUNCIL PRESIDENT VERNA: Thank you.
7 The Chair recognizes Councilman Ortiz.

8 COUNCILMAN ORTIZ: Thank you, Madam
9 Chair.

10 Miss Seyda, we've been going through
11 this, and I guess you know what I'm going to be
12 asking just for the record. In terms of the
13 Latino hiring and employment and within the City
14 departments, can you specify for the record, was
15 there any improvement from your testimony at the
16 last budget last year and this budget session this
17 year, if any?

18 MS. SEYDA: The City Personnel
19 Department and the operating departments recruit
20 in a number of different ways, and I know that
21 your interest is in the recruiting within the
22 Latino population. We do recruit and advertise in
23 the Latino publications. We do encourage the
24 departments to use selective-factor certification
25 and bilingual eligibility, you know, where that is

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2 appropriate and where they have a need for
3 bilingual candidate.

4 Also, I might add that the Personnel
5 Department is reorganizing and reemphasizing our
6 recruitment activities, and we have established a
7 recruitment advisory group within the City. We
8 are looking at ways that we can do more outreach
9 in terms of getting information out to all
10 segments of the community, including the Latino
11 population about opportunities in city government.

12 COUNCILMAN ORTIZ: Who makes up that
13 recruitment advisory group?

14 MS. SEYDA: It's made up of
15 representatives from a number of the operating
16 departments. It includes the Police Department,
17 the Health Department --

18 COUNCILMAN ORTIZ: Do you have names of
19 people?

20 MS. SEYDA: I don't have them -- I
21 don't have them with me this morning, but I will
22 provide them to you.

23 COUNCILMAN ORTIZ: Okay. Are there any
24 Latinos in that recruitment advisory group?

25 MS. SEYDA: I don't recall, but I will

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2 share the names with you.

3 COUNCILMAN ORTIZ: Well, wouldn't it
4 make some sense that if we want to recruit some
5 Latinos that in an advisory group that we would
6 have some individual that would have some
7 knowledge of those communities? If they're going
8 to advise, I would imagine that that would be sort
9 of a common-sense situation.

10 MS. SEYDA: Yes. I appreciate what
11 you're saying.

12 COUNCILMAN ORTIZ: All right?

13 MS. SEYDA: Mm-hmm.

14 COUNCILMAN ORTIZ: And I asked before
15 and you gave me a rough draft, but I -- I want to
16 see what progress, if any, we're making from year
17 to year, and that was my main question. I didn't
18 ask you about the process. I asked you, what
19 progress did we make in this year? Because I know
20 that, obviously, we have to make some room for
21 people who retire and so on.

22 But I was asking, what progress --
23 because I asked this question last year and I
24 asked it the year before. And what I would like
25 to see is, are we making any progress? Are we

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2 showing any increment in employment areas in
3 different -- not just the bottom-line curve
4 situation but in the different departments in the
5 policy-making positions?

6 And that's what I'm interested in. I'm
7 interested in the progress. And I will ask you
8 this question next year when we're here to talk
9 about the budget.

10 MS. SEYDA: Okay. The information that
11 I have here with me today is for the entire City
12 workforce, so I know it's not exactly what you're
13 asking about.

14 But the numbers have been increasing
15 over the years. In going back to 1990, for
16 example, the Latino representation in the City
17 workforce was 2 percent, just a little over 2
18 percent. Now it's a little over 3 percent.
19 Understandably, that is not a dramatic increase,
20 but we have been showing, I think, a steady
21 increase in the number of Latinos.

22 COUNCILMAN ORTIZ: A 1 percent jump in
23 a 10-year period, that is not -- when the
24 population in the City of the Latino community
25 within that same 10-year community grew by 50

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2 percent.

3 MS. SEYDA: Um --

4 COUNCILMAN ORTIZ: All I'm trying to do
5 is make a point that whatever it is that we're
6 doing, we're not doing it right. We're not
7 reaching a community that is here, and we're not
8 making the City work for its representatives.

9 And I keep asking this question year
10 after year to see if we can begin setting up
11 procedures and process. Obviously, we cannot do
12 that from the City Council. We have to depend on
13 the Department of Personnel and on the different
14 departments in the City.

15 I'd just like to see that if we have a
16 deficiency in one area, that some priority be
17 given to that situation.

18 MS. SEYDA: Well, I think that we have
19 seen some real progress in several of the City
20 departments where they've made, you know, a real
21 effort to ensure that there are --

22 COUNCILMAN ORTIZ: We have seen some
23 progress in prisons.

24 MS. SEYDA: Yes.

25 COUNCILMAN ORTIZ: We have seen some

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2 progress in the Police Department.

3 MS. SEYDA: And in the Fire Department.

4 COUNCILMAN ORTIZ: And a smaller
5 advancement in the Fire Department. But we're a
6 huge workforce. And so that DHS, Department of
7 Services, Streets Department, all the way down the
8 line, L&I, all these areas, okay, you know, not
9 special --

10 And I'd like to see something along
11 those lines. I'd like to see a plan develop to
12 really begin. And I keep asking this question and
13 I don't know if I'm ever going to get it but I
14 will keep on asking it, to see how we can
15 dramatically improve the recruitment process and
16 the hiring process in terms of the Latino
17 community. And I'd like to see the Department
18 work on something along those lines.

19 MS. SEYDA: Well, as I indicated, we
20 have within the Personnel Department reestablished
21 a recruitment unit within the Department. And let
22 me take this opportunity to offer to have some
23 ongoing dialogue with your office in terms of how
24 we can incorporate input into that process.

25 COUNCILMAN ORTIZ: Thank you, Madam

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2 Chair.

3 COUNCIL PRESIDENT Verna: Thank you.

4 The Chair recognizes Councilman Nutter.

5 COUNCILMAN NUTTER: Thank you, Madam

6 Chair, sorry.

7 Miss Seyda, I noticed in one portion of
8 your testimony, you made reference to the
9 often-discussed and long-awaited police officer
10 recruit examination. You say that we're in the
11 final stages of the validation process. Is there
12 an end in sight to this?

13 MS. SEYDA: I certainly hope so.

14 COUNCILMAN NUTTER: Tell us a little
15 bit about that, please.

16 MS. SEYDA: We are optimistic that we
17 will have a new entrance-level police exam ready
18 before the end of this fiscal year. Hopefully, we
19 will be able to administer a new test the next
20 time the police officer recruiting exam is given.

21 We're quite optimistic that we will
22 have a final product within the next couple
23 months.

24 COUNCILMAN NUTTER: And by way of
25 process and given some of the discussion that took

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2 place when the Police Commissioner was here, do
3 you anticipate sharing this test with the court in
4 light of the consent decree in trying to, I guess,
5 almost kind of kill two birds with one stone?

6 MS. SEYDA: As you know, the City is
7 operating under a consent decree.

8 COUNCILMAN NUTTER: Right.

9 MS. SEYDA: And it is our plan at this
10 point in time to go back into federal court when
11 we have a new test finished.

12 COUNCILMAN NUTTER: Okay. And this new
13 test, is this a test that's being used in any
14 other city across the country?

15 MS. SEYDA: No. It's being developed
16 specifically for the City of Philadelphia.

17 COUNCILMAN NUTTER: Okay. And in its
18 development, the test developers understand
19 obviously the circumstance under which we're
20 operating, which is a consent decree trying to
21 deal with past discrimination and other test
22 deficiency issues?

23 MS. SEYDA: Yes, they do, very much so.

24 COUNCILMAN NUTTER: Okay. And is it
25 your belief as a personnel expert that this test

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2 has some bearing on whether a person would make a
3 good police officer?

4 MS. SEYDA: What we're working on now
5 -- what the consultants are working on now is the
6 validity data which we will use to go into the
7 federal court in order to release the City from
8 its obligations under the consent decree. But
9 clearly, that is -- the objective is to have a
10 test which correlates performance on the test with
11 performance on the job.

12 COUNCILMAN NUTTER: And how long have
13 we been working on getting a new police officer
14 recruit test?

15 MS. SEYDA: It's been -- it's been a
16 very long process. We had contracted with another
17 consultant several years ago. That consultant did
18 a job analysis, an in-depth job analysis of the
19 Philadelphia jobs and has done and tested portions
20 of the exam.

21 What we're doing currently is refining
22 that product to enhance the validity.

23 COUNCILMAN NUTTER: Okay. Suppose the
24 federal court says the test is insufficient or
25 deficient in remedying this particular problem;

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2 will you still give the test and utilize this
3 particular product that you've been working on?

4 MS. SEYDA: That decision has not been
5 finally made. However, we -- I would anticipate
6 that we would be using a different selection
7 instrument.

8 COUNCILMAN NUTTER: I'm sorry, I didn't
9 understand that.

10 MS. SEYDA: Okay. We have a couple of
11 opposites under the consent decree.

12 COUNCILMAN NUTTER: Okay.

13 MS. SEYDA: If the federal court does
14 not release the City from the consent decree, the
15 City will then continue to operate under that
16 consent decree until it expires, which I believe
17 is about a year from now. But that consent decree
18 does not preclude the City from using a different
19 test.

20 COUNCILMAN NUTTER: All right. And
21 lastly, regardless of what happens with the test,
22 do you know whether either the Personnel
23 Department or the Law Department, or more
24 specifically I guess, it's the Civil Rights Unit
25 of the Law Department, do you anticipate trying to

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2 do anything differently with regard to the
3 provision that requires the Police Department to
4 have the same percentage in the class of
5 African-Americans as compared to the number of
6 people who are African-American who actually took
7 the test?

8 Do you anticipate that there will be
9 any attempt to change that particular provision or
10 get a different interpretation by the court as to
11 what the percentage should be?

12 MS. SEYDA: Well, we're in discussions
13 with the Law Department currently in terms of a
14 number of issues related to this. And at this
15 point in time, I think that it's appropriate that
16 the discussions be within the Law Department.

17 COUNCILMAN NUTTER: All right. All
18 right.

19 MS. SEYDA: But we are looking at what
20 our options are.

21 COUNCILMAN NUTTER: I understand. Your
22 answer is, you'd rather not discuss that in public
23 because you're having private discussions with
24 them right now.

25 MS. SEYDA: Yes. They are active

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2 discussions.

3 COUNCILMAN NUTTER: Okay. That's a
4 good answer. Okay, thank you. I appreciate it.

5 Thank you, Madame Chair.

6 COUNCIL PRESIDENT VERNA: Thank you.

7 The Chair recognizes Councilwoman
8 Tasco.

9 COUNCILWOMAN TASCO: Thank you.

10 Returning to the question that was
11 raised by Councilman Ortiz, could you indicate
12 what is your recruitment process, what colleges do
13 you recruit, how do you advertise, and does the
14 Department participate in job fairs?

15 MS. SEYDA: Yes, that's a part of our
16 focus.

17 In terms of our recruiting, we are
18 actively working with the local colleges in this
19 area to reinstitute a formal recruitment program
20 for employees for the City. And we have at this
21 point approximately 13 colleges scheduled for
22 recruitment programs -- to participate in the
23 recruitment programs this spring.

24 Those schools include: Temple, Drexel,
25 Lincoln, LaSalle, University of Delaware, and a

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2 number of other ones. I'd be happy to share the
3 complete list with you. It is an incomplete list
4 at this point in time.

5 But what we want to do is to establish
6 relationships with the local colleges so that they
7 are aware on an ongoing basis of the types of
8 opportunities that are available with the City of
9 Philadelphia.

10 COUNCILWOMAN TASCO: Do you have a
11 limited geographical area where you recruit? Do
12 you go to other states, do you go beyond the
13 Delaware Valley area? And how do you determine
14 where you go? And what determines how you base
15 your decision on where you go?

16 MS. SEYDA: Well, there are a number of
17 factors. I mean, obviously, we want to focus on
18 colleges and universities in this area where
19 residents of Philadelphia and residents of this
20 area go to school.

21 We also want to focus on those schools
22 that have specific programs that are appropriate
23 for our needs. For example, the Water Department
24 and the Streets Department recruit a large number
25 of engineers, and their recruitment is targeted at

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2 those universities that have engineering programs.
3 The Free Library, for example, which recruits
4 graduates from accredited library schools target
5 their recruitment at those colleges and
6 universities that have a library science program.

7 COUNCILWOMAN TASCO: Well, if you are
8 recruiting with an eye towards creating a diverse
9 workforce, do you look at those colleges and those
10 universities that are historically African-
11 American colleges universities to recruit
12 African-American employees, future employees?

13 For instance, if you were recruiting
14 engineers and you know that you may go to MIT, of
15 course you go to Drexel and other places, but do
16 you know what African-American historically-black
17 colleges may have produced a large number of
18 African-American engineers, such as A&T State
19 University in Greensboro, North Carolina?

20 MS. SEYDA: For example, you know,
21 Lincoln University is one of the schools where we
22 recruit in the spring. And one of the reasons
23 that we've targeted Lincoln University is that
24 it's a university that serves African-American
25 students.

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2 COUNCILWOMAN TASC0: But does Lincoln
3 University train and graduate engineers?

4 MS. SEYDA: I don't believe so.

5 COUNCILWOMAN TASC0: My question is, if
6 you look at what your needs are and you have
7 someone on your staff who understands what
8 diversity means and what that outreach program
9 should look like, then they would have some sense
10 of schools -- be they schools that are targeted to
11 Latinos or Asians or African-Americans. While a
12 number of those students will go to the majority
13 of universities and that's true and I'm not saying
14 don't recruit there, there are colleges and
15 universities where they tend to gravitate to, and
16 are we looking at those predominantly
17 historically-black colleges that may not be in the
18 Delaware Valley and are beyond Lincoln and
19 Cheyney.

20 And I don't say don't go to Lincoln and
21 Cheyney if you want to recruit, but there are a
22 lot of young people from Philadelphia who go to
23 the historically-black colleges, and if you want
24 those kids to come back to Philadelphia and work
25 and live in this area, then you have to go recruit

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2 where they are unless you have some program here
3 in Philadelphia where you capture them when
4 they're here on spring break or something, but if
5 you don't reach out to them where they are, you're
6 not going to recruit a diverse workforce.

7 MS. SEYDA: You know, I might add that
8 one of the things that we do do is to recruit
9 through Operation Native Talent, which if you're
10 familiar with that program, that's a program
11 that's set up, you know, over the holidays to
12 attract just the kind of students that you're
13 talking about.

14 COUNCILWOMAN TASC0: Do you have a
15 limitation on where your staff can go to recruit
16 employees?

17 MS. SEYDA: Only to the -- only to the
18 extent that we have the resources to fund it.

19 COUNCILWOMAN TASC0: Okay. Most of the
20 historically-black colleges are on the east coast
21 between here and North Carolina and South Carolina
22 and Atlanta, so they're not very far. And I would
23 like to see recruitment take place because you
24 will reach the students who are from the
25 Philadelphia-Delaware Valley area who are

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2 attending these schools who have no contact with
3 the City of Philadelphia in terms of what we have
4 to offer if we want to bring them back to live in
5 the City and create a strong tax base.

6 They stay in Atlanta or they stay in
7 North Carolina. I know a number of them who do
8 it; I'm very active in this whole education piece,
9 so I know what they're doing. And they're -- we
10 are not attracting them back to Philadelphia, and
11 they're not all going to Lincoln, they're not all
12 going to Cheyney, they're not all going to Penn or
13 Temple. And I don't want to say don't start
14 recruiting there, but you're going to have to
15 recognize where our population is, and the
16 Department has to recognize that in terms of
17 trying to recruit people that will give us a
18 diverse workforce here in the City of Philadelphia
19 -- of top management, not just the clerical, not
20 just the labor-intensive positions, but people who
21 we can place. When we look at all the staff that
22 come in here, we don't see the employees of the
23 City that reflect the City and what the City
24 should look like. So I'd like to see recruitment
25 in historically-black colleges.

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2 And I have a question. Here in your
3 budget, you have some money here for -- to the
4 United States Department of Personnel regarding
5 job classifications. What is that?

6 MS. SEYDA: That is work that we're
7 doing with the Office of Personnel Management.
8 That is the federal -- the central personnel human
9 resource agency for the federal government, and we
10 are working with them to do some significant work
11 in terms of our classification of our jobs. They
12 are assisting us in terms of helping identifying
13 the competencies and tasks that will help us to
14 improve the way that we do our job descriptions,
15 develop our selection plans, our training
16 programs, and our performance standards.

17 This is a nationwide initiative that
18 the federal government has undertaken. It has
19 grown basically out of Washington, but we are
20 working with the Philadelphia office.

21 COUNCILWOMAN TASCO: In your citywide
22 training, have you allotted anything for diversity
23 training as related to working with minorities,
24 women, persons of different sexual orientation, as
25 well as disabled and senior staff?

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2 MS. SEYDA: Actually, we have
3 specifically allocated some money in next year's
4 budget to do just that, to do a focus on diversity
5 training.

6 COUNCILWOMAN TASC0: Who's going to do
7 the training?

8 MS. SEYDA: That has not been
9 determined yet.

10 COUNCILWOMAN TASC0: Will you contract
11 it out or is it done in-house? Are you going to
12 hire someone to do the training?

13 MS. SEYDA: Well, the money that we
14 have in the budget would be for consultant
15 services to contract it out, although I would add
16 that we do a good bit of training within the City
17 government with our own staff.

18 COUNCILWOMAN TASC0: Do you presently
19 have as consultants any training consultants
20 presently hired by the Department?

21 MS. SEYDA: The Office of Personnel
22 Management, as part of the work that they're doing
23 with us, that includes a training component, but
24 it's training in terms of using --

25 COUNCILWOMAN TASC0: How diverse is

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2 their staff?

3 MS. SEYDA: Excuse me?

4 COUNCILWOMAN TASC0: How diverse is
5 their staff?

6 MS. SEYDA: The OPM contract is not for
7 diversity training; it's for--

8 COUNCILWOMAN TASC0: But still, in
9 whatever you do there, it has to be people who are
10 sensitive to the entire cross-section of the
11 population, so how diverse is their staff? No
12 matter what they're doing.

