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COUNCIL OF THE CITY OF PHILADELPHIA

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COMMITTEE OF THE WHOLE - BUDGET

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Room 400, City Hall
Philadelphia, Pennsylvania
Tuesday, March 6, 2007
10:20 a.m.

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PRESENT:

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COUNCIL PRESIDENT ANNA C. VERNA

COUNCILWOMAN JANNIE BLACKWELL

COUNCILWOMAN CAROL ANN CAMPBELL

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COUNCILMAN DARRELL L. CLARKE

COUNCILMAN FRANK DiCICCO

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COUNCILMAN W. WILSON GOODE, JR.

COUNCILMAN WILLIAM GREENLEE

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COUNCILMAN FRANK RIZZO

16

COUNCILMAN DANIEL SAVAGE

COUNCILWOMAN MARIAN B. TASCO

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RESOLUTION 070128 - Resolution providing for
the approval by the Council of the City of
Philadelphia of a Revised Five Year Financial
Plan for the City of Philadelphia covering
Fiscal Years 2008 through 2012...

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

I would ask Mr. McPherson to please read the title of Resolution No. 070128.

MR. MCPHERSON: Resolution 070128, providing for the approval by the Council of the City of Philadelphia of a Revised Five Year Financial Plan for the City of Philadelphia covering Fiscal Years 2008 through 2012, and incorporating proposed changes with respect to Fiscal Year 2007, which is to be submitted by the Mayor to the Pennsylvania Intergovernmental Cooperation Authority pursuant to the Intergovernmental Cooperation Agreement, authorized by an ordinance of this Council approved by the Mayor on January 3, 1992, by and between the City and the Authority.

COUNCIL PRESIDENT VERNA: Thank

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2 you.

3 Ms. Wilkerson.

4 Do all of the Councilmembers
5 have a copy of Ms. Wilkerson's testimony,
6 the revised form?

7 (Yes.)

8 COUNCIL PRESIDENT VERNA: Good
9 morning. Welcome. Please identify
10 yourself for the record and proceed with
11 your testimony.

12 MS. WILKERSON: Good morning.
13 I'm Joyce Wilkerson, Chief of Staff to
14 Mayor John Street, and with me is Dianne
15 Reed, the City's Budget Director, and Mr.
16 Vince Jannetti, Acting Finance Director
17 for the City. I appreciate the
18 opportunity to present testimony in
19 support of the Administration's proposed
20 FY08 to FY12 Five-Year Financial Plan.

21 This Five-Year Plan builds on
22 the work of many men and women who work
23 behind the scenes in departments across
24 the City, and I want to thank them all.
25 This is a Herculean effort that everybody

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2 pitches in to accomplish, and I want to
3 acknowledge their work and I appreciate
4 all of the support they've given over the
5 years. Once again, we've asked our
6 departments to do more with less in
7 developing the budget. City departments
8 asked for 95 million more to spend and we
9 gave them only 7 million. Our managers,
10 as always, have responded creatively,
11 figuring out new, more efficient ways to
12 conduct business as the City attempts to
13 fund tax reductions, absorb rapidly
14 increasing healthcare costs and
15 county-related obligations. As this
16 Five-Year Plan makes clear, our resources
17 are being spread critically thin.

18 Philadelphia has experienced a
19 dramatic recovery from the fiscal
20 reversals of the early 1990s and the
21 recession in the early part of this
22 decade. The recession culminated in the
23 negative \$46 million fund balance in
24 2004, FY2004, which was quickly followed
25 by a \$96 million fund balance in FY05 and

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2 a \$254 million fund balance in FY06. As
3 the chart that I've included in my
4 testimony shows, with the exception of
5 FY04's negative fund balance, we've been
6 able to maintain fund balances both
7 during its tenure and over the life of
8 the proposed Five-Year Plan. It's a
9 remarkable feat when you consider that
10 over \$3 billion is projected to have been
11 removed from the tax base for the '01 to
12 '12 period, the impact of the post 9/11
13 recession on state and local governments
14 and the soaring costs of healthcare,
15 energy and labor relations awards.
16 Unlike the last Five-Year Plan that the
17 Rendell Administration proposed, we do
18 not have assumed savings. And if you'll
19 remember, it was the practice to claim
20 \$60 million in unspecified future
21 government efficiencies. PICA no longer
22 allows us to do that and so this Plan
23 does not have that flexibility.

24 The FY08 to '12 plan, the
25 City's sixteenth, describes in detail the

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2 City's continuing commitment to the
3 following areas: maintaining fiscal
4 health; implementing neighborhood
5 transformation; promoting economic
6 development; providing high-quality
7 public education and comprehensive,
8 coordinated social services; and
9 enhancing public safety and quality of
10 life. Over the last seven years,
11 Philadelphia has been a city in
12 transition. Neighborhoods long abandoned
13 are experiencing a renaissance.
14 Contaminated industrial sites along the
15 river are being redeveloped as mixed-use
16 communities with waterfront amenities,
17 and population loss has stemmed, as
18 long-term residents remain and
19 suburbanites reverse the exodus. The
20 local economy is transforming from
21 industrial to knowledge based. Over the
22 last seven years, the Street
23 Administration through strategic
24 investments in neighborhoods, education,
25 tax reduction, social services, economic

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2 development and more efficient and
3 strategic government operations has
4 sought to initiate and sustain this
5 transformation. Philadelphia's residents
6 and businesses are continuing the
7 momentum. Government in the coming
8 years, though, must renew the commitment
9 to transformation.

10 A priority of this
11 Administration has been and will remain
12 tackling core citizen needs, revitalizing
13 neighborhoods in decline, strengthening
14 schools, ensuring public safety and high
15 quality standard of life in every
16 community and, to the extent possible,
17 reducing the local tax burden. There
18 have been substantial successes since the
19 beginning of the Administration. Since
20 2001 when the Mayor unveiled the
21 Neighborhood Transformation Initiative to
22 revitalize neighborhoods as thriving
23 communities, we've removed nearly 275,000
24 abandoned cars from City streets. Nearly
25 80,000 vacant lots have been

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2 rehabilitated and 5,000 abandoned and
3 dangerous properties have been
4 demolished. For perhaps the first time
5 in decades, neighborhoods with properties
6 customarily below market value have been
7 commanding prices competitive with more
8 traditionally market-rate locations.

9 Another implication of the
10 success is when we put bid packages out
11 now, about 20 percent of the properties
12 are taken out by the owners of the
13 properties because the owners have an
14 interest in rehabilitation, when at the
15 beginning those properties would have
16 been demolished.

17 The success of the NTI effort
18 has also demonstrated by the growth in
19 property values across the City and in
20 the Real Estate Transfer Tax revenue,
21 which tripled, from 77 million in FY01 to
22 236 million in FY06.

23 The Children's Investment
24 Strategy, which involves the combination
25 of City funding and support obtained

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2 through leveraging other government
3 funds, has enabled an unprecedented
4 investment in children. Investments
5 include increasing funding for
6 Philadelphia's children from 3.7 billion
7 in '99 to 5.2 billion.

8 This is summarized in more
9 detail in the Children's Report Card and
10 includes things like the federal dollars
11 we leveraged, the funding that we provide
12 to the School District. So it's a
13 roll-up of all dollars that we make
14 available.

15 This funding has increased from
16 more than five percent annually. It
17 concentrates in two key categories:
18 prevention, with a 65 percent growth, and
19 intervention and crisis services, with 60
20 percent growth. There are several
21 positive indicators among many where the
22 return on this investment has been
23 significant, as highlighted in the 2006
24 Children's Report Card, which shows a
25 decline in child abuse and neglect cases

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2 and a reduction in the use of foster
3 care, lower rates of teen pregnancy and
4 the incidence of lead poisoning among
5 children.

6 The motto "online, not in line"
7 is guiding our efforts to use digital
8 technologies, and our goal for digital
9 government efforts is to simultaneously
10 cut costs and improve services. After
11 more than a twofold increase in
12 transactions, from 30,335 in FY05 to
13 78,000 in FY06, the number of unique
14 visitors to the City's website is
15 expected to skyrocket to 4 million users
16 in FY07. The Water Department can
17 swiftly pinpoint the location of water
18 main breaks by reviewing online streaming
19 video footage of pipeline connections.
20 Inspectors from L&I can complete and file
21 field inspections by means of handheld
22 devices, while administrative back-end
23 applications process these communications
24 and generate fees, permits and reports.
25 The Records Department has converted

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2 previously microfilmed land records into
3 an online system, implementing
4 E-recording and, in FY06, initiating an
5 E-notarization project that can now
6 complete deed transactions in hours, not
7 days. And perhaps our most ambitious IT
8 effort, the goal of having wireless
9 Internet access throughout Philadelphia,
10 took a big step forward in December when
11 EarthLink completed the "Proof of
12 Concept," a 15-square-mile test area,
13 which stretches from North Philadelphia
14 south to the edge of Chinatown and from
15 the Delaware west to parts of Strawberry
16 Mansion and Hunting Park. The fully
17 completed project will cover all
18 Philadelphia's 135 square miles and
19 require up to 5,000 signal boxes. The
20 build-out is expected to be completed in
21 the first quarter of '08. The speed of
22 wireless broadband will be at least 20
23 times faster than dial-up. The City's
24 commitment to a 21st century
25 infrastructure that bridges the digital

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2 divide has catapulted Philadelphia to
3 international prominence rightfully
4 recognized for its innovation.

5 One of the greatest testaments
6 to the value of the Administration's
7 strategic investments in improved
8 services, streamlining government and the
9 quality of life for all Philadelphians
10 has been steadily increasing citizen
11 satisfaction with the quality of City
12 services across government functions.
13 Results from 1997 to 2006 satisfaction
14 surveys show continuing improved
15 satisfaction with the services considered
16 the most important by survey respondents:
17 law enforcement, trash collection, fire
18 protection and street repair. In
19 addition, health, water, parks, library
20 and recreation services have received
21 increased satisfaction ratings in '04,
22 '05 and '06. Seventeen specific service
23 areas from the "Taste of Philly Tap" to
24 the helpfulness of library personnel and
25 the quality of after-school programs hit

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2 all-time highs in 2006.

3 At the same time, the
4 Administration has committed to a program
5 of responsible tax reductions and has
6 supported moderate tax cuts efforts every
7 year. FY08 is the thirteenth consecutive
8 fiscal year of wage tax and business tax
9 rate reductions. The FY07 tax rate is
10 projected to save 25.4 million and FY08
11 an additional 19.9 million. From '92 to
12 2000, 319 million was removed from the
13 tax base. Between '01 and '08, 1.56
14 billion will have been removed. And from
15 '09 to '12, another 1.45 billion is
16 estimated to have been removed. As shown
17 in the chart below, the fund balance of
18 the Administration's last plans are
19 substantial given the context of
20 decreased revenue and increasing criminal
21 justice and social service costs.

22 And I want to take your
23 attention back to the chart on Page 3
24 when you see almost a sea wave of tax
25 reductions. This is money that we did

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2 not end up spending to deliver services
3 to the residents of Philadelphia for
4 strategic investments or for other
5 critically needed services. It was
6 instead an investment in stimulating the
7 City's economy.

8 While the Administration's
9 commitment to reducing the tax burden,
10 unique among the nation's cities, will
11 improve the City's competitiveness, the
12 City also works leaner and meaner than it
13 did in 2000, and the promise of renewed
14 interest in City living and employment is
15 being realized.

16 While we celebrate our
17 successes, we must at the same time be
18 vigilant in addressing those problems
19 that threaten the fabric and the quality
20 of life of the City. So despite our
21 significant successes, the Administration
22 recognizes there are equally significant
23 challenges. The cost of Prison
24 operations, fueled by growing inmate
25 population, and the rising cost of inmate

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2 healthcare consume an ever-larger share
3 of City resources, as do costs associated
4 with increasing number of homeless
5 persons in Philadelphia's streets and in
6 its shelters. Perhaps most challenging
7 is the rise in gun-related violence and
8 homicides over the past two years, which
9 threaten the progress we've made in
10 making our neighborhoods safe and livable
11 communities. While serious crime may
12 have declined, the recent surge in
13 homicides and gun violence in our City
14 and the fear it has created is
15 unacceptable.

16 In response, we have developed
17 several targeted objectives in FY06 to
18 address these challenges. In perhaps the
19 most sweeping initiative in many decades,
20 the City has submitted a request for over
21 \$100 million more in Needs Based Budget
22 funding from the state, in support of
23 expansion of prevention services to
24 children and families, keying off curfew
25 and truancy programs as a way to make

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2 sure at-risk youth were being reached.
3 The requested funding is needed to
4 support expanding after-school programs
5 to serve 27,000 more truant children and
6 curfew violators; tripling of the number
7 of children and their families receiving
8 school-based case management services,
9 from 5,000 to 15,000; to provide more
10 conflict resolution education and
11 violence prevention programs, such as the
12 Intensive Violence and Delinquency
13 Prevention Programs to serve 30,000 youth
14 and more intensive services in the
15 Adolescent Violence Prevention
16 Partnership program, targeted to youth 10
17 to 15 who are considered to be most at
18 risk. Following on FY07 initiatives --
19 hiring 200 additional police officers,
20 continuing youth and adolescent violence
21 prevention programs and cracking down on
22 truancy -- Operation Safer Streets plans
23 to include video surveillance cameras,
24 training 1,000 volunteers to teach
25 conflict resolution in churches and

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2 places of worship and schools, recruiting
3 block captains and town watch members,
4 City-sponsored job fairs, support for
5 ex-offenders through creation of
6 additional one-stop shops, stepped up
7 state and federal lobbying for stricter
8 gun laws. In the coming months, the City
9 will work with the Governor and the
10 Philadelphia delegation to assure more
11 adequate funding for these programs. If
12 funding is not received, elimination of
13 prevention programs will be considered on
14 a case-by-case basis.

15 The City must find ways to stem
16 an increasing inmate census. In January
17 2007, census hovered around 8,700, which
18 is a 1,950 increase over January 2000
19 population. That's a 29 percent
20 increase, adding approximately \$172,000
21 per day to the cost of Prison operations.
22 The Prison budget has grown from 131
23 million in FY2000 to 194 million in 2006,
24 a 48 percent increase driven by higher
25 staffing costs and increasing inmate

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2 healthcare costs. Since the spring of
3 2006, the City has been exploring more
4 than 20 options to curb census growth. A
5 November 2006 study by the Temple
6 University Crime and Justice Research
7 Center has provided additional insight
8 into the factors driving increases in the
9 census. Subsequent to the City's initial
10 formulation of preliminary census
11 reduction options, a lawsuit challenging
12 the constitutionality of conditions at
13 police detention facilities during the
14 summer of 2006 was filed. The Court's
15 January 2007 decision orders the City to
16 eliminate fire safety hazards at police
17 facilities, which we estimate will cost
18 1.3 million, providing additional hygiene
19 items to prisoners and develop a
20 mitigation plan. The City will continue
21 to work with criminal justice officials
22 to develop ways to manage the inmate
23 census. The City is investing 1.3
24 million per year in services for
25 ex-offenders, a million from the City's

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2 General Fund and 300,000 from Community
3 Service Block Grant. The funding is
4 targeted to the opening of three one-stop
5 centers to serve inmates who are released
6 from the Philadelphia Prison System each
7 year. The first center opened in
8 Southwest Philadelphia in February 2007.

9 In FY08, the Mayor's Ten-Year
10 Plan to End Homelessness begins its
11 fourth year. As such, the Office of
12 Supportive Housing will continue to move
13 the plan forward with several priorities.
14 OSH will decrease the emergency housing
15 census and the average length of stay by
16 implementing a successful intervention
17 strategy modeled on the nationally
18 recognized Hennepin County, Minnesota
19 Rapid Exit Program. In addition, with an
20 FY07 \$1 million allocation from the
21 Housing Trust Fund as a base, OSH will
22 seek to expand its rent subsidy program
23 aimed at maintaining families in their
24 own housing in the community, as well as
25 implementing Breaking Bread, a

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2 partnership with the Mayor's Office of
3 Faith-Based Initiatives, to move food
4 distribution indoors. To meet demands in
5 FY07, the City increased the General Fund
6 support for OSH by 4 million, and an
7 additional 3.9 has been added to
8 expansion programs in FY08.

9 Since 9/11, it's imperative
10 that cities take appropriate steps to
11 make sure that they are prepared to
12 handle any disaster or catastrophic
13 event. Philadelphia undertook a
14 comprehensive review of our preparedness
15 and we are now implementing the findings.
16 To adequately staff the Office of
17 Emergency Management, \$1 million in
18 General Funds will initially be required
19 in '08 to develop detailed operational
20 disaster response plans, continue to
21 implement the public education and
22 outreach campaigns, conduct training
23 exercises for first responders and build
24 partnerships within the community and
25 private sector. At the same time, we're

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2 working with our regional partners to
3 ensure the entire region is coordinated
4 and prepared.

5 As stated earlier, under NTI,
6 thousands of buildings have been
7 demolished, more than 12,000 units of
8 affordable and market-rate housing have
9 been built, and 13,000 more are planned
10 or under construction. Our next step in
11 transforming neighborhoods is restoring
12 commercial corridors. In October, the
13 Mayor signed an ordinance authorizing the
14 issuance of \$150 million in bond proceeds
15 to support ReStore Philadelphia
16 Corridors. In '08, funding will be made
17 available for such purposes as street
18 lighting, pedestrian lighting, street
19 paving, public signage, sidewalks,
20 crosswalks along commercial corridors.

21 While we address our
22 challenges, it would be imprudent not to
23 sustain the momentum we've already
24 created in improving the quality of life.
25 Through the Cultural Corridors program,

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2 this comprehensive strategy is to
3 position arts and culture as a central
4 part of Philadelphia's identity.

5 And we have recently briefed or
6 discussed with Council the Commercial
7 Corridor program, so I won't go into that
8 in detail.

9 The City embraces the expansion
10 of the Convention Center as an economic
11 engine. Construction is projected to
12 generate over 3,700 construction jobs and
13 permanent jobs. This Plan reflects \$15
14 million in annual support for the
15 Convention Center contingent on
16 conditions and negotiations not yet
17 completed.

