

JOURNAL OF THE CITY COUNCIL OF PHILADELPHIA



Thursday, March 6, 2014

PRESENT: 16 - Councilmembers Council President Clarke, Squilla, Johnson, Blackwell, Jones, Henon, Quiñones Sánchez, Bass, Tasco, O'Neill, Reynolds Brown, Greenlee, Goode, Oh, Kenney and O'Brien

Council met, quorum being present.

Senior Pastor Robert Shipman of Prince of Peace Baptist Church was introduced and offered an appropriate prayer.

COUNCILMEMBER GREENLEE MOVED TO APPROVE THE JOURNAL of the meeting of February 27, 2014.

THE MOTION WAS DULY SECONDED AND AGREED TO.

COMMUNICATIONS

The Sergeant-at-Arms presented messages from the Mayor as follows:

- ☐ Transmitting a message advising Council that Bill Nos. 120387 and 130744-A, which were passed by Council on February 20, 2014, were signed by the Mayor on March 4, 2014. (File No. 140163)

THE COMMUNICATION WAS READ.

- ☐ March 6, 2014

TO THE PRESIDENT AND MEMBERS OF THE COUNCIL OF THE CITY OF PHILADELPHIA:

For the reasons set forth herein, I hereby return to your Honorable Body without signature Bill No. 130851, which passed on February 20, 2014.

This Bill would authorize the placement on the May 20, 2014 ballot a proposed Charter amendment to require that Council approve City contracts of a year or less, in excess of \$100,000, for providing legal representation to indigent

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persons.

I and my Administration believe it is crucial that conflict counsel and other indigent legal services funded by the City are of the highest quality, and meet the standards set not only by our Constitution, but by our consciences and our intrinsic sense of justice. As I stated directly to the sponsor recently, I stand ready to partner with Council in ensuring that we meet these high standards.

I can appreciate that the expressed intention behind this Bill is to ensure that legal representation provided to indigent persons is equal to the task of vindicating their rights in our court system, an issue of Constitutional importance. In recent months, Council has made clear its desire to ensure the quality of certain legal services provided to indigent persons. This concern is understandable; no less than the Bill of Rights and our City's foundational values of freedom and justice are implicated.

Nevertheless, there is a fundamental mismatch between the proposed Charter amendment's plainly-stated intention of ensuring quality legal representation, and what the proposed amendment actually does.


This amendment requires an ordinance authorizing a very specific type of contract. It would do nothing else. It contains no standard or mechanism for actually ensuring any level of quality in the services provided under such a contract. But with or without the requirement of an ordinance, Council is able to obtain data, hold hearings, and undertake a vigorous inquiry into the quality of legal services provided to indigent persons.

Council's existing tools are well-established and effective. It is unclear how this proposal will achieve its stated goal. Let me be very clear though. My Administration will do everything necessary to ensure quality legal representation, with or without this proposed amendment to the Charter. My Administration's willingness, and the willingness of any future Administration, to partner with Council in this important charge is and should be the same, regardless of whether this Charter amendment becomes law.

Accordingly, I hereby return this Bill without my signature.

Respectfully,
MICHAEL A. NUTTER (File No. 140164)

THE COMMUNICATION WAS READ.

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TO THE PRESIDENT AND MEMBERS OF THE

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COUNCIL OF THE CITY OF PHILADELPHIA:

For the reasons set forth below, I hereby return to your Honorable Body without signature Bill No. 130852, which passed on February 20, 2014.

This Bill would purport to require that in general, contracts for provision of conflict counsel services be subject to a financial audit to be submitted to Council by the Director of Finance, a “quality control audit” by an experienced attorney in the field, and reporting of certain other information.

As my Administration has made clear, it is crucial to ensure the quality of conflict counsel services secured by the City for indigent defendants. I welcome Council's shared commitment in this area.

While I am open to finding means of providing robust oversight of the provision of conflict counsel services, I do not believe that this Bill, on its own, will accomplish this end. The Bill would require an annual financial audit of conflict counsel contracts. Financial audits are a means of determining whether financial statements are prepared in accordance with Generally Accepted Accounting Principles, and to identify other issues. I do not question the need for information about City contracts, or the necessity of financial auditing (indeed, City contracts already include provisions requiring that the contractor agree to submit to any audit the City deems necessary). I do question whether this particular requirement really gets to the heart of the present issue—the quality of the actual legal services provided by conflict counsel.