13 MS. SEYDA: Excuse me. Could you
14 repeat your question?

15 COUNCILWOMAN TASC0: What consultants
16 are working now with the Department of Personnel,
17 and what does their staff look like?

18 MS. SEYDA: Currently, the consultants
19 that we have on board at the present time include
20 a number of psychologists. They -- and the
21 psychologists are responsible for the
22 pre-employment psychological evaluations for
23 police officers and correctional officers. They
24 represent a diverse group of individuals.

25 We -- in addition to the OPM

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2 consultants, who are women, the principals we're
3 working with our women, I think we also have one
4 other fairly sizeable contract, and that's a test
5 development contract for one of our uniform tests.

6 COUNCILWOMAN TASC0: And they have a
7 diverse workforce?

8 MS. SEYDA: Excuse me?

9 COUNCILWOMAN TASC0: Do they have a
10 diverse workforce?

11 MS. SEYDA: Within the Personnel
12 Department?

13 COUNCILWOMAN TASC0: No, the last group
14 you just mentioned. The last group you just
15 mentioned.

16 MS. SEYDA: Oh. The consultant who's
17 doing the work on one of our uniform tests is a --
18 is a white male. However, he's a white male who
19 has a demonstrated record of addressing diversity
20 issues.

21 COUNCILWOMAN TASC0: What are career
22 advancement promotions and who do they affect?

23 MS. SEYDA: Career advancement
24 promotions are for individuals who come into the
25 City government at the entrance level and promote

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2 up through -- up to a journeyman level or
3 full-performance level based upon satisfactory
4 completion of their training and experience.

5 For example, someone who comes into the
6 City as an entrance-level clerical person is
7 automatically eligible for a promotion to the next
8 level upon completion of a certain amount of
9 experience and satisfactory job performance.

10 And there are -- there are a fairly
11 sizeable number of classes within the City
12 government that work the same way. I can provide
13 you with a complete list if you'd like to see it.

14 COUNCILWOMAN TASC0: So every promotion
15 now is not specifically based on an examination?

16 MS. SEYDA: No. A career advancement
17 promotion is an automatic promotion, assuming that
18 the individual, you know, meets the requirements
19 and has, you know, performed satisfactorily.

20 COUNCILWOMAN TASC0: Okay. Thank you
21 very much.

22 COUNCIL PRESIDENT VERNA: Thank you.

23 Miss Seyda, I realize that since we
24 went out of order, you never made your oral
25 presentation, but we do have copies of your

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2 testimony. And I will give a copy of your written
3 testimony to the stenographer so that it will be
4 made a part of the record.

5 I don't know if there's something that
6 you would like to add to what has already been
7 asked of you.

8 MS. SEYDA: No. I believe I've had an
9 adequate opportunity.

10 COUNCIL PRESIDENT VERNA: Thank you.

11 At this time, the Chair recognizes
12 Councilman Kenney.

13 COUNCILMAN KENNEY: Thank you, Madam
14 Chair, and I apologize for being late.

15 I heard a portion of Councilmember
16 DiCicco's questions relative to the legislation
17 that was introduced by myself relative to the
18 waiver of the pre-residency requirement for
19 application.

20 Just for the record is clear, there
21 were two pieces of legislation introduced. One
22 dealt specifically with the Police Department
23 because at the time, the assessment was that that
24 was the easiest to get passed or at least to have
25 considered. And it was confined to the military

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2 bases because of the discussion I had with both
3 the Department and with the union as it related to
4 waiving this pre-residency requirement.

5 The second piece of legislation is a
6 request to waive the residency requirement for all
7 City employment because in the end, it's my belief
8 that because of the City's situation competitively
9 now, it is inappropriate to have this one-year
10 pre-application requirement, although I am in
11 favor of requiring employees that are offered jobs
12 to move within the City within six months.

13 I think, and it's my personal belief
14 that we should extend that pre-residency waiver to
15 any person from anywhere in this country that
16 would like to apply for any job, whether it's the
17 Police Department, Fire Department, clerical, or
18 any position in the City. I think that what we
19 can do, hopefully, is use our employment
20 opportunities as a resource to bring new families
21 and new people into the City of Philadelphia to
22 live.

23 That's something that the Civil Service
24 Commission's dealing with the Police Department
25 end of it. Whether or not this Council this term

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2 will deal with the overall residency issue or
3 whether it's something that has to be in
4 arrearages next term, but that's the clarification
5 that I'd like to add to the record as a result of
6 Councilmember DiCicco's question.

7 Thank you, Madam Chair.

8 COUNCIL PRESIDENT Verna: Thank you.

9 The Chair recognizes Councilman Rizzo.

10 COUNCILMAN RIZZO: Thank you, Madam
11 Chair.

12 I want to follow up on the question
13 when I asked about the Police Department not
14 reaching out to part-time police officers in the
15 suburban communities, and you responded that they
16 hadn't asked.

17 Could you tell me the services that the
18 Personnel Department provides the operating
19 departments? If they're not doing something
20 that's obviously something they should be doing,
21 does the Personnel Department ever proactively
22 write or send a letter to a commissioner saying,
23 Here are some things that the rest of the world
24 does, maybe you would want to consider doing
25 them? If they haven't asked, did the Personnel

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2 Department ever suggest they should?

3 MS. SEYDA: Well, in answer to the
4 first part of your question, we work cooperatively
5 with the departments. And I think that when I
6 talked about recruiting and setting up a
7 recruitment advisory committee, I think that's a
8 good example of where the Personnel Department is
9 working cooperatively with the departments to
10 improve on an overall citywide basis how we
11 recruit people for employment in the City.

12 We also, on an ongoing basis, work with
13 the departments in terms of looking at their
14 affirmative action activities, and each of the
15 departments reports to us on a biannual basis in
16 terms of what their activities are in terms of
17 meeting their affirmative action goals. We work
18 with the departments in terms of, you know,
19 monitoring different types of employment
20 transactions.

21 So I think we'd like it to be a
22 cooperative kind of give-and-take kind of
23 situation. But, yes, we very much so, on an
24 ongoing basis, work with the departments to ensure
25 that the employment practices throughout the City

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2 are fair, that they're equitable, and that we are
3 hiring the best qualified -- that we are hiring
4 and promoting the best qualified employees for the
5 City government.

6 Your more specific question, I believe
7 goes to recruiting police officers. I think, as I
8 indicated earlier, we are having some ongoing
9 discussions with the Police Department concerning
10 police recruiting, and I think it's, you know,
11 premature to say that they haven't asked, but we
12 are talking with them.

13 COUNCILMAN RIZZO: Do the various
14 departments that you hire for look at you as a
15 consultant person that can be a problem-solver in
16 the event that they have an issue that they're
17 dealing with, a dilemma, that you have staff that
18 can analyze a particular problem that they're
19 experiencing with and say, Here's how you solve it
20 in a cooperative manner?

21 I've asked various departments the role
22 that the Personnel Department has, and I haven't
23 heard anyone that I've talked to anyway express
24 that that service is something that you provide.

25 MS. SEYDA: Well, we certainly -- it's

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2 certainly a service that we would like to
3 encourage.

4 COUNCILMAN RIZZO: What does that
5 mean? That they're not asking, and you're not --

6 MS. SEYDA: I mean philosophically, the
7 Personnel Department plays two roles. And one of
8 our roles -- and it's a primary role -- is to
9 serve and support the needs of the operating
10 departments.

11 We also, on the other hand, wear sort
12 of an enforcement hat, and we also have
13 responsibilities under the Charter to ensure that
14 the City's employment practices are fair and are
15 merit-based. And in that role, we play -- we have
16 more of a control role.

17 So we have a dual role. Sometimes it's
18 a conflicting role, but we have both a service
19 role and a control role. We try very hard to
20 encourage and support our departments and to do it
21 in a way that that's cooperative and helps them
22 meet their objectives.

23 COUNCILMAN RIZZO: The only reason I
24 ask this question is that you were very quick to
25 point out that they hadn't asked. Now, if you

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2 were doing what I described, they might not have
3 had to ask; they might have had a few solutions to
4 the dilemma, the problem that they're dealing
5 with.

6 My point is that possibly your
7 organization has the expertise to deal with some
8 of these hiring issues, and I think they'd be more
9 than happy to hear from you.

10 MS. SEYDA: And we're more than happy
11 to work with them.

12 COUNCILMAN RIZZO: Thank you.

13 Thank you, Madam Chair.

14 COUNCIL PRESIDENT VERNA: The Chair
15 recognizes Councilman Cohen.

16 COUNCILMAN COHEN: Thank you, Madam
17 Chair.

18 Miss Seyda, could we go to Page 4 of
19 your statement, your written testimony. Under
20 "Diversity of the Workforce," your second
21 paragraph, the City has been making steady
22 progress in this area. Since 1987, minority
23 representation the City workforce has grown 12
24 percent.

25 Could you tell me what the percentage

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2 was back in 1987 and what the percentage is now?
3 I'm not sure how to interpret 12 percent. It may
4 be a meaningless, insignificant figure 'cause if
5 it's 12 percent, say, of 12 percent, it's hardly
6 anything, but I just can't interpret that
7 sentence, I'm not sure what it says.

8 It looks good but I'm just not sure
9 that it means anything.

10 MS. SEYDA: Okay.

11 COUNCILMAN COHEN: What was the
12 percentage of minority representation in the City
13 workforce in 1987? And then what is it today?

14 MS. SEYDA: In 1987, the African-
15 American representation in the workforce was
16 42.8 percent.

17 COUNCILMAN COHEN: It was 42. what?

18 MS. SEYDA: 42.8.

19 COUNCILMAN COHEN: 42.8.

20 MS. SEYDA: Right. And it's currently
21 45.8.

22 COUNCILMAN COHEN: So it's grown by 3
23 percent, actually.

24 MS. SEYDA: Yes. And the Hispanic
25 representation in the workforce in 1987 was

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2 1.68 percent; it's now 3.02 percent.

3 COUNCILMAN COHEN: Could you give me
4 the 1987 again? I couldn't quite get it. It was
5 1. what?

6 MS. SEYDA: Latino representation in
7 the workforce in 1987 was 1.68 percent.

8 COUNCILMAN COHEN: 1.68.

9 MS. SEYDA: Right. And it is currently
10 3.02 percent.

11 COUNCILMAN COHEN: How does that Latino
12 representation compare with Latino representation
13 or portion of the population?

14 My impression is that the Latino
15 percentage of population is much larger than 3.2
16 percent in the City today, but I'm not certain of
17 what the percentage is.

18 MS. SEYDA: Well, the comparative
19 employment market for African-Americans at the end
20 of 1998, was 38.1 percent; and for Hispanics, 3.8
21 percent.

22 COUNCILMAN COHEN: That's the
23 percentage of the City population?

24 MS. SEYDA: That's the comparative
25 employment market.

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2 COUNCILMAN COHEN: What does that mean,
3 "the comparative employment market"?

4 COUNCILMAN ORTIZ: (Inaudible, off
5 mike.)

6 COUNCILMAN COHEN: That's not what Miss
7 Seyda is saying; she saying 3.8 percent.

8 MS. SEYDA: Yeah. That's looking at
9 the employment market as opposed to the population
10 of the City. If you --

11 COUNCILMAN COHEN: What's an employment
12 market?

13 MS. SEYDA: The employment market,
14 that's those individuals who are in the workforce,
15 are eligible to be in the workforce. It's not
16 necessarily your total population because,
17 obviously, it doesn't include --

18 COUNCILMAN COHEN: Children.

19 MS. SEYDA: Children or the elderly
20 population.

21 COUNCILMAN COHEN: So that would
22 indicate -- so you're saying, for example, in the
23 Latino population, it may be that there are more
24 children and, therefore, the employment market is
25 much below the actual percentage of Latino

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2 population in the City?

3 I'm just trying to get an understanding
4 of what it means.

5 MS. SEYDA: Right. The percentage of
6 Latinos in the total population is higher than the
7 percentage of Latinos in the employment market.

8 COUNCILMAN COHEN: Well, let me raise
9 -- go back to the African-American population and
10 employment.

11 MS. SEYDA: Certainly.

12 COUNCILMAN COHEN: From just visual
13 observation, I think that the Sanitation
14 Department, the people who pick up, collect the
15 trash, seems to be very heavily African-American.
16 Do you have any percentage on that?

17 MS. SEYDA: I can certain --

18 COUNCILMAN COHEN: I'm saying that if
19 we remove the Sanitation Division from the rest of
20 the City departments, what would be the percentage
21 of City employees who are African-American?
22 Because in the Sanitation Department, I assume, it
23 may we well be 90 percent of the blue-collar
24 workforce; it may be higher.

25 MS. SEYDA: That's probably true.

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2 COUNCILMAN COHEN: Can you get that
3 information? You may not have it available now.

4 MS. SEYDA: I do not have it, you know,
5 readily available right in front of me, but it's
6 very easy to obtain. We have the data and we can
7 give you those numbers.

8 COUNCILMAN COHEN: All right. If you
9 would furnish it to the President, we can't have
10 it circulated.

11 MS. SEYDA: Certainly.

12 COUNCILMAN COHEN: Then if further down
13 on the same page, the Customer Service Center,
14 where is that located?

15 MS. SEYDA: The Customer Service Center
16 is located in space on the 16th floor of the
17 Municipal Services Building.

18 COUNCILMAN COHEN: And is that where
19 people can actually go? 'Cause I notice you have
20 a lot of phone call, but I think there's much of
21 the population that likes to come down and visit.
22 'Cause with all of the phone -- choosing, you
23 know, listen carefully and choose which one, I
24 think people are getting turned off a bit by the
25 use of the telephone.

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2 MS. SEYDA: Well, for those who would
3 like to talk to a real person, yes, our staff is
4 available to any member of the public who walks
5 in, who has questions about City employment, how
6 one applies for City jobs, how the City's
7 employment program works.

8 COUNCILMAN COHEN: Are they available
9 to people who come visit? Is what you're saying?

10 MS. SEYDA: Absolutely, absolutely.

11 COUNCILMAN COHEN: On the 15th floor?

12 MS. SEYDA: 16th floor.

13 COUNCILMAN COHEN: 1-6 or 1-5?

14 MS. SEYDA: 1-6.

15 COUNCILMAN COHEN: 1-6, the Municipal
16 Service Building.

17 MS. SEYDA: Yes. And we encourage
18 interested people to stop by and visit.

19 COUNCILMAN COHEN: All right. Now,
20 with respect to the health benefits, does it --
21 say, the District Attorney or the Register of
22 Wills or the City Council, one of the independent
23 departments, would they have the right to
24 negotiate their own health contracts, for
25 example? Is there anything that compels the

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2 independent departments to participate with the
3 departments under the jurisdiction of the Mayor?

4 MS. SEYDA: All of these -- all of the
5 health and welfare benefits for non-represented
6 City employees are all negotiated centrally by the
7 City.

8 COUNCILMAN COHEN: Well, that's the
9 fact now. Do you know whether or not that has to
10 be the fact by law?

11 MS. SEYDA: No, I do not.

12 COUNCILMAN COHEN: You don't know that?

13 MS. SEYDA: No, I do not.

14 COUNCILMAN COHEN: So the City
15 Solicitor would probably be the proper person to
16 determine that.

17 MS. SEYDA: Yes.

18 COUNCILMAN COHEN: Now, how does the
19 City Council, for example, participate? There was
20 very much unhappiness in the City Council about
21 the enormous increase in costs of prescription
22 drugs, of visits to doctors. There was a great
23 deal of concern that, in many cases HMOs, which
24 were supposed to offer less benefits, in fact,
25 apparently offer -- at least in some cases -- more

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2 benefits than Personal Choice, which costs more.
3 So employees didn't know about it, nobody
4 participated, nobody knew anything about the
5 changes until the information was given, with a
6 very short time to sign up.

7 How does City Council as a body get to
8 participate in the negotiations? Is that
9 possible?

10 MS. SEYDA: We would certainly be
11 willing to have some discussion with you and with
12 other interested members of Council.

13 COUNCILMAN COHEN: All right, 'cause I
14 think that that's a serious concern. Some
15 individuals have reported that -- who are in
16 Personal Choice have learned that people in
17 certain HMOs have better prescription, eyeglasses
18 benefits, maybe other benefits. And they're
19 strung by it 'cause the cost to HMO is much less.
20 They don't know whether, you know, it's balanced
21 out. They don't know why Rite Aid, for example,
22 on the prescription plan has increased its costs
23 500 percent since its inception was the inception
24 dollar for prescription drug, was that just like a
25 come-on, like some of the sale signs are, you

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2 know, we'll bring you in, and then, boy, we'll
3 sock it to you good once, you know, once become
4 our customers. 'Cause it has all the earmarks of
5 that. And I just think something has to be done
6 to permit a broader participating by groups in the
7 bidding process.

8 Is it that the Mayor decides? And I
9 don't mean this criticizing 'cause I know the
10 Mayor and the people that act for him have a tough
11 problem on the budget.

12 MS. SEYDA: Right.

13 COUNCILMAN COHEN: But is it that
14 they're the ones that make the decision as to how
15 much employees shall pay so that, in effect, a pay
16 increase can be negated by increasing the costs of
17 prescriptions and keeping the City's share of the
18 costs lower?

19 I mean, there are all sorts of
20 questions like that. And I just think there's got
21 to be some way of discussing it and some way of
22 making the employees, particularly the non-
23 represented employees, the exempt and the
24 non-represented, there's got to be some way to
25 make them feel that they're not just sitting ducks

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2 when it comes to insurance and that they're going
3 to find their costs constantly rising by enormous
4 figure figures.

5 There was a 100 percent increase in
6 what you pay to doctors just this one year. I
7 think it went from 5 to 10 either this year or the
8 year before.

