

COUNCIL OF THE CITY OF PHILADELPHIA
COMMITTEE ON APPROPRIATIONS

Room 400, City Hall
Philadelphia, Pennsylvania
Thursday, February 17, 2011
9:15 a.m.

PRESENT:

COUNCILWOMAN JOAN L. KRAJEWSKI, CHAIR
COUNCILMAN DARRELL CLARKE
COUNCILMAN W. WILSON GOODE, JR.
COUNCILWOMAN DONNA REED MILLER
COUNCILMAN BRIAN J. O'NEILL
COUNCILWOMAN MARIA D. QUINONES-SANCHEZ
COUNCILMAN FRANK RIZZO, JR.

BILL 110052 - An Ordinance authorizing
transfers in appropriations for Fiscal Year
2011 from the General Fund, certain or all
City offices, departments, boards and
commissions and from the Grants Revenue Fund,
the Director of Finance...

BILL 110054 - An Ordinance authorizing
transfers in appropriations for Fiscal Year
2011 from the Grants Revenue Fund, the
Director of Finance - Provision for Other
Grants to the Acute Care Hospital Assessment
Fund...

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1
2 COUNCILWOMAN KRAJEWSKI: Good
3 morning. The Appropriations meeting is
4 now in session.

5 Do we have someone here from
6 the Administration?

7 The Clerk will please -- I got
8 up late.

9 Will the Clerk please read the
10 bill?

11 THE CLERK: Bill No. 110052, an
12 ordinance authorizing transfers in
13 appropriations for Fiscal Year 2011 from
14 the General Fund, certain or all City
15 offices, departments, boards and
16 commissions, and from the Grants Revenue
17 Fund, the Director of Finance - Provision
18 for Other Grants to the General Fund,
19 certain or all City offices, departments,
20 boards and commissions; and

21 Bill No. 110054, an ordinance
22 authorizing transfers in appropriations
23 for Fiscal Year 2011 from the Grants
24 Revenue fund, the Director of Finance -
25 Provision for Other Grants to the Acute

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2 Care Hospital Assessment Fund, the
3 Department of Public Health and the
4 Department of Public Health - State
5 Payment.

6 COUNCILWOMAN KRAJEWSKI: Thank
7 you.

8 Do we have anyone from the
9 Administration here today?

10 (Witness approached witness
11 table.)

12 COUNCILWOMAN KRAJEWSKI: Good
13 morning.

14 MS. RHYNHART: Good morning,
15 Councilwoman Krajewski. I'm Rebecca
16 Rhynhart, Budget Director for the City of
17 Philadelphia. Good morning to the other
18 members of the Appropriation Committee.

19 I appear before you today to
20 offer testimony on Bill Nos. 110052 and
21 110054.

22 Bill No. 110052 requests a
23 General Fund appropriation of
24 \$24,825,171, with 4,148,153 coming from
25 the General Fund and the remainder,

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2 \$20,677,118, transferred from the Grant
3 Revenue Fund.

4 Of the internal transfers, the
5 City Planning Commission requests a
6 transfer from Class 300 to Class 200 of
7 15,000 to fund technical support for the
8 Comprehensive Plan. The Office of the
9 Inspector General requests an internal
10 transfer from Class 100 to 200 of 60,000
11 to fund a contracted investigator. The
12 Office of Behavioral Health requests an
13 internal transfer of \$71,306 to maintain
14 state-mandated City matching
15 requirements. The Department of Records
16 requests an internal transfer from Class
17 100 to 300/400 of 55,000 to fund
18 materials and supplies for the Central
19 Duplicating Unit. The Department of
20 Revenue requests an internal transfer
21 from Class 100 to Class 200 of 120,000 to
22 fund post amnesty work. The Zoning Code
23 Commission requests an internal transfer
24 to Class 100 of 15,000 to fund salaries.

