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COUNCIL OF THE CITY OF PHILADELPHIA

3

PUBLIC HEARING BEFORE THE COMMITTEE OF THE WHOLE

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Room 696, City Hall
Philadelphia, Pennsylvania
Monday, April 7, 2003
10:45 a.m.

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FY '04 OPERATING BUDGET TESTIMONY

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Bill No. 030009

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Bill No. 030012

Bill No. 030013

10 Resolution No. 030030

Bill No. 030004

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Bill No. 030008

Bill No. 030010

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Bill No. 030002

Bill No. 030003

13

Bill No. 030005

Bill No. 030006

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PRESENT: COUNCIL PRESIDENT ANNA C. VERNA, Chair
COUNCILWOMAN JANNIE BLACKWELL, Vice Chair
COUNCILMAN DARRELL L. CLARKE
COUNCILMAN DAVID COHEN
COUNCILMAN W. WILSON GOODE, JR.
COUNCILMAN JAMES F. KENNEY
COUNCILMAN MICHAEL A. NUTTER
COUNCILMAN ANGEL L. ORTIZ
COUNCILMAN FRANK RIZZO, JR.
COUNCILWOMAN MARIAN B. TASCO

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2 COUNCIL PRESIDENT Verna: Good morning,
3 everyone. This is the continued public hearing of
4 the Committee of the Whole regarding Bill Nos.
5 030009, 030012, 030013, Resolution No. 030030, Bill
6 Nos. 030004, 030008, 030010, also Bill Nos. 030002,
7 030003, 030005, and 030006.

8 Mr. Dubow, would you please come to the
9 table? Good morning.

10 MR. DUBOW: Good morning. I have two
11 things. One is testimony on the carry-forward on
12 Bill No. 030002 and Bill No. 030003. Before I
13 start, I wanted to say that PICA has asked that we
14 redo.

15 COUNCIL PRESIDENT Verna: I'm sorry. I
16 didn't hear you. Would you move the microphone
17 closer to you, please?

18 MR. DUBOW: Yes.

19 I have testimony on amendment to Bill
20 No. 030002 and Bill No. 030003. Before I give that
21 testimony though, I wanted to let you know that PICA
22 has asked that we redo the five-year plan to show
23 the impact of the state budget.

24 COUNCILMAN COHEN: Sorry. I can't hear
25 a single word.

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2 MR. DUBOW: Let me try again. Is that
3 better?

4 COUNCILMAN COHEN: Yes.

5 MR. DUBOW: PICA has asked that we redo
6 the five-year plan to show the impact of the state
7 budget cuts and the impact of the fire arbitration
8 award. We hope to have that process done by the end
9 of next week. We are going through the numbers now
10 to see how that would affect our budget and plan.

11 COUNCIL PRESIDENT VERNA: How much money
12 is that approximately?

13 MR. DUBOW: The fire award is
14 approximately \$43 million over the life of the plan.
15 It looks like the state budget cuts are about a
16 hundred million dollars a year.

17 Now I would like to go into the
18 testimony on the carry-forward.

19 COUNCIL PRESIDENT VERNA: Are you giving
20 us copies of the testimony?

21 MR. DUBOW: You have copies.

22 COUNCIL PRESIDENT VERNA: Okay. Please
23 proceed.

24 MR. DUBOW: I appear before you today to
25 offer testimony on Bill Nos. 030002 and 030003,

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2 which propose to establish the City's FY 2004
3 capital budget and 2004-2009 capital programs.

4 We are proposing modifications to add
5 additional appropriations to carry forward all
6 unobligated funding from prior years. In the
7 proposed amendment all unobligated --

8 COUNCIL PRESIDENT VERNA: I'm sorry.

9 MR. DUBOW: I'm going too quickly.
10 Okay.

11 COUNCILMAN COHEN: I'm sorry. Would you
12 please speak a little slower?

13 COUNCIL PRESIDENT VERNA: Mr. Dubow, do
14 you have copies of the amendments, because we don't
15 have them?

16 MR. DUBOW: Yes. I'm told they were
17 distributed to Council members this morning.

18 COUNCIL PRESIDENT VERNA: This morning?

19 MR. DUBOW: Yes.

20 COUNCILMAN NUTTER: Is it 03?

21 MR. DUBOW: 03 and 04.

22 COUNCIL PRESIDENT VERNA: No, it's 2
23 and 3.

24 MR. DUBOW: I'm sorry. It is 2 and 3.

25 COUNCIL PRESIDENT VERNA: All right. It

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2 was just handed to me. Please proceed.

3 MR. DUBOW: In the proposed amendment
4 all unobligated, general obligation, PICA and
5 revenue bond capital appropriations have been
6 carried forward from prior years with few
7 exceptions. These exceptions fall mainly into three
8 categories, unspent appropriations for which
9 projects have been completed underbudget, aviation
10 projects that were either funded with other sources
11 or not approved by the airlines, and water payroll
12 costs, which do not carry forward.

13 There are a large number of projects
14 that have been included in the carry-forward budget
15 at the direct request of City Council members. All
16 the remaining funding for these projects has been
17 included in the carry-forward amendment proposed
18 today. These recommendations do not include the
19 lapsing of any unencumbered funding for projects of
20 this nature, whether or not those projects have been
21 completed.

22 Other than the addition of the
23 carry-forward appropriations, there are two proposed
24 modifications to Bill Nos. 030002 and 030003. The
25 first includes a proposed appropriation of \$687,000

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2 from prior year available balances for completed
3 Council-designated projects. With the approval and
4 authorization of the District Council Members, this
5 funding can be used for other recreation projects
6 within their district.

7 The second request and modification is
8 to delete the federal, state and other government
9 off-budget funding amounts for transit projects
10 erroneously included in Bill No. 030003. These
11 projects are not technically funded with City
12 appropriations, so they should not be included in
13 the ordinance.

14 I would be happy to answer any questions
15 Council may have related to the recommended capital
16 budget and program.

17 COUNCIL PRESIDENT VERNA: I'm sure
18 Council members would like to review this for a
19 moment.

20 Are there any questions from members of
21 the committee for Mr. Dubow?

22 Councilwoman Tasco.

23 COUNCILWOMAN TASCO: I'm just reading
24 that. Would you explain to me what you are
25 requesting again?

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2 MR. DUBOW: We are requesting to carry
3 forward appropriations from earlier years so that
4 money for projects that haven't been completed can
5 be spent in '04.

6 COUNCILWOMAN TASCO: So are any of the
7 appropriations going from projects other than the
8 ones they were appropriated for?

9 MR. DUBOW: No, this is carrying them
10 forward. The only changes, there is the 687,000
11 from earlier year projects in Council districts, but
12 those changes are being done in consultation with
13 the District Council Members so those changes won't
14 happen without your approval.

15 COUNCILMAN COHEN: How much money is
16 involved?

17 MR. DUBOW: In those District Council
18 projects, \$687,000.

19 COUNCILMAN COHEN: That is in one
20 district?

21 MR. DUBOW: No, it's throughout the
22 districts.

23 COUNCILMAN COHEN: But the total is
24 687,000.

25 MR. DUBOW: Yes, for those changes.

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2 COUNCIL PRESIDENT Verna: Mr. Dubow,
3 isn't this something that we do every year?

4 MR. DUBOW: Yes.

5 COUNCIL PRESIDENT Verna: The Chair
6 recognizes Councilman Nutter.

7 COUNCILMAN NUTTER: Thank you, Madam
8 President.

9 Mr. Dubow, during the capital budget I
10 seem to recall raising the question regarding the
11 Wynnefield Recreation Center and I believe the
12 response at the time was that it would end up in the
13 carry-forward budget which we have now received. So
14 can you tell me where it is in the document we
15 received, the page number?

16 MR. DUBOW: Just one second. It's in
17 the recreation department underlying 90F. It's part
18 of the \$270,000 shown there.

19 COUNCILMAN NUTTER: What page, Mr.
20 Dubow? Are we in FY '04? Are we in the budget or
21 the plan?

22 COUNCIL PRESIDENT Verna: What page is
23 that, Mr. Dubow?

24 COUNCILMAN NUTTER: We have not figured
25 out which book we are in yet.

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2 MR. DUBOW: I'm sorry. It will just be
3 one second. On Page 51.

4 COUNCILMAN NUTTER: In the budget or the
5 plan?

6 MR. DUBOW: In the budget. Page 51.
7 It's in Line 86-K. It's part of the \$270,000 and it
8 is 70,000 of that 270.

9 COUNCILMAN NUTTER: How would I have
10 known that?

11 MR. DUBOW: You would not have. That's
12 why -- you would know it when the book came out
13 because it has a separate line in the glossy. You
14 wouldn't know it from this without the explanation I
15 just gave.

16 COUNCILMAN NUTTER: Okay. And how is it
17 going to magically transfer into a line in the book?

18 MR. DUBOW: The book will break out that
19 86-K and show the components of it into subprojects.

20 COUNCILMAN NUTTER: So what's the
21 difference between, I guess, that and Line 86-I,
22 which specifically gives a name to a new entity
23 versus being a part of an innocuous line that no one
24 can figure out what it was?

25 MR. DUBOW: There is no magical reason.

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2 We could split that out.

3 COUNCILMAN NUTTER: I would appreciate
4 if it could be listed separately.

5 MR. DUBOW: Okay.

6 COUNCILMAN NUTTER: Thank you.

7 Did we have a problem before? It seems
8 like it was so long ago. Lancaster Avenue, was that
9 already listed separately in the green book as a
10 project of its own? Isn't that also a
11 carry-forward?

12 MR. JASTRZAB: I'm Gary Jastrzab from
13 the City Planning Commission. In the recommended
14 there was a separate line item for -- a subproject
15 for Lancaster Avenue and it is included in both the
16 budget -- or in the program budgeted -- programmed
17 for 2005.

18 COUNCILMAN NUTTER: In the document that
19 you gave us this morning?

20 MR. JASTRZAB: In the document that you
21 have before you it is part of project --

22 MR. DUBOW: In the book, in the program,
23 it was on Page 86.

24 COUNCILMAN NUTTER: Okay. And it will
25 stay that way in the final?

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2 MR. DUBOW: Yes.

3 MR. JASTRZAB: Yes, sir, it will.

4 COUNCILMAN NUTTER: Thanks. I'm just
5 trying to keep track.

6 Thank you, Madam Chair.

7 COUNCIL PRESIDENT VERNA: You're
8 welcome.

9 Are there any other questions of Mr.
10 Dubow? The Chair recognizes Councilman Cohen.

11 COUNCILMAN COHEN: In what amendment is
12 the carry-forward proposal you have spoken to us
13 about covered? What amendment covers that?

14 MR. DUBOW: It's the amendment that was
15 handed out this morning. There was a packet handed
16 out.

17 COUNCILMAN COHEN: Was there only one
18 amendment handed out this morning?

19 MR. DUBOW: There are two amendments,
20 one for the budget year and one for the whole
21 program.

22 COUNCILMAN COHEN: Which one will it
23 appear in?

24 MR. DUBOW: There are two, the proposed
25 amendment to Bill No. 030003 I think is what the top

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2 of the packet shows, and there is another one that
3 says "Proposed Amendment to 030002."

4 COUNCILMAN COHEN: So there is no
5 reference made in the amendment to a carry-forward
6 proposal; you merely incorporate the amendment by
7 adding the dollar figure, changing the dollar
8 figure.

9 MR. DUBOW: Yes, that's correct.

10 COUNCILMAN COHEN: So as in the previous
11 question, one would not know that this amendment
12 includes a carry-forward proposal.

13 MR. DUBOW: You would know that it is
14 amending the capital budget and see what the new
15 numbers were.

16 COUNCILMAN COHEN: Secondly, can you
17 inform us generally of the role of the Planning
18 Commission in developing the budget? I notice the
19 gentleman coming from the Planning Commission, and
20 my memory may be a built faulty, but that's kind of
21 a new experience for me to have the budget director
22 call on the Planning Commission. So would you tell
23 us what is the role generally of the Planning
24 Commission in formulating the budget?

25 MR. JASTRZAB: By City charter the City

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2 Planning Commission is responsible for preparing a
3 recommended capital budget and program each year
4 that is submitted to the Mayor and then transferred
5 to City Council for their approval. This process
6 today moves forward all of the projects in fiscal
7 '03 into the fiscal '04 recommended budget, so it's
8 an omnibus. What you have before you today is
9 essentially an omnibus piece of legislation that
10 moves forward all of the unexpended funds in
11 projects in previous years.

12 So the Planning Commission's role is to
13 prepare the recommended capital budget and program
14 and to --

15 COUNCILMAN COHEN: Budget and program?

16 MR. JASTRZAB: Yes.

17 COUNCILMAN COHEN: Not the operating?

18 MR. JASTRZAB: Not the operating.

19 COUNCILMAN COHEN: And that is a steady,
20 ongoing process?

21 MR. JASTRZAB: Yes.

22 MR. DUBOW: Yes, this is the way it runs
23 every year.

24 COUNCILMAN COHEN: So if Council Members
25 wish to impact on the capital program or the capital

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2 budget, it might be wise for us to be in
3 communication with the Planning Commission as well
4 as the budget director?

5 MR. DUBOW: Yes.

6 MR. JASTRZAB: Yes.

7 COUNCILMAN COHEN: It is good to learn
8 things even if it takes a long time to learn them.
9 Thank you very much.

10 COUNCIL PRESIDENT Verna: Thank you.
11 Any other questions from members of the committee?

12 Thank you, Mr. Dubow.

13 I believe I saw Mr. Isdell here from the
14 airport. I'm sure he has to get back to work.
15 Would you please approach? Look at that snow. We
16 want you out of here. Good morning.

17 MR. ISDELL: Good morning.

18 COUNCIL PRESIDENT Verna: I believe some
19 of the Council members had asked that the airport be
20 called back. Does anyone have any questions of Mr.
21 Isdell?

22 Councilman Cohen.

23 COUNCILMAN COHEN: Thank you, Madam
24 President.

25 I read a couple of days ago in the

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2 Inquirer about the opening of the new international
3 lanes of traffic.

4 MR. ISDELL: Yes.

5 COUNCILMAN COHEN: I forget what you
6 call them at the air terminals. There are a large
7 number of them?

8 MR. ISDELL: Yes.

9 COUNCILMAN COHEN: How is that financed?

10 MR. ISDELL: That project is part of a
11 terminal expansion project that included two new
12 terminals, one that we opened in 2001 and the one
13 that is scheduled to open later this month. That
14 was financed by a combination of passenger facility
15 charges and airline rates and charges, about 75, 25
16 percent, in that order.

17 COUNCILMAN COHEN: Mostly passenger
18 rates?

19 MR. ISDELL: Yes, passenger facility
20 charges. That's the \$4.50 surcharge that is added
21 to the ticket price. It's a user fee, if you will.

22 COUNCILMAN COHEN: Was that a user fee
23 on all flights or just international flights?

24 MR. ISDELL: It's a user fee on all
25 flights, all tickets, domestic and international.

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2 COUNCILMAN COHEN: And international?

3 MR. ISDELL: Yes.

4 COUNCILMAN COHEN: But the new terminals
5 are limited to international?

6 MR. ISDELL: The terminal that we are
7 opening this month is an international terminal,
8 that is correct. It can be used, if necessary, for
9 domestic traffic, but it was designed and it will be
10 used primarily for international flights.

11 COUNCILMAN COHEN: Who makes the
12 decisions to levy the additional charge, the \$4.75
13 you are referring to?

14 MR. ISDELL: The airport and the City do
15 that and the Federal Government authorizes the
16 ability -- the enabling legislation for airports to
17 add that fee to ticket prices comes from Congress
18 and then each individual airport has to go through
19 an approval process, which we have done successfully
20 for about the last 12 years I believe.

21 COUNCILMAN COHEN: With respect to the
22 payments, this is all financed by bonds?

23 MR. ISDELL: Yes. We did a series of
24 bonds through the Philadelphia Authority for
25 Industrial Development.

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2 COUNCILMAN COHEN: Who is the
3 responsible payer on the bonds?

4 MR. ISDELL: The airlines support the
5 bonds through the rates and charges and the airport
6 supports the bonds through the passenger facility
7 charges.

8 COUNCILMAN COHEN: But who makes the
9 payment? Who has the legal responsibility to pay
10 the bonds when due?

11 MR. ISDELL: I'm going to ask my deputy
12 director for finance administration to help me out
13 with that. I think it's a complicated answer.

14 This is Ed Anastasi, deputy director for
15 finance and administration. Can you answer that?

16 MR. ANASTASI: Yes, I can.

17 The debt service on the bonds issued by
18 the Philadelphia Authority for Industrial
19 Development is paid for by the Philadelphia
20 Authority for Industrial Development. At the time
21 those bonds were issued, the City issued -- the
22 City's airport issued general airport revenue bonds
23 over the PAID so that the PAID bond debt service
24 payments are really securitized by the debt service
25 on the airport general revenue bonds and that the

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2 revenues that pay the debt service come from the
3 landing fees that the airlines pay. It's
4 incorporated in their landing fee rate. It comes
5 also from terminal building rentals that the
6 airlines pay. They pay a certain amount per square
7 foot and that per square foot rental charge includes
8 the debt service as well as the operating expenses
9 associated with the new terminal.

10 COUNCILMAN COHEN: How is the ability to
11 make payments on those bonds impacted by the general
12 decline in air traffic and, you know, caused
13 possibly by the economic recession, possibly by the
14 war, possibly by SARS? All of those items are
15 mentioned in separate columns that very same day and
16 caused me to be concerned. Also impacted by the
17 bankruptcy of U.S. Airways, which is the main user
18 of our airport. So it raised the question in my
19 mind is there going to be any potential liability to
20 the City of Philadelphia as a result of a possible
21 problem with respect to meeting payments.

22 MR. ISDELL: No. Clearly all of those
23 factors had a negative impact on our revenues as
24 they have on the general economy and particularly on
25 the airline industry, but before we sold the bonds

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2 we had to do very detailed feasibility studies that
3 looked at worst case scenarios including U.S.
4 Airways bankruptcy or potential liquidation, and we
5 would not have been able to do the financing without
6 being able to demonstrate, primarily because of the
7 strong origination market that we have here in the
8 Philadelphia area, that our airport would be secure
9 and that a certain minimum level of activity and
10 revenue associated with that activity would be
11 ensured into the future despite some of these other
12 economic factors such as the SARS and the bankruptcy
13 process which U.S. Airways has recently successfully
14 emerged from.

15 I didn't know if you wanted to add
16 anything to that.

17 MR. ANASTASI: That's correct. And I
18 think the one thing is that we have been pretty
19 fortunate here in Philadelphia. When you compare
20 our traffic results for, for instance, calendar
21 2002, we were up about one-tenth of one percent.
22 Now, if you looked at the nationwide average in
23 passengers for calendar 2002 the nation as a whole
24 was down about 4.7 percent. So I think that bodes
25 well for the way we have been able to recover from,

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2 for one thing, September 11 and the way U.S. Airways
3 has been able to keep afloat during this process in
4 which they have been doing everything that they
5 could to emerge from bankruptcy by March 31, which
6 they have been able to do.

7 MR. ISDELL: We have done very well
8 relative to the national average for airports and
9 particularly relative to international passengers.
10 We have continued to grow our international
11 passenger base right through 2001, 2002. The
12 numbers we just got indicate we set a new record for
13 international passengers of 3.2 million. And that
14 particular aspect of our passenger activity
15 continues to grow even in the face of these negative
16 economic indicators.

17 COUNCILMAN COHEN: If it turned out that
18 despite your careful analysis and preplanning, if it
19 turned out that Philadelphia was impacted to the
20 same extent as most of the rest of the nation and it
21 was impossible to meet the payments, who would be
22 the ultimate payer, PAID?

23 MR. ANASTASI: The ultimate payer of the
24 bonds is paid, but the ultimate payer of the debt
25 service are the airlines collectively that operate

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2 out of Philadelphia, not only U.S. Airways, but the
3 other signatories to the airline use and lease
4 agreement.

5 COUNCILMAN COHEN: Can you tell me again
6 the difference between the two ultimate kinds of
7 payers? What's the difference between the ultimate
8 payment on the bonds and the ultimate payment on the
9 debt service?

10 MR. ANASTASI: The ultimate payment on
11 the bonds is PAID, as we said, the Philadelphia
12 Authority for Industrial Development, but PAID is
13 really not responsible for raising the revenues to
14 pay the debt service. That responsibility falls to
15 the airport, and we have the -- and the airlines,
16 since they have approved this international terminal
17 project, are responsible for meeting those debt
18 service payments through their rates and charges.

19 COUNCILMAN COHEN: So on the debt
20 service there would never be an ultimate
21 responsibility by the City of Philadelphia?

22 MR. ANASTASI: That is correct because
23 the City is not responsible for general airport
24 revenue bonds like they are responsible for paying
25 debt service on the general obligation bonds.

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2 COUNCILMAN COHEN: With respect to the
3 bonds themselves where PAID has the basic
4 responsibility, doesn't the City back up the PAID
5 bonds?

6 MR. ANASTASI: Yes, they do. The City's
7 airport/aviation fund backs up the City revenue
8 bonds but not the City's general fund, and the way
9 we are able to do that is because the aviation
10 fund -- the contract between the airlines and the
11 City for a use and lease of the airport provides for
12 the airlines through their rates and charges to make
13 whole the aviation fund and the aviation fund is the
14 fund responsible and obligated to make the debt
15 service payment.

16 MR. ISDELL: If I might add, Councilman,
17 if you have read in recent days the situation that
18 the Pittsburgh airport is confronted with where U.S.
19 Airways has indicated a significant reduction in
20 their activity, they have it at least very similar
21 to ours, which would require the airport to
22 recapture the necessary revenue from the other
23 airline tenants. That's the way the leases are
24 written. It is a residual type of agreement which
25 requires the airlines as a group to cover that debt

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2 service, and the only way you would have -- the
3 worst worst case scenario would be if every airline
4 in the United States went out of business, which I
5 don't think is a reasonable prediction.

6 COUNCILMAN COHEN: Not unless you pay
7 full attention to the stories that the airlines are
8 issuing. Don't they practically threaten that these
9 days in their effort to get the amount of money they
10 are seeking from Congress? Haven't they just gotten
11 about \$3 billion and isn't the President purportedly
12 unhappy about the amount that the House and Senate
13 are considering?

14 MR. ISDELL: I think you are 100 percent
15 correct on those statements, yes, sir.

16 COUNCILMAN COHEN: Well, I don't want to
17 take any more time than this, but you are saying it
18 is very unlikely, or are you saying that under no
19 circumstances would the City of Philadelphia itself
20 be responsible for payment of either debt service or
21 the bonds?

22 MR. ANASTASI: Under no circumstances is
23 the general fund responsible for making payment of
24 any of the debt service on not only those bonds but
25 for all other general airport revenue bonds that

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2 have been issued.

3 COUNCILMAN COHEN: If I understand what
4 you are saying, it's a reassuring thought. Thanks
5 very much.

6 MR. ISDELL: Thank you, Councilman.

7 COUNCIL PRESIDENT VERNA: Thank you.

8 Any other questions from members of the committee?

9 The Chair recognizes Councilwoman Tasco.

10 COUNCILWOMAN TASCO: Thank you.

11 Good morning.

12 MR. ISDELL: Good morning.

13 COUNCILWOMAN TASCO: Can you describe
14 the contracting process that was used for the Sky
15 Sites initiative? What was your minority
16 participation and goals and were they achieved?

17 MR. ISDELL: That's a contract that we
18 have. It is a concession contract for the sale of
19 advertising inside the terminal buildings. That was
20 done through a request for proposals. I think that
21 was initiated back in 1999. The award was made in
22 the year 2000 to -- the company Sky Sites has now
23 been acquired by a larger global company called J.C.
24 Decaux -- I think it is D-E-C-A-U-X -- and that
25 contract required certain percentages of

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2 participation. I believe that -- I don't have the
3 detail in front of me. I know that I could get that
4 for you very readily, but I believe that the initial
5 DBE partner or one of the ones that was initially
6 proposed was not able to reach a satisfactory
7 agreement with the principal or the prime company
8 and that a second company was substituted. That
9 required approval by the Minority Business
10 Enterprise Council, which they did achieve, and it
11 is our understanding that they are meeting their
12 commitments for the percentages of participation
13 that were agreed to in that contract. That would be
14 an easy thing for me to get up-to-the-minute details
15 for you. I don't believe we have them with us today
16 because we weren't prepared for that question.

17 COUNCILWOMAN TASCO: What I would like
18 to know is once these companies enter into a
19 contract with minority companies, that the contract
20 is satisfied rather than just have a paper
21 participation. To what extent does the minority
22 company participate in the contract? Do they
23 actually get business? And so even though the first
24 company may not have been successful in negotiating
25 the contract with the major contractor, I would like

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2 to know who the second subcontractor was and did
3 that contract the subcontractor got have full
4 participation? Did they make any money, or is it
5 just that they were on paper a participant but not
6 necessarily fulfilled, granted any actual work, did
7 any actual work, and how much was the contract, how
8 much money did they actually make?

9 MR. ISDELL: I can say that one of the
10 subs under Sky Sites was Terry Crockett, an
11 architect, local architect, and I can tell you that
12 he has been working -- I was with him on Friday
13 going through the new international terminal on the
14 planning, design and installation of the advertising
15 that will be placed in that building. So I know
16 that he is one minority sub who has been utilized,
17 but to give you specific numbers and percentages, I
18 think we need to get back to you on that.

19 I would like to add, if I may, just that
20 as a general practice at the airport over the last
21 two years we have scheduled -- we do monthly
22 contract review meetings. We review all of our
23 professional services contracts and we also look at
24 our concession contracts such as the one you are
25 asking about. When we find a prime contractor that

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2 is failing to live up to their commitments, we have
3 a series of steps that we take. Initially we write
4 a letter. If there is no remedial followup, we
5 bring the principals of the company, of the prime,
6 in for a personal meeting with myself. I sit in at
7 those meetings. We remind them of their
8 commitments. Many times there is enough time --
9 because we do this in a timely way, there is enough
10 time for them to correct their deficiencies before
11 the fiscal year is over.

12 In the event they don't, we have the
13 ability to terminate their contracts or, if it is a
14 multiyear contract, to not renew, so we try to be
15 aggressive. We work very closely with Mr. Roundtree
16 and the Minority Business Enterprise Council and I
17 think that there is always more work to be done in
18 that area, but we would like to be a leader in the
19 enforcement of the process, not just the initial
20 commitment.

21 COUNCILWOMAN TASC0: Thank you. And I
22 would also like to know what happened to the first
23 contract, subcontract, and why that didn't work out.

24 MR. ISDELL: Okay. We would be happy to
25 put that together. Should we send that to the

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2 President's office?

3 COUNCILWOMAN TASC0: Yes.

4 MR. ISDELL: I forgot to mention too
5 that we are also monitored in the concession program
6 in particular. The FAA requires us to submit an
7 annual report that updates them on our
8 participation, achievements relative to our initial
9 goals, and we have done quite well in that area.

10 COUNCILWOMAN TASC0: Thank you very much
11 and I appreciate your effort in trying to stay on
12 top of it and monitor it because that is important
13 because what feedback we get from some of the
14 minority contractors is that they get these
15 contracts and then they don't actually do any work.
16 It's just, you know, the company says, "I fulfill my
17 commitment," but in the end they do not engage the
18 subcontractor on the project and therefore the
19 contractor does not make any money and does not do
20 any of the work, and so I think the monitoring is
21 extremely important and I hope that you will stay on
22 it and strongly, strongly enforce that.

23 MR. ISDELL: Yes, we take that very
24 seriously.

25 COUNCILWOMAN TASC0: As you know, the

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2 commitment of this Council is to make sure that
3 things change. It is not business as usual.

4 MR. ISDELL: We take that responsibility
5 very seriously.

6 COUNCILWOMAN TASCO: Can you describe to
7 me the post 9/11 hiring process for Civil Service
8 employees at the airport? What were the
9 difficulties that you have had and will any of these
10 problems affect the new international terminal?

11 MR. ISDELL: Yes. The biggest change is
12 the requirement now for a ten-year criminal history
13 records check for every employee. We had to do
14 those checks on all 15,000 of the existing employees
15 working at the airport. We have currently a staff
16 of about 675 people that work for the City. They
17 were all subjected to those background checks.

18 The principal area right now relative to
19 the new terminal where we have encountered problems
20 is relative to our custodial staff. We currently
21 have approximately 150 custodial vacancies. A large
22 number of them, over a hundred, were budgeted and
23 allocated specifically for the opening of the new
24 building. We do have the largest inhouse custodial
25 staff of any City agency and we felt that our

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2 objective was to continue to use the inhouse
3 capability by hiring additional staff for the new
4 building. Remember, this building is 800,000 square
5 feet. If you took the entire airport right now and
6 cut it in half, this one new terminal is bigger than
7 half of those other six terminals. So there is a
8 large amount of terrazzo that has to be cleaned, the
9 floors, many new bathrooms, and an enormous amount
10 of glass that has to be cleaned in the building,
11 interior and exterior.

12 So we have been working with the central
13 personnel department since about a year ago to
14 address the shortfall. We were already short by
15 about 50 positions in our custodial unit for the
16 existing six terminals. We were successful in
17 having a new specification written for the Custodial
18 Worker 1 class. A test was given last summer. We
19 got a Civil Service list late last year. We have
20 been aggressively interviewing from that list, but
21 we are still carrying large numbers of vacancies,
22 and one of the big factors, if you look at the last
23 hundred people that we got from the Civil Service
24 list, we were only able to hire about one-third of
25 that number, say about 30 to 33 people. A large

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2 number of the candidates were eliminated by the
3 criminal history records check. So that is not a
4 good percentage obviously. We have currently
5 scheduled very large certifications from the
6 remaining people on the eligible list. Over the
7 next several weeks we will be interviewing 100
8 people I think, two weeks from now, another 50
9 people a week after that and some large groups of
10 candidates in May also. That will be after the
11 terminal opens unfortunately.

12 We are looking at the possibility,
13 although we have not initiated any paperwork yet, of
14 a temporary outsourcing for some custodial help and
15 we have been working through the Mayor's Office of
16 Labor Relations to ensure that we do that in a way
17 that is in strict conformance with the contract and
18 that hopefully, you know, we will be copasetic with
19 District Council 33. I think the main concern is
20 that that would simply be a temporary measure to get
21 us through this period until we can fill all of our
22 vacancies.

23 So we are attacking the problem both
24 from inhouse and outsourcing, and we have also been
25 working closely with Mr. Dubow and the other City

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2 agencies that have custodial workers who might
3 potentially be available through downsizing in the
4 general fund departments. We are very anxious, if
5 they become available, to get them down to the
6 airport for interviews and, if possible, to hire
7 them as well.

8 COUNCILWOMAN TASCO: I know we discussed
9 this with you prior to today and my concern is that
10 you are looking basically -- if a company comes in
11 and you outsource this service, would the employees
12 have to be City residents?

13 MR. ISDELL: I don't believe they would,
14 no, not normally.

15 COUNCILWOMAN TASCO: So what is the
16 guaranty that you get a different pool of people if
17 you outsource?

18 MR. ISDELL: I think whoever we would
19 ask to bring in from the outside, to bring in
20 candidates, would be confronted with a lot of the
21 same problems that the Civil Service system has and
22 it is true they would not be confronted with the
23 residency requirement, which does not really sit
24 well with me personally, but for a temporary
25 situation it may be something that we have to

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2 consider.

3 COUNCILWOMAN TASC0: What is temporary?

4 MR. ISDELL: We were estimating no more
5 than six months.

6 COUNCILWOMAN TASC0: So in the meantime
7 you would still continue to search and test through
8 the Civil Service process.

9 MR. ISDELL: Absolutely. There are
10 approximately 500 people on the current Civil
11 Service list. We would like to get them in as
12 quickly as possible for interviews and hopefully
13 fill all of our vacancies and then we would avoid
14 the outsourcing entirely.

15 COUNCILWOMAN TASC0: What are some of
16 the restrictions -- in the background check what is
17 the criminal -- what criminal categories would
18 prevent someone from being hired for the custodial
19 position? Is it just any criminal, any arrests, or
20 are there limitations, are there certain crimes,
21 just what?

22 MR. ISDELL: There is a list of
23 disqualifying crimes that is published by the
24 Transportation Security Administration, and they are
25 essentially almost any felony disqualifies you and

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2 that's because the nature of the custodial worker's
3 job, at least at our airport, requires them to have
4 access to areas beyond the secure checkpoints. So
5 they are required to have badges that open some of
6 the security doors to get to and from work and, as a
7 result, they are required to go through these
8 background checks. And we can get you that list of
9 disqualifying crimes.

10 I can assure you that we have also
11 worked very proactively with the City's Law
12 Department to review the security requirements
13 particularly relevant to these background checks to
14 make sure that even though it is a federal mandate,
15 we want to assure that we are respecting people's
16 constitutional rights, and the City's attorneys have
17 been helpful in advising us in the administration of
18 this process.

19 COUNCILWOMAN TASCO: So do you have a
20 firm in mind that you would deal with in terms of
21 outsourcing?

22 MR. ISDELL: Our initial outreach was
23 to -- we have a company on board at the airport
24 right now that has responsibility for our facility
25 maintenance that includes about 25 different forms

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2 of maintenance, everything from pigeon control to
3 roofing to fence repair. One division of that joint
4 venture is called Affiliated Building Services.
5 They have actually done custodial services at some
6 other airports in the United States including
7 Chicago, so we have asked them for a cost quotation
8 at this point, and we are evaluating whether it is
9 really a cost-efficient way to go or not. We have
10 not reached a final conclusion at this time.

