COUNCIL OF THE CITY OF PHILADELPHIA
PUBLIC HEARING
COMMITTEE OF THE WHOLE

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Room 696, City Hall
Philadelphia, Pennsylvania
Monday, June 2, 2003
10:30 a.m.

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Resolution 030399, a resolution reporting Jettie Newkirk to the Board of Directors of the Southeastern Pennsylvania Transportation Authority.

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Resolution 030400, a resolution appointing Tom Knox to the Board of Directors of the Hospitals and Higher Education Facilities Authority of Philadelphia.

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PRESENT:

COUNCIL PRESIDENT ANNA C. VERNA
COUNCILWOMAN JANNIE L. BLACKWELL
COUNCILWOMAN BLONDELL REYNOLDS BROWN
COUNCILMAN DARRELL L. CLARKE
COUNCILMAN DAVID COHEN
COUNCILMAN FRANK J. DI CICCO
COUNCILMAN W. WILSON GOODE, JR.
COUNCILMAN JAMES F. KENNEY
COUNCILWOMAN DONNA REED MILLER
COUNCILMAN MICHAEL A. NUTTER
COUNCILMAN ANGEL ORTIZ
COUNCILMAN FRANK RIZZO
COUNCILWOMAN MARIAN B. TASCO

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6/2/03 - Whole

P R O C E E D I N G S

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COUNCIL PRESIDENT VERNA: Good morning, everyone. This is a public hearing of the Committee of the Whole.

I would ask Mr. McPherson to please read Resolution Number 030399 and 030400.

MR. McPHERSON: Resolution 030399, a resolution reporting Jettie Newkirk to the Board of Directors of the Southeastern Pennsylvania Transportation Authority.

Resolution 030400, a resolution appointing Tom Knox to the Board of Directors of the Hospitals and Higher Education Facilities Authority of Philadelphia.

COUNCIL PRESIDENT VERNA: Good morning.

MS. MORGAN: Good morning.

Good morning, President Verna and distinguished Members of the Committee of the Whole. My name is Nancy Morgan, Executive Assistant to Mayor Street, working with boards and commissions.

It is a pleasure to be here this

morning to testify in favor of resolution 030399, to support the appointment and confirmation of Jettie D. Newkirk, Esquire, to the Board of Directors of Southeastern Pennsylvania Transportation Authority for a five-year term, beginning 2003 to 2008.

The Southeastern Pennsylvania Transportation Authority is a regional organization with representation from among the Philadelphia area and surrounding counties.

Representation from the City is critical and has never more than now required experience, knowledge and understanding of the deeper issues, many of which are already known by this candidate.

Ms. Newkirk, a graduate of Temple University Law School in 1979, is a solo practitioner, attorney-at-law in Center City, Philadelphia.

She has over 25 years experience in the practice of civil law and lives in the West Philadelphia area. Jettie Newkirk's professional strengths include identifying and clarifying issues, negotiating settlements and compromises in

arbitration.

She is also a skilled litigator, and has conducted board training, generated contracts, as well as all types of legal documents.

She has been in a position to know S.E.P.T.A. and represent the City with opportunities to use time-honored professional skills in an informal way.

Miss Newkirk has been a champion for public transportation consumers and a visionary, in terms of promoting neighborhood enhancement initiatives by the Authority.

She's a stalwart fighter and diplomatic voice with the voice of Philadelphia only one of two still heard loud and clear.

Jettie Newkirk is known in her community, known in her church, known in her profession, and known in her participation in a government of the people, for the people and by the people.

We believe that this August body of legislators will serve the people of Philadelphia well through the confirmation of Jettie Newkirk to the Southeastern Pennsylvania Transportation

Authority Board of Directors. Thank you.

COUNCIL PRESIDENT VERNA: Thank you very much.

Miss Newkirk, how many terms have you served with S.E.P.T.A.?

MS. NEWKIRK: Two terms.

COUNCIL PRESIDENT VERNA: That would be how many years?

MS. NEWKIRK: Ten.

COUNCIL PRESIDENT VERNA: Thank you.

Are there any questions?

The Chair recognizes Councilwoman Tasco. Is she at her desk?

COUNCILWOMAN TASCO: Here I am.

COUNCIL PRESIDENT VERNA: Did you want to ask a question?