18 With the realization of a \$96
19 million fund balance in '05 and \$254
20 million fund balance in '06, Philadelphia
21 experienced a dramatic recovery. The
22 City's commendable recovery is the result
23 of many factors, notably strategic
24 investments, tough cost reduction
25 decisions and the fruition of the promise

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2 of 12 years of sustained cuts to wage and
3 business taxes. The City is currently
4 projecting a positive fund balance of
5 \$171 million at the end of '07. The
6 Five-Year Plan projects fund balances
7 exceeding 45 million at the end of each
8 fiscal year, in line with the thresholds
9 required by PICA. However, we must
10 remain mindful of our major tax revenue
11 sources missed projections in '02 and
12 '03, contributing to three consecutive
13 operating deficits despite difficult
14 measures such as hiring freezes. Recent
15 news has slowed national economic growth,
16 and downturns in the markets could
17 quickly return us to the condition we
18 found ourselves in a few short decades
19 ago. Although tax revenues have been
20 strong since FY04, growth has been
21 centered in the volatile realty transfer
22 and business privilege tax areas. At the
23 same time, the wage tax, representing
24 half of all tax collections, is slated
25 for significant cuts through 2015. Cuts

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2 are estimated to be in excess of \$50
3 million in '11 and \$50 million plus in
4 FY12. Moreover, structural financial
5 challenges will continue to present
6 obstacles to sustained fiscal health in
7 the future and require vigilant fiscal
8 prudence: a weak tax base, high tax
9 burdens, escalating costs, high service
10 responsibilities and low state financial
11 support.

12 Census figures indicate that
13 while Philadelphia's population decline
14 has at least slowed since 2000, a large
15 portion of the population remains
16 economically disadvantaged. And although
17 we have improved statistics in the area
18 of high crimes, the homicide rate
19 increases.

20 One of the things that the
21 Five-Year Plan does in a really excellent
22 way is -- and I encourage people to read
23 it -- is discuss the burdens that the
24 City has to absorb, because we also have
25 county functions. A lot of times the

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2 City is compared to other jurisdictions
3 where they don't have county prisons to
4 maintain. They're not saddled with the
5 burden of over \$100 million annually of
6 maintaining a court system. But those
7 are the kinds of things that we have to
8 support off of our local tax base.
9 They're the kinds of things that make the
10 City non-competitive with other
11 jurisdictions. And I invite you to read
12 that part of the Five-Year Plan.

13 In addition to the structural
14 challenges, the City is burdened by
15 high-cost items such as labor and energy
16 costs. In FY08, there's a four percent
17 salary increase for the workforce. Wages
18 rise by \$62 million. By contrast, all
19 employee benefits increase by \$86
20 million. One out of every four General
21 Fund dollars will go to employee benefits
22 in '08. Utilities and fuel, which were
23 an area of savings in the '90s, are
24 expected to grow by 12 percent during the
25 next Plan period. As in previous Plans,

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2 the Plan does not reflect wage increases
3 beyond those previously negotiated, and
4 any wage increase must be funded through
5 decisions made by the Mayor and City
6 Council in response to settle agreements
7 and awards. In FY05, the City's decision
8 involved a layoff. In '06 and '07, the
9 City has appealed the decisions of Act
10 111 interest arbitration panels with
11 regard to health and welfare benefits.
12 No salary increases are reflected in '09
13 to '12. As early as 2007, all four major
14 City bargaining units are covered by
15 contracts as of early 2007. All the
16 unions are covered with contracts that
17 are expected to expire in July 2008,
18 although the next Administration
19 ultimately will negotiate the new
20 contract. Initial contract proposals
21 will likely be made before the end of
22 2007. Philadelphia's pension plan, like
23 many defined pension plans across the
24 country over the last five years, has
25 experienced a perfect storm, one formed

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2 by lagging economic performance, poor
3 stock market returns, record low interest
4 rates and the fact that employees enter
5 retirement earlier and live longer.

6 In '03, in an effort to manage
7 the impact of the fund performance on the
8 General Fund, the City shifted its fund
9 contribution to the minimum municipal
10 obligation level, which decreases the
11 contribution in the short term but
12 increases the long-term costs of
13 eliminating the unfunded liability.

14 However, by moving to the MMO funding,
15 the City avoided \$245 million in costs
16 from '03 to '06 and will avoid 421
17 million in costs from '07 to '12.

18 Otherwise, in order to balance the Plan,
19 the City would have to choose among
20 critical City services, eliminating
21 almost 1,200 positions, or foregoing wage
22 and business tax cuts or increasing
23 taxes. A return to the full funding
24 policy or an additional unplanned
25 decrease in earnings assumption in '08

The City lowered its earning rate assumption to 8.75 in '07, bringing the rate closer to the national median rate of 8 percent. Even with these policy adjustments, the portion of the General Fund revenues allocated to pension bonds, pension and health and medical obligations is projected to increase from 432 million in '03 to more than \$1 billion in FY12. The rapid growth in employee health benefit costs, which is largely outside the control of the City policymakers, due to the prescriptive role of interest arbitration panels, represents a significant fiscal constraint. FY12's \$56.3 million increase in employee benefit costs significantly outpaces revenue growth, reducing the proportion of resources available for other spending.

24 Creative cost-cutting and
25 revenue-generating initiatives and tight

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2 spending controls will need to be
3 maintained to balance the budget in the
4 out years of the Plan. To this end, the
5 City will continue some
6 revenue-generating and cost-saving
7 initiatives discussed in previous plans
8 and continue to pursue the most efficient
9 and effective ways of providing
10 government services.

11 The Plan assumes a million from
12 the Coordinated Street Furniture Program,
13 an outgrowth of recommendations contained
14 in the '06 strategic marketing plan. The
15 City issued an RFP in December 2006 for
16 the design, installation and maintenance
17 of street furniture amenities, including
18 transit shelters, pay toilets,
19 newsstands, honor box corrals and
20 advertising panels. Proposals are due in
21 April 2007. Street furniture amenities
22 will be provided and maintained at no
23 cost to the City in exchange for
24 exclusive right to advertising.

25 The City will continue to use

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2 the surplus property sales initiative in
3 FY08. Sales of City surplus property are
4 expected to generate \$6 million in '07
5 and an additional 8 million in '08. As
6 part of this initiative, three requests
7 for proposals were recently issued for
8 large parcels of land near the airport,
9 as well as a long-term lease for the Love
10 Park Garage. The largest planned savings
11 in FY08 is a 2.5 percent reduction in
12 positions, saving 10 million per year,
13 for a total Plan impact of \$39 million.
14 A total of 30 million in savings from
15 health insurance reform is assumed in the
16 FY08 to '12 Plan. The Plan projects
17 health insurance costs growing at 9
18 percent annually.

19 The City plans to reduce
20 out-year costs through several
21 strategies. First, the City will
22 continue to negotiate aggressively with
23 its medical insurance provider at each
24 annual renewal and bid out coverage, as
25 appropriate. Secondly, the City will

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2 attempt to come to an agreement with its
3 unions to revise employee health plans
4 that are more consistent with typical
5 market practice. The City will explore
6 additional cost-cutting strategies, such
7 as enhanced employee health management,
8 which includes disease management
9 programs for employees with certain
10 health issues, wellness programs, such as
11 smoking cessation and weight management
12 programs, and employee consumerism
13 education programs.

14 Since 1999, the real estate
15 market has seen dramatic increases in
16 value in many locations throughout
17 Philadelphia. Low mortgage interest
18 rates and increased investor confidence
19 in the City have contributed to increased
20 property demand and value. The City's
21 Neighborhood Transformation Initiative
22 has also contributed to the citywide
23 increase in property values through its
24 strategically targeted investments in
25 neighborhoods. Property assessments have

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2 not kept up with this trend. BRT plans
3 to assess properties at 100 percent of
4 market value in the near future. Full
5 valuation will result in a more
6 transparent system, where assessment
7 growth will closely track trends in
8 actual real estate market values. The
9 Administration supports the move to full
10 valuation. It represents an important
11 new element of the City's overall tax
12 policy strategy, reflecting the
13 Administration's recognition that tax
14 reform must address structural inequities
15 as well as rate reductions. Research
16 suggests that currently high value
17 properties in the City are generally
18 under-assessed as a percentage of their
19 actual value, while lower value
20 properties are generally over-assessed.
21 Full valuation will increase the accuracy
22 of property assessments in Philadelphia,
23 thereby improving the fairness of the
24 real estate tax for City taxpayers and
25 reducing the regressivity of the current

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2 system.

3 The City has embarked upon and
4 will continue technology-based
5 initiatives designed to cut costs,
6 simplify administration processes, and
7 improve service and productivity. After
8 evolving over a five-year period from a
9 work order system to an Oracle-compatible
10 billing system, Project Ocean will be
11 completed due to the advent of a
12 government accountability structure,
13 bridging the involvement of MOIS, Water
14 Department and Revenue Department. With
15 Council approval of the \$5.9 million
16 productivity loan in October 2006, the
17 Personnel Department and MOIS have begun
18 replacing the City's 30-year-old
19 personnel database and paper-based manual
20 employee transaction system with a new
21 enterprise-wide HRIS system. The first
22 phase of the project has been initiated
23 in '07 with a dedicated project manager
24 and a governance structure ultimately
25 accountable to the ITGB, which is the

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2 City's Governing Board for all IT
3 projects and a steering committee of
4 cabinet members, to ensure that the
5 project is completed on time and on
6 budget. Completed modules will include
7 an employee database; a position
8 management system, featuring job
9 descriptions and improved budget
10 controls; and advanced benefits
11 management, which includes flex benefit
12 plan administration. Today, the City's
13 telephone service is provided by a vendor
14 at a significant annual cost. Through
15 the use of voiceover Internet protocol
16 technology, which can route spoken
17 conversations over the Internet and City
18 Net, the City will reduce the dependency
19 on conventional vendor-provided telephone
20 service and replace much of its old tech
21 internal and external voice communication
22 infrastructure. The City has estimated
23 that 5 million could be saved annually
24 through voiceover Internet protocol,
25 starting in FY10, for a total Plan impact

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2 of \$15 million. The City is
3 strengthening its impact to work leaner
4 and smarter into FY08.

5 As indicated earlier, we cannot
6 afford to increase the size of the City
7 government to inefficient levels and we
8 cannot afford any additional tax cuts
9 beyond the current cuts in the Plan
10 without providing for offsetting
11 revenues. And the challenges are
12 growing. We are currently analyzing the
13 potential impact to the City of the
14 proposed federal and state budgets, which
15 could have significant direct and
16 indirect negative effects on the General
17 Fund based on changes to the Community
18 Development Block Grant and other
19 programs that Philadelphia depends on.
20 SEPTA's ongoing financial crisis, if
21 entailing a substantial increase in the
22 City's contribution, could pose
23 additional risk to the City's Plan.
24 Negative outcomes at the federal and
25 state levels would require us to pursue

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2 alternate contingencies to maintain the
3 fund balance.

4 Finally, there's nothing
5 additional for the School District in
6 this Five-Year Plan. The Administration
7 has been working with the Commonwealth to
8 get a better sense of what's going on
9 with the School District funding, and
10 until that time, we won't be proposing
11 any additional support.

12 I want to thank you for the
13 opportunity to present this testimony in
14 support of the proposed Five-Year Plan.
15 I would be happy to answer any questions
16 that you have.

17 COUNCIL PRESIDENT VERNA: Thank
18 you very much.

19 I would like to set the
20 guidelines from the beginning. Each
21 Councilperson will be given five minutes
22 for questioning on the first round and
23 then we will take it from there.

24 Ms. Wilkerson, during the
25 Fiscal 2007 General Fund budget

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2 deliberations, the Mayor agreed to
3 proceed with the following City Council
4 initiatives in return for the restoration
5 of economic stimulus programs: the
6 Promoting Philadelphia and Innovation
7 Philadelphia, as well as the increase of
8 approximately \$19 million in pension
9 payments.

10 Can you tell us if and when the
11 City hired additional police officers as
12 we had agreed upon for the FY07 budget.

13 MS. WILKERSON: The City has
14 begun the hiring process. Officers begin
15 coming online this spring.

16 Do you have the exact dates?

17 MS. REED: I think in March, in
18 this month, we should see the first set
19 of graduates coming out.

20 This is Dianne Reed, Budget
21 Director.

22 MS. WILKERSON: And I think the
23 second class might be coming --

24 COUNCIL PRESIDENT VERNA: I'm
25 sorry. You say "coming out." That means

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2 that they are in the Academy and will be
3 graduating?

4 MS. REED: Yes, ma'am.

5 COUNCIL PRESIDENT VERNA: How
6 many of them?

7 MS. REED: I think the first
8 hundred.

9 MS. WILKERSON: Pedro, do you
10 have the numbers on how many are coming
11 out in each class?

12 MR. RAMOS: Good morning,
13 President Verna. Pedro Ramos, Managing
14 Director.

15 We have 112 recruits graduating
16 on March 12th and 110 recruits graduating
17 on June 15th.

18 COUNCIL PRESIDENT VERNA: I'm
19 sorry. How many in June?

20 MR. RAMOS: 110.

21 COUNCIL PRESIDENT VERNA: Now,
22 I believe that the state also was --

23 MR. RAMOS: And I believe we
24 have 150 enrolled as of February 12th,
25 with a graduation date for September.

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2 And the number there is 150 in that
3 February 12th class. And I believe 116
4 planned to start in April. I'm just
5 glancing over at Deputy Commissioner
6 Gaittens to make sure I got his notes
7 correct.

8 COUNCIL PRESIDENT VERNA: Thank
9 you.

10 MR. RAMOS: Thank you.

11 COUNCIL PRESIDENT VERNA: It
12 was also agreed to that we would hire
13 additional staff at a salary value of
14 \$1.5 million for the health centers.
15 Have we done that?

16 MS. WILKERSON: We have not
17 hired all the positions. We are in the
18 process of hiring, and I can get you a
19 written report that details -- that gives
20 you the details on what the challenges
21 have been with filling some of the
22 positions. I don't know if Mr. Ramos
23 wants to...

24 MR. RAMOS: We'll supplement
25 with detail, but I can tell you in

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2 general that a major challenge has been
3 the process of recruitment and hiring. A
4 number of positions authorized back in
5 the summer remain unfilled. And we have
6 a batch of other positions that came up
7 at the beginning of this calendar year
8 that are authorized also unfilled. But
9 even the July positions that were
10 authorized, I think maybe as much as a
11 third of them are still unfilled by
12 virtue of the hiring process itself not
13 effectively getting those recruited
14 employees.

15 COUNCIL PRESIDENT VERNA: Is
16 that because people are not applying for
17 these positions?

18 MR. RAMOS: Well, we're trying
19 to do a couple things, in general. We'll
20 be happy to provide more detail, more
21 detailed testimony later. There are two
22 things. One is reviewing the
23 classifications themselves to see whether
24 we've become too uncompetitive in certain
25 areas. The other is making sure that

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2 we're staffing personnel in that
3 department and flowing position requests
4 on a regular basis so that they don't get
5 sort of batched up and held up given the
6 delay in hiring for those types of roles.

7 COUNCIL PRESIDENT VERNA: Did
8 we ever hire the additional staff for the
9 City morgue? I mean, that was, I think,
10 \$120,000; was it not, Councilman?

11 COUNCILMAN RAMOS: Yes.

12 MR. RAMOS: I'll find
13 out the -- there's somebody from Health
14 here.

15 COUNCIL PRESIDENT VERNA: Okay.

16 MR. RAMOS: I don't know
17 whether that's -- there are four
18 positions, two of which have been hired
19 thus far.

20 COUNCIL PRESIDENT VERNA: And
21 what's the delay of hiring the other two?

22 MR. RAMOS: They were in the
23 most recent batch to be approved.

24 COUNCILMAN RAMOS: Madam
25 President, point of information.

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2 COUNCIL PRESIDENT VERNA: Yes.

3 COUNCILMAN RAMOS: What were
4 the positions that were filled, the two
5 that were filled?

6 MR. RAMOS: A pathologist
7 position and a technician position.

8 COUNCILMAN RAMOS: So the only
9 two that need to be filled are the two
10 that were pressing in the discussions
11 that we had. Thank you.

12 COUNCIL PRESIDENT VERNA: But
13 didn't we ask for two additional staff
14 members last year?

15 COUNCILMAN RAMOS: I believe
16 that was the number. What I heard from
17 the Health Commissioner is that two
18 positions were filled. I don't believe
19 that those were the two that were the
20 most pressing for us in the missing
21 persons discussion that we had the year
22 before last.

23 COUNCIL PRESIDENT VERNA: Thank
24 you, Councilman.

25 And I know that the next is

8 Can we be informed as to what,
9 if anything, the Administration has done
10 on that?

16 COUNCIL PRESIDENT VERA: I'm
17 sorry?

21 COUNCIL PRESIDENT VERA: And
22 is that number reflected in the out years
23 for the Five-Year Plan?

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2 million dollars.

3 COUNCIL PRESIDENT VERNA: So
4 you've actually cut them.

5 MS. REED: Yes.

6 COUNCIL PRESIDENT VERNA: In
7 the maintenance staff. How about with
8 materials?

9 MS. REED: I don't have the
10 detail on materials, but I know they have
11 been spending from their General Fund
12 funds for materials.

13 COUNCIL PRESIDENT VERNA: I
14 think --

15 MS. REED: It was budgeted and
16 they have been spending. We would have
17 to get you the exact amount.

18 COUNCIL PRESIDENT VERNA: I
19 think that's been eliminated, from what I
20 was able to determine reading.

21 MS. WILKERSON: Last year, the
22 Administration reflected the agreements
23 with Council in the '07 budget. We did
24 not carry it throughout all five years of
25 the Five-Year Plan.

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2 COUNCIL PRESIDENT VERNA: I
3 believe, Ms. Wilkerson, on some they did,
4 on others they did not.

5 MS. WILKERSON: That's right.
6 The Police, we carried it through. It
7 reflects as much as anything the pressure
8 on the Five-Year Plan. By the time you
9 hit '11 and '12 in the Five-Year Plan,
10 we're having to extract \$50 million extra
11 to support the wage tax reductions, and
12 we have gotten no growth, no substantial
13 growth, out of the property taxes, and
14 it's just a matter of resources,
15 constrained resources.

16 COUNCIL PRESIDENT VERNA: Okay.
17 I think as we go forward we would like to
18 know what, if anything, was done with the
19 '07 before we go into the '08.

20 Also an issue last year was the
21 restoration of the five engine and ladder
22 companies at a cost of \$3.5 million.

23 MS. WILKERSON: The Managing
24 Director can respond to that.

25 MR. RAMOS: Pedro Ramos,

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2 Managing Director.

3 The short answer is that the
4 deployment -- the redeployment never
5 happened, although we were calling it a
6 restoration in budgetary terms. So you
7 can see it as the restoration happened or
8 the redeployment never happened, but it
9 was the outcome sought by Council.

10 COUNCIL PRESIDENT VERNA: Thank
11 you.

12 Another issue was the
13 installation of \$100,000 worth of
14 countdown clocks at various City
15 crosswalks. Did we ever do anything
16 about that?