9 MS. SEYDA: If I could just make a
10 comment on just the prescription drug question
11 generally. And I'm sure that you've seen some of
12 the same information that we have in terms of the
13 increases in prescription drug costs.

14 Generally, this is not something that
15 affects just the City of Philadelphia or just the
16 employees, the non-represented City employees. I
17 know all of the employee organizations are
18 struggling with the same issue and all employers
19 are struggling with the same issues. I mean, we're
20 seeing faster and higher increases in prescription
21 drug costs than in probably any other segment of
22 the health-care industry. And it's certainly, you
23 know, an issue that is of concern to us, just like
24 it's a concern to every other employer.

25 COUNCILMAN COHEN: Except that in this

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2 relationship, I understand that whenever the
3 employees pay more, it saves the City money. The
4 City pays a monthly fee, and it appears to me -- I
5 may be wrong -- but it appears to me that what
6 happens is that the City, without consultation
7 anyway with anybody else, the City decides whether
8 the increase should be borne totally by the
9 employees or by the City or whatever percentage it
10 should be, the cost should be divided between
11 them. It seems to me the employees are paying a
12 disproportionate share.

13 With respect to prescription drugs, I
14 do not believe that there's been a 500 increase in
15 the period of the Rite Aid contract. And that's
16 the reason I'm concerned that the dollar
17 prescription figure originally given was just a
18 come-on to make the Rite Aid program very
19 attractive to the City.

20 MS. SEYDA: Well, on that, if I could
21 just add that the City did absorb a 10 percent
22 increase in the cost of prescription drugs this
23 past year, in 1999. And I would also add that --

24 COUNCILMAN COHEN: Ten percent, did you
25 say?

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2 MS. SEYDA: Ten percent.

3 COUNCILMAN COHEN: But the employees
4 had a 100 percent increase, from \$2.50 to \$5. And
5 that's the kind of problem that --

6 MS. SEYDA: In 1998, the City did
7 increase the employee co-pay from \$2.50 to \$5.
8 That is certainly consistent with the co-pay of
9 all other represented City employees.

10 And I would add that in this day and
11 age, a \$5 co-pay for prescription drugs is very
12 low, and you're seeing many employers putting in
13 co-pays that are higher than \$5.

14 COUNCILMAN COHEN: Wasn't the \$1 much
15 lower than all other plans at the time the City
16 first hired Rite Aid? And the same argument could
17 have been used for a \$5 co-pay then. It would
18 have been in line 'cause I think the State was at
19 least \$5 at the time we got the \$1. I mean, it
20 just seems we were offered a great bargain to
21 entice the City; and since then, the whole
22 arrangement seems to have changed.

23 Therefore, I'm urging, Madam President,
24 I hope we can pursue this in City Council. I
25 think Councilman Nutter and I have resolutions in

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2 City Council calling for a full hearing and
3 investigation. I think that we ought to be asking
4 the City Solicitor for an opinion as to whether
5 City Council has the power to negotiate its own
6 health services contract. We may decide to do it
7 or not do it, but we can at least get into the
8 ball field and see how we will do.

9 Because as far as -- did anybody
10 participate in City Council, as far as you know,
11 in --

12 COUNCIL PRESIDENT Verna: No.

13 COUNCILMAN COHEN: In the plan? It was
14 my understanding we couldn't find a word out in
15 advance.

16 All right, thank you very much. Thank
17 you, Madam President.

18 COUNCIL PRESIDENT Verna: You're
19 welcome.

20 The Chair recognizes Councilman Rizzo.

21 COUNCILMAN RIZZO: Thank you, Madam
22 Chair.

23 Miss Seyda, could you explain to me the
24 role of the Personnel Department as it pertains to
25 Employee Assistance Programs, how the vendors are

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2 hired that service employees with drug, alcohol,
3 or other problems that they need assistance with?

4 MS. SEYDA: Within the Personnel
5 Department, we administer an Employee Assistance
6 Program for non-represented and represented
7 employees in the executive branch of government.
8 We have had that program in place for a number of
9 years.

10 Represented employees have basically
11 run their own employees assistance programs and
12 have funded those out of either dues, money, or
13 other funding that they have. And so those
14 programs have been pretty much under their
15 purview.

16 The program that we have been
17 responsible for has been just the small piece of
18 the program that Family Services of Philadelphia
19 runs for us.

20 COUNCILMAN RIZZO: A City employee
21 that's not represented that has an alcohol,
22 tobacco -- or an alcohol or a drug problem that is
23 referred to an outside agency, non-represented.

24 MS. SEYDA: Right.

25 COUNCILMAN RIZZO: The Personnel

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2 Department administers that?

3 MS. SEYDA: Yes, that's correct.

4 COUNCILMAN RIZZO: What audits are done
5 to assure that we're getting our money's worth,
6 that, in fact, they're not padding the books,
7 saying services were provided that weren't? What
8 oversight do you have?

9 I appreciate you providing information
10 to the Chair on the number of organizations
11 companies, whatever you'd like to call them, that
12 provide services to City employees and get paid --
13 I understand there's a co-pay where the employee
14 has to pay \$5, \$10 each visit, and then the rest
15 is picked up by either the City or medical
16 coverage.

17 How do these companies that provide
18 these services get compensated?

19 MS. SEYDA: I'd be happy to provide
20 that information for you.

21 COUNCILMAN RIZZO: Could you just tell
22 me briefly for the record?

23 MS. SEYDA: Well, for non-represented
24 and exempt employees in the executive branch of
25 government --

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2 COUNCILMAN RIZZO: Legislative.

3 MS. SEYDA: -- we have a program that
4 is provided by Family Services of Philadelphia.
5 We do review, you know, their activities to, you
6 know, ensure that they're appropriate. We do so
7 -- because there's a high level of confidentiality
8 in the service that are oftentimes provided by
9 these organizations, we do need to protect that
10 information.

11 But we do, on a regular basis, review
12 the activities of the provider. That would be for
13 the City-administered programs. The unions are
14 responsible for any programs that they sponsor.
15 And we don't have a formal role in that process.

16 COUNCILMAN RIZZO: So you administer
17 the program --

18 MS. SEYDA: For just a small group of
19 employees, yes.

20 COUNCILMAN RIZZO: Well, the executive
21 and the legislative branches of government, the
22 non-represented folks.

23 MS. SEYDA: At this point in time, I do
24 not believe that City Council participates in the
25 program that --

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2 COUNCILMAN RIZZO: But if a City
3 Council employee needed that service, how would
4 they get it? I believe it's part of that
5 executive -- it's grouped in there, at least I
6 believe it is.

7 MS. SEYDA: Actually, I do not believe
8 that City Council is included in the EAP program
9 that we administer.

10 COUNCILMAN RIZZO: Who would do that
11 then?

12 MS. SEYDA: Excuse me?

13 COUNCILMAN RIZZO: Who would administer
14 that?

15 COUNCILMAN RIZZO: I would have to
16 defer to Council on that.

17 COUNCILMAN RIZZO: I don't think
18 Council administers their own program.

19 MS. SEYDA: Well, we would be happy to
20 have discussions with Council if that's deemed
21 appropriate.

22 COUNCILMAN RIZZO: You're saying today
23 that the only department that the non-represented
24 people are the executive level of government that
25 would be eligible if the need arose to participate

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2 in an employees assistance program?

3 MS. SEYDA: When we set our program up,
4 City Council was not included. I'm not quite sure
5 how or why that happened. All I can basically say
6 is that -- I mean, I know that the program that we
7 administer does not extend to Council and it does
8 not extend to the courts.

9 COUNCILMAN RIZZO: Would the employees's
10 insurance cover it and not need to be covered by
11 your administered program?

12 MS. SEYDA: Oh, absolutely. I mean,
13 there are substance-abuse benefits that are
14 provided through all the health-care programs.
15 And, in fact, the Employee Assistance Program that
16 we have is structured in such a way that it's a
17 counseling program that directs people and assists
18 them in accessing other services in the community,
19 and that generally is the employee's health-care
20 provider.

21 COUNCILMAN RIZZO: I'd be interested in
22 that information. Thank you.

23 Thank you, Madam Chair.

24 COUNCIL PRESIDENT VERNA: Thank you.

25 Are there any other questions or

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2 comments from any members of Council for Miss
3 Seyda?

4 (No further questions.)

5 COUNCIL PRESIDENT Verna: Thank you
6 very much.

7 Ms. Seyda: Thank you for the
8 opportunity.

9 COUNCIL PRESIDENT Verna: Thank you.

10 The next department to testify is the
11 City Representative and Director of Commerce.

12 (Stephen Mullin and Charlie Isdell come
13 forward.)

14 COUNCIL PRESIDENT Verna: Good morning.

15 Mr. Mullin: Good morning, Council
16 President and Councilmembers.

17 COUNCIL PRESIDENT Verna: Please
18 identify yourself for the record and proceed with
19 your testimony.

20 Mr. Mullin: Good morning. My name is
21 Stephen Mullin, I'm the Director of Commerce and
22 City Representative. And with me here today is
23 Mr. Charlie Isdell, Acting Director of Aviation.
24 We're here to present testimony for our FY 2000
25 budget. And if I may, I'll give a brief summary

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2 of that and then open it up for questions.

3 COUNCIL PRESIDENT Verna: Very good.

4 MR. MULLIN: Thank you. The City
5 Representative and Department of Commerce is
6 presenting a \$210 million , roughly 750-employee
7 budget today for FY 2000 operations. And it is
8 broken up in several categories that I would like
9 to briefly give an overview.

10 The Office of City Representative
11 provides support to, first, special events. The
12 special events functions, there are approximately
13 40 or so events during the course of the year,
14 including the Easter Promenade, Israeli Day
15 Parade, (it used to be) CoreStates Pro Cycling
16 Championship, the Greek Picnic, Liberty Medal
17 Presentation, and the Philadelphia Marathon.

18 In addition, the Office of City
19 Representative, in the person of the Deputy City
20 Representative Bonnie Grant is working with Carol
21 DeFries of my staff to join me in cochairing the
22 College Retention Committee, which was established
23 last year.

24 The Office of City Representative also
25 provides support to arts and cultural activities

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2 and technical assistance to local, cultural, and
3 arts organizations, and staffs and supports the
4 activities of the Art Commission. Those are two
5 of the primary functions of the City
6 Representative side of our office.

7 The Commerce side of the office and the
8 Aviation side of the office are two other main
9 portions. The Division of Aviation -- and I've
10 asked Mr. Isdell to make a very brief presentation
11 -- oversees the various planning, operational,
12 and development activities associated with the
13 both the International Airport and the Northeast
14 Philadelphia Airport.

15 Out of our \$210 million request,
16 \$95.5 million of that is a General Fund request.
17 Our Grants Fund request is \$10 million. The Hotel
18 Tax Fund -- which, as you know, is the depository
19 and the fund out of which we pay the hotel tax
20 payments to the Pennsylvania Convention Center
21 Authority and to the Convention and Visitors
22 Bureau -- is \$25 million this year. And the
23 Aviation Fund is approximately \$75 million. We
24 are also proposing a \$5.8 million Community
25 Development Block Grant Budget Fund for the

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2 Department of Commerce.

3 Out of the \$95 million General Fund
4 share, \$61 million of that is made up of the
5 FY 2000 proposal for the Economic Stimulus
6 Program, that's \$21 million, and \$40.5 million of
7 court saving if the State should meet its legal
8 obligation to fund the courts.

9 Of the remaining \$34 million,
10 \$29.2 million of that, or 30 percent, represents
11 our Convention Center lease service fee. It's the
12 payment we make at the beginning of the year, and
13 it gets offset at the end of the year by the hotel
14 taxes collected and passed through the Hotel Tax
15 Fund.

16 The remaining \$4.8 million, or 5
17 percent, will be utilized for basic departmental
18 operations.

19 In addition to the items that I
20 mentioned before the General Fund, this 5 percent
21 that goes into the General Fund General Operations
22 include the support of our office for the Greater
23 Philadelphia Film Office, which is supported in
24 kind and through staffing, and the Historic
25 Philadelphia Inc., which is supported with a

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2 \$500,000 annual grant.

3 This proposed General Fund Budget also
4 includes this year a \$1.5 million Class 500 item,
5 which would institutionalize the additional
6 \$0.5 million that Council provided during the
7 current fiscal year to the Philadelphia Cultural
8 Fund. So a combination of two major subsidies for
9 outside funding are Historic Philadelphia Inc. and
10 the Philadelphia Cultural Fund. The Cultural
11 Fund, as some of you might know, during FY '99,
12 made grants to 182 local arts and cultural
13 institutions, including the Asian Arts Initiative,
14 the Minority Arts Resource Council, the
15 Philadelphia Dance Company, Painted Bride Arts
16 Center, the library Company of Philadelphia, and
17 the Philadelphia Art Alliance, and probably about
18 175 more entities.

19 The Commerce Department also functions
20 as a coordinating entity for the City's economic
21 development programs and initiatives. Commerce
22 directly manages the State Enterprise Zone
23 Program, the Neighborhood Economic Development
24 programs for the City, both the Community
25 Development Block Grant and works with the

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2 economic development-related Capital Improvement
3 International Business Development. The Sister
4 Cities Program is run out of our office through a
5 contract with the International Visitors Center,
6 which is co-located with us at 1515 Arch, and the
7 business services function of the City, through
8 the Mayor's Business Action Team, which is a
9 division of the Commerce Department.

10 We also contract with and work closely
11 with both the Philadelphia Industrial Development
12 Corporation and the Philadelphia Commercial
13 Development Corporation to deliver loan and
14 financing programs and other business services on
15 behalf of the City, including contracts with PIDC
16 for the Economic Stimulus Funding and
17 administering that funding program.

18 For FY 2000, we plan to submit a
19 request and will be reviewed with the regular
20 Block Grant Budget after the Operating Budgets
21 here at Council. We plan to submit, at least
22 preliminarily, an allocation of \$5.8 million. Out
23 of that 5.8 million, 3.2 goes to the Commercial
24 Development Corporation (PCDC) for both operations
25 and for their loan and financing programs. And

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\$290,000 goes to the Philadelphia Industrial Development Corporation for the administration and implementation of our various loan programs. And the Commerce Department utilizes 2.3 million, or roughly 40 percent of that, for our staffing for both administration and for our Neighborhood Economic Development programs, including our activities with the Empowerment Zone and Enterprise Zone programs.

11 Now, if I may, if I could turn the mike
12 over to Charlie Isdell and ask him if he could
13 give a brief overview of the Aviation Fund.

14 COUNCIL PRESIDENT VERNA: Good
15 morning.

16 MR. ISDELL: Good morning.

17 Thank you, Steve.

18 The Philadelphia National Airport, as
19 you know, was the fastest growing airport in the
20 United States during calendar year 1997. In
21 calendar year 1998, it continued to grow, and we
22 served over 24.2 million passengers, which is an
23 increase of approximately 8 percent over our 1997
24 record level of 22.5 million passengers.

25 It's anticipated, when the rankings are

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2 released of the top airports in the United States
3 this spring, that Philadelphia International will
4 be among the top 20 airports for the first time
5 since the early 1980s.

6 Specifically, our international traffic
7 increased to 2,450,000 passengers in calendar year
8 1998. This is a 23 percent increase over the
9 1.9 million international passengers who used our
10 parent in 1997. Over the past two years,
11 international traffic has increased at our airport
12 at a rate of 58 percent. We now have daily
13 nonstop service to Rome, Paris, London, Madrid,
14 Frankford, Munich, and Amsterdam.

15 Recent developments include this past
16 year's new service by US Airways from Philadelphia
17 to London's Gatwick Airport, which started last
18 April 1st, and to Amsterdam last April 29th.
19 Northwest Airlines followed shortly thereafter
20 with its own nonstop to Amsterdam on May the 1s.
21 More recently, Air Aruba commenced nonstop to
22 Aruba four times a week on December 11th.

23 In the coming months, before the end of
24 this fiscal year, Lufthansa Airlines will be
25 re-initiating daily nonstop service to Frankford

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2 effective March 29th. And US Airways will add a
3 second flight to Paris effective March 1st. US
4 Airways has also applied to the US Department of
5 Transportation for the authority to initiate
6 nonstop service from Philadelphia to Milan,
7 Italy. We expect a response on that application
8 by the end of this month.

9 Some of the accomplishments we achieved
10 with budget appropriations approved by this
11 Council in the past year have included a
12 first-class food, beverage, and retail concession
13 program. By the end of this fiscal year, 131
14 locations will be open to provide both national
15 brand and local products to the traveling public
16 at competitive street pricing.

17 We completed negotiations in December
18 1998 with Atlantic Aviation as our new fixed-base
19 operator at both PHL and Philadelphia Northeast
20 airports. We initiated a new Visual Arts Program
21 in July of this past year, which presents rotating
22 exhibits throughout the airport complex in a
23 variety of media, including fine arts, ceramics,
24 sculpture, and photography. And in that program
25 to date, we've emphasized artists from the

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2 Philadelphia region.

3 We also provided during calendar 1998 a
4 number of new amenities for the huge increase in
5 international arriving passengers that we've
6 experienced in our Terminal A. That program
7 included a video wall prior to the escalator
8 leading to the immigration hall. Also, a series
9 of video monitors with multilingual directions for
10 arriving passengers. Those languages are English,
11 Spanish, French, Italian, and German.

12 And we have set up a workforce of
13 uniformed personnel to try to greet and expedite
14 international passengers. And that workforce
15 breaks out food and beverages whenever there's a
16 delay of more than 30 minutes in the international
17 arrivals area.

18 The Airport is also proud of the fact
19 that it's kept its costs competitive and actually
20 reduced costs to the airlines. One of the ways
21 that that measurement is maintained is what we
22 call our "annual charge to the scheduled
23 airlines." That charge decreased from
24 \$60.5 million in Fiscal Year 1998 to
25 \$58.6 million in Fiscal 1999.