11 COUNCILWOMAN TASCO: I'm really
12 concerned about the outsourcing in terms of what
13 impact it has on Philadelphia. We have a high
14 unemployment rate here and we want Philadelphians to
15 work first and to begin outsourcing creates a
16 problem and you make all the efforts to even try to
17 get Philadelphians to the point of applying. I know
18 that you don't personally engage in the recruitment,
19 but do you know what recruitment efforts are made by
20 the personnel department? Is it central personnel
21 that does the recruitment?

22 MR. ISDELL: Yes, and we met with them
23 last April to discuss this need that we knew was
24 coming. One of the things we felt was at the time
25 that we had a high turnover rate in the custodial

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2 unit and we felt it was partly because the
3 requirement, the original requirement for that
4 position, was tenth grade education with no
5 experience. We requested that they insert some
6 experience requirement for people that had done some
7 actual cleaning or custodial work and I believe they
8 added a six-month requirement. They changed the
9 spec with the Civil Service Commission and the
10 administrative board's approval last summer and they
11 did an aggressive advertising and recruitment effort
12 which resulted in -- they gave a test I believe in
13 September and we have one of the largest eligible
14 lists that they have ever had in the history of that
15 test. There were over 600 people on the list. The
16 real problem we have confronted is this issue of the
17 background checks eliminating in some cases 50
18 percent of those candidates.

19 The other reason -- we did not rush to
20 fill the positions as we might have and I think
21 there were two reasons for that. One was that the
22 building did not open as originally scheduled so
23 that gave us the opportunity to postpone some of the
24 hiring and we also knew there was a possibility for
25 some general fund downsizing in other City

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2 departments where they have custodial workers.

3 That's been discussed all the way back I think for a
4 year or so as well and our sense was we didn't want
5 to fill these vacant positions with outside hires
6 and not be able to accommodate people who have
7 already worked for the City and might be in need of
8 a transfer opportunity and we continue to look for
9 some opportunities to bring those employees down to
10 the airport. I don't think that will happen though
11 until the new fiscal year.

12 So we are really caught right now in
13 this period where we are going to open the terminal
14 May 1 and until July we probably don't have a
15 realistic chance of filling a lot of those vacancies
16 as we would like to, so that's why we thought a
17 temporary solution might be helpful. We do want to
18 retain a certain standard of cleanliness and it is
19 difficult. The existing staff is overtaxed and
20 particularly at the end of a snow season. They do a
21 lot of the manual shoveling on the curbs. The
22 custodial staff does all of that. They do get a lot
23 of overtime, but even overtime becomes less of an
24 incentive when you have had an awful lot of hours
25 when you are stuck at the airport during the snow

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2 season. So overtime is not always the answer, and
3 we do need to fill some of these positions as
4 quickly as possible so we can keep the place clean.

5 COUNCILWOMAN TASC0: The companies that
6 you are talking about outsourcing with possibly, are
7 they local companies?

8 MR. ISDELL: The joint venture of PAS
9 has a local component. I think it has -- two of the
10 three joint venture partners are local and the third
11 one I'm not -- I think that is a Texas-based
12 company, but I'm not a hundred percent sure.

13 COUNCILWOMAN TASC0: Who are the local
14 companies?

15 MR. ISDELL: General Asphalt was one.
16 There is a company called Affiliated Building
17 Services, ABS, and U.S. Facilities is also a member
18 of the joint venture.

19 COUNCILWOMAN TASC0: And they have full
20 staff here in Philadelphia?

21 MR. ISDELL: Yes, they would hire
22 locally for our needs and they have had the
23 maintenance contract at the airport now for about a
24 year and a half and on all the other systems they
25 maintain, as I mentioned, from elevators,

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2 escalators, moving sidewalks, they have done a fine
3 job, so that was our first resort because we already
4 had them under contract. We would need to amend the
5 contract to do this temporary custodial service.

6 The other alternative would be to start
7 from scratch with a bid through the Procurement
8 Department, but that would take a significant amount
9 of additional time.

10 COUNCILWOMAN TASCO: Thank you very
11 much.

12 MR. ISDELL: Thank you.

13 COUNCIL PRESIDENT VERNA: The Chair
14 recognizes Councilman Nutter.

15 COUNCILMAN NUTTER: Thank you, Madam
16 Chair.

17 MR. ISDELL: Good morning.

18 COUNCILMAN NUTTER: Good morning. Mr.
19 Isdell, let me go back to an issue that was raised
20 by Councilman Cohen regarding the international
21 terminal as well as the passenger facility charges.
22 First, what was the total cost of the International
23 Airport?

24 MR. ISDELL: The new international
25 terminal's total is approximately \$550 million.

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2 COUNCILMAN NUTTER: 550?

3 COUNCILMAN NUTTER: And it took how
4 long?

5 MR. ISDELL: We broke ground in August
6 of 1999 so it is about three and a half, three and
7 three-quarters years to complete.

8 COUNCILMAN NUTTER: And did the project
9 come in on budget and on time?

10 MR. ISDELL: The original project which
11 was approved by Council in 1998 had a projected
12 completion date of January 1, 2002. We did -- you
13 might recall we did additional financing in calendar
14 year 2001 in the spring and summer. Council
15 approved some additional financing at that time.
16 The agreement --

17 COUNCILMAN NUTTER: How much was that?

18 MR. ISDELL: The additional financing I
19 believe was \$187 million. At that time we also
20 changed the projected completion date to July 1 of
21 2002. The main reason that we have been unable to
22 get the terminal open until this month has been the
23 security requirements that were changed and imposed
24 upon us following the 9/11 terrorist attacks under
25 the Transportation Security Administration which was

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2 created in November of 2001. As far as --

3 COUNCILMAN NUTTER: Let's go back for a
4 moment though. The original projected completion
5 date was when?

6 MR. ISDELL: January 1, 2002, was
7 changed to July 1, 2002. And we're anticipating
8 opening for full operations May 1 of this year.

9 COUNCILMAN NUTTER: Your original
10 projected completion was January 1, 2002, right?

11 MR. ISDELL: Yes.

12 COUNCILMAN NUTTER: How close were you
13 to meeting that deadline on September 10, 2001?

14 MR. ISDELL: September 10 of 2001 we had
15 already changed the date to July 1 of 2002 and our
16 sense on September 10 of 2001 was that we would in
17 fact be open on July 1 of 2002 and we felt that we
18 were on schedule and on budget to do that.

19 COUNCILMAN NUTTER: Okay. So let's make
20 sure the record is clear. You had already
21 anticipated missing the original completion date of
22 January 1, 2002 prior to the events of September 11,
23 correct?

24 MR. ISDELL: That's correct.

25 COUNCILMAN NUTTER: You had changed your

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2 date already from January 1, 2002 to July 1, 2002.

3 MR. ISDELL: That's correct.

4 COUNCILMAN NUTTER: Then because of the
5 events of September 11 you were further impacted by
6 a whole host of requirements. And is that when you
7 moved the date back to May 1, 2003?

8 MR. ISDELL: We moved the date back
9 several times primarily because we were unable to
10 get commitments from the TSA on the delivery of
11 security equipment required for the opening of the
12 terminal. We were unable to get that commitment
13 until December of last year when we finally received
14 a letter that included a delivery schedule. We
15 needed both the commitment for the equipment and a
16 delivery schedule of when that equipment would
17 actually be delivered. When we got that information
18 in December, we were able then to come up with a
19 concrete opening date and we have managed to live up
20 to that.

21 COUNCILMAN NUTTER: And in terms of the
22 budget, were you already over budget prior to the
23 events of -- were you already over budget on
24 September 10, 2001?

25 MR. ISDELL: No, we were not and there

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2 has been a requirement for some additional money
3 because of the security requirements. We were able
4 to get some federal airport improvement program
5 money and to use some additional passenger facility
6 charge money with the airlines' approval to cover
7 that additional cost. So at the moment we are not
8 looking for any additional money. We believe that
9 we will finish the building on budget.

10 COUNCILMAN NUTTER: I appreciate that.
11 I was not anticipating that you were going to
12 announce today that you were asking for more money.
13 That certainly wasn't the purpose of the question.

14 Is it possible for you to forward to us
15 through the Chair a copy of the application for this
16 project in order to utilize the passenger facilities
17 charges? We are at \$4.50. That's the maximum,
18 right?

19 MR. ISDELL: Correct.

20 COUNCILMAN NUTTER: And you had to file
21 an application with the FAA in order to fund the
22 project with passenger facility charges?

23 MR. ISDELL: That's correct.

24 COUNCILMAN NUTTER: And does that
25 application list the project costs associated with

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2 this project?

3 MR. ISDELL: Yes, all the costs that
4 would be paid for or financed with passenger
5 facility charges would be listed on that.

6 COUNCILMAN NUTTER: And would those be
7 the same as in the Code of Federal Regulations,
8 Section 14, Subsection 151.41 under "Project Costs"?
9 Those are listed as making field surveys, preparing
10 plans and specifications, accomplishing or securing
11 the accomplishing of the work, supervising and
12 inspecting construction work, requiring land or an
13 interest therein in any casement through or other
14 interest in air space and administrative and other
15 incidental costs incurred specifically in connection
16 with accomplishing a project and that would not have
17 otherwise been incurred? Are those the criteria for
18 eligibility?

19 MR. ISDELL: That sounds correct to me.
20 I don't have the number of the regulation, but it
21 sounds to me like you are quoting the correct
22 regulation.

23 COUNCILMAN NUTTER: Okay.

24 MR. ISDELL: Yes, that is correct.

25 COUNCILMAN NUTTER: That is correct?

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2 MR. ISDELL: Absolutely.

3 COUNCILMAN NUTTER: In your application
4 for the use of the passenger facility charges for
5 the international terminal, under what category was
6 it listed that there would be any use of the bond
7 proceeds or the passenger facilities charges, which
8 are in essence the debt service for the payment of
9 the bonds, where was the issue of either a grand
10 opening or a party or celebration? Where would that
11 be listed in the six eligible items?

12 MR. ISDELL: We would not be using the
13 passenger facility charge portion of the budget for
14 the promotional event that we have planned for this
15 Thursday.

16 COUNCILMAN NUTTER: How are you allowing
17 for that?

18 MR. ISDELL: That would come out of the
19 airline rates and charges portion of the financing
20 and there was a budgeted item for a grand opening
21 and other promotional items in the original project
22 budget. That would not have been submitted as a PFC
23 application.

24 COUNCILMAN NUTTER: So when you
25 responded to Councilman Cohen and you did give the

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2 breakdown between the PFC portion and the airline
3 rates and charges portion, you gave it as 75/25 I
4 believe, but it was not clear -- is that correct?

5 MR. ISDELL: Yes.

6 COUNCILMAN NUTTER: It wasn't clear
7 which was 75 and which was 25. Which is which?

8 MR. ISDELL: 75 is the PFC and 25 is the
9 airline rates and charges.

10 COUNCILMAN NUTTER: Now, explain the
11 airline rates and charges component. How does that
12 work?

13 MR. ISDELL: That's the portion of the
14 debt service that is funded out of the rentals,
15 terminal rentals, and landing fees that are paid by
16 the airlines for the use of the airport.

17 COUNCILMAN NUTTER: And those are
18 payments to whom?

19 MR. ISDELL: Those payments are made to
20 the airport, to the aviation fund, and essentially
21 that is how we self-sustain ourselves.

22 COUNCILMAN NUTTER: So the grand opening
23 event, money is being taken from that pool of
24 dollars or that reserve of dollars?

25 MR. ISDELL: That's correct.

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2 COUNCILMAN NUTTER: What would those
3 dollars normally be used for?

4 MR. ISDELL: The dollars that we are
5 talking about would have been used also for
6 potentially debt service for our capital program.

7 COUNCILMAN NUTTER: And you are saying
8 those dollars are being then diverted for the grand
9 opening event?

10 MR. ISDELL: No, the grand opening event
11 is considered part of the capital budget of the
12 overall terminal expansion project, so it is not a
13 diversion. It's really a piece of the overall
14 project which we think is quite legitimate. It
15 comes out to about four one-hundredths of one
16 percent of the total project expansion costs, a very
17 low number for promotion of a \$550 million building.

18 COUNCILMAN NUTTER: I understand that.
19 We don't have to fight about the cost. It could be
20 lower; it could be higher. I'm sure it will be a
21 nice event. I guess the question is whether or not
22 distribution --

23 MR. ISDELL: And these are charges. The
24 airlines generate these dollars from their tickets.
25 At this time from their general revenues at the

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2 airport the airlines pay us monthly charges for
3 their use of the airfield and for their rentals for
4 their space that they have in the terminal building.
5 That budget also is partially made up of revenues
6 that we have from concessions as well such as the
7 shops, restaurants and parking, rent-a-cars, that
8 type of thing.

9 COUNCILMAN NUTTER: And you are saying
10 that this event was listed as a part of the overall
11 application for the overall budget?

12 MR. ISDELL: Yes.

13 COUNCILMAN NUTTER: And is this fairly
14 standard practice, or is this the kind of thing that
15 you might, in order to keep the costs directly
16 associated with construction and the like, is this
17 the kind of thing that private fund-raising might be
18 better utilized for?

19 MR. ISDELL: I think that was one option
20 that we looked at and, in fact, we have received
21 some donated services. The vendors, for example,
22 from our concession program have donated all of the
23 giveaway items that are going to be used, the
24 promotional items. We have gotten a couple of other
25 things donated. It is a difficult time to be asking

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2 the private sector for donations and contributions.
3 They are hurting in many respects the same way the
4 rest of the economy is, but as far as whether this
5 is a normal practice or not, I would like to just
6 say that every time we have opened a new facility at
7 the airport in the 13 years that I've been there,
8 there has been an event that dates back to the
9 opening of International Terminal A in 1991. There
10 was a two-day event that included a luncheon one
11 day, a reception and dinner the next night. I
12 believe they spent more on that activity in 1991
13 than we are going to spend this year in 2003.

14 We had an airport day when we opened and
15 completed a project to upgrade Terminals B, C, D and
16 E in 1994. It was a day-long extravaganza. In 1998
17 we had a three-day event that cost approximately a
18 million dollars for the opening of the B-C food
19 court and retail mall, and in 1999 we had an event
20 at the Marriott Hotel observing the opening of our
21 new runway 8-26.

22 COUNCILMAN NUTTER: All of these events
23 were paid for in the same fashion?

24 MR. ISDELL: Yes, and in every case, as
25 far as I know, there was some donated services or

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2 materials from vendors who had participated in the
3 project and we have tried to emulate that, but
4 rather than a million-dollar event, which would have
5 been I think reflective of the type of three-day
6 event we had in 1998, we have reduced the event
7 budget now below \$200,000, so I think that we have
8 done a pretty good job of being as frugal as we
9 could be without having an event that would be less
10 than appropriate. This is a milestone for the
11 regional economy --

12 COUNCILMAN NUTTER: I understand.

13 MR. ISDELL: -- and we think it is
14 appropriate to bring people's attention to it.

15 COUNCILMAN NUTTER: Who makes the
16 decision about the size of the event, dollar
17 expenditure and how the costs are covered?

18 MR. ISDELL: In this particular case we
19 worked with U.S. Airways because they are the
20 developer and construction manager of the project
21 and they of course wanted to have an event. They
22 have invited over 600 people, many of whom include
23 regional salespeople from around the country, travel
24 agents, international press from both Europe and the
25 Caribbean, so they wanted to have an event, but,

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2 again, as a company emerging from bankruptcy, they
3 wanted to have a tasteful and frugal event, and so
4 we worked with them to conserve the cost as much as
5 possible.

6 COUNCILMAN NUTTER: I understand the
7 response, but my question was who actually made the
8 decision on --

9 MR. ISDELL: A joint decision between
10 the airport and U.S. Airways in this particular
11 case.

12 COUNCILMAN NUTTER: Thank you very much.

13 MR. ISDELL: Thank you.

14 COUNCIL PRESIDENT VERNA: Thank you.

15 The Chair recognizes Councilman Cohen.

16 COUNCILMAN COHEN: Thank you, Madam
17 Chair.

18 I just want you to know I appreciate
19 very much the personal responses you have made to
20 the questions I raised with you concerning my
21 personal use or some problems I have had with
22 respect to representation of people who have had
23 some problems with tickets and I appreciate your
24 personal involvement very much, but in that area
25 there has always been one question that has troubled

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2 me a great deal and that is that to so many
3 Philadelphians our local airport is a luxury that
4 they do not avail themselves of but use the
5 Baltimore Airport or the Atlantic City Airport,
6 probably a number of other airports I have not heard
7 about, and I'm very concerned about Philadelphia
8 becoming a business for others but not for
9 Philadelphians like I'm concerned about the high
10 price of Eagles tickets to the point where very few
11 Philadelphians -- maybe no more than 15 percent of
12 spectators are Philadelphian. The rest come from
13 other areas where the income is higher.

14 Is that why the airport is in better
15 shape because it charges more and gets customers
16 mainly from the business or from the more affluent
17 suburban areas than Philadelphians? Is that why the
18 Philadelphia Airport is in better financial shape
19 than apparently other airports are from what I
20 gathered from your earlier statements and the
21 gentleman with you?

22 MR. ISDELL: I think that is a part of
23 the overall picture. We do know that two-thirds of
24 our passengers are business travelers as opposed to
25 leisure travelers, so there has clearly been an

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2 evolution over many years of our airport to become
3 oriented towards serving those passengers which are
4 essentially our clientele.

5 We also have tried though, in recent
6 years especially, to encourage and recruit some
7 low-fare competition and to date our most successful
8 efforts in that regard have been with Air Tran
9 Airways to provide some low-fare opportunities for
10 families and individuals to fly to some of the
11 leisure destinations in Florida. Air Tran also
12 recently announced that they are going to fly
13 starting in May to Pittsburgh for \$59 each way --
14 I'm sorry. Boston. I'm sorry. I apologize.
15 Philadelphia to Boston starting in May at \$59. In
16 the past they have not been successful competing
17 with U.S. Airways for business traffic such as their
18 efforts to fly low-fare flights to Pittsburgh a
19 couple years back, but we hope that they will be
20 able to succeed and get a foothold in Philadelphia.

21 I did want to respond to your concern
22 about BWI by bringing some good news that we just
23 got from our air service consultants. We completed
24 an exhaustive study to identify leakage from our
25 airport to our two nearest competitors, Newark and

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2 Baltimore/Washington, and we were somewhat surprised
3 to learn that the leakage to Baltimore is
4 essentially offset 100 percent by leakage back to
5 our airport from people in their metropolitan area.
6 So concern that we have, which continues, about
7 Baltimore taking low-fare traffic from our
8 metropolitan area and encouraging those people to
9 drive down to BWI to take Southwest Airlines has
10 been somewhat relieved by the results of this study,
11 which we would be happy to share with Council. We
12 presented it about ten days ago to our airport
13 advisory board.

14 And our concern now more than anything
15 is really with competition from the Newark and New
16 York area for international passengers. So we will
17 be focused on trying to continue to develop some
18 low-fare service here as an alternative for leisure
19 travelers and Philadelphians who want to go to
20 Disney World and the Caribbean and places like that,
21 but in addition we want to be aggressive in trying
22 to offer more opportunities for international
23 flights in conjunction with the opening of our new
24 building and our sense that U.S. Airways, as they
25 emerge from bankruptcy with a CEO who used to lead

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2 the continental international development up at
3 Newark airport, he's now on our side and he wants to
4 develop an international hub in Philadelphia similar
5 to what Newark became back in the '80s, and we think
6 that would be a great development as well.

7 COUNCILMAN COHEN: I think anything in
8 that direction would be helpful. Incidentally, on
9 the Baltimore, did the study indicate that the
10 prices in fact were as low in Philadelphia as in
11 Baltimore, or was the leakage back to Philadelphia
12 from Baltimore related to other circumstances?

13 MR. ISDELL: It was a combination. It
14 was in many cases the destination served. You can't
15 get to as many destinations through Baltimore as you
16 can through Philadelphia so a certain number of
17 people from their catchment area have to come up to
18 Philadelphia to use our airport if they don't want
19 to fly a one stop out of Baltimore, but in fact we
20 have also noted in the last six months or so during
21 the bankruptcy period U.S. Airways has become very
22 aggressive in price competition with Southwest
23 Airlines because they were aware that they were
24 losing passengers, so they have recaptured some of
25 those people by becoming more cost competitive.

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2 COUNCILMAN COHEN: I would certainly
3 welcome, and I think Philadelphians would, any
4 efforts that would make the Philadelphia Airport
5 more amenable to Philadelphia travelers. And I
6 assume that the report is going to go to the
7 president for dissemination to other Members of
8 Council?

9 MR. ISDELL: Yes.

10 COUNCILMAN COHEN: I will look at that.

11 Now let me go back to one item raised by
12 Councilwoman Tasco and that is the question of
13 minority employment among custodial workers and in
14 your reply to her you refer to background checks
15 being a cause for -- one of the causes at least for
16 eliminating so many people from potential jobs at
17 the airport. Do you get the details of the
18 background check in the airport, or do you depend on
19 the police department or some other department for
20 their ultimate evaluation?

21 I raise that question with you because
22 in the days when I was freer to practice private
23 criminal law, I learned, as most people do in that
24 practice, that minorities get arrest records very
25 easily in Philadelphia and elsewhere and that they

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2 have to be looked at very carefully or you easily
3 run into a situation where large numbers of people
4 are eliminated for arrests that were relatively
5 meaningless and might not have occurred except for
6 the fact that the person was a member of a minority,
7 but without dealing with that issue, I'm just
8 wondering, like assault is a very common charge,
9 often not substantiated when the matter goes to
10 trial. The dismissal rate on assault charges is
11 extremely high. The same applies -- so I would like
12 to suggest, and I don't want to take the time now,
13 but I think that is one area that has to be looked
14 at hard and you have to find good reasons for
15 finding somebody not eligible.

16 In addition to the fact that minorities
17 are often chargeable with crimes that others don't
18 get, one has to take into account too the fact that
19 many minorities have never had a chance to work and
20 I wonder whether the turnover rate is due to the
21 fact that you are often dealing with the population
22 that is getting its first chance at a position. And
23 it took me a long time to learn that you have to
24 come to work on time, that what may be a good
25 average to you of coming to work once or twice a

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2 work on time is viewed as a capital offense
3 generally. Generally if you are late once or twice
4 during the year, it's considered too much, and it
5 takes a while to learn that, and I was wondering
6 whether the airport ever thought in terms of having
7 some preliminary classes to acquaint people because
8 most people that would be applying for custodial
9 work, it might very well be their first trip into
10 the world of work and something like coming to work
11 on time, being appropriately dressed, being
12 appropriately well-mannered in your relations with
13 other people sometimes takes some experience. So I
14 would like to suggest more work in those areas
15 because I think it's just very important that we not
16 write off people. Even if people do have a minor
17 record, say, of guilt on an assault case or
18 something like that, that we can't just afford to
19 write Philadelphians off that easily, and I think
20 that the airport would be doing a great deal for
21 itself and for the City of Philadelphia if it could
22 take the lead in establishing strong, positive
23 records for employment of minorities, for learning
24 that you have to maybe prepare a population that
25 wasn't previously prepared for work habits that are

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2 essential to the effective operation of the airport
3 and to make a determined effort.

4 I was impressed by the answers that you
5 gave to Councilwoman Tasco in the way in which you
6 personally involve yourself in the reporting with
7 respect to vendors as to whether or not the prime
8 people involved really did their job and you
9 inserted yourself and I think that is very important
10 to achieve success. So I'm just urging that in your
11 thinking about minority participation it would be
12 great if the airport could really lead the way by
13 developing new approaches to make it possible for
14 Philadelphians to be placed in custodial work and in
15 contractual work and in every area of the vendors
16 and the other facilities or workloads that exist at
17 the airport.

18 So I hope you will give thought to some
19 new mechanisms. You're an independent body largely
20 and I think you have a high degree of employment.
21 How many employees do you have at the airport?

22 MR. ISDELL: About 675 City employees.
23 All told about 21,000 people work at the airport for
24 all the different entities down there.

25 COUNCILMAN COHEN: Of course what I'm

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2 saying applies I guess predominantly to the City
3 employees, but should not be limited to them. We
4 favor fair employment practices at every stage and
5 every level and it would be great if the airport
6 could be cited as the number one example of progress
7 in Philadelphia.

8 Thank you, Madam President.

9 MR. ISDELL: I was going to say in
10 response to the first part of your last question,
11 the criminal history records are sent by the FBI to
12 the Philadelphia Police Department as you suspected
13 and then they are reviewed and we get the results
14 after they are reviewed by the police, and I believe
15 the City Solicitor participates in that review. You
16 are right. They do not come directly to us, but we
17 work with the Philadelphia Police Department in that
18 process.

19 And in response to the second part of
20 your last question, we have just recently completed
21 an RFP for training services for our custodial unit
22 because that was identified. We have been doing
23 what we call a re-engineering government initiative
24 with the custodial unit over the last couple years,
25 and the need for training, some of which is very

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2 basic, as you indicated, was identified as a
3 priority and we are just getting ready to enter into
4 some agreements to bring some training services into
5 that unit, which we hope will stabilize the unit and
6 reduce the turnaround.

7 COUNCILMAN COHEN: Thank you. They seem
8 like positive steps.

9 Thank you, Madam President.

10 COUNCILWOMAN TASC0: Chair.

11 Councilman Rizzo.

12 COUNCILMAN RIZZO: Thank you, Madam
13 Chair.

14 Mr. Isdell, let me first congratulate
15 you and your staff for the great job you do down at
16 the airport especially right now. It must be a very
17 trying situation with the levels of security and the
18 changes, the many changes that have occurred down
19 there, and I want the rest of my colleagues to be
20 aware. I know people who work at the airport and
21 you are one of the first directors of aviation that
22 has a policy where anyone who worked, those 600-plus
23 people that work at the airport, if they want to
24 meet with you, that you will grant them time to come
25 and sit down with you and discuss any issue that

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2 affects the operation or their employment at the
3 airport. That is incredible that you make that
4 available to them.

5 MR. ISDELL: Thank you.

6 COUNCILMAN RIZZO: The other issue is
7 that since I have friends that work at the airport I
8 know that recently we have had some criticisms of
9 the various equipment that may be at the airport and
10 I understand there is some pressure to take some
11 equipment that you may need away. Could you assure
12 me that that is not going to occur?

13 MR. ISDELL: We have a meeting scheduled
14 with the managing director to go over our fleet
15 needs and requirements and I'm hopeful also with the
16 help of our commerce director, Jim Corado, who is
17 going to sit in on that meeting, that we will be
18 able to keep the equipment that we need.

19 COUNCILMAN RIZZO: I would be interested
20 to know because I know if you had something that you
21 didn't need down there, you wouldn't have it. Thank
22 you, Mr. Isdell.

23 Thank you, Madam Chair.

24 COUNCILWOMAN TASCO: Are there any other
25 questions from Members of Council?

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2 Thank you very much, Mr. Isdell. Thank
3 you for the hard work you do at the airport. We
4 appreciate it.

5 MR. ISDELL: Thank you.

6 COUNCILWOMAN TASC0: Mayor's Office of
7 Information Services. This department was requested
8 for a return. There are questions from the Members
9 of Council. Good morning.

10 MS. NEFF: Good morning.

11 COUNCILWOMAN TASC0: I guess I have a
12 question similar to the one that I asked Mr. Isdell
13 regarding the contracts that you give and the
14 minority participation on those contracts. First,
15 can you describe your minority participation goals
16 and were they received and, second, can you describe
17 the types of contracts that minority vendors
18 received and the budgets fully expended? Do you
19 contract with an individual and then not really use
20 them? I guess that's the question.

21 MS. NEFF: The Mayor's Office of
22 Information Services --

23 COUNCILWOMAN TASC0: Would you identify
24 yourself for the record, please?

25 MS. NEFF: Certainly. Diana Neff, CIO.

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2 COUNCILWOMAN TASC0: Please proceed.

3 MS. NEFF: We have approximately \$5
4 million in purchase of services through my
5 department. As the Council is aware, we do not have
6 a centralized purchasing of all IT services, but
7 from the central office we purchase approximately 5
8 million. Of that, many of them are maintenance for
9 operating systems such as our mainframe equipment.
10 We do bid many of our contracts. We are currently
11 out with our desktop support, which has an, I
12 believe, 25 or 27 percent minority participation
13 requirement on that. We are also out for contract
14 on our software procurement. We have --

15 COUNCILWOMAN TASC0: If you have 25 to
16 27 percent goal, did you fulfill that goal?

17 MS. NEFF: That contract is currently
18 in negotiation and with either of the two finalists
19 they will meet their participation requirements.
20 Our contracts will vary. MBEC office we work
21 closely with in reviewing our contracts. They set
22 anywhere from a 10 percent to a 27 percent goal
23 normally.

24 COUNCILWOMAN TASC0: Let's go back to
25 the contracts that you are not presently negotiating

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2 but contracts you have negotiated in the past. They
3 may have awarded a contract to a minority vendor.
4 Were those contracts fulfilled? Did the individual
5 vendors do the work, or do you just have on record
6 that you have contracts with minority vendors?

7 MS. NEFF: I can speak for the last two
8 years that I've been in office and the only area in
9 which we have had those occurrences has been in
10 training. MOIS does the training, all IT training,
11 for across the City. We coordinate that. We work
12 with the departments -- each department has a
13 trainer coordinator -- to determine what the
14 approximate training will be. With the tight
15 budgets we have only seen about 50 percent of the
16 training dollars expended particularly this year.
17 Last year was about two-thirds. So in some cases
18 where we thought we would have a half million
19 dollars in training, we have only had -- I believe
20 this year to date at about 200,000, 250,000. Last
21 year we thought again it would be closer to 600,000
22 and it came in around 430,000.

23 So there have been cases where based on
24 initial budgets in the proposed budget that we have
25 gone out and done contracting and IT training where

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2 we have not issued those contracts. I am not aware
3 of other contract areas in which we have submitted
4 or gone out for contracts and then not used them.
5 Occasionally if we get asked to reduce budgets, then
6 we would have to eliminate some contracts and we
7 have had that happen a couple of times.

8 COUNCILWOMAN TASC0: So you proposed
9 \$600,000 for, say, training --

10 MS. NEFF: Correct.

11 COUNCILWOMAN TASC0: -- in your budget.
12 And then you would award the contract?

13 MS. NEFF: We would encumber the
14 contracts based on estimated training amounts, but
15 the departments then sign up their staff to take
16 those classes and we bill as the departments use
17 those resources. When we get to the last several
18 months of a contract period, if we realize, I guess
19 about a quarter before the end of the year, we will
20 unencumber certain contracts if we have not used
21 those services. Training is by far the one area
22 where we have the least amount of control on.

23 COUNCILWOMAN TASC0: So if I subcontract
24 with you for -- if I receive a contract from you,
25 does the contract say up to a certain amount or that

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2 I will get \$600,000?

3 MS. HENRY: I'm Jacqueline Henry. I'm
4 the administrative services director. We usually
5 allot a certain amount in the contract for each
6 vendor. We do not guarantee that they will use any
7 of it; however, we monitor it to make sure if there
8 is training requirements across the City agencies,
9 that we allot it appropriately across all of our
10 vendors if they do the same type services. We don't
11 guarantee the dollar amount, but from past
12 experiences we generally base it upon their uses
13 from the previous year, so most of them do use what
14 we put in the contract.

15 COUNCILWOMAN TASC0: So if we wanted to
16 talk about minority participation and the dollar
17 value they receive from your office, could you give
18 us a figure on the number of contracts you let and
19 the dollar value that has been appropriated or that
20 was used by the minority firms? Because you can
21 have them on paper but they not receive any money.
22 So you may have a 25 percent contractual
23 participation, but you may have 5 percent dollar
24 participation, and that is what I'm interested in,
25 what is the dollar value and how much are minorities

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2 and women in terms of your contractual relationships
3 with them.

4 MS. HENRY: Yes, we do have that
5 information.

6 COUNCILWOMAN TASCO: We would like to
7 have that. Pass it on to the Chair.

8 Are there any other questions from
9 Members of Council?

10 Thank you very much.

11 Mayor's Office of Community Services.

12 We call on our Council members, if they
13 are listening on their intercoms, if you asked any
14 of these departments to return, we would appreciate
15 if you would come forward to City Council to address
16 your issues to members of these departments.

17 The Chair recognizes Councilman Nutter.

18 COUNCILMAN NUTTER: Thank you, Madam
19 Chair.

20 In response to one of the questions --
21 actually it wasn't even my question, but I looked in
22 the responses. This is a letter dated March 31,
23 2003. The question was "Provide a list of the names
24 for the companies that hired the 261 workers placed
25 in the jobs through the welfare to work training

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2 program and what has been the length of stay in
3 these jobs?" It was actually asked by Councilman
4 Ortiz. There is a listing, Madam Chair, of 25
5 companies that people received employment from.

6 The second part of the response was "The
7 average length of time a customer retains employment
8 is six months." My question is, based on that, what
9 does the, quote/unquote, customer do at that point
10 and why is the average length of employment six
11 months and is that an acceptable employment time
12 period based on the training and the cost of the
13 training?

14 MR. BLAKNEY: Councilman --

15 COUNCILMAN NUTTER: Please identify
16 yourself for the record.

17 MR. BLAKNEY: Ralph Blakney, executive
18 director of the Mayor's Office of Community
19 Services.

20 The six-month period is an acceptable
21 period. The contract that the Mayor's Office of
22 Community Services has with the Department of
23 Community and Economic Development stipulates that
24 we are to find employment for one-half of the people
25 enrolled in the program. The amount of period that

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2 the state gives as acceptable is actually one day,
3 believe it or not. The goal is to find employment,
4 not to necessarily keep the people employed.