17 MR. RAMOS: Streets is keeping
18 count by locations. So the countdown
19 devices were planned for 40 locations,
20 ten of which have been done thus far of
21 the 40. So about 25 percent, I assume.

22 COUNCIL PRESIDENT VERNA: When
23 will the others be completed?

24 MR. RAMOS: Within the next six
25 months.

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2 COUNCIL PRESIDENT VERNA: And
3 we had also asked that the Managing
4 Director's Office establish a Benefit
5 Bank to assist City residents in applying
6 for federal and state assistance.

7 Where are we on that issue? I
8 believe it was \$500,000.

9 MR. RAMOS: This was -- we
10 were -- I'll get the amount verified. I
11 know that we have a contract with -- I
12 believe the Office of Reentry has a
13 contract with the Benefits Bank.

14 COUNCIL PRESIDENT VERNA: Would
15 you provide us whatever information you
16 can on that, please.

17 MR. RAMOS: Yes, ma'am.

18 COUNCIL PRESIDENT VERNA: And
19 did the Clerk of Quarter Sessions ever
20 get the additional staff that she was
21 requesting at a cost of \$150,000?

22 MS. REED: Those positions were
23 in the budget at a level of 121, and as
24 of about a week or so ago, she has 115 of
25 those filled. But all of the requests

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2 that she has put through have been
3 approved. She had about 113 positions at
4 the end of last fiscal year, at the end
5 of June.

6 COUNCIL PRESIDENT VERNA: I
7 think we were asking that she get
8 additional staff and I notice that what
9 is being proposed to us for this year,
10 they're actually going to cut her. I
11 think what's being proposed for FY08 is
12 114.

13 MS. REED: Yes. The Clerk of
14 Quarter Sessions was one of the many
15 departments that was included in the 2.5
16 percent cut, which saves nearly \$11
17 million in the budget. It allows the
18 Plan to balance. The only departments
19 that were held harmless from the 2.5
20 percent position reduction were the
21 uniform departments, the courts and
22 prisons.

23 COUNCIL PRESIDENT VERNA: I
24 think that when the Clerk of Quarter
25 Sessions came in to testify last year,

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2 they said that they would be able to
3 collect much more revenue if in fact they
4 had the staff that they needed. They
5 were very, very short on staff. So it's
6 like giving them \$150,000 in one hand and
7 taking seven positions away with the
8 other hand.

9 MS. REED: Yes. It's a
10 difficult situation -- I'm being reminded
11 that they asked us to take \$50,000 of the
12 money that Council gave them last year to
13 use for equipment, because they didn't
14 actually need all the money that was
15 given.

16 I would like to also add that
17 one of the things that's happened during
18 this year and at the end of last year is
19 that some of the processes over there
20 have been streamlined so that it's a less
21 manually driven process as part of the
22 alignment with the state's new case
23 management system for the courts. So
24 she's made a lot of progress.

25 COUNCIL PRESIDENT VERNA: Well,

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2 she'll be in testify and we'll certainly
3 clarify that issue with her.

4 I have many other questions
5 that I'd like to ask, but I certainly
6 don't want to dominate the hearing.

7 At this time, the Chair
8 recognizes Councilman Goode.

9 COUNCILMAN GOODE: Thank you,
10 Madam President.

11 Good morning, Ms. Wilkerson.

12 MS. WILKERSON: Good morning.

13 COUNCILMAN GOODE: One
14 question. When is the Mayor's
15 Educational Task Force expected to make
16 its recommendations?

17 MS. WILKERSON: We expect that
18 report to be completed this month. I
19 don't have an exact date.

20 COUNCILMAN GOODE: Okay. Thank
21 you.

22 MS. WILKERSON: A critical
23 piece is -- everybody is trying to get a
24 better handle on what's going on with
25 school funding, and we've been working

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2 closely with the Commonwealth trying to
3 extract information from the District and
4 put it into a model in which everybody
5 has confidence, and that has taken longer
6 than anybody anticipated.

7 COUNCILMAN GOODE: Who actually
8 is responsible for the recommendations in
9 the end?

10 MS. WILKERSON: The
11 recommendations in the end? The Task
12 Force is making recommendations.

13 COUNCILMAN GOODE: I mean, is
14 there a vote that's taken or is there
15 someone chiefly responsible for writing
16 the recommendations? How does that work?

17 MS. WILKERSON: There's a Task
18 Force. It has Committee Chair. They are
19 supported by consultants. They have gone
20 through a process involving community
21 meetings, a lot of public input. They
22 have conducted polls of the public trying
23 to assess citizen satisfaction. At the
24 end --

25 COUNCILMAN GOODE: I guess

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2 specifically what I'm asking is, if the
3 Administration and the Task Force
4 anticipates a need for increased funding
5 on the local and state level, who is
6 going to be responsible for that decision
7 in terms of how much money is needed on
8 the local and state level?

9 MS. WILKERSON: I think it will
10 be recommendations made by the Task
11 Force. I think the Mayor ultimately will
12 make a decision about what it is that the
13 Administration proposes in terms of
14 additional support. We don't have it
15 within the four corners of this budget or
16 Five-Year Plan. So we'll be coming back
17 to Council if in fact there's a
18 substantial commitment, because it will
19 involve legislation.

20 COUNCILMAN GOODE: But in terms
21 of the report itself, the Task Force or
22 the subcommittee will make the
23 recommendations?

24 MS. WILKERSON: Yes.

25 COUNCILMAN GOODE: And in terms

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2 of the Administration's participation in
3 the Task Force, I'm not going to ask you
4 what the recommendation is yet. I will
5 just ask, is there anticipation that the
6 Administration will use the fund balance
7 for additional funds or a millage shift?

8 MS. WILKERSON: I don't have an
9 answer for that. There is not -- with
10 the revenues we have on the table now,
11 there's not enough within this budget or
12 Five-Year Plan to provide substantial
13 additional support. There would need to
14 be additional revenues generated if there
15 were going to be a substantial
16 commitment, additional commitment made to
17 the School District.

18 COUNCILMAN GOODE: So the
19 answer is fund balance rather than
20 millage shift? I'm not sure. My
21 question was, I'm sure there's been some
22 thought as to what can be done in
23 addition to asking for state funding. It
24 was my understanding that there was going
25 to be a need for more local funding. In

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2 fact, I attended the press conference
3 announcing the Education Task Force, and
4 it was mentioned that there would be a
5 request for more local funding. I guess
6 my question is, I'm sure some thought has
7 gone into it, considering the report will
8 be released soon. It actually was
9 supposed to be released before now. Was
10 the thought to use some of the fund
11 balance or was the thought to do a
12 millage shift?

13 MS. WILKERSON: Well, I think
14 there are a couple of things. One, if we
15 ever began to really engage in a
16 contemporaneous reassessment of our
17 properties, we would have substantially
18 more dollars going to the School
19 District. The School District, because
20 it gets 58 percent of the real estate
21 tax, has been hemorrhaging quietly
22 because we haven't had reassessment. And
23 that figure could be as much as -- I can
24 get you that number, but that's a huge
25 number that the School District is

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2 cheated of because we haven't had any
3 assessments. Any time you have
4 properties that are assessed at 30, 40
5 percent of their actual value, the School
6 District is missing out on a lot of
7 money, in addition to the City being
8 starved of the resources it needs. And
9 so the Administration has always
10 supported moving to full valuation,
11 capturing the value as it's available,
12 protecting individuals that cannot afford
13 to pay.

14 So we would -- some of it is
15 going to, I think, at some point come
16 through the property tax. I think that
17 there may be a need for additional tax
18 revenue. Within this Five-Year Plan, we
19 cannot afford to -- the fund balance is
20 basically all spent by the end of this
21 Five-Year Plan. There's only
22 \$40-some-odd million available. PICA
23 makes us reserve that in the event that
24 PGW doesn't repay. So there's no fund
25 balance out there to spend for the

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2 schools. That money is all supporting
3 basic City services. So to the extent
4 that it's not there in property
5 reassessments, there would need to be
6 additional revenue generated.

7 COUNCILMAN GOODE: Okay. Thank
8 you. I understand the answer to the
9 question. Thank you.

10 Thank you, Madam Chair.

11 COUNCIL PRESIDENT VERNA:
12 You're welcome.

13 The Chair recognizes
14 Councilwoman Tasco.

15 COUNCILWOMAN TASCO: Thank you.

16 Sort of following up on that,
17 on Page 4 of the Five-Year Plan, at the
18 bottom of the page under Committing City
19 Resources in Support of Public Education,
20 you stated "the proposed full valuation
21 project thus is critically important to
22 the School District." Can you explain
23 what you meant by that?

24 MS. WILKERSON: I meant
25 tracking the actual market values more

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2 closely. As market values have been
3 going up in neighborhoods across the
4 City, we've largely had no increase, no
5 reassessment. There hasn't been a
6 citywide reassessment to capture any of
7 that value probably for four years, four
8 or five years. We need to go on and do
9 that.

10 In addition, we've ended up
11 with a system that is very unfair. When
12 you look at -- the Reinvestment Fund is
13 doing a lot of research about values in
14 the City, and when you look at their map
15 where they say the people are who are
16 over-valued, under-valued, it's like a
17 patchwork quilt. It reflects the
18 unfairness in the system we have. So for
19 two reasons: We need to have a fair and
20 transparent system and we need to begin
21 to capture value that would come through
22 reassessing properties across the City.

23 COUNCILWOMAN TASC0: I'm sure
24 this will be discussed later, but do you
25 have any sense of where the full

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2 valuation project might be at this point?

3 MS. WILKERSON: The full
4 valuation, they have largely completed
5 their IT installation. One part of the
6 project was the CAMA system. They were
7 doing a whole new software system.
8 They're working now on populating all the
9 various fields, filling in the number of
10 bedrooms in a property, how old the
11 property is. They've got to fill in all
12 those data points in the new system
13 before they'll be in a position to turn
14 out numbers.

15 There need to be conversations
16 with and have been some conversations
17 with BRT about doing some kind of
18 statistical reassessment if in fact
19 they're not ready in the near future with
20 their new computer-supported system,
21 because the City can't continue to miss
22 out on all that revenue. It's starving
23 the -- it's having an impact on the
24 schools. It's having an impact on the
25 City's ability to support its core

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2 operations.

3 COUNCILWOMAN TASC0: Well,

4 given the fact --

5 MS. WILKERSON: I'm sorry.

6 Glancey could give you a better sense of
7 it.

8 COUNCILWOMAN TASC0: Okay.

9 What concerns me is the fact that they
10 raised this --

11 MS. WILKERSON: Glancey is
12 gone.

13 COUNCILWOMAN TASC0: There will
14 be somebody else, right?

15 It seems that this issue was
16 raised prematurely, unless you were
17 trying to get the public to begin to
18 accept the idea that this might come in
19 the future, because it doesn't seem like
20 they're ready to even implement the
21 program.

22 MS. WILKERSON: I think the
23 issue was raised -- I don't remember if
24 it was first raised by the Tax Reform
25 Commission, but was certainly something

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2 that the Tax Reform Commission raised. I
3 think BRT projected that this project
4 would have been completed by now. It is
5 probably running a year, year and a half
6 behind schedule. But I think it in good
7 faith projected that it would be
8 completed by now.

9 And so it's wanted to get the
10 new system up and didn't want to divert
11 resources from the new system to put them
12 out on the streets to do a reassessment,
13 because the people were needed in order
14 to support the new system. But I think
15 we can't afford to wait much longer.
16 We're just missing out on too much
17 revenue.

18 COUNCILWOMAN TASC0: Do we have
19 an Executive Director of the Board of
20 Revision of Taxes? Do we have a
21 replacement for Mr. Glancey?

22 MS. WILKERSON: I believe we
23 do.

24 MS. REED: There was a new
25 person yesterday, and I don't remember

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2 which a portion of the outstanding taxes
3 are recycled back into the program. It
4 is managed and monitored through the
5 Redevelopment Authority and the Office of
6 Housing, and the resources go back into
7 acquisition of properties through the NTI
8 program.

9 COUNCILWOMAN TASC0: Well, how
10 are these properties acquired and how
11 many of the properties have been given
12 back to the Redevelopment Authority?

13 MS. WILKERSON: We can get a
14 report on how much we've generated
15 through the recycling program.

16 The Councilmembers identify
17 properties for acquisition when eminent
18 domain happens. It's the liens
19 associated with those properties that get
20 poured back in. But we can get you a
21 report on the activity under the
22 agreement.

23 COUNCILWOMAN TASC0: Okay.
24 Thank you.

25 MS. GLADSTEIN: It's not a lot

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2 of money. I believe for '06 it was a
3 little bit over \$1 million and we're
4 projecting maybe a maximum of 3 million,
5 but we'll get you the actual details.

6 COUNCILWOMAN TASCO: Okay.

7 COUNCIL PRESIDENT VERNA:

8 Councilwoman, I'm sorry. Your five
9 minutes are up.

10 The Chair recognizes
11 Councilwoman Blackwell.

12 COUNCILWOMAN BLACKWELL: Thank
13 you, Madam President.

14 I raise questions, too. I have
15 the map in my hand that's in our
16 Five-Year Plan and the one we received in
17 our briefing packet last week that also
18 deals with full tax valuation. And my
19 question is, as my question was then, if
20 we can have a map -- it's on Page 25 of
21 the Five-Year Plan -- and we know who is
22 under-assessed, who is over-assessed,
23 then why can't we straighten that out and
24 then come back and talk about full tax
25 valuation? Obviously we've done the

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2 surveys, we've done the studies, we know
3 who is who. So I don't understand why we
4 can't straighten this out and then come
5 back and have this discussion.

6 MS. WILKERSON: This is not a
7 BRT map. This is a map generated by the
8 Reinvestment Fund and -- well, it's
9 generated by the Reinvestment Fund. I
10 think that a lot of what needs to happen
11 is within the purview of BRT. It does
12 not require any action by the
13 Administration or City Council. It's
14 simply something that needs to happen,
15 and it needs to happen sooner rather than
16 later.

17 COUNCILWOMAN BLACKWELL: That's
18 fine, because I'm happy to have some of
19 mine go down. Fine, I agree, but to talk
20 about full tax valuation when we're not
21 clear on this not being -- we admit that
22 people -- we don't have it now, and
23 people are taxed differently across the
24 City. So if we know that, then why don't
25 we straighten that out and then talk

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2 about it? I mean, we don't hear talk
3 about the millage rate, as my colleague
4 just mentioned. We're told we should
5 accept full tax valuation, but we don't
6 get the rest of the information. We
7 don't get what's clear. We don't get it
8 straight. We don't talk about the
9 millage rate, what that really means. So
10 we don't have any information, which is
11 why Council supported legislation,
12 because the citizens are saying of the
13 City, We're afraid that our taxes are
14 going to be raised. How do we know
15 they're not? Because we still don't get
16 bona fide, solid information about the
17 assessments in our area so that we have
18 something to tell the people who send us
19 here.

20 That's my only -- and I know
21 that's not just you, Ms. Wilkerson. I
22 know that -- anyhow, that's a problem.
23 That's a problem. We want a clear,
24 concrete map, if you say this isn't it.
25 We want to know who is taxed, how, where,

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2 and we want to have a discussion on this
3 whole millage issue before we're asked to
4 consider it. And that's my statement
5 about that. I'm happy to entertain any
6 response that you may have.

7 The other question -- and,
8 Madam President, this is my last
9 question -- on Page 14 of your testimony,
10 Ms. Wilkerson, in the first paragraph,
11 you mention, quote, "The largest Plan
12 savings in '08 is a 2.5 reduction in
13 positions, saving 10 million per year."

14 So, again, we're back to this
15 issue of jobs, who is being cut, where
16 are they being cut, what positions are
17 being cut, and we really would like some
18 information on that, because we're having
19 a hard enough time, whether it be
20 biosolids, whether it be housing, to get
21 past these issues, and we would like to
22 move forward together, the employees of
23 our City and our City departments, and
24 not have to go through an issue again
25 where the citizens of our City say

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2 they're losing their jobs.

3 So can you give us more
4 information with regard to that issue?

5 MS. WILKERSON: When we go to
6 departments and tell them that we need
7 for them to show either revenue or
8 savings, they have some flexibility to
9 show savings in Class 100, Class 200.
10 And there are certain departments where
11 we go and say, We don't want any Class
12 100 cuts. As Dianne testified, we don't
13 take cuts in the uniform, we don't take
14 cuts in the prisons. But what we can do
15 is give you just a one-page sheet that
16 shows where the personnel reductions are
17 being absorbed so you have an exact head
18 count where you know where there are
19 position elimination by department.
20 We'll get that one page to you.

21 COUNCILWOMAN BLACKWELL: Thank
22 you. That will be helpful.

23 Thank you, Madam President.

24 COUNCIL PRESIDENT VERNA:

25 You're welcome.

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2 The Chair recognizes Councilman
3 Ramos.

4 COUNCILMAN RAMOS: Thank you,
5 Madam President. Madam President, I just
6 want to make a correction to a statement
7 that I made earlier concerning the
8 funding question over at the Medical
9 Examiner's Office.

10 During those hearings that were
11 in the Fiscal Year '06 budget when we
12 questioned the Medical Examiner about
13 what was it that they would need so we
14 wouldn't have another Niecey Jefferson
15 case that laid in the morgue for over two
16 years before anyone realized that she was
17 there was that they will need to add two
18 pathologists, and I heard from the Health
19 Commissioner, Ms. Carmen Paris, that in
20 fact they have hired one and that they're
21 seeking to hire a second person. So for
22 the record, I just wanted to make that
23 correction.

24 Ms. Wilkerson, on Page 5, the
25 last paragraph, I concur with this

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2 sentence that starts with the -- it is
3 the second sentence of the paragraph,
4 "Results from '97 through 2006 citizen
5 satisfaction surveys show continuing
6 improved satisfaction with the services
7 considered the most important by survey
8 respondents," and I concur that trash
9 collection has been -- we don't get in my
10 office a whole lot of complaints about
11 trash collection. Fire protection, our
12 Fire Department is probably the best, in
13 my view, the best Fire Department in the
14 country, and street repair. But in the
15 area of law enforcement, though I am a
16 witness of the fine work that our police
17 officers do every day in protecting us, I
18 haven't seen any survey that has
19 indicated that people are very happy with
20 law enforcement.

21 Did you put this in the context
22 of other aspects of law enforcement as
23 well in reference to whatever survey was
24 done where you saw that people were very
25 satisfied with our law enforcement?