25 Of the larger transfers, the

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2 Fire Department requests a transfer from
3 indemnities of 3.8 million to pay for the
4 Lawrence Settlement, in which the City
5 was ordered to pay overtime to paramedics
6 for prior years. The First Judicial
7 District requests a transfer of 6.6
8 million to fund counsel and juror fee
9 shortfalls, reimbursement for the Clerk
10 of Quarter Sessions legal fees and to
11 allow for the appropriation of additional
12 revenues collected. An additional 2.5
13 million for Finance - Unemployment
14 Compensation is requested to fund
15 unemployment compensation benefits, an
16 increased cost resulting from the federal
17 extension of unemployment compensation
18 benefits for one year. The Streets
19 Department requests 5.6 million to fund
20 additional salt, the purchase of LEDs and
21 to fund higher-than-projected tipping
22 fees. The Department of Public Property
23 requests 2.8 million to fund maintenance
24 and custodial work, as well as space
25 rental costs. The Office of Property

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2 Assessment requests 1.7 million for the
3 continuation of project manager services
4 in the development of the CAMA system, to
5 support a department-wide review of OPA,
6 and to fully fund former School District
7 staff members who were transitioned into
8 civil service during Fiscal '11. The
9 Defender Association requests 675,000 to
10 cover health insurance increases and the
11 addition of sexual abuse coverage to
12 their professional liability insurance.
13 The City Commissioners requests 77,500 to
14 pay for a recently held special election.
15 The City Controller requests 642,000 to
16 pay for a forensic audit and a citywide
17 audit.

18 Bill No. 110054 requests
19 increased appropriations in the Acute
20 Care Hospital Assessment Fund of 2.5
21 million. This will enable the Health
22 Department to purchase critical
23 contractual services for the hiring of
24 staff to configure and maintain the
25 electronic health record system for

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2 scheduling, billing and clinical data
3 from several sources in various domains.

4 I respectfully request that you
5 report these bills out of Committee with
6 a favorable recommendation, and I further
7 request that the rules of Council be
8 suspended so as to permit first reading
9 at the next session.

10 I appreciate the opportunity to
11 testify on behalf this -- I'm sorry;
12 before this Committee today and would be
13 happy to answer any questions you may
14 have. Representatives from the
15 departments are here as well.

16 COUNCILWOMAN KRAJEWSKI: The
17 departmental testimony will be read into
18 the record. Okay?

19 MS. RHYNHART: Oh, you want all
20 the departments to read --

21 COUNCILWOMAN KRAJEWSKI: No.
22 We'll have that in the record.

23 MS. RHYNHART: Okay. Great.

24 COUNCILWOMAN KRAJEWSKI: Thank
25 you.

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2 Are there any questions from
3 members of the Committee?

4 Councilman Rizzo.

5 I'm sorry. I didn't see your
6 light. Councilwoman Sanchez.

7 COUNCILWOMAN SANCHEZ: Thank
8 you, Madam Chair.

9 I want to go through a couple
10 of the items. First of all, of these
11 appropriations, which ones represent an
12 increase in funding versus a reallocation
13 of current funding levels?

14 MS. RHYNHART: We included in
15 the testimony, there's a list, and I'll
16 pull this up. You should have a list
17 called Exhibit A at the very back, which
18 goes through the departments that have an
19 internal transfer versus those that have
20 a net increase or decrease. I can go
21 through those. I think they're listed
22 out there.

23 COUNCILWOMAN SANCHEZ: So if we
24 go through the list, First Judicial
25 District, this is all previously

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2 allocated Clerk of Quarter Sessions

3 money?

4 MS. RHYNHART: No. About --

5 there's over 5 million that we owe the

6 courts due to signed Memorandums of

7 Understanding with them. They could go

8 into more detail about that, but we do

9 have signed agreements where a certain

10 amount of revenues collected have to be

11 remitted back to them.

12 COUNCILWOMAN SANCHEZ: Is that

13 part of their testimony?

14 MS. RHYNHART: I believe that

15 would be. But the list wouldn't -- if

16 you want the actual detailed list of all

17 the agreements, that wouldn't be part of

18 their testimony.

19 COUNCILWOMAN SANCHEZ: No, no,

20 no. I'm trying to distinguish from this

21 list that you have here what represents

22 new spending and just current spending

23 reallocated. So that's why I want to go

24 through it.

25 So of the 6.6 million for the

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2 First Judicial, you're saying 5 million
3 was not part of what we allocated for the
4 Clerk of Quarter Sessions?