5 However, MOCS has gone beyond --

6 COUNCILMAN NUTTER: How could that not
7 be a goal?

8 MR. BLAKNEY: What I'm saying is
9 according to the contract. It is a goal of --

10 COUNCILMAN NUTTER: I don't really care
11 about the contract at that point. I'm glad we have
12 a contract and I'm glad that we have a goal of
13 trying to get people employed. What's our goal?

14 MR. BLAKNEY: Our goal at this time is
15 to keep the people employed for six months. We have
16 been working to --

17 COUNCILMAN NUTTER: And then what
18 happens?

19 MR. BLAKNEY: Well, what we have done
20 recently is work to keep the people in employment
21 for a minimum of one year. We have expanded our own
22 internal goals and objectives in terms of
23 maintaining employment for the people enrolled in
24 the program.

25 COUNCILMAN NUTTER: How do you do that?

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2 MR. BLAKNEY: Well, there's a number of
3 things that are done. We do hire retention
4 specialists and their job is basically to maintain
5 contact with the employers. The employers know that
6 they can notify the agency when an employee is
7 having issues on the job. The retention specialists
8 actually, as a result of information that we
9 receive, do contact the employees to try and work
10 out whatever problems which may be causing them not
11 to be as successful on the job as possible.

12 Also, prior to employment we have a
13 number of case managers who actually work with
14 people enrolled in a program to help address issues
15 that people come into the program with, issues such
16 as child care issues, issues such as mentioned
17 earlier in previous testimony, people not
18 necessarily having good work habits in terms of
19 reporting for work, for example. All of these kinds
20 of issues are addressed to actually help ensure that
21 the person, once they achieve employment, actually
22 maintain employment, and right now we are looking at
23 one year as being the goal that we are targeting.
24 And I'm saying that in terms of tracking.

25 COUNCILMAN NUTTER: I understand that,

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2 but your response was you have these 25 companies.

3 The average length of time a customer retains

4 employment is six months. You are not able

5 necessarily to influence how long those companies

6 keep the person or the customer, are you?

7 MR. BLAKNEY: No, we are not.

8 COUNCILMAN NUTTER: So where does the

9 one year come into play and what does a person do

10 after they have gone through training, they are

11 employed for six months, now they are out of a job.

12 What do they do then?

13 MR. BLAKNEY: For more information on

14 that question I would like to bring up Leon Simmons,

15 who is the director of the Mayor's Office of

16 Community Services supportive work program.

17 MR. SIMMONS: Good afternoon, Council

18 Members.

19 COUNCILMAN NUTTER: Good afternoon.

20 MR. SIMMONS: Should I answer the

21 question?

22 COUNCILMAN NUTTER: Sure.

23 MR. SIMMONS: Customers that are

24 enrolled into the workwise program receive

25 employment retention. Basically that is supplied to

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2 all customers upon them entering into employment.

3 The goal, of course, for the retention services is

4 to try to lock them in and work with the employer

5 and the customer to sustain their employment for up

6 to a year's time. Contractually with the state it

7 is for a six-month period, but we view ourselves as

8 a successful program with the City of Philadelphia

9 and working with City residents, we extend that to a
10 one-year period.

11 COUNCILMAN NUTTER: How many people have
12 stayed on for a year?

13 MR. SIMMONS: I'm sorry. For a year?

14 COUNCILMAN NUTTER: One year.

15 MR. SIMMONS: Last year's statistics we
16 had over 55 percent -- I'm sorry. For a year, one
17 year?

18 COUNCILMAN NUTTER: One year.

19 MR. SIMMONS: I'm sorry. We had a 35
20 percent one-year job retention rate for our
21 customers enrolled in the workwise program.

22 COUNCILMAN NUTTER: 35 percent?

23 MR. SIMMONS: Yes.

24 COUNCILMAN NUTTER: The people who were
25 able to stay one year, were they out of this pool of

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2 people that were hired by the 25 companies?

3 MR. SIMMONS: Yes.

4 COUNCILMAN NUTTER: So tell me again
5 what happens to the six-month person or the average
6 length-of-stay customer. They come in. They get
7 training. How much does the training cost? What is
8 the cost of training each person?

9 MR. SIMMONS: Roughly \$3500 per person.

10 COUNCILMAN NUTTER: So they come in.
11 They get the training. They work for six months.
12 Then are they fired or do they resign or how do they
13 end up only staying for six months?

14 MR. SIMMONS: Well, I think the scenario
15 that we are talking about would be someone who
16 received employment and for whatever their reason if
17 the employment did not last longer than six months,
18 they have the option of returning to the Mayor's
19 Office of Community Service workwise program.

20 One of the ways that we kind of view
21 ourselves in working under MOCS is if they are a
22 City resident and if they are seeking services,
23 there is no way in the world we would turn them
24 away. So even though they may not be enrolled in
25 the program by way of the state, they are eligible

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2 to return to MOCS and obtain additional services to
3 get themselves reemployed.

4 COUNCILMAN NUTTER: How many people have
5 gone through training more than one time?

6 MR. SIMMONS: I would have to get that
7 number for you.

8 COUNCILMAN NUTTER: Would it be the
9 balance of your nonretention for the year? You have
10 35 percent being retained for a year. Does that
11 mean that the other 65 percent are coming back
12 through the program?

13 MR. SIMMONS: No. Possibly they could
14 either return back through CAO, which is what their
15 initial referral source is, or they may opt to
16 receive other services from other programs.

17 COUNCILMAN NUTTER: So the state
18 contracts with us and their requirement is six
19 months, but where is -- how do we seek to achieve
20 the goal of a year or where does the year come in?

21 MR. SIMMONS: We are actually trying to
22 influence the state right now to take a look at a
23 year's retention. One of our internal analysis, we
24 found that applying six months of retention services
25 is not enough time to adequately move someone from

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2 unemployment to employment successfully and also try
3 to reach the agency's goals of self-sufficiency.
4 And even, to be honest with you, some of the
5 barriers that our customers actually face, even one
6 year's retention is not enough. So at a minimum for
7 what, of course, the state is allowed to give us for
8 our efforts and for our contractual purposes, we
9 applied the one-year internal stipulation of
10 retention services.

11 By the way, that has been met with a lot
12 of enthusiasm by the state to the extent that the
13 state recently allowed the Mayor's Office of
14 Community Services to enter into Bucks County to
15 employ the same type of services.

16 COUNCILMAN NUTTER: Mr. Blakney, as a
17 part of your responses from the earlier hearing,
18 there is an Attachment C which is a list of MOCS
19 employees by name, title, department, funding
20 source, zip code, date and position, date of hire
21 and their salary. Is it possible to rearrange the
22 order on this? It appears that this was grouped by
23 work -- it appears that it was grouped by
24 department. Is that the key to this document?

25 MR. BLAKNEY: Job site more or less or

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2 program.

3 COUNCILMAN NUTTER: Is it possible for
4 you to reorder the listing such that it would be in
5 a zip code cluster so, in other words, all the
6 people -- take if there were 19103, all the 19103
7 people would be together, all the 05, all the 06 and
8 then list all the same information, the name and the
9 title of the department?

10 MR. BLAKNEY: We could furnish that
11 information. We can furnish that chart.

12 COUNCILMAN NUTTER: You can do that?

13 MR. BLAKNEY: Yes.

14 COUNCILMAN NUTTER: Within the zip code
15 cluster for people that find themselves in the same
16 zip code, if you could put the employee's name
17 alphabetical by last name within their cluster, that
18 would be helpful.

19 MR. BLAKNEY: We will furnish that.

20 COUNCILMAN NUTTER: Thank you.

21 Lastly, there was a fair amount of
22 discussion last time about the Frankford Family
23 Development Center and some truancy services up in
24 the Frankford Cluster. I had also asked the
25 question about who provides truancy prevention

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2 services in West and Northwest Philadelphia. There
3 is a very long answer here. It seems to be
4 primarily DHS driven. I had two questions: One,
5 what is the DSS staff? That is an acronym used in
6 this response.

7 MR. BLAKNEY: DSS staff would be the
8 Division of Social Services staff.

9 COUNCILMAN NUTTER: Got you. Okay.
10 And I could not figure out from this
11 response, is there a specific place similar to what
12 you have at the Frankford Cluster where truancy
13 prevention services are being provided? They appear
14 to be being provided by a variety of organizations,
15 but is there a central location for these services?

16 MR. BLAKNEY: That question would be
17 more appropriately handled by DHS if you are
18 speaking about centralized location for truancy
19 services.

20 COUNCILMAN NUTTER: I thought this was
21 operating under MOCS similar to the Frankford Family
22 Development Center.

23 MR. BLAKNEY: Right. If your question
24 is regarding Frankford, then that would be a
25 question for MOCS. I thought I heard you say that

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2 you were asking about truancy services provided in
3 other areas of the City, and, as we had said in
4 previous testimony, MOCS --

5 COUNCILMAN NUTTER: Okay. I understand
6 the distinction.

7 Mr. Fair, are you going to tell us
8 something?

9 MR. FAIR: My name is David Fair,
10 director of prevention services for the Department
11 of Human Services.

12 The truancy prevention effort that is
13 supported by DHS at MOCS and other agencies is a
14 citywide effort that is organized regionally by the
15 areas that are served by the regional truancy
16 courts. There are now ten regional truancy courts
17 that are geographically located. The truancy courts
18 occur mostly in public school buildings. There are
19 a couple that are not in public schools. That's
20 where we generally identify families that we will
21 serve with our truancy prevention services, so it
22 varies depending in the part of the City what
23 schools the truancy courts are held in, but the
24 agencies that provide the services are all
25 identified as agencies that are active in the

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2 particular community that they are serving.

3 The Frankford situation is the only
4 place, I think, where we have what we call a family
5 center and the truancy program happening in the same
6 facility. Often they are the same providers, but
7 that's the only place I think where they have been
8 in the same facility.

9 COUNCILMAN NUTTER: Is there any thought
10 or discussion going on that would lead to similar
11 types of models in other parts of the City?

12 MR. FAIR: Not really. I think because
13 the truancy service is pretty much of a home-based
14 service that's visiting the family at home and
15 helping the family deal with its issue there is not
16 as much a need to have a facility for people to come
17 to. We do have family centers in all of these areas
18 and the same services that are provided at the
19 Frankford Family Development Center are provided to
20 the families of truants in those other areas.

21 COUNCILMAN NUTTER: I think we had some
22 discussion about the family center issue last time
23 as well.

24 MR. FAIR: Yes.

25 COUNCILMAN NUTTER: And I think we

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2 determined that there was not one north of Market in
3 West Philadelphia. What are we doing about that?

4 MR. FAIR: There is one in Mantua but
5 not one further up in West Philadelphia.

6 COUNCILMAN NUTTER: North and west.

7 MR. FAIR: Our request to the state for
8 next year includes adding two new family centers and
9 we sort of are dependent on whether or not that
10 funding is awarded.

11 COUNCILMAN NUTTER: Where would they be
12 placed?

13 MR. FAIR: The original plan was
14 actually to place one in the Frankford area of the
15 City further east from where the Frankford Family
16 Development Center is. There is a whole area of the
17 City, Port Richmond and those areas, that we don't
18 really have a program. The other places that we
19 were thinking about having a family center was in
20 the area around 25th and Allegheny, but none of
21 those decisions are final, so we could still have
22 conversations about that if the money comes in.

23 We have initiated some conversations
24 with Overbrook High School after the recent
25 incidents there about developing some services that

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2 are based in that particular high school for the
3 community.

4 COUNCILMAN NUTTER: I appreciate the
5 thought. What's driving the decision-making process
6 here and why wouldn't there be one in the northwest
7 section of the City?

8 MR. FAIR: The family centers are all
9 based in neighborhoods where we have the highest
10 number of reports of abuse and neglect and so that
11 is generally where we have tried to target any new
12 resources, in the areas where we don't have
13 community-based resources for families that might
14 help divert them from our system.

15 COUNCILMAN NUTTER: I understand that
16 and I'm certainly not -- at a certain level I'm
17 pleased if that's one of the criteria, that the
18 numbers may be relatively low compared to other
19 places. On the other hand, generally we want to be
20 in the prevention business, and to the extent that
21 we can provide services at a relatively early stage
22 even in areas that are not showing signs of possibly
23 a growing trend, and I don't know that to be the
24 case, it would seem that we would geographically and
25 strategically place them such that there is

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2 well-rounded service throughout the City whether the
3 numbers are high or not. We do have police
4 districts and police officers patrolling in every
5 section of the City regardless of whether crime is
6 up or crime is down and certainly we shift the
7 officers around as needed, but we don't leave anyone
8 completely without service because they don't have
9 that much problem.

10 MR. FAIR: I agree with you. The two
11 challenges that we have is the money we are using
12 and its restrictions, which is mostly TANF surplus
13 funding from the state, which is specifically to be
14 targeted to what is called placement prevention as
15 opposed to the general primary prevention that you
16 are talking about I think. And it is also supposed
17 to be targeted to helping families reunify after
18 they have been through our system.

19 The other thing to keep in mind is the
20 family centers are not the only kind of investment
21 that we make. We do make a significant investment
22 in after school and Beacon programs including in the
23 Overbrook section of the city. In that area of the
24 city we have a couple of intensive delinquency
25 prevention programs that are targeted in that area

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2 and we do this year have either a full or a
3 part-time provider case manager who is assigned to
4 all of the schools in that area.

5 So there are other programs that we do
6 that are more effectively distributed in that
7 citywide than the family centers themselves.

8 COUNCILMAN NUTTER: You raised the
9 Beacon issue and you are not here for DHS at the
10 moment. You are trying to respond to a question
11 that came up in MOCS, but I have a fair amount of
12 questions to ask about one of the attachments that
13 came with the response to some questions we asked
14 DHS, so we can talk about that at that time. But I
15 would be interested to see your statistical analysis
16 plotted against a citywide map showing the location
17 of these family centers and the rates in the
18 different areas, which would possibly help better
19 explain the site location decisions around the issue
20 of abuse.

21 MR. FAIR: There is such a map. I don't
22 have it with me, but we can make sure you get a copy
23 of it.

24 COUNCILMAN NUTTER: I'd appreciate it.
25 Thank you.

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2 Thank you, Madam Chair.

3 COUNCILWOMAN TASC0: Thank you.

4 Are there any other questions?

5 Councilman Cohen, do you have questions?

6 COUNCILMAN COHEN: Yes.

7 COUNCILWOMAN TASC0: You are recognized.

8 COUNCILMAN COHEN: Thank you, Madam

9 Chair.

10 The truancy work you described used to
11 be done by the school; isn't that true? Is this the
12 City performing the service for the School District?

13 MR. FAIR: This is David Fair again from
14 the Department of Human Services.

15 I think the service that we are
16 providing is not what you are referring to. The
17 School District used to and now this year has
18 resumed having what they call truant officers who do
19 identify kids who are truant and try to make sure
20 that the parents are aware that their kids are
21 truant and encourage them to come back to school.

22 What we are offering really is a much
23 more intensive family intervention that helps the
24 family address whatever the issues are that may have
25 supported the child's decision not to go to school.

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2 So it's more of a social service or counseling
3 service, case management, than it is what the School
4 District previously provided.

5 COUNCILMAN COHEN: About how many
6 children does your service provide for in the course
7 of a year?

8 MR. FAIR: For citywide we have about
9 2000 children that are served by the truancy
10 services provided by DHS. There's an additional
11 2000 or so kids who are served by other parts of
12 DHS, usually with services to children in their own
13 homes, and then there are about 25,000 children who
14 don't get referred by the School District for
15 services that fit the same profile.

16 COUNCILMAN COHEN: And about how many
17 employees does all of that servicing involve?

18 MR. FAIR: I need a second here.
19 Actually, it is in my other document. There are
20 about 70 social workers. They don't work for the
21 Department of Human Services though. They work for
22 community-based provider agencies.

23 COUNCILMAN COHEN: They work for whom?

24 MR. FAIR: Community-based provider
25 agencies that are funded through an RFP process.

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2 They are not DHS employees specifically. They are
3 working for an agency that exists in that community.

4 COUNCILMAN COHEN: I'm just having
5 difficulty in understanding why MOCS is involved.

6 MR. FAIR: MOCS predates my arrival at
7 the Department of Human Services. There are two
8 MOCS offices that sometime in the distant past had
9 developed a relationship with DHS in this area and
10 so they continued to provide their services. I
11 think in Frankford the specific challenge was the
12 lack of other organizations that were willing to
13 provide this service when we originally started it
14 there, but I was not here then. That was quite a
15 few years ago.

16 COUNCILMAN COHEN: I think I will leave
17 the balance of that to Councilman Nutter. I just
18 had difficulty in adjusting my thinking of MOCS and
19 the services it renders.

20 With respect to the other functions we
21 talked about on MOCS, how many employees -- I heard
22 your figure and percentages, but that means one
23 thing if we are talking about a hundred employees
24 and means something else if we are talking about a
25 thousand or two thousand. How many employees do you

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2 place under either the six-month program or the year
3 program in the course of the year?

4 MR. SIMMONS: Last year there were
5 approximately 25 to 30 employers that we worked with
6 and the number continues to go up or down based on
7 the economic indicators right now, companies that
8 are actually --

9 COUNCILMAN COHEN: Does each employer
10 have a number assigned to him as to how many
11 employees he might involve? If you took those 25
12 employers that you had as of January 1 this year,
13 how many employees would they be employing?

14 MR. SIMMONS: We could find that out for
15 you for sure. That would not be a problem.

16 COUNCILMAN COHEN: Would you have any
17 idea in general as to the number?

18 MR. SIMMONS: The lowest it could
19 possibly be, of course, would be one and it could be
20 as high as maybe 10 to 12 employees per one employer
21 for sure.

22 COUNCILMAN COHEN: Could you get that
23 information in the course of this hearing?

24 MR. SIMMONS: Yes. And that would be
25 effective January 1?

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2 COUNCILMAN COHEN: Yes, as of any given
3 date. I would just like to know how big the program
4 is and I would like to know the nature of the
5 employers, the kind of work they do, are they labor
6 organizations, are they employers, do they have
7 anything to do with any construction industry, do
8 they have anything to do with apprenticeship
9 programs, or are they just separate standing
10 corporate employers.

11 MR. SIMMONS: Separate standing
12 corporate employers.

13 COUNCILMAN COHEN: And I would like to
14 know the numbers we are talking about and how many
15 MOCS employees it takes to service them.

16 MR. SIMMONS: No problem. 21 at this
17 particular site.

18 COUNCILMAN COHEN: And an idea as to how
19 many more could be serviced that are not serviced
20 because of lack of ability on the part of the City
21 to come up with enough service time.

22 MR. SIMMONS: That's true.

23 COUNCILMAN COHEN: How do you pick the
24 employees that get serviced?

25 MR. SIMMONS: We actually canvass the

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2 business community very aggressively both in
3 Philadelphia and also outside the City of
4 Philadelphia.

5 COUNCILMAN COHEN: And then how do you
6 pick the employees that get referred to them?

7 MR. SIMMONS: We do an internal
8 screening based on our case management efforts
9 within the program.

10 COUNCILMAN COHEN: And do you get
11 information with respect to the relative rates they
12 pay?

13 MR. SIMMONS: Oh, most definitely. Of
14 course there are bench marks that we have to meet
15 with the state in order to qualify a natural program
16 participant as being employed.

17 COUNCILMAN COHEN: Is the cost of the
18 program paid for by the state?

19 MR. SIMMONS: Solely, yes.

20 COUNCILMAN COHEN: Solely by the state?

21 MR. SIMMONS: Yes.

22 COUNCILMAN COHEN: So in fact it is a
23 state program carried out by the City but funded by
24 the state?

25 MR. SIMMONS: That's correct.

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2 COUNCILMAN COHEN: Do the employees get
3 checks reading "Commonwealth of Pennsylvania" or
4 "City of Philadelphia"?

5 MR. SIMMONS: City of Philadelphia.

6 COUNCILMAN COHEN: So you are City
7 employees. So the funds come from the state, but
8 apparently they go into the general fund?

9 MR. SIMMONS: Is that correct?

10 MR. BLAKNEY: No, there is no general
11 fund money. It is just state money, grant fund
12 money.

13 COUNCILMAN COHEN: What's that?

14 MR. BLAKNEY: Grant funds pay for the
15 program.

16 COUNCILMAN COHEN: Grant money, but the
17 City gives you the check?

18 MR. BLAKNEY: That's correct. The money
19 comes into the City.

20 COUNCILMAN COHEN: Into the City. I
21 would like to have an idea of what you think you
22 could effectively do and whether there is any
23 followup of those who complete either the six-month
24 or the year program.

25 MR. SIMMONS: No problem.

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2 COUNCILMAN COHEN: And I would like to
3 ask that they be recalled later this afternoon or
4 tomorrow, whenever the next session is, Madam Chair,
5 because my questions would be dependent upon the
6 answers I guess.

7 MR. SIMMONS: Certainly.

8 COUNCILWOMAN TASC0: You are requested
9 to return tomorrow afternoon.

10 MR. SIMMONS: No problem.

11 COUNCILWOMAN TASC0: Unless you get the
12 information before we adjourn today.

13 MR. BLAKNEY: Tomorrow afternoon will be
14 fine.

15 COUNCILWOMAN TASC0: Any other
16 questions? I have a couple of questions. Let me
17 ask you a couple of questions here. Do you have any
18 advisory board for the Mayor's Office of Community
19 Service?

20 MR. BLAKNEY: We do.

21 COUNCILWOMAN TASC0: How many members,
22 who are they, and how are they selected?

23 MR. BLAKNEY: There are state guidelines
24 for how the boards should be composed, which is
25 somewhat unique for community action agencies of

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2 which MOCS is one in the State of Pennsylvania.
3 Currently there are 36 advisory board members and
4 the composition is that there are 12 members that
5 are actually appointed by the Mayor. These people
6 have ties to City or government agencies. There are
7 also 12 people who can be appointed by the Mayor if
8 he decided to do so. Those 12 people actually
9 represent the corporate and business community
10 within the City of Philadelphia. And the last third
11 is actually composed of people who represent low
12 income communities throughout the City of
13 Philadelphia.

14 COUNCILWOMAN TASC0: And how are they
15 selected?

16 MR. BLAKNEY: There are actually
17 elections held every two years in various
18 communities. We actually break down the City into
19 clusters of zip codes and elections are held in each
20 of those clusters to produce the 12 low income
21 community representatives.

22 COUNCILWOMAN TASC0: Who votes?

23 MR. BLAKNEY: The communities themselves
24 actually vote.

25 COUNCILWOMAN TASC0: How do people know

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2 there is an election?

3 MR. BLAKNEY: The elections are actually
4 advertised through leaflets. We advertise through
5 community newspapers and also through
6 community-based organizations.

7 COUNCILWOMAN TASC0: How many area
8 offices do you have?

9 MR. BLAKNEY: At this time we actually
10 have ten different program sites and most of those
11 sites also serve as area offices where people can
12 access MOCS' various programs through those
13 particular sites.

14 COUNCILWOMAN TASC0: And they are
15 determined by the income level? Is there an income
16 requirement where you place your offices?

17 MR. BLAKNEY: Income of the community
18 itself?

19 COUNCILWOMAN TASC0: Community, a census
20 tracks.

21 MR. BLAKNEY: All of the sites were in
22 place prior to my appointment as executive director,
23 but I do know that the history of MOCS does suggest
24 that each of the programs were placed based on the
25 need of the community. All of the programs do not

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2 necessarily provide the same services. For example,
3 you have heard from Mr. Simmons, the director of
4 supportive work program, and at that particular site
5 that's the service that is primarily delivered
6 there; however, people can through that site access
7 other MOCS programs.

8 COUNCILWOMAN TASC0: Have you ever
9 presented to us -- we get so much paperwork -- the
10 location of your various sites? Do we have that
11 information?

12 MR. BLAKNEY: Yes, we have provided that
13 and we can do it again if necessary.

14 COUNCILWOMAN TASC0: Could you do that?
15 And, also, I would like to see the advisory board
16 list of who are the members of the advisory board.
17 What does the advisory board do?

18 MR. BLAKNEY: The advisory board is
19 really advisory in nature in that the board helps
20 the staff and the administration primarily decide
21 whether the agency is moving the way it should be,
22 whether we're actually keeping in step with our
23 mission, whether we are delivering services as
24 effectively and efficiently as possible.

25 The board has also been very

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2 instrumental in helping to inform various
3 communities within the City of what MOCS programs
4 actually entail. The board also is very
5 instrumental in making the agency's staff aware of
6 what issues or concerns particular communities have
7 regarding our programs. There have been a number of
8 modifications and changes to MOCS programs as a
9 result of recommendations of board members, so the
10 board is an integral part of the actual planning and
11 delivery of services.

12 COUNCILWOMAN TASC0: Thank you very
13 much. Are there any other questions?

14 Thank you. You will provide that
15 information tomorrow along with your other
16 information?

17 MR. BLAKNEY: Certainly.

18 COUNCILWOMAN TASC0: Thank you.
19 Recreation?

20 Councilman Nutter, since you are the
21 only Council Member left, do you have questions for
22 the Recreation Department?

23 COUNCILMAN NUTTER: Yes. This is one of
24 the first times I got to go first. There are a
25 couple items regarding Recreation, Madam Chair. The

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2 first is with regard to the transfer of sites
3 between Recreation and Fairmount Park. There was a
4 response that came to us recently regarding transfer
5 dates and number of persons transferred. I needed
6 to better understand where the facilities and the
7 community groups that support these facilities and
8 the larger community, where are they in terms of the
9 process of a discussion about this transition and
10 transfer regarding these facilities?

11 MR. RICHARD: For the record, Vic
12 Richard, recreation commissioner. The first meeting
13 that is scheduled is on April 15. Well, that would
14 be the second one. We have one this week that we
15 will meet with the Gustine Lake community and that
16 will just be one portion of it. On April 15 we also
17 have another meeting scheduled with the Papa
18 playground community organizations, and I don't have
19 my schedule with me.

20 COUNCILMAN NUTTER: Commissioner, I'm
21 sorry. Can you tell me when the Gustine meeting is.

22 MR. RICHARD: It's one day this week. I
23 don't have my schedule with me.

24 COUNCILMAN NUTTER: And who would you be
25 meeting with from Gustine Lake?

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2 MR. RICHARD: I don't have all of that
3 information in front of me. I believe you are
4 scheduled to attend that meeting as well. I think
5 one of the Fairmount Park commissioners is going to
6 be there, Mr. Bloom, yourself, myself as well.

7 COUNCILMAN NUTTER: I'm aware of that
8 particular meeting, but that meeting is about the
9 Arthur Ashe tennis facility supposed to be located
10 at that location.

11 MR. RICHARD: Correct.

12 COUNCILMAN NUTTER: I do not believe it
13 is specifically or even generally about
14 transitioning of Gustine Lake from Fairmount Park to
15 Recreation because the primary purpose of the
16 meeting is actually to talk about some unresolved
17 community issues around the use of the proposed
18 outdoor courts at Gustine coming from the possible
19 construction by the Arthur Ashe Tennis Center.

20 Gustine Lake in terms of a recreation
21 use is not only utilized by the local community but
22 has historically had an even larger, almost citywide
23 level of activity, so when we talk about talking to
24 the community, at a traditional recreation center it
25 is usually the people in the neighborhood. Gustine

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2 is slightly unique in that particular regard, so I'm
3 quite interested in who we are actually going to
4 talk to about Gustine Lake, but the meeting that you
5 are referring to, my recollection is, is specific to
6 the tennis courts and unresolved issues of community
7 use of those tennis courts, not about transfer of
8 facility.

9 MR. RICHARD: I had also planned to make
10 contact and use some of that time to reach out to
11 any community members as well. I also have a
12 meeting scheduled with yourself I believe -- I just
13 got confirmation -- next Monday, so you and I can
14 talk in more detail and I can give you some of the
15 recommendations that I would like to make to you and
16 also get your input back as well as we continue to
17 begin.

18 COUNCILMAN NUTTER: And you said you are
19 going to be setting up meetings with the advisory
20 groups or other community people for all six or
21 seven, I guess, of these facilities?

22 MR. RICHARD: That is correct. We are
23 going back to Papa. I personally visited Gustine
24 Lake. I believe the leader is about to retire, if
25 he hasn't already, so I'm going to make sure that we

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2 have a new leader in place as well. I have made two
3 personal visits to Hunting Park already along with
4 the PAL unit as well, Papa, Cobbs Creek and I am
5 personally getting involved to make sure that I
6 reach out and meet one on one and as a collective
7 unit with every agency and Monday you and I will
8 share even more when we do meet as well and I will
9 take the recommendations that you bring.

10 COUNCILMAN NUTTER: I'll look forward to
11 that.

12 MR. RICHARD: Thank you.

13 COUNCILMAN NUTTER: When we were last
14 together -- I did receive the materials that your
15 office, you and the office, provided -- from your
16 testimony back on March 3, we had a discussion about
17 teen centers as well as after-school programs and
18 six recreation centers. I could not determine from
19 the response whether or not there will actually be a
20 teen center or an after-school program located in
21 the fourth district as a result of our discussions.
22 And if it is in the response or any of the
23 attachments, you can certainly direct me.

24 MR. RICHARD: I know there is no teen
25 center that is scheduled to be done in your

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2 district.

3 COUNCILMAN NUTTER: Is or is not?

4 MR. RICHARD: Is not, sir.

5 COUNCILMAN NUTTER: And the issue there
6 I believe was one of funding?

7 MR. RICHARD: Correct. The immediate --
8 the initial funding was relative to the criteria
9 that was used based on the crime stats, an
10 intentional target, and the funding was grant
11 funding that was awarded. It is not that it can't
12 be done. If it is funded, one of my first
13 recommendations that I would see within your
14 district would be for us to continue what we have
15 started at Shepard. I have also had a recent
16 meeting I want to say a week before last and maybe
17 two weeks ago with the advisory group and the staff
18 at Tustin as well.

19 COUNCILMAN NUTTER: Okay, but now, to be
20 more specific, what steps need to take place in
21 order to resolve both the teen center issue as well
22 as the after-school program issue during the course
23 of this budget season? What needs to happen?

24 MR. RICHARD: The selection of a site
25 and the funding for us to actually perform the work.

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2 COUNCILMAN NUTTER: I think in at least
3 one case the teen center -- I believe the proposed
4 site would be Shepard, correct?

5 MR. RICHARD: Yes, sir. I mean that
6 facility is the one that's closest, ready to go,
7 based on the work that has just been accomplished
8 there.

9 COUNCILMAN NUTTER: So what's the
10 funding barrier and how do we overcome that issue?
11 How much money are we talking about?

12 MR. RICHARD: You are looking at about a
13 hundred to 125 to do Shepard and that is to purchase
14 the rest of the equipment and also to put at least
15 one but preferably two young teenagers in there to
16 work with the staff and to attract the teens and to
17 do the more specific programming.

18 COUNCILMAN NUTTER: The hundred to 125,
19 is that capital?

20 MR. RICHARD: No. That would cover the
21 salaries for the two-part young people. We employ
22 in the teen program two teenagers roughly between
23 the ages of 18 to 24 to interact and to do the
24 majority of the programming in the community and the
25 rest of it would go to the supplies and equipment

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2 that is needed, the setting up of the game room,
3 concession, food, movie stuff and things like that,
4 the actual programming and supplies.

5 COUNCILMAN NUTTER: Are those considered
6 operating expenditures, or are they capital
7 expenditures?

8 MR. RICHARD: These would be operating.
9 We have done the majority of the capital work to
10 that particular facility already.

11 COUNCILMAN NUTTER: And how much
12 operating expense for all the other items that you
13 mentioned?

14 MR. RICHARD: That would include that.

15 COUNCILMAN NUTTER: That's all within
16 the 125?

17 MR. RICHARD: The 125, yes, sir.

18 COUNCILMAN NUTTER: What are the
19 possible sources of these funds, or how are the
20 other -- how many teen centers are there?

21 MR. RICHARD: There's three and number
22 four is about to start.

23 COUNCILMAN NUTTER: Is that Kingsessing?

24 MR. RICHARD: Kingsessing opened in
25 October. We're a couple weeks away from opening

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2 Francis Myers.

3 COUNCILMAN NUTTER: Oh, Myers was the --

4 MR. RICHARD: Yes, sir.

5 COUNCILMAN NUTTER: How are those
6 funded?

7 MR. RICHARD: They are funded through
8 the juvenile justice block grant.

9 COUNCILMAN NUTTER: And you're saying
10 there is no money out of that block grant for a teen
11 center at Shepard?

12 MR. RICHARD: Presently there is none,
13 but for us to be able to reapply for more money --

14 COUNCILMAN NUTTER: What other funding
15 sources have we explored?

16 MR. RICHARD: I haven't explored any
17 others, not at the present.

18 COUNCILMAN NUTTER: Commissioner, I
19 would like a teen center at Shepard Recreation
20 Center, and I would like it in the course of this
21 fiscal year, so I need somebody to tell me when and
22 where we are going to get the hundred to \$125,000 in
23 order to make that happen. I mean this is a
24 two-year-old discussion now. I think we had some of
25 this discussion last year about a teen center in

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2 West Philadelphia. We may not have been specific on
3 the site. I think we had a geographic conversation.

4 MR. RICHARD: Okay. When we meet
5 Monday, I will talk to you in more detail and I'll
6 bring you different funding sources that we may be
7 able to use.