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2 The per-passenger cost to the airlines
3 at our airport has now been dropped from \$2.81 in
4 Fiscal 1997 to \$2.36 per passenger in Fiscal 1999.

5 We're also very proud of the fact that
6 the bond rating agencies have improved our bond
7 ratings within the past 12 months. Moody's moved
8 its rating to an A for the first time in 14
9 years. Standard & Poor's upgraded the Airport's
10 bond rating from A- to A, and Fitch IBCA affirmed
11 the current rating of A, which was already in
12 place.

13 Some of the things that we're doing
14 large projects to accommodate the incredible
15 growth that we have experienced in the past few
16 years include the completion by the end of this
17 year of a \$221 million 5,000-foot commuter runway,
18 the construction of a \$295 million 12-gate
19 international terminal (dubbed "Terminal One"),
20 which is scheduled for completion in May of 2001,
21 and the construction of a \$57 million 38-gate
22 commuter and jet terminal (Terminal F) scheduled
23 for completion in late 2000.

24 Our operating budget proposed for
25 Fiscal Year 2000 is \$73.8 million. That's an

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2 increase of 6.3 percent over the Fiscal '99
3 appropriation level of \$69.4 million.

4 Our total Fiscal 1999 Aviation Fund
5 request is for \$183.9 million. This includes
6 appropriations in the Police, Fire, Fleet
7 Management, Public Property, Law, and Finance
8 departments, as well as the Sinking Fund
9 Commission, which will be fully funded by revenues
10 from the operation of the City's two airports --
11 Philadelphia International and Northeast
12 Philadelphia Airport. These non-tax revenue
13 sources include terminal building space rentals,
14 landing fees, net parking revenue, concession
15 fees, and other revenue sources.

16 As in previous years, no General Fund
17 resources will be used to support operations at
18 either Division of Aviation facility.

19 And I want to thank Madam President and
20 Councilmembers for your support in the past. And
21 we're available for questions.

22 COUNCIL PRESIDENT VERA: We thank you
23 for doing such a wonderful job, Charlie.

24 MR. ISDELL: Thank you.

25 COUNCIL PRESIDENT VERA: Mr. Mullin,

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2 what is the requested funding level of the
3 Economic Stimulus Program in FY 2000? Can you
4 tell us, have any of these funds been committed at
5 this time?

6 MR. MULLIN: Yes. May I interject one
7 quick note, Madam President and Madam Chair?
8 Downstairs, you might know that -- people might
9 know that this is PAL Day in the City.

10 COUNCIL PRESIDENT VERA: Yes.

11 MR. MULLIN: And I've been joined by
12 today, and I'd love to introduce, Katie Gross from
13 Nazareth Academy, who is helping me out today as
14 the PAL City Representative and Director of
15 Commerce. As you can imagine, she has come at a
16 perfect time to help me and Charlie and the rest
17 of our staff here. So I do want to introduce
18 Katie Gross.

19 COUNCIL PRESIDENT VERA: Katie, we
20 welcome you. Hope you enjoy your day.

21 MISS GROSS: Thanks.

22 MR. MULLIN: And I'll be conferring
23 with her during the answering of some of my
24 questions. Thank you.

25 This year we are looking at a budget

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2 amount of \$21 million for FY 2000 for the Stimulus
3 Program. And in terms of commitments, we have
4 identified not so much specific commitments, but
5 the rough categories, as we have in the past, our
6 belief is that this 21 million, in addition to the
7 39.5 million from the current fiscal year, will
8 allow us to complete all of the current projects
9 that are either underway or proposed or have had
10 commitments. And we're looking at approximately
11 out of that \$21 million, approximately a 50/50
12 breakout for neighborhood economic development and
13 business retention.

14 COUNCIL PRESIDENT VERA: Mr. Mullin,
15 would you provide us with a detailed breakdown as
16 to how these funds have been committed and the
17 economic benefit that the City derives from these
18 expenditures for the FY '99 funds?

19 MR. MULLIN: Yes, we will provide that.

20 COUNCIL PRESIDENT VERA: Thank you.

21 Mr. Mullin, you indicate in your
22 testimony that you anticipate that the City will
23 apply for additional Section 108 funds in FY 2000.
24 What is the total of Section 108 loans that you
25 have received to date?

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2 MR. MULLIN: I'll have to get that
3 information for you. The total -- and to make
4 sure I'm understanding this, the total amount that
5 we have applied for and/or committed --

6 COUNCILWOMAN VERNA: That you have
7 received.

8 MR. MULLIN: -- to the federal
9 government? Yes.

10 COUNCILWOMAN VERNA: What is the total
11 amount of the 108 loans that you have committed to
12 the various projects?

13 MR. MULLIN: Okay.

14 COUNCIL PRESIDENT VERNA: And what is
15 the amount of the Section 108 loans that you will
16 be applying for in FY 2000?

17 MR. MULLIN: Okay. We do have a
18 summary here that I can provide. I will ask, if I
19 may, to introduce Bill Hankowsky.

20 COUNCIL PRESIDENT VERNA: Mr.
21 Hankowsky.

22 (Bill Hankowsky comes forward.)

23 MR. HANKOWSKY: Bill Hankowsky,
24 President, Philadelphia Industrial Development
25 Corporation.

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2 Council President, as you know, we have
3 a maximum amount that we're allowed to borrow from
4 the federal government under this program, which
5 is five times our annual block grant allocation.
6 So the maximum amount we're allowed to borrow is
7 \$343,565,000.

8 As of February 1st, HUD had approved
9 applications of \$214,940,000. I should note that
10 that doesn't necessarily mean we've spent it, but
11 they've approved the application and projects may
12 be underway.

13 There currently is pending in
14 Washington \$85 million of applications. That
15 leaves approximately \$43.5 million, which, between
16 the Office of Housing and Community Development in
17 projects that in the current fiscal -- current
18 Community Development Block Grant year 24 and year
19 25, they expect to use about 23 million of that.
20 And there's one other project we're looking at
21 submitting an application for the remaining 20.

22 COUNCILWOMAN VERNA: I'm sorry, I
23 didn't hear your last statement.

24 MR. HANKOWSKY: I'm sorry. And there's
25 one other project that we would look to submit an

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2 application for this year for 20 million. The
3 result would be, by the end of this calendar year,
4 we would have submitted applications for all of
5 the funding.

6 COUNCIL PRESIDENT Verna: Is the
7 \$20 million application a secret? Or can you
8 share that with us?

9 MR. HANKOWSKY: Oh, no, it's been
10 here. We think it's for the Jump Street USA
11 project on North Broad. There was a Tax Increment
12 Financing District proposal that Council approved
13 for that project. We are in negotiations with the
14 developer. It's a tentative number. We're not
15 sure whether we need all of it, any of it, or, you
16 know, to make the math work, and that's why we
17 haven't submitted it, but we know which project it
18 is.

19 COUNCIL PRESIDENT Verna: Thank you.
20 Fine.

21 The Chair recognizes Councilman Nutter.

22 COUNCILMAN NUTTER: Thank you, Madam
23 Chair.

24 I'm sorry, Mr. Hankowsky? I apologize.
25 I missed your earlier response, but did I

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2 understand somewhere in the back and forth either
3 from yourself or Mr. Mullin that we would get a
4 list of all the HUD 108 loans? Did you say that?

5 MR. HANKOWSKY: I had mentioned -- the
6 Council President had asked for stimulus loans and
7 stimulus projects commitments, but we can
8 definitely get the HUD 108s too.

9 COUNCILMAN NUTTER: What's the current
10 outstanding number? How many HUD 108 loans have
11 we made?

12 MR. HANKOWSKY: I honestly can't tell
13 you quickly off the top of my head just because,
14 as you -- part of the program is the loan pool, so
15 we've done small loans out of the pool to various
16 companies and transactions. I just -- I don't
17 know, we probably have done -- and then the Office
18 of Housing and Community Development uses it for
19 housing projects, so you have to add both
20 together.

21 COUNCILMAN NUTTER: Right. But then
22 you guys will also use them for the TIFs.

23 MR. HANKOWSKY: Yeah.

24 COUNCILMAN NUTTER: I mean, there must
25 be a sheet somewhere or something. I assume

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2 somebody's keeping track of how many HUD 108 loans
3 we've made.
4 MR. HANKOWSKY: We have them. I could
5 add them up if you want to wait a second.
6 COUNCILMAN NUTTER: I have one of those
7 PECO calculators they gave us. Energy-efficient.
8 MR. HANKOWSKY: We've settled 12 loans
9 that were approved and have settled and have drawn
10 the money. Two more have been approved.
11 COUNCILMAN NUTTER: Are you talking
12 total or in the past year? I mean, I have no
13 context for --
14 MR. HANKOWSKY: Total, I'm sorry,
15 total.
16 COUNCILMAN NUTTER: 12 HUD 108 loans?
17 MR. HANKOWSKY: Yes.
18 COUNCILMAN NUTTER: Ever?
19 MR. HANKOWSKY: Well, ever's a -- there
20 was a HUD 108 program in the '70s or early '80s.
21 COUNCILMAN NUTTER: Well, I'd like to
22 talk about programs that have been happening since
23 I've turned 30, okay?
24 MR. HANKOWSKY: Since it's been used by
25 the current administration.

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2 COUNCILMAN NUTTER: Right. That's --
3 right, we're in the '90s now, let's talk about
4 that.

5 MR. HANKOWSKY: Yes. That's the number
6 we've settled since then.

7 COUNCILMAN NUTTER: 12.

8 MR. HANKOWSKY: Yeah.

9 COUNCILMAN NUTTER: Total dollar
10 amount?

11 MR. HANKOWSKY: 37 million. I think
12 that's right -- no, wait a minute, no.

13 COUNCILMAN NUTTER: Can't be.

14 MR. HANKOWSKY: No. That's -- I'm
15 sorry. I --

16 COUNCILMAN NUTTER: You've put 37
17 million in some individual projects.

18 MR. HANKOWSKY: Yeah. I have all the
19 data here but it's not assembled the way you're
20 asking the question.

21 COUNCILMAN NUTTER: Right.

22 MR. HANKOWSKY: I apologize for that.
23 But this is out of the loan pool -- what I just
24 gave you is out of the loan pool.

25 COUNCILMAN NUTTER: Right.

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2 MR. HANKOWSKY: So it's 12 out of the
3 loan pool, 37 million.

4 There's also -- we've settled the
5 Hawthorne Suites in the Loews Hotel. That's
6 roughly another 25 million.

7 We're working to settle four others
8 there and then six more are on the pipeline that
9 have been approved and haven't settled.

10 COUNCILMAN NUTTER: How 'bout if --

11 MR. HANKOWSKY: If you gave me a day, I
12 could assemble it the way you're asking the
13 question.

14 COUNCILMAN NUTTER: Through the Chair
15 every HUD 108 loan that is -- you're terminology
16 is "settled." I'd like to know about them. They
17 may not be settled, but they've been designated,
18 right?

19 MR. HANKOWSKY: Yep.

20 COUNCILMAN NUTTER: For a project.

21 MR. HANKOWSKY: Yep.

22 COUNCILMAN NUTTER: So the general
23 assumption is that most of these, if they've been
24 designated, they're going to settle.

25 MR. HANKOWSKY: That's right.

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2 COUNCILMAN NUTTER: So from the start
3 of the administration and the HUD 108 Loan
4 Program, I'd like to know every loan that's been
5 made, who it's been made to, what the project is,
6 jobs, all the other information that goes with
7 that.

8 Now, is there a cap on the total dollar
9 amount of 108 loans you can grant?

10 MR. HANKOWSKY: Yep.

11 COUNCILMAN NUTTER: And what is that?

12 MR. HANKOWSKY: That number for the
13 City right now is \$343,565,000.

14 COUNCILMAN NUTTER: 343. And what
15 would you say off the top of your head -- how
16 close are we to the 343 million cap?

17 MR. HANKOWSKY: In response to the
18 Council President's question, I walked through
19 what's approved, what's submitted, and what we
20 think is going to happen in the upcoming Community
21 Development Block Grant project, which I don't
22 think you have yet.

23 But in talking with OHCD, what they're
24 thinking they're doing with housing, if all that
25 happens, as laid out, by the end of year 25 of the

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2 CDBG program, which would be, I guess, July 2000,
3 all their capacity would be used.

4 COUNCILMAN NUTTER: Your testimony is
5 that by July of next year, we will have no HUD 108
6 loan capacity.

7 MR. HANKOWSKY: We will have -- I want
8 to be very precise. We will have borrowed from
9 the federal government or that total number.
10 There will still be money in the loan pools to
11 loan out for transactions; all that won't have
12 been committed.

13 COUNCILMAN NUTTER: Well, you're making
14 a distinction, I guess, here today with which I AM
15 apparently somewhat unfamiliar. What is the
16 difference between the loan pool that you continue
17 to talk about, which sounds like individual
18 businesses getting loans, and how is that
19 different from Hawthorne Suites, any one of the
20 TIFs that we've done? I mean, don't we have a HUD
21 108 loan in the Kvaerner project?

22 MR. HANKOWSKY: Yes, we do.

23 COUNCILMAN NUTTER: What's the
24 distinction?

25 MR. HANKOWSKY: I'll try to do it

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2 briefly, but I may not be able to do it completely
3 briefly.

4 The HUD 108 Program has been used in
5 one of three ways in Philadelphia, three generic
6 ways. One is for housing projects. I mean I
7 think 70 -- almost 79 million to date in housing
8 projects, and there's about 23 million in the
9 pipeline that OHCD has worked on. So housing is
10 one generic category.

11 A second is -- Hawthorne Suites is
12 probably a very typical example -- a single
13 transaction where we apply to the federal
14 government, get an approval, take the money, loan
15 it to the project. So it's approved by project by
16 the federal government. We, in our jargon, call
17 those "stand-alones." In other words, they stand
18 individually transactionally.

19 The third generic category is -- and I
20 believe this remains the case -- we're the only
21 city in the country that they had to approve a
22 program where we could actually draw the money
23 down from HUD, have it in Philadelphia, have
24 negotiated lending criteria with HUD, and be able
25 to loan it as a company comes in. Asia Food is an

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2 example up on American Street. So there's a
3 transaction, we can look at it and say it meets
4 the lending criteria that we -- the underwriting
5 criteria that we have with HUD, and we can loan it
6 into the transaction. We do not go back to HUD
7 for approval.

8 COUNCILMAN NUTTER: And is that money a
9 part of this --

10 MR. HANKOWSKY: Yes.

11 COUNCILMAN NUTTER: -- \$340 million
12 cap?

13 MR. HANKOWSKY: Yes, it is.

14 COUNCILMAN NUTTER: So how much money
15 is in the loan pool?

16 MR. HANKOWSKY: To date, we have
17 borrowed 50 million from HUD for the loan pool.

18 COUNCILMAN NUTTER: Mm-hmm.

19 MR. HANKOWSKY: And that first number I
20 gave you when you began questioning was the 12,
21 have come out of the pool.

22 COUNCILMAN NUTTER: And you've used 37
23 million --

24 MR. HANKOWSKY: Yeah.

25 COUNCILMAN NUTTER: -- of the 50

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2 million.

3 MR. HANKOWSKY: Right.

4 COUNCILMAN NUTTER: So you have 13

5 million left in the pool.

6 MR. HANKOWSKY: Right. There's a
7 pipeline, which I'm happy to share, and the report
8 will provide you of what's in the pipeline. And
9 you have --

10 COUNCILMAN NUTTER: So there's \$50

11 million in the loan --

12 MR. HANKOWSKY: I'm sorry, could I just
13 make one other point --

14 COUNCILMAN NUTTER: Okay.

15 MR. HANKOWSKY: -- just for accuracy?
16 And we also have an application at HUD for
17 another, quote/unquote, round of money to go into
18 the loan pool. And I'll show that in a report,
19 too.

20 COUNCILMAN NUTTER: All right. Let's
21 go back to -- the cap is \$343 million.

22 MR. HANKOWSKY: Mm-hmm.

23 COUNCILMAN NUTTER: What's the cap
24 based on?

25 MR. HANKOWSKY: It is a statutory

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2 provision that you take five times a community's
3 annual Community Development Block Grant
4 allocation. And whatever that math is -- in
5 Philadelphia's case, it's this number -- is your
6 cap of how much you can have outstanding in HUD
7 108 borrowing at any one point in time.

8 COUNCILMAN NUTTER: So we get somewhere
9 in the --

10 MR. HANKOWSKY: 68 million.

11 COUNCILMAN NUTTER: 68, \$69 million
12 range.

13 MR. HANKOWSKY: Right, mm-hmm.

14 COUNCILMAN NUTTER: And 5 times that
15 gives you the 343.

16 MR. HANKOWSKY: That's right.

17 COUNCILMAN NUTTER: Of which you've set
18 aside \$50 million as a loan pool amount.

19 MR. HANKOWSKY: Mm-hmm.

20 COUNCILMAN NUTTER: To go to different
21 businesses. And the remaining \$293 million just
22 goes into projects?

23 MR. HANKOWSKY: Well, again --

24 COUNCILMAN NUTTER: TIFs.

25 MR. HANKOWSKY: Well, 79 million is

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2 going into housing projects. Another 82 million
3 has gone into projects. And then -- and that's in
4 terms of projects that HUD has approved.

5 Again, in a report, we'd be happy to
6 provide you. We can show you applications
7 submitted and applications being worked on.

8 COUNCILMAN NUTTER: Okay. Well, that's
9 161.

10 MR. HANKOWSKY: Right.

11 COUNCILMAN NUTTER: So you've still got
12 another --

13 MR. HANKOWSKY: Again, I walked through
14 these and I'd be happy to do it again.

15 HUD has approved 214 million in
16 applications we've submitted from Philadelphia,
17 214 million. Now, 82 million are these individual
18 transactions, 50 million's the pool, 79 million is
19 housing, and there's a small 3.9 million that goes
20 to that first round of 108s that was done in the
21 early '80s. So they stay on the books until
22 they're paid off.