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2 MS. REED: Councilman --

3 COUNCILMAN RAMOS: Because we
4 equate law enforcement -- I think every
5 day people equate law enforcement with
6 police officers, safety versus enforcing
7 L&I laws.

8 MS. REED: Police services has
9 been higher than national norms for
10 several years. From Fiscal '04 to '05
11 general satisfaction with the police was
12 71 and a half to 72.6 percent
13 satisfaction levels, while in the
14 nation --

15 COUNCILMAN RAMOS: And those
16 were surveys in Philadelphia?

17 MS. REED: Yes. These are
18 1,100 Philadelphia residents, equal
19 numbers from each councilmanic district.
20 So it's a super sample from a statistical
21 reliability point of view.

22 The numbers did go down in '06
23 with all of the publicity about
24 homicides. The survey took place in
25 August, September time frame --

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2 COUNCILMAN RAMOS: Not just the
3 publicity, but the reality.

4 MS. REED: And the reality.
5 But people certainly were sensitive to
6 the information, so that the satisfaction
7 level in the 2006 survey did drop to 65
8 percent. But it has been very high.

9 MS. WILKERSON: We will get you
10 the information. We usually do the
11 surveys around July of every year. Like
12 Dianne says, they're super surveys, so
13 we're sampling each part of the City. We
14 always try to make it better to make sure
15 that with recreation centers, for
16 example, we get enough information from
17 people who are using recreation centers
18 or after-school programs, we're getting
19 enough information from people who are
20 actually using after-school programming.

21 But we'd be delighted to send
22 around the information, because it is
23 interesting. We ask everything from how
24 do you like the libraries to would you
25 rather have tax reduction or services,

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2 and it's interesting seeing what people
3 respond.

4 COUNCILMAN RAMOS: So in the
5 broader definition of law enforcement, I
6 believe in the response of people that
7 were surveyed, but in the area of safety,
8 I would suspect that specifically people
9 will respond negatively, because all the
10 surveys that we all have seen in this
11 City, people are very, very concerned
12 about safety and this law enforcement
13 aspect, although we know our police
14 officers are working very, very hard out
15 there to protect us, but the reality that
16 we're going through right now is what it
17 is.

18 So I just wanted to know if you
19 were just limiting this to safety, and if
20 so, I wouldn't concur with that. But if
21 it's in a broader definition, is our rec
22 centers safer than they were, I don't
23 know. I had a problem with the rec
24 center 60 feet from my doorstep all of
25 last summer. So I wasn't that happy with

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2 the rec center. But the community, we
3 have kind of like come together. We have
4 come together and tried to handle that.
5 That problem has improved substantially.

6 So thank you. So I understand
7 this was in a broader context.

8 Thank you, Madam President.

9 COUNCIL PRESIDENT VERNA:

10 You're welcome.

11 The Chair recognizes Councilman
12 Rizzo.

13 COUNCILMAN RIZZO: Thank you,
14 Madam President.

15 Ms. Wilkerson, on Page 15 of
16 your testimony, you refer to something
17 that got quite a bit of media coverage in
18 the Inquirer and a lot of conversation
19 internally. It's Project Ocean. Could
20 you take us through Project Ocean and
21 specifically discuss how Project Ocean --
22 the relationship between the City,
23 lawsuits, the settlement. I want to hear
24 about the settlement pretty much with
25 Project Ocean.

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2 So could you just take us
3 through what happened and how much money
4 we actually lost at the end of the day,
5 because, again, the media reports were it
6 was approaching \$18 million that we were
7 about to lose. Obviously a lot of money
8 was in there for licensings and et
9 cetera. So the real figure to me, I
10 don't know that figure, and today I'd
11 like to know where this Administration,
12 where this City is with Project Ocean and
13 how much money we have spent and what we
14 did to come to some conclusion here,
15 because you indicate that it will be
16 completed by when?

17 MS. WILKERSON: Before we get
18 out the door, we will be able to issue
19 bills using the new customer billing
20 system. I want to ask Terry Phillis to
21 come up. Terry is the head of MOIS. I
22 don't know if everybody has met Terry.
23 Terry has a long, long, long history. He
24 comes from Cleveland, Ohio. He's my
25 "homie."

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2 But one of the things that
3 Terry brings to the table is experience
4 having implemented a customer billing
5 system. Those are always a challenge to
6 implement. Almost half of them that are
7 attempted across the country don't go
8 well, and we had a project that was very
9 much off course. But Terry can tell you
10 where we were, how much it's cost and
11 where we expect to end up.

12 COUNCILMAN RIZZO: Thank you.

13 Welcome, for lack of a
14 better -- what is your last name again?

15 MR. PHILLIS: Phillis,
16 P-H-I-L-L-I-S.

17 COUNCILMAN RIZZO: Nice meeting
18 you.

19 MR. PHILLIS: Thank you. I've
20 lived with Project Ocean since I walked
21 in the door here, so I feel very
22 comfortable in talking about it.

23 You have asked quite a few
24 questions. How would you like me to --

25 COUNCILMAN RIZZO: Well, what

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2 I'd like you to do is explain. I think
3 we all know what Project Ocean is. What
4 I want to know is that we read -- we
5 learned that we spent a tremendous amount
6 of money and Oracle walked on us and we
7 had to threaten a lawsuit and then there
8 was some settlement back and forth on
9 dollars to get Oracle back on track. It
10 was a real boondoggle from what I
11 understand, because people left,
12 ownership was part of, I understand, the
13 problem.

14 So I'd like to hear today how
15 much money did it cost the City of
16 Philadelphia to salvage Project Ocean and
17 what actually happened at the end of the
18 day. I understood and it was confirmed
19 that Oracle said they didn't want
20 anything more to do with it because of
21 some internal issues. Just tell us the
22 story about Project Ocean. I don't want
23 to read about it in a newspaper.

24 MR. PHILLIS: Okay. Project
25 Ocean was a project that was conceived to

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2 build a customized solution to a water
3 billing system for the City of
4 Philadelphia because the City of
5 Philadelphia at that point in time, about
6 four years ago, felt that the
7 requirements that were necessary for a
8 water billing system were so unique that
9 that's the only way it could be done, is
10 to build a customized solution from
11 scratch.

12 Oracle was engaged to do that,
13 and the amount of money that was spent on
14 that particular project was in the range
15 of \$17 million. A significant portion of
16 that was spent on what I would call
17 infrastructure upgrades, and that was to
18 build the platform that it would run on,
19 which is hardware for MOIS. It was for
20 licensing issues. It was for building a
21 cleansing and a data transition set of
22 software that would allow you to take the
23 Legacy data into the new billing system.
24 That portion of the investment was not
25 totally lost and is being reused as we

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2 move forward.

3 The real problem with Project
4 Ocean was really shared by two groups of
5 people. One was Oracle and the other one
6 was the City's management of that
7 project. We did not have a good project
8 management structure in place and I think
9 it would have failed no matter what the
10 product was that was being envisioned at
11 that point.

12 When I took over this project,
13 what we looked at is what was the
14 likelihood of going to court with Oracle
15 and suing them for non-delivery of what
16 we asked for. It was determined with the
17 ITGB, the IT Governing Board, and with
18 other people in the City that the best
19 opportunity for the City was to enter
20 into a settlement with Oracle, because we
21 shared in the failure of that project.

22 We met with Oracle over a
23 couple-month period where we worked
24 through the efforts of what was spent,
25 what was recoverable, what they could

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2 contribute to a settlement and what the
3 City was looking for. The end result of
4 that was that we were given several
5 things that would allow us to go forward
6 with the water billing system and not
7 have to go back and look for additional
8 funds. The settlement included a billing
9 system that we could buy that would be
10 out of the box, because over the
11 four-year period, the development in
12 what's known as a COTS system, commercial
13 off-the-shelf software, had grown to the
14 point that it met 96 percent of the
15 City's requirements for a
16 best-of-practice billing system. That
17 doesn't mean that all the unique
18 situations outside of the billing system,
19 which is business practices, were best
20 practices, but they were the practices to
21 support the Legacy billing system. It
22 was recognized that that would have to
23 change.

24 The first part of our
25 organization was to bring the Water

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2 Revenue Department, the MOIS Department
3 and the water billing department together
4 to discuss the past and to discuss the
5 future as to how we could put together an
6 organization that would give us a chance
7 for success moving forward. And I am
8 happy to say that Commissioner Nancy
9 Kammerdeiner, Commissioner Bernie
10 Brunwasser and myself met and actually
11 negotiated a settlement with our legal
12 team with the Oracle Corporation. It's
13 been very successful in doing that.

14 So we got a billing system as
15 part of that settlement which was of our
16 choosing. We looked at three different
17 billing systems at that point. We picked
18 the one that we thought would be the
19 easiest for the City to implement and met
20 the needs of getting a billing system in
21 quickly. We also got \$1 million in
22 consulting free from Oracle, and this is
23 where we would get experts that we could
24 bring into the City to help us with our
25 Oracle platforms up to a million dollars.

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2 We got the forgiveness of our
3 maintenance costs for the E-business
4 suite, which is a purchase that we made
5 several years ago, and that came to \$2.1
6 million. We got the forgiveness of \$1.5
7 million in development costs that were
8 never invoiced to the City. They were
9 development costs that Oracle had in the
10 pipeline but had never delivered to us.
11 We got forgiveness of \$650,000 in unpaid
12 invoices that we never paid.

13 So the financial settlement
14 allowed us to, number one, get a billing
15 system that we felt we had an excellent
16 chance to implement. Number two, it gave
17 us enough funds to cover the proposed
18 implementation, which we expect to be
19 somewhere around \$6.5 million. We expect
20 that implementation to be completed
21 before the end of this year. So far we
22 are on project and we are on budget to do
23 that. And just as a minor point, we just
24 finished last week moving Legacy data
25 from the old billing system into the

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2 scrub programs that we had, delivering it
3 to the new billing system and actually
4 generating a Philadelphia water bill, not
5 in the right format, just a single water
6 bill, but we actually have a water bill
7 for a Legacy customer that we provided
8 out of the new billing system.

9 COUNCILMAN RIZZO: Well, it's
10 good to hear. Thanks for rescuing this
11 project and everyone involved, because it
12 was certainly something that was going to
13 be a significant issue here in this
14 Council, and everyone involved should
15 be -- working under the gun, I'm sure,
16 was tough, but I'm glad you got it all
17 together and represented us well.

18 MR. PHILLIS: Thank you very
19 much. I can't underestimate the
20 cooperation of the three departments in
21 working together. It has made a huge
22 difference in the project.

23 COUNCILMAN RIZZO: At the end
24 of the day, are we still friends with
25 Oracle?

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2 MR. PHILLIS: Yes, we are. In
3 fact, I just talked to them yesterday and
4 they're providing some consulting
5 services right now.

6 COUNCILMAN RIZZO: Terrific.
7 Well, thank you very much. That's what
8 we need.

9 MS. WILKERSON: I think Terry
10 deserves a huge amount of the credit. I
11 think one of the major challenges has
12 been taking technology within the City
13 that was very fragmented and trying to
14 integrate it. When we came in, we had
15 five different GIS systems, mapping
16 systems, within the City, and NTI -- we
17 spent probably \$5 million of the NTI
18 money trying to create a coordinated GIS
19 system. But it's a real challenge when
20 you have each department with its own IT
21 experts doing, when we came in the door,
22 doing their own thing. And we keep
23 referring to the IT Governing Board. We
24 now have cabinet members that sit every
25 two weeks trying to make sure that when

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2 we launch projects, we have the right
3 team in place, and Terry has been a real
4 driving force in making sure that we've
5 asked the right questions, that we've
6 populated the management team in the
7 right kind of way so we don't ever run
8 off course.

9 We're not going to be perfect
10 moving forward, but we certainly have a
11 template for trying to assure that we
12 don't make the same mistakes again. And
13 I think that some of the projects that
14 are coming out of the chute now have only
15 happened because we asked the right
16 questions up front. We make sure that
17 the right people are at the table that
18 were managing our consultants
19 appropriately.

20 COUNCILMAN RIZZO: Well, thank
21 you.

22 And, Terry, thank you for being
23 straight about it and telling us exactly
24 how it went and what we were able to
25 salvage from a deal gone bad. Again,

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2 thank you.

3 Thank you, Madam President.

4 COUNCIL PRESIDENT VERNA:

5 You're welcome, sir.

6 Ms. Wilkerson, on Page 41, you
7 mention various risks associated with the
8 City's pension fund and you state, quote,
9 "However, policy adjustments such as
10 decreasing the fund earnings assumptions
11 and moving to the FY03 MM0 contribution
12 level will mitigate future risk."

13 Can you explain how going to
14 the MM0, which is significantly lower
15 than the City's funding policy, mitigates
16 future risk to the pension plan?

17 MR. JANNETTI: Councilwoman --

18 MS. WILKERSON: It should
19 say by going to the minimum, we avoid
20 risk to the budget. I think the pension
21 plan would be better off if we were
22 paying more. I think by lowering the
23 earnings assumption we protect the City
24 against falling further behind, but it's
25 still very much a pension plan that is in

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2 trouble.

3 There have been recent reports
4 analyzing the pension programs of the
5 major top 55 largest cities. We're right
6 there near the bottom, if not at the
7 bottom. We're only 53 percent funded.
8 And that's why the Administration was up
9 here testifying in opposition to the
10 pension COLA bill. We think that -- we
11 understand that retirees experience
12 hardship, but don't believe that taking
13 the control off the COLA program is the
14 appropriate way to go, in large part
15 because we've got to be focused on trying
16 to build up the pension fund and thought
17 that taking the limitation off us was the
18 wrong way to go.

19 COUNCIL PRESIDENT VERNA: Thank
20 you.

21 On Page 45 of the Plan in the
22 PGW section, you state that PGW has been
23 legally released from making its \$18
24 million payment to the City.

25 I don't believe that this is an

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2 accurate statement. Can you show us the
3 amendment to the management agreement
4 that legally relieves PGW from making the
5 payment?

6 MS. WILKERSON: That's a
7 misstatement. That's not an accurate
8 statement. The management agreement in
9 fact requires that PGW make the payment.
10 Mr. McPherson has reminded me that that's
11 appropriate, that's as it should be. The
12 City then can grant it back to the
13 company, to the extent that the company
14 needs it for its operations.

15 We will in the final plan
16 correct that so that it's stated
17 correctly and make sure that it's
18 reflected that way throughout the Plan.

19 COUNCIL PRESIDENT VERNA: Okay.
20 And the Plan assumes that PGW will not
21 make the \$18 million payment in Fiscal
22 '09, '10, '11 and '12. By PGW not making
23 the payment and the City not granting it
24 back to them, what is the impact to their
25 debt service coverage calculations?

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2 MS. WILKERSON: We will make
3 that correction. It helps the company
4 with its debt coverage ratio. We did not
5 reflect it accurately in this Plan.
6 Before the final Plan is submitted to
7 PICA, we will change it so that the
8 payment and the grant back is reflected
9 appropriately.

10 COUNCIL PRESIDENT VERNA: As
11 policy decision-makers as to what is and
12 what is not included in the budget and
13 the Five-Year Plan, can you explain your
14 rationale for the following position
15 adjustments and describe the process you
16 used to make these adjustments? They are
17 the Health Department reduction of 85
18 positions in 2008.

19 MS. WILKERSON: Let me just
20 give you some policy, some -- when we
21 began putting the budget together, we
22 look at the services, we look at the
23 revenue and then go to the departments
24 and ask -- tell the departments that we
25 need for them to identify with a dollar

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2 figure and ask for them to come up with
3 strategies for either raising additional
4 revenue or achieving savings, and they
5 can achieve that savings in Class 100,
6 Class 200, with the goal though of
7 preserving department services, core
8 department services. And then it is the
9 Budget Department that goes out and
10 actually engages in the departments, and
11 Dianne can talk to you a little bit about
12 the kind of conversations that go on with
13 the various departments.

14 MS. REED: The Health
15 Department was one of the many that were
16 included in the 2.5 percent position
17 reduction. But so you know, with the
18 increases that were given by Council, the
19 budgeted position level for this year was
20 748 positions. As of the last week in
21 February, they had 628 people on staff,
22 which happens to be the same number that
23 they had in June of the previous year.
24 So that we gave them the 2.5 percent
25 dollar reduction, which was a million 40.

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2 They came back to us with a staffing
3 proposal level of 663 positions.

4 They did also ask for 121
5 positions in addition to that, which was
6 one of the large ones for the
7 justification request above the budget
8 call. But the final budget in brief does
9 include 663 positions, which is 35 above
10 their current level.

11 MS. WILKERSON: We are working
12 with the Health Department to make sure
13 that their core services in fact are
14 being delivered, but one of the things
15 that has become very sobering is, we ask
16 departments for cuts and they come back
17 to us and say, Cuts? We need more. They
18 wanted \$90 million more. They didn't
19 want to have cuts. They wanted to have
20 \$90 million more in order to do the core
21 work of their departments. And that's a
22 one-year number.

23 I think that we are rapidly
24 reaching the point that we don't have
25 sufficient revenue in order to even do

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2 the core functions that people expect of
3 this government. We will have -- the
4 reason I put the chart in my testimony
5 is, we have \$3 billion, \$3 billion that
6 we didn't spend. We invested it. We
7 invested it for good reason, but it can't
8 go on forever. And the tax reductions
9 are becoming more aggressive in '11 and
10 '12. They jump up again even higher in
11 '13 and the out years.

12 When we go to these
13 departments, they have done an incredible
14 job finding efficiencies. They continue
15 to do an incredible job finding
16 efficiencies. They reorganize. They
17 change the supervision ratio. Some of
18 the initiatives they come up with are
19 supported. We've come here and had other
20 ideas not well received, and so we
21 haven't taken advantage of opportunities
22 for savings, but we're rapidly reaching
23 the point that none of the departments
24 has adequate revenue. Fleet is down 25
25 percent. The Fleet personnel number is

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2 down 25 percent.

3 So none of these cuts are easy
4 cuts. When we go to departments, we know
5 they're going to be difficult. We know
6 there are going to be things that don't
7 happen. And it reflects a strategy that
8 we ought to be revisiting on a
9 year-by-year basis, but we don't. We
10 have the tax -- the wage tax reductions
11 locked in, I think, until 2015. So it's
12 hard for all the departments.

13 COUNCIL PRESIDENT VERNA: Well,
14 I don't know what positions are being
15 reduced, because last year we heard that
16 in some of the health clinics people had
17 to wait six months for an appointment.
18 Now, are these individuals that we're
19 cutting part of that clinical process?
20 Will people have to wait another six
21 months?