8 COUNCILMAN NUTTER: Who makes a decision
9 on which funding sources are available or which is
10 going to be utilized? Where does that decision
11 rest?

12 MR. RICHARD: It goes through at that
13 time the director of social services, the managing
14 director along with DHS direct department.

15 COUNCILMAN NUTTER: So we have you, we
16 have Commissioner Martinez, and the managing
17 director. Those are the three people involved in
18 this.

19 MR. RICHARD: Pretty much. I might have
20 missed one or two. We use statistics from the
21 Police Department as well, but, yes, that's the
22 biggest one.

23 COUNCILMAN NUTTER: The 19th District is
24 not exactly some days Shangrila.

25 MR. RICHARD: I'm not disagreeing with

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2 you, Mr. Councilman. I will have something for you
3 on Monday when we meet.

4 COUNCILMAN NUTTER: Are you going to
5 have a list of potential funding sources or are you
6 going to have a decision? Because that's what I'm
7 really interested in. I don't need another list of
8 potential funding sources. What I need in the
9 course of this budget year is a decision with a
10 definite date and when it's going to start. That's
11 what I need.

12 MR. RICHARD: I may defer the question
13 to Mr. Dubow.

14 COUNCILMAN NUTTER: Let's get Mr. Dubow.
15 We have the commissioner. Is the managing director
16 around? I mean I would really like to get to the
17 end of this.

18 MR. DUBOW: Rob Dubow, City's budget
19 director.

20 I've heard the discussion and we will
21 get you a decision on the center during the course
22 of this budget process.

23 COUNCILMAN NUTTER: So the commitment
24 here is prior to a vote on the budget we are going
25 to have a decision on this particular issue.

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2 MR. DUBOW: Yes.

3 COUNCILMAN NUTTER: And the decision is?

4 MR. DUBOW: I don't know, but we'll have
5 it for you in this process.

6 COUNCILMAN NUTTER: Are you going to be
7 involved in seeking additional funding for this?

8 MR. DUBOW: Yes.

9 COUNCILMAN NUTTER: Is the managing
10 director around?

11 MR. DUBOW: I don't know where the
12 managing director is.

13 COUNCILMAN NUTTER: Well, it always
14 falls to you. I think you are one of the highest
15 ranking people in the room. Can you find out where
16 he is?

17 MR. DUBOW: Yes, we will find out where
18 he is.

19 COUNCILMAN NUTTER: Commissioner, while
20 we are waiting on the search for the managing
21 director, can you tell me about the after-school
22 program?

23 MR. RICHARD: What particular -- are you
24 talking about the TANF piece?

25 COUNCILMAN NUTTER: I believe that's

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2 funded through TANF. You have six of them, and I
3 also asked the question back at budget time when you
4 were here for your regular testimony about locating
5 an after-school program in the 4th District because
6 there is none presently, the state license.

7 MR. CARAPUCCI: Councilman Nutter, this
8 is Bill Carapucci. We have about eight after-school
9 programs within your Councilmatic district. We just
10 opened up one with private funding at Shepard.

11 COUNCILMAN NUTTER: Is this the same as
12 the one that's mentioned or the same type that is
13 mentioned on Page 1 of the testimony?

14 MR. CARAPUCCI: No, sir.

15 COUNCILMAN NUTTER: "Recreation will be
16 offering state-licensed after-school programs in six
17 recreation centers in FY '04. Simons, Christy and
18 Tarken received licenses in FY '03." Is that what
19 we are talking about?

20 MR. CARAPUCCI: No. The regular
21 after-school programs, Councilman, we have eight of
22 them in your district. The six that you are talking
23 about, the ones that are potentially going to
24 receive some money from the state, does not identify
25 yet in your district.

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2 COUNCILMAN NUTTER: What are we going to
3 do about that?

4 MR. CARAPUCCI: Hopefully we will be
5 able to within this fiscal year identify one. We
6 are still working on these other six. It has been
7 probably about a two- or three-year process to get
8 to as far as we are now with this because this is a
9 whole new venture for us. We made some progress at
10 Simons, at Tarken and Christy because they have had
11 a long history of working on this program. But we
12 will definitely identify a site within your
13 Councilmatic district and I will have that site to
14 you by next Monday when you meet with the
15 commissioner, a site that we can work on, not a site
16 that I can say to you within six months it will be
17 up, but we will work on making it up. We have to do
18 some capital work at the sites. We have to meet
19 with the local advisory council and we will have to
20 deal with -- we want to put it in a site where there
21 is a successful after-school program already and it
22 could just be upgraded to meet state standards.

23 So we will definitely come up with one
24 within the next couple weeks, possibly Shepard.

25 COUNCILMAN NUTTER: You may not be able

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2 to bring all sites on-line at one time and I can
3 certainly understand how complicated that would be.
4 Last year I would have said that I was concerned.
5 This year I'm going to say I'm now offended at what
6 appears to be a certain nonprioritizing of the needs
7 of kids and young people and the not so young in
8 certain areas of the City because even if all the
9 centers couldn't come on-line at the same time, it
10 seems to me that the identification process and the
11 prep work process should be done simultaneously in
12 order to legitimately and fairly serve people
13 throughout the City.

14 I do not understand this concept of
15 until your neighborhood either falls apart or until
16 all the kids are out trying to kill each other you
17 don't get anything and there's not even something
18 put on the drawing board to indicate when it might
19 come. Again, I understand you can't do them all at
20 the same time. Kids are kids and neighborhoods are
21 neighborhoods and they all have their needs at a
22 certain baseline level. And some will always need a
23 little more than others and I understand that and
24 that actually is fair, but to have some get
25 something and the rest get nothing, not even a

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2 thought, not even a pin on a drawing board or a map
3 to say when funding is available, this is where we
4 are going to go. We have identified the site. We
5 know what the dollars are. We know what the needs
6 are because we think that these kids deserve
7 something as well, I'm now in the realm of being
8 offended because we are not thinking beyond what we
9 can do today.

10 Now, it doesn't take that much more
11 effort and it doesn't take that much more thought to
12 figure out that kids in West Philadelphia north of
13 Market Street or in East Falls or in North
14 Philadelphia or Roxborough/Manayunk or Wynnefield or
15 Overbrook might have some needs. They do, don't
16 they?

17 MR. RICHARD: The entire city has needs
18 and I respect all of your comments. Maybe we may
19 need to do a better job of communicating with you
20 particularly, Councilman Nutter, but I believe that
21 the efforts that have been made by this organization
22 and the City as a whole have been valiant, and maybe
23 we may not have served your particular area maybe to
24 the level that you want or maybe we may have not
25 communicated early on or as often as we should have.

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2 COUNCILMAN NUTTER: Commissioner, I
3 appreciate that. I'm not even asking for anything
4 special. I just want what everybody else is
5 getting. All of the people are citizens. They pay
6 taxes. They have a certain level of expectation.
7 We pick up everybody's trash. We put police all
8 over the place. We do everything for everyone, but
9 in certain situations we have a little thing going
10 on over here, we have a little thing going on over
11 there and other folks are trying to figure out,
12 Well, what about us?

13 So I'm not asking for anything special.
14 I'm not asking for anything extra. I'm just asking
15 for a baseline of service that everybody is getting
16 the same thing in the city and then we go to another
17 level based on need, based on statistics, or based
18 on analysis or based on Johnny hit Susie or whoever
19 did something to somebody else.

20 MR. RICHARD: I respect that.

21 COUNCILMAN NUTTER: But I don't want to
22 spend my time year in and year out having these
23 debates and these fights about how something got
24 analyzed or who has what, which is a function of --

25 MR. RICHARD: I'm not here to debate and

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2 argue either, Mr. Councilman. I'm just here to
3 provide a good service, so I appreciate everything
4 you are saying. There is nothing that is going on
5 over here in this corner, over there in that corner,
6 and if I may reiterate again, maybe we need to do a
7 better job of communicating with you within your
8 district a little better. Some of the work that has
9 been done in certain parts of the city were done
10 intentionally because of especially past neglect or
11 deterioration or structural integrity or just
12 whatever the case may be of a facility or a project,
13 but everything that you said relative to services
14 across this entire City, that's my goal and my
15 responsibility in working hand in hand with you and
16 the other 16 Council members, so I appreciate that.

17 COUNCILMAN NUTTER: So what am I going
18 to have on Monday?

19 MR. RICHARD: Once we talk to the
20 managing director and also with Rob Dubow, we will
21 come back with a decision from them relative to the
22 funding of your site as a teen center and then also
23 we will come back and talk with you as well. I
24 already planned to have the meeting with you to
25 discuss the entire changeover of all of the rec

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2 facilities and the pools with Fairmount Park and
3 anything else.

4 COUNCILMAN NUTTER: I appreciate that
5 and you recognize that on the list of the seven
6 facilities to be transferred four of them are in the
7 district that I represent, so having talked about
8 this issue way back in the Commissioner DiBerardinis
9 days and the Director Bill Mifflin days, I want to
10 thank everybody for finally following up on it, but
11 if we are going to do it, I would like to make sure
12 we do it right, we do it not only with a sense of
13 urgency, but respect and methodology that lays out
14 to people this is what is going on, this is what is
15 going to happen, and that they don't have to hear it
16 as they are walking down the street one day.

17 MR. RICHARD: Correct.

18 COUNCILMAN NUTTER: Let's talk about the
19 coordinated plan. Commissioner, I will give you a
20 copy of the pertinent section of the charter. The
21 response in the materials that I received that I'm
22 going to say attempted to respond to this particular
23 issue, it is Chapter 6, Section 5-600, Letter A.
24 Your response was "The administration's
25 infrastructure rightsizing initiative combined with

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2 the Fairmount Park strategic planning process
3 provides the best opportunity to create a
4 meaningful, comprehensive and coordinated program of
5 recreational activities in all City recreational
6 facilities. My question is, and I think that the
7 analysis of the department's facilities, Fairmount
8 Park's facilities, and even this transfer of the 7
9 is quite important, but I am still trying to
10 understand how that is covered or how that responds
11 to the pertinent section of the charter that talks
12 about from time to time you are required to
13 formulate a comprehensive and coordinated program of
14 cultural and physical recreational activities to be
15 instituted and conducted in all City recreational
16 facilities including those managed and operated by
17 the Fairmount Park Commission.

18 Your response in the letter seems to be
19 directed more at infrastructure and number of
20 facilities and who has jurisdiction over those
21 facilities. The charter provision seems to go more
22 toward the actual activities at our centers and our
23 facilities, whether they are managed and operated by
24 the Recreation Department or the Fairmount Park
25 Commission regardless of how many we have or what

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2 their size is.

3 This is a programmatic issue, so I want
4 to know how that will be conducted, when there will
5 actually be a document that reflects this
6 requirement under our Home Rule Charter.

7 MR. RICHARD: My initial response, that
8 was changed as it went through all the amendments.
9 I had set up an initial time line where I wanted to
10 have a new governing body in place and implement it
11 and I want to say it may have been by the 1st of
12 July or the end of August. Right now the
13 administration is trying to accomplish to have both
14 entities' new master plan or strategic action plan
15 done together and I would need direction from Rob
16 and also the managing director and from I guess
17 maybe other levels in the administration as well if
18 needed. But I'm more in the middle of are we going
19 to implement a new board or are we stuck in the
20 middle waiting to see if an entire new strategic
21 plan not only with Fairmount Park but the whole
22 City.

23 So I'm sorry I have to answer your
24 question that way.

25 COUNCILMAN NUTTER: I understand that,

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2 but I think, Commissioner, what the real question is
3 goes to the heart of developing a plan that ensures
4 that certain recreational activities and physical
5 activities and programmatic activities will be
6 available at our various sites regardless of who is
7 running them or who is in charge of them or how many
8 we have. That at least to me is my reading of this
9 particular section, that there are a certain set of
10 standards for the kind of programmatic and physical
11 activity uses that will be at these sites and so my
12 question again is when will that kind of document be
13 developed that talks about the physical activity
14 programs at our various facilities and does such a
15 document exist today?

16 MR. RICHARD: We have our program
17 directories that we publish throughout the four
18 seasons of the year. I'm sure you know we are about
19 to produce the new summer brochure program as well
20 on all the camping and things of that nature. So we
21 continue to update that, add, delete, and amend as
22 the season dictates, whether it is basketball, ice
23 hockey, skating or whatever the case may be, the
24 same thing along with the senior programs as well
25 throughout the calendar of the year. And we have

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2 been doing it more in the seasonal brochure for us
3 to put something in a full yearly package to produce
4 that's the big directory that we are working on
5 production now, sir.

6 COUNCILMAN NUTTER: We will have a few
7 more things to talk about on Monday.

8 Let's talk about the document that you
9 just mentioned. That issue came up when you were
10 here before us and I think we had some discussion
11 about how that was going to be produced. You did
12 send me information -- not just to myself. I'm sure
13 to all members -- about the different facilities and
14 some of the activities there.

15 The brochure that you are talking about
16 or the directory that you are talking about, is this
17 the item that came up as a part of the discussion
18 with regard to Keel Communications and what they are
19 charging us for compiling the data in addition to
20 some printing charges? Is that what we talked about
21 last time?

22 MR. RICHARD: Yes, sir.

23 COUNCILMAN NUTTER: What were those
24 numbers again?

25 MS. PLATT-COLES: Mary Platt-Coles,

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2 deputy commissioner, Department of Recreation.

3 The Keel Communications contract is
4 \$95,000 and that's for the directory, recreation
5 fliers, recreation banners and consultancy fee. The
6 bulk of the contract is for the printing of the
7 directory at \$73,000 and for the printing of 200,000
8 copies.

9 COUNCILMAN NUTTER: Is the 73 --

10 MS. PLATT-COLES: 73,620.

11 COUNCILMAN NUTTER: -- included in the
12 95, or is the 73 additional?

13 MS. PLATT-COLES: No, it's included.

14 COUNCILMAN NUTTER: 73 what?

15 MS. PLATT-COLES: 620.

16 COUNCILMAN NUTTER: Who is doing the
17 printing?

18 MS. PLATT-COLES: Consolidated Drake
19 Press on Parkside Avenue.

20 COUNCILMAN NUTTER: I know you
21 highlighted in some of the materials that we
22 received. Who worked on the new logo for the
23 Recreation Department?

24 MR. RICHARD: The entire executive
25 management team, also executives in the maintenance

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2 division along with management in the program
3 division as well.

4 COUNCILMAN NUTTER: Was there any
5 outside consulting service for that?

6 MR. RICHARD: That was done through
7 Keel. Presentation was made back and changes and
8 deletions, additions or recommendations by the upper
9 management group of the whole department was
10 involved.

11 COUNCILMAN NUTTER: How much was the
12 contract for the logo design?

13 MS. PLATT-COLES: I believe that was
14 last year's contract which was encumbered for
15 \$50,000, but not that much was expended. I believe
16 it was closer to 31 or 32 that was expended for
17 various services.

18 COUNCILMAN NUTTER: You paid \$31,000 for
19 a logo design?

20 MR. RICHARD: No, it wasn't just a logo,
21 Mr. Councilman. We did --

22 COUNCILMAN NUTTER: I'm responding to
23 the response.

24 MR. RICHARD: I'm sorry?

25 COUNCILMAN NUTTER: I'm responding to

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2 the response.

3 MR. RICHARD: Right. I understand. A
4 new quality newsletter was done, the development of
5 logo, advertisement and PR and marketing relative to
6 the opening and a promotion of all of the new teen
7 centers as well and that's what I can recall off the
8 top of my head, sir.

9 COUNCILMAN NUTTER: So when you made
10 reference to the \$31,000, what was that for?

11 MS. PLATT-COLES: That was for all of
12 those items.

13 COUNCILMAN NUTTER: So the logo design
14 was a part of that?

15 MS. PLATT-COLES: Was a part of that,
16 yes.

17 COUNCILMAN NUTTER: You forwarded a copy
18 of the Dell contract on concessions. I believe it
19 is Attachment 7. Can you tell me where in this
20 contract there was a discussion with regard to the
21 sale of water? And it is prohibitive apparently as
22 an item to be brought in by patrons. Now, is that
23 correct?

24 MR. WILLIAMS: That's correct, sir. My
25 name is Carlton Williams, deputy commissioner for

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2 the Department of Recreation.

3 COUNCILMAN NUTTER: Can you tell me
4 where in this contract there is a specific
5 prohibition on bringing water into the facility or
6 an exclusive right to sell water?

7 MR. WILLIAMS: On No. 15 -- the pages
8 aren't numbered, but let me give you the correct
9 reference number, sir.

10 COUNCILMAN NUTTER: Is that No. 15 that
11 starts with "This concession privilege is
12 exclusively for the sale of" -

13 MR. WILLIAMS: That's correct, sir.

14 COUNCILMAN NUTTER: What's this word,
15 comestibles?

16 MR. WILLIAMS: Yes.

17 COUNCILMAN NUTTER: What's that?

18 MR. WILLIAMS: I have no idea. I have
19 to look into that to see what that is. I don't know
20 what that is, sir.

21 COUNCILMAN NUTTER: We are selling
22 comestibles? Is that your testimony, that we are
23 selling comestibles out at the Dell East?

24 MR. WILLIAMS: Sir, that is something I
25 will have to look into.

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2 COUNCILWOMAN TASCO: What's that,
3 Michael?

4 COUNCILMAN NUTTER: I have no idea what
5 that is. I think we need to know how we are doing
6 that out there.

7 MR. WILLIAMS: I'll look into that,
8 Councilman.

9 COUNCILMAN NUTTER: My goodness. In any
10 event, so where's the water?

11 MR. WILLIAMS: The section -- and
12 unfortunately this is a copy that we received from
13 our Procurement Department.

14 COUNCILMAN NUTTER: So you have the same
15 bad copy that I have?

16 MR. WILLIAMS: Yes, sir. There is a
17 section that, unfortunately, looks like it is
18 overwritten here for the sale of soft drinks, soda
19 bottles and that is part of -- bottled water should
20 be in there also.

21 COUNCILMAN NUTTER: "The City will
22 designate exclusive pouring rights to an entity and
23 concessionaires permitted to dispense and sell only
24 those soft drink products so designated by the
25 City," and it is in that section that results in the

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2 exclusive right to sell water?

3 MR. WILLIAMS: Yes, sir.

4 COUNCILMAN NUTTER: In Section 8 it
5 talks about ancillary sales and approved products
6 list. Is there an approved products list?

7 MR. WILLIAMS: Prior to the submission
8 of the season, the concessionaire must provide the
9 City with a list of items that are going to be sold
10 at the Dell.

11 COUNCILMAN NUTTER: Were there ancillary
12 sales last year?

13 MR. WILLIAMS: There were other T-shirts
14 and other items that are sold at the Dell through
15 other promotional activities, yes, sir.

16 COUNCILMAN NUTTER: Did the City receive
17 30 percent of the gross sales receipts?

18 MR. WILLIAMS: Those items were worked
19 out with some of the marketing people from
20 promotional tours such as the Isley Brothers, for
21 example, brought T-shirts. They would sell items at
22 the facility and then we would receive partial
23 dollars for that also.

24 COUNCILMAN NUTTER: When you say
25 "partial," are you talking about the 30 percent in

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2 the contract?

3 MR. WILLIAMS: Yes, sir.

4 COUNCILMAN NUTTER: And what was the
5 total dollar amount that the City received last year
6 as a result of that?

7 MR. WILLIAMS: That information I will
8 have to get to you, Councilman. I don't have that
9 with me.

10 COUNCILMAN NUTTER: The written response
11 seems to indicate, at least at the time of the
12 response, which was March 31, that you were still
13 waiting on the total gross sales out at the Dell.
14 Have you received that information yet?

15 MR. WILLIAMS: Not to date, sir.

16 COUNCILMAN NUTTER: Is there a problem?

17 MR. WILLIAMS: Requests have been made.
18 I have not received that information. I will look
19 into it again. I will make those requests again.

20 COUNCILMAN NUTTER: Do you know what it
21 was the year before?

22 MR. WILLIAMS: No, sir.

23 COUNCILMAN NUTTER: Who's responsible
24 for monitoring the contract?

25 MR. WILLIAMS: Our fiscal division and

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2 the Dell East management division is responsible for
3 that and I will receive that, sir.

4 COUNCILMAN NUTTER: Do you have a
5 ballpark figure on what the gross sales were last
6 year or the year before? That goes back to 2001,
7 right?

8 MR. WILLIAMS: I don't want to
9 speculate. I would rather give you the answer for
10 the information that I receive. I don't have any
11 ballpark figure at this point in time.

12 COUNCILMAN NUTTER: Because according to
13 the contract the concessionaire is required to keep
14 those records and that they be available for the
15 City for inspection at all times; is that correct?

16 MR. WILLIAMS: That's correct, sir.

17 COUNCILMAN NUTTER: And you made the
18 request when?

19 MR. WILLIAMS: I made the request
20 directly after that hearing when the question was
21 asked.

22 COUNCILMAN NUTTER: I think that was
23 March 3.

24 MR. WILLIAMS: Yes, sir.

25 COUNCILMAN NUTTER: What's today, April

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2 ??

3 MR. WILLIAMS: Yes, sir.

4 COUNCILMAN NUTTER: And in a month you
5 have not received that information?

6 MR. WILLIAMS: I have not received that
7 information yet, sir.

8 COUNCILMAN NUTTER: When do you expect
9 to receive it?

10 MR. WILLIAMS: I will put another
11 request in and submit a deadline for that. I will
12 make sure that I will try to get it within two
13 weeks, sir.

14 COUNCILMAN NUTTER: And you will forward
15 that as a part of the information and you will do it
16 during the course of this budget process?

17 MR. WILLIAMS: Yes, sir.

18 COUNCILMAN NUTTER: Last question.
19 Commissioner, there was a listing of facilities in
20 one of these attachments you may recall.

21 Oh, very interesting we have solved the
22 mystery of comestibles. In an intense Web site
23 search by Councilman Rizzo the Merriam Webster's
24 dictionary lists comestible. It is food. We're
25 selling food out at the Dell now and comestibles.

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2 It's food.

3 Councilman, thank you very much. It is
4 the magic of the Web.

5 MR. WILLIAMS: Thank you, Councilman
6 Rizzo.

7 COUNCILMAN NUTTER: Who says City
8 Council doesn't know how to get along with each
9 other?

10 I think it's Attachment 4 that we
11 received as a part of the package. District 8, this
12 is a listing of facilities. Can you tell me why the
13 John Anderson Cultural Center is not listed as a
14 facility for the Recreation Department?

15 MR. CARPUCCI: Councilman, for the last
16 20 years John Anderson has had a unique relationship
17 with us. As you know, they basically operate the
18 place on their own with the help of the community
19 association and all we have done over the years is
20 provide seasonal staff people in the summertime and
21 the maintenance division handles the maintenance
22 work orders for the facility. Other than that, for
23 the most part they have been very independent and it
24 has never been the site where they really -- the
25 community never really wanted one of our supervisors

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2 in that facility. And I know when I worked out
3 there 20 years ago we used to just oversee it. We
4 probably should have listed it and we will list it
5 as a site, but it never was in the, I guess you
6 would call it, the norm of the other operating sites
7 where we have a leader, an assistant, that type of
8 thing.

9 COUNCILMAN NUTTER: What I would like to
10 ask, Deputy Commissioner, is that after 20 years a
11 lot of things change and given the fact that the
12 Wynnefield community is one of the few communities
13 in the City that does not have a large or even a
14 small outdoor recreational facility and I do greatly
15 appreciate the relationship the Recreation
16 Department has had. There has been an increase
17 growth in youth population and an increased need for
18 facilities and I'm sure you heard earlier that there
19 is an effort underway to provide an additional
20 recreational facility in the Wynnefield community.

21 In the meantime I would like to explore
22 -- and we can add this to the list for Monday -- not
23 only additional seasonal employees but also a
24 regular full-time person. The community view on
25 this issue is shifting and we need to make sure that

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2 there is regular service with a program out at the
3 Wynnefield Recreation Center or the John C. Anderson
4 Cultural Center that is full time in regularity.

5 Okay?

6 MR. CARPUCCI: I know over the years I
7 always liked John Anderson to be part of our regular
8 department, so if the community now is amenable to
9 coming in in a regular operating fashion, we can
10 work with that. In fact, maybe that could be one of
11 our recommendations for possible down the road after
12 school licensing.

13 COUNCILMAN NUTTER: Exactly.

14 MR. CARPUCCI: So we could work on that.

15 COUNCILMAN NUTTER: Thank you,

16 commissioner.

17 Thank you, Madam Chair.

18 MR. RICHARD: Thank you for your help,

19 Mr. Councilman.

20 COUNCILWOMAN TASCO: Thank you.

21 The Chair recognizes Councilman Cohen.

22 COUNCILMAN COHEN: Thank you, Madam

23 Chair.

24 Is recreation still in charge of the
25 Veterans Stadium?

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2 MR. RICHARD: Yes, sir.

3 COUNCILMAN COHEN: Do you have anything
4 to do with collections of monies from the Eagles or
5 the Phillies or payments to them, or is that done by
6 a different department?

7 MR. RICHARD: It is handled through
8 finance and revenue. The stuff comes to us. Most
9 of the payments come through our staff there and
10 they make the deposits, but it's all monitored
11 through finance, revenue.

12 COUNCILMAN COHEN: When we approved the
13 Veterans Department, there was an agreement that
14 with respect to what were called super boxes that
15 beginning with 2001 we were told the City would
16 begin receiving revenue from the super boxes. From
17 what I have been able to discover, no such revenue
18 has come from either team, the Phillies or the
19 Eagles. Do you know or does Mr. Dubow, who I see
20 has approached the table too, whether that's so?

21 MR. DUBOW: That is so. We have an
22 ongoing dispute with the Eagles and the Phillies
23 about their payments to the City and one of the
24 issues is the sky box flip revenue. We sent them
25 letters saying they owe us the money. We have not

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2 received it yet.

3 COUNCILMAN COHEN: Since you sent them
4 the letters, has there been any occasion when the
5 City has sent the money or paid any bills for the
6 new stadiums?

7 MR. DUBOW: I would have to check. I'm
8 not sure that there has been, but I would have to
9 check.

10 COUNCILMAN COHEN: Even new lawyers know
11 that if they are suing somebody for nonpayment to
12 their client their client doesn't make payments to
13 either side. That's one way you begin to enforce
14 your rights. I would like if you could bring to us
15 an up-to-date list of payments to and from Eagles,
16 Phillies and the City of Philadelphia and/or any
17 agency that may be representing the City of
18 Philadelphia like PAID, any payments by PAID to the
19 teams or any payments received by PAID as well as
20 the City of Philadelphia and any other agencies that
21 the City may use and that would receive or make
22 payments to the teams.

23 I'm concerned because that's one of the
24 problems of being a long-term member is you might
25 remember that the only reason the Vet Stadium was

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2 ever approved by this City Council originally some
3 30-odd years ago was because of assurances made to
4 the Council by the then Mayor, Mayor Goode, that we
5 may have to wait a long time but sooner or later
6 real money is going to come into the City from the
7 super boxes, and that was the decisive vote that
8 finally received the support of City Council in the
9 financing of the original Vet Stadium. And I think
10 if the promises of those who deal with the City and
11 the promises of the City when they sweet talk us
12 when they are seeking money or approval, I think the
13 credibility of both the teams and the City is at
14 stake, so I would appreciate, Mr. Dubow, if you
15 could make that information available to us. They
16 are all public records.

17 MR. DUBOW: I understand what you want
18 and we will get it to you and just for the record we
19 share your concerns.

20 COUNCILMAN COHEN: Right. Very good.
21 That means we will get it, and I don't mean just a
22 writing, at a time when we can question you about
23 it.

24 MR. DUBOW: I understand what you want.
25 We'll get it to you in a timely fashion.

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2 COUNCILMAN COHEN: Now to Commissioner
3 Richard. I'm interested in updating stories on two
4 recreation centers. One is Belfield, which waited
5 many, many years for rehab and finally got rehab, at
6 least in part, and I would like to know the story on
7 that, and the other one is on the Morris Estate,
8 which I think has never had any rehab. I would like
9 to know if there are any plans for that.

10 MR. RICHARD: Belfield is still in great
11 shape, Mr. Councilman, and I thank you for your
12 leadership on the Belfield piece. To my knowledge
13 right now there is no other plans to do any physical
14 plant structure. I know we are about to make some
15 management changes and Deputy Commissioner Carapucci
16 can talk about that piece.

17 MR. CARPUCCI: The president/supervisor
18 there is on the DROP plan and he will be using up
19 his time. He will be retiring sometime in early
20 June, so we have identified someone that we are
21 going to put there. His name is Denny Williams.

22 COUNCILMAN COHEN: Could I ask, are you
23 in touch with the community organization that is
24 involved with their --

25 MR. CARPUCCI: Absolutely.

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2 COUNCILMAN COHEN: We would like to
3 avoid a problem of somebody coming in that there has
4 been a history with that is not satisfactory and we
5 would like to avoid that.

6 MR. RICHARD: We addressed that about
7 two weeks ago and that is why the gentleman who is
8 coming is who is coming. Thank you.

9 COUNCILMAN COHEN: Good. And with
10 respect to Morris Estate, a quiet, sleeping
11 recreation center that has never demanded much. It
12 once was the pride of West Oak Lane. It had an
13 outdoor amphitheater which is in a state of
14 disrepair and hasn't been used in many years and the
15 insides have not seen any rehab work for many, many
16 a year. Do you have any report on Morris Estate?

17 MR. WILLIAMS: The capital improvements
18 to Morris Estate was directly related to the play
19 area, Councilman. We did make some improvements in
20 2001 to the play area. The building itself, I agree
21 with you, does need some support in that area. It
22 is a relatively old building and it needs to be
23 addressed. We met with several members of the
24 community about the conditions of that facility and
25 the usage and some of the activities that were

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2 occurring at night during off hours and we have
3 tried to address them by working with the community,
4 with the police department and also providing more
5 support maintenancewise to that facility, but we
6 have not done any capital improvements to the
7 building itself or the structure.

8 MR. RICHARD: The capital improvements
9 that have been made since I have been here -- I know
10 last year the basketball facility on top was
11 reblacktopped and some other stuff. We did some
12 minor floor repairs on the interior of the building.
13 The biggest concern right now on the facility that I
14 would like to see get done was issues relative to
15 the gutters and the drainage system around the
16 perimeter and also the windows so we can make the
17 facility structure tight and then go from inside.
18 Last year we also cleaned up the inside, threw a lot
19 of stuff away and I want to say one or two rooms had
20 new vinyl flooring put in, but my biggest concern
21 right now would be the exterior piece, the gutters
22 and the windows, so we can prevent more water damage
23 and go from there, sir.

24 COUNCILMAN COHEN: Thank you very much.

25 Thank you, Madam Chair.

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2 COUNCILWOMAN TASC0: Commissioner, you
3 said that you have four teen centers. Where are
4 they other than Kingessing and Myers? Where are
5 the other two?

6 MR. RICHARD: Rivera at 5th and
7 Allegheny and McVeigh at D and Ontario and that was
8 number one and two in that order.

9 COUNCILWOMAN TASC0: So that I will go
10 on the record, I have the same concerns that
11 Councilman Nutter has in terms of the 9th
12 Councilmatic District. I think we had this
13 discussion in my office about that.

14 MR. RICHARD: I appreciate it. Thank
15 you.

16 COUNCILWOMAN TASC0: I won't go through
17 with the same discussion you had with him, but I
18 will say ditto on everything.

19 MR. RICHARD: Thank you. I will go back
20 to Mr. Dubow and the managing director. Thank you.

21 COUNCILWOMAN TASC0: It seems that we
22 represent districts that are taxpayers, voters, but
23 we never get placed on the map. We have to just
24 continue to fight for every little thing for these
25 people in their community and I agree with the

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2 councilman that we can't wait until it's broke to
3 fix it. We have prevention and that's the message
4 we have tried to send throughout this Council, not
5 just in Recreation but in infrastructure throughout
6 the City of Philadelphia. So I strongly echo his
7 concerns.

8 Are there any other questions by Members
9 of Council to the commissioner?

10 COUNCILMAN NUTTER: Madam Chair.

11 COUNCILWOMAN TASCO: You have the
12 managing director here.

13 COUNCILMAN NUTTER: Yes.

14 COUNCILWOMAN TASCO: And I have other
15 questions of the managing director that don't
16 necessarily relate to the Rec Department so I would
17 like for you to stay and answer those questions.

18 MR. RICHARD: Councilwoman Tasco, while
19 I have the mike, if you don't mind, one of the
20 facilities that we are talking over is Fisher Park
21 in your Councilmatic district. I want to say
22 tomorrow at 2:00 or 3:00, and I don't have my
23 calendar with me, I will make the first visit as
24 well. I will also be seeking to meet with you so I
25 make sure that I make contact with the proper

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2 community groups as well when we make that transfer
3 as well.

4 COUNCILWOMAN TASC0: Would you, please?
5 Thank you.

6 MR. RICHARD: Thank you.

7 COUNCILWOMAN TASC0: Good afternoon.
8 Would you identify yourself for the record?

9 MR. GOLDSMITH: Phil Goldsmith, managing
10 director.

11 COUNCILWOMAN TASC0: Councilman Nutter.

12 COUNCILMAN NUTTER: Thank you, Madam
13 Chair.

14 Mr. Goldsmith, thank you for coming over
15 on such short notice. Madam Chair, if I could also
16 have Commissioner Martinez. As I understand, she is
17 also one of the key decision-makers in this
18 particular issue. If she could be at the table as
19 well, I would appreciate it.