5 MS. RHYNHART: That's right,
6 5.3 million of additional revenues. And
7 then there's also a million for the
8 courts for counsel and juror fee
9 shortfalls. So the amount for the Clerk
10 of Quarter Session legal fees is 78,000.

11 COUNCILWOMAN SANCHEZ: You're
12 going to have to bear with me since I'm
13 just getting this this morning.

14 MS. RHYNHART: Sure.

15 COUNCILWOMAN SANCHEZ: I'm
16 trying to find the court's testimony.

17 MS. RHYNHART: Would it be
18 helpful if someone from the courts came
19 up to join me?

20 COUNCILWOMAN SANCHEZ: Yes,
21 please.

22 MS. RHYNHART: Okay.

23 (Witnesses approached witness
24 table.)

25 MR. LAWRENCE: Good morning,

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2 Councilwoman. My name is Dave Lawrence.

3 I'm the Court Administrator. With me
4 today is Kevin Cross, our Deputy Court
5 Administrator for Financial Services.

6 COUNCILWOMAN SANCHEZ: I
7 wanted -- I was trying to get a
8 clarification between what was
9 court-related over-expenditure, because
10 our Budget Director has explained that
11 5.3 of the 6.6 million requested is not
12 currently in our budget. So I wanted to
13 distinguish which -- the 1.3 is for
14 general operating of the courts and 5
15 million of that is for the Clerk of
16 Quarter Sessions?

17 MR. LAWRENCE: Yes,
18 Councilwoman. The \$5 million is the cost
19 we incurred in assuming the
20 responsibilities of the Clerk. It's not
21 really an increase in funding. It's
22 funding that used to go to the Clerk of
23 Court, which is now coming to the First
24 Judicial District.

25 COUNCILWOMAN SANCHEZ: That was

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2 my question --

3 MS. RHYNHART: Okay.

4 COUNCILWOMAN SANCHEZ: -- to --

5 MS. RHYNHART: I apologize for
6 not answering that question.

7 COUNCILWOMAN SANCHEZ: That's
8 what I was just trying to get to. I want
9 to know what the net effect is, and if
10 it's just reallocation of funding, I
11 wanted to make that distinction.

12 So it's a reallocation of
13 funding. The only thing that we're
14 really requesting in additional funding
15 is the 1.3 for the court expenses?

16 MR. LAWRENCE: Yeah. The
17 counsel fee shortfalls, which we appear
18 have been before counsel parentally, as
19 well as juror fee shortfalls, we're
20 asking for that to be included in the
21 transfer ordinance.

22 COUNCILWOMAN SANCHEZ: So
23 that's additional funding?

24 MR. LAWRENCE: Yes.

25 COUNCILWOMAN SANCHEZ: How is

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2 this different? Because I know when we
3 went through the budget piece, you were
4 given a reduction in your budget. So we
5 are now month -- we're in February.

6 MR. LAWRENCE: Yes.

7 COUNCILWOMAN SANCHEZ: How much
8 more do you expect you're going to have a
9 shortfall before the end of the year?

10 MR. LAWRENCE: Without this
11 transfer ordinance, the shortfall would
12 be \$856,000. This is a figure we project
13 out every year, and every year we're
14 somewhat underfunded in that area and
15 look to receive that through a transfer
16 ordinance.

17 COUNCILWOMAN SANCHEZ: So you
18 will not be coming back for additional
19 funding; this will take you through the
20 end of the year based on projections?

21 MR. LAWRENCE: This will enable
22 us to pay our bills through the end of
23 the year.

24 COUNCILWOMAN SANCHEZ: Okay.
25 Thank you. Thank you.

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2 There are some additional -- we
3 haven't read all the revenue testimony.
4 The City Controller's Office, the
5 \$642,000 in forensic audit, can someone
6 speak to that?

7 MS. RHYNHART: Sure. Four
8 hundred and sixty-two thousand is for the
9 forensic audit of the Sheriff's Office
10 and 180,000 is for additional funds for
11 the Controller's Office to conduct the
12 citywide audit in its tighter timeframe.