23 There's \$85 million in applications
24 currently pending at HUD that have been submitted
25 but have not been approved.

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2 COUNCILMAN NUTTER: Well. . . I mean,
3 this is not too high a math here. But there's
4 \$214 million in applications -- you said submitted
5 or approved?

6 MR. HANKOWSKY: No, I said approved,
7 214 million approved.

8 COUNCILMAN NUTTER: Right. And 82
9 million in the projects.

10 MR. HANKOWSKY: Right.

11 COUNCILMAN NUTTER: 50 million in loan
12 pool.

13 MR. HANKOWSKY: Right.

14 COUNCILMAN NUTTER: 79 million in
15 housing.

16 MR. HANKOWSKY: Right.

17 COUNCILMAN NUTTER: The quick math on
18 that is 425.

19 MR. HANKOWSKY: No. No, no. The 82.50
20 and 78 are the subset of the 214.

21 COUNCILMAN NUTTER: Gotcha.

22 MR. HANKOWSKY: Did the breakout of the
23 214.

24 COUNCILMAN NUTTER: All right.

25 MR. HANKOWSKY: I'm sorry.

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2 COUNCILMAN NUTTER: All right. Now,
3 you've not a statutory limit of 5 times what your
4 CDBG allocation is.

5 MR. HANKOWSKY: Right.

6 COUNCILMAN NUTTER: Your testimony is
7 that by June of 2000 --

8 MR. HANKOWSKY: Right.

9 COUNCILMAN NUTTER: -- you anticipate
10 in hand and allocated and in the pipeline intended
11 to be allocated, we will be at the statutory cap.
12 Is that your testimony?

13 MR. HANKOWSKY: That's right. And I
14 want to be -- 'cause I'm -- I don't -- that's also
15 based on information I've received from the Office
16 of Housing and Community Development.

17 COUNCILMAN NUTTER: Right, I
18 understand.

19 MR. HANKOWSKY: So I'm not totally
20 conversant with their pipeline.

21 COUNCILMAN NUTTER: Gotcha.

22 MR. HANKOWSKY: But we obviously
23 consult because --

24 COUNCILMAN NUTTER: Let's say you're
25 very close.

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2 MR. HANKOWSKY: Yeah, mm-hmm.

3 COUNCILMAN NUTTER: So in the past 7
4 years, you have run potentially right up -- it
5 will be 7.58, you will have run right up to the
6 line of the cap. What do we do after that?

7 MR. HANKOWSKY: As I said, there will
8 still be funding in the pool. Again, I hope I'm
9 not making a mistake. I'm not trying to be
10 bureaucratic, but there'll be money in the pool
11 for individual transactions that come along.

12 COUNCILMAN NUTTER: Right.

13 MR. HANKOWSKY: And there will be -- in
14 effect, as loans are paid off or projects are paid
15 off, you'll recreate capacity, if you think of it
16 as a borrowing limit or, you know, like a debt
17 ceiling for bonds.

18 COUNCILMAN NUTTER: Right.

19 MR. HANKOWSKY: As it gets paid down,
20 we could go back and put something back under it.
21 In fact, loans are being paid off now.

22 So, again, when Madam Chair asked, I
23 took a snapshot on February 1st.

24 COUNCILMAN NUTTER: Right.

25 MR. HANKOWSKY: To pick any date, it

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2 will be slightly different as we retire some
3 loans.

4 COUNCILMAN NUTTER: Well, as you give
5 information back to the Chair, then why don't -- I
6 think then what I would like to see is a schedule
7 that lays out in a post-June 30, 2000 environment,
8 say, for the next 10 years, what the yearly
9 repayments are from the previously issued loans
10 and how much will then be in the pool and
11 available to be re-lent.

12 MR. HANKOWSKY: Okay. We can do that.
13 But, you know, it will be somewhat projecting.

14 COUNCILMAN NUTTER: Right, I
15 understand.

16 I mean, I'd just like to have a sense
17 of -- I mean, you know, in its hey day, maybe, you
18 know, two or three years ago, while there are
19 always more projects than there is money
20 available, it's nice to know that you have a large
21 chunk of cash that you can put into projects. And
22 your testimony here today is essentially those
23 days are over.

24 MR. HANKOWSKY: Mm-hmm.

25 COUNCILMAN NUTTER: And they will be

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2 much smaller in comparison --

3 MR. HANKOWSKY: Yes.

4 COUNCILMAN NUTTER: -- to dollars
5 available for these kinds of projects going
6 forward because there's been tremendous activity
7 over the past three, four years.

8 MR. HANKOWSKY: That's right, you're
9 exactly right. Doing another \$20 million loan
10 would be extremely difficult; doing another 3 or 4
11 may not be on an order of magnitude. That's
12 right.

13 COUNCILMAN NUTTER: You might be able
14 to do a 20, but that's the only one you're going
15 to do.

16 MR. HANKOWSKY: Right.

17 COUNCILMAN NUTTER: All right, okay.

18 Thank you, Madam Chair. I do have
19 another question but I do know that my time
20 expired about five minutes ago.

21 COUNCIL PRESIDENT VERNA: Thank you.

22 The Chair recognizes Councilman Ortiz.

23 COUNCILMAN ORTIZ: Thank you, Madam
24 Chair.

25 Director, in terms of the Empowerment

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2 Zone, the stories that in terms of investment and
3 buying up properties that have come out of the
4 Daily News, what are the systems in place to be
5 able to check whether the taxpayers' money is
6 being invested wisely in terms of monies being
7 spent?

8 MR. MULLIN: Basic systems that we have
9 in place, there are normal procedures, you know,
10 for acquiring property -- more often than not to
11 go through either the Redevelopment Authority or
12 PIDC or sometimes PCDC, just --

13 COUNCILMAN ORTIZ: Why was there not
14 appraisals and the usual things that take place
15 when you're buying real estate in this case?

16 MR. MULLIN: You're referring to the
17 Cecil B. Moore and the --

18 COUNCILMAN ORTIZ: In that case,
19 definitely, but --

20 MR. MULLIN: Right. I don't know. We
21 are looking to find out exactly what happened with
22 those transactions.

23 COUNCILMAN ORTIZ: Shouldn't that be a
24 matter of concern that we're spending taxpayers'
25 money, and the process that a run-of-the-mill real

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2 estate person takes to check market value or
3 appraise the properties and so on before they
4 enter into negotiations and business, we're not
5 taking.

6 MR. MULLIN: I think you're question
7 was, Shouldn't that be? and my answer is yes. And
8 that is, we're looking into --

9 COUNCILMAN ORTIZ: That leads to, what
10 are we doing with the other investments in terms
11 of the Empowerment Zone? And I'd like to begin
12 looking further into that, and I would like to see
13 how much money has been sent, the process of
14 expenditures, how many jobs have been created.
15 Because this is -- obviously, the Empowerment Zone
16 is about creation of jobs and the loans that have
17 been given, the grants that have been given
18 through the Empowerment Zone. And get that to the
19 President.

20 MR. MULLIN: Yes. And I'll note that's
21 both on specific projects as well as the loan
22 programs from the financial institutions that were
23 set up.

24 COUNCILMAN ORTIZ: Right.

25 MR. MULLIN: And they are all three now

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2 in the three subzones, they are all three now
3 actively engaged. Just one year ago, we still
4 weren't -- at least one of the three zones still
5 did not have its financial institution --
6 Community Bank, essentially -- up and lending, but
7 now we do, and we can provide that information for
8 both direct out of the Zone as well as through the
9 financial partnership.

10 COUNCILMAN ORTIZ: Yeah, the contracts
11 that have been given from the Zone and so on.

12 Before the budget process is over, I
13 really would you like to have a full discussion
14 and -- because -- and if you can get those
15 materials so that when we have the discussion, the
16 Council people here can have a sense of what we're
17 talking about. Because right now, we get more
18 information from the newspaper than we get from
19 the Administration in terms of the Empowerment
20 Zone.

21 I don't know about you, Madam Chair,
22 but I get absolutely nothing in terms of how this
23 money is being spent and whether it's being used
24 properly. All right?

25 MR. MULLIN: Yes, we will provide that

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2 information.

3 COUNCIL PRESIDENT VERNA: Thank you.

4 Councilman, are you finished?

5 COUNCILMAN ORTIZ: Yes.

6 COUNCIL PRESIDENT VERNA: As we all
7 know, today is PAL Day, and Martina Nash, who is
8 17, is the President of City Council today. She
9 is a five-year member of the Ford PAL Center at
10 Seventh and Snyder Avenue and also attends -- she
11 is a senior at Bok Vocational.

12 We certainly welcome you here today.

13 And at this point, I will recognize
14 Councilman Rizzo. And I will relinquish my chair
15 to Ms. Nash for just a few minutes.

16 MS. NASH: Councilman Rizzo.

17 COUNCILMAN RIZZO: Madam President
18 could I have an extra minute?

19 (Laughter.)

20 COUNCILMAN RIZZO: Thank you. Welcome.

21 My question to Mr. Mullin is the
22 entertainment center that currently is having some
23 problems on the 1500 block of Cecil B. Moore.
24 Last fall, an oversight committee was made up of
25 Administration officials and was formed in an

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2 effort to get the project back on track. Could
3 you bring us up to speed on what went wrong and
4 what we're doing to hopefully restart such a very
5 important project that apparently got off to a
6 very bad start?

7 MR. MULLIN: Perhaps I could -- if I
8 may summarize where -- I think where we found that
9 it went off on the wrong -- sort of in the wrong
10 direction. And where we think it went off in the
11 wrong direction were basically costs associated
12 with some change orders in the project as they
13 were developing and changing the project during
14 the course of its initial construction; the most
15 significant of those being a desire to add a
16 basement to the facility that would allow space
17 for day care and connect with the rest of the
18 facility. The conditions and -- it flooded, and
19 it basically ended up where there were significant
20 cost overruns.

21 At that point -- at that point, that's
22 when we got together and called all the parties
23 together said, Okay, what's going on here, let's
24 take a look at what options do we have for the
25 future given what we've already put in, what our

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2 potential tenants are going to be. About that
3 same time, we found out that we couldn't use the
4 word Billy -- and I'm using royal "we" here, but
5 we couldn't use the name "Billie Holiday." And
6 then that original idea of the center changed into
7 now a restaurant-nightclub with offices above.

8 We looked at a variety of possible
9 alternatives there, including a one-story
10 building, a slab-on-grade continuing. And we
11 decided that the best possible direction would be
12 to continue -- to scale the building down slightly
13 but keep it a multistory building. And we are
14 working out now with the construction company and
15 construction management -- new construction
16 management exactly what are the costs and the
17 timetable for that.

18 COUNCILMAN RIZZO: Did you or the
19 developer hire the construction manager from
20 Baltimore?

21 MR. MULLIN: I think the developer and
22 the Empowerment Zone actually hired, but it was
23 through the oversight group that was set up to
24 identify them, I believe.

25 COUNCILMAN RIZZO: We made an effort to

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2 try to find someone local?

3 MR. MULLIN: I don't know -- I don't
4 know all of the details on that. My strong guess
5 is that yes, we did take a look locally. I'll
6 have to find out.

7 There were some specific -- the
8 Baltimore construction management company had some
9 specific workings in this type of building and in
10 this type of project.

11 COUNCILMAN RIZZO: Has the committee
12 concluded its internal audit of the expenditures
13 at this point?

14 MR. MULLIN: I think they have.
15 There's not been a final audit, but they're
16 wrapping things up, yes.

17 COUNCILMAN RIZZO: Okay. And according
18 to a media report, it indicates that the project
19 should soon restart?

20 MR. MULLIN: We're hoping that it will
21 restart very soon. I can't say whether that's in
22 the next month or so, but I hope it will begin
23 this spring, or restart this spring.

24 COUNCILMAN RIZZO: My final question is
25 in reference to the Airport, Mr. Isdell. Could

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2 you explain briefly to me the police that are
3 assigned to the Philadelphia International
4 Airport, the police officers. Are they completely
5 funded by the Aviation Fund? Do the airlines pay
6 the entire tab for the Philadelphia police that
7 are assigned to the Philadelphia International
8 Airport?

9 MR. ISDELL: Yes, that is correct.

10 COUNCILMAN RIZZO: That's 100 percent?

11 MR. ISDELL: Yes. I believe that that
12 includes personnel cost, employee benefits,
13 vehicles.

14 I would assume that they get some
15 support from the Central Police Headquarters
16 downtown. But for the most part, our entire
17 police contingent is budgeted through the Aviation
18 Fund. Let me just double-check.

19 (Mr. Isdell confers with someone off
20 mike.)

21 MR. ISDELL: So I was actually wrong.
22 We actually reimburse Police Headquarters for
23 central service costs in addition to the on-site
24 staff.

25 COUNCILMAN RIZZO: Do you know how many

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2 police officers are assigned to the Philadelphia
3 International Airport total? Because that's a
4 number that we need to subtract pretty much out
5 when we talk about how many police officers that
6 we have in the City.

7 How many police officers, without
8 revealing -- I'm not talking about undercover --
9 approximately how many officers?

10 MR. ISDELL: We have 116 budgeted
11 positions, and they are kept filled almost 100
12 percent of the year, we try to keep them filled.

13 COUNCILMAN RIZZO: So when we talk
14 about 6800 police officers, we should factor out
15 that number of police officers that are committed
16 to the Airport, they stay at the Airport. If
17 there's a parade, the airlines don't want their
18 officers that they're paying for to go to the St.
19 Patrick's Day parade.

20 So I would assume that those -- you say
21 168 officers.

22 MR. ISDELL: 116.

23 COUNCILMAN RIZZO: That those 116
24 officers are assigned to the Airport and aren't
25 pulled away.

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2 MR. ISDELL: Yes. I'm sorry, the very
3 last thing you said, Councilman? I thought --

4 COUNCILMAN RIZZO: Those officers are
5 not reassigned. If there's a parade,, they don't
6 pull 10 officers from the Airport to cover a
7 parade. My point is, if the airlines are paying
8 for them, they expect them to be there.

9 MR. ISDELL: That's correct. And if
10 there were a rare occasion where an Airport police
11 officer were pulled to do duty in a different part
12 of the City, that would not paid for by the
13 Aviation Fund; that would have to be paid for by
14 the General Fund. I'm not aware of any situation
15 where that's happened in the last five years or
16 so.

17 COUNCILMAN RIZZO: When a police
18 officer has to work overtime, is summoned to
19 court, does the airlines also pay for that?

20 MR. ISDELL: Yes, yes.

21 COUNCILMAN RIZZO: So there's no
22 expense for the police officers, 116, from the
23 taxpayers; it's all funded through the Airport.

24 MR. ISDELL: Right. There's no expense
25 to the General Fund whatsoever.

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2 COUNCILMAN RIZZO: With the expansion
3 at the Airport and the terminals and all the
4 facilities, have we added any police, have any
5 police been taken? Has that number increased in
6 the last year or two?

7 MR. ISDELL: It's really held pretty
8 steady, and I would say that's a credit to our
9 captain, Captain John MacArthur and the management
10 of the available resources. We have done some
11 creative things such as, you know, acquisition of
12 carts and vehicles that enable them to be more
13 mobile. But we have not done any increased
14 staffing over the past four or five years.

15 COUNCILMAN RIZZO: Very good. Thank
16 you very much. I appreciate that.

17 MR. ISDELL: May I take this
18 opportunity to introduce the new Acting Director a
19 of Aviation, Lorenzo Jackson, who's to my right,
20 and he's a student at Central High School, 15
21 years old, a junior-varsity basketball player, and
22 I believe he's participated in AIDS walks and
23 other events at Central High School. And welcome.

24 COUNCILMAN RIZZO: Nice to see you.

25 (Lorenzo Jackson stands for

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2 recognition.)
3 (Applause.)
4 COUNCILMAN RIZZO: Thank you, Madam
5 Chair.
6 MISS NASH: You're welcome. The
7 Councilman recognizes -- oh, the Chair recognizes
8 Councilman Nutter.
9 COUNCILMAN RIZZO: Very good.
10 COUNCILMAN NUTTER: Thank you, Madam
11 Chair.
12 COUNCIL PRESIDENT VERNA: You're doing
13 a nice job.
14 COUNCILMAN NUTTER: She's a very quick
15 study, Madam President, yes. She'll probably cut
16 me off when the buzzer goes off, too.
17 Mr. Mullin, I'd like to talk about. . .
18 some time ago, there was a meeting with the
19 Roxborough Business Association to talk about a
20 business marketing study for Ridge Avenue. Is it
21 my understanding that there's funding available
22 for these types of studies from time to time that
23 have been performed in other neighborhoods across
24 the City?
25 MR. MULLIN: Yes, under our -- what

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2 I've been referring to as our "Expanded Commercial
3 Corridor Program."

4 COUNCILMAN NUTTER: Okay. And is it a
5 particularly exhaustive process to go through to
6 get funding for one of these market studies?

7 MR. MULLIN: There shouldn't be. There
8 was an exhaustive process that preceded our
9 actually setting up the program itself, but there
10 shouldn't be an exhaustive process in identifying
11 -- in proposing projects like that and getting
12 our funding or requests that the proposing entity
13 go back and find some matching funds or
14 restructure things.

15 COUNCILMAN NUTTER: Well, could you put
16 some time and attention toward figuring out how I
17 could get grant funding for a market study for the
18 Roxborough Business Association and the Ridge
19 Avenue corridor? It is a corridor that is stable
20 but needs some support. And given the host of
21 other things that we are able to find funding for,
22 there's no reason why we should not be able to
23 support this particular effort.

24 Ridge Avenue is a commercial corridor
25 surrounded by a whole lot of residential and

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2 potential customers. We're trying to upgrade the
3 area, but having a business marketing study would
4 be very helpful. I'd like to try to get that done
5 as soon as possible and no later than the spring.