20 COUNCILWOMAN TASC0: The Chair calls
21 Commissioner Alva Martinez.

22 COUNCILMAN NUTTER: Mr. Managing
23 Director, I'm sure you have gotten an update, but,
24 for the record, there has been an ongoing discussion
25 which started not just on budget day for recreation

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2 but actually last year in a general way about an
3 additional teen center. There are six of them; is
4 that correct?

5 COUNCILWOMAN TASC0: Four.

6 COUNCILMAN NUTTER: I'm sorry. I was
7 confusing them with the after-school programs, of
8 which there are six. There are four of these teen
9 centers throughout the City. The issue has arisen
10 with regard to the placement of a center in the
11 northwestern section of the city. It is my
12 understanding that a variety of criteria are
13 considered including crime statistics, I'm assuming
14 number of youth, access to other facilities, quality
15 of facilities and the like. This discussion has
16 been ongoing for some time.

17 West Philadelphia north of Market, which
18 is covered by the 19th police district, I'm sure if
19 you talk to Police Commissioner Johnson, he will
20 tell you of some of the issues out in that district,
21 and I mean I fully support the placement of these
22 facilities where they are presently. I'm sure they
23 are serving an at-risk and greatly in-need
24 population, but part of the discussion earlier was
25 also on the prevention side, notwithstanding

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2 troubled areas of the city, but that all of our
3 young people need a certain variety of services to
4 the extent that we can spread them out
5 geographically to try to serve as many people as
6 possible, and what I'm left with in today's
7 discussion is apparently but for a hundred to
8 125,000 dollars we could have one of these centers
9 in West Philadelphia.

10 We have identified, we believe, a
11 location, a very large Class A size recreation
12 center, and what I have asked the commissioner, the
13 two commissioners and the budget director, and we
14 wanted you here because you are listed as naturally
15 a decision-maker in this process, is we find the
16 necessary funds through a variety of funding sources
17 which we have heard about in the course of this
18 budget season that provide after-school programs and
19 grants, juvenile justice grants and this grant and
20 that grant and the other grant. I need a decision
21 on this particular issue in the course of this
22 budget season. I need a commitment from the four of
23 you at the table that a decision, hopefully
24 positive, will be made in the course of this budget
25 season, a date certain by which the necessary work,

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2 if any work was left to be done, would start and
3 when the citizens out in West Philadelphia would
4 start to receive the benefit of this kind of
5 facility that other people are receiving in other
6 neighborhoods but would come soon to this community
7 with the full complement of resources that are
8 available at these centers in other parts of the
9 City.

10 This is a very serious issue to me. I
11 would like to have it resolved in the course of this
12 budget season. I will not give you the same
13 extended, somewhat agitated speech that I made
14 earlier, but the same level of passion and
15 commitment is here for your appearance as was about
16 a half hour ago.

17 MR. GOLDSMITH: Councilman Nutter, we
18 will have that decision for you.

19 COUNCILMAN NUTTER: I appreciate that,
20 Mr. Managing Director. It is a very serious
21 issue --

22 MR. GOLDSMITH: I understand.

23 COUNCILMAN NUTTER: -- and I'm committed
24 to making this happen.

25 MR. GOLDSMITH: And I think the fact

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2 that we have started those teen centers shows that
3 we believe in them and we would like to have as many
4 as possible and we will look at where we can get the
5 money and look at the other priorities and have a
6 decision for you as soon as we can and we will
7 explain to you why we made that decision, whether it
8 be positive or contrary.

9 COUNCILMAN NUTTER: I appreciate that,
10 Mr. Managing Director.

11 Lastly, and I'm sure you will get this
12 update as well, all I can ask -- and you're
13 relatively new in the current position and fresh
14 eyes can bring a different perspective. I need to
15 ask that as we plan out these proposals, as good as
16 they are, that consideration and some amount of
17 discussion take place, even if we are only going to
18 do a couple, that someone ask the question what
19 about the rest of the City and when will we have
20 on-line the similar facilities in other places,
21 recognizing that either logistically or financially
22 we cannot always start eight, nine or ten things at
23 the same time. I understand that. But I think we
24 owe our citizens and certainly this Council is owed
25 some amount of scheduling and thought that goes into

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2 these programs or proposals that says we can only do
3 three. We have plans to do whatever and over the
4 next few years we have identified the sites and the
5 funding for these activities so that you at least
6 have a notion that something is going to happen in a
7 relatively short period of time as opposed to at
8 times these either frantic or explosive situations
9 under these circumstances, which are not necessarily
10 the best way to set public policy, but that come out
11 of the frustration of watching things happen and
12 knowing what you have or what you don't have.

13 MR. GOLDSMITH: I agree with that. I
14 think that's a reasonable request.

15 COUNCILMAN NUTTER: I'm not used to
16 anybody saying that any of my requests are
17 reasonable and by the time you reappear, you may
18 have changed your mind, but for the moment --

19 MR. GOLDSMITH: You just said I had a
20 fresh set of eyes and I truly believe and I think
21 one thing we all know that serving public life that
22 our problems far outstrip the resources --

23 COUNCILMAN NUTTER: I understand.

24 MR. GOLDSMITH: -- and we can't do
25 everything at once so I think it is important that

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2 we set criteria, that we understand why we are doing
3 things where and try to give some sense of time so
4 that it not look like our decisions are capricious
5 or arbitrary and that's the way I prefer to manage,
6 so I agree with what you are asking for. I think it
7 is reasonable.

8 COUNCILMAN NUTTER: Thank you,
9 Mr. Managing Director.

10 Madam Chair, I know you said you had
11 questions for the managing director. I have some as
12 well, but my request was for him to be here for the
13 recreation part and I will defer.

14 COUNCILWOMAN TASC0: Mine are not
15 related to recreation. Do you have questions of
16 Miss Martinez relative to the Recreation Department?

17 COUNCILMAN NUTTER: Only to ask, since I
18 didn't get a chance to ask her directly, for her
19 involvement in this process and her at least
20 potential advocacy to have such a center and that
21 the resources available to the department of human
22 services may be looked upon as one source of
23 funding.

24 MS. MARTINEZ: Good afternoon. Alva
25 Martinez from the Department of Human Services.

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2 Councilman, we were not involved in the
3 decisions about the location of the previously
4 established teen centers, but I will participate in
5 this decision-making process as required by the
6 managing director.

7 COUNCILMAN NUTTER: Thank you,
8 Commissioner.

9 Thank you, Madam Chair.

10 COUNCILWOMAN TASC0: Any other questions
11 for the Recreation Department? There being none,
12 Mr. Williams, you will certainly get the information
13 that was requested by the councilman on the
14 financial situation or in terms of the contract?

15 MR. WILLIAMS: Yes.

16 COUNCILWOMAN TASC0: Thank you. I would
17 note that information has to be presented to this
18 committee before decisions are made on this budget.

19 Just for clarification, Mr. Goldsmith,
20 we got an amendment this morning and I guess this
21 information was available to us in our capital
22 budget book, but it sort of stands out for me here
23 on Page 36 of the amended budget for the capital,
24 2030 -- 30003. I notice that in the managing
25 director's office you have funding for citywide

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2 facilities and in addition to that green light
3 upgrading. I mean how does all of that fall into
4 your -- the green light lighting upgrades? Let me
5 ask that question.

6 MR. GOLDSMITH: I'm sorry. What page
7 are you on?

8 COUNCILWOMAN TASC0: Page 36.

9 MR. DUBOW: That comes out of the
10 municipal energy office.

11 COUNCILWOMAN TASC0: The green lights?
12 I'm asking about the green lights.

13 MR. DUBOW: The green lighting upgrades,
14 it is a more efficient way to do lighting and the
15 municipal energy office reports to the managing
16 director so it falls into the managing director's
17 office budget.

18 COUNCILWOMAN TASC0: Say that again.

19 MR. DUBOW: I was too fast, wasn't I?

20 COUNCILWOMAN TASC0: My ears can't hear
21 that quickly.

22 MR. DUBOW: No, I went too quickly.

23 It's a project of the municipal energy
24 office. It is an energy efficiency project and the
25 municipal energy office reports to the managing

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2 director, so it falls into the managing director's
3 office budget in the capital program.

4 COUNCILWOMAN TASC0: They put up green
5 lights, the traffic lights?

6 MR. DUBOW: No, it is not that type of
7 green lighting. The green lighting I think in this
8 case means that they are energy efficient, so it is
9 not streetlights.

10 COUNCILMAN NUTTER: Is that the thing
11 with the star?

12 MR. DUBOW: That's a different one. It
13 is the same kind of idea.

14 MR. GOLDSMITH: We will get you a
15 description of it. It is not traffic lights.

16 COUNCILWOMAN TASC0: Thank you because
17 I'm having such a hard time getting a turning light
18 at Adams Avenue and Rising Sun. I don't understand
19 when you have a corner with a traffic jam, the state
20 has improved the -- has widened the street, that we
21 cannot get a green turn light there. For those
22 people who are traveling that intersection, it would
23 certainly be very good. That's why I was looking at
24 that.

25 MR. GOLDSMITH: It's a different issue,

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2 but I would be delighted to talk to you about the
3 issue that you are concerned about and see what the
4 reasons are and what we may be able to do.

5 COUNCILMAN NUTTER: Madam Chair, I can
6 only recommend to you that you may want to pursue
7 legislative response to that. There has been a
8 plethora of legislation around the issue of stop
9 signs and traffic signals and the like and you may
10 want to pursue the left turn arrow from a
11 legislative standpoint.

12 COUNCILWOMAN TASC0: Thank you.

13 COUNCILMAN NUTTER: Absolutely.

14 COUNCILWOMAN TASC0: Thank you very
15 much. Any other questions of the managing director?
16 Thank you for coming over.

17 MR. GOLDSMITH: Thank you.

18 COUNCILMAN NUTTER: Madam Chair, are you
19 finished with the managing director?

20 COUNCILWOMAN TASC0: Yes, that was all I
21 had.

22 COUNCILMAN NUTTER: Mr. Managing
23 Director, we had talked back in late February about
24 a plan for citywide deployment of the CLIP program.
25 At the time the response was you anticipated having

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2 a plan in 30 days and that conversation took place
3 back on February 26. Do you have a sense of where
4 this is right now?

5 MR. GOLDSMITH: I have reviewed an
6 initial proposal and we need at least another
7 meeting to kick it around, but we are looking at it
8 and seeing how we can take that districtwide in
9 particular parts of each district depending on what
10 the criteria are, so we are working on that right
11 now.

12 COUNCILMAN NUTTER: We also talked back
13 at that time about the issue of homeowners receiving
14 violation notices regarding failed retaining walls
15 and the complications that some homeowners face with
16 regard to having received the notice of violation,
17 although the actual violation may not be at their
18 home, but it attaches to the entire wall and the
19 negative impact that that might have on their
20 ability to either sell their home or get a mortgage
21 or refinance, those kinds of issues. Any update on
22 that?

23 MR. GOLDSMITH: No, I owe you a response
24 on that.

25 COUNCILMAN NUTTER: The sinking hole

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2 issue in the 400 block of North Daggett Street I
3 have been concerned about for some time. Do we have
4 a game plan on how we deal with the homes that were
5 vacated as a result of City intervention as well as
6 the remaining 75 percent of the homeowners who are
7 still on the block?

8 MR. GOLDSMITH: I owe you a response.

9 COUNCILMAN NUTTER: Lastly, you have
10 been involved or your office has been involved in
11 discussion about zero tolerance policy regarding
12 nuisance activities, specifically Haverford Avenue,
13 Lansdowne Avenue and Main Street. Do you have any
14 information on how we are going to implement zero
15 tolerance policy on behavioral issues in those
16 primarily commercial corridors that are surrounded
17 by residential neighborhoods?

18 MR. GOLDSMITH: No, I do not. I have
19 not been privy to those conversations, but I will
20 followup on those. I have been involved in some
21 conversations in Manayunk I think on slightly
22 different issues.

23 COUNCILMAN NUTTER: Right. I think Fran
24 from your office, she and I were in a meeting
25 together.

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2 Lastly, I think it is still called the
3 First Union, but maybe now it is just generally
4 referred to as the bike race and the need for extra
5 coordination with the neighborhoods that the bike
6 race traverses through. The race itself is fine.
7 It is the after race activities that are leading to
8 a deterioration in the neighborhood appreciation for
9 the bike race, similar to your office's efforts --
10 and I'm sure you have been involved more recently in
11 how we calmed things down, for instance, on South
12 Street in a post Mardis Gras situation. We need
13 some of that same kind of attention to a major event
14 that does come through the neighborhoods.

15 As I said, the daytime activities are
16 fine. It is the post bike race activities that are
17 destroying the reputation and the good will built up
18 by the bike race in those areas that it is traveling
19 through.

20 MR. GOLDSMITH: Okay. We will bring
21 together the same group that we had.

22 COUNCILMAN NUTTER: Thank you.

23 Thank you, Madam Chair.

24 COUNCILWOMAN TASCO: Are there any other
25 questions from Members of the Council for the

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2 managing director?

3 Thank you very much. Are there any
4 questions for the Department of Human Services?

5 COUNCILMAN NUTTER: Yes, Madam Chair.

6 COUNCILWOMAN TASC0: Department of Human
7 Services.

8 MS. MARTINEZ: Good afternoon. Alva
9 Martinez, the commissioner of the Department of
10 Human Services, and joining me are Cheryl Ransom,
11 deputy commissioner, David Fair, director of
12 community-based prevention.

13 COUNCILWOMAN TASC0: Excuse me for a
14 moment. Could we get about a five-minute break?
15 The stenographer needs a break.

16 MS. MARTINEZ: Absolutely.

17 (Short recess.)

18 COUNCIL PRESIDENT VERNA: The Committee
19 is back in session. Thank you.

20 At this time the Chair recognizes
21 Councilman Nutter.

22 COUNCILMAN NUTTER: Thank you, Madam
23 Chair.

24 Commissioner Martinez, from your
25 responses in a letter dated March 25, 2003 there

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2 were a number of attachments based on information
3 requests. One of them was a request to provide a
4 list of after-school programs funded by DHS and
5 their locations of operation. Also, please note if
6 there is any overlap on the after-school programs
7 administered through the Recreation Department,
8 Philadelphia Safe and Sound or DHS. That was a
9 request I made at the time.

10 Your response I believe is captured by
11 Attachment D in the materials; is that correct?

12 MS. MARTINEZ: Yes, sir.

13 COUNCILMAN NUTTER: Commissioner, I
14 looked at this document and spent some time with it
15 last night. First, I think there is one error. If
16 you would go to -- the pages are not numbered, but
17 if you would go to the Fourth District.

18 MS. MARTINEZ: Councilman, they are
19 attachments C and D. So you are looking at
20 Attachment D?

21 COUNCILMAN NUTTER: I'm looking at D.

22 MS. MARTINEZ: Okay.

23 COUNCILMAN NUTTER: In the letter the
24 response indicated that Attachment D was responsive
25 to that question. C seemed to be -- C was provide a

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2 map of DHS providers for prevention services and
3 also provide the number of people serviced by each
4 provider and their location. That was Attachment C.

5 MR. FAIR: This is David Fair, director
6 of prevention services. Attachment D refers to the
7 after-school and Beacon programs that are funded
8 through the Children's Investment Strategy project.
9 There are a number of other providers that we had to
10 do after school on these development programs that
11 are listed on the regular contract list. That is
12 Attachment C.

13 COUNCILMAN NUTTER: Listed on the what?

14 MR. FAIR: Attachment C, the list of
15 providers.

16 COUNCILMAN NUTTER: We will get to that.
17 Thank you.

18 Commissioner, if I could direct your
19 attention to -- as I said, the pages are not
20 numbered, but if you go to the Fourth District.

21 MS. MARTINEZ: Yes, I have it,
22 Councilman.

23 COUNCILMAN NUTTER: That West Kensington
24 Boys and Girls Club, I'm going to assume that that
25 was an error and that probably goes potentially with

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2 the Seventh District, potentially.

3 MS. MARTINEZ: We will check on that. I
4 believe you might actually be correct on that.

5 COUNCILMAN NUTTER: Even with our most
6 recent protracted and slightly convoluted round of
7 redistricting I think I did not capture West
8 Kensington.

9 MS. MARTINEZ: What I'm wondering is
10 whether there is another program that replaces this
11 one, so we will clarify that.

12 COUNCILMAN NUTTER: I appreciate that.

13 For our purposes at least in terms of
14 the statistical analysis, I did move West Kensington
15 over into the Seventh District. You'll rework it
16 and we will figure it out.

17 MS. MARTINEZ: Yes.

18 COUNCILMAN NUTTER: When I looked at the
19 sites and I characterized them as you did and split
20 them out into three categories, you have the
21 after-school existing, you have the after-school
22 new, and then you have the Beacon and the family
23 center, some of which are new and some of which are
24 expansions, but I kept those three categories
25 basically together. And for the three categories

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2 you have number of slots, you have total dollars
3 associated with those slots, and then I did some
4 total totals and some percentage analyses based on
5 all of this information. It is literally just on a
6 notepad here, but I would be glad to share the
7 information with you.

8 The first question I guess is for all of
9 the new or expanded, for instance, why don't we just
10 take the first page and looking at the first
11 district, you have a new Beacon and what appear to
12 be two new family centers. In the slots category
13 you have NA, which I guess is not applicable at the
14 moment. Does that mean that these programs will not
15 have, quote/unquote, slots? Is that why that
16 category -- is that why it is listed that way or you
17 haven't figured out the number of slots?

18 MR. FAIR: For the Beacon program at the
19 time this list was developed awards had just been
20 made, so they hadn't been determined yet. For the
21 family centers, the reason it is listed that way, I
22 think, is they don't just do after school, but they
23 also do parenting and case management and I think
24 when Safe and Sound did this list, they just didn't
25 have that information available to them. But they

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2 are not new family centers. What they are is --
3 Caring People's Alliance is a new provider of a
4 family center.

5 COUNCILMAN NUTTER: Say that again.

6 MR. FAIR: Caring People's Alliance --

7 COUNCILMAN NUTTER: I understand. I
8 don't need to get into the particulars in the
9 different districts because you have repeated that
10 same methodology throughout the documents, so I am
11 just taking that as an example. All of them have NA
12 in that particular area. The after-school existing
13 and the after-school new do list the number of
14 slots, and so I want to talk about the number of
15 slots. You have broken out the document by
16 Councilmatic district, so I would like to stay in
17 that format.

18 One, is there any particular average
19 cost associated with these slots, or is it more a
20 function of who is providing the service and the
21 location involved?

22 MR. FAIR: In almost every case the
23 school year programs are funded at the level of
24 \$1,500 per slot. If there is a summer program
25 involved, it goes up to about \$2,000.

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2 COUNCILMAN NUTTER: And you are here for
3 the earlier discussion with regard to recreation,
4 and some of the -- I guess in the concept of how we
5 provide a certain level of balanced service
6 throughout the City and making sure that to the
7 greatest extent possible more and more of our
8 children can avail themselves and their parents
9 naturally of these services. So I would like to get
10 a better understanding and I'm just going to run
11 through these numbers as they are laid out in your
12 charts, and so this is number of slots by
13 Councilmatic district and these are totals by
14 district. In the first it is 672, in the second
15 680, in the third 777, in the fourth 243, in the
16 fifth 1197, in the sixth it's 62, in the seventh it
17 is 1033, in the eighth it is 860, in the ninth it is
18 374 and in the tenth it's zero.

19 Most districts seem to be up in the 6,
20 700 range and then we have a couple that are over a
21 thousand and then we have some that are
22 significantly less. Can you tell me what the
23 thinking was here or how we ended up with some of
24 these numbers?

25 MR. FAIR: As I mentioned earlier,

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2 Councilman, the goal of the Children's Investment
3 Strategy is to target those neighborhoods where
4 there are the highest rates of abuse and neglect.
5 It is the same conversation we have had several
6 times. The funding is targeted to the areas of the
7 City where according to existing data there are
8 either the highest numbers of underserved kids or
9 the lowest number of quality programs available for
10 those kids, but the resources that are available --

11 COUNCILMAN NUTTER: Now, what's going on
12 at these locations? What are the services that are
13 being provided?

14 MR. FAIR: The basic after-school
15 program includes an academic assistance component, a
16 physical recreational component, some kind of
17 community service or community activity and some
18 cultural activities and that's basically the big
19 outline of what they do.

20 The Beacons have a little bit more
21 intense services. They also will be eventually
22 offering parenting programs and various community
23 education programming.

24 COUNCILMAN NUTTER: Wouldn't most
25 children benefit from these children programs

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2 regardless of whether they are abused or not?

3 MR. FAIR: Absolutely, but the data
4 indicates that there are a hundred thousand children
5 in Philadelphia who after school have literally no
6 place to go where there is an adult. So the target
7 for the Children's Investment Strategy has been to
8 fill that particular gap. In some areas of the City
9 the gap is greater than in others. In terms of the
10 funding source, the money that is used primarily for
11 this, at least as far as DHS is concerned, our
12 requirement under the state and federal guidelines
13 is to target the constituency that we are
14 responsible for, which is the constituency of kids
15 and families whose risk of involvement in the abuse
16 and neglect in the child protection and juvenile
17 justice system is highest.

18 COUNCILMAN NUTTER: So you're telling me
19 either one of two things, that either children in
20 the fourth, six, ninth and tenth districts either,
21 one, have an incredible number of after-school
22 programs and activities available to them such that
23 they don't need any of these services or, two, that
24 the statistical data seems to indicate that there is
25 no need for these services?

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2 MR. FAIR: Neither of those statements
3 is accurate. The gap is greater in those
4 neighborhoods. No neighborhood in the City has
5 sufficient resources for all kids to be safe after
6 school. Some neighborhoods in the City have fewer
7 resources available than others and that has been
8 the priority for this investment.

9 MS. MARTINEZ: Councilman, if I may add.

10 COUNCILMAN NUTTER: I guess then my only
11 response to that is given what you said, is there
12 any minimum level that all of the areas or in this
13 instance you have broken out the data by
14 Councilmatic district which again naturally, one,
15 thank you, makes it a lot easier for all of us to be
16 oriented to the data. I mean, should we have a
17 system that says we will serve a minimum number of
18 children in each area and then either as need or
19 statistics indicate or as abuse or unfortunate
20 circumstances arise we will serve even more? This
21 is all new to me so I'm trying to understand the
22 strategy here.

23 MR. FAIR: The Children's Investment
24 Strategy itself is actually based on that kind of
25 understanding. There is a basic level of service

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2 available in the neighborhood and the idea was to
3 make sure that all neighborhoods in the City have a
4 level of service that was at least roughly
5 equivalent to what the community needs. We are not
6 even close to that. We have only gotten about a
7 third of the way toward the capacity that we are
8 trying to build in terms of after-school and youth
9 development programs, but in certain areas of the
10 City there are not publicly funded perhaps, but
11 there are programs for children or the likelihood
12 that there will be a parent at home after school so
13 that the child can go home, that they are not
14 latch-key children. All of those factors were taken
15 into account. And so in some neighborhoods of the
16 City you have much greater challenges for children,
17 but you also have resources available for those
18 children. In many areas of the city you have very
19 great challenges to the children and no resources.
20 In some sections of the city the challenges are not
21 that great and there seem to be, based on that
22 analysis which was conducted with the Robert Wood
23 Johnson grant a few years ago, based on that
24 analysis there is adequate opportunity,
25 out-of-school-time opportunity for those kids.

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2 In addition to those programs that are
3 listed here as part of the Children's Investment
4 Strategy, we do have other programs that are
5 targeting kids with special needs. We have an
6 intensive delinquency prevention -- two intensive
7 delinquency prevention programs in the Fourth
8 Councilmatic District and we have a variety of
9 parenting programs, again, not at the level that we
10 have in some other areas of the city where the need
11 is greater, but it sort of depends on what the
12 service is that we are trying to provide and how
13 intense and how broadly shaped it is.

14 MS. MARTINEZ: I wanted to add that the
15 Department of Human Services receives funding from
16 the state to prioritize the most vulnerable kids and
17 families in the City. It does not mean that those
18 resources cannot be applied to meet the basic needs
19 of children all across the city and, in fact, as you
20 will see, we are making new investments in every
21 district, and I certainly understand your concern --
22 I have heard it repeatedly today -- about investing
23 in a higher level in the Fourth District.

24 That being said, from my standpoint it
25 is still early in our re-engineering of the

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2 Department of Human Services and we have drawn down
3 a significant amount of TANF money through DHS into
4 the City and the state, at the time they granted
5 that to us, made it pretty clear that they wanted us
6 to use that money to target the most vulnerable
7 communities. Now we have done that. We have made
8 that commitment and we have continued to follow the
9 data that tells us where the abuse, neglect and
10 delinquency is in the City and at the same time we
11 are creating systems of social services, Councilman,
12 that will meet the needs of kids anywhere where they
13 may live.

14 It's a challenge when you have such a
15 large city to take what I consider a little bit of
16 money given our needs and make it work for everyone
17 in the same way, but I guess what I want to say is
18 we have been data driven. We have been data driven
19 and really looking at where the gaps were in
20 relation to where the highest level of abuse,
21 neglect and delinquency comes from, but we are not
22 ignoring the needs of the City as a whole.

23 In fact, as David Fair says, the
24 Children's Investment Strategy has as a goal raising
25 money that will help us provide services to 100,000

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2 kids throughout the City and we are on our way to
3 that goal, but we have not met it yet.

4 COUNCILMAN NUTTER: Where does the money
5 come from? I mean what I added up on this document
6 was a little over \$27 million. Where does that
7 money come from?

8 MR. FAIR: I don't know where all of it
9 comes from. Most of it comes from TANF funding
10 that's awarded by the Office of Children, Youth and
11 Families in Harrisburg to DHS for this purpose.
12 There is other money that the Children's Investment
13 Strategy gets for its investments including human
14 services development fund money, some Work Force
15 Investment Act funding. I don't know how that money
16 gets allocated.

17 COUNCILMAN NUTTER: Let me make one
18 comment based on the response from the commissioner,
19 and in any of my passion about this let me try to
20 assure you that it is not singly directed at just
21 the district that I represent, although I am a very
22 passionate advocate for the district, but, as I
23 mentioned, there are four districts that stand out
24 rather significantly in this analysis, not just the
25 Fourth, but also the Sixth, the Ninth and the Tenth.

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2 Now, as Councilwoman Tasco mentioned
3 when she was in the Chair a little while ago, and we
4 have seen this in a couple other situations, I think
5 by anyone's estimation some of these areas, and
6 there are many others, but some of these districts
7 seem to at a certain level suffer from decency of
8 either reputation or census tract analysis that
9 would indicate either above average incomes or house
10 values and the like and often in some instances --
11 well, I will just leave it at maybe inadvertently
12 are often looked upon as neighborhoods that don't
13 necessarily need some of these services or a higher
14 level of attention. This is not directed at DHS.
15 This is at times throughout the government and it
16 can be found in a variety of government services by
17 departments.

18 I don't want to be in a situation where
19 -- again, you heard this in the earlier discussion
20 -- we spend a tremendous amount of resource, which
21 is appropriate, in certain parts of the city and
22 basically tell the other parts, well, you are doing
23 fairly well and you guys just have to fend for
24 yourselves and when you start having problems
25 though, give us a call and we will be glad to get a

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2 good program going for you as well.

3 I think we have to change -- I mean I
4 just basically reject that mind set. I'm not going
5 to allow myself to get caught in the debate between
6 the haves and the have nots as opposed to a
7 discussion that says everyone gets a certain
8 baseline level of support and then we look at our
9 statistical analyses and risk factors and the like
10 and build on that base. But when you look at this,
11 I have to believe that there are more than 243 --
12 I'm assuming a slot represents a child?

13 MR. FAIR: More or less, yes.

14 COUNCILMAN NUTTER: I have to believe
15 there are more than 243 kids in the entire district
16 that have a need or that only 62 kids in the Sixth
17 District, no children in the Tenth and little more
18 than what is happening over in the Fourth at 374 in
19 the Ninth. Do we have a variety of recreational
20 centers and other activities that may not be
21 reflected on here? Sure. I'm not debating that or
22 discounting that either, but Gompers Grade School in
23 the Wynnefield community can serve a whole host of
24 kids, but you have Mann right down the street as
25 well or Beeber. There are a number of schools in

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2 West Philadelphia, Overbrook High being one and a
3 variety of others.

4 There are things going on in those
5 neighborhoods that are not at times the most
6 positive, so sure I'm going to be a passionate
7 advocate for the district and I would like to see
8 the numbers up in certain ways, but some of this is
9 just public policy.

10 MS. MARTINEZ: Let me just say that your
11 approach to doing an analysis that has kind of a
12 baseline service level for every district is one
13 that I actually favor. I think it's a really good
14 idea and I'm going to encourage us to go back and
15 work with our partners to come up with a model that
16 would be satisfactory. I just want to emphasize
17 that we are still aggressively in the process of
18 raising -- making more resources available toward
19 the Children's Investment Strategy goal, number one;
20 number two, that other services in all of these
21 districts are not reflected in this document and
22 perhaps had we had more time and we would have
23 thought about this, we would have mapped that
24 because it is important to recognize that there are
25 other sources of investments, many, many, services

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2 in the district that have an impact on children.

3 COUNCILMAN NUTTER: Right, and at the
4 same time I don't want to ignore any of them, so if
5 I'm only working from the one document that doesn't
6 reflect everything else that is out there, then --

7 MS. MARTINEZ: Well, I think your point
8 is taken that --

9 COUNCILMAN NUTTER: -- I'm willing to
10 revisit that.

11 MS. MARTINEZ: -- the document doesn't
12 lie. It says what it says and it certainly shows
13 that these resources are invested more heavily in
14 districts where we mapped out and see some higher
15 levels of abuse and neglect. That being said, it
16 would be narrow-minded for the department to wait
17 for kids to get hurt in order to start investing.
18 Let me just be very clear that that's why I created
19 a prevention division, so I take your
20 recommendations to heart and, as I said, three years
21 is a long time; however, we have been doing some
22 major restructuring and I will take that as a
23 challenge and opportunity to not back away from our
24 commitment to invest in the high-risk areas where
25 kids are getting hurt but to do it in a way, to

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2 enhance our analysis in a way, that is more
3 satisfactory to all Council people even if you are
4 blessed with a district with lower negative
5 outcomes, which I think is something that we should
6 all be happy for.

7 COUNCILMAN NUTTER: True. Two last
8 questions: One, I am aware that Daroff I believe
9 was identified a couple years ago or at least a year
10 or so ago as a Beacon location, although I don't see
11 it on the chart here and maybe it's in a different
12 category or a different program.

13 Secondly, I would like to better
14 understand I guess the connection or the
15 relationship here between Philadelphia Commercial
16 Development Corporation/LIFE, which I'm sure is some
17 wonderful acronym, and the two schools involved,
18 Bluford and Gompers, which also have stars next to
19 them or an asterisk, but I could not figure out from
20 the document what the asterisk meant.

21 MR. FAIR: I don't know what the
22 asterisk means. I think I can find that out for
23 you. I think that PCDC is the conduit for the
24 organization which is LIFE, where they -- how they
25 get their cash because they must not have their own

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2 501-C-3, but I will have to check that out. I don't
3 have the details on that.

4 COUNCILMAN NUTTER: Thank you, and if
5 you would find out what LIFE stands for as well, I
6 would appreciate that.

7 MR. FAIR: I'll do that as well. I know
8 that the Daroff Beacon was moved to another school
9 because of some issue around the school building
10 itself, but I would have to go back and find out why
11 that happened.

12 COUNCILMAN NUTTER: When was that
13 decision made?

14 MR. FAIR: This was the first round of
15 Beacon funding. I remember there was some
16 discussion about the fact that we had to find
17 another site, but I don't remember what it is, so I
18 will have to get back to you on that one as well.

19 COUNCILMAN NUTTER: If you could let me
20 know about that, I would appreciate it.

21 I will put this analysis in a more
22 readable fashion so you don't have to drive yourself
23 crazy trying to figure out my notes, but let's talk
24 about Attachment E, which is in response to a
25 question regarding your communication strategy.

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2 This was actually a question raised both by
3 Councilwoman Tasco and myself. I took a look at
4 Attachment E by the fiscal years that you have laid
5 out. On the letter itself it makes reference to the
6 printers and who the media person is and the like.
7 Do you see that page? The question was "Provide the
8 names of subcontractors used by Keel Communications
9 in its work for the department. Indicate if they
10 are a Philadelphia based, minority owned, and/or
11 women owned. That was Councilwoman Tasco's
12 question. And then I asked about the issue of
13 double payment for vendors regarding Keel
14 Communications and the placement of radio ads and
15 for management concession.

16 Your response is in terms of printers
17 the two printers are Americor Press located in
18 Bensalem, PA, and Consolidated Drake which you have
19 listed as a woman co-owned business. Do you know
20 who the principals are of Americor Press?

21 MS. MARTINEZ: I do not have that
22 information at this moment, but I will get it to
23 you.

24 COUNCILMAN NUTTER: And who decided to
25 use that particular vendor?

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2 MS. MARTINEZ: I am not sure if our
3 communications director participated in that
4 decision or whether it was Frank who made the
5 decision. I'm not sure. I can find that out.

6 COUNCILMAN NUTTER: With regard to
7 Consolidated Drake, which is over on Parkside Avenue
8 and is actually in the Fourth District, you should
9 also know that there is a minority male who has a
10 printing operation located within the premises of
11 Consolidated Drake and so if work is going over
12 there, you may have an opportunity to help a
13 minority vendor as well as a female at that
14 location.