In contrast, the Quality Control Auditor requirement is, superficially, more oriented to the substance of the issue. But I do not believe that this requirement represents the best policy endpoint for ensuring quality. The report of the Quality Control Auditor is simply the opinion of one person who, though an “expert,” will bring only a single point of view to the oversight process. As an example, it would be more effective to secure the report of a panel whose membership is comprised of individuals able to provide an array of expert views on the functioning of the system. Such a panel could combine the best features of firsthand involvement in the system (for instance, by including judges, attorneys, or social workers), with policy insight (for instance, by including scholars or advocates).

While this Bill is not harmful, I am returning it unsigned because I believe it does not accomplish its stated end. My Administration will take every step necessary to ensure the quality of conflict counsel services funded by the City, and remains open to partnering with Council on this important issue.

Respectfully,
MICHAEL A. NUTTER (File No. 140165)

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THE COMMUNICATION WAS READ.

📄 March 4, 2014

TO THE PRESIDENT AND MEMBERS OF THE
COUNCIL OF THE CITY OF PHILADELPHIA:

Pursuant to Sections 4-604 and 2-307 of the Home Rule Charter, I am today transmitting to the Council the recommendation of the City Planning Commission on the following bills:

Bill No. 140003	Recommended for approval
Bill No. 140004	Recommended for approval
Bill No. 140005	Recommended for approval
Bill No. 140007	Recommended for approval
Bill No. 140008	Recommended for approval
Bill No. 140009	Recommended for approval
Bill No. 140053	Recommended for approval
Bill No. 140075	Additional 45 days for review
Bill No. 140076	Recommended for approval
Bill No. 140097	Recommended for approval

Respectfully submitted,
Michael A. Nutter
Mayor (File No. 140166)

THE COMMUNICATION WAS READ.

📄 Transmitting a resolution approving the redevelopment contract of the Philadelphia Redevelopment Authority for the redevelopment and urban renewal of a portion of the Model Cities Urban Renewal Area, identified by house number and street address as 1627-1631 West Montgomery avenue; and authorizing the Redevelopment Authority to execute the redevelopment contract with Montgomery Flats, LLC and to take such action as may be necessary to effectuate the redevelopment contract, accompanied by an explanatory letter from the Executive Director of the Redevelopment Authority. (File No. 140167)

THE COMMUNICATION WAS READ.

📄 Transmitting a resolution approving the redevelopment contract of the Philadelphia Redevelopment Authority for the redevelopment and urban renewal of a portion of the West Philadelphia Redevelopment Area, identified by house number and street address as 5436 Malcolm street; and authorizing the Redevelopment Authority to execute the redevelopment contract with Charlene

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Johnson-Gillyard and to take such action as may be necessary to effectuate the redevelopment contract, accompanied by an explanatory letter from the Executive Director of the Philadelphia Redevelopment Authority. (File No. 140168)

THE COMMUNICATION WAS READ.

- ☐ Transmitting a resolution approving the redevelopment contract of the Philadelphia Redevelopment Authority for the redevelopment and urban renewal of a portion of the New Kensington-Fishtown Urban Renewal Area, identified by house number and street address as 2103 Abigail street; and authorizing the Redevelopment Authority to execute the redevelopment contract with Sefik Solutions, LLC and to take such action as may be necessary to effectuate the redevelopment contract, accompanied by an explanatory letter from the Executive Director of the Philadelphia Redevelopment Authority. (File No. 140169)

THE COMMUNICATION WAS READ.

- ☐ Transmitting a 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 2015 through 2019, and incorporating proposed changes with respect to Fiscal Year 2014, which is to be submitted by the Mayor to the Pennsylvania Intergovernmental Cooperation Authority (the "Authority") pursuant to the Intergovernmental Cooperation Agreement, authorized by an ordinance of this Council approved by the Mayor on January 3, 1992 (Bill No. 1563-A), by and between the City and the Authority. (File No. 140170)

THE COMMUNICATION WAS READ.