COUNCILWOMAN TASCO: Good morning. Thank you very much.

I'd just like to say congratulations to you, Jettie; and I ask the Council Members to support your reappointment to the Board.

MS. NEWKIRK: Thank you.

COUNCILWOMAN TASCO: I do have a question, though, Miss Morgan.

I received a number of requests about a citizens' advisory council for S.E.P.T.A. It seems to me that nobody knows anything about it and how one would get appointed. Are you familiar with that?

MS. NEWKIRK: Councilwoman, I am. Those appointments come through the General Manager of S.E.P.T.A., and there is an active citizens' advisory council going right now.

COUNCILWOMAN TASCO: Are there vacancies on that committee?

MS. NEWKIRK: I can find out for you and get back to your office today.

COUNCILWOMAN TASCO: Would you let me know, please?

MS. NEWKIRK: Yes.

COUNCILWOMAN TASCO: And also the process for making the recommendations.

MS. NEWKIRK: Yes.

COUNCILWOMAN TASCO: Thank you very much.

MS. NEWKIRK: You're welcome.

COUNCILWOMAN TASCO: Thank you.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair recognizes Councilman Goode.

COUNCILMAN GOODE: Thank you, Madam President.

Good morning, Miss Newkirk.

MS. NEWKIRK: Good morning.

COUNCILMAN GOODE: Could you please explain for the record what veto power the City representatives have with regard to S.E.P.T.A.'s Board?

MS. NEWKIRK: If the two City representatives vote no on any action at a Board meeting at the same time, then that veto power delays or takes that action off the table for the space of one meeting.

At the next meeting, it can be reintroduced, and the veto has no power other than to delay, in effect. It does not kill.

COUNCILMAN GOODE: But it does delay.

MS. NEWKIRK: It does delay.

COUNCILMAN GOODE: So if S.E.P.T.A. were to decide to raise tokens to $1.50 or they decided they were going to raise fares across the

board or if they were to institute all these drastic service cuts they're talking about, the two City representatives could delay it for at least a month by using their veto power.

MS. NEWKIRK: They could delay it by a month. That effect, however, would be to probably put S.E.P.T.A. out of business because the statute says that S.E.P.T.A. has to have a balanced budget at the end of June. And after that it can no longer write checks or it would then not be able to operate.

COUNCILMAN GOODE: When is the last time the City representatives used that veto power?

MS. NEWKIRK: In my knowledge, they have not used it. We came close at one time several years ago, but at that point we had not.

At the time that I was appointed, the Mayor, then Mayor Rendell, requested that we not use the power without his direct consent.

COUNCILMAN GOODE: Has there been any recent discussion of using the veto power?

MS. NEWKIRK: No.

COUNCILMAN GOODE: Okay. Thank you.

COUNCIL PRESIDENT VERNA: Councilman Goode, are you completed with your questioning?

COUNCILMAN GOODE: Yes.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair recognizes Councilman Nutter.

COUNCILMAN NUTTER: Thank you, Madam Chair.

Good morning, Miss Newkirk.

MS. NEWKIRK: Good morning.

COUNCILMAN NUTTER: Let me pick up where Councilman Goode left off. With regard to the issue of the use of the veto power, as I say, there's a first time for everything.

And I would only like to encourage, given some of the drastic proposed cuts that have been put on the table -- And I know that S.E.P.T.A. is actively and aggressively seeking to have funding restored in Harrisburg. All of us are effected by these proposed cuts.

I would only like to place on the record the request that if some of the bus service and certainly some of the regional rail lines, and more specifically the 35 bus and the R-6 Regional

Rail, end up on a final or proposed cut list, I would ask strongly that you would utilize the veto power that's available to you.

I certainly would be talking to your co City of Philadelphia representative, Mr. DiCicco, on that particular issue; and I would greatly appreciate your consideration of that. It is desperately needed service in a number of specific communities. And so I wanted to put that request for the record.

Other than that, I look forward to your continued service on S.E.P.T.A. and I look forward to voting in favor of the resolution presented to us today.

MS. NEWKIRK: Thank you, Councilman.

COUNCILMAN NUTTER: You're welcome.

COUNCIL PRESIDENT VERNA: Thank you. The Chair again recognizes Councilwoman Tasco.