6 MR. MULLIN: I'd be happy to do that.

7 In fact, I'm a bit surprised. If you had asked me
8 that in the hallway or here officially, my first
9 response would have been, "I thought we had
10 already processed and approved that," so I will
11 double-check.

12 COUNCILMAN NUTTER: Well, I appreciate
13 the quick approval. If you could share that with
14 the folks that need to get the money to them, I'd
15 appreciate that as well.

16 MR. MULLIN: Okay.

17 COUNCILMAN NUTTER: All right, thank
18 you.

19 Madam Chair, I return my time. I don't
20 know who you'd like to allocate it to.

21 MS. NASH: The Chair recognizes
22 Councilwoman Blackwell.

23 COUNCILWOMAN BLACKWELL: Thank you.
24 Thank you, Madam Chair.

25 I understand, Mr. Mullin and Mr.

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2 Isdell, you mentioned the Economic Stimulus Fund
3 in the Section 108 and that you'll get us a
4 listing. I am also interested in the detail about
5 the Commercial Revitalization Program and Facade
6 Improvement in the Small Business Revolving Loan
7 as it affects my district. If I could have that.

8 MR. MULLIN: Yes.

9 COUNCILWOMAN BLACKWELL: Also, I'm
10 interested in the Mortgage Loan Neighborhood
11 Development Fund. So those are my areas of
12 interest.

13 MR. MULLIN: Mortgage --

14 COUNCILWOMAN BLACKWELL: Such as they
15 affect my area. As you know, we've started a West
16 Philadelphia on the Move initiative. We've
17 established a corporation, and we need all the
18 information that we can because 52nd Street and
19 60th Street are our anchors.

20 MR. MULLIN: Yes.

21 COUNCILWOMAN BLACKWELL: And this third
22 issue that I would like to mention, we mentioned
23 the other day that we were concerned about the
24 Paul Robeson House being mainstreamed for the
25 City. They are one of the newest agencies. They

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2 have their marker outside. They're still fighting
3 for funding, and they need to be put on the
4 register as one of the sites for our city, the
5 main sites.

6 Also, I met with Belmont Mansion and
7 Audrey Johnson-Thornton. And she is concerned
8 about the yearly threat that they may have to
9 move. And, you know, Belmont Mansion's done a lot
10 in recent years, but they're still always
11 threatened every year that they may have to move,
12 and other related issues, which relate to the
13 parks in our city, and we want to get past that.

14 And, finally, the Freedom Theater. I
15 don't know whether there's some funding issues
16 involved that we hope are resolved, and we would
17 appreciate it if you would check into those
18 cultural institutions for us.

19 MR. MULLIN: I certainly will.

20 COUNCILWOMAN BLACKWELL: Thank you, Mr.
21 Mullin.

22 MR. MULLIN: Thank you.

23 COUNCILWOMAN BLACKWELL: Thank you.

24 MS. NASH: The Chair recognizes
25 Councilman Rizzo.

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2 COUNCILMAN RIZZO: Mr. Mullin, I'd like
3 to go back to the Entertainment Center. I
4 neglected to ask a question, that I need to help
5 compose a response to a letter that I received.
6 The nightclub. There supposedly was going to be a
7 nightclub in the basement. I heard you mention a
8 day care center. I understood that the basement
9 was going to accommodate nightclub.

10 This is a nonprofit. Could you explain
11 to me how a nightclub fits into the mix of things
12 as it pertains to that facility? Who is going to
13 operate it? Is the nonprofit going to operate a
14 nightclub?

15 MR. MULLIN: I think the original idea
16 was to have that as a Billie Holiday Center, which
17 would include a nightclub and be part of
18 development on both sides of the street there,
19 that it would sort of resurrect a jazz and music
20 theme and a potential for a radio station in the
21 building, so I think it was a part of the overall
22 theme.

23 I can certainly find out and I will
24 find out who was envisioned to be the management,
25 but I don't believe that it was supposed to be

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2 managed by the City agencies or the Empowerment
3 Zone. I don't believe that. But I'm not exactly
4 sure.

5 COUNCILMAN RIZZO: We expect to spend
6 \$3.4 million, maybe close to \$4 million to build
7 this facility? Thirty jobs, is that kind of a
8 little out of kilter?

9 MR. MULLIN: It's a little -- well, it
10 depends on which kilter, and I think those numbers
11 -- we don't know what the final numbers are but I
12 think those are definitely in the order of
13 magnitude that it will be.

14 It is a particular type of development
15 that really is -- we're hoping, that this will
16 spur development along the rest of the lock and
17 continue the development, both in the beach
18 interplex and the Jump Street further to the
19 east.

20 So we're hoping that this is not just a
21 stand-alone 30 jobs but instead, a part of the
22 redevelopment of the entire avenue for several
23 blocks there.

24 COUNCILMAN RIZZO: So is it safe for me
25 to understand that normally, you would hope to

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2 employ more than 30 people for an investment of
3 \$3.5 million?

4 MR. MULLIN: For our loan programs, for
5 example, we usually have a number of how much will
6 we lend during our grant programs per job, and
7 they can be -- for various programs, they can be
8 \$25,000 per job, \$50,000 per job, on that order of
9 magnitude -- and in some special cases, a little
10 bit more.

11 This one, partly because of the cost
12 overruns, when you divide the total project cost
13 by the number of jobs, it will be higher
14 definitely than our average. But we're hoping
15 again that part of the benefits will not be just
16 at that particular site but for helping spurring
17 redevelopment on all sides of the site.

18 COUNCILMAN RIZZO: I assume we've
19 learned something from this. I assume that a plan
20 is needed before a project begins because,
21 apparently, the people that have called me,
22 talked, are very disappointed and troubled by the
23 fact that this very important project was handled
24 badly and probably could be almost finished today
25 if the monies, the Empowerment Zone Fund were

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2 being managed better.

3 Would you agree?

4 MR. MULLIN: I'm not so sure about that
5 it could be done today, but it could be much
6 further along, and there's no question that I
7 think we have learned both about the process and
8 the coordination of projects like this. Yes.

9 COUNCILMAN RIZZO: It amazes me that
10 anyone would add on a basement without checking to
11 see what the conditions are prior to making that
12 decision, to set a shovel in to start digging a
13 hole, knowing what you're dealing with. And I was
14 led to believe that that was never done.

15 MR. MULLIN: I'm not exactly sure of
16 the specific finding, but I think that that was a
17 part of the findings, yes.

18 COUNCILMAN RIZZO: Okay. Thank you
19 very much.

20 Thank you, Madam Chair.

21 MS. NASH: Does anyone have any more
22 questions?

23 (No further questions at this time.)

24 MS. NASH: Thank you.

25 MR. MULLIN: Thank you, Madam Chair.

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2 Thank you, Councilmembers.

3 MS. NASH: Next is the Mayor's Office
4 of Information Services.

5 (Brian Anderson et al come forward.)

6 MR. ANDERSON: Good morning, Council
7 President and members of City Council.

8 MS. NASH: Good morning.

9 MR. ANDERSON: I am Brian Anderson,
10 Chief Information Officer for the City of
11 Philadelphia. Here with me today is Dr. Karl
12 Bortnick, Chief Program Officer for our agency;
13 Mr. Richard Congo, who's the Enterprise Manager;
14 and Norm Reilly who's our Budget Officer.

15 On behalf of the entire staff of the
16 Mayor's Office of Information Services, I am
17 pleased to provide this testimony on our proposed
18 Fiscal 2000 Operating Budget.

19 The Mayor's Office of Information
20 Services is requesting a total of \$13 238,000 from
21 the General Fund for Fiscal Year 2000. We are
22 requesting \$7.5 million for Class 100, 54 million
23 for Class 200, and \$252,000 for Classes 300 and
24 400.

25 With the Fiscal Year 2000 Budget, we

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2 will provide continued and enhanced service to
3 support the City's central and departmental
4 computer systems. More specifically, in Fiscal
5 Year 2000, MOIS's priority is ensuring that the
6 City will be able to meet the challenge of the Y2K
7 problem.

8 Madam President, because of the
9 complexities related to the disclosure of our
10 efforts and progress in the Year 2000 effort, I am
11 requesting that this written disclaimer be
12 included with our written testimony. I have
13 several copies that I can provide to you.

14 As you know, on January 1, 2000, the
15 date logic that operate many computer systems and
16 equipment with embedded technology may not
17 function properly because they may not be able to
18 distinguish the Year 2000 from the Year 1900. Any
19 computer systems or software program that does not
20 incorporate a four-digit in its date logic will
21 potentially fail or be disrupted by this problem.

22 Last March, the City implemented a plan
23 to minimize the risk of disruption of City
24 services or operations caused by the Y2K problem.
25 We established a Year 2000 Steering Committee

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2 under the direction of the Managing Director and
3 myself. This committee is in place to oversee
4 citywide activities to remediate any problems and
5 to minimize our risk.

6 To date, we have identified over 700
7 critical governmental processes that are dependent
8 on hundreds of computer systems, electronic
9 equipment, and external contracted vendors. For
10 each of these, the City identified the probability
11 of failure, the impact associated with the
12 potential failure, the remediation requirements,
13 and the contingency planning necessary.

14 To minimize any potential disruptions,
15 the City has undergone a thorough risk assessment
16 of four major areas of information technology.
17 They include: the City's financial and
18 administrative systems; the City's information
19 technology, which includes all of the City's
20 personal computers, its network infrastructure and
21 its related software; the City's facilities in
22 embedded technology; the utilities and other
23 critical vendors that the City depends on to
24 operate properly.

25 In addition to all of our activities

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2 that we have started that and we continue to work
3 on, we hosted a Year 2000 Readiness Forum in
4 December 1998 that included representatives from
5 Boston, New York City, Washington D.C., Baltimore,
6 Chicago, and Detroit. This form provided
7 benchmark and best-practice information and
8 collaboration opportunities that are valuable in
9 our ongoing efforts for the year 2000.

10 Another key initiative for our agencies
11 for FY 2000 is our Electronic Government
12 Initiative. The growth of Internet access and
13 services is well documented. Nearly every day,
14 there are news stories on how the Internet has
15 revolutionized our lives. The City is committed
16 to this electronic revolution by providing City
17 information and services to the public
18 electronically.

19 Another key initiative is the
20 Geographic Information Systems. The use of
21 Geographic Information Systems technology within
22 City departments is growing rapidly. GIS
23 technology links information to digital map
24 images, which is an important tool for many City
25 departments. For example, it provides the Health

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2 Department and the Planning Commission, the
3 housing agencies, and other departments an
4 extensive capability for mapping and analysis.

5 The Data Warehousing Initiative. Data
6 warehousing will provide the City with
7 opportunities to improve its management processes
8 by using historical trends and measures as a basis
9 for making strategic and operational decisions.
10 Data warehousing is technology that allows users
11 to easily report trends and performance from
12 detailed transactional data.

13 Our initiatives to increase the value
14 of information technology. MOIS will continue to
15 increase the value of information technology for
16 the City by developing new programs that maximize
17 the efficiency and minimize the cost of technology
18 needed to support the City's businesses and
19 operational needs. These initiatives include
20 upgrading the City's central data center and
21 mainframe computer systems by August of 1999. The
22 central mainframe system will be upgraded,
23 enabling MOIS to provide and improve service and
24 lower citywide computer hardware costs.

25 The Desktop Support Services Contract.

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2 The new citywide contract for the Desktop Support
3 Program improves the quality of service and
4 significantly reduces the costs related to the
5 desktop maintenance contract.

6 The Consolidated Purchasing Program for
7 Personal Computers. The new Consolidated
8 Purchasing Program implemented by MOIS and the
9 Procurement Department significantly improved the
10 process of purchasing a computer. The time from
11 order to delivery was reduced from 90 days to 23
12 days. The average cost of a PC has dropped from
13 approximately \$2200 per unit to \$1,100 per unit.

14 The initiative to upgrade our "Citynet"
15 network infrastructure. The City's enterprise
16 network system is one of the largest local
17 government systems in the country, allowing City
18 employees to access citywide e-mail and various
19 other software applications. As a result of the
20 upgrade plan, Citynet will grow from approximately
21 15,000 users to 30,000 users to incorporate the
22 addition of the School District.

23 In conclusion, we can all be proud as a
24 government for the advances in technology made to
25 date. This progress could not have been

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2 accomplished without the collaborative effort of
3 countless technology staff and managers from the
4 Mayor's Office of Information Services and other
5 City departments as well as the support of City
6 Council itself.

7 New technologies like the Internet
8 provide opportunities for us to grow significantly
9 and to improve services in the image of City
10 government. This new technology also presents new
11 challenges and complexities that must be carefully
12 managed to ensure the successful transition of the
13 City of Philadelphia government into the 21st
14 century.

15 Madam President, this concludes my
16 testimony. I want to thank City Councilmembers
17 for their ongoing support, and I will be glad to
18 answer any questions you may have.

19 COUNCIL PRESIDENT VERA: Thank you.

20 Could you tell us what the City's
21 strategic plan for becoming Y2K-compliant is?
22 What do you estimate this will cost? And does the
23 City's budget include this funding?

24 MR. ANDERSON: The City's strategy is
25 to approach the Y2K problem as a risk-management

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2 problem. We have focused on identifying all of
3 our critical services and all of the critical
4 functions that are required to support those
5 services. So we have identified, as I stated in
6 my testimony, over 700 business processes that are
7 critical by the nature of my definition.

8 Our approach is to investigate every
9 computer system and every technology, every
10 equipment with embedded technology and every
11 supplier, contractor or supplier, to ensure that
12 no problems will occur.

13 To date, most of the costs related to
14 the Year 2000, our Year 2000 efforts, have been
15 included within our General Budget. And I do not
16 have an exact cost for you at this time, but I
17 could put together something for you if you need
18 it.

19 COUNCIL PRESIDENT VERNA: I appreciate
20 it.

21 You indicate in your testimony that the
22 Year 2000 Steering Committee will be guiding all
23 of the City's agencies in evaluating the Year 2000
24 problem. When will you be in a position to brief
25 City Council on the status of the Steering

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2 Committee's findings on the various contingency
3 plans?

4 MR. ANDERSON: We are currently -- as
5 far as our contingency plans are concerned, we are
6 currently scheduled to have most of the plans
7 completed by April. We're in the process of
8 developing the plans. So I would guess that
9 sometime around May, we would be in a position to
10 give you a status on those plans.

11 COUNCIL PRESIDENT VERNA: It's my
12 understanding that we have somebody here from the
13 Law Department. I would like to have whoever's
14 here from the Law Department read into the record
15 the disclaimer that was circulated to us.

16 COUNCIL PRESIDENT VERNA: So that the
17 record is very, very clear.

18 (Michael Athay of the Law Department
19 comes forward.)

20 MR. ATHAY: Madam Chair, I'm Michael
21 Athay. For the benefit of the court reporter,
22 it's spelled A-T-H-A-Y. I am a Divisional Deputy
23 Solicitor.

24 COUNCIL PRESIDENT VERNA: Excuse me.
25 Would you mind pulling the microphone closer to

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2 you, please. Thank you.

3 MR. ATHAY: I will read the disclaimer
4 that Mr. Anderson had asked to be included in his
5 written testimony into the record now.

6 COUNCIL PRESIDENT VERNA: Thank you.

7 MR. ATHAY: The City believes that its
8 Y2K Readiness Initiative is a sound and rational
9 program for responding to a complex and difficult
10 challenge and one which is obviously
11 unprecedented. We believe that the Readiness
12 Initiative will be effective within the limits of
13 our resources and technology in substantially
14 reducing the chances of disruption or failure of
15 computing and other electronic systems because of
16 Y2K-related causes.

17 However, it is impossible for the City
18 so guarantee that all of the systems on which the
19 City depends will be unaffected by Y2K
20 disruptions. Therefore, the statements set forth
21 in this testimony are not intended to create any
22 warranty contract or legally-binding
23 representation on the part of the City or its
24 vendors or suppliers.

25 Furthermore, the statements in this

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2 testimony are intended as a Year 2000 statement
3 under the Federal Year 2000 Information and
4 Readiness Disclosure Act, which limits civil
5 liability based upon Year 2000 statements as
6 defined in the Act and are made subject to all of
7 the protections of the Act.

8 COUNCIL PRESIDENT VERNA: Thank you.

9 The Chair at this time recognizes
10 Councilman Rizzo.

11 COUNCILMAN RIZZO: Thank you, Madam
12 Chair.

13 Mr. Anderson and other members of
14 Council, I believe, are aware that I sponsored a
15 resolution requesting hearings on this issue, and
16 I am -- I want to get a date that will accommodate
17 the schedule. I expect to bring in members of the
18 utilities and banking industries, transportation,
19 Mr. Anderson, and other department heads to talk
20 about this issue.

21 So I just wanted to be on the record
22 that we plan to have a hearing in City Council.
23 When we get that hearing date, we'll obviously
24 notify you and have other again agencies, other
25 than city Government, here to -- especially the

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2 agencies that you're so very dependent on and
3 we're so very dependent on -- to make sure that
4 this Year 2000 doesn't become a serious problem in
5 our region. So I just wanted to make sure that
6 we're all waiting for that date.

7 Thank you very much.

8 Thank you, Madam Chair.

9 COUNCIL PRESIDENT Verna: You're
10 welcome.

11 Are there any other questions or
12 comment from members of the committee?

13 (No further questions at this time.).

14 COUNCIL PRESIDENT Verna: Thank you.

15 (Gail S. Greene et al come forward.)

16 COUNCIL PRESIDENT Verna: Good
17 afternoon.

18 MS. GREENE: Good afternoon, Madam
19 Chair.

20 COUNCIL PRESIDENT Verna: Please
21 identify yourself for the record and proceed with
22 your testimony.

23 MS. GREENE: I am Gail Greene,
24 Executive Director of the Mayor's Office of
25 Community Services.

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2 I present this testimony on behalf of
3 the Mayor's Office of Community Services (MOCS),
4 which hereby requests appropriation authorization
5 in the amount of \$41,771,261, of which \$40,634,071
6 is from the Grants Revenue Fund, and \$1,137,190 is
7 from the General Fund for Fiscal Year 2000.