- ☐ Transmitting a bill authorizing the Procurement Commissioner to enter into purchase obligations for the delivery of electric, natural gas and motor fuel energy supplies for use by facilities owned and leased by the City, including agreements that obligate payments for delivery of such energy supplies in future fiscal years, all under certain terms and conditions. (File No. 140171)

THE COMMUNICATION WAS READ.

- ☐ Amending Section 19-1801 of The Philadelphia Code, entitled "Authorization of Tax," to further authorize the Board of Education of the School District of Philadelphia to impose a tax on real estate within the City of Philadelphia, under certain terms and conditions. (File No. 140172)

THE COMMUNICATION WAS READ.

- ☐ Transmitting a bill amending Section 19-1806 of The Philadelphia Code, entitled "Authorization of Realty Use and Occupancy Tax," to further authorize the

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Board of Education of the School District of Philadelphia to impose a tax on the use or occupancy of real estate within the School District of Philadelphia, under certain terms and conditions. (File No. 140173)

THE COMMUNICATION WAS READ.

- 📄 Transmitting a bill adopting the Operating Budget for Fiscal Year 2015. (File No. 140174)

THE COMMUNICATION WAS READ.

- 📄 Transmitting a bill to adopt a Fiscal 2015 Capital Budget. (File No. 140175)

THE COMMUNICATION WAS READ.

- 📄 Transmitting a bill to adopt a Capital Program for the six Fiscal Years 2015-2020 inclusive. (File No. 140176)

THE COMMUNICATION WAS READ.

INTRODUCTION OF BILLS AND RESOLUTIONS

Councilmember Blackwell Introduced and Ordered Placed on This Week's Final Passage Calendar the following Resolution, Sponsored by Councilmember Blackwell:

- 📄 **Resolution No. 140150:** Resolution Honoring and recognizing Pastor Brian Jenkins, Founder and Executive Director of Chosen 300 Ministries, Inc., for his courage, drive, and commitment to fighting homelessness and poverty in the City of Philadelphia.

Councilmember Blackwell Introduced and Ordered Placed On Next Week's Final Passage Calendar the following Resolution, Sponsored by Councilmembers Blackwell, Tasco and Reynolds Brown:

- 📄 **Resolution No. 140151:** Resolution Calling on the City Council of Philadelphia to recognize and support President Barack Obama's execution of a Presidential Memorandum Creating and expanding ladders of opportunity for boys and young men of color which established the *My Brother's Keeper Initiative*.

Councilmember Blackwell Introduced and Ordered Placed On Next Week's Final Passage Calendar the following Resolution, Sponsored by Councilmember Blackwell:

- 📄 **Resolution No. 140152:** Resolution Approving the redevelopment contract of the Philadelphia Redevelopment Authority for the redevelopment and urban renewal of a portion of the West Philadelphia Redevelopment Area, identified by house number and street address as 5436 Malcolm street; and authorizing the

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Redevelopment Authority to execute the redevelopment contract with Charlene Johnson-Gillyard and to take such action as may be necessary to effectuate the redevelopment contract.

Councilmember Blackwell Introduced and Ordered Placed On Next Week's Final Passage Calendar the following Resolution, Sponsored by Councilmember Blackwell:

Resolution No. 140153: Resolution Authorizing the Commissioner of Public Property to execute and deliver to the Philadelphia Redevelopment Authority, without consideration, deeds conveying conditional fee simple title to certain City-owned lots or pieces of ground with the buildings and improvement thereon, situate in the Sixtieth Ward of the City of Philadelphia, pursuant to Chapter 16-400 of The Philadelphia Code and authorizing the Philadelphia Redevelopment Authority to dispose of such properties for rehabilitation and/or improvements in accordance with terms of Chapter 16-400 of The Philadelphia Code.

Councilmember Greenlee Introduced and Referred the following Bill, Sponsored by Councilmembers Greenlee, Council President Clarke and Goode:

Bill No. 140140: An Ordinance Amending Chapter 19-1500 of The Philadelphia Code, entitled "Wage and Net Profits Tax," by decreasing the rate or rates of the tax imposed upon certain low income persons, providing for refunds of excess taxes paid, directing the Revenue Department to develop procedures and forms whereby eligible taxpayers can obtain such refunds, and requiring employers to provide refund forms to employees; all under certain terms and conditions.

THE BILL WAS REFERRED TO THE COMMITTEE OF THE WHOLE.