COUNCILWOMAN TASCO: Thank you. Along the line of questioning, when we were given materials regarding the S.E.P.T.A. lines, in the materials showed the expenditure of $89 million for the line that goes to the airport, and now they want to discontinue the services.

Do you know what discussion has taken place about what to do with that line once you cut service?

MS. NEWKIRK: To my knowledge there have been no such discussions.

COUNCILWOMAN TASCO: Beg pardon?

MS. NEWKIRK: To my knowledge, there have been no such discussions.

COUNCILWOMAN TASCO: Has the Board discussed any of these proposed cuts in service thus far?

MS. NEWKIRK: Most of the Board's discussions, Council lady, have been in trying to get resources so that we don't have to do any cuts. The Board members are as opposed to these cuts as are you.

COUNCILWOMAN TASCO: Thank you.

I also would put in a word for the C Bus which I think every Council Member on the Broad Street Line is concerned about.

And on the 12th of June there will be a public meeting at Girls High for the residents in Northwest Philadelphia and Lower Northeast, to have a say in this whole discussion.

I would like to express my disappointment that when we asked to... We asked if any thought had been given to having a meeting in the Northwest because the C Bus certainly and some of these cuts certainly impact the Northwest and Lower Northeast section of Philadelphia.

There were no plans made to include a discussion in that community by those hearing examiners, to hear what those people have to say.

And I certainly would hope that there could be some direction given from the Board to the administration of S.E.P.T.A., that they need to be more sensitive to the needs of all Philadelphians when they propose to take action on anything relative to the community.

And we do not see that sense of sensitivity with that administration. It seems to be about numbers and no thought given to the residents and the customers who ride the S.E.P.T.A. service.

So I just want to go on record to say that there has to be some discussion with the Administration about their sensitivity to the community. We asked to have that meeting on the

12th.

I certainly must say that Frances Jones was very supportive in getting that meeting scheduled. But we tried to have a more formal meeting such as held in some parts of West Philadelphia and Center City, which would be a formal hearing by the hearing examiner, because I understand the hearing examiner will not be at the meeting on the 12th, only staff members.

We think our people in the Northwest and Lower Northeast deserve the same consideration as given other citizens in this City.

MS. NEWKIRK: Thank you, Council lady. I was aware that the meeting had been scheduled and was aware of your request.

I think it was deemed by the administration that at that time it was too late to schedule another public hearing, that is, under the requirements of a public hearing; and that's why the more informal meeting was scheduled.

However, I have requested that they have a stenographer there so that there is a record of the comments and concerns expressed at the meeting.

COUNCILWOMAN TASCO: Thank you. And I appreciate your help.

I just go back to the administration's lack of sensitivity to the needs of the entire City of Philadelphia, and that when the decisions are being made, that they look at the City and the lives that are being... issues that are being addressed and who those constituents are they should address.

And so, I was just appalled to see that there were no hearings held in Northwest or Northeast Philadelphia.

MS. NEWKIRK: And Council lady, those concerns are well documented; and we are working on that.

COUNCILWOMAN TASCO: You're so diplomatic. Thank you very much.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair recognizes Councilwoman Blackwell.

COUNCILWOMAN BLACKWELL: Thank you, Madam President.

We are happy to also support Jettie Newkirk to be reappointed to the S.E.P.T.A. Board.

Let me ask a question. I heard mention here a citizen advisory board. I don't know anything about it. Do you know how large that board is? Does it have representatives City wide? Are they appointed? Or anything about it.

MS. NEWKIRK: There are representatives City wide, and I would hate to guess at the numbers. I think there's about 25, but I'm not sure. So I hope Council lady will not hold me on the record for that, but I will get that information to everyone before the end of the day.

COUNCILWOMAN BLACKWELL: Thank you very much.

As you know, we will again have hearings on Friday with regard to S.E.P.T.A. and the el project between 46th and 63rd. I say that for my colleagues as well.

So we absolutely have a wedded relationship between the churches, the business owners, the residents who have been involved in this from the inception of the project and who will be involved and affected until it ends. So we're certainly interested in information about a

citizens advisory committee, and also want you to know that one of the issues that will be discussed will be the whole issue of minority participation in the S.E.P.T.A. contracts, as well as other issues about parking; businesses, how they are affected; and the Streets Department issues and such.