13 COUNCILWOMAN SANCHEZ: Is
14 there -- I don't see the testimony from
15 the Controller's Office in the packet.

16 MS. RHYNHART: I think it was
17 added a little bit later than the main
18 pack.

19 COUNCILWOMAN SANCHEZ: Okay.

20 MS. RHYNHART: And the transfer
21 for the citywide audit I believe occurred
22 last year as well.

23 COUNCILWOMAN SANCHEZ: Then
24 there is -- again, there's no other item
25 here that requires additional funding;

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2 the rest of these are all
3 interdepartmental transfers? Anything
4 else -- the indemnities with the Fire
5 Department is kind of self-explanatory
6 through the testimony. Is there any
7 other item here?

8 MS. RHYNHART: There are
9 several on the top of that Exhibit A that
10 would be increases.

11 COUNCILWOMAN SANCHEZ: The
12 Streets Department, that's because of the
13 snow removal, right? Is that what we're
14 saying, that there's --

15 MS. RHYNHART: There's two
16 different lines for the Streets
17 Department. The Streets line which is on
18 Exhibit A, which is 2.6 million, there's
19 1.9 million additional for salt costs for
20 the snow and then 700,000 to purchase LED
21 lights, and we get PECO incentive
22 payments in a larger amount, so we're
23 using that to purchase LED lights. Then
24 there's a Streets line for 3 million
25 which is additional as well.

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2 COUNCILWOMAN SANCHEZ: Can we
3 speak a little bit about the \$3 million
4 in additional tonnage for curbside trash
5 collections? Can someone from the
6 Streets Department speak to that?

7 (Witness approached witness
8 table.)

9 COMMISSIONER TOLSON: Good
10 morning. My name is Clarena Tolson,
11 Commissioner of the Streets Department.

12 COUNCILWOMAN SANCHEZ: There is
13 an increase because of tonnage. I wanted
14 you to speak a little bit about was
15 that -- why that was unexpected. Was it
16 because we have less amount of recycling
17 going on or we just were under budget?

18 COMMISSIONER TOLSON: We
19 actually are doing very well with
20 recycling. Our diversion is going very
21 nicely. The reason for this increase is
22 because we had taken a very dramatic
23 reduction in what we budgeted for tonnage
24 this year. Our tonnage last year was
25 \$629,000. This year we budgeted for

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2 553,000 tons. I'm sorry. I think I said
3 dollars. I meant to say tons, 629,000
4 tons. We budgeted for 553,000 tons. Our
5 tonnage probably is coming closer to
6 600,000 tons. So to make up that
7 difference of approximately 47,000, we
8 need to make an additional -- 47,000 tons
9 coverage, which is about \$3 million.

10 COUNCILWOMAN SANCHEZ: So you
11 expect this will carry you through the
12 rest of the fiscal year?

13 COMMISSIONER TOLSON: Through
14 the rest of the year, yes.

15 COUNCILWOMAN SANCHEZ: Thank
16 you.

17 To the Budget Director, how is
18 the Administration going to offset these
19 increases?

20 MS. RHYNHART: Any increases in
21 expenditures impacts the bottom line fund
22 balance, and so we take it from the
23 budget from provision from other grants.
24 But practically it impacts the fund
25 balance. So our quarterly that came out

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2 a few days ago is showing an anticipated
3 fund balance of about 13 and a half
4 million, which is down from the budget
5 number in previous projections.

6 COUNCILWOMAN SANCHEZ: So what
7 is our projected shortfall? If you're
8 saying we were at 13 million, this is a
9 \$20 million --

10 MS. RHYNHART: No. Now, after
11 these adjustments, now our projection for
12 the year end will be 13.5 million.

13 COUNCILWOMAN SANCHEZ: No other
14 questions, Madam Chair.

15 COUNCILWOMAN KRAJEWSKI:
16 Councilman Rizzo.

17 COUNCILMAN RIZZO: I'm good.

18 COUNCILWOMAN KRAJEWSKI: Thank
19 you.

20 Councilman Clarke.

21 COUNCILMAN CLARKE: Thank you,
22 Madam Chair.

23 Good morning. Real briefly.
24 The increase in the Office of Property
25 Assessment, will that in any way affect

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2 the ability to facilitate the movement to
3 full valuation? Because I know there's
4 some concerns about the timing as to when
5 that happens. Is this going to in any
6 way --