22 MS. WILKERSON: We will be
23 doubling back to work with the Health
24 Department to make sure they're not Class
25 200 savings. I am not satisfied that we

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2 haven't done an adequate job looking for
3 non-personnel-related costs. But by the
4 time you get to '11 and '12, you're
5 taking \$50 million out in just a year.
6 It has become a real challenge finding
7 adequate resources. We've put more money
8 into police. It is appropriate spending,
9 but when you do that, the burden -- and
10 you protect all these departments and
11 hold them harmless, it becomes a real
12 substantial burden on the departments
13 that have not been protected. And so
14 there are cuts in this budget that are
15 painful.

16 MS. REED: Councilwoman, if I
17 might add, in the citizen survey, we did
18 ask people about waits, not waits for
19 appointments this year but we did ask
20 them about waiting once they got to the
21 center, and the number of people who wait
22 fewer than 15 minutes actually increased
23 and the number of people waiting more
24 than an hour went down, while overall
25 satisfaction with the health centers

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2 continue to rise and the majority of
3 people -- because we did ask for the
4 first time this year "did you wait about
5 as long as you expected to wait," and the
6 majority of people, over 60 percent, said
7 either it was about what they expected or
8 actually shorter than what they expected.
9 So what people hear anecdotally and what
10 the public-at-large is responding is
11 somewhat different.

12 COUNCIL PRESIDENT VERNA: But
13 to wait six months for an appointment is
14 the issue. It's not once they get to the
15 appointment that they wait a shorter
16 period of time. It's how long they have
17 to wait to get there.

18 The Chair recognizes
19 Councilwoman Tasco.

20 COUNCILWOMAN TASCO: Thank you.

21 In the survey did they say
22 that -- you said that they didn't wait as
23 long as they thought they would wait; is
24 that what you said?

25 MS. REED: Yes.

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2 COUNCILWOMAN TASC0: Did they
3 ask that -- I'm trying to figure out the
4 question I want to ask about that.
5 There's something missing in that
6 question.

7 Did they have any expectations
8 otherwise?

9 MS. WILKERSON: I think we all
10 agree --

11 COUNCILWOMAN TASC0: They
12 always knew they would wait, so they
13 expected to wait. So they waited a
14 shorter time.

15 MS. WILKERSON: I think we all
16 agree that a six-month wait is too long,
17 that when you don't expect much then and
18 you get a little bit, I guess you're
19 happy that you got a little bit. And
20 that shouldn't be our standard, but
21 unless we identify additional revenue
22 sources or unless we -- and that could
23 either be through additional tax revenue,
24 it could -- when we have our asset sales,
25 when we bring properties and we begin

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2 balancing and we'll come and say, The
3 property is worth 3 million, but there's
4 a better use for the property, so we
5 don't get all the \$3 million that we
6 might want to have, when we make those
7 individual decisions, they build up and
8 they end up being reflected when we go to
9 departments and say, We need for you to
10 take a two and a half percent cut. It's
11 been going on for a long time and it's
12 beginning to have a real negative impact
13 in departments, and there will soon come
14 the day when Council will need to revisit
15 some of these tax cuts.

16 We think we've come up with a
17 budget and a Five-Year Plan that
18 preserves the tax cuts, but the Cohen tax
19 cut was moved back to the following year.
20 The wage tax cuts become even more
21 aggressive in FY13. We will reach the
22 point that a two and a half percent cut
23 won't get the job done.

24 There's some real fundamental
25 challenges in this budget and in this

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2 Five-Year Plan that we're going to need
3 to tackle, and that's before we even
4 begin to try to take on things like
5 additional school funding or SEPTA. We
6 don't yet know what the state is going to
7 say is our responsibility under full
8 funding for SEPTA. We have additional
9 social services that we think could help
10 us break the back on some of this crime
11 cycle going on, but that takes money.

12 COUNCILWOMAN TASC0: The Mayor
13 requested to move his budget address
14 until after the Governor submitted his
15 budget to do concerns on the state
16 funding for human services. That being
17 said, the City's DHS budget is being
18 increased by 85.2 million, or 14.4
19 percent. Was this increase in funding
20 included in the state's budget?

21 MS. WILKERSON: No. We are in
22 a situation similar to a situation we
23 encountered a few years back when we're
24 going to have to work with our state
25 delegation to get funding for our

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2 prevention programs, get the kind of
3 funding that we need, and we're
4 confident -- we may not get all that we
5 want. We're confident that we will do
6 better than we did in the Governor's
7 budget.

8 We know that the curfew centers
9 are working, the truancy initiatives are
10 working, some of the other prevention
11 programming that we're doing is working,
12 and so we intend to fight for it. We
13 didn't get what we wanted to see in the
14 Governor's budget, but we're confident
15 that by working with the delegation we
16 can do better.

17 COUNCILWOMAN TASC0: Well, what
18 experience have you had in the past in
19 working with the state delegation on the
20 funding that you need from the state?

21 MS. WILKERSON: It was in --

22 COUNCILWOMAN TASC0: That's
23 ongoing. Have you had any progress
24 through the years?

25 MS. WILKERSON: Yeah. I forget

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2 whether it was '05, '06.

3 Where's somebody old here?

4 Julia Danzy is old. She'll
5 come to the microphone. I meant she has
6 a long history with the City.

7 MS. DANZY: Good morning.

8 Julia Danzy, Director of Social Services.

9 Actually, just in our last year
10 with the state when they were cutting our
11 TANF funds and we were -- it was 45
12 million and they were only going to give
13 us 15, we were able to advocate with them
14 and we got that money restored, which
15 increased -- and they also took away the
16 criterias by which we could expend that
17 money, so it allowed us the opportunity
18 to continue with some of the initiatives.

19 As it relates to the current
20 one, usually every year how the state
21 operates is that they always know that
22 they've underfunded, and they also know
23 that they're also going to have appeals.
24 We right now have an appeal in to the
25 state based on the fact that last year

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2 when we submitted our budget for the AVRP
3 initiative, they only funded us for half
4 a year. We've demonstrated that indeed
5 we -- and they funded us for half a year
6 because they said that we couldn't
7 possibly get that done within the year.
8 Well, we did that. We did the full year
9 of it. And so we have an appeal with
10 them on that. And as tradition has been,
11 after the end of the state's budget, our
12 period, they always go back, because
13 counties under-spend, because counties
14 make the decision we're not putting up
15 any more money no matter what you, state,
16 have allocated for us. Once that is
17 done, they come back, and for usually
18 Philadelphia County, Allegheny County
19 where we're usually the ones that are
20 above our level, they then address our
21 appeal, and we tend to usually get at
22 least 85 percent of what we have
23 positioned our appeal basis on.

24 So we have every confidence
25 that while we certainly probably won't

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2 get the 85 million back, we will get a
3 certain percentage of that money back
4 from the state.

5 COUNCILWOMAN TASC0: What do
6 you think PICA's feeling is about
7 including this in your budget?

8 MS. WILKERSON: When we deal
9 with PICA --

10 COUNCILWOMAN TASC0: Thank you,
11 Julia.

12 MS. DANZY: Thank you.

13 COUNCILWOMAN TASC0: Ms. Danzy.
14 I'm sorry.

15 MS. WILKERSON: What we end up
16 supplying to PICA is a plan for how we
17 would -- what we're not going to do if
18 the funds don't come through.

19 COUNCILWOMAN TASC0: That means
20 the programs would just not be funded.

21 MS. WILKERSON: That's right.

22 The Mayor is very committed to
23 these programs. These are a priority,
24 and so we're involved on an ongoing basis
25 at the state level, but at the end of the

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2 day, if the funding doesn't come through,
3 we go to PICA with a plan, showing them
4 what we want to do.

5 COUNCILWOMAN TASCO: Thank you.
6 I only get one question every half hour.

7 COUNCIL PRESIDENT VERNA: Thank
8 you.

9 The Chair recognizes Councilman
10 Kenney.

11 COUNCILMAN KENNEY: Thank you,
12 Madam President.

13 Good morning still. Could you
14 tell me how many people are served yearly
15 by the health centers? Do we have a
16 total number on the number of people that
17 actually come through the health center
18 doors?

19 MS. WILKERSON: I'll ask the
20 Health Commissioner to come up.

21 COUNCILMAN KENNEY: Good
22 morning.

23 COMMISSIONER PARIS: Carmen
24 Paris, Health Commissioner.

25 We have about 100,000

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2 individuals coming in.

3 COUNCILMAN KENNEY: Of that
4 hundred thousand, how many are adults?

5 COMMISSIONER PARIS: It's about
6 80/20, 80 percent adult, 20 percent
7 children.

8 COUNCILMAN KENNEY: And do you
9 know from your statistics how many are
10 repeat visits? It's not 100,000 people.
11 It's 100,000 visits representing how many
12 people?

13 COMMISSIONER PARIS: It's
14 100,000 patients, sir, representing about
15 325,000 visits a year.

16 COUNCILMAN KENNEY: So the
17 visits are 325; it's 100,000 people.

18 COMMISSIONER PARIS: That's
19 correct.

20 COUNCILMAN KENNEY: Have you
21 been able to break down the cost either
22 monthly or annually for those hundred
23 thousand people?

24 COMMISSIONER PARIS:
25 Individually per patient?

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2 COUNCILMAN KENNEY: Yes. Can
3 we figure out a way to quantify the
4 actual monthly or yearly cost for each
5 person that we're serving in the center?

6 MS. WILKERSON: An average cost
7 per person?

8 COUNCILMAN KENNEY: Yes,
9 average cost.

10 COMMISSIONER PARIS: We don't
11 have an average cost per patient. We
12 have an average cost of what we get
13 reimbursed by Medicare and Medicaid per
14 patient.

15 COUNCILMAN KENNEY: And how
16 much does that fall short of the actual
17 cost of the service?

18 See, what I'm trying to get to
19 is, when you go into a normal doctor's
20 office, there's a cost associated with
21 his or her time in dealing with you and
22 they bill, I guess, the insurance company
23 if you're insured appropriately. They'll
24 always haggle over whether it's enough
25 money they're being reimbursed, but I

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2 would like to try to get a handle on our
3 arm's around what it actually costs us.
4 And I assume you break that down by
5 salaries and benefits of the people
6 dealing with them and all of the
7 utilities of keeping the center open and
8 running the center.

9 I just think it would be
10 interesting to know with that hundred
11 thousand population what we're spending a
12 month vis-a-vis a private healthcare
13 coverage. Are we way out of whack, are
14 we way under, that kind of thing.

15 COMMISSIONER PARIS: We will be
16 very happy to get the details to you.
17 What happens is, we offer different
18 services. So for prenatal, for example,
19 could be anywhere between 800 to 600 a
20 session. So we divide that in different
21 ways. But we will be more than happy to
22 get that to you broken down by adult
23 and --

24 COUNCILMAN KENNEY: If you
25 could break it down by people who come in

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2 with colds as opposed to people who come
3 in for prenatal. I assume the mental
4 health is segregated because of CBH?

5 COMMISSIONER PARIS: It's
6 different.

7 COUNCILMAN KENNEY: So those
8 folks are not coming into the health
9 center for CBH or are they?

10 COMMISSIONER PARIS: Well, we
11 have a couple of health centers where we
12 provide mental health services, but
13 there's a separate contract for that and
14 they bill separately. But for our
15 services, we will be able to provide you
16 with what initial visit -- the cost for
17 an initial visit, a cost for a treatment,
18 a cost for podiatry, a cost for prenatal,
19 for all the services that we provide.

20 COUNCILMAN KENNEY: Because I
21 would like to try to do some comparison
22 on a monthly basis of what an average
23 person pays for an HMO as opposed to what
24 we're spending monthly.

25 What was the other -- I'm

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2 sorry. I had a senior moment. It just
3 went out of my head.

4 MS. WILKERSON: It gives us
5 time to catch up.

6 COUNCILMAN KENNEY: I'll come
7 back on the next round.

8 COUNCILWOMAN BLACKWELL: I have
9 a follow-up question for the
10 Commissioner.

11 COUNCIL PRESIDENT VERNA: The
12 Chair recognizes Councilwoman Blackwell.

13 COUNCILWOMAN BLACKWELL: Thank
14 you.

15 Commissioner, my question is --
16 and this gentleman is not a senior, so I
17 don't know why my colleague is saying
18 those things.

19 At any rate, my question is,
20 we've been through times where we were
21 kind of caught up with people wanting
22 dental treatment and doctors treatment
23 and times where we're maybe a month
24 behind in services. Is the issue for
25 health centers an issue of employees

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2 working there or an issue that we don't
3 have enough centers if we maximize our
4 employees to take care of the population?

5 COMMISSIONER PARIS: It's a
6 combination of several issues. One of
7 them is, of course, the demand because of
8 high number of uninsured and uninsurable
9 patients that we service. It's a
10 combination of the chronic diseases that
11 they present with. It's a challenge of
12 what the Managing Director talked about
13 earlier, which is hiring the people,
14 nurses, for example, and pharmacists and
15 so on, to work at the centers.

16 COUNCILWOMAN BLACKWELL: So we
17 had enough employees, could we handle the
18 population we see and not have long
19 waiting lines?

20 COMMISSIONER PARIS: Well,
21 there's also the facility challenge. We
22 have but so many exam rooms and we have
23 but so many -- they're but so big. We
24 certainly right now as a request of the
25 Managing Director, we're looking at how

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2 can we work with potentially flexible
3 schedules, when is it that the patients
4 want to come, when is it that we can
5 offer better service, would they want to
6 come -- if they're open in the evening,
7 would they come and so on. We're looking
8 at ways in which we can be creative in
9 terms of deployment of the staff that we
10 already have. We're doing that right
11 now, ma'am.

12 COUNCILWOMAN BLACKWELL: One
13 last question and then I think Councilman
14 Kenney remembered his question. My last
15 question is, when people come for
16 medication, whether they are insured or
17 not, can they get it without -- I know
18 that they may have to be processed to get
19 on somebody's plan. Can everybody get
20 their prescriptions filled?

21 COMMISSIONER PARIS: Yes,
22 ma'am. Every health center patient that
23 comes in and gets a prescription from our
24 physicians will get medication free of
25 charge.

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2 COUNCILWOMAN BLACKWELL: Thank
3 you.

4 COMMISSIONER PARIS: I'm sorry.
5 I just wanted to add something that the
6 Chief of Staff just reminded me, and it
7 is that in all of the options that we
8 have right now and all the different
9 opportunities that we have right now,
10 we're looking at the prescription for
11 Pennsylvania from the Governor as one
12 that will offer hopefully some options,
13 positive options, for the Health
14 Department.

15 COUNCILWOMAN BLACKWELL: Thank
16 you.

17 Thank you, Madam President.

18 Thank you, Councilman.

19 COUNCIL PRESIDENT VERNA: Thank
20 you.

21 Councilman, while we're on the
22 Health Department, can I just ask one
23 question, please.

24 It had been rumored that the
25 building of the health center at Broad

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2 and Lombard was going to be sold. That
3 was a rumor that's been circulating in
4 the community. Can somebody tell me if
5 that is a true rumor or is it false.

6 MS. WILKERSON: I'll have Joan
7 Schlotterbeck come up. It is a true
8 rumor.

9 COMMISSIONER SCHLOTTERBECK:
10 Good morning. Joan Schlotterbeck, Public
11 Property Commissioner.

12 The answer is that it is up for
13 sale and we're very close to beginning
14 negotiations with the Trust.

15 COUNCIL PRESIDENT VERNA: What
16 Trust?

17 COMMISSIONER SCHLOTTERBECK:
18 The Johnson Collection.

19 MS. WILKERSON: Explain the
20 whole -- the site is not all one site.

21 COMMISSIONER SCHLOTTERBECK:
22 Actually, we own a portion of the site
23 and the Trust owns the other portion. So
24 we're combining the two properties
25 because the value will be greater and

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2 we're making one sale, and we're going to
3 acquire the property. The City of
4 Philadelphia is going to acquire the
5 property from the Trust to control the
6 site.

7 MS. WILKERSON: But the Johnson
8 Trust owns probably a third of the site.
9 The City owns the balance of the site. I
10 think we had a lease with the Trust that
11 expired in --

12 COMMISSIONER SCHLOTTERBECK:
13 That's correct.

14 MS. WILKERSON: -- in '08.

15 COMMISSIONER SCHLOTTERBECK:
16 Yeah. It expires June of '08.

17 MS. WILKERSON: And so we were
18 having to make a decision. The City for
19 a long time, though, has been looking at
20 that site trying to determine whether
21 that was the most appropriate site for a
22 health center or could we find a better
23 facility to provide health services in
24 that part of Philadelphia. And so with
25 the '08 date coming up, we made the

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2 decision to acquire the back part, the
3 Johnson Trust part of the site, so that
4 we could consolidate the site. It
5 increases the value of what the City
6 already owns, and then would propose
7 probably disposing of the site,
8 relocating the health facility. There
9 are a number of different Health
10 Department functions that they're looking
11 at perhaps consolidating into a better
12 location, a better facility. And
13 those -- we can brief Council. When
14 Public Property comes, they can come back
15 and brief in more detail.

16 COUNCIL PRESIDENT VERNA: Do we
17 have the monies to obtain the portion we
18 do not own?

19 MS. WILKERSON: Yes.

20 COUNCIL PRESIDENT VERNA: How
21 much will that cost?

22 COMMISSIONER SCHLOTTERBECK: We
23 haven't even begun negotiations.

24 MS. WILKERSON: But we've had
25 appraisals done.

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2 COMMISSIONER SCHLOTTERBECK: We
3 have. They've had theirs done and we've
4 had ours.

5 MS. WILKERSON: We'll share it
6 with you privately.

7 COUNCIL PRESIDENT VERNA: Okay.
8 And I would appreciate being apprised of
9 what's going on there, because I've heard
10 from my constituents who have a great
11 deal of concern about their relocating
12 that facility.

13 COMMISSIONER SCHLOTTERBECK:
14 Okay.

15 COUNCIL PRESIDENT VERNA: So I
16 would appreciate being informed as you go
17 along, please.

18 COMMISSIONER SCHLOTTERBECK:
19 Sure.

20 COUNCIL PRESIDENT VERNA: Thank
21 you.

22 The Chair recognizes
23 Councilwoman Miller.

24 COUNCILWOMAN MILLER: Thank
25 you. Thank you, Madam President.

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2 I just want to pick up on the
3 health center question. I have a
4 question.