So we've come a long way. We thought that our last hearing was a positive one, but we will be continuing it, to deal with these other issues. And we certainly invite you and certainly, I'm sure, Ms. Moore who came last time and also Frances will be there.

MS. NEWKIRK: Thank you, Council lady.

COUNCILWOMAN BLACKWELL: Thank you.

COUNCIL PRESIDENT VERNA: At this time the Chair recognizes Councilman Ortiz.

COUNCILMAN ORTIZ: Thank you, Madam Chair.

Jettie, congratulations. I don't know why you want to go through it again.

MS. NEWKIRK: All right, Councilman. I'm wondering about that myself.

COUNCILMAN ORTIZ: But there are some issues that have been left unresolved. And I think Councilwoman Tasco mentioned one of them. And it's board participation in setting policy, such as the one that eliminates the train from the airport to Center City or that line.

And the other, without looking at the economic impact, economic development impact that it would have on the City, I would hope that the board take a bit more of a participatory aspect along those lines.

MS. NEWKIRK: Councilman, if I may, the board has not yet participated in any of that.

These recommendations were put on the table by staff, based on the City Service Plan, and the numbers, and the budget.

The board did not, has not participated in those recommendations, other than to get an explanation of the staff of why they were there and what they were.

The board is concerned, as is I think probably everyone in this room who uses public transportation, at the extensiveness of this.

It was kind of unexpected. I mean, we expected a budget deficit with S.E.P.T.A. this year because of other kinds of costs, but we certainly did not expect it to the extent that it was.

So the staff made the recommendations. There has been no board policy on this. There has been no board decision on this. And the board is seeking in every way it can to get money from the State to remedy this so that we don't have to make a decision on this as a matter of fact.

We think, and I think personally, that to have service cuts at this stage of the game, when I have been working for ten years to get service expanded, would absolutely devastate the system, so we don't want the service cuts and I personally do not want the service cuts.

COUNCILMAN ORTIZ: I'm glad to hear you say that. And prior to the announcement, because what has happened is that the mere announcement of these policies by the staff...

MS. NEWKIRK: Recommendations.

COUNCILMAN ORTIZ: ...has caused an

incredible amount of turmoil across the City, and preoccupation and despair in many communities, specifically the senior citizens.

Was there any discussion from staff to the board, as to what they were planning or what they were considering recommending at all? You know, did any papers go back and forth in saying: Look, we're facing these economic times and these are the actions that we may want to take and hold hearings on? Was there anything like that?

MS. NEWKIRK: There were discussions in terms of the effects. In terms of the overall things, I think the board is aware of the overall effects of devastation. You're talking about literally almost wiping out a system, in terms of some of the reliance and --

COUNCILMAN ORTIZ: What I'm saying is, did they inform you beforehand that these were the recommendations that they were going to hold hearings on?

MS. NEWKIRK: Yes. Yes.

COUNCILMAN ORTIZ: They informed you of this devastating plan that they had?

MS. NEWKIRK: Yes. The board knew of the recommendations of the plans that were going to be put forth at the public hearings before they were held; absolutely.

COUNCILMAN ORTIZ: Did they give you any explanatory, other than, well, we need money?

MS. NEWKIRK: Well, unfortunately, Councilman, that's the only explanation right now that would work. It's either raise the fares to cover and have no cuts or do a combination.

And the staff decided that the recommendation they would make would be to try and do it in three different segments, that is, do some in-house cuts, some service cuts, and some raising of the fares. And their rationale was that this would spread the pain evenly.

There are board members who agree with this and some board members who do not. But no decision, as I said, has been made by the board as to any of this yet.

COUNCILMAN ORTIZ: Another issue that came up in this Council, and that is also a preoccupation of ours for a long time, is the lack of blacks, Latinos, minorities participation in

the overall contracting out of -- and in jobs -- in all of the reconstruction that S.E.P.T.A. is doing across the City, and that their participation has been not what we expect in a City such as ours at this point in time in the year 2003.

And I was wondering if we can expect from the board a policy that really tells the staff, the General Manager, where it is we need to go and be in the next few years.

MS. NEWKIRK: The board policy on this has been that the staff follow the Federal guidelines because most of our construction money and capital monies come from the Federal Government.

And unfortunately, those regulations changed at the beginning of the Bush Administration, which lowered S.E.P.T.A.'s numbers.