7 MS. RHYNHART: It will help
8 move that process along. So the 1.5
9 million of this transfer, though, is to
10 fully fund the School District positions
11 or the positions that were funded by the
12 School District that are now in the
13 Office of Property Assessment. So we do
14 have in our Five-Year Plan our updated
15 numbers -- sorry; not our Five-Year Plan,
16 our updated budget numbers, the
17 expectation that the School District will
18 fund those. So 1.5 of the 1.69 are the
19 School District positions. The remaining
20 190,000 is for the continuation of moving
21 towards the process of full valuation.

22 So there is -- they could speak
23 in more detail about that if we want to
24 call them up, but it's for two contracts
25 to assist in that process.

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2 COUNCILMAN CLARKE: Without
3 asking you for a budget preview, I'm
4 going to ask you for a budget preview.
5 Is it likely in Fiscal '12, which we will
6 be receiving very shortly, that there
7 will be a carryover from this particular
8 increase in budget for Office of Property
9 Assessment or additional dollars to
10 facilitate that movement towards full
11 value in 2014?

12 MS. RHYNHART: In Fiscal '13?
13 It is possible. It's something that as
14 we're going through the budget process in
15 the next week or so that we are
16 considering, because we do -- that is a
17 very important goal of the
18 Administration, and I know that you share
19 it. So that is --

20 COUNCILMAN CLARKE: Well, we
21 all should share it. We have a little
22 hole there.

23 Okay. That's it. Thank you,
24 Madam Chair.

25 COUNCILWOMAN KRAJEWSKI: Thank

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2 you.

3 Are there any other questions?

4 (No response.)

5 COUNCILWOMAN KRAJEWSKI: Thank

6 you.

7 MS. RHYNHART: Thank you.

8 COUNCILWOMAN KRAJEWSKI: Is

9 there anyone else here to testify?

10 (No response.)

11 COUNCILWOMAN KRAJEWSKI: Seeing

12 none, that ends our public hearing in

13 Appropriations. We'll now go into our

14 public meeting.

15 The Chair recognizes Councilman

16 Clarke for the purpose of Bill 110052.

17 COUNCILMAN CLARKE: Thank you,

18 Madam Chair. Madam Chair, I make a

19 motion that Bill No. 110052 be reported

20 out of Committee with a favorable

21 recommendation and request for rules

22 suspension as to allow reading at the

23 next session.

24 (Duly seconded.)

25 COUNCILWOMAN KRAJEWSKI: All

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2 those in favor?

3 (Aye.)

4 COUNCILWOMAN KRAJEWSKI:

5 Opposed?

6 (No response.)

7 COUNCILWOMAN KRAJEWSKI:

8 Therefore, Bill 110052 will be voted out
9 of this Committee with a favorable
10 recommendation with a suspension of
11 rules.

12 The Chair recognizes Councilman
13 Clarke on Bill 110054.

14 COUNCILMAN CLARKE: Thank you,
15 Madam Chair. I move that Bill No. 110054
16 be reported out of Committee with a
17 favorable recommendation with rules
18 suspension as to allow reading at the
19 next session of Council.

20 (Duly seconded.)

21 COUNCILWOMAN KRAJEWSKI: All
22 those in favor?

23 (Aye.)

24 COUNCILWOMAN KRAJEWSKI:

25 Opposed?

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2 (No response.)

3 COUNCILWOMAN KRAJEWSKI:

4 Therefore, Bill 110054 will be voted out
5 of this Committee with a favorable
6 recommendation with a suspension of rules
7 so as to permit first reading at the next
8 session of Council.

9 Thank you all very much.

10 (Committee on Appropriations
11 concluded at 9:35 a.m.)

12 - - -

1
2 CERTIFICATE

3 I HEREBY CERTIFY that the
4 proceedings, evidence and objections are
5 contained fully and accurately in the
6 stenographic notes taken by me upon the
7 foregoing matter on February 17, 2011, and
8 that this is a true and correct transcript of
9 same.

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14 -----
15 MICHELE L. MURPHY
16 RPR-Notary Public
17
18
19

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