5 How many patients does the
6 health centers actually have? How many
7 people have you served?

8 COMMISSIONER PARIS: We have --
9 Carmen Paris, Health Commissioner.

10 We have approximately 100,000
11 patients that we see yearly at the health
12 centers.

13 COUNCILWOMAN MILLER: And how
14 many patients were surveyed; do you know?

15 MS. WILKERSON: In the citizen
16 satisfaction survey?

17 COUNCILWOMAN MILLER: Yes.

18 MS. REED: 1,100 Philadelphians
19 were surveyed in the citizen satisfaction
20 survey, which is a super sample, because
21 a statistically valid sample is only 385,
22 but we were looking for representation
23 for councilmanic districts and so you
24 need a bigger survey the smaller the area
25 is, so that's why we have 110 per

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2 So we're very pleased with that
3 significant improvement.

4 COUNCILWOMAN MILLER: Okay.
5 That's good to hear.

6 The other question I have is
7 regarding the management of the prison
8 population. Somewhere I read that Temple
9 University has come up with 20 ways --
10 I'm looking for my page -- or 20
11 suggestions on managing the prison
12 population.

13 MS. WILKERSON: I want to ask
14 the Managing Director to come and comment
15 on that.

16 MR. RAMOS: Good afternoon.
17 Pedro Ramos, Managing Director.

18 There are, I think, two
19 different things that you're referring to
20 in your question, Councilwoman Miller.
21 One is a study done by Temple University,
22 a professor named Dr. Goldkamp. He has
23 done a study of the prison population on
24 behalf of the Criminal Justice
25 Coordinating Committee. The Criminal

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2 Justice Coordinating Committee is a group
3 chaired by the City Solicitor that
4 involves the City criminal justice
5 departments as well as the independently
6 elected offices that are part of the
7 criminal justice system, such as the
8 courts, the District Attorney's Office
9 and the Public Defenders and Clerk of
10 Quarter Sessions. All the players are
11 part of that.

12 That committee had come up with
13 a set of, at one point, 24
14 recommendations for managing the prison
15 population. I'd say about 17 or 18 of
16 them relate to things that are outside of
17 the Administration's control. They
18 really are about long-term efforts --
19 short- and long-term efforts that involve
20 most often the court system procedures.
21 On the City side, there were a number of
22 recommendations, which we'd be happy to
23 either by briefing or by supplemental
24 testimony brief Council or individual
25 Councilpeople on the Goldkamp study, as

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2 well as brief you on the individual
3 initiatives.

4 To give you a couple examples,
5 on the part of the courts, Judge
6 Fitzgerald led an effort to speed up the
7 process by which dispositions happened in
8 the court. On the City side, a lot of
9 the effort -- we supported, I believe it
10 was, the Public Defenders' efforts by
11 providing them more resources. With, I
12 think, two or three additional people
13 they believed that they were able to
14 process more people who really would be
15 out of jail but for the process. So they
16 were able to -- they received
17 supplemental funding from the Budget
18 Office to staff up to get people out of
19 jail -- who were supposed to be out of
20 jail out of jail faster.

21 COUNCILWOMAN MILLER: Okay. So
22 you're going to give us either a written
23 document or a briefing, you said?

24 MR. RAMOS: Yes. We can do one
25 or both of those, whichever you'd like.

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2 COUNCILWOMAN MILLER: Okay.

3 Pretty much along the same line, can we
4 have a list of who is actually running
5 some of the youth violence prevention
6 programs, AVRP, YVRP? If we want to
7 refer somebody, I mean, I do know a
8 couple places, the more popular places,
9 like PAAN or Integrated Town Watch, but
10 there are other people that have these
11 programs going on. I think we need a
12 list of who they are so that if we want
13 to refer someone there, we can do that.

14 MR. RAMOS: I'm looking over at
15 the Director of Social Services, Julia
16 Danzzy. I think we should be able by the
17 end of tomorrow to get each Council
18 office a resource list. It's a good
19 thing for you all to have.

20 COUNCILWOMAN MILLER: Right.

21 And also I know that you're doing new
22 truancy centers -- not truancy; curfew.
23 I get them both mixed up, but they both
24 go hand in hand. And I know that I
25 believe there's going to be one in our

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2 district. I know where the one is in our
3 district. The Mayor keeps saying he
4 wants to have more truancy centers.
5 Where are those going to be located? Are
6 they going to be throughout Philadelphia?
7 Because I guess one of the questions I
8 have is this: The one that's going to be
9 in my district they're calling the
10 Northwest Center, but it's not in
11 Northwest. It's really in Nicetown. So
12 I just want to make sure that there is
13 one that's put up in the Northwest that's
14 going to serve the Northwest, or is that
15 the only one that's going to be around in
16 the 8th District? I need to know that.
17 So where are they going to be?

18 MR. RAMOS: Councilwoman, the
19 plan is to ultimately have 12 curfew
20 centers spread out over the City. The
21 first curfew center where the pilot was
22 started in South Philadelphia in the
23 Dixon House in the 1st and 17th Police
24 Districts has been going on --

25 COUNCIL PRESIDENT VERNA: And I

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2 must say -- I don't mean to interrupt
3 you, but that has been a huge success.

4 COUNCILWOMAN MILLER: I know.
5 Everybody keeps saying that, and it's
6 really great.

7 COUNCIL PRESIDENT VERNA: Yes.

8 MR. RAMOS: Thank you.

9 And that's been going on since
10 August. We are about to -- and we've
11 been working on a group of four more, I
12 believe, but we're ultimately going to
13 get to 12, we hope, by the end of this
14 fiscal year, by June 30th. We are
15 working now in North -- actually, we're
16 working in Southwest, East, Northwest and
17 North, and I note that you took issue or
18 had a comment about how we described
19 Northwest. Those are the other areas
20 we're working on now. Two of them will
21 be -- the next two are rolled out in the
22 next two weeks, I believe. We now have
23 selected sites and are still recruiting
24 some volunteers, but I think by the next
25 two, two and a half weeks we're rolling

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2 those out. And then we'll be rolling out
3 the other two as we start the process of
4 again meeting with community leaders and
5 following the steps we did for Dixon
6 House for each of the additional curfew
7 centers until we get to 12. So there's
8 still a fair amount of the City that we
9 are going to reach that we have not yet
10 begun.

11 COUNCILWOMAN MILLER: Okay.

12 Can I just sneak in one more
13 question? I did hear the bell.

14 COUNCIL PRESIDENT VERNA: Yes.

15 COUNCILWOMAN MILLER: Thank
16 you. And then I'll be finished.

17 COUNCIL PRESIDENT VERNA: Go
18 ahead.

19 COUNCILWOMAN MILLER: And this
20 is actually back to prisons again. What
21 exactly are the one-stop centers going to
22 do for the ex-offenders? I know that
23 lots of inmates maybe while they're in
24 prison they've lost their driver's
25 license and things like that. Will this

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2 center actually help them with those
3 kinds of things?

4 MS. DANZY: Julia Danzy, DSS
5 Director.

6 The one-stop centers are set up
7 to provide a comprehensive one-stop-shop
8 process for our ex-offenders.

9 Traditionally, our ex-offenders when they
10 leave prisons, some may be homeless, some
11 may have no resources about job, they may
12 need to continue their training efforts
13 or just need connecting with services and
14 they're kind of at their own devices.

15 With our centers, which we have one now
16 that is on Woodland -- I think it's kind
17 of 54th and Woodland Avenue. And as the
18 Managing Director said previously, we
19 plan on two more. Where an ex-offender
20 will come there and they will get
21 assessed in terms of what their needs
22 are. They will then be either connected
23 to where they can get the service or
24 within the center itself. We have mental
25 health there, we have probation there, we

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2 have some of our provider agencies there
3 who are actually going to begin to put
4 them into job training and then get them
5 connected with job sources. We have a
6 link with our shelter system, as well as
7 trying to now develop resources where
8 rather than just moving them into our
9 shelter system, because that's not what
10 we really want to do, that we would be
11 able to get them linked with homes.

12 What the other thing we're
13 doing in working in concert with the
14 prisons is starting before they even
15 leave, because many of our ex-offenders,
16 one of the big issues is the disconnect
17 with family members, because they've kind
18 of burned those bridges. And so we're
19 trying to begin before they leave out to
20 work with the family. Because a lot of
21 times families, if they know you're going
22 to be working with them, are willing to
23 let them come back home, so it allows us
24 to at least have a point, a base, for
25 them to begin to get some assistance.

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2 COUNCILWOMAN MILLER: And this
3 assistance will be provided to any
4 ex-offender, not just a newly released,
5 correct?

6 MS. DANZY: Any ex-offender.
7 We're working with the state. We've had
8 involvement with them, and they are
9 interested in even maybe having someone
10 of theirs even at the center. But we are
11 connecting with all of them, yes.

12 COUNCILWOMAN MILLER: Okay.
13 And so the other two hopefully will be
14 more centrally located than Woodland
15 Avenue.

16 MS. DANZY: Yes. It is our
17 desire -- as you know with,
18 unfortunately, most of our services,
19 everyone wants us to help them, but
20 nobody wants us to put the help in their
21 area. But we are looking now as to where
22 we might be able to locate the other
23 services.

24 MS. WILKERSON: That is a huge,
25 huge challenge. We have programming like

16 MS. WILKERSON: And so it has
17 an impact. It means that somebody coming
18 out of prison doesn't get the kind of
19 programming. And it's not because we're
20 not prepared to deliver it; it's just we
21 don't have any place to deliver it. And
22 I don't know whether we all get around
23 the table and come up with a process for
24 it, but this is getting -- this is
25 creating a real challenge for a lot of

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2 the social service programs we operate.

3 COUNCILWOMAN MILLER: Right.

4 And you know that District Councilpeople
5 are very familiar with that problem, and
6 maybe your suggestion to get around the
7 table and come up with a process might be
8 helpful rather than someone applying --
9 we have people that go buy a building and
10 then try to force what they want on the
11 neighbors, and that doesn't work. That
12 just doesn't work.

13 MS. WILKERSON: We need to
14 change something about that, because
15 we're at a real impasse now.

16 COUNCILWOMAN MILLER: Right.

17 Okay. Thank you.

18 Thank you, Madam President.

19 COUNCIL PRESIDENT VERNA:

20 You're welcome.

21 The Chair recognizes
22 Councilwoman Tasco.

23 COUNCILWOMAN TASCO: Thank you
24 very much.

25 I've been very much interested

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2 in trying to find alternate ways to pay
3 for some of our capital needs rather than
4 borrow money. I have two questions and
5 both are related to \$30 million. One is,
6 a few years ago --

7 MS. WILKERSON: You said --

8 COUNCILWOMAN TASC0: -- when
9 this Council was asked to approve a \$30
10 million borrowing for the renovation and
11 expansion of the Central Library, we
12 suggested that PICA funds could be made
13 available for this purpose, but the
14 Administration through Ms. Reed made it
15 clear that it was not an eligible use of
16 PICA dollars and, therefore, we could not
17 do that. Why now two years later it's
18 okay and the thing to do?

19 MS. WILKERSON: If it was
20 expansion, a substantial -- probably the
21 majority of the Library's plan is for
22 expansion. The PICA dollars can't be
23 spent for expansion.

24 MR. JANNETTI: Vince Jannetti,
25 Acting Finance Director.

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2 That's correct, Councilwoman.

3 The bond funds that were earmarked for
4 the Central Library were for the
5 expansion portion of it. We did \$10
6 million of that, of those funds, was for
7 engineering and architectural services.

8 COUNCILWOMAN TASC0: Before you
9 go on, that's not what I'm talking about,
10 the expansion. There was a whole
11 discussion around the infrastructure, the
12 current conditions at the library.
13 Specifically, Councilman DiCicco and the
14 President raised a lot of issues about
15 that, and it was suggested that we use
16 some of the PICA interest money for the
17 repair of the existing library and we
18 were told that that was not -- because it
19 was not a safety issue, those dollars
20 couldn't be used.

21 It wasn't about the expansion.
22 It was about what you're talking about
23 here, using some of the money for our own
24 facilities.

25 MS. WILKERSON: I'm not

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2 familiar with that. I know that the
3 Mayor had a number of feelings about this
4 money, that it ought to be used for
5 extenuating circumstances. We now are up
6 against a spending deadline on the PICA
7 interest earnings and have proposed a
8 number of projects. Ten million of what
9 we -- 9 million of what we propose to
10 spend would in fact go for existing
11 library improvements. We propose money
12 for police stations, money for fire
13 stations. There's also a police
14 warehouse property. I think there are
15 like 188 people who work there, evidence
16 and other things. That building is in
17 deplorable and unsafe condition. It
18 doesn't have basic fire safety systems in
19 place, and so we're proposing funding for
20 that. Altogether there are \$40 million.
21 Those projects are detailed in the
22 Five-Year Plan.

23 COUNCILWOMAN TASC0: I'd
24 suggest you go back to the testimony of
25 April 27, '05, which lays out the entire

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2 discussion by this Council around the
3 dollars, those PICA interest dollars,
4 that could be used for capital
5 infrastructure improvements and it was
6 stated in there that it was not possible
7 and at one point Ms. Reed said that the
8 PICA money could only really be used for
9 a building that was in existence at the
10 time of the legislation in 1992, and she
11 was reminded by Mr. Kenney that the
12 existence was 1907.

13 Further in the testimony -- I
14 mean, we just got beat down about trying
15 to use other alternatives for funding and
16 particularly around the PICA interest
17 money and we were just told that it
18 couldn't be done. When I read the
19 Five-Year Plan that you could -- oh,
20 okay. You had a legal opinion that it
21 couldn't be used. So one of the problems
22 we have -- at least I have -- is what
23 kind of feedback we get when we ask
24 questions or we have other alternatives
25 for funding projects or paying for our

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2 needs and then we get shot down like we
3 shouldn't use that possibility, and then
4 you come back the next year and you say,
5 Well, we're going to use it this year.
6 So what happened?

7 MS. WILKERSON: I'm not
8 familiar with the opinion. I'll get back
9 to you on that.

10 COUNCILWOMAN TASC0: Because it
11 becomes a credibility issue for me in
12 terms of when we ask can we do something,
13 it doesn't -- we don't get the support.
14 And the same thing is with the \$30
15 million that we put forth from the
16 unanticipated 2006 General Fund surplus
17 for capital improvements dealing with the
18 issue of pay-as-you-go rather than borrow
19 money, and the Mayor let the bill become
20 law without his signature, but now we see
21 that you put it back into the General
22 Fund. And we want to know, what is the
23 rationale and is the Administration
24 taking the position that an accounting
25 policy takes precedent over the

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2 legislative intent of this Council.

3 MS. WILKERSON: At the time the
4 Mayor returned the legislation without
5 his signature, he indicated that there
6 were concerns raised about Council on its
7 own creating a class that did not
8 previously exist, a class -- I guess an
9 800, Class 800, in the Council budget.
10 It was an issue raised late in the day by
11 the Law Department, and that was
12 communicated then.

13 In any event, the Mayor is not
14 prepared to spend the \$30 million. If
15 the 30 million is spent on capital
16 projects, the Plan we have conveyed is
17 out of balance. We end up -- I guess we
18 would end up at FY12 with \$15 million.
19 And so what the Plan does provide is for
20 the money to lapse back that is, I guess,
21 policy.

22 COUNCILWOMAN TASC0: How is the
23 Plan out of balance?

24 MS. WILKERSON: The \$30 million
25 moves out of the General Fund. I mean,

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2 it's just spent money. The fund balance
3 is no longer 250. It drops down by 30.
4 So it's just money out of the Plan.

5 COUNCILWOMAN TASC0: Well, it
6 was 30 more than you anticipated when you
7 projected your fund balance last year.
8 It was in excess of what you anticipated.

9 MS. WILKERSON: But that's not
10 a static. That's never static. I mean,
11 we get arbitration awards that come in
12 millions more than we anticipate. The
13 City's health benefit costs come in more.
14 You get orders out of the court telling
15 you to make changes in how you do
16 business. The cost of gas goes up. I
17 mean, it's just a very -- it's never a
18 static picture. And when we go to put
19 together the Five-Year Plan, we give our
20 best estimate on what revenues are going
21 to be. We give our best estimate on what
22 expenses are going to be. It can't be
23 held to exactly what was in one of the
24 previous Five-Year Plans.

25 COUNCILWOMAN TASC0: Why didn't

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2 he just veto it, then? If all of that
3 documents the rationale for not spending
4 the \$30 million, he just probably should
5 have just vetoed the bill. But that's --

6 MS. WILKERSON: It wasn't my
7 call. I would have made you happy.

8 COUNCILWOMAN TASC0: So what if
9 we had last year decided to propose or
10 put into the budget the \$30 million of
11 PICA interest money? What would happen
12 then? You're coming back now saying, We
13 couldn't use it then, but now we can use
14 the money. So what changed?

15 MS. REED: Councilwoman --

16 COUNCILWOMAN TASC0: You all
17 don't tell us what changed.

18 MS. REED: We didn't know that
19 we were going to have a prison census
20 that was rising, so --

21 COUNCILWOMAN TASC0: No, but
22 you said that you couldn't use the money
23 because the standards for describing the
24 emergency were too high and you couldn't
25 meet the standards, so we couldn't use

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2 the surplus money. But now we're going
3 back, we're using it for fire, police
4 and -- fire and police.

5 MS. WILKERSON: I want to have
6 a chance to review the legal opinion with
7 the City Solicitor.

8 COUNCILWOMAN TASC0: Well, I
9 don't know if we ever got the legal
10 opinion.

11 MS. WILKERSON: Excuse me?

12 COUNCILWOMAN TASC0: You said
13 you had a legal opinion. I don't know if
14 you had a legal opinion or not.

15 MS. WILKERSON: I have to get
16 better information on that. I can't
17 respond.

18 COUNCILWOMAN TASC0: I would
19 like to have a response as to -- the
20 response you gave last year --

21 MS. WILKERSON: How to
22 reconcile the two.

23 COUNCILWOMAN TASC0: Yeah.
24 2005 when we proposed it and now in 2007
25 when you are proposing it, what's the

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2 difference.

3 MS. WILKERSON: April 27, you
4 said?

5 COUNCILWOMAN TASC0: Yes.

6 MS. WILKERSON: Was it 22nd or
7 27th?

8 COUNCILWOMAN TASC0: 27th.

9 I have some more questions, but
10 I need to go. Let me just ask you one
11 question about in the Five-Year Plan on
12 Page 11, you state OSH, Office of Service
13 to the Homeless -- is that it -- will
14 decrease the emergency housing census and
15 the average length of stay by
16 implementing a successful intervention
17 strategy modeled on the nationally
18 recognized Hennepin County, Minnesota
19 Rapid Exit Program.