Councilmember Greenlee Introduced and Ordered Placed On Next Week's Final Passage Calendar the following Resolution for Councilmember Council President Clarke, Sponsored by Councilmember Greenlee:

Resolution No. 140154: Resolution Approving the redevelopment contract of the Philadelphia Redevelopment Authority for the redevelopment and urban renewal of a portion of the Model Cities Urban Renewal Area, identified by house number and street address as 1627-1631 West Montgomery avenue; and authorizing the Redevelopment Authority to execute the redevelopment contract with Montgomery Flats, LLC and to take such action as may be necessary to effectuate the redevelopment contract.

Councilmember Greenlee Introduced and Ordered Placed On Next Week's Final Passage Calendar the following Resolution for Councilmember Council President Clarke, Sponsored by Councilmember Greenlee:

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- ☐ Philadelphia Redevelopment Authority for the redevelopment and urban renewal of a portion of the Cecil B. Moore Avenue Urban Renewal Area, identified by house numbers and street addresses as 1725-1727 Cecil B. Moore avenue and 1735 Cecil B. Moore avenue; authorizing the Redevelopment Authority to execute the redevelopment contract with HMZ One LLC and to take such action as may be necessary to effectuate the redevelopment contract.

Councilmember Henon Introduced and Ordered Placed on This Week's Final Passage Calendar the following Resolution, Sponsored by Councilmember Henon:

- ☐ **Resolution No. 140156:** Resolution Honoring The Saint Patrick's Day Observance Association for their efforts in organizing the 244th Annual Saint Patrick's Day Parade.

Councilmember Johnson Introduced and Referred the following Bill, Sponsored by Councilmember Johnson:

- ☐ **Bill No. 140141:** An Ordinance Authorizing the Procurement Commissioner to enter into purchase obligations for the delivery of electric, natural gas and motor fuel energy supplies for use by facilities owned and leased by the City, including agreements that obligate payments for delivery of such energy supplies in future fiscal years, all under certain terms and conditions.

THE BILL WAS REFERRED TO THE COMMITTEE ON TRANSPORTATION AND PUBLIC UTILITIES.

Councilmember Quiñones Sánchez Introduced and Ordered Placed on This Week's Final Passage Calendar the following Resolution, Sponsored by Councilmembers Quiñones Sánchez and Council President Clarke:

- ☐ **Resolution No. 140157:** Resolution Recognizing and honoring the partnership between the Salvation Army and Walmart to support a peer mentoring program in North Philadelphia.


Councilmember O'Brien Introduced and Referred the following Bill, Sponsored by Councilmember O'Brien:

- ☐ **Bill No. 140142:** An Ordinance Amending Title 9 of The Philadelphia Code, entitled "Regulation of Businesses, Trades and Professions," by adding definitions, duties, penalties, exceptions, prohibited acts, licensing requirements and other related items regarding provision of immigration assistance services; all under certain terms and conditions.

THE BILL WAS REFERRED TO THE COMMITTEE ON LICENSES AND INSPECTIONS.


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Councilmember Reynolds Brown Introduced and Referred the following Bill, Sponsored by Councilmember Reynolds Brown:


-  **Bill No. 140143:** An Ordinance Amending Title 4 of The Philadelphia Code, entitled “The Philadelphia Building Construction and Occupancy Code,” by amending Subcode "PM", entitled The Philadelphia Property Maintenance Code, by requiring the registration of placement of solar panels on roofs, all under certain terms and conditions.

THE BILL WAS REFERRED TO THE COMMITTEE ON THE ENVIRONMENT.

Councilmember Reynolds Brown Introduced and Ordered Placed on This Week's Final Passage Calendar the following Resolution, Sponsored by Councilmember Reynolds Brown:


-  **Resolution No. 140158:** Resolution Recognizing and supporting women and girls throughout the world on the occasion of International Women's Day on Saturday, March 8, 2014.

Councilmember Jones Introduced and Referred the following Bill for Councilmember Council President Clarke, Sponsored by Councilmember Jones:

-  **Bill No. 140144:** An Ordinance To adopt a Capital Program for the six Fiscal Years 2015-2020 inclusive.


THE BILL WAS REFERRED TO THE COMMITTEE OF THE WHOLE.