15 MS. MARTINEZ: Thank you. We will
16 follow up on that lead.

17 COUNCILMAN NUTTER: Thank you.

18 With regard to -- is it Harmaline Media?

19 MS. MARTINEZ: Yes.

20 COUNCILMAN NUTTER: Who made the
21 decision to utilize Harmaline, which is located in
22 Bala Cynwyd?

23 MS. MARTINEZ: Again, I would need to
24 confirm whether our communications director was part
25 of making that decision or whether that came

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2 recommended and chosen by Keel Communications and I
3 will find that specific answer out for you and let
4 you know.

5 COUNCILMAN NUTTER: And the funding for
6 these items -- I'm not moving to Attachment E. You
7 have given us three fiscal years, Commissioner, and
8 if I could ask for fiscal year 2000 data with the
9 same printout.

10 I know you were distracted. You have
11 given us 2001, 2002 and 2003. If you could also
12 provide us with 2000, fiscal year 2000, with the
13 same data here, I would appreciate it.

14 MS. MARTINEZ: Okay.

15 COUNCILMAN NUTTER: The funding for
16 these items, is that from your general fund
17 expenditures, or is this also primarily the funding
18 that you get from either the state or federal
19 government?

20 MS. MARTINEZ: It is funding that comes
21 from the state, federal and City, and it falls under
22 the category of administrative expenses that the
23 department incurs. And they are reimbursable by
24 those funding streams.

25 COUNCILMAN NUTTER: In one of your

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2 responses -- I don't know whether it is in the
3 letter or somewhere -- you indicated that you have
4 75 different vendors that you utilize in the DHS
5 communications strategy. It is in the letter.

6 MS. MARTINEZ: Yes, sir.

7 COUNCILMAN NUTTER: Is that a tad
8 overwhelming at some level, to have to deal with 75
9 different vendors on communications?

10 MS. MARTINEZ: Well, we have used them
11 over the years for specific needs that we have and,
12 as you will see, we have been very busy on the
13 communications front --

14 COUNCILMAN NUTTER: Pretty busy.

15 MS. MARTINEZ: -- and doing a wide range
16 of outreach and education activities and so
17 different vendors meet different needs. It is quite
18 a bit. I agree with that. And certainly it is --
19 it has been a priority for us to get out in the
20 public and as I mentioned earlier our reports of
21 abuse and neglect are up by 12 percent and I firmly
22 believe that while my agenda is to reduce the number
23 of abuse and neglect cases in the City, we can't
24 reduce it unless we know about it and so part of --
25 that's just one example of why this investment is

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2 important because clearly people were underreporting
3 in the City because we were not doing outreach. So,
4 yes, it is a lot to manage.

5 COUNCILMAN NUTTER: I want to talk about
6 one last item. The data comes from Attachment E.
7 For 2001 Fund for Philadelphia the administrative
8 fees were \$30,108.39. Now, please explain this to
9 me. You pay the Fund for Philadelphia an
10 administrative fee for what?

11 MS. MARTINEZ: We pay the Fund for
12 Philadelphia 4 percent to --

13 COUNCILMAN NUTTER: 4 percent of what?

14 MS. MARTINEZ: 4 percent of the funding
15 that they administer for administrative and fiscal
16 support services and just the management of the
17 funding and the maintenance of records and the
18 production of records for the department.

19 COUNCILMAN NUTTER: In that same fiscal
20 year Harmaline Media, the cost was \$106,290.75.
21 This was for a radio ad campaign to recruit staff?

22 MS. MARTINEZ: Yes, sir.

23 COUNCILMAN NUTTER: What did the ad say?

24 MS. MARTINEZ: Well, the ads were
25 informing the public that there were job

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2 opportunities available at the Department of Human
3 Services for social workers and for youth detention
4 counselors because at the point I became
5 commissioner we were really in a crisis with
6 understaffing and we're understaffed now, but we are
7 much better than we were before. We have hired over
8 300 social workers since I became commissioner with
9 a net gain of 70 over the level that we had when I
10 became commissioner. High turnover is a problem of
11 crisis proportion nationally in child welfare
12 systems and it was really a very targeted ad
13 campaign that was put through a lot of minority
14 media, community newspaper, radio, et cetera, to get
15 people to apply for the jobs. And we have been so
16 successful that central personnel closed the test
17 last month because they had 400 applications they
18 were not able to process, but right now we have no
19 list because we basically hired everybody off of the
20 list.

21 It's a really tough situation and the
22 reason why, Councilman, I made the decision to make
23 this investment, even though I think it's a lot of
24 money and I think it is too much money, that's what
25 it costs, is because central personnel does not have

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2 the capacity or the financial resources in their
3 budget to do it the way that DHS needs it done so
4 had I not invested from our federal, state and local
5 resources, it would not have happened. And we had
6 no choice really.

7 At this point, as you will see, we have
8 shifted -- or I don't know if it is reflected here.
9 This year we shifted our targeted campaign to youth
10 detention counselors because that's where we had an
11 even bigger crisis, so we are reducing overtime by
12 bringing in the right staff in addition to other
13 strategies. There's a very high turnover rate in
14 the Department of Human Services because of the
15 nature of the work.

16 COUNCILMAN NUTTER: I understand. It's
17 very tough work. Why is that? Why do you have such
18 a high turnover rate?

19 MS. MARTINEZ: Well, because staff make
20 life-and-death decisions, because the workloads are
21 intense and the caseloads are high, even though we
22 have been bringing them down, because there is a
23 huge amount of pressure constantly from the clients,
24 from the public, from the courts, and because they
25 can find work that pays equal or maybe even a little

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2 less but still is less stressful out in the
3 community.

4 However, however, I believe it's also
5 because the department had not done the kinds of
6 things that needed to be done to make staff feel
7 supported and noted. For example, we got phones for
8 all of our social workers. When I became
9 commissioner, social workers shared phone lines even
10 in our new building. That's not acceptable. So it
11 is also about investing in our staff and we are
12 doing that and our retention is going up because we
13 are lowering caseloads investing in our staff and
14 bringing in more bodies to carry the load.

15 COUNCILMAN NUTTER: It's always tough
16 with these averages, but what's the average salary
17 of a caseworker?

18 MS. MARTINEZ: From the top of my head I
19 think -- well, the starting salaries are 27 and 28
20 for Social Worker I and II and I believe \$34,000 --
21 no, for Trainee and I 27 and 28,000; for Social
22 Worker II the starting salary is \$34,000. And the
23 other thing we have done is reopen the test for
24 Social Worker IIs which allows us to bring in people
25 with experience and master's degrees. That was not

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2 open when I became commissioner. I believe many of
3 our social workers are making around 45, \$50,000.
4 That's what I remember off the top of my head
5 because we have a fair amount of people that have
6 stayed there a long time. I might also add we have
7 close to 600 social workers at any point in time
8 working in the department so it's natural that there
9 is going to be movement. It is a big organization.

10 COUNCILMAN NUTTER: I understand. In
11 the same fiscal year, 2001, the department,
12 according to Attachment E, paid Keel Communications
13 \$401,006.23 for a variety of services. Is that
14 about ten social workers?

15 MS. MARTINEZ: Maybe a little less with
16 benefits. You know, councilman, I believe that it
17 might be something, that amount of money might be a
18 number of social workers, and I'm not sure if it was
19 ten or it might be less. It might be less.

20 COUNCILMAN NUTTER: You understand the
21 point?

22 MS. MARTINEZ: I totally understand the
23 point, but I also -- I understand the point and I
24 accept the point, but I also want to be very clear
25 that we don't do communications investments for

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2 social purposes or for publicity purposes. We did
3 it because we believe that an investment in outreach
4 and an investment in recruitment of staff and an
5 investment in changing the image of the Department
6 of Human Services so that people trust us and come
7 to us and accept us as the primary entity in the
8 City that is responsible for this work was a good
9 investment and I truly believe that over time we
10 will be able to minimize our communications
11 investment because we won't have as great a need to
12 build trust like we did initially.

13 In fact, for next year we are projecting
14 a budget that is significantly lower than the budget
15 we had this year because we believe we can now begin
16 to shift that money into other expenses and also
17 because the economy is bad and that's where we are
18 going to -- that is a priority area to cut.

19 COUNCILMAN NUTTER: Are you anticipating
20 bringing any of these services inhouse?

21 MS. MARTINEZ: Well, we are definitely
22 committed to using our internal resources as much as
23 possible and based on the questions that I have
24 received, quite frankly, I am going to personally
25 get more involved in finding out what kind of

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2 infrastructure we can access internally in the City
3 because sometimes, Councilman, the issue for me is
4 speed. It doesn't mean that I can't get the work
5 done. It is that there would be tremendous delays
6 for me to get it done inhouse because there is a
7 backlog and so perhaps there are ways that I can
8 work with procurement and printing and maybe invest
9 some resources in building their capacity so that
10 they can serve the department better.

11 And so, yes, we will make a commitment
12 to reduce costs as much as possible with that
13 strategy as part of our plan.

14 COUNCILMAN NUTTER: Let's talk about
15 2002 and 2003 quickly. The Fund for Philadelphia,
16 \$51,000 in administrative fees; Harmaline Media,
17 \$10,000 for radio ads for the juvenile justice
18 conference; Keel Communications, \$391,788.72. For
19 2003, Fund for Philadelphia, \$36,801; Harmaline
20 Media, 114,525 and Keel Communications \$273,236.78.
21 The total for the three fiscal years is the Fund for
22 Philadelphia you have paid in administrative fees
23 \$117,964.90; Harmaline Media, \$231,498.50 and Keel
24 Communications is \$1,660,031.73 for various
25 services.

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2 First, why does the administrative fee
3 seem to fluctuate at least over that three-year
4 period with the Fund for Philadelphia?

5 MS. MARTINEZ: My understanding would be
6 that it's dependent on the amount of money that was
7 administered through the Fund for Philadelphia. It
8 is 4 percent of whatever money is administered.

9 COUNCILMAN NUTTER: Commissioner, you
10 were here earlier and actually you were at the
11 table. We had a somewhat painful, slightly
12 agitated, at least on my side, discussion about a
13 teen center in West Philadelphia which I don't have
14 because we need 100 to \$125,000 to open a teen
15 center in West Philadelphia, but over the last three
16 years we have spent over a million dollars to a
17 communications person. I'm not commenting on the
18 quality of work. I have actually never seen any of
19 the work. It could be wonderful for all I know,
20 although I have been around for the last three years
21 and I'm not sure that any of it has kind of
22 penetrated my mind. I don't understand why I don't
23 have a teen center versus a million dollars in
24 communications. I would like to communicate with
25 the teens out in West Philadelphia and I can do it a

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2 lot cheaper, for about \$125,000.

3 MS. MARTINEZ: I did hear your comments
4 about that, Councilman, and, as I said before, I
5 will be part of any kind of planning that the
6 managing director pulls together to look at how we
7 can give you a response as quickly as possible.

8 I will say that under my administration
9 of the Department of Human Services we have invested
10 a significant amount of money, many millions of
11 dollars, in new and re-engineered programs and that
12 I believe that a million dollars in communications,
13 while it is a significant amount of money, relates
14 to the fact that our department had absolutely no
15 infrastructure to communicate with the public, to
16 recruit staff, to give people information about our
17 hotline, to build a customer service line, which we
18 did not have, and I accept your comment and I can
19 just tell you that from where I was sitting at the
20 time as commissioner, that had I not invested in
21 building a communications infrastructure, I could
22 not have done my job.

23 I accept the questions. I think that
24 they are important questions and I will answer to
25 the best of my ability, but we are aware of where

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2 every single one of those dollars went and what we
3 got for it. And I am accountable for that
4 expenditure, but I am very committed to investing
5 money in programs and that has been my priority, in
6 programs, services, and not only programs and
7 services, but quality programs and services. So I'm
8 not going to -- I can't use -- I accept your
9 comments and I just am simply saying that our
10 communications strategy has to do with improving the
11 quality of services that DHS does and many questions
12 have been raised which will allow me to help me
13 think about this more carefully in the future.

14 COUNCILMAN NUTTER: Where do you
15 anticipate these same three categories or cost
16 centers to be in FY '04?

17 MS. MARTINEZ: We are planning for a
18 significant reduction in communications because we
19 are planning for a potential reduction in funding
20 overall in the Department of Human Services, so we
21 are expecting to reduce it to at least \$700,000, if
22 not more if we have to, again over a department that
23 has \$600 million in funding overall and that has a
24 responsibility to do the kind of things we have to
25 do.

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2 COUNCILMAN NUTTER: Look, I believe in
3 as much communication as the next person, but I also
4 believe even stronger in providing service and you
5 just have to have a greater sense of appreciation
6 from the earlier discussion to now this discussion
7 about some of these dollars. The pot is not
8 unlimited and while we are out communicating in a
9 certain way with people, we also need to be
10 providing services. So I'm not saying that your
11 department or agency should be fully responsible for
12 the funding of the teen center, although I
13 understand the agency is involved in that particular
14 program, but these are some pretty hefty figures.
15 As a regular citizen who -- I mean I watch a little
16 TV, I listen to the radio every now and then, and
17 I'm sure people are paying attention to this and
18 they are responding and they are hearing and they
19 are seeing and they are doing, but, quite frankly,
20 that's not doing anything for us getting closer to
21 providing direct services in an environment where
22 dollars are shrinking and you are telling me you are
23 reducing that particular budget.

24 MS. MARTINEZ: Councilman, let me just
25 say this: The communications budget will be reduced

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2 next year and some of the figures that you quoted
3 have been going down, as you yourself noted, but let
4 me just say this: If the department spends 350 -- I
5 mean the situation I came into is that the
6 Department of Human Services was spending at that
7 time I guess around \$300 million in programs and
8 services that the community often did not know
9 about. My own staff did not know the kinds of
10 things that DHS had available for our families. It
11 was a crisis situation, and I think that clearly the
12 priority for us in expenditures has to be direct
13 service. It has to be. There is no question about
14 it. And I'm as uncomfortable as you are with the
15 notion that we spend any money on any administrative
16 costs. However, if we have services and people
17 don't know how to access those services when they
18 need them, then the services are not effective and
19 it is as good as if they were not there.

20 One of the issues we confront in the
21 City is that we fund things and then they get
22 underutilized. My position is that our
23 communications investment has to be conservative, it
24 has to be cost efficient and it has to be
25 strategically used and I will account for that to

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2 Council on a continuing basis and any time I can
3 cut, I will cut.

4 COUNCILMAN NUTTER: I appreciate that.

5 Last question. Do you know what the
6 size of either of the two firms may be, Harmaline
7 Media or Keel Communications? Do you know how many
8 people work there?

9 MS. MARTINEZ: I would not know the
10 exact number. I don't believe they are particularly
11 large firms. I believe they are small firms, but I
12 don't know an exact number and we will find that out
13 for you.

14 COUNCILMAN NUTTER: Thank you.

15 Thank you, Madam Chair.

16 MR. MCPHERSON: Councilwoman Tasco?

17 COUNCILWOMAN TASCO: Yes. One comment
18 you made earlier was that the personnel department
19 did not have the capability to recruit as you might
20 have wanted them to and that you found it necessary
21 to do your own recruitment and you found dollars in
22 your budget to do that. The use of those dollars,
23 were you supposed to use those dollars for
24 recruitment processes, or were they dollars supposed
25 to be used for services?

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2 MS. MARTINEZ: They are funds that could
3 be used for --

4 COUNCILWOMAN TASC0: Were they
5 categorized -- yes. How were they categorized, the
6 funds that you used?

7 MS. MARTINEZ: They were budgeted for
8 recruitment.

9 COUNCILWOMAN TASC0: If you used federal
10 dollars, what federal dollars did you use? If you
11 used state dollars, what dollars did you use? If
12 you used local dollars, what dollars did you use?

13 MS. MARTINEZ: I'm asking our finance
14 director, John Senier, to join me in explaining the
15 funding streams that were used for this purpose.

16 MR. SENIER: Good afternoon,
17 Councilwoman. The funding for this is 34 percent is
18 federal Title 40 dollars, around 40 percent is Act
19 148 dollars -- I'm sorry. It is more than that. It
20 is around 45 percent, and around 12 cents of a
21 dollar for City dollars.

22 COUNCILWOMAN TASC0: Where did those
23 dollars come from? They came from the state but
24 what did you apply for those dollars for?

25 MR. SENIER: They were part of the mix

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2 of the department's needs-based budget request. The
3 department makes a needs-based budget request to the
4 state and it has the expenditure items listed of
5 what we intend to spend and it also provides the
6 funding sources and under that allocation we were
7 able to do these communications.

8 COUNCILWOMAN TASCO: When you applied
9 for the money, did you cite in your application that
10 you were going to use the money for communications
11 or recruitment?

12 MR. SENIER: Specifically, no, at that
13 time, but we can reallocate funds with the approval
14 from the state and we subsequently reallocated our
15 categorical funding to the state to include that and
16 which they approved.

17 MS. MARTINEZ: Councilwoman, I would
18 also like to add that we meet with the state on a
19 very regular basis, more than once per month. They
20 know what we are doing, and if they have a problem
21 with anything we are doing, they let us know.
22 Recruitment of staff is something that they will
23 cite us on and we can lose our license for having
24 too high caseloads, so it is like they don't exactly
25 tell us how to do our job, but they will tell us if

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2 your caseloads hit above 30 to 1 cases per social
3 worker, then they put our license at risk, and so
4 that's why they give us the flexibility to just
5 solve our problems in the ways we want it and we
6 would use our administrative dollars for this kind
7 of expense, not direct service dollars. No direct
8 services were cut to do this and I also want to say
9 that DHS, before I became commissioner, always
10 returned money to the state. There was always a
11 significant amount of underspending at DHS that was
12 returned to the state, so I really did not have to
13 take away from anything.

14 In fact, I brought money into the City
15 with a lot of help and so this money was not ever
16 taken away from any direct service.

17 COUNCILWOMAN TASC0: Thank you very
18 much.

19 Are there any other questions from
20 Members of Council?

21 Thank you very much.

22 MS. MARTINEZ: Thank you very much.

23 COUNCIL PRESIDENT VERNA: Good
24 afternoon. Thank you for your patience. Please
25 identify yourself for the record.

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2 MS. MOORE: I'm Fay Moore, SEPTA's
3 general manager, and joining me is Frances Jones,
4 AGM of government affairs.

5 COUNCIL PRESIDENT Verna: Thank you.
6 Councilman Goode.

7 COUNCILMAN GOODE: Thank you, Madam
8 President.

9 Good afternoon, Miss Moore. Would you
10 please update me on my request for detailed
11 information about what public transportation
12 infrastructure is owned by the City and not SEPTA?

13 MS. MOORE: Councilman, we sent that as
14 Attachment A in our responses.

15 COUNCILMAN GOODE: I don't remember
16 receiving it and I think I would have taken
17 particular note to it. Can you check with the
18 Council President's office and/or re-send a copy to
19 my office?

20 MS. MOORE: We will check because we
21 sent 17 or 20 copies over.

22 MS. JONES: We sent 20 copies to the
23 Council President's office as a part of our
24 response.

25 COUNCILMAN GOODE: I have been waiting

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2 for it.

3 MS. JONES: The original response with
4 that information on the lease leaseback was sent
5 over in a timely manner and that was the first
6 package that was sent over, the full package, and
7 then there was another attachment that was sent over
8 also.

9 COUNCILMAN GOODE: Did you also send
10 copies of the actual lease leaseback agreement?

11 MS. JONES: Yes.

12 MS. MOORE: Yes.

13 COUNCILMAN GOODE: In previous
14 testimony, I believe you testified on March 11, did
15 you reference a need for service cuts and fare
16 increases on that date?

17 MS. MOORE: No, I just said, like
18 everybody else, we would have to do some tightening
19 of the budget and just give a heads-up that we were
20 looking at some deficit situations.

21 COUNCILMAN GOODE: Why did you not
22 reference it if the fiscal situation is that severe?
23 My understanding is that what happened with relation
24 to the state is a difference of \$15 million, but it
25 obviously was already a \$40 million problem, so why

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2 would you not reference the need for fare increases
3 and/or drastic service cuts at that point?

4 MS. MOORE: Because at that point in
5 time we did not know what mechanism we were going to
6 take. We alluded to the fact that, like other
7 agencies, we had a deficit and a budget situation,
8 but we did not know exactly which direction we were
9 going to take.

10 COUNCILMAN GOODE: Miss Moore, in the
11 package you just recently sent to I believe all
12 Members of Council -- I don't believe I was the only
13 one to receive it -- there is actually a schedule in
14 here for how you release your budget. It says
15 "release budget outlook to public week of March 31,
16 2003," so if it was going to be released on the week
17 of March 31, at what point was it developed? Was it
18 not being developed by March 11?

19 MS. MOORE: It was underway, but, again,
20 it had not been finalized. We were trying
21 desperately to avoid fare increases. We were
22 looking at other mechanisms that we could do to try
23 to handle it internally, but the size of it was just
24 so big we could not manage it internally.

25 COUNCILMAN GOODE: You don't think it

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2 would have been appropriate to give this Council any
3 indication that there would be drastic service cuts
4 or fare increases?

5 MS. MOORE: We didn't know there were
6 going to be drastic fare increases. We realized --

7 COUNCILMAN GOODE: At that point you
8 said we will try to live within our means like
9 everyone else. From that point it went from being a
10 \$40 million deficit to a \$55 million deficit. I
11 won't say that 15 million additional dollars is not
12 drastic, but I would say if you already were dealing
13 with a \$40 million deficit, why would you not inform
14 the Council that you were looking at drastic service
15 cuts and/or fare increases, particularly fare
16 increases?

17 MS. MOORE: Because at that point in
18 time, sir, we were not. The dollar amounts had not
19 been finalized to come up with our deficit. By the
20 time we finished Council hearings, we were then
21 hovering around the \$40 million mark. You add it
22 with the \$15 million that we didn't receive from the
23 state, it became 55 million and it was just way too
24 big for us to handle internally, but we did not know
25 the dollar amounts were 40 million when we were

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2 sitting here on March 11.

3 COUNCILMAN GOODE: Miss Moore, in
4 preparation for coming to Council to receive what is
5 about a \$60 million subsidy -- I believe it is \$57,
6 \$58 million -- were you aware of Council's timetable
7 in terms of this budget process?

8 MS. MOORE: No, sir. I knew my
9 schedule, but I didn't know your schedule. I'm not
10 sure I'm answering your question. I knew we were
11 going to make a presentation to you mid-March. I
12 also knew that my normal process --

13 COUNCILMAN GOODE: When did you think we
14 were going to pass the budget?

15 MS. MOORE: I didn't really focus on it.
16 I didn't really focus on it.

17 COUNCILMAN GOODE: Because I can tell
18 you that the last time there was a fare increase by
19 SEPTA two years ago, SEPTA did exactly the same
20 thing. Regardless of who was specifically
21 responsible for it, they came in to Council, said
22 nothing about a fare increase, dealt with their own
23 budget process and timetable, did not inform this
24 Council of what was a drastic fare increase at that
25 time and then turned around a week or so after we

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2 finished our budget process and told the City of
3 Philadelphia that they were raising fares, and of
4 course at which time members of the community,
5 taxpayers, want to know why would Council pass a
6 budget and have no knowledge that there were going
7 to be fare increases and, in this case, drastic
8 service cuts and fare increases.

9 MS. MOORE: Again, Councilman, I didn't
10 know -- we had not finalized the magnitude of our
11 own internal problem when I was before you
12 previously. We finalized that afterwards and it was
13 compounded with the additional \$15 million reduction
14 from the state.

15 COUNCILMAN GOODE: Let's talk about it
16 now then. What do you hope to generate in terms of
17 additional revenues by raising tokens by ten cents?

18 MS. MOORE: I didn't have it broken down
19 in that type of category. We had one big dollar
20 amount. We can give you some idea, but I looked at
21 total dollar amounts and the total dollar amounts we
22 needed from the fare increase was 15 --

23 COUNCILMAN GOODE: So you don't know how
24 much money you are supposed to get from raising
25 tokens by 10 percent?

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2 MS. MOORE: The numbers, no, I don't
3 have it with me, but we can get it for you.

4 COUNCILMAN GOODE: You are the former
5 treasurer of SEPTA, aren't you?

6 MS. MOORE: But now I'm the general
7 manager, so I don't have the detail per each of the
8 line items. We have that information and we can
9 provide it.

10 COUNCILMAN GOODE: Do you view the ten
11 cents that you are trying to raise on the tokens as
12 being a cost to the School District or a cost to the
13 school children?

14 MS. MOORE: The tokens will go up, so it
15 will be an additional cost --

16 COUNCILMAN GOODE: As general manager,
17 who do you view it as being a cost to, the School
18 District or the school children?

19 MS. MOORE: It depends on how the School
20 District handles it. Currently if they continue
21 their pattern -- I don't know how they handle it.
22 There will be increase cost to tokens.

23 COUNCILMAN GOODE: They cut you a check.
24 That's how they handle it.

25 MS. MOORE: Correct.

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2 COUNCILMAN GOODE: And they cut you a
3 check for more money?

4 MS. MOORE: Yes.

5 COUNCILMAN GOODE: And they are
6 subsidized by the same people you are subsidized by
7 and so you are passing it on --

8 MS. MOORE: Overall it is subsidized by
9 the state. Is that what you are saying?

10 COUNCILMAN GOODE: That is exactly what
11 I'm saying.

12 So you get a cut from the state and you
13 decide to pass on some of the cost to the School
14 District, which is also subsidized by the state.

15 MS. MOORE: No, sir, we did not
16 specifically target the School District.

17 COUNCILMAN GOODE: Who buys the tokens
18 then?

19 MS. MOORE: The riding public. We still
20 have individuals who buy a great deal of tokens.
21 The School District might be the biggest
22 concentrated user of tokens, but there is the
23 general public that still uses tokens. We did not
24 target the School District specifically in raising
25 the token price.

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2 COUNCILMAN GOODE: Can you forward
3 through the Chair the amount of money you hope to
4 generate from adding a cost to the tokens on school
5 children and how much impact that will have on the
6 actual School District? Because we might want to
7 take that out of your subsidy.

8 MS. MOORE: We will forward it.

9 COUNCILMAN GOODE: Thank you.

10 Lastly, just dealing with the issue of
11 utilization of disadvantaged contractors, a question
12 I didn't get a chance to ask several weeks ago. Are
13 those decisions actually made at the staff level or
14 the board level and to what extent are they made at
15 the staff level versus board level? Could you
16 explain that process? It is not really an either/or
17 type of question. I would like to understand where
18 the decisions in terms of contract and utilization
19 of disadvantaged contractors is actually made.

20 MS. MOORE: Let me start with a piece of
21 additional information. All of our contracts are
22 formally advertised. Primes then respond via a
23 request for bid or a request for proposal, whichever
24 way we send it out. The prime response to us -- as
25 part of that package, he or she would list the subs

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2 that would be involved in that particular contract.
3 The award is made, voted on by the board, but it is
4 made to the prime. So at that point in time the
5 subs are listed.

6 COUNCILMAN GOODE: In terms of the
7 utilization of -- I understand the contracts are
8 approved for the prime, but in terms of the
9 utilization, when you are talking about a figure, a
10 percentage in terms of within that contract, who
11 ultimately makes that decision, or not just
12 ultimately makes that decision. In terms of process
13 how is that decision made? Is that a staff level
14 decision or a board level decision in terms of the
15 awarding of contracts that denote how much minority
16 participation is going to be?

17 MS. MOORE: The internal calculation is
18 done initially by staff in establishing a goal. It
19 is done for every contract. It is based on the
20 scope of services and the DVEs or firms associated
21 in our database that can do the work.

22 COUNCILMAN GOODE: So if the board
23 wanted to raise it, the board could raise it?

24 MS. MOORE: No. It has to be based on
25 the availability of DVEs for that particular scope

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2 of services.

3 COUNCILMAN GOODE: We went through that
4 question before in terms of you said from year to
5 year that availability does not change.

6 MS. MOORE: No, the availability changes
7 per contract. The availability on an overall
8 basis --

9 COUNCILMAN GOODE: How much variation is
10 there from contract to contract?

11 MS. MOORE: It could be drastic.

12 COUNCILMAN GOODE: I know it should be
13 based upon availability, but could you tell me it
14 actually is based upon availability?

15 MS. MOORE: It is based on availability
16 of those contracts.

17 COUNCILMAN GOODE: So your numbers in
18 terms of minority participation vary greatly from
19 year to year?

20 MS. MOORE: They vary greatly contract
21 to contract.

22 COUNCILMAN GOODE: But do they vary
23 greatly from year to year?

24 MS. MOORE: The last three preceding
25 years it was about 18 percent overall goal DVE.

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2 This year is 15 percent. So you have in two years
3 or in four years a variance of 3 percent. I don't
4 know whether you consider that great or not, but
5 there has been a variance.

6 COUNCILMAN GOODE: What is the highest
7 level of participation since you've been there not
8 just as general manager, as affiliation period?

9 MS. MOORE: I know we have had 18
10 percent. I think one year was 21 percent. The
11 highest we reached was about 21 percent.

12 COUNCILMAN GOODE: What year was that?

13 MS. MOORE: 2000? We are checking, but
14 I think 2000.

15 COUNCILMAN GOODE: But your response is
16 that is actually a staff decision that is based upon
17 availability of disadvantaged contractors?

18 MS. MOORE: Contract by contract. From
19 a global DVE, we do it, we submit it to the federal
20 transportation authority. They review it, review
21 the processes and then approve a goal, so the goal
22 is developed by staff.

23 COUNCILMAN GOODE: I'm just trying to
24 clarify whether you believe it is a staff decision
25 in the end or a board decision.

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2 MS. MOORE: The board accepts our
3 recommendation, but it is a staff --

4 COUNCILMAN GOODE: Who actually makes
5 the decision in terms of coming up with the goals?

6 MS. MOORE: The staff does.

7 COUNCILMAN GOODE: Thank you.

8 Thank you, Madam Chair.

9 COUNCIL PRESIDENT Verna: You're
10 welcome. The Chair recognizes Councilwoman Tasco.

11 COUNCILWOMAN TASC0: Thank you. Good
12 afternoon.

13 MS. MOORE: Good afternoon.

14 COUNCILWOMAN TASC0: I wanted to refer
15 back to Councilman Goode's question about the lack
16 of knowledge and information this Council received
17 on the budget on the fare increase.

18 Two years ago who prepared the numbers
19 to determine whether or not there should be a fare
20 increase?

21 MS. MOORE: The finance department is
22 responsible for finalizing the budgets. That would
23 also include looking at the projected revenues and
24 expenses for the next year.

25 COUNCILWOMAN TASC0: Are the same people

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2 there this year that were there two years ago?

3 MS. MOORE: For the most part, yes.

4 With the exception of me, yes.

5 COUNCILWOMAN TASC0: So the question
6 becomes are they politically savvy to understand and
7 to send you over here without giving you some
8 information that there might be a fare increase and
9 we did not know two years ago and you come over here
10 and you get chewed out because you don't tell us
11 that there may be a fare increase?

12 MS. MOORE: They are competent
13 individuals. They were compiling information and
14 doing the forecast during the time frame we were
15 here. We also had to have information prepared and
16 ready for a board discussion which met March 26 or
17 27, so they were formalizing information. The only
18 thing I mention here is that our financial outlook
19 looked as bad as the state's, but at that point I
20 did not have specific details. We were formalizing
21 the degree of the deficit.

22 COUNCILWOMAN TASC0: Did you call the
23 President and tell her there might be the
24 possibility of a fare increase?

25 MS. MOORE: No, I did not.

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2 COUNCILWOMAN TASC0: Do you think you
3 all have learned your lesson for this next year?

4 MS. MOORE: I think there would be a
5 process that we would handle it differently. I'm
6 not so sure how much information I will have
7 specifically for you at that junction, but I think
8 we would handle the process just a bit differently.

9 COUNCILWOMAN TASC0: But it comes about
10 the same time, right?

11 MS. MOORE: Yes.

12 COUNCILWOMAN TASC0: So hopefully you
13 all got the message.

14 I just heard a rumor and I don't see it
15 in any of your documentation that there might be a
16 discontinuation of Line C up Broad Street. Is that
17 a rumor?

18 MS. MOORE: It is not a rumor. It is in
19 the information that we sent over, yes.

20 COUNCILWOMAN TASC0: What's the
21 justification for that?

22 MS. MOORE: The primary justification is
23 it runs parallel with Broad Street.

24 COUNCILWOMAN TASC0: And?

25 MS. MOORE: So it is duplicating

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2 services. If we are looking at services to
3 eliminate, part of what we looked at would be
4 services that were duplicated in another form.

5 COUNCILWOMAN TASC0: I have not been on
6 a subway in a long time, but is it handicapped
7 accessible?

8 MS. MOORE: We have some locations. I
9 have to double-check.

10 COUNCILWOMAN TASC0: If I'm at Broad
11 Street and I'm handicapped and I need to get on a
12 bus. I can't access the subway. What do I do?

13 MS. MOORE: I'm sorry. Repeat that. I
14 think I understood you, but I just want to make
15 sure.

16 COUNCILWOMAN TASC0: I'm in a location
17 and I am handicapped. I need a bus. I need
18 assistance in accessing transportation. The nearest
19 location of the subway is not handicapped
20 accessible. Do I have to spend my time to find a
21 subway site that is handicapped accessible to
22 accommodate me?