As you are aware, I have been involved in this for the entire time that I have been on the S.E.P.T.A. board, and S.E.P.T.A.'s numbers have, in fact, gone down over the last three years. And it is as a result of that

Federal policy change that that has happened.

I can say honestly, Councilman, that we have not, I have not, and staff has not found a way to resolve that issue yet, because the board cannot set a policy which designates that we either designate people locally or geographically or by race or ethnicity, in terms of the subcontracts.

And until we find a way -- Nor can we reconvene the formula that has to be used, in terms of what the guidelines have to be. And until we get a way out of that dilemma, the Federal law, I'm not sure how we're going to resolve that problem.

S.E.P.T.A. has made a number of initiatives since this matter came to light, certainly within the last six months, in working with the Chamber and in working with the Mayor's Office, in trying to marry the prime contractors with the subs from all of these various areas.

Unfortunately, I have not seen that that has worked very well, for a variety of reasons. And they are working with very -- Commerce Department and other segments of the

government, to try and raise those issues and give training.

But those effects have not worked either, so at this point I would say that we are in the midst of this dilemma, Councilman, and hopefully we will be able to arrive at a solution together.

COUNCILMAN ORTIZ: You know, sometimes we go along with the guidelines as written and -- But let's say there were no guidelines written.

And still, in a City such as ours, and given the history of this issue, which you well know and you've been a participant and an advocate for all of your years, we should be able to do much better.

And like you said, we got to find a reason why the numbers have gone down, even from the stated guidelines, and how those numbers can get better.

At this point in time I think it has to come. It has to come, one, from this Council; but also, I think, from a strong advocacy from the S.E.P.T.A. board that says, whatever the

guidelines say, we can do better than that; that's all.

MS. NEWKIRK: And Council, the board members have discussed this issue many times, so they are working on this.

COUNCILMAN ORTIZ: Thank you.

COUNCIL PRESIDENT VERNA: Miss Newkirk, the board has to render a decision by what, the end of June?

MS. NEWKIRK: Yes.

COUNCIL PRESIDENT VERNA: When do you have to render a decision?

MS. NEWKIRK: As to the budget?

COUNCIL PRESIDENT VERNA: Yes.

MS. NEWKIRK: Yes.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair recognizes Councilman Clarke.

COUNCILMAN CLARKE: Thank you, Madam President.

Good morning, Miss Newkirk.

MS. NEWKIRK: Good morning, Councilman.

COUNCILMAN CLARKE: You may want to

write. I have a couple of questions that actually probably would have been better asked in a public hearing; but to be honest with you, I think that my ability to get some clear, concise and factual answers are probably better served if I ask you these questions.

First of all, I'd like to get some information -- and it doesn't have to be in any particular expedited way -- but this is for my benefit of having this information, information on a county-by-county basis, the revenue per county. And I know that's difficult in some respects because there is a crossing of some of the transit lines, but wherever possible; and the level of subsidy provided to that particular county or those lines in those particular counties.

And then also, information -- and I know this is not necessarily information that S.E.P.T.A. itself has because it's a Regional Division -- but information about other transit divisions in the state.

One, if there are other regional transit divisions in the State; and two, how those transit divisions, be they regional -- and I'm

talking about a reasonable size. How are they subsidized directly, through the municipality or directly to the particular agency?

MS. NEWKIRK: There is a State formula for this, and I will get you what that formula is. As you know, for the five-county area, the State puts in the majority of it and then the local governments put in that balance which is why we ended up with the -- S.E.P.T.A. ended up with the $15 million deficit.

That includes the reduction in the county subsidies as a result of the reduction in the State subsidy, which amounted to that additional $15 million. But I will get you the definite aspect of that.

COUNCILMAN CLARKE: Yes, and the State subsidy goes directly to the Regional Division --

MS. NEWKIRK: Yes.

COUNCILMAN CLARKE: -- not to the various county divisions.

MS. NEWKIRK: Right.

COUNCILMAN CLARKE: And what I'm trying to find out, in terms of --

MS. NEWKIRK: It's one of the --

COUNCILMAN CLARKE: -- from a percentage standpoint, how much goes to each individual county, if you were to break it down --

MS. NEWKIRK: Right.

COUNCILMAN CLARKE: -- and the revenue generated by each individual county.

MS. NEWKIRK: Yes.