Councilmember Jones Introduced and Referred the following Bill for Councilmember Council President Clarke, Sponsored by Councilmember Jones:

-  **Bill No. 140145:** An Ordinance To adopt a Fiscal 2015 Capital Budget.

THE BILL WAS REFERRED TO THE COMMITTEE OF THE WHOLE.

Councilmember Jones Introduced and Referred the following Bill for Councilmember Council President Clarke, Sponsored by Councilmember Jones:

-  **Bill No. 140146:** An Ordinance Adopting the Operating Budget for Fiscal Year 2015.

THE BILL WAS REFERRED TO THE COMMITTEE OF THE WHOLE.

Councilmember Jones Introduced and Referred the following Bill for Councilmember Council President Clarke, Sponsored by Councilmember Jones:


-  **Bill No. 140147:** An Ordinance Amending Section 19-1806 of The Philadelphia

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Code, entitled "Authorization of Realty Use and Occupancy Tax," to further authorize the Board of Education of the School District of Philadelphia to impose a tax on the use or occupancy of real estate within the School District of Philadelphia, under certain terms and conditions.


THE BILL WAS REFERRED TO THE COMMITTEE OF THE WHOLE.

Councilmember Jones Introduced and Referred the following Bill for Councilmember Council President Clarke, Sponsored by Councilmember Jones:

 **Bill No. 140148:** An Ordinance Amending Section 19-1801 of The Philadelphia Code, entitled "Authorization of Tax," to further authorize the Board of Education of the School District of Philadelphia to impose a tax on real estate within the City of Philadelphia, under certain terms and conditions.


THE BILL WAS REFERRED TO THE COMMITTEE OF THE WHOLE.

Councilmember Jones Introduced and Referred the following Resolution for Councilmember Council President Clarke, Sponsored by Councilmember Jones:

 **Resolution No. 140159:** 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 2015 through 2019, and incorporating proposed changes with respect to Fiscal Year 2014, which is to be submitted by the Mayor to the Pennsylvania Intergovernmental Cooperation Authority (the "Authority") pursuant to the Intergovernmental Cooperation Agreement, authorized by an Ordinance of this Council approved by the Mayor on January 3, 1992 (Bill No. 1563-A), by and between the City and the Authority.

THE RESOLUTION WAS REFERRED TO THE COMMITTEE OF THE WHOLE.

Councilmember Squilla Introduced and Referred the following Bill, Sponsored by Councilmember Squilla:

 **Bill No. 140149:** An Ordinance To amend the Philadelphia Zoning Maps by changing the zoning designations of certain areas of land located within an area bounded by Girard Avenue, Front Street, Delaware Expressway, Spring Garden Street, 3rd Street, Brown Street, and 2nd Street.

THE BILL WAS REFERRED TO THE COMMITTEE ON RULES.

Councilmember Squilla Introduced and Ordered Placed on This Week's Final Passage Calendar the following Resolution, Sponsored by Councilmembers Squilla, Quiñones Sánchez and Kenney:

 **Resolution No. 140160:** Resolution Proclaiming March 16, 2014 as "Quiara

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Alegia Hudes Day” in Philadelphia for her award winning contributions to the world of arts, literature and theatre.

Councilmember Squilla Introduced and Ordered Placed On Next Week's Final Passage Calendar the following Resolution, Sponsored by Councilmembers Squilla, Council President Clarke and Kenney:

- 📄 **Resolution No. 140161:** Resolution Also naming 3rd Street between Market and Poplar Streets to “N3RD Street”.

Councilmember Squilla Introduced and Ordered Placed On Next Week's Final Passage Calendar the following Resolution, Sponsored by Councilmember Squilla:

- 📄 **Resolution No. 140162:** Resolution Approving the redevelopment contract of the Philadelphia Redevelopment Authority for the redevelopment and urban renewal of a portion of the New Kensington-Fishtown Urban Renewal Area, identified by house number and street address as 2103 Abigail street; and authorizing the Redevelopment Authority to execute the redevelopment contract with Sefik Solutions, LLC and to take such action as may be necessary to effectuate the redevelopment contract.