23 MS. MOORE: If you wanted to do it the
24 fastest way, you could call our travel information
25 center.

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2 COUNCILWOMAN TASC0: I'm on Broad Street
3 and I don't have a phone nearby and I need to get on
4 the subway. I need transportation up Broad Street.
5 Where do I go to get on a bus, or how do I access
6 the subway? Are you going to spend money to make
7 all of the stops along Broad Street handicapped
8 accessible, and if you don't, you all need to
9 rethink the thought about changing and discontinuing
10 the line because you have senior citizens who don't
11 want to go -- and a large portion of your ridership
12 are senior citizens. So there has to be a little
13 more than numbers. It seems to me from the
14 testimony we get from you guys it is just all
15 numbers. There is no sensitivity to anything
16 whether it is about people, riders or minority
17 contractors. Well, you know, maybe it is just a
18 cavalier attitude. So I think you need to rethink
19 that Line C because it goes from South Philadelphia
20 and certainly goes to my district, which is at the
21 end of Broad Street, actually over to Cheltenham
22 Avenue. There is no subway stop beyond Fernrock.
23 Once you get there, you need a bus. So you are
24 going to have a bus on that line to get people north
25 and we have a large ridership.

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2 MS. MOORE: I will look at it.

3 COUNCILWOMAN TASCO: Thank you.

4 I think that's my question, Council
5 President.

6 COUNCIL PRESIDENT VERNA: Thank you.

7 The Chair recognizes Councilman Clarke.

8 COUNCILMAN CLARKE: Thank you, Madam
9 President.

10 I actually want to follow up on the
11 Route C question issue. I was actually going to ask
12 that question about Route C. Isn't that one of the
13 most utilized routes particularly during peak hour
14 and did you take that into account or did you just
15 look at duplicative service as it relates to a
16 corridor?

17 MS. MOORE: I will tell you the four or
18 five factors that we considered and it was
19 definitely not done just by numbers. Duplicate
20 service was one aspect. The service standards that
21 were adopted would have been another aspect.
22 Availability of other services, ease of connections,
23 et cetera, would have been another factor and there
24 were a couple of other factors, so it wasn't just by
25 the numbers.

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2 COUNCILMAN CLARKE: What's the priority
3 in rank?

4 MS. MOORE: You rolled it out together
5 and you sort of looked at it, so it was not one
6 factor, but multiple factors that we looked at in
7 coming up with the list.

8 COUNCILMAN CLARKE: So when we talked
9 about Route 121, my favorite route that's no longer
10 in operation during a particular time, when we
11 talked about the fact that it was all about the
12 ridership and that word was used over and over again
13 when the decision was made to opt to go to 30th
14 Street, all of those other factors weren't taken
15 into account? Did the rules change?

16 MS. MOORE: No, the rules have not
17 changed. The ridership is a key component when we
18 are looking at some of the service standards. It is
19 also some information we have gathered from
20 community that would have requested X versus Y in
21 terms of changing a route.

22 COUNCILMAN CLARKE: What community was
23 that the case with Route 121?

24 MS. MOORE: Any type of community. We
25 get tons of requests, say, for more transportation

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2 to 30th Street.

3 COUNCILMAN CLARKE: I'm asking about
4 121. The only community that came in to speak about
5 121 at the public meeting were the senior citizens
6 from the Presbyterian Homes and they were all in
7 favor of maintaining the 121, so I'm trying to get a
8 sense of what exactly you were looking at, since you
9 are now saying that ridership is not necessarily the
10 end all.

11 MS. MOORE: Not by itself. It is a
12 critical component because we adopted service
13 standards and the service standards tell us if it is
14 not giving us certain ridership, we should really
15 consider eliminating it. Ridership is one component
16 and a critical component because, again, the service
17 standard is there in such a way that we can spread
18 the maximum amount of services to the most people.
19 The community I was referring to, the 121, the
20 community at large, not one specific community. We
21 had gotten a lot of requests to provide more service
22 towards 30th Street.

23 COUNCILMAN CLARKE: Since you bring that
24 up, did you provide the committee with the
25 information that we requested at the last hearing?

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2 MS. MOORE: Yes, I did, and I guess I'm
3 a little perplexed because we sent 17 or 20 copies
4 over and it sounds like you didn't get copies.

5 COUNCILMAN CLARKE: I didn't get that.
6 I got the information on the locations, the Broad
7 Street intersections, but I didn't get that. Did
8 you send it to --

9 MS. JONES: Yes, we sent it to the
10 President's office in a box and we have a signoff on
11 the person who received it.

12 COUNCILMAN CLARKE: I didn't get that
13 information unfortunately.

14 MS. JONES: That's not it. We sent a
15 package over to the budget office first and they
16 made some changes and then we sent 20 copies over to
17 the President's office in a box.

18 COUNCIL PRESIDENT VERNA: That would
19 have been distributed if we received it. We are
20 calling down to see if we received it.

21 MS. JONES: One of our people brought it
22 over in a box.

23 COUNCIL PRESIDENT VERNA: When did you
24 send it?

25 MS. MOORE: March 26th.

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2 COUNCIL PRESIDENT Verna: We just called
3 the office. We are told that there were three sets
4 that came up. They are rather large.

5 MS. JONES: No. Those were the initial
6 sets. There was a box with 20 copies in it and in
7 that box was the one set of the specs.

8 COUNCIL PRESIDENT Verna: We have
9 someone coming up from the fourth floor because I
10 don't know.

11 MS. MOORE: In the meantime you can have
12 mine. I'm reading from what I'm going to now hand
13 to you. We are actually talking Routes 44 and the
14 121 and subsequent to establishing service to 30th
15 Street 25 of the passengers continued to use the
16 Route 121. It dropped to under ten when we
17 eliminated midday and weekend service. Some of the
18 passengers went to Route 48 and the changes gave us
19 approximately 500 additional passengers serviced
20 through 30th Street.

21 COUNCILMAN CLARKE: It would be more
22 helpful if I had a copy of that. Thank you. I will
23 read it after I ask the question.

24 Going back to the C, you indicated there
25 were a number of factors associated with the

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2 elimination of that and I'm assuming that there was
3 an analysis done in writing on the C route. Could
4 you provide us with that analysis indicating all of
5 the various categories and compare that with the
6 analysis that we are doing on the 121 by category?
7 Because I'm assuming you used the same methodology
8 associated with the elimination of the 121 and the
9 recommendation for the elimination of the C?

10 MS. MOORE: We can provide that.

11 COUNCILMAN CLARKE: Route 27, what is
12 the recommendation on the closure? What is that
13 based on?

14 MS. MOORE: I don't have the details in
15 front of me so we will have to send you that one,
16 the 27 as well.

17 COUNCILMAN CLARKE: You will get that
18 for us?

19 MS. MOORE: Yes, sir.

20 COUNCILMAN CLARKE: And a similar
21 analysis in terms of the recommendation per
22 category?

23 MS. MOORE: Yes, sir.

24 COUNCILMAN CLARKE: I would like to
25 thank you for providing a response with respect to

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2 the transit stops on Broad Street. I just wanted to
3 ask you a particular question about the North
4 Philadelphia station, which is pretty much the
5 Germantown/Lehigh/Glenwood station. Early on in the
6 planning process when you were doing your outreach
7 there was a community organization involved in that
8 program, I believe the Neighborhood Action Bureau,
9 and they held a number of or hosted a number of
10 meetings for SEPTA and the relationship was
11 discontinued, but now it appears that there is some
12 movement, some additional movement, as relates to
13 the restoration at that particular location and I'm
14 asking will there continue to be community outreach
15 to ensure that the information is disseminated among
16 the community in a timely way using, if not that
17 community organization, a similar community
18 organization?

19 MS. MOORE: Yes, sir.

20 COUNCILMAN CLARKE: And also as we
21 proceed on the various capital projects down at the
22 north corridor, if there, in fact, can be some
23 relationship with the various community
24 organizations up and down that corridor, because I
25 see you have them out until year 2012. I'm assuming

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2 that those community organizations will be in place.

3 I asked for that commitment because I'm not sure I
4 will still be a councilperson, so if I can get that
5 commitment at a minimum to work with those
6 organizations.

7 MS. MOORE: I can't guarantee that I
8 will be there in 2012, but it is generally a process
9 to do outreach.

10 COUNCILMAN CLARKE: Your commitment is
11 on behalf of SEPTA and they will still be there in
12 some way, shape or form.

13 I had one question with respect to Miss
14 Jones. I needed to ask that question of her, and it
15 was a particular rail line bridge along the 9th
16 Street corridor, the new rail line that was
17 constructed a few years ago and it runs adjacent to
18 a playground at 8th and Poplar and one of the
19 questions was lighting under that bridge that ran
20 the span of the playground like a block long and it
21 actually divides the Richard Allen, the new Richard
22 Allen development, from the playground and it is
23 extremely dark under there in the evening hours and
24 there was a request both verbally and in writing
25 from the communities to get some lighting under that

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2 bridge because we have a lot of children going to
3 and from that playground and families and it is
4 extremely dark and relatively dangerous and we will
5 hopefully get that lighting under that bridge.

6 MS. MOORE: This is a trolley line,
7 right?

8 MS. JONES: Councilman, that bridge is
9 not owned by SEPTA.

10 COUNCILMAN CLARKE: Who owns it?

11 MS. JONES: It think it's Amtrak.
12 According to our investigation, it's Amtrak, but it
13 is not owned by SEPTA.

14 COUNCILMAN CLARKE: You use the rail
15 line?

16 MS. JONES: Yes. There are lots of rail
17 lines where we use the line and we have trackage
18 rights, but we do not own the bridge.

19 COUNCILMAN CLARKE: Does Amtrak have
20 trains running on those lines?

21 MS. JONES: I'm not sure if they still
22 have service there, but we checked and we don't own
23 the bridge.

24 COUNCILMAN CLARKE: Let me understand
25 this. During the major reconstruction of that line

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2 -- there was actually an additional line built.

3 This was actually around the building of the
4 Convention Center when they eliminated a portion of
5 the rail line that actually went into the old
6 Reading Terminal train shed. You are telling me
7 that that line is owned by Amtrak?

8 MS. MOORE: A significant piece of all
9 the lines that we operate on are owned by Amtrak.

10 COUNCILMAN CLARKE: Although Amtrak
11 never owned that line? Wasn't that owned by the
12 Reading Rail Line?

13 MS. MOORE: Well, the Reading line is
14 owned -- part of the tracks we operate were owned by
15 the Reading lines and others owned by Amtrak and
16 actually one or two CSX, but we will double-check.
17 This is part of our rail works.

18 COUNCILMAN CLARKE: I have never known
19 Amtrak to use that line during the Reading train
20 shed and I don't know if you go back because I
21 didn't think Amtrak was in existence back then and
22 then during the time of the elimination of the rail
23 line into the train shed when there was a new line
24 built, I'm trying to understand why Amtrak would
25 build a viaduct along that corridor if they never

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2 had trains or currently don't have trains on it and
3 that was a relatively expensive development, I'm
4 assuming, by virtue of the length of it.

5 You are telling me that Amtrak owned the
6 line prior to -- when it was used by Reading trains
7 and the elimination of the Reading trains,
8 subsequently the line as it relates to the
9 Convention Center construction, that Amtrak decided
10 to rebuild a brand new viaduct? And I'd say it is
11 probably a couple miles long. Having never used it
12 for trains, you are saying that Amtrak took that
13 expense on its own for purposes of SEPTA?

14 MS. MOORE: We will check the ownership.
15 This was part of rail works, which was a little
16 before my time, so we have to double-check the
17 ownership.

18 COUNCILMAN CLARKE: Well, why would you
19 come here today and say that Amtrak owns it?

20 MS. MOORE: What Miss Jones has
21 indicated is in doing the research she thinks Amtrak
22 owns the property. We will double-check and
23 confirm. I can tell you there is very little track
24 that we own immediately within this corridor, within
25 the Center City piece. But we can double-check who

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2 owns that one.

3 COUNCILMAN CLARKE: I understand. I'm
4 only asking for some lights under there.

5 MS. MOORE: We will double-check.

6 COUNCILMAN CLARKE: If Amtrak owns it, I
7 have to go to Amtrak to get the lights, although
8 SEPTA utilizes the lines?

9 MS. MOORE: Correct. We pay trackage
10 fees for all the lines, but if we determine that it
11 is Amtrak, we will also give you a name to get in
12 touch with.

13 COUNCILMAN CLARKE: If it is determined
14 this it is owned by SEPTA, you will take the
15 responsibility for putting the lights under the
16 bridge?

17 MS. MOORE: Then we'll talk. I would
18 have to know the magnitude of what is happening. We
19 will look into it.

20 COUNCILMAN CLARKE: We have been talking
21 for a while. I don't want to keep talking about it.

22 MS. MOORE: We will find out who owns
23 it. Let us first find out who owns it, so we know
24 what degree of responsibility we can even --

25 COUNCILMAN CLARKE: We have already gone

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2 over that. I'm asking if SEPTA owns it -- and you
3 are not sure, I agree. We will concede the fact
4 that we are not sure, but if SEPTA does own it, my
5 question is will you put the lights under the bridge
6 if it is then your ownership and your responsibility
7 is creating an unsafe condition; i.e., the residents
8 of that particular community in the playground, will
9 you put lights under the bridge?

10 MS. MOORE: So what I'm saying is I
11 cannot commit to that. I have to double-check and
12 see what is involved and get back in touch with you.
13 This is the first I'm really hearing about the
14 project, so I need to get somewhat up to speed.

15 COUNCILMAN CLARKE: Thank you, Madam
16 President.

17 COUNCIL PRESIDENT VERNA: Thank you.

18 The Chair now recognizes Councilwoman
19 Tasco.

20 COUNCILWOMAN TASCO: Thank you.

21 When I asked you about the C Line, I
22 don't have -- I guess we will get it in the
23 material that you sent -- the lines that you are
24 contemplating discontinuing. You said you sent that
25 over to us?

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2 MS. JONES: That was another package
3 that just came last week. That looks like it. That
4 had nothing to do with the operating budget. That
5 was information that we sent last year regarding the
6 service, the budget.

7 COUNCIL PRESIDENT Verna: Was that
8 delivered to each Council member?

9 MS. JONES: Yes.

10 COUNCILWOMAN TASC0: Does it have the
11 closings on here?

12 MS. JONES: Yes, it should be there.

13 COUNCILMAN NUTTER: Is this the thing
14 that we were looking for that we couldn't find
15 before?

16 MS. JONES: No.

17 MS. MOORE: No.

18 MS. JONES: That's a bigger box.

19 COUNCILWOMAN TASC0: This notice of your
20 annual service plan public hearings, is that just
21 for those areas that you are going to reorganize, 63
22 and 64? You have a hearing in Chester, 1234, Tenley
23 Temple and Turner Middle School. Is that only
24 because those areas are impacted by this plan?

25 MS. MOORE: By the service plan. Before

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2 we realized how big the deficit was, the service
3 plan would have represented those changes that we
4 anticipated making to our services, so that is for
5 that plan.

6 There are subsequent hearings being
7 developed for the fare increase, service
8 standards -- I mean service reductions as well as
9 the budget overall, and that will be two hearings in
10 each one of the five counties. So the hearing you
11 just referred to is just for the initial service
12 plan.

13 COUNCILWOMAN TASC0: So now those people
14 in my district who ride the C bus, they have to come
15 downtown or go to Tenley Temple or 59th Street or
16 Chester for public hearings? Are there public
17 hearings in the northwest?

18 MS. MOORE: No. We are going to have
19 two public hearings in Philadelphia. They are both
20 going to be at the Convention Center, since we
21 anticipate a lot of participants.

22 COUNCILWOMAN TASC0: And this is for the
23 entire reduction under rail service?

24 MS. MOORE: Yes.

25 COUNCILWOMAN TASC0: And the fare

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2 increase?

3 MS. MOORE: Correct, and that is two
4 hearings in each one of the five counties.

5 COUNCILMAN NUTTER: Will the system
6 still be funded by the time they have the hearings
7 so people will be able to get to the Convention
8 Center?

9 MS. MOORE: There is still a lot of
10 service out there.

11 COUNCILWOMAN TASC0: When is this action
12 going to take place, the discontinuation of these
13 lines?

14 MS. MOORE: I will give you a general
15 answer because we also have some union contracts and
16 things that have to take place. We anticipate for
17 the most part we are talking when we do the fall
18 schedules they will be in effect.

19 COUNCILWOMAN TASC0: So this notice for
20 SEPTA's fiscal year 2003 annual service plan public
21 hearings, that was just for the targeted area where
22 you had planned to reorganize?

23 MS. MOORE: Correct.

24 COUNCILWOMAN TASC0: So this is no
25 longer effective?

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2 MS. MOORE: Oh, no, you are still having
3 the service plan because, again, it is a separate
4 document, so you are going to have to have service
5 plan hearings. So that is still in place, but we
6 have added for the budget and during that time frame
7 you can do budget, fare hearings, the service
8 reductions, et cetera, and those will take place
9 about mid-May. There is another schedule coming
10 out.

11 COUNCILWOMAN TASC0: Okay. Well, I
12 guess I am wondering where was the hearing for the
13 northwest section of the City for the service plan?

14 MS. MOORE: We are trying to concentrate
15 all of it in Center City so that the greatest number
16 of people have access to it.

17 COUNCILWOMAN TASC0: I will again
18 caution you about Route C. Unless you are prepared
19 to spend millions of dollars to make the subway line
20 handicapped accessible, you might rethink
21 discontinuing that route. Thank you.

22 Thank you, colleagues.

23 COUNCIL PRESIDENT VERNA: The Chair
24 recognizes Councilman Rizzo.

25 COUNCILMAN NUTTER: Microphone for

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2 Councilman Rizzo.

3 COUNCILMAN RIZZO: Thank you, Madam
4 Chair.

5 Good afternoon, Fay Moore and Frances
6 Jones.

7 MS. JONES: Good afternoon.

8 MS. MOORE: Good afternoon.

9 COUNCILMAN RIZZO: I'm not going to
10 refer to the letter I sent you because I don't
11 believe you have read it yet or had an opportunity
12 to review the letter in reference to the service
13 cuts so I will hold back on that, but I can tell you
14 that it amazed me that we sat here a few weeks ago
15 and there wasn't one little blurb about these
16 service cuts and I have talked to some people at
17 Philadelphia International Airport, that this has
18 really become a disservice to the people. We are
19 opening up a multimillion dollar, many millions of
20 dollar terminal, international terminal, and, as you
21 know, international travels like access to light
22 rail and I think honestly in my opinion you were
23 ill-advised in trying to turn this into a political
24 mission to try to get Harrisburg's attention.

25 MS. MOORE: That was not the case at

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2 all, sir. I know that has been published, but that
3 is not the case at all, sir.

4 COUNCILMAN RIZZO: I don't think too
5 many people believe that. We are being candid here.
6 I believe it was a political decision and I believe
7 it was ill-advised and I think that it will be
8 proven because, again, I don't see where you
9 honestly have made any effort to try to reduce
10 service. I mean you got right to the bottom line.
11 You didn't suggest efficiencies. You didn't suggest
12 running service in the peak versus the nonpeak. In
13 my opinion and everyone that I have spoken to,
14 especially since you didn't even mention when you
15 were here for all of that time, how drastic -- and
16 this probably is my opinion, you talk about the
17 budget. I heard you say it to Councilman Goode. I
18 believe you knew this because I have talked to some
19 other people at SEPTA that told me that this is not
20 new, that this plan has been on the table for a
21 while now.

22 MS. MOORE: Sir, then I will tell you
23 that whoever you talked to lied to you because it is
24 not. We have every year a deficit situation that we
25 have to address. That part is not new, but this

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2 plan was not on the table. It was being formed.

3 Projections were being looked at when I was here.

4 COUNCILMAN RIZZO: I don't want to
5 debate that with you. You have your opinion. You
6 have an informed decision. I've been around
7 politics a long time and around this city a long
8 time and this seems like a very, very drastic step
9 to take in my personal opinion especially the R-1
10 airport line and the Route C and some of the other
11 services, just to say you are going to cut them and,
12 just to remind you, this is only 6 percent of your
13 budget you are talking about here.

14 To go to that extreme that you as good
15 managers can't figure out how to make this system
16 work without all this -- again, because I refer to
17 it as politics, but I'll move on from there.

18 COUNCIL PRESIDENT VERNA: Councilman,
19 excuse me. Before you move on, I was going to ask
20 about the airport line. How much did it cost us for
21 the construction of that line?

22 MS. MOORE: That was a City project,
23 right?

24 MS. JONES: City project.

25 MS. MOORE: We would have to talk to

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2 those involved in that to get the information.

3 COUNCIL PRESIDENT Verna: And why is
4 that being discontinued?

5 MS. Moore: I will tell you that one of
6 the criteria we looked at -- well, some years back
7 we all adopted what we call service standards.
8 About two, three, four years ago they were adopted
9 for the regional rail lines. As part of that we
10 also did a ranking for each one of the routes. The
11 R-6 Kenwood is the lowest producing route that we
12 have and the airport is the next to it. So it
13 transports about 2000 people daily, but it is still
14 one that is not as efficient as some of the other
15 routes that we have.

16 COUNCIL PRESIDENT Verna: I didn't mean
17 to interrupt you, but I have questions on that and I
18 appreciate your letting me ask them.

19 COUNCILMAN Rizzo: Not a problem, Madam
20 President.

21 I spoke with representatives of the
22 airport and they indicate to me that employees that
23 work there, vendors that work there, depend on that
24 line to go to work. Now we are opening up this new
25 terminal. What kind of message does it send to the

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2 traveling public that here we are trying to get this
3 airport back on track, this incredible project, and
4 we're talking about disconnecting the line between
5 the airport and 30th Street? It just doesn't make
6 sense unless it is politics. Unless it is sending a
7 message to Harrisburg, I can't imagine a good
8 manager wanting -- and I'm not being disrespectful
9 to you. I'm talking about the people that help you
10 make these decisions, trying to eliminate an airport
11 line, and I have comments about many of the other
12 lines that you are suggesting, but again it just
13 doesn't make any sense.

14 COUNCILMAN ORTIZ: The guests of the
15 airport party will be going on the last train.

16 COUNCILMAN RIZZIO: Many of those guests
17 aren't going to be taking the train. They are going
18 to fly in, Councilman Ortiz.

19 So that's my feeling about this entire
20 situation, and when you have an opportunity to read
21 my letter, I assume some of the questions we asked
22 about your police department, et cetera, have been
23 responded to because I haven't gotten those answers.
24 They are probably in that box.

25 MS. MOORE: Yes.

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2 COUNCILMAN RIZZO: The issue that I
3 would appreciate you getting back to me on who you
4 would assign this is a question that I've asked for
5 years and years to your predecessor. I would like
6 to know could you get with the School District and
7 work together in an effort to transport our school
8 children. I see too many yellow school buses on our
9 city streets where I was told that legally you can't
10 help the School District in transporting our school
11 children and using SEPTA buses like we do with
12 school buses. You're in the business of
13 transportation. Maybe the School District shouldn't
14 be in it. Maybe they should have not as significant
15 a role as they have in transporting our school kids.
16 I would appreciate it if you and Paul Valas could
17 get together and tell me what you can do legally to
18 help the School District, using the expertise of
19 SEPTA, in trying to reduce the dollars that the
20 School District has to spend in the transportation
21 of school students.

22 I use this analogy. I go to a
23 particular intersection in the morning and, without
24 exaggeration, there is half a dozen school buses,
25 two waiting to go this direction, two the other, and

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2 I look up and there's eight, ten kids on each of the
3 buses, some days less than that. So I would
4 appreciate it if you would assign someone at the top
5 of your organization to work with the School
6 District to see and identify what you can do, what
7 you can't do, what the obstacles are, and if there
8 is some legislation that is required, maybe our
9 friends in Harrisburg, if there are obstacles, can
10 help at least with that.

11 I doubt it's a local issue if there are
12 obstacles, but sometimes people, just to get away
13 from the question, say, "We can't do that." I like
14 people who can figure out how we can do it and do
15 more utilizing SEPTA.

16 MS. MOORE: We will meet with them and
17 set up something.

18 COUNCILMAN RIZZO: Thank you.

19 Thank you, Madam Chair.

20 COUNCIL PRESIDENT Verna: You're
21 welcome.

22 We are having trouble with our sound
23 equipment today for some reason.

24 Let me just ask a question. How and
25 when will the users of the C bus be notified of this

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2 hearing?

3 MS. MOORE: I will tell you the efforts
4 that we have undertaken for community information.
5 We first have to formally publish the budget book.
6 My finance people are busy back there because they
7 have to deliver copies to the public libraries today
8 just by our own statute.

9 In addition, we will be taking out full
10 information in -- making legal announcements in the
11 paper, et cetera. We do outreach. In some
12 instances we do seat drops, et cetera, so there will
13 be a lot of information circulated about all the
14 service changes. And I was just reminded it is
15 placed in every vehicle. There are formal notices
16 placed in every vehicle, bus, trolley.

17 COUNCIL PRESIDENT VERNA: I don't have a
18 copy of whatever it was that was circulated
19 regarding -- in fact, Joan DePaul is here and
20 before you leave I would like you to get together
21 with her so we know exactly what we should have to
22 distribute.

23 MS. JONES: In the box with the three
24 large copies there should have been other copies
25 also.

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2 COUNCIL PRESIDENT VERNA: You are going
3 to have to see her because there were only three
4 copies and we need 20 and I think a call was made to
5 provide 20 copies.

6 Let's go back to the C bus. Are we
7 anticipating that the people who would normally be
8 using the C bus will now use the subway?

9 MS. MOORE: Some of them. There are
10 other mechanisms. There are other services. I
11 don't know the specific for each one of the routes,
12 but we can give you --

13 COUNCIL PRESIDENT VERNA: What other
14 route would they use if they didn't use the subway?
15 What street would they have to go to?

16 MS. MOORE: Aren't there other buses
17 running along that way? Just the Broad Street?
18 But, again, in our response back we will indicate
19 the thought process we undertook with regard to the
20 C bus.

21 COUNCIL PRESIDENT VERNA: Would you tell
22 us when you do that what improvements you are making
23 to make the subways safer and cleaner so that we
24 wouldn't hesitate to use it?

25 MS. MOORE: We can do that.

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2 COUNCIL PRESIDENT Verna: And, you know,
3 this past weekend I believe there were three events
4 down at the stadium area and I am sure -- and I
5 don't know how closely you work with the people at
6 the stadium area, but when there are three such
7 events, don't you think SEPTA would advertise for
8 people who are going to either the game or to an
9 event to use public transportation?

10 MS. MOORE: We actually did that. We
11 put it in the Metro. We did some seat drops.

12 COUNCIL PRESIDENT Verna: Not everybody
13 gets the Metro that goes to the game. Not everybody
14 gets the Metro unless you are in town and you are
15 using public transportation.

16 MS. MOORE: We did advertisement on 610,
17 the sports channel.

18 COUNCIL PRESIDENT Verna: I guess not
19 too many people heard, nor would they take advantage
20 of it. Was there much of an increase with
21 passengers this weekend?

22 MS. MOORE: Yes, we took a significant
23 increase in passengers. I don't have the count
24 numbers, since I have been over here today, but they
25 tell me we had an increased volume over the weekend.

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2 COUNCIL PRESIDENT VERNA: With the
3 airport line, I suggest that you look at that again.
4 You said that you only have 2000 users a day, 2000
5 people who are going to be greatly inconvenienced.
6 I think that you may not have to use as many runs,
7 but that service certainly should be available,
8 particularly now with the expansion.

9 As I said, the lights are not working,
10 so anyone that wants to be recognized, if you would
11 just raise your hand, please, because there is
12 something wrong with the monitor.

13 Councilman Ortiz.

14 COUNCILMAN ORTIZ: Thank you, Madam
15 Chair.

16 Route C, I wasn't going to ask any, but
17 Route C --

18 COUNCIL PRESIDENT VERNA: We are all on
19 Route C.

20 COUNCILMAN ORTIZ: -- that has a high
21 ridership, does it not?

22 MS. MOORE: Again, I don't have the
23 ridership in front of me, but I would say, yes, just
24 from personal observations I would say yes.

25 COUNCILMAN ORTIZ: It has a high

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2 ridership.

3 MS. MOORE: I would say yes.

4 COUNCILMAN ORTIZ: It does. I can tell
5 you because I -- and I think the Council President
6 said you expect all of those individuals that use
7 that bus because the rationale was not low
8 ridership. The rationale was not that it was losing
9 money on that line. I guess the airport line you
10 might be using that rationale. The rationale is
11 that it was a duplicate of another route and that
12 duplicate is the train. I don't think that is quite
13 a good comparison. I don't think if you are
14 leaving -- all of those individuals, has anybody
15 thought what is the percentage of people that will
16 not go down to the subway if the C route is stopped?
17 Does anybody have a thought about that?

18 MS. MOORE: Our planners have. Again,
19 when we send you the information on the C, we will
20 include all the thought processes that went behind
21 it.

22 COUNCILMAN ORTIZ: And that lady that
23 Councilwoman Tasco talked about, she can get a taxi
24 to the next subway station --

25 MS. MOORE: And we will also address the

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2 handicapped assessment.

3 COUNCILMAN ORTIZ: But if it is not
4 losing money and it is a high ridership, why take
5 off one of the most popular lines you have? It
6 doesn't seem to go with public relations. We have a
7 popular line here. Let's inconvenience people.
8 Let's take it out. We'll make a lot of people happy
9 that way. We will increase the ridership of SEPTA.
10 We will make a lot of friends that way. It doesn't
11 make sense to take a highly utilized line just in
12 public relations, in terms of anything, and
13 eliminating it. I don't know what thought process
14 took place that illuminated that this was a great
15 idea, but if it is being used and it is popular and
16 it is high ridership, why eliminate it? That is
17 almost a slap in the face of the public transport
18 rider. You utilize us, so we are going to eliminate
19 what you use. Don't you think so?

20 MS. MOORE: It's not as simple as that.

21 COUNCILMAN ORTIZ: Of course, nothing is
22 as simple. It is as simple as that. You're sitting
23 in your apartment. You know that you take that line
24 and it isn't because it is losing money. It isn't
25 because it is being underutilized. The train to the

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2 airport you might say is being underutilized,
3 although people can question whether that is lack
4 also of letting people know that the service is
5 really available. Very few people do know about
6 that. And I think it is probably lack of
7 communications and public relations, but when you
8 have something that is utilized -- I have here --
9 these are petitions and it may not seem to be a huge
10 number, but these are all students from one high
11 school. They are from the High School of the
12 Performing Arts. I was there last Friday and they
13 have a petition about the cuts in services and about
14 what Councilman Goode spoke about, the 10 percent
15 increase. We have been debating the money that is
16 charged students here for a very long time. We have
17 been asking SEPTA to find ways in which students can
18 ride for free or get a bigger subsidy or get a
19 bigger discount.

20 To his question you just said, "Well,
21 they cut a check." Well, they cut a check and then
22 they sell the tokens to the students.

23 MS. MOORE: That's what I referring to.

24 COUNCILMAN ORTIZ: They cut a check, but
25 you increase the token and the student has to carry

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2 your increase.

3 MS. MOORE: As do all the --

4 COUNCILMAN ORTIZ: But we need students
5 to go to schools. There is a special responsibility
6 that we have. It isn't as simple as you cut a
7 check. The School Board is not also a deep-pocketed
8 corporate structure. It is coming from the same
9 individuals that give you your subsidy and I think
10 we need to be able to look at those things. I
11 really don't think that there has been a lot of
12 thought given to these policies that you are putting
13 forward.

14 MS. MOORE: Yes, sir, there has been.
15 Like I said, I will give you the information on the
16 Route C. I will give you any information that you
17 need on your service changes, but these things were
18 not done in a vacuum.

19 COUNCILMAN ORTIZ: And let me let you --

20 COUNCIL PRESIDENT Verna: Councilman
21 Goode, do you have a point of information?

22 COUNCILMAN ORTIZ: -- I don't have your
23 answers in front of me as to the contracts that we
24 asked for last time in terms of SEPTA, in terms of
25 public service contracts, in terms of lawyers, all

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2 of those. I don't have those answers. But you are
3 going to come back.

4 MS. MOORE: They were sent.

5 COUNCILMAN ORTIZ: Your budget gets
6 approved when?

7 COUNCILMAN NUTTER: June 26.

8 COUNCILMAN ORTIZ: You are going to have
9 to come back here. You are going to have to come
10 back. I'm sorry. Before I approve a cent, I vote a
11 cent for any subsidy, you are going to have to come
12 back.

13 Thank you, Madam Chair.

14 COUNCIL PRESIDENT VERNA: You're
15 welcome.

16 The Chair recognizes Councilwoman
17 Blackwell.

18 COUNCILWOMAN BLACKWELL: Good afternoon.

19 MS. MOORE: Good afternoon.

20 COUNCILWOMAN BLACKWELL: Today I thought
21 we should rise to say we know that we have a meeting
22 in fact on the 24th in West Philadelphia with regard
23 to closing Angora Terrace and that is absolutely
24 going to be a big issue for people who live right
25 there. It is one block from a new senior residence,

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2 Bernice Arms, for example, named after my mother and
3 it is a block from Turner School. It is the same
4 block as a shopping mall, 58th Street Mall, and it
5 is a real big issue. People are threatened with the
6 rate increase and then to take away a route that has
7 been around forever is very, very difficult. So I
8 would hope that you would consider that. I know we
9 have a meeting next week or the 24th, whenever that
10 is, to discuss the issue, but we already know that
11 the community is really, really upset about that.

12 And the other thing -- and, as you know,
13 that is the last stop on the edge -- at the end of
14 59th Street on Baltimore Pike when you leave the
15 city. It is our last stop. So we don't have
16 anything. And we have a lot of seniors around there
17 and without that it is going to be a real severe
18 hardship.

19 The other thing I'm concerned about
20 obviously are the SEPTA reconstruction projects. We
21 haven't spoken to the President's office yet, but we
22 are trying to still deal with the issues that -- we
23 still are considering having a public hearing before
24 the end of next month so that those community
25 businesses who are so concerned have an opportunity

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2 to come in.