20 Can you tell us how this
21 program works?

22 MS. EDMONDS: Dane (ph)
23 Edmonds, Director of the Office of
24 Supportive Housing.

25 The program actually is a pilot

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2 program that isn't operational as yet,
3 but the intent is that as we have --

4 COUNCILWOMAN TASC0: You have a
5 pilot program where, in Minnesota?

6 MS. EDMONDS: In Philadelphia.

7 So we have created a model and we are
8 soliciting for the organizations that
9 would actually administer the program in
10 setting up the guidelines for operation.
11 But the concept is that as homeless
12 families present themselves in our intake
13 center and are placed in shelter, that we
14 would very quickly place them back into
15 housing in the community and that we
16 would provide them with either case
17 management but, in addition to that, with
18 a provider who would help them identify
19 housing, help cover rental subsidy to
20 help cover the cost of housing. Really
21 looking at a pilot program if we provide
22 all of those supports to folks in the
23 community, are they more apt to be able
24 to move on a faster track into more
25 independent housing as opposed to placing

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2 them into shelter and having them become
3 dependent upon the shelter resources.

4 And we're actually working with the
5 University of Pennsylvania to do an
6 evaluation of the families that we place
7 in the diversion program compared to
8 families who are placed in traditional
9 shelter to see what the differentials are
10 and who are more likely to be successful.

11 COUNCILWOMAN TASC0: Okay.

12 MS. EDMONDS: This is a program
13 that has been successful in Minnesota and
14 so we want to look at it here in
15 Philadelphia as a way to rapidly move
16 families out of the shelter system back
17 into the community.

18 COUNCILWOMAN TASC0: You are
19 coming back to testify during your
20 department?

21 MS. EDMONDS: Yes.

22 COUNCILWOMAN TASC0: We'll have
23 more discussion about that later. Thank
24 you very much.

25 COUNCIL PRESIDENT VERNA: Thank

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2 you.

3 I only have two questions and
4 then we'll continue.

5 On Page 54 of the Plan, you
6 state that \$11.02 million in PICA funds
7 are requested to construct a
8 47,000-square-foot 224-bed certified
9 juvenile detention facility on the
10 Philadelphia Prison System campus. What
11 is a certified juvenile detention
12 facility?

13 MR. RAMOS: Pedro Ramos,
14 Managing Director. I'll probably be
15 joined by the Prison Commissioner, Leon
16 King.

17 We currently have certified
18 juveniles at the prison. There is a
19 building that is referred to as Mod 3
20 that is in need of complete renovation.
21 The plan is to essentially redo Mod 3 and
22 move the juveniles out of the prison into
23 Mod 3, move the adults that are in Mod 3
24 out of Mod 3 back into the prison. And
25 in addition to improving the space, it

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2 also takes less adult space when you --
3 because juveniles have to be held in
4 lower ratios and more separated from the
5 adults, so it gives us more capacity for
6 the juveniles and frees up more than the
7 number of spaces left behind by the
8 juveniles when we move out. So it's
9 really fixing existing space and
10 reconfiguring people inside the prison.

11 COUNCIL PRESIDENT VERNA: So
12 actually they will not be relocated at
13 another section of the City; they're
14 going to stay right in that campus area?

15 MR. RAMOS: Yes, within the
16 existing campus.

17 COUNCIL PRESIDENT VERNA: Okay.
18 Can you tell us what the projected cost
19 of this facility will be?

20 MR. RAMOS: The total scope of
21 the project is approximately \$14 million,
22 \$3 million of which would come from Act
23 71 funds. 3.25 would come from Act 71
24 funds.

25 COUNCIL PRESIDENT VERNA: I

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2 believe that there are other sources
3 also, aren't there? Isn't PICA
4 providing?

5 MR. RAMOS: PICA would be -- we
6 have made a request of PICA to --

7 COUNCIL PRESIDENT VERNA:
8 Borrow the 11.02?

9 MR. RAMOS: Yes, for the
10 balance.

11 COUNCIL PRESIDENT VERNA: Okay.
12 Can you tell us what the status of the
13 new Youth Study Center is?

14 MR. RAMOS: The Administration
15 has transmitted legislation and we are
16 hoping and expecting that the legislation
17 for the new Youth Study Center would be
18 introduced and passed. At the same time,
19 the City is pursuing and in negotiations
20 about an intermediate or transitional
21 site for the youths that are currently at
22 the Youth Study Center in the event, the
23 likely event, that we would need some
24 space between the time that we leave the
25 current Youth Study Center and occupy the

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2 new building.

3 COUNCIL PRESIDENT VERNA: Can
4 you tell us how we propose to pay for the
5 new Study Center?

6 MR. JANNETTI: Council
7 President, it's Vince Jannetti, Acting
8 Finance Director.

9 The new Youth Study Center
10 would be financed with a bond
11 transaction.

12 COUNCIL PRESIDENT VERNA: What
13 size would that be? What size bond would
14 that be?

15 MR. JANNETTI: I believe it's
16 \$80 to \$82 million.

17 COUNCIL PRESIDENT VERNA: How
18 much?

19 MR. JANNETTI: \$80 million.

20 COUNCIL PRESIDENT VERNA: You
21 keep turning your head and I can't --

22 MR. JANNETTI: I'm sorry. It
23 was \$80 million.

24 COUNCIL PRESIDENT VERNA: And
25 what funding is included in the 2008

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2 budget and the proposed Five-Year Plan?

3 MR. RAMOS: Let me just repeat
4 the question of the Council President.

5 Your question was what amount
6 is budgeted in Fiscal '08 for --

7 COUNCIL PRESIDENT VERNA: In
8 the budget that we're considering and the
9 proposed Five-Year Plan.

10 MR. JANNETTI: The debt service
11 for the facility would be -- I believe
12 it's \$3 million in '09 and about \$6
13 million in '10 and '11. And if that
14 facility is built, part of the lease
15 payments would be reimbursed to the City
16 through state funds.

17 COUNCIL PRESIDENT VERNA: At
18 what percentage?

19 MR. JANNETTI: I believe it's
20 50 percent this time, Council President.

21 COUNCIL PRESIDENT VERNA: All
22 right. And is this in the proposed
23 Five-Year Plan?

24 MR. JANNETTI: Yes.

25 COUNCIL PRESIDENT VERNA: It

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2 is? Okay.

3 The Chair recognizes Councilman
4 Clarke.

5 COUNCILMAN CLARKE: Thank you,
6 Madam President. I'm sorry. I was
7 caught by surprise. I thought I was a
8 little further down on the list. Thank
9 you.

10 Good afternoon. I have a
11 couple of questions, one centering around
12 the truancy centers and the other around
13 the video surveillance program. I don't
14 know if you need anyone. I guess you may
15 need Mr. James possibly for the
16 surveillance.

17 MS. WILKERSON: The MOIS team
18 will answer the surveillance question and
19 the truancy we had Mr. Ramos, the
20 Managing Director, answer.

21 COUNCILMAN CLARKE: I'm sorry
22 for designating your speakers. We get a
23 little carried away every now and then.

24 MR. RAMOS: Want to do truancy
25 first?

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2 in South Philadelphia, as you know, in
3 the Dixon House.

4 COUNCILMAN CLARKE: Yes.

5 MR. RAMOS: In East Division,
6 mostly 25th District, we're ready to go.
7 We're about two weeks away from opening
8 our doors. In Southwest, we're ready to
9 go, about two weeks from opening our
10 doors. In North, we're close. In
11 Northwest, we're close. And then in
12 addition to those, we plan on doing up to
13 12 citywide.

14 With respect to the ones that
15 are sort of being RFP'd now --

16 COUNCILMAN CLARKE: When you
17 say "close," what does that mean?

18 MR. RAMOS: For the first set I
19 mentioned, East, Southwest, that's within
20 two weeks. For Northeast, North and
21 West, it's probably -- I think the
22 timetable is about four weeks away. We
23 have not yet selected the sites for -- I
24 know for sure we have not selected the
25 site for the North Philadelphia site.

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2 COUNCILMAN CLARKE: Are there
3 numerous applicants for the North
4 Philadelphia site?

5 MR. RAMOS: I believe there
6 are.

7 Director Danzy, the question is
8 whether there are multiple responses to
9 the RFP for the North Philadelphia site.

10 MS. DANZY: Yes. There were
11 several.

12 MR. RAMOS: For the record,
13 yes, there were several.

14 COUNCILMAN CLARKE: All right.

15 MR. RAMOS: Director?

16 MS. DANZY: Yes. There were
17 actually two that were submitted for the
18 North, and we are in the process now of
19 completing -- in fact, we've kind of done
20 our review. We have one part of it.
21 We're working on the other part. It's
22 the logistics of where we will actually
23 put the curfew center.

24 COUNCILMAN CLARKE: In terms of
25 the selection process, is it weighted

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2 heavily towards the ability of the
3 organization to deliver the services, the
4 location? I mean, how is that in terms
5 of criteria?

6 MS. DANZY: It's a combination.
7 First of all, the area is determined by
8 we're looking at the statistics as it
9 relates to youth violence and
10 particularly the shootings and the
11 crimes, homicides, that are going on in
12 the area. That becomes our first driving
13 piece of where and why we've chosen
14 certain areas to go to first, although as
15 the Managing Director said, the ultimate
16 aim is by July to have across the City 12
17 curfew centers. So that's the first
18 thing.

19 Then as far as the providers
20 themselves, there are several things
21 we're looking at. One, the relationship
22 within the community, because --

23 COUNCILMAN CLARKE: I'm sorry.
24 Not to cut you off. On the first one, so
25 is there essentially a pre-determined

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2 geographical area --

3 MS. DANZY: Yes.

4 COUNCILMAN CLARKE: -- for the
5 applicants to respond to in terms of
6 location?

7 MS. DANZY: Exactly.

8 COUNCILMAN CLARKE: And that is
9 what, a police district?

10 MS. DANZY: Police district,
11 right.

12 And then once we issue for that
13 particular area, one has to be a provider
14 who is working in that area. It can't be
15 someone who is somewhere else and they
16 want to put a center there. Two is, what
17 kind of relationship do you have with the
18 other organizations in that area, because
19 it's important about having linkages,
20 because a key piece of this initiative is
21 community involvement, volunteers. And
22 so you have to have relationships where
23 persons in the community see you as an
24 organization that they work with, that
25 they're willing to volunteer. So

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2 that's -- and you're having a history of
3 having worked with youth.

4 COUNCILMAN CLARKE: In terms of
5 the site, is there a certain criteria
6 associated with the physical plant?
7 Should it be a certain size and in a
8 particular corridor, commercial corridor,
9 or should it be -- is it publicly owned,
10 privately owned?

11 MS. DANZY: Right. It's not
12 necessarily whether it has to be a
13 commercial or residential corridor,
14 although you know how that goes. But the
15 overall piece is that it must be adequate
16 size so that -- because we project that
17 we've had as high as perhaps 22 kids at
18 one time to come in. It was one of those
19 times they were kind of all coming from a
20 party. But we always want to project out
21 to at least that number that you can
22 accommodate. They can have adequate
23 space. Even though they are continually
24 going home as parents pick them up, you
25 want to have enough space. You want to

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2 have a separate room where perhaps staff
3 can have meetings. Because the
4 volunteerism and the thing of which I
5 think the Council President attests to in
6 terms of it working there, it works for
7 two reasons. It works because it is
8 making an impact on the parents and the
9 children to be responsible by curfew, but
10 it's bringing the involvement of the
11 community together. So they cook and
12 they do things, so we want that kind of
13 space.

14 COUNCILMAN CLARKE: Either I'm
15 going to have to cut my questions short
16 or your answers are going to have to be
17 shorter, because the bell rang, but I'm
18 hoping that the Council President let's
19 me get to the second question.

20 COUNCIL PRESIDENT Verna: I
21 will.

22 COUNCILMAN CLARKE: Thank you,
23 Madam President.

24 MS. DANZY: And I'll give you a
25 short one.

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2 to be something that comes back and the
3 City is then going to be sued or have
4 some cause to be concerned about --

5 MR. RAMOS: Councilman, I think
6 the issue being described by Director
7 Danzy is that for most respondents with
8 their own sites, if they are providing
9 service within their building, within
10 their gym, part of what comes with that
11 is their responsibility, their liability
12 for the suitability of the space, for any
13 injuries on the space and things like
14 that, and when you have us as -- when the
15 City is the one providing the space under
16 somebody else's direction, then we just
17 want to make sure, the Law Department
18 will want to make sure and Risk
19 Management, that whoever is managing and
20 controlling the space is responsible for
21 what happens within it.

22 COUNCILMAN CLARKE: I mean,
23 they would be required to have, I'm
24 assuming, required to have some sort of
25 lease arrangement with the City having

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2 the appropriate insurance rider,
3 regardless of whether or not it's a
4 municipal building or private building.

5 MR. RAMOS: It's a little more
6 of an issue when it's somebody else
7 insuring our building, our space, but I
8 assume that those insurance arrangements
9 are out there for a price.

10 COUNCILMAN CLARKE: Okay.

11 Thank you, Ms. Danzy.

12 I had a brief question about
13 surveillance, kind of get an update.

14 Good afternoon.

15 DEPUTY JAMES: Good afternoon.

16 COUNCILMAN CLARKE: We recently
17 passed a \$5 million transfer ordinance
18 that was signed into law by the Mayor,
19 and I believe that in Fiscal '08 there's
20 a proposal to put approximately 1.5 in
21 the budget for surveillance cameras. Can
22 you kind of tell me briefly where that
23 money would go, the 5 million and
24 subsequently the 1.5, kind of walk us
25 through the process of what we get.

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2 DEPUTY JAMES: Sure. Good
3 afternoon. Joseph James, Deputy CIO for
4 the Mayor's Office of Information
5 Services. Good morning -- good afternoon
6 rather.

7 The budget as it's constructed
8 right now, there is the \$5 million that
9 was part of the mid-year transfer, which
10 was approved and put into the current '07
11 budget, and there is in the '08 budget
12 \$1.5 million also for video surveillance.

13 As part of the testimony that I
14 gave on the mid-year for the \$5 million,
15 the current program is to use a portion
16 of those fundings to put together the
17 right staff augmentation to do the
18 planning so that we can get an RFP out on
19 the street as soon as possible so we can
20 get to the actual deployment of cameras.

21 Currently, we have a steering
22 committee that is in place and a project
23 team that is also in place and a project
24 manager in the Mayor's Office of
25 Information Service assigned to moving

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2 that effort forward, and currently, our
3 goal is to have an RFP out before the end
4 of this month of March, and the
5 anticipated time frame is to allow the
6 vendors appropriate time to respond,
7 which was probably going to be about 30
8 days to get response and move forward to
9 negotiate and have an award. Our goal is
10 anyway to have an award in place by May,
11 depending on our ability to negotiate.

12 COUNCILMAN CLARKE: May what?

13 DEPUTY JAMES: May of this
14 year.

15 COUNCILMAN CLARKE: May what?

16 DEPUTY JAMES: Well, part of
17 the issue that we have about giving you
18 exact dates is, when we did the original
19 planning last year for the video
20 surveillance camera, we went through sort
21 of an elaborate process to kind of gauge
22 the marketplace and see the number of
23 vendors that are out there that might
24 want to supply a solution for us. We
25 received over 21 responses. We assume

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2 that a majority of those 21 responses
3 would be responding to whatever RFP we
4 put out on the street, and since that
5 time, we probably read about six or seven
6 other major companies who are also moving
7 into the video surveillance market. So
8 we think there's a quite exhaustive list
9 of people who would want to respond, and
10 we need the amount of time for us to
11 evaluate that and to give you a specific
12 date and say that we could move through
13 that process --

14 COUNCILMAN CLARKE: Early May,
15 mid May?

16 DEPUTY JAMES: Well, our goal
17 is as early in May as possible, and then
18 the time to make an award, negotiate and
19 have a contract in place going through
20 our City process so that we can actually
21 start to see cameras deployed in June.
22 And, again, our intent is try to have the
23 cameras starting to roll out in a time
24 frame that it would be out and in the
25 neighborhoods before summer recess when

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2 the kids get out of school.

3 COUNCILMAN CLARKE: And the bid
4 solicitation document will be done end of
5 March?

6 DEPUTY JAMES: We're trying to
7 have it out before the end of March. And
8 we have also, in working with our team,
9 representatives from various departments,
10 we're compiling an initial list of
11 prioritization of sites based upon the
12 Police Department list, and we have a
13 list that we're compiling from the
14 Streets Department and also from the
15 Office of Emergency Management, and we're
16 trying to compile that list so that we
17 have an idea of once we start deployment
18 where we need to prioritize our efforts,
19 where we need to deploy those cameras as
20 quickly as possible.

21 COUNCILMAN CLARKE: Okay.

22 Thank you. Thank you.

23 Thank you, Madam President.

24 COUNCIL PRESIDENT VERNA:

25 You're welcome.

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2 The Chair recognizes
3 Councilwoman Brown.

4 COUNCILWOMAN BROWN: Thank you,
5 Madam President.

6 Good afternoon. Councilman
7 Clarke has addressed a number of
8 questions I had around the curfew
9 centers. But you used truancy centers
10 and curfew centers interchangeably. They
11 are two different things; are they not?

12 MR. RAMOS: No, we didn't use
13 them interchangeably. The Councilman
14 asked about truancy centers and from his
15 question it sounded like he was asking
16 about curfew centers, which he was.

17 COUNCILWOMAN BROWN: Okay. The
18 curfew centers and the roll-out or
19 anticipation of them is contingent on the
20 \$100 million from the Needs Based Budget
21 we're anticipating from the state or not?

22 MS. WILKERSON: No, it's not.
23 Like I said, we're going to be going
24 after that money aggressively. This
25 is -- the truancy and curfew centers are

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2 a priority. There will be other things
3 we won't be able to do, but we will do
4 the truancy and the curfew centers.

5 COUNCILWOMAN BROWN: What's the
6 status of the 100 million? What are the
7 prospects this year?

8 MS. WILKERSON: Ms. Danzy
9 talked about it earlier. The --

10 COUNCILWOMAN BROWN: If she
11 covered it in detail, I can read
12 testimony later.

13 What is the status of the teen
14 centers? Any more online for this fiscal
15 year?

16 MS. WILKERSON: The Recreation
17 Commissioner is making his way up to the
18 microphone.

19 COUNCILWOMAN BROWN: And while
20 he's coming up, is there any connect or
21 connection of the dots between the teen
22 centers, the curfew centers and the
23 truancy centers?

24 MS. WILKERSON: And Julia Danzy
25 is making her way up to address that.

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2 COMMISSIONER RICHARD: Hi.