REPORTS FROM COMMITTEES

COMMITTEE ON APPROPRIATIONS

- 📄 **Bill No. 140017, as amended:** An Ordinance Amending Chapter 20-304, of The Philadelphia Code, entitled “Compensation for Members of Boards, Commissions, Committees and Councils,” by repealing Bill No. 100212, thereby returning the compensation for members of the Board of Revision of Taxes to the level existing prior to the passage of that bill; all under certain terms and conditions.

COUNCILMEMBER GOODE MOVED TO SUSPEND THE RULES OF THE COUNCIL SO AS TO PERMIT CONSIDERATION THIS DAY OF BILL NO. 140017.

THE MOTION WAS DULY SECONDED AND AGREED TO.

THE BILL WAS ORDERED PLACED ON THIS DAY’S FIRST READING CALENDAR.

- 📄 **Bill No. 140079, as amended:** An Ordinance Authorizing transfers in appropriations for Fiscal Year 2014 from the General Fund, certain or all City offices, departments, boards and commissions, the Water Fund, the Department of Revenue and the Grants Revenue Fund, the Director of Finance - Provision for Other Grants to the General Fund, certain or all City offices, departments, boards and commissions, the Water Fund, the Department of Revenue and the Grants


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COUNCILMEMBER GOODE MOVED TO SUSPEND THE RULES OF THE COUNCIL SO AS TO PERMIT CONSIDERATION THIS DAY OF BILL NO. 140079.

THE MOTION WAS DULY SECONDED AND AGREED TO.

THE BILL WAS ORDERED PLACED ON THIS DAY'S FIRST READING CALENDAR.


COMMITTEE ON COMMERCE & ECONOMIC DEVELOPMENT

 **Bill No. 140002, as amended:** An Ordinance Authorizing the Philadelphia Authority for Industrial Development (PAID) to purchase approximately Two and Seven-Tenths (2.7) acres of land situate at 5210 Lindbergh Boulevard, under and subject to the terms and conditions of the Philadelphia Industrial and Commercial Development Agreement between the City, PAID, and the Philadelphia Industrial Development Corporation (PIDC).

COUNCILMEMBER GOODE MOVED TO SUSPEND THE RULES OF THE COUNCIL SO AS TO PERMIT CONSIDERATION THIS DAY OF BILL NO. 140002.

THE MOTION WAS DULY SECONDED AND AGREED TO.

THE BILL WAS ORDERED PLACED ON THIS DAY'S FIRST READING CALENDAR.

 **Bill No. 140100:** An Ordinance Amending Chapter 17-1300 of The Philadelphia Code, entitled "Philadelphia 21st Century Minimum Wage and Benefits Standard," by further providing with respect to the membership of the Living Wage and Benefits Review Committee; all under certain terms and conditions.


COUNCILMEMBER GOODE MOVED TO SUSPEND THE RULES OF THE COUNCIL SO AS TO PERMIT CONSIDERATION THIS DAY OF BILL NO. 140100.

THE MOTION WAS DULY SECONDED AND AGREED TO.

THE BILL WAS ORDERED PLACED ON THIS DAY'S FIRST READING CALENDAR.

CONSIDERATION OF THE CALENDAR

BILLS ON FIRST READING

 **Bill No. 140017, as amended:** An Ordinance Amending Chapter 20-304, of The Philadelphia Code, entitled "Compensation for Members of Boards, Commissions, Committees and Councils," by repealing Bill No. 100212, thereby returning the compensation for members of the Board of Revision of Taxes to the level existing prior to the passage of that bill; all under certain terms and conditions.

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THE BILL WAS ORDERED PLACED ON NEXT WEEK'S SECOND READING CALENDAR.

Bill No. 140079, as amended: An Ordinance Authorizing transfers in appropriations for Fiscal Year 2014 from the General Fund, certain or all City offices, departments, boards and commissions, the Water Fund, the Department of Revenue and the Grants Revenue Fund, the Director of Finance - Provision for Other Grants to the General Fund, certain or all City offices, departments, boards and commissions, the Water Fund, the Department of Revenue and the Grants Revenue Fund, the Department of Parks and Recreation.

THE BILL WAS ORDERED PLACED ON NEXT WEEK'S SECOND READING CALENDAR.