3 We appreciate you working with us on
4 lots at 60th and 54th Street to -- 56th Street to
5 deal with temporary parking and hopefully they will
6 be transferred to the city afterwards for permanent
7 parking for people who shop on the strip, but we are
8 also concerned about those neighborhood businesses
9 who are really, really suffering. We have worked
10 with the Commerce Department to help to be involved
11 in a facade treatment, but obviously a facade
12 treatment doesn't start until the work stops which
13 is some five years away, six years away, and also
14 the curbs and sidewalks and all the problems that
15 therein exist, obviously that won't be finished
16 until the end of the project. Our businesses are
17 really, really suffering. We have approached
18 everyone from our Congressman on down for help
19 because these are neighborhood businesses, so we
20 don't have people coming in from the suburbs or
21 Center City or some other place to shop, just poor
22 neighborhood people who see their area so
23 disorganized that they don't appreciate that it is
24 technically opened if they can't get to them and
25 finally I say in that regard -- so we ask you to

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2 work with us, but I will say in that regard I went
3 to a demonstration at the Stop N Go at 55th and
4 Larchwood where they were demonstrating 155 days on
5 Sunday. I don't know. All the days run together
6 when you are always working. On Saturday the block
7 captain says that there is no dumpster so the
8 workers at the end of the night stack their boards
9 and they just won't clean up. They always have --
10 SEPTA won't clean up. He managed to get somebody
11 from the water department to get him some kind of
12 wrench. They won't put a dumpster and won't clean
13 up and they don't move their stuff. They just stack
14 it. They just use the block because it is a dead
15 end as if they have a right to do that but they are
16 people who live there, so we are again appealing --
17 I know we have in the past -- to you to appeal to
18 those workers to give to the community -- it is hard
19 enough. We want the project, but we want them to
20 clean up at the end of the day. I'm still getting
21 those complaints that they will not clean up at the
22 end of the day. They won't put their materials
23 away. They won't sweep up, that they just totally
24 disrespect the community, and that is the part that
25 exacerbates it when they won't sweep or clean up or

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2 move their stuff. They just stop and leave and then
3 we have the community saying nobody cares about them
4 in addition to the businesses.

5 I can make available the block captain's
6 name and number who has a property there and who
7 himself has taken to sweeping up the whole block
8 because he has been there since the '80s but feels
9 that we really need some help there and some
10 respect.

11 MS. JONES: That's not a problem. We
12 will take care of that.

13 COUNCILWOMAN BLACKWELL: Thank you.

14 Thank you, Madam President.

15 COUNCIL PRESIDENT VERNA: The Chair
16 recognizes Councilman Nutter.

17 COUNCILMAN NUTTER: Thank you, Madam
18 Chair.

19 Miss Moore, I would like to better
20 understand the time line that we are working with
21 and some of the responses to the earlier questions.

22 Tell me again or refresh my memory, when
23 were you last here?

24 MS. MOORE: I think March 11, or was it
25 the 18th? The 11th.

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2 COUNCILMAN NUTTER: And when was it
3 known -- it seems that the governor's budget is a
4 bit of the impetus for at least this one document
5 that we have and I know there has been a search for
6 another document, but when you came to us, did you
7 -- again refresh my recollection. You are saying
8 that you already had a \$40 million deficit?

9 MS. MOORE: At that point in time I
10 didn't know the dollar amount. I knew we had a
11 deficit. We routinely have a deficit. I didn't
12 know the magnitude of that deficit when I was before
13 Council.

14 COUNCILMAN NUTTER: So your testimony
15 gave no indication back at that time as to what the
16 actual deficit was?

17 MS. MOORE: Because we did not know the
18 actual deficit. I indicated in there we had a
19 budget situation like the state, like the City, et
20 cetera, but I did not know the dollar amount.

21 COUNCILMAN NUTTER: When did you become
22 aware of the dollar amount?

23 MS. MOORE: It was between the meeting
24 and the board meeting that I had on the 26th.
25 Right. We were finalizing it between the time we

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2 left here and the time we had to present some
3 information to the board, which would have been
4 March 26.

5 COUNCILMAN NUTTER: Not to delve too
6 much into your process and procedure over there, but
7 you have a chief financial officer, right?

8 MS. MOORE: Correct.

9 COUNCILMAN NUTTER: Who is that?

10 MS. MOORE: Mr. Casey, who is with me.

11 COUNCILMAN NUTTER: And I will make the
12 big assumption that you meet from time to time and
13 that SEPTA, like most other agencies, keeps a
14 general ledger of what its finances are at any
15 particular point in time?

16 MS. MOORE: Yes.

17 COUNCILMAN NUTTER: When was the last
18 time you were aware of what the deficit might be?

19 MS. MOORE: Let's just make sure that we
20 are talking about the right frame of reference.

21 COUNCILMAN NUTTER: Forget about the
22 additional 6 percent cut from the state. Are you
23 aware on a monthly or biweekly basis, depending on
24 how often people in the shop meet, just what your
25 current cash situation is, what your projected

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2 deficit is at any point in time?

3 MS. MOORE: Not the projected deficit.

4 COUNCILMAN NUTTER: Why?

5 MS. MOORE: What we get monthly would be
6 our current situation, how much our revenue is, how
7 much our expenses. When we see that general trend,
8 we start compiling all of our information around
9 this time of year so we can start looking at our
10 projection for fiscal year 2004, so next year.

11 COUNCILMAN NUTTER: But you are not
12 tracking during the course of the current fiscal
13 year --

14 MS. MOORE: Not a projected -- well,
15 projected deficit for this fiscal year, but we are
16 not expecting a deficit for this fiscal year. This
17 is for fiscal year 2004 that we are expecting a
18 deficit.

19 COUNCILMAN NUTTER: What do you expect
20 your finances to be at the end of this fiscal year?

21 MS. MOORE: We hope balanced.

22 COUNCILMAN NUTTER: How are you going
23 from balanced to a \$40 million deficit?

24 MS. MOORE: In that same information you
25 should see a major increase of about \$42 million and

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2 it is outlined in there. We are talking
3 prescription drug increases. We are talking about
4 wage increases. We are talking about propulsion
5 power increases, and those dollar amounts should be
6 outlined in that information that you have.

7 COUNCILMAN NUTTER: Are you talking
8 about for the moment the press release?

9 MS. MOORE: Yes.

10 COUNCILMAN NUTTER: I have a section
11 here called "Additional Expense Projections," total
12 budget \$888 million, \$42 million increase, 5 percent
13 increase compared to FY '03; is that what we are
14 talking about?

15 MS. MOORE: It should be in that area,
16 yes.

17 COUNCILMAN NUTTER: Wage increase, \$16
18 million, medical 10.4, prescription drugs 3, pension
19 contribution 5, propulsion power and fuel, 1,
20 materials and services, 7.

21 MS. MOORE: That's it, right.

22 COUNCILMAN NUTTER: And you are saying
23 that none of this information was available when you
24 were with us March 11?

25 MS. MOORE: We start doing the

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2 projections for the next year during the same time
3 frame of coming to Council, so sometimes late
4 February, but no later than about mid-March we start
5 looking at our actual numbers and then project
6 forward.

7 COUNCILMAN NUTTER: What's SEPTA's total
8 budget?

9 MS. MOORE: 800 million or 888 for 2004
10 so 840 or 50 million for this year.

11 COUNCILMAN NUTTER: Do you do a
12 five-year plan as well?

13 MS. MOORE: Yes, we do.

14 COUNCILMAN NUTTER: We received rather
15 detailed information, for instance, from the School
16 District, I think technically who was in after you,
17 shortly after you, which lays out anticipated end of
18 the fiscal year as well as budgets for future years
19 and anticipated deficits and the like. I think
20 actually our budget director is over there for the
21 City and we get the same information from the City.
22 How is it that when SEPTA comes it is under a
23 circumstance where you don't know what the state of
24 your finances are?

25 MS. MOORE: I didn't say we didn't know

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2 the state of our financials. I said I didn't know
3 the magnitude of the deficit. When we issue our
4 budget book, we put in there a five-year projection.
5 That tells us that we have growing at significant
6 deficits. So each year we face a deficit. In the
7 last six or seven years what we have been managing
8 to do is reduce internal expenses to have balanced
9 that. In addition to that, we had a fare increase
10 in 2001. What we didn't know was the size of the
11 deficit.

12 If memory serves me right, we had one
13 general manager that proclaimed a \$75 million
14 deficit to this group and it was nowhere close to
15 that after we started finalizing and doing the
16 information. So I didn't want to give a false
17 number. I wanted to have a good number, and I had a
18 better number March 26.

19 COUNCILMAN NUTTER: What was the
20 significance of March 26?

21 MS. MOORE: That's when I met with my
22 board to give them a briefing about the financial
23 condition.

24 COUNCILMAN NUTTER: And then we were
25 informed I guess basically as a result of either

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2 that presentation or the press release that went out
3 on either March 31 or April 1?

4 MS. MOORE: Correct.

5 COUNCILMAN GOODE: Point of information.

6 COUNCIL PRESIDENT VERNA: The Chair
7 recognizes Councilman Goode.

8 COUNCILMAN GOODE: Thank you, Madam
9 President.

10 Did the board take any action on March
11 26 --

12 MS. MOORE: No.

13 COUNCILMAN GOODE: -- relative to
14 approving any cuts, approving any fare increase, any
15 statements regarding fare increase, any consensus
16 that this should be a combination of fare increases
17 and cuts? What was the board's response to what I
18 assume was information shared with them that day?

19 MS. MOORE: It was just that,
20 information shared. The board knows that we have to
21 go through public processes and they will get the
22 first draft of the budget book along with everybody
23 else.

24 COUNCILMAN GOODE: So the board had no
25 direct feedback before you would come out and talk

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2 about discontinuing those types of services and fare
3 increases?

4 MS. MOORE: Their response was pretty
5 much what it was here, it is going to be ugly,
6 there's going to be some tough decisions, but we
7 have a need for \$55 million, and to fix that need,
8 it is going to be very painful for all of us.

9 COUNCILMAN GOODE: So the board won't
10 take any formal action until June 26?

11 MS. MOORE: At the latest, and we sort
12 of say at the latest because with all the input we
13 are going to receive, we anticipate not giving it to
14 them in May but to give it to them in June to vote
15 on.

16 COUNCILMAN GOODE: Thank you, Madam
17 President. Thank you, Councilman Nutter.

18 COUNCIL PRESIDENT VERNA: You're
19 welcome.

20 Councilman Nutter.

21 COUNCILMAN NUTTER: Let me make one
22 suggestion based on this chain of events. I would
23 like to recommend that whenever SEPTA comes at
24 budget time -- and I understand you have an \$888
25 million budget. We contribute 58 million, so

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2 somewhat small in the general scheme of things, but
3 I think we are the largest county contributor. Is
4 that correct?

5 MS. MOORE: Yes, sir.

6 COUNCILMAN NUTTER: And then a
7 significant amount of the farebox revenues come from
8 Philadelphia residents; is that correct?

9 MS. MOORE: Farebox recovers about 49,
10 50 percent across the board.

11 COUNCILMAN NUTTER: That's not bad, five
12 counties and one of them is putting 49 percent in
13 the pot.

14 MS. MOORE: No, that's across the board.

15 COUNCILMAN NUTTER: Farebox is 49?

16 MS. MOORE: Yes.

17 COUNCILMAN NUTTER: Would Philadelphia
18 be the largest proportion of the farebox?

19 MS. MOORE: Yes, yes, sir.

20 COUNCILMAN NUTTER: If I could recommend
21 then for next year's hearing and in the future if
22 SEPTA would come at a time when it is in a position
23 to present a full financial picture including what
24 you anticipate the deficit to be.

25 MS. MOORE: That would work for me. We

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2 will coordinate it. I don't know who we coordinate
3 it with, but that would work for me.

4 COUNCILMAN NUTTER: It might work a
5 little better for the rest of us.

6 MS. MOORE: Yes.

7 COUNCILMAN NUTTER: Now, Councilman
8 Goode asked a number of important questions, but the
9 most recent one, so here we have a situation where
10 the general manager and the staff make a
11 presentation with a host of recommendations to the
12 board as to what your financial situation is and how
13 you would propose to respond to it. Is that what
14 happened on the 26th?

15 MS. MOORE: Correct.

16 COUNCILMAN NUTTER: The board's response
17 is some combination of that is pretty interesting
18 and it sounds pretty ugly, end of response?

19 MS. MOORE: It was a deeper response,
20 but I mean it was no formal action, et cetera. They
21 too have to have the opportunity to study each one
22 of the routes that we are looking at. They have to
23 get input from other people and we have to do
24 detailed presentations to them in terms of formal
25 briefing. We outlined it in general terms and

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2 overall terms for them. We first had to make the
3 determination that there was a \$55 million problem
4 and that is where we spent most of our time with the
5 board, just making sure that they understood the
6 magnitude of the problem.

7 COUNCILMAN NUTTER: And the additional
8 \$15 million on top of the 40 you already expected
9 comes as a result of Part 1 of Governor Rendell's
10 budget?

11 MS. MOORE: Well, I don't know about
12 Part 1, but as far as I was concerned, it was the
13 budget that we had and it did have a 6 percent
14 reduction, yes.

15 COUNCILMAN NUTTER: Does Part 2 of the
16 Governor's budget indicate any either restoration of
17 those funds or any additional funding for SEPTA, or
18 is it at all reasonable to hope or anticipate or
19 conclude that as a result of Part 2 of the
20 Governor's budget that the 6 percent cut would be
21 restored or if any additional funding would be
22 available?

23 MS. MOORE: I have no direct knowledge
24 about a Part 2 that would benefit us. There have
25 been some discussions going back and forth, but to

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2 date no one has presented anything that would say we
3 are going to be restored.

4 COUNCILMAN NUTTER: Has SEPTA had any
5 contact with either the Governor's office or any of
6 the legislative caucus leaders in the general
7 assembly?

8 MS. MOORE: We are having ongoing
9 conversations with budget and the secretary of
10 transportation. We have individuals that are in
11 Harrisburg I guess having discussions on our behalf,
12 so that is ongoing.

13 COUNCILMAN NUTTER: Has the agency
14 itself spent any time either on the phone or any
15 other electronic communication or in person talking
16 to the Governor, the Governor's representatives, or
17 any other leaders of the four caucuses?

18 MS. MOORE: When you say
19 "representatives," does that include like the chief
20 of staff out of the Governor's office?

21 COUNCILMAN NUTTER: I think he would
22 consider himself a fairly large level official.

23 MS. MOORE: We are having ongoing
24 conversations with that office, the budget office,
25 and the secretary of transportation.

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2 COUNCILMAN NUTTER: The agency itself or
3 representatives?

4 MS. MOORE: The agency itself.

5 COUNCILMAN NUTTER: For the record, why
6 don't I register my strongest possible opposition to
7 the discontinuance of service, notwithstanding my
8 little recent personal encounter with the R-6. If
9 we can keep the repair activity to a reasonable time
10 on the weekends, I probably won't have many problems
11 with the R-6. You know there is a long history here
12 between the ridership and the agency and that for
13 about a ten-year period of time the R-6 was on the
14 hit list every other year until we finally convinced
15 SEPTA, one, that that was not particularly wise and,
16 two, that we could actually increase ridership
17 through a partnership, which I believe has happened.

18 Now, the R-6 will always be, to use
19 appropriate terminology, will always be
20 representative of the little engine that could. It
21 can only serve so many people, but it does serve a
22 particular constituency and does go through a
23 variety of neighborhoods. It is not and will
24 probably never be the Chestnut Hill local, although
25 under this circumstance it seems that that may not

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2 make much difference because the R-8 is on the list
3 as well. So naturally my constituents are going to
4 oppose strenuously any proposed discontinuance of
5 service on the R-6.

6 Now, I need to understand. For City
7 transit you have on your chart here discontinuance
8 of the 35 and a route segment discontinuance of the
9 27. The options left to my constituents in the
10 Roxborough/Manayunk community are what under that
11 circumstance?

12 MS. MOORE: I would have to get it to
13 you. I don't know that right offhand.

14 COUNCILMAN NUTTER: Do we know what the
15 route segment discontinuance for the 27 is?

16 MS. MOORE: The planners do, yes, sir.

17 COUNCILMAN NUTTER: There are a number
18 of inquiring minds that want to know about that.

19 Let's talk about these hearings. Did I
20 understand from the earlier testimony that there
21 were going to be two hearings about all of these
22 service issues in Philadelphia?

23 MS. MOORE: Yes.

24 COUNCILMAN NUTTER: And they will be
25 where?

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2 MS. MOORE: At the Convention Center.

3 COUNCILMAN NUTTER: Both at the
4 Convention Center?

5 MS. MOORE: Yes, one a.m., one p.m. I
6 would have to give you the dates. I don't remember
7 the dates. The 19th.

8 COUNCILMAN NUTTER: 19th of?

9 MS. MOORE: May.

10 COUNCILMAN NUTTER: Both?

11 MS. JONES: Yes, one in the morning and
12 one in the evening.

13 COUNCILMAN NUTTER: So it is one day, a
14 morning and an evening?

15 MS. JONES: Correct.

16 COUNCILMAN NUTTER: Now, is there
17 something that prevents you from having more
18 hearings and at locations that are actually more
19 conducive to people participating in them?

20 MS. MOORE: Other than we wouldn't know
21 how many hearings that would ultimately be needed.
22 There is a limitation to just the staff as we spread
23 it out because every jurisdiction, every
24 municipality, et cetera, would want to hear it. So
25 we thought if we centralize it at least in

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2 Philadelphia that we would get the biggest number of
3 participants and we also had the same dilemma when
4 we went out to the counties trying to figure out
5 where to have it that was more central to each one
6 of the counties.

7 COUNCILMAN NUTTER: Look, I have an
8 appreciation for a centralized hearing, but what is
9 the real prospect that someone from many of these
10 neighborhoods, especially for the nighttime -- I
11 mean the daytime hearing is impacted by the fact
12 that most people have to work. They don't really
13 have time to run around and go to hearings. The
14 evening hearing at the Convention Center, I mean how
15 many people do we think from neighborhoods are going
16 to either stay in town or, because of other
17 obligations, go home, get either the kids, the
18 family, the spouse, grandmom, somebody, all together
19 for whatever the nighttime activity is and then
20 venture back into town for a hearing that Lord knows
21 when it is going to be over? What makes anybody
22 think that any significant number of people are
23 going to participate in that?

24 MS. MOORE: Our past history would
25 suggest that a significant number of people

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2 participate in our hearings.

3 COUNCILMAN NUTTER: How many would you
4 say?

5 MS. MOORE: I think for the fare
6 hearings we might have had 5 or 600. Does that
7 sound right? My treasurer pointed out that just for
8 the Kenwood hearing we had there were about 300 that
9 came to public hearings. So our public hearings --

10 COUNCILMAN NUTTER: Well, that was a
11 line discontinuance and we did -- you are talking
12 about the ones at the SEPTA headquarters?

13 MS. MOORE: No, I think this was Adam's
14 Mark Hotel.

15 COUNCILMAN NUTTER: I remember those
16 hearings and we did kind of pump up the volume a
17 little bit, but I think that kind of makes the
18 point. They were at the Adam's Mark Hotel. The
19 people that ride the R-6 live out in that
20 neighborhood whether they live in Wynnefield,
21 Overbrook or Lower Merion. I'm not so sure that you
22 have an exact replica of that particular crowd even
23 for that line at the Convention Center. When are
24 you going to do it, 6 or 7 o'clock at night?

25 MS. MOORE: I think they start early,

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2 5:00, 5:30. Again, we would have to double-check
3 the time frame, but there is also one in the a.m.

4 COUNCILMAN NUTTER: I would really like
5 to strongly encourage additional thought on some
6 regional hearings for city transit or city and
7 suburban rail passengers. It is at least more
8 likely that you would have a representative group of
9 people from West Philadelphia at a West Philadelphia
10 hearing. I would think the same might possibly be
11 true for South Philadelphia. You already have
12 basically a Center City location.

13 I think Councilwoman Tasco raised the
14 issue again. Whether you work or not, trying to
15 venture back into town if you live in Mt. Airy to
16 come to a SEPTA hearing, especially given -- I mean
17 let me ask you this question: Has this level of
18 proposed either cutback or elimination of service
19 ever been proposed in SEPTA's history?

20 MS. MOORE: I would have to double-check
21 the history. I'm not really sure.

22 COUNCILMAN NUTTER: In recent times,
23 just to test your memory.

24 MS. MOORE: Not in the eight years I've
25 been here, no.

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2 COUNCILMAN NUTTER: It would seem to me
3 that we want to try to have a few more than the
4 regular average normal round of hearings.
5 Regionalize them to four or five -- you know, cut
6 the city up into four quadrants or five sectors and
7 make sure that you can hear from as many people as
8 possible.

9 The flip side of that is, although you
10 won't particularly enjoy it at the hearing, you
11 know, the more people to express a concern and an
12 interest about all of these issues I think at a
13 certain level become potential supporters or can be
14 more focused in their concern about what is going on
15 here because I don't necessarily know that anybody
16 is going to be looking to us to fill your \$55
17 million gap, so if you are going to get people all
18 wound up about this document and the timing and how
19 it goes down and all of that and if you are going to
20 have all of these hearings, I think you need to
21 maximize participation in order to at least
22 demonstrate a fuller understanding and concern that
23 people have about what is going on with the system.

24 MS. MOORE: We actually thought we were
25 doing that by expanding it to ten hearings, but I

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2 will take it back and we'll kick it around. We are
3 doing ten hearings throughout the five-county area.

4 COUNCILMAN NUTTER: I understand. Let's
5 talk about some local issues. You know that I was
6 out on Friday on the Market-Frankford El doing a
7 tour. The streets department has -- there was a
8 concern about the light level, the amount of light
9 under the El at night. There are lights attached to
10 the superstructure. There was a concern that the
11 lights were not functioning.

12 The report from the Streets Department
13 in a nighttime observation is that all of the lights
14 are working. I believe one of the concerns here --
15 and I now think I better understand it -- there are
16 a couple of areas where the roadway is blocked.
17 When the road was completely opened and if the
18 lights are working, the additional light you get
19 under the El more than likely comes from vehicular
20 headlights. If the area is cordoned off and cars
21 are traveling less frequently on Market Street
22 because it is a zigzag mishmash of barriers and
23 obstacles, there is probably an immediate decrease
24 in the amount of light under the El because there
25 are no cars there, which creates an unsafe condition

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2 for residents and neighbors because they can't see
3 what is going on. There has been an uptake in
4 criminal activity including, as I read in the
5 morning newspaper, apparently somebody was shot and
6 killed at 62nd and Market last night.

7 The police department from the 19th was
8 out at the tour on Friday. It seems to me that
9 there probably is now an additional need for an
10 upgrade in the lighting directly under the El such
11 that whenever these areas get closed off -- and we
12 will have a separate discussion about what is closed
13 off -- there is still light under there.

14 So I think the neighbors' observation
15 that it is darker under the El is correct, but the
16 reason they think it is darker is not necessarily
17 correct because they think the lights aren't
18 working. The lights are working. There is less
19 light under the El because there are no cars under
20 there. So I need you to take a look at how we
21 increase the light directly in the area under the El
22 between the columns right down the center of Market
23 Street.

24 Second, I believe we are supposed to get
25 together shortly to talk about this issue of the one

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2 lane open to vehicular traffic. Councilwoman
3 Blackwell raised the issue today. The issue has
4 been raised on a number of other days. We'll
5 potentially have one of the best looking
6 superstructures out there. Unfortunately, there
7 won't be any businesses left to take advantage of
8 the great superstructure and the new train stations
9 because we are facing the potential that most of
10 them are going to die before this project is over.
11 I'm sure that is not SEPTA's goal, but it is a
12 potential reality and we have to figure out how to
13 keep a certain amount of traffic flowing and moving
14 on that street.

15 I understand that there are challenges.
16 Having done the tour, I'm much better versed in what
17 is going on. On the other hand, especially for some
18 of this underground infrastructure work as compared
19 to the center lane support structure work, there are
20 some situations -- and we certainly see it out on
21 regular city streets that don't have posts down the
22 middle, but we see it on wide city streets where
23 they are able to keep a lane of traffic open in
24 residential areas just so that people can go back
25 and forth. It may slow things down a little bit and

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2 Lord knows this is not a project that we want to
3 slow down --

4 MS. MOORE: Right.

5 COUNCILMAN NUTTER: -- but there has to
6 be a balance between safety, getting the job done as
7 quickly as possible, and the preservation of
8 businesses and the viability of Market Street. It
9 is a complete mess out there and we won't have
10 anything to be particularly proud of other than a
11 superstructure, but there are not going to be any
12 businesses out there by the time this project is
13 done based on how it's going.

14 The last issue is it was my observation
15 on Friday that there were actually a couple
16 African-American males who were working on the job
17 site. I restrict that to a couple. I would
18 strongly encourage -- at least for the time that I
19 was out there. I would strongly encourage that
20 either as a part of any increased security that we
21 are going to try to provide out there or if there
22 are efforts to keep some lane of traffic open or if
23 there are any efforts to -- the Councilman raised an
24 issue about the cleanup. The job site is a mess and
25 I understand on the interior you are going to have

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2 some problems, but much of that interior debris and
3 dirt and other mess ends up getting outside those
4 gates and flowing out into the neighborhood. There
5 are all kinds of different work opportunities, but
6 certainly one of them which may provide some
7 immediate employment for neighborhood people
8 literally is just working to keep the neighborhood
9 in a fairly decent shape, which may present some job
10 opportunities.

11 Obviously there are other people out
12 there who have skills who may also -- as I'm told,
13 who are also part of -- who are members of unions
14 who are not being called to work, and so I and
15 others will continue to reemphasize the need to seek
16 people out who are in fact union members, who do in
17 fact live in that neighborhood, and that the agency
18 as the owner of the project, who has a contractual
19 relationship with its contractors, should insist.
20 And if we can provide, I will certainly get to you
21 the name, address and phone numbers of local people
22 who are members of unions who are not being called
23 to work on that particular project. It is a
24 disgrace if there are people in the neighborhood
25 who could work but are not being called for whatever

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2 reason and are sitting by the phone for a call that
3 is never going to come.

4 MS. MOORE: I'm not sure whether you are
5 asking a question or if you just want me to
6 acknowledge that I hear you. The area --

7 COUNCILMAN NUTTER: I assume that the
8 sound system is working. What I want you to say is
9 I heard you and I'm going to do something about it.

10 MS. MOORE: Well, I heard you and I'll
11 look at what I can do about it. The contractors
12 have a contractual obligation to clean up the site.
13 So that one especially I will look at that
14 immediately because they are obligated to keep the
15 site areas mopped up, cleaned up, et cetera. So I
16 will look at that one.

17 COUNCILMAN NUTTER: It is not happening
18 and it was not a pretty site out there the other
19 day. I understand it is a construction site, but,
20 you know, there's already a significant amount of
21 disruption. We shouldn't add insult to injury by
22 leaving the neighborhood in worse shape than the way
23 we found it.

24 MS. MOORE: I agree.

25 COUNCILMAN NUTTER: Thank you.

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2 Thank you, Madam Chair.

3 I'm sorry. And what is going to happen
4 on this issue of additional regionalized
5 neighborhood hearings on this plan?

6 MS. MOORE: I will have to go back and
7 look at resources. The problem we face is that
8 everybody would want a regional meeting and we just
9 can't do but so many meetings. We will have to look
10 at it. I will have to kick it around with the staff
11 in the office.

12 COUNCILMAN NUTTER: When you say
13 everybody would want one, what does that mean?

14 MS. MOORE: If I do one additional
15 hearing someplace else, another location would want
16 a hearing and another and another and another and
17 another and at some point in time we just don't have
18 that many resources to have as many meetings as
19 everybody would like and going in specific
20 jurisdictions. So we thought we were actually doing
21 the better thing by doing it centralized so that
22 everyone could hear what the other person's concerns
23 might have been, not just a regional, something
24 specific for that group.

25 So the Chestnut Hill people could hear

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2 from the Kenwood people, et cetera, and so everybody
3 could hear everybody else's concerns.

4 COUNCILMAN NUTTER: I understand the
5 theory, but I think the practical application is
6 that you are only going to get so much participation
7 from so many people at a centralized location like
8 the Convention Center either 10 o'clock in the
9 morning or 6 o'clock at night versus some ability to
10 accommodate the life-styles that people have.

11 You know, look, we are all on the
12 government payroll. We can be at a meeting at any
13 time of the day or night. It is what we do. Other
14 people, as I often say, they have like real lives
15 and they have things that they have to do with
16 themselves and most of it is not focused on us or
17 what we do, but the prospect of going to a
18 neighborhood meeting or something that is near your
19 neighborhood is much more likely as opposed to
20 venturing in town in the evening for something like
21 this.

22 MS. MOORE: I will look at how many
23 additional hearings we can have. I'm not going to
24 promise at this point we are going to do all
25 regional because it would consume a lot of effort

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2 and, again, I'm not really sure --

3 COUNCILMAN NUTTER: You are talking
4 about a massive change in how the system functions
5 and operates. And are we providing free parking for
6 all these people that are coming to the center?

7 MS. MOORE: No. We hope they ride the
8 system.

9 COUNCIL PRESIDENT VERNA: For a point of
10 order the Chair recognizes Councilman Goode.

11 COUNCILMAN GOODE: Thank you, Madam
12 President.

13 Miss Moore, there are going to be ten
14 meetings in five counties?

15 MS. MOORE: Yes.

16 COUNCILMAN GOODE: Is it equally
17 divided?

18 MS. MOORE: Two in each county, yes.

19 COUNCILMAN GOODE: But the majority of
20 the fare revenue and the highest county subsidy
21 comes from Philadelphia?

22 MS. MOORE: Yes.

23 COUNCILMAN GOODE: That doesn't seem
24 fair, does it?

25 MS. MOORE: Well, I have five counties

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2 that I have to deal with on an equal basis.

3 COUNCILMAN GOODE: But the majority of
4 fare revenue and the highest county subsidy comes
5 from Philadelphia?

6 MS. MOORE: The highest local -- yes,
7 the highest local subsidy comes from Philadelphia.

8 COUNCILMAN GOODE: You are more
9 concerned about the client ridership in Philadelphia
10 and the subsidy from Philadelphia I'm assuming of
11 the five counties?

12 MS. MOORE: I'm concerned with all five
13 counties.

14 COUNCILMAN GOODE: But you are more
15 concerned with Philadelphia I'm assuming?

16 MS. MOORE: I'm equally concerned with
17 all five counties.

18 COUNCILMAN GOODE: You may want to talk
19 to your chief financial officer about how much fare
20 revenue and how much subsidy comes from
21 Philadelphia.

22 MS. MOORE: I understand the magnitude.

23 COUNCILMAN GOODE: When you talked to
24 your board on March 26 about this doom and gloom
25 plan about drastic service cuts and fare increases,

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2 I'm assuming at the time you told them you were only
3 anticipating a 1.5 percent decline in ridership as a
4 result of that?

5 MS. MOORE: Of the fare increase. The
6 1.5 percent decline is just as a result of the fare
7 increase.

8 COUNCILMAN GOODE: So you are assuming
9 only a 1.5 percent decline as a result of the fare
10 increase?

11 MS. MOORE: Yes.

12 COUNCILMAN GOODE: Two years ago what
13 were you anticipating in terms of decline in
14 ridership because of the fare increase?

15 MS. MOORE: Between 1 and 2 percent.

16 COUNCILMAN GOODE: And what was it?

17 MS. MOORE: About one and a half
18 percent.

19 COUNCILMAN GOODE: Thank you.

20 Thank you, Madam President.

21 COUNCIL PRESIDENT VERNA: Councilman
22 Nutter, are you finished?

23 COUNCILMAN NUTTER: I am.

24 COUNCILMAN GOODE: I'm sorry. One more,
25 Madam President.

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2 COUNCIL PRESIDENT VERNA: Councilman
3 Goode.

4 COUNCILMAN GOODE: That 1.5 percent then
5 was not based upon obviously this level of
6 discontinuation of service?

7 MS. MOORE: Correct.

8 COUNCILMAN GOODE: And it also was not
9 based on discontinuation of service on these lines.
10 So what is supposed to happen with regard to
11 discontinuation of service on these lines? You are
12 assuming some dropoff because of fare increase, but
13 you are not assuming additional dropoff because of
14 additional discontinuation of --

15 MS. MOORE: The discontinuation itself
16 will have a dropoff.

17 COUNCILMAN GOODE: So the ridership is
18 expected to climb by more than 1.5 percent. Just
19 1.5 percent is based upon the fare increase?

20 MS. MOORE: Correct.

21 COUNCILMAN GOODE: Thank you.

22 COUNCIL PRESIDENT VERNA: Thank you.

23 The Chair recognizes Councilman Kenney.

24 COUNCILMAN KENNEY: Madam Chair, I'll
25 pass.

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2 COUNCIL PRESIDENT Verna: Are there any
3 other questions for our witnesses?

4 Seeing none, this committee will stand
5 in recess until tomorrow at 1 o'clock. Thank you
6 all very much.

7 (The hearing adjourned at 5:40 p.m.)

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2 CERTIFICATE

3 I HEREBY CERTIFY that the foregoing
4 proceedings of the Committee of the Whole of the
5 Council of the City of Philadelphia of April 7,
6 2003 were reported fully and accurately by me and
7 that this is a correct transcript of same.

8
9
10
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12 _____
13 Cynthia A. Whyte, RPR
14
15

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