3 Good afternoon. Vic Richard, Recreation
4 Commissioner.

5 There's a teen center being
6 retrofitted right now in the far
7 Northeast at Disston Rec Center in Ms.
8 Krajewski's district. There's another
9 one at just about the physical plant
10 that's almost complete in South
11 Philadelphia in President Verna's
12 district at Vare at 26th and Morris.
13 Those two are scheduled to come online
14 full service this summer. The one at
15 Disston we're accepting delivery on the
16 infrastructure as we speak, and the
17 physical plant at Vare is just about
18 done. We do have some others that are on
19 the wish list in the pipeline but aren't
20 funded as of yet.

21 COUNCILWOMAN BROWN: Given the
22 City's efforts to have systems again to
23 talk with each other, what is the
24 relationship or connection, if any, with
25 those teen centers and the truancy and

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2 curfew centers?

3 MS. DANZY: One of the things,
4 Councilwoman, that we are planning to
5 do -- in fact, we're doing now -- every
6 youngster we get in the curfew center and
7 our -- you know about our AVR program,
8 because that's another piece that's
9 wrapped up in that, and our young people
10 who are coming to us with truancy, we are
11 ensuring to do an assessment of every one
12 of those youth and engaging with them to
13 get them connected with programs. One of
14 those key programs would be our teen
15 centers. We have in our budget for this
16 year even to put some staffing with the
17 teen centers in connection with DHS so
18 that we can provide the kind of
19 services -- we're talking about mental
20 health -- by putting in some mental
21 health components there, because we know
22 that's a key area where we can service
23 our young people, that they will go to
24 those teen centers.

25 COUNCILWOMAN BROWN: Sure.

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2 Health Department -- well, I did hear in
3 the testimony that the curfew centers
4 have some link or connect with the Police
5 Department, correct?

6 MS. DANZY: Yes.

7 COUNCILWOMAN BROWN: So now to
8 the Health Department, could the Health
9 Commissioner come forward.

10 Please speak, if you would, to
11 any relationship, connection with the
12 Police Department or L&I when it comes to
13 stop and go's. You recall we had
14 hearings around the need for more
15 inspectors visiting stop and go's because
16 of the menace they are in the community
17 with kids hanging out at them all hours
18 of the evening and night. Did you state
19 in your testimony that you simply don't
20 have enough inspectors at this time to
21 handle the need for those stop and go's
22 to be inspected on a more regular basis?

23 COMMISSIONER PARIS: The only
24 establishments that the Health Department
25 actually inspects are those that has food

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2 preparation on it.

3 COUNCILWOMAN BROWN: Is that
4 the same as sanitarians?

5 COMMISSIONER PARIS: Yes. But
6 the stop and go's, I'm not familiarized
7 with the fact that they do prepare food.

8 COUNCILWOMAN BROWN: That is
9 true. Revealed in testimony -- I guess
10 that was before the holiday -- in a
11 resolution introduced by Councilwoman
12 Marian Tasco the issue arose that because
13 there were an inadequate number of
14 sanitarian inspectors, that may be a
15 contributing factor to the nuisance that
16 stop and go's are after hours. Young
17 people hang at stop and go's. They hang
18 there for reasons that we know aren't
19 healthy. I need to know, is there a
20 relationship with the Police Department?
21 Does Health have a relationship with the
22 Police Department or with L&I around the
23 issue of stop and go's?

24 MS. WILKERSON: No.

25 COUNCILWOMAN BROWN: So those

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2 worlds don't --

3 MS. WILKERSON: I don't think
4 the Health Department is linked into
5 that. Let me ask L&I.

6 COMMISSIONER PARIS: Yes, it's
7 L&I.

8 COUNCILWOMAN BROWN: L&I and
9 Police?

10 MS. WILKERSON: The question is
11 are we coordinating among City
12 departments, is L&I working with the
13 Police Department and to the extent
14 there's a Health sanitation worker in a
15 stop and go, are we working to try to
16 make sure that kids aren't hanging out in
17 these facilities and get diverted to the
18 right kind of programs.

19 COUNCILWOMAN BROWN: That's
20 precisely it. Thank you.

21 COMMISSIONER SOLVIBILE: The
22 Police Department when we have
23 hearings --

24 COUNCIL PRESIDENT VERNA:
25 Please identify yourself.

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2 COMMISSIONER SOLVIBILE: I'm
3 sorry. Robert Solvibile, Commissioner of
4 Licensing and Inspections. Good
5 afternoon.

6 The Police Department and
7 L&I -- when there's hearings or a problem
8 with a stop and go, Dominic Verdi's
9 group, the Nuisance Task Force,
10 coordinates with the Police Department to
11 find out the number of complaints
12 received. We've met with personnel in
13 the Police Department about stop and go's
14 where there's shootings, and then we
15 would try to do enforcement. That's
16 basically the coordination now. As far
17 as Health Department, I'm not sure of any
18 coordination with them.

19 MS. WILKERSON: But if there
20 were children at the stop and go's, then
21 the Police Department is very involved in
22 making sure that those kids end up at the
23 curfew center.

24 MS. DANZY: Exactly. They are
25 then brought to the curfew center. And,

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2 in fact, we are moving now to become even
3 more aggressive in any of those
4 facilities that are in those areas that
5 they're harboring youth, either when they
6 should be in school or when they should
7 be adhering to the curfew, that they also
8 become sanctioned in addition to the
9 youth being brought to the appropriate
10 points.

11 COUNCILWOMAN BROWN: And that's
12 consistent with the new curfew law. So
13 that is the duty of L&I for the sanctions
14 or whom?

15 MS. DANZY: That would be the
16 Police.

17 MR. RAMOS: I want to correct
18 something that was just said. If it is
19 an area that's served where there's a
20 curfew center, children are brought to
21 the curfew center. Otherwise, the Police
22 write a curfew violation and then refer
23 the information over to DHS. But if
24 there isn't -- obviously at this point
25 there's one live curfew center and you

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2 don't have curfew violators from all over
3 the City being taken there. What happens
4 now is the referral from Police to DHS.
5 So L&I might take -- it might be a
6 complaint to L&I that gets L&I to the
7 nuisance stop and go, bringing Police
8 with them, and if there are underage kids
9 there, involving the DHS in the writing
10 of the violation. And the review of the
11 curfew violations, all curfew violations
12 are reviewed by DHS. They're made aware
13 of all of them.

14 COUNCILWOMAN BROWN: I see.
15 The bell has rung. So I will revisit my
16 question with the Health Commissioner
17 after I've done my homework from the last
18 hearing, because I need to review the
19 testimony where it was -- the revelation
20 was if you had more inspectors, then that
21 would somehow aid L&I in what they're
22 doing and thus definitely not eliminate
23 but move towards having fewer young
24 people outside of those stop and go's.
25 So I'll do the homework and then I'll

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2 in and say, I want that vacant lot, that
3 vacant lot, that vacant lot, and we would
4 begin a process to acquire the land. A
5 lot of times with condemnations in
6 particular it can take almost a year to
7 acquire the land. So you'd have a live
8 developer and have to begin a very
9 protracted acquisition process.

10 The thought behind the landbank
11 was to get properties through as much of
12 the acquisition and disposition process
13 as you can so that when a developer
14 knocks on the door and says, I want to do
15 a development, you can just convey the
16 land. So that was the thinking
17 underpinning it. It's something that had
18 worked in Cleveland, was very successful.
19 It was a best practice we wanted to
20 implement here.

21 We've done a lot to -- we've
22 taken some steps towards that end. We
23 have worked on reorganizing our housing
24 agencies. We think they will function
25 more efficiently. We support a lot of

23 COUNCIL PRESIDENT VERA: I
24 understand that Councilwoman Campbell had
25 to leave and she had a question that she

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2 wanted to ask.

3 I understand that video cameras
4 have been installed in Wynnefield and
5 there was a public announcement about the
6 cameras. Apparently, the cameras are not
7 being monitored and she feels very
8 strongly that people in that community
9 now have a sense of false protection.

10 Can somebody address that and
11 tell us when the cameras will be
12 monitored and should people know?

13 MR. RAMOS: Pedro Ramos,
14 Managing Director, with Joe James from
15 MOIS.

16 First of all, the City's
17 current pilot does not include any
18 cameras in that part of the City. There
19 are cameras, I believe, that are owned by
20 PCDC that there have been some
21 discussions about whether the City would
22 take on responsibility in the future for
23 those cameras. There have been some
24 discussions from them, and other
25 organizations have also sought to have

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2 the City take on administrative and
3 overall responsibility for cameras.

4 We have been in the process
5 that Joe James referred to earlier, been
6 trying to put those such requests in some
7 kind of framework that makes sense for
8 our plan going forward. So we have not
9 made a decision about whether we would --
10 the conditions under which we would want
11 to take responsibility for cameras
12 currently bought or committed to by
13 agencies outside of the City
14 Administration.

15 Joe, is there anything else?

16 DEPUTY JAMES: That's right.
17 That's correct.

18 COUNCIL PRESIDENT VERNA: The
19 Chair recognizes Councilman Rizzo.

20 COUNCILMAN RIZZO: Thank you,
21 Madam Chair.

22 Commissioner, I had some
23 conversation with some of our police
24 officers. Apparently there's two types
25 of technology for these surveillance

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2 cameras. There's one that's monitored in
3 the police vehicle on the laptop and
4 there's other that goes back to police
5 headquarters. From what I'm hearing, the
6 ones that are in the police cars aren't
7 very well received by the police
8 officers. They're so busy there's just
9 not the opportunity to -- could you
10 describe what I'm trying to express to
11 you?

12 DEPUTY JAMES: Sure. As I
13 talked about last year, when we started
14 the initiative shortly after the voter
15 referendum, we went through a phase of
16 deploying about 18 cameras, and of those
17 cameras, eight of them were deployed to
18 what we call POD-type cameras, which are
19 portable over digital surveillance
20 cameras, similar that's been deployed in
21 Chicago and in Baltimore.

22 Most of the cameras that we
23 have deployed are your traditional
24 cameras that are on poles connected by
25 fiber. They go back into the City's

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2 network and we're able to transport that
3 video to the police headquarters for them
4 to monitor.

5 The POD-type cameras, these
6 portable cameras, are not networked.
7 They are self-sustaining cameras that are
8 mounted on light poles and they're
9 probably more identified by the blue
10 strobe light that most people see them
11 flashing all the time. Those cameras
12 were designed to work with a portable
13 laptop unit that would allow a police
14 officer to be able to go out to a scene
15 in proximity to the cameras and through
16 line and slight be able to retrieve that
17 video from that camera to the laptop in
18 the police car.

19 Part of the whole purpose of
20 doing the pilot is, we wanted to look at
21 kind of lessons learned and what was the
22 best practice, and we found out that in
23 most cases because you had to be in such
24 close proximity to the camera to retrieve
25 the laptop video, it really wasn't as

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2 effective as an officer basically
3 standing at that intersection, because
4 you didn't have a lot of distance that
5 you could be, 25 feet maybe top. So that
6 became one of the read-outs from the
7 pilot as while these are nice and they
8 have a very visual impact in the area
9 where they're deployed, they're not very
10 useful to the officer, and today the
11 current solution is not networked into
12 the City's network. We are currently in
13 a next phase of developing a solution to
14 allow us to transport the video from
15 those PODs the same way we do the other
16 cameras into the City's network so we can
17 retrieve them at the police headquarters.

18 MR. RAMOS: Councilman, I guess
19 I would add that they're probably -- Joe
20 responded to your question in terms of
21 two types. There are probably three
22 types of cameras, because you're familiar
23 with the third type that's not mentioned
24 here. One is the pan/tilt/zoom, which
25 Joe mentioned, which are the ones you

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2 manipulate. Second, the fixed cameras
3 like you would get at an ATM machine,
4 let's say, where it's just shooting in
5 one direction all the time. And the
6 third would be what people refer -- can
7 mean a lot of different things, but
8 people refer to them as smart cameras,
9 those that are programmed so that when
10 something unusual happens, they record or
11 they zoom or do something like that.

12 So part of the effort that's
13 being led with the help of project
14 management and the expertise in MOIS is
15 to look for those -- to match up those
16 types of technologies with the different
17 types of public safety needs that you
18 have and the different levels of
19 effectiveness for each of those types of
20 cameras.

21 There's a Department of Justice
22 study that talks about sort of the
23 effectiveness of cameras that we'd be
24 happy to share, and those are being
25 matched up now. Now that we've got some

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2 experience with the different types of
3 cameras and know a lot more about what's
4 worked and not worked in other cities,
5 going back now to all the different
6 stakeholders, starting with the Police
7 and saying, Now that we've got some of
8 this experience, we've got some new
9 knowledge, what's the smartest way of
10 using cameras to get the biggest impact
11 on public safety. And we're very -- and
12 the fact that the City is building a
13 wireless network now, frankly, is
14 fortuitous because we believe that in the
15 end, it will enable us to do much more
16 than we would otherwise be able to do.
17 It might take some tweaking of the
18 arrangement that we already have and what
19 we expect in the build-out of the current
20 or other vendors, but the ability to do
21 it in a wireless way rather than having
22 to pull fiber for each and every camera
23 will let us just make those dollars go a
24 lot further.

25 COUNCILMAN RIZZO: Madam

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2 President, may I take 30 more seconds?

3 COUNCIL PRESIDENT VERNA: So
4 long as it's not longer.

5 COUNCILMAN RIZZO: I know
6 you'll count.

7 You mentioned in your
8 conversation about the blue lights, the
9 flashing blue lights. They're a
10 double-edged sword. They make it look
11 like a combat zone. I've had people say
12 to me, What's going on? They don't
13 really know why those blue lights are
14 flashing. Obviously it's to let the bad
15 guys know that that's a camera-controlled
16 location. But it's kind of -- I was at
17 around Broad and Erie the other day, and
18 really it looks scary to see all these
19 blue lights flashing.

20 MR. RAMOS: People have
21 different opinions as to that. A lot of
22 people like the flashing blue cameras.
23 The idea behind that when you read some
24 of the research on this is that if you're
25 going to affect the behavior of a

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2 prospective criminal, part of the
3 calculus is that the criminal has to know
4 that the cameras are there, be afraid
5 that they're going to get caught.

6 COUNCILMAN RIZZO: I
7 understand.

8 MR. RAMOS: And that the
9 consequences will -- and it assumes that
10 somebody is rational and sober and making
11 that type of calculation.

12 COUNCILMAN RIZZO: You can
13 imagine what a tourist must wonder if
14 they're going through those areas or
15 driving through those areas. And I will
16 keep my commitment. I went over 30
17 seconds.

18 COUNCIL PRESIDENT VERNA:
19 Councilman, do you have a question?

20 COUNCILMAN RIZZO: Well, is
21 there any other way to do this? If
22 you're talking about the smart
23 technology, could the blue lights light
24 when there's an incident? Because it
25 really is a little much to go to an

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2 intersection and see all those lights.

3 DEPUTY JAMES: I think what
4 you're seeing, Councilman, is a point in
5 time where we've taken a pilot to see
6 what type of experience so you can gauge
7 that. And like the Managing Director
8 said, we've had a number of different
9 types of comments. Some people find them
10 very positive, some people find them
11 somewhat distracting, and I guess the
12 comment that, Do you need to have that on
13 all the time. And I think as we move
14 forward, we're going to take advantage of
15 that information and figure out. Like in
16 Chicago, they have it connected to
17 something that it is more alarm based, so
18 that it's a reaction that's precipitated
19 that causes the light to flash. And I
20 think we need to look at it. And most of
21 the cameras that we do have just have a
22 solid blue light and they're very small
23 and non-descript and most people don't
24 even notice that they're even there.

25 So it's really kind of a gauge.

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2 We're trying to see what kind of reaction
3 we are getting. So it's somewhat
4 intentional.

5 MR. RAMOS: For example --

6 COUNCILMAN RIZZO: Germantown
7 Pike is a strobe light.

8 DEPUTY JAMES: I understand at
9 Germantown, but if you go to 7th and
10 Girard, it's a solid blue light.

11 MR. RAMOS: There may be cases,
12 Councilman, which you, I think, would
13 agree with if, for example, you're trying
14 to stop short dumping, then you might
15 want a very conspicuous, flashing,
16 screaming camera to let people know that
17 if they're short dumping on that avenue,
18 they're going to get caught.

19 COUNCILMAN RIZZO: Thank you.

20 Thank you, Madam President.

21 COUNCIL PRESIDENT VERNA:

22 You're welcome.

23 The Chair recognizes

24 Councilwoman Brown.

25 COUNCILWOMAN BROWN: One

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2 year of that public interest fellowship,
3 which we call Destination Fellowship,
4 we're hoping to be able to bring about
5 five people into that program and give
6 them a pretty structured experience in
7 the government.

8 COUNCILWOMAN BROWN: So I will
9 look forward to hearing more about that,
10 because specifically what I'm interested
11 in is what the City is doing to hold on
12 to young professionals between the ages
13 of 25 and 34, what kind of connect are we
14 making with Merrill Levitz and her outfit
15 and what she's doing for the young
16 professionals group.

17 MR. RAMOS: The only exception
18 I would take, Councilwoman, is I would
19 include 42 as young.

20 MS. WILKERSON: Managing
21 Director is very sensitive about that.

22 COUNCILWOMAN BROWN: There
23 would be many who would agree with you.

24 MR. RAMOS: But, in fact, the
25 effort that I just mentioned, Destination

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2 Fellowship, is fun and good for the City,
3 not just because it's a new effort to
4 bring in -- to keep people interested
5 that have studied government and are
6 interested in government, give them a way
7 into the government, but what makes it
8 even more special, I think, is that the
9 whole thing was really imagined, planned,
10 conceived by a group of people in the age
11 category that you just mentioned that
12 work within the government already, a
13 pretty unique group of go-to people in
14 the government, right down to the
15 website. They worked at Merrill Levitz's
16 group.

17 COUNCILWOMAN BROWN: Very good.

18 MR. RAMOS: They're on the new
19 issue website and they're linked back to
20 each other, and they really did create a
21 buzz about this new public interest
22 fellowship and it shows. I think they
23 are justifiably very proud of that work.
24 And we're doing some things informally,
25 too, in terms of sort of brown bag

1 3/6/07 - WHOLE - RES. 070128
2 in recess until Tuesday, March the 13th
3 at 10:00 a.m.

4 Thank you all very much.

5 (Committee of the Whole
6 adjourned at 1:40 p.m.)

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CERTIFICATE

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I HEREBY CERTIFY that the

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proceedings, evidence and objections are

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contained fully and accurately in the

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stenographic notes taken by me upon the

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foregoing matter on March 6, 2007, and that

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this is a true and correct transcript of same.

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MICHELE L. MURPHY

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RPR-Notary Public

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(The foregoing certification of this

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certifying reporter.)

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