8 This authorization level will
9 accommodate anticipated Grants Revenue from the
10 federal and State governments as well as local
11 agencies specifically earmarked for MOCS to
12 provide quality services in assisting low-income
13 Philadelphians to achieve self-sufficiency. All
14 funding levels are estimated from Fiscal Year 1999
15 grants or preliminary information from the funding
16 agencies.

17 In 1964, Congress passed the Economic
18 Opportunity Act. Consequently, in 1965, the
19 Community Action Agency of Philadelphia was
20 established. Now known as "the Mayor's Office of
21 Community Service" (or MOCS), we offer a broad
22 menu of referral and direct services to
23 individuals who are considered economically
24 disadvantaged.

25 MOCS continues today to achieve these

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2 goals set forth by this inspired act of Congress
3 more than 30 years. Over these decades, MOCS
4 diversified its revenue stream, which today
5 includes funds from:
6 The Pennsylvania Department of Economic
7 and Community Development for our Community
8 Services Block Grant;
9 The United States Department of Health
10 and Human Services for Title XX Block Grant funds
11 for the Philadelphia Empowerment Zone;
12 Private Industry Council funds for
13 summer youth and employment;
14 The United State Department of Commerce
15 Telecommunications and Information Infrastructure
16 Assistance Program funds for our Community
17 Services Network;
18 And the Pennsylvania Commission on
19 Crime and Delinquency for our Communities that
20 Care Program.
21 Fiscal year 1999 and 2000 activities.
22 The bulk of MOCS' operating funds are derived from
23 the Community Services Block Grant. With these
24 dollars, MOCS' Neighborhood Organizing Staff
25 provides outreach, referral, and direct services

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2 in the following areas: landlord/tenant issues,
3 utility assistance, child care, housing,
4 employment, leadership training, conflict
5 resolution, and electrical choice education.
6 Satellite offices are located in Frankford,
7 Germantown, South Philadelphia, North
8 Philadelphia, West. Northeast Philadelphia, and
9 the Mayor's Action Center in City Hall.

10 The Healthy Start Neighborhood Lending
11 Closets loans new and used baby furniture and
12 clothing to families in the Southwest and West
13 Philadelphia areas. The items loaned include
14 cribs, car seats, high chairs, strollers,
15 bassinets, and other essentials that promote a
16 safe and health environment for newborns.

17 Our Adolescent Initiative Program, or
18 AIP, assesses the needs of adolescents who are in
19 the foster-care care system and helps them on the
20 road to independent living.

21 Youth Web is a computer-based
22 after-school program for youths ages 13 to 18.
23 This program provides technology-oriented skills
24 development training for youth. Instruction is
25 given in computer applications, Internet use,

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2 computer repair, and technology-related
3 job-readiness skills.

4 Workwise is our comprehensive program
5 designed to address problems that have prevented
6 TANF recipients from obtaining employment.
7 Workwise services include life skills training,
8 job development, and job placement. Job coaches
9 are assigned to participant throughout the
10 employment process to assist in job retention.
11 Workwise participants are referred from the County
12 Assistance Office.

13 Our Foster Grandparents Program offers
14 significant part-time volunteer opportunities to
15 well seniors age 60 and over to serve children and
16 teenagers who have special needs. Foster
17 grandparents provide one-on-one nurturing support
18 to children who have been abused or neglected.
19 They mentor troubled teenagers and young mothers
20 and care for premature infants and children with
21 physical disabilities.

22 The MOCS Adult Basic Education Program
23 provides basic literacy education and support to
24 adult clients who are reading at or below a
25 fourth-grade level. The program also offers GED

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2 preparation and computer-assisted learning.

3 Our Family Development Center provides
4 intensive case management services to families who
5 are at risk for homelessness, child abuse or
6 neglect, welfare sanctions, and community
7 isolation. The Family Center is located in South
8 Philadelphia and offers workshops and training and
9 budgeting and home management, job readiness,
10 parenting, abuse prevention, nutrition,
11 self-esteem-building, and other subjects.

12 The West Oak Lane Senior Center,
13 located in the northwest section of the city,
14 offers programs and activities that promote
15 self-esteem and self-worth as well as address the
16 individual needs of our senior citizens.

17 The Philadelphia Community Services
18 Network uses the latest technology available to
19 coordinate and support the delivery of health and
20 human services in Philadelphia. This system
21 utilizes a Web-enabled PC that has the capability
22 to search a directory of agencies within the City.

23 English as a Second Language provides
24 bilingual educational supports in a multilevel
25 classroom setting. This program's non-English-

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2 speaking customers also have access to on-site
3 computer lab for self-directed learning.

4 The new Frankford Family Development
5 Center, expected to open next month, will provide
6 intensive case-management services to at-risk
7 families in Frankford. The center will also
8 function to leverage community resources and to
9 advocate for children and families.

10 Workforce Solutions 2000 provides TANF
11 recipients with skills assessment, case-management
12 support, life skills development, basic office
13 technology training, job-search skills
14 information, and employment retention services.
15 The goal of the program is to place participants
16 in jobs with medical benefits and an hourly wage
17 that will enable them to become self-sufficient.
18 A total of 110 participants have been placed in
19 jobs since the program began in March of 1998.

20 The MOCS Summer Youth Program offers
21 14- through 21-year-old youth summer educational
22 and work experience. In the summer of 1999, we
23 anticipate that this program will provide at least
24 500 youths with the opportunity to build their
25 basic skills and become familiar with the

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2 expectations of today's work world.

3 Beginning in March of 1999, one new
4 Super Food Cupboard and one Emergency Food
5 Cupboard, in Northwest and North Philadelphia
6 respectively, will provide groceries to families
7 five days a week on an as-needed basis. In
8 addition to groceries, the Super Food Cupboard
9 will provide 8-week educational cycles consisting
10 of 20 participants each. As part of this program,
11 there will be two on-site food preparation
12 demonstrations per week by nutritionists, plus on
13 workshop related to nutrition and healthy life
14 styles.

15 The Emergency Food Cupboard to operate
16 North Philadelphia does not include the
17 educational component of a the Super Food
18 Cupboard.

19 MOCS also provides administrative
20 services to the federally-funded Empowerment Zone
21 Program. The three neighborhoods that constitute
22 Philadelphia's Empowerment Zone are the American
23 Street Corridor, North Central Philadelphia, and
24 sections of West Philadelphia, and they are
25 witnessing tangible improvement.

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2 Community and economic development
3 partnerships among City residents, City agencies
4 and community-based organizations have brought
5 about significant change in these communities.
6 The Zone promotes economic development in these
7 once industry-rich neighborhoods. It has made
8 significant progress in developing the untapped
9 resources of the areas served. Since its
10 inception in 1995, 80 new businesses opened their
11 doors in the Empowerment Zone, while 400 new jobs
12 were created and 1,000 jobs were retained.

13 Both West Philadelphia and American
14 Street will welcome new retail centers, keeping an
15 estimated \$400,000 annually that the residents
16 currently spend outside of their neighborhoods
17 within those neighborhoods.

18 Community lending institutions have
19 also been created in each of the three
20 neighborhoods, serving business that are often
21 rejected by transitional financial institutions.

22 The Communities That Care Program
23 supports the implementation of anti-crime and
24 public safety strategies in the Empowerment Zone.
25 The programs at Communities that Care planning

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2 process galvanizes Empowerment Zone residents
3 around important crime-fighting strategies,
4 including career development and job opportunities
5 for youth, parental involvement in schools, and
6 after-school programs for youth.

7 The Philadelphia Graffiti Abatement
8 Teams and the Mural Arts Program and ArtScape are
9 the three core components of the City's aggressive
10 campaign to eradicate graffiti. Resources of the
11 City's operating departments are mobilized for the
12 graffiti-fighting efforts. Through MOCS, Graffiti
13 Abatement Crew members have been hired and
14 deployed under the direction of the Managing
15 Director's Office. The details of this initiative
16 are presented in a testimony given by Tom Conway,
17 Deputy Managing Director overseeing the City's
18 anti-graffiti efforts.

19 The Department of Recreation
20 collaborates with MOCS on the operations of the
21 Mural Arts Program. Artists work with young
22 people and community leaders to paint murals on
23 recreation centers and other community
24 facilities. The program, which is described in
25 more detail in Jane Golden's separate testimony,

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2 completed 147 murals in Fiscal Year 1998 with 155
3 murals projected for Fiscal Year 1999, and 166 for
4 Fiscal Year 2000.

5 MOCS also continues its tradition of
6 engaging graffiti offenders in community service
7 and positive career-development opportunities.
8 MOCS established Urban ArtScape to work with youth
9 and young adults who have been adjudicated for
10 graffiti and other property crimes. In Fiscal
11 Year 2000, at least 100 youth referred by the
12 "Graffiti Courts," Youth Aid Panels, School
13 District, and SEPTA will be involved in supervised
14 community services programs.

15 In addition Urban ArtScape introduced
16 its participants to new and more productive forms
17 of self-expression such as poetry, drama, dance,
18 music, painting, and sculpture. The youths are
19 also exposed to career and cultural development
20 opportunities with the aim of helping them select
21 a career, find a job or apply for college.

22 President Verna and members of Council,
23 this concludes my Fiscal Year 2000 testimony. I
24 will be happy to answer any questions that you may
25 have at this time.

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2 COUNCIL PRESIDENT Verna: Thank you.
3 Can you tell me if the MOCS Office is
4 still located at Broad and Reed?
5 MS. GREENE: Yes.
6 COUNCIL PRESIDENT Verna: It is?
7 MS. GREENE: Yes. That's our Family
8 Development Center.
9 COUNCIL PRESIDENT Verna: How many walk
10 in and out of there a day?
11 MS. GREENE: Miss Freeman, can you
12 answer that?
13 (Emma Freeman comes forward.)
14 MS. FREEMAN: At present, we're seeing
15 85 families. With those 85 families, you know,
16 they come in and out Monday through Friday -- not
17 consistently but at least once a week.
18 COUNCIL PRESIDENT Verna: Oh, that's
19 wonderful. Because I, you know, for the longest
20 time, I don't know that people knew that you were
21 located there. And they questioned, you know,
22 Well, what do they do?
23 So I think that now that you're
24 becoming known into the community, that's
25 wonderful.

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2 MS. FREEMAN: I must say that we're
3 very much know. We're running out of space, and
4 we're looking for a new facility.

5 COUNCIL PRESIDENT VERNA: I'm very
6 happy to hear that. That's great.

7 How long have you been there?

8 MS. GREENE: Where, 1408 South Broad?

9 COUNCIL PRESIDENT VERNA: Yes.

10 MS. GREENE: We moved in February of
11 1995.

12 COUNCIL PRESIDENT VERNA: Good.

13 The Chair recognizes Councilman Ortiz.

14 COUNCILMAN ORTIZ: Thank you.

15 My staff asked me to recall, because
16 we've been getting phone calls from the Latino
17 community in terms of making phone calls, and they
18 don't have anyone at the MOCS office that speaks
19 Spanish, and they keep getting referred to us and
20 so on.

21 MS. GREENE: We do have one
22 Spanish-speaking community organizer, and her
23 office is located at Sixth and Lehigh Avenues.
24 However, she's been on detail in the field,
25 working on a special project, but the other

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2 problem is that they haven't had heat in there
3 this winter, so we had to deploy the other staff
4 member who does not speak Spanish up to the
5 Frankford office.

6 But we do have one Spanish-speaking
7 employee, Wanda Baltimore, whose office location
8 is at Sixth and Lehigh.

9 COUNCILMAN ORTIZ: One.

10 MS. GREENE: One.

11 COUNCILMAN ORTIZ: One. That's
12 pitiful. Not enough.

13 MS. GREENE: Well, it's also my
14 understanding that -- well, we have another -- we
15 have other Spanish-speaking employees, but they're
16 not community organizers.

17 COUNCILMAN ORTIZ: It's a big
18 population in North Philadelphia. How many
19 employees does MOCS have?

20 MS. GREENE: 215.

21 COUNCILMAN ORTIZ: And out of that, you
22 have one?

23 MS. GREENE: No, no. We one community
24 organizer who --

25 COUNCILMAN ORTIZ: How many organizers

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2 do you have?

3 MS. GREENE: We have eleven.

4 COUNCILMAN ORTIZ: And you have one.

5 MS. GREENE: We have one

6 Latino-speaking --

7 COUNCILMAN ORTIZ: And how many other
8 employees, Latino employees, do you have in MOCS?

9 MS. GREENE: How many other Latino
10 employees do we have?

11 COUNCILMAN ORTIZ: Yes.

12 MS. GREENE: Director of Operations,
13 Wayne Williams, can you answer that question?

14 (Mr. Williams responds inaudibly off
15 mike.)

16 MS. GREENE: But I can get specific
17 information for you.

18 COUNCILMAN ORTIZ: Could I get the
19 specific information as to what positions they
20 hold and where they are situated and where they
21 are located and so on?

22 MS. GREENE: Yes.

23 COUNCILMAN ORTIZ: All right.

24 Thank you, Madam Chair.

25 COUNCIL PRESIDENT VERNA: Thank you.

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2 Are there any other questions or
3 comments from any members of the committee?

4 (No further questions at this time.)

5 COUNCIL PRESIDENT VERNA: Thank you
6 very much.

7 MS. GREENE: Thank you.

8 COUNCIL PRESIDENT VERNA: Next is the
9 Anti-Graffiti Abatement Program.

10 (Thomas Conway and Jane Golden come
11 forward.)

12 MR. CONWAY: Good morning, President
13 Verna and members of City Council. I am Thomas M.
14 Conway, Deputy Managing Director and the Director
15 of the City's Graffiti Abatement Program. Joining
16 me today to present testimony on the FY 2000
17 Operation Budget is Jane Golden, Artistic Director
18 of the Mural Arts Program.

19 During last year's testimony, we
20 described the City's efforts as an "all-out war on
21 graffiti." I believe that the numbers I'm about
22 to present to Council reflect a success that has
23 been experienced thus far, a success that cannot
24 be sustained without Council's continued support
25 on our assault against graffiti vandalism.

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2 In FY 1998, with the assistance of the
3 expanded budget, the total number of properties
4 cleaned by the Graffiti Abatement Teams increased
5 to \$25,000, a 243 percent increase from FY 1997.
6 Estimates after the first six months of FY '99
7 indicate that over 32,000 properties will be
8 cleaned.

9 These graffiti-removal operations are
10 fueled by the establishment of five Zero-Tolerance
11 Zones. Three of these zones -- Broad Street,
12 American Street, and Germantown Avenue -- have
13 been completely cleaned of graffiti with any new
14 re-hits being removed within a 24- to 48-hour
15 period.

16 One hundred Graffiti-Free Zones have
17 also been created with the assistance of
18 residents, businesses, and community groups. All
19 new graffiti vandalism will be removed within a
20 72-hour period. Graffiti Abatement Teams will
21 also intensify their effort to remove graffiti in
22 neighborhoods located within the Graffiti-Free
23 Zones. Graffiti Abatement Teams have also taken
24 an active role in other operations, such as
25 Operation Sunrise, the Ridge Avenue and Diamond

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2 Street cleanups. We also devote more time to
3 working with neighborhood groups and business
4 associations to eradicate graffiti from those
5 neighborhoods not in close proximity to the
6 Graffiti-Free or Zero-Tolerance Zones.

7 The FY 2000 budget, with a total of 3.6
8 million, has increased slightly from the FY 1999
9 budget of 3.4 million. Mural Arts and the
10 Graffiti Abatement Teams are not the only two
11 programs that reap the benefits of this budget.
12 Many other City agencies also participate in these
13 comprehensive initiatives. Among them, the
14 Mayor's Office of Community Services, the Managing
15 Director's Office, the Recreation Department, the
16 Police Department, the Department of Public
17 Property, the Streets Department, Fairmount Park
18 Commission, and the Department of Public Health.

19 Since 1996, when the City and the
20 paint industry entered into an innovative
21 partnership, we have received almost 15,000
22 gallons of paint -- 5,000 more gallons than
23 originally pledged. Other donations include:
24 over 6,000 roller covers, 3500 more than
25 originally expected; 800 paint brushes, 250 more

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2 than originally anticipated; and other supplies
3 that were donated through the paint industry.

4 The Philadelphia Commercial Development
5 Corporation, the Department of Streets, and the
6 Mayor's Business Action Team continue to provide
7 funding for the graffiti removal crews. Recently,
8 the Federal Empowerment Zones also joined the
9 fight by providing funding for another Graffiti
10 Abatement Team to patrol the Federal Empowerment
11 Zones.

12 The results of the Anti-Graffiti
13 Campaign are clear. In the last three year, more
14 graffiti has been removed from City streets, more
15 murals have been created, more use for giving
16 opportunities to choose an alternative to graffiti
17 vandalism. More communities and City agencies are
18 joining together in the fight against graffiti
19 vandalism than any other time in the City's
20 history.

21 With the continued support of Council,
22 the Mayor, the Graffiti Operations Committee, area
23 businesses, and community groups, the
24 possibilities of what we can achieve by working
25 together in the battle against graffiti vandalism

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2 have no limitations.

3 Thank you for taking the time to
4 support these initiatives.

5 And I believe Jane's going to speak
6 before we have questions.

7 COUNCIL PRESIDENT VERNA: Thank you.

8 MS. GOLDEN: City Council President
9 Verna and members of City Council, I am Jane
10 Golden, Artistic Director of the Philadelphia
11 Department of Recreation's Mural Arts Program.