COUNCILMAN CLARKE: And the other question I'd like to ask you, and you may be able to answer that today: What would be required? And I'm assuming it would have to include some legislative initiative from the State to authorize the succession of the Philadelphia County Transit Division from the Regional Division.

MS. NEWKIRK: The State legislators would have to determine that it no longer wanted a regional transit authority and would make it local, as it originally was, if you recall.

COUNCILMAN CLARKE: Yes.

MS. NEWKIRK: That would mean getting the State legislature to pass that legislation, set up the board, set up a different authority, and determine in that legislation what

would happen both to the county transit authorities which are cut off from this local authority, and how the other would be run.

And then we would have a S.E.P.T.A. authority just for Philadelphia, as we have other agencies that are set up by the State but function just within Philadelphia.

COUNCILMAN CLARKE: And if that scenario were to magically happen, because I truly believe --

MS. NEWKIRK: Well, then the board --

COUNCILMAN CLARKE: -- that would require some magic --

MS. NEWKIRK: Well, then the board --

COUNCILMAN CLARKE: The subsidy --

MS. NEWKIRK: Then the board could be --

COUNCILMAN CLARKE: The subsidy --

MS. NEWKIRK: The board could totally be from residents or representatives from Philadelphia, so Philadelphia could then have total control of that agency, as happens in many

counties.

I mean, we are one of the ones that has a regional authority, but there are counties where the authority is totally local.

COUNCILMAN CLARKE: And the subsidy from the State would go directly to the Philadelphia --

MS. NEWKIRK: Yes.

COUNCILMAN CLARKE: County transit division.

MS. NEWKIRK: Yes.

COUNCILMAN CLARKE: Okay. All right. Thank you.

Thank you, Madam President.

COUNCIL PRESIDENT VERNA: Chair recognizes Councilwoman Brown.

COUNCILWOMAN BROWN: Thank you, Madam President. Good morning.

Let me first say for the record that I join my colleagues in supporting your reappointment to the board.

There has been a lot of mention of the board, in quotes. Help us put a face on the board and give us the composition and makeup of

the board, the total number, those individuals from -- the number of individuals from Philadelphia County, the number of women, and the number of individuals of color.

MS. NEWKIRK: There are 15 board members. Two are appointed from Philadelphia. Traditionally, that appointment -- one appointment has been -- Well, both appointments are made by the Mayor but one has been traditionally, at least traditionally under the Rendell-Street Administration, one appointment was designated by the Mayor and one designated by the Council. And that tradition has continued in this present Administration.

There are two representatives from the other counties: Bucks, Delaware, Chester and Montgomery. There are two representatives, one from the minority and one from the majority in the State legislature, one from the minority and one from the majority in the State Senate, and one appointee by the Governor.

COUNCILWOMAN BROWN: Are there any vacancies?

MS. NEWKIRK: There are no

vacancies.

COUNCILWOMAN BROWN: And the number of women and the number of folks of color?

MS. NEWKIRK: Three.

COUNCILWOMAN BROWN: Three women?

MS. NEWKIRK: Two women and one male.

COUNCILWOMAN BROWN: And when you say "we," we don't want the service cuts, recognizing that you cannot speak for them, is your philosophy shared with other members of the board?

MS. NEWKIRK: The board has expressed and did express in the last board meeting in May that they were objected to, did not want the service cuts.

COUNCILWOMAN BROWN: Thank you for your testimony.

MS. NEWKIRK: Thank you.

COUNCILWOMAN BROWN: Thank you, Madam Chair.

COUNCIL PRESIDENT VERNA: Thank you. Are there any other questions from members of the committee for Miss Newkirk?

(No response.)

COUNCIL PRESIDENT VERNA: Thank you.

We will now proceed with our second nominee.

MS. MORGAN: Thank you.

In consideration of Resolution 030400, I'm happy to appear before this honorable body to support the appointment and confirmation of Thomas J. Knox to a five-year term, 2003 to 2008, on the Board of the Hospitals and Higher Education Facilities Authority of Philadelphia.

This authority is a body which was incorporated under the Pennsylvania Municipal Authorities Act of 1945, Public Law 382, as amended and supplemented, and by an Ordinance of Philadelphia City Council approved on January 28, 1974.