12 I am pleased to present to you the
13 Program's FY Budget Request of \$373,915 from the
14 General Fund. In addition, Mural Arts anticipates
15 raising \$352,000 in private funds, for a total of
16 \$726,849.

17 For FY 2000, I am requesting an
18 increase of \$66,000. This will be to support
19 salary increases for five staff members and to
20 purchase additional materials, supplies, and
21 equipment. The combined FY '99 and FY 2000
22 increases to the Mural Arts Programs Budget total
23 \$106,077, for an increase of 40 percent over FY
24 '98.

25 The Mural Arts Program is a

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2 City-supported public art program that works in
3 partnership with neighborhood residents, young
4 people, artists, and institutions to create murals
5 of enduring value that reflect the City's diverse
6 communities. Murals are used as a means of
7 positively transforming communities by working as
8 an agent for arts education, community
9 development, and social change.

10 The requested General Fund
11 appropriation will help us fulfill our mission by
12 supporting core administrative operations, a staff
13 of seven full-time positions community, and a
14 series of large community murals, a number of
15 Recreation Center and playground walls, mural
16 restorations, and art workshops.

17 Partnerships with foundations,
18 corporations, other nonprofit organizations, and
19 government organizations allow the Mural Arts
20 Program to leverage our City funds to expand
21 operations. By matching private dollars with
22 public ones, Mural Arts is able to paint well over
23 100 murals each year. The Mural Arts Program
24 painted 147 murals in FY 1998, plans to paint 155
25 in FY '99, and projects painting 166 murals in FY

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2 2000. This public-private model also enables the
3 program to offer free art workshops and
4 educational programs for hundreds of Philadelphia
5 youth.

6 Under the auspices of the Department of
7 Recreation's After-School Program, MAP offers
8 workshops at 32 Recreation Department sites.
9 Through partnerships with foundations and other
10 nonprofit organizations, we offer 8 additional
11 educational programs ranging from a summer
12 internship program that was funded by the
13 Independence Foundation to an intensive six-month
14 long workshop in mural history and technique.
15 They were supported by the Conley Foundation.

16 Madam Council President, I would like
17 to take this opportunity to tell you and Council
18 about some of the accomplishments of the Mural
19 Arts Program. Due to the efforts of the Mural
20 Arts, Philadelphia now has more murals than any
21 city in the country. It has truly become an
22 open-air gallery. Since its inception in 1984
23 under the Philadelphia Anti-Graffiti Network, the
24 Mural Arts Program has painted nearly 1800 murals
25 in all parts of the City.

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2 For Philadelphians, murals have become
3 something far more than just pretty pictures. A
4 mural tells a community that it has not been
5 forgotten, that somebody cares about the future,
6 and that things can change. Murals give
7 communities a public voice to express their
8 discerns, their ideas and visions, and allow
9 residents to take an active role in shaping their
10 neighborhood.

11 As part of its mission, the Mural Arts
12 Program involves communities in all stages of the
13 mural-painting process, soliciting applications
14 from neighborhood residents and holding community
15 meetings to engage residents in the design
16 process. This process of creating public art
17 through partnerships is an important component of
18 our philosophy and also drives us to involve youth
19 in the creation of murals wherever possible.

20 The creation of a mural often spurs
21 neighborhood restoration and helps to rekindle
22 community spirit. By celebrating creativity in a
23 community, murals as a counter force against
24 destruction, apathy, and decay. They keep our
25 dreams and inspirations alive. Murals bring

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2 neighbors together in new ways and galvanize them
3 to undertake other community improvements such as
4 neighborhood cleanups, community gardenings, or
5 organizing a Town Watch. Murals become a focal
6 point and a symbol of community pride. While
7 murals are not a solution in and of themselves,
8 they show us that public art can play a powerful
9 catalytic role in healing the wounds of the city.

10 The Mural Arts Program has taken steps
11 in Fiscal 1999 in order to secure non-municipal
12 support to fund its programs. For example, we
13 have collaborated with the Citizens Advisory
14 Council to undertake a number of endeavors geared
15 toward raising the program's profile and
16 increasing our revenue.

17 These activities include creating a
18 12-page calendar, declaring October as Mural Arts
19 Month, and sponsorship of Philadelphia first Mural
20 Arts Month a poster. Programs also included
21 public mural tours in conjunction with local
22 restaurants, lectures, children's workshops and
23 mural dedications. In October of 1999, we will
24 declare October once again to be Mural Arts Month
25 in Philadelphia.

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2 We have also partnered with our
3 advisory council to organize art auctions and art
4 shows lined up for the upcoming year, raise
5 awareness of the Mural Arts Program, and help to
6 cement Philadelphia's reputation as the country's
7 mural capital. As "Mural City, USA," Philadelphia
8 is in position to capture one of the fastest-
9 growing markets of the hospitality industry --
10 cultural tourism. Murals are invaluable not only
11 to the revitalization of Philadelphia's
12 neighborhood, but to the City's economic growth.

13 This concludes my testimony, Madame
14 President and members of Council. I will be glad
15 to answer any questions you may have.

16 COUNCIL PRESIDENT VERNA: Thank you
17 very much.

18 I just have a comment I want to thank
19 both of you for all the fabulous work that you
20 do. We're really very appreciative.

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

23 (No questions.)

24 COUNCIL PRESIDENT VERNA: Thank you,
25 thank you.

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2 Human Relations Commission is next.

3 (Kevin Vaughan comes forward.)

4 COUNCIL PRESIDENT Verna: Please
5 identify yourself for the record and proceed with
6 your testimony.

7 MR. VAUGHAN: My name is Kevin Vaughan,
8 and I'm the Executive Director of the Philadelphia
9 Commission on Human Relations.

10 COUNCIL PRESIDENT Verna: Thank you.

11 MR. VAUGHAN: Good morning, President
12 Verna and members of City Council -- and I like
13 saying that, "President Verna."

14 COUNCIL PRESIDENT Verna: Thank you.

15 MR. VAUGHAN: My name is Kevin Vaughan.
16 I am the Executive Director of the Philadelphia
17 Commission on Human Relations, the City agency
18 charged to fight discrimination under the
19 Philadelphia Fair Practices Ordinance, and to
20 promote intergroup harmony.

21 Since 1952, the Commission has been
22 around. I've been the Executive Director since
23 1993, and I also serve as Executive Director of
24 the Fair Housing Commission, the City agency
25 charged to enforce landlord and tenant laws.

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2 I would like to thank Members of City
3 Council for the support they have extended to both
4 Commissions over the past years. Through this
5 support, we have been able to continue our work
6 reaching out to all Philadelphians.

7 And I would say, just parenthetically,
8 to all of the members of City Council here that we
9 could not do the work that we do without their
10 complete and total cooperation. There have been
11 so many instances in different neighborhoods where
12 the Council people have been our point people in
13 the neighborhoods and have worked with the
14 Commission so well. So I want to thank you all
15 for that as well.

16 COUNCIL PRESIDENT VERNA: Thank you.

17 MR. VAUGHAN: The Commission of Human
18 Relations and Fair Housing Commission are
19 requesting a combined budget of \$2,127,651 in
20 Fiscal Year 2000, an increase of \$22,782 over
21 Fiscal Year '99, due primarily to negotiated wage
22 increases. Of the total budget, \$1,971,468 is for
23 46 employees' salaries, the same staffing level as
24 Fiscal Year '99.

25 PCHR received a contract from the US

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2 Equal Employment Opportunity Commission to
3 investigate 207 complaints in '98. The Commission
4 completed that contract by June, three-quarters of
5 the way through the federal contract year.

6 (Disruption by din of conversations
7 among audience members.)

8 COUNCIL PRESIDENT VERNA: Mr. Vaughan,
9 excuse me. I think you deserve a little more
10 respect that you're getting. The noise level is
11 much too high.

12 Anybody that's having a conversation,
13 please take it into the corridor. Thank you.

14 Please continue.

15 MR. VAUGHAN: Thank you, Madam
16 Chairwoman.

17 PCHR received a contract from the US
18 Equal Employment Opportunity to investigate 207
19 complaints in Fiscal Year '98. The Commission
20 completed that contract by June, three-quarters of
21 the way through the federal contract year. As a
22 result of PCHR's productivity, the EEOC awarded
23 the Commission a far larger contract for the
24 current fiscal year, 341 complaints.

25 The City receives \$500 for each and

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2 every case that PCHR investigates for EEOC. With
3 the Fiscal Year '98 contact of 207 cases, the
4 Philadelphia Commission on Human Relations
5 recovered \$103,500 in revenue for the City for
6 processing these complaints.

7 With a new contract for Fiscal Year
8 '99, the City will receive \$170,500, a
9 significant increase of 65 percent, in revenue
10 over the previous contract period. At a recent
11 meeting in Washington D.C. with EEOC officials,
12 this was acknowledged as one of the largest
13 percentage increases in the country.

14 While there are several reasons that
15 EEOC is able to refer so many cases to the
16 Commission, the most important is their continued
17 confidence in the exceptionally high quality of
18 the Commission investigations.

19 The cooperative work-sharing agreement
20 between PCHR and EEOC has allowed close and
21 detailed evaluation of the Commission
22 investigations. The thoroughness and fairness of
23 our investigations has given EEOC the ability to
24 turn over the majority of its cases to us.

25 The change in the statute of

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2 limitations from 90 to 300 days, approved by this
3 City Council in 1996, is having a consistent and
4 lasting positive impact for the Commission and the
5 residents of the City of Philadelphia. The
6 ordinance change has provided a wider window of
7 opportunity for people to file complaints, for
8 EEOC to defer a larger number of cases, and for
9 PCHR to receive larger case-processing contracts
10 from EEOC.

11 In Fiscal Year '98, the Commission's
12 Compliance Division closed 433 discrimination
13 cases. Of those closed, 70 complaints received
14 \$705,401 in immediate or projected cash
15 settlements. For the same period of time, PCHR
16 opened 305 new cases this year. And in the first
17 six months of Fiscal Year '99, we have closed 193
18 cases, 27 of which resulted in settlements of
19 \$302,702 for complainants. For the same period of
20 time last year, PCHR opened 128 new cases.

21 Fiscal '99 projected totals are close
22 to closing 389 cases and opening 292. Fiscal Year
23 2000 projections for the Compliance Division are
24 close to 406 discrimination cases and to open 350
25 new once.

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2 In Fiscal Year '98, 234 complaints were
3 filed with the Fair Housing Commission and 329
4 hearings were held. For the first six months of
5 Fiscal Year '99, 127 complaints were filed with
6 the Fair Housing Commission, and 90 hearings were
7 held. For all of Fiscal Year '99, the Fair
8 Housing Commission projects that it will accept
9 216 cases and hold 173 hearings. Fiscal Year 2000
10 projections are that 220 complaints will be filed
11 with the Fair Housing Commissions and 170 hearings
12 will be held.

13 It is also projected that Fiscal Year
14 2000's Centralized Intake Unit will answer 1200
15 telephone inquiries made specifically about
16 landlord-tenant disputes.

17 In Fiscal Year 1998, the Philadelphia
18 Commission on Human Relations Community Relations
19 Division responded to 242 intergroup incidents,
20 made 3,591 individual contacts, and attended 487
21 meetings. In Fiscal Year '99 to date, the same
22 division has responded to 83 intergroup incidents,
23 made 1,187 individual contacts, and attended 867
24 meetings. Our Fiscal Year '99 year-end projection
25 forecasts that we will be involved with 252

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2 intergroup incidents and make 4,317 individual
3 contacts. We have already exceeded our estimate
4 of attending 599 meetings in Fiscal Year '99.

5 In Fiscal Year '98, Educational
6 Services on Diversity were provided to 266 group
7 activities involving 903 individuals. The
8 Commission's Community Relations Division also
9 responded to 70 requests for technical
10 assistance. The Commission's Dispute Resolution
11 Program provided mediation services in 547 cases
12 and made 5,984 individual contacts.

13 Our Fiscal Year '99 current estimates
14 predict that we will be providing educational
15 services to 305 groups involving 1,282
16 individuals. We also expect to respond to 92
17 requests for technical assistance.

18 Fiscal Year 2000 projections for the
19 Community Relations Division staff will provide
20 services for 856 prevention activities involving
21 2,850 individuals and provide educational services
22 at 280 group activities involving 984 individuals.

23 It is also projected that in Fiscal
24 Year 2000, the Community Relations Division staff
25 will process 67 requests for resources. These

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2 same projections those show that the Commission's
3 Dispute Resolution Program will provide mediation
4 services in 570 cases and provide 602 group
5 activities involving 6,357 individual contacts.

6 During 1998, the Commission held
7 several Commissioners Outreach Meetings for
8 communities of Philadelphia. Among the more
9 notable were a meeting in Southwest Philadelphia
10 where the participants included a large number of
11 Vietnamese-speaking individuals. Our staff was
12 able to provide translations for them, making the
13 meeting meaningful and useful. That same meeting
14 set the stage for a mediation between two
15 disputing factions in a community association.

16 Another significant meeting was held at
17 the William Way Lesbian and Gay Bisexual and
18 Transgendered Community Center in Center City,
19 Philadelphia. The meeting demonstrated importance
20 of lesbian, gay, transgendered and bisexual
21 institutions in Philadelphia and provided members
22 of the larger Center City communities an
23 opportunity to share in that dialog.

24 Over 60 participants from neighborhoods
25 across Center City as well as elected officials

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2 and police personnel attended. Topics discussed
3 included mediation, racial bias in the
4 Native-American community, and the life
5 partnership legislation.

6 The following are brief examples of our
7 outreach initiatives in the past year. In the
8 spring, we were approached by the owners of a
9 youth-oriented entertainment establishment
10 regarding complaints by surrounding neighbors of
11 the behaviors of the establishment's clients.
12 These teenage youth generally used public
13 transportation to go to and from the location,
14 most of whom are African-American. The
15 entertainment establishment is in a
16 predominantly-white residential and commercial
17 neighborhood. Working with the owners, local Town
18 Watch organizations, the Police Department, and
19 SEPTA, our staff developed a set of working
20 agreements which included the scheduling of
21 special bus routes and modification of the
22 location's hours.

23 During the past fiscal year, PCHR has
24 followed an aggressive outreach work plan designed
25 to serve the sexual minority communities in

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2 Philadelphia. PCHR has maintained a constant
3 presence among groups who advocate for equality
4 for lesbian, gay, bisexual, and transgendered
5 residents.

6 The Commission also developed a human
7 relations curriculum for the Grays Ferry
8 Interdenominational Clergy Council's after-school
9 program. The Commission and the Archdiocese of
10 Philadelphia cosponsored the City's second Walk
11 for Peace, which was held last September in
12 Hunting Park. This ecumenical event brought
13 together approximately 15000 community residents
14 and City and church officials.

15 The Commission is also involved in a
16 joint project with the Interact Theater Company.
17 Interact conducts workshops on race relations,
18 multi-cultural understanding, conflict resolution,
19 and leadership development in schools and with
20 community groups.

21 In addition to its standard operations,
22 the Commission has continued a special
23 grant-funded project, Focus Philadelphia. As we
24 reported to you last year, the US Conference of
25 Mayors awarded Mayor Rendell in 1997 Outstanding

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2 Achievement Award in City Livability Programs for
3 presenting and implementing Focus Philadelphia.

4 This project in which teens in diverse
5 backgrounds work together to produce videos about
6 their communities began in 1995. It is designed
7 as a vehicle to increase intergroup understanding
8 among community members. The goal is to young
9 people in these neighborhoods with adult
10 leadership across cultures and to engage all
11 parties in a community-development project,
12 addressing some issues identified in the video.

13 Thanks to a special grant from the
14 William Penn Foundation, we were able to add one
15 new group of Focus Philadelphia this summer. Last
16 summer, Focus worked closely with an integrated
17 group of five teens in Kensington. As they worked
18 together to address and videotape human relations
19 issues in their neighborhood, they interacted with
20 an additional 200 youths and adults.

21 The Philadelphia Interagency Task Force
22 on Civil Rights is another project that we
23 reported last year. Convened by the Commission on
24 Human Relations five years ago, the Task Force is
25 a group that is made up of local, State, and

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2 federal law enforcement agencies. The purpose of
3 the group is to meet periodically to share
4 information about hate crimes and tension
5 incidents and to establish closer working
6 relationships within the law enforcement
7 community.

8 The value of having an Interagency Task
9 Force on Civil Rights became evident last year
10 during the prosecution of individuals who were
11 involved in an incident where a young black woman
12 moved into a house in South Philadelphia, and her
13 property was destroyed. The federal government
14 got involved in the case because no one in the
15 community would cooperate with the local police.
16 This information was passed on to the US
17 Attorney's Office via the Interagency Task Force
18 on Civil Rights, which led to the successful
19 prosecution of the perpetrators.

20 In closing, I want to thank and express
21 the Commission's personal gratitude to the Council
22 for passing the life partnership legislation.
23 This courageous and creative act brought equality
24 and fairness to a and let me slave brought
25 equality to a significant group of Philadelphians,

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2 and we are all grateful.

3 I want to thank Council once again for
4 the opportunity to speak here today, and I am very
5 happy to answer any questions that any of you may
6 have.

7 COUNCIL PRESIDENT Verna: Thank you.

8 Are there any questions of Mr.
9 Vaughan?

10 (No questions.)

11 COUNCIL PRESIDENT Verna: Thank you
12 very much.

13 MR. VAUGHAN: Thank you.

14 COUNCIL PRESIDENT Verna: The Committee
15 of the Whole will stand in recess until tomorrow,
16 Wednesday, February 24, 1999, at 9:00 a.m.

17 I would also like to remind members of
18 the Rules Committee that we will have a public
19 hearing at 2 o'clock this afternoon.

20 Thank you very much.

21 (Adjourned at 1:05 p.m.)

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RE: COUNCIL COMMITTEE OF THE WHOLE

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BUDGET HEARINGS

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BILL NO. 990023

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JOSEPHINE CARDILLO,

Registered Professional Reporter