The purpose of the Hospitals and Higher Education Facilities Authority is to acquire, hold, construct, finance, improve, maintain and lease, in the capacity of either lessor or lessee, projects including hospitals, certain not-for-profit subacute health care facilities, and certain higher education

institutions. Its role is to issue tax exempt bonds on behalf of such 501 C-3 institutions.

Mr. Knox is by training, experience, and interest, an excellent candidate for board membership to join Chairman Robert W. Bogel, newspaper publisher; Theodore Burden, James Baker, Emanuel Samitacis, business and civic leader.

He currently holds the position of Chairman of the Board and C.E.O. of the Fidelity Insurance Group, Incorporated; Fidelity Insurance Company; and Fidelity Benefit Administrators, incorporated.

Mr. Knox served as Chairman of the Board of Crusader Bank, Chairman and C.E.O. of Crusader Holding Company, and Special Deputy Rehabilitator and Chief Executive Officer of the Fidelity Mutual Life Insurance Company.

Private industry has not been the only beneficiary of Mr. Knox's expertise. Prior to saving the State of Pennsylvania $250 million through innovative funding strategies, he served as Deputy Mayor for the Office of Management and Productivity over a decade ago.

During this time, Tom Knox was

responsible for initiating and implementing programs which saved the City over $119.9 million per year.

A civic and conscientious participant in community life, Mr. Knox has not only served but has emerged in leadership to chair boards such as the Medical College of Pennsylvania; independence Blue Cross; chamber Orchestra of Philadelphia; boy Scouts of America, Washington Council; United Cerebral Palsy Association, to name a few.

He is founding sponsor and chairman of Sunday Serenade, a cultural charity event performed alternately at the Morris Arboretum, Girard College, and Valley Forge Military Academy and College, an event which primarily benefits the Morris Arboretum of the University of Pennsylvania and the Chamber Orchestra of Philadelphia.

We are so pleased to have Mr. Tom Knox consider an appointment to the Hospitals and Higher Education Authority and present his qualifications to you, in the hope that you will concur and confirm him for this opportunity to once again serve the constituents of Philadelphia.

Thank you.

COUNCIL PRESIDENT VERNA: Thank you.

MS. MORGAN: I now open the floor to Mr. Knox for questioning.

COUNCIL PRESIDENT VERNA: I beg your pardon?

MS. MORGAN: I now introduce Mr. Tom Knox for questioning.

COUNCIL PRESIDENT VERNA: Thank you. Thank you.

Mr. Knox, is there anything that you would like to say or... It's not necessary. I think we have heard of your qualifications, and I personally think you would certainly be an asset to the board.

MR. KNOX: Thank you, Madam Chairwoman. And I'm happy to be of service to Philadelphia once again.

COUNCIL PRESIDENT VERNA: Thank you. Are there any questions from Members of the Committee?

The Chair recognizes Councilwoman Blackwell. Excuse me. Before Councilwoman Blackwell is recognized, I know that there are

many people standing in the corridor, and because of the Fire Code they cannot come into the Chamber.

However, we have set up a T.V. camera in the anteroom, and you're certainly more than welcome to go in there. And certainly, if you want to testify, by that point in time you would be able to come into the chamber. Thank you.

Councilwoman Blackwell.

COUNCILWOMAN BLACKWELL: Thank you, Madam Chair.

Let me concur with the Chair's statements about Mr. Knox. He's been absolutely an asset to our City, and to our goals and all that we try to accomplish, and we thank you and are glad to support you.

MR. KNOX: Thank you.

COUNCILWOMAN BLACKWELL: Councilwoman Tasco.

COUNCILWOMAN TASCO: Yes. Thank you.

I'd just like to thank Mr. Knox for service on the appointed advisory board and the

service to the City, and I support your nomination.

MR. KNOX: Thank you.

COUNCIL PRESIDENT VERNA: Thank you. Are there any other questions?

(No response.)

COUNCIL PRESIDENT VERNA: Seeing none, this will conclude our public hearing.

We will now go into our public meeting.

(Public hearing concluded.)

CERTIFICATE

I HEREBY CERTIFY that the proceedings and evidence are contained fully and accurately in the stenographic notes taken by me upon the public hearing of The Philadelphia City Council, taken on June 2, 2003, and that this is a true and correct transcript of same.

_____

DAVID A. DEIK, RPR and
Commissioner of Deeds

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