Bill No. 140002, as amended: An Ordinance Authorizing the Philadelphia Authority for Industrial Development (PAID) to purchase approximately Two and Seven-Tenths (2.7) acres of land situate at 5210 Lindbergh Boulevard, under and subject to the terms and conditions of the Philadelphia Industrial and Commercial Development Agreement between the City, PAID, and the Philadelphia Industrial Development Corporation (PIDC).

THE BILL WAS ORDERED PLACED ON NEXT WEEK'S SECOND READING CALENDAR.

Bill No. 140100: An Ordinance Amending Chapter 17-1300 of The Philadelphia Code, entitled "Philadelphia 21st Century Minimum Wage and Benefits Standard," by further providing with respect to the membership of the Living Wage and Benefits Review Committee; all under certain terms and conditions.

THE BILL WAS ORDERED PLACED ON NEXT WEEK'S SECOND READING CALENDAR.

PUBLIC COMMENT

GIVEN THE CONSTRAINTS OF TIME DUE TO THE MAYOR'S BUDGET ADDRESS, THE MARCH 6, 2014 PUBLIC COMMENT PERIOD WAS DEFERRED TO THE NEXT SESSION OF COUNCIL. THEREFORE, AS PROVIDED BY THE RULES OF COUNCIL, COUNCIL TOOK NO ACTION ON ANY BILL OR RESOLUTION ON THE MARCH 6, 2014 CALENDAR.

Name and Comment Subject

There were no Comments offered on March 6, 2014

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Council President Clarke - The time has come to consider the Mayor's presentation on his annual budget message.

Council President Clarke appointed the following Councilmembers: Jones, Brown, Greenlee, O'Neill and Oh to escort Mayor Michael A. Nutter to the Council Chamber to deliver his message.

The Honorable Michael A. Nutter, Mayor of the City of Philadelphia, appeared before the Council and presented his message concerning the proposed Operating Budget for Fiscal year 2015.

DISCUSSION: MAYOR MICHAEL A. NUTTER - BUDGET ADDRESS - (SEE NOTES OF TESTIMONY) FOR DISCUSSION PRIOR TO BUDGET ADDRESS.

 **“WORKING TOGETHER”**

**FY15 BUDGET ADDRESS
THURSDAY, MARCH 6, 2014**

Good morning Council President Clarke, Council Leadership, members of City Council, my fellow elected officials from all branches of government service, members of our Administration, Mayor John Street and my fellow Philadelphians. I'd like to thank Reverend Shipman for his innovation, his leadership of his church, risen from the ashes and strong. And, a special thanks to Council President Clarke and his staff for all of the arrangements for today.

Before we get started today, I'd like to recognize the 2014 recipient of the Richardson Dilworth Award for Distinguished Public Service, Barbara Ash, a Law Department attorney in the Child Welfare Unit who works with an unparalleled sense of purpose and professionalism.

She has been a tremendous advocate for our great City's social workers and the children and families they serve. Let's give Barbara Ash a round of applause.

I'm sure Barbara, the members of City Council and thousands of other City employees would agree - public service is truly a calling, a vocation. Each of us answered that call and steadfastly serves our communities working together to shape the future of our City and the lives of every Philadelphian.

For nearly fifteen years I served as a member of City Council and for the last six years, I have proudly worked together with all of you as Mayor of this great City.

And so, I'd like to thank Council President Clarke and all of City Council for their partnership and leadership over the last six years. Working together, this

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City Council and our Administration achieved a great deal: we're attracting new business, creating jobs; we're safer, greener and growing in our population and economy.

In just the last two years, working together, we transformed the City skyline with more than \$7.5 billion worth of recently announced, under construction or completed projects, including Comcast's Innovation and Technology Center, a new \$1.2 billion development project we announced last month.

Working together, we reformed Philadelphia's inaccurate and unfair property tax system into an accurate, understandable and fair system that used industry best practices to complete the first city-wide property reassessment under the Actual Value Initiative.

Working together, Council President Clarke, Councilwoman Quinones Sanchez and our Administration created a better system for the disposition of vacant land and properties - making Philadelphia the largest City in the nation to have a Land Bank.

Working together, we re-wrote the City's zoning code and created the City's first comprehensive plan, Philadelphia 2035.

Working together, we've lowered wage and business taxes, bringing the resident wage tax below 4% for the first time since the 1970s and we will continue to work together to lower the wage and business taxes, while providing a range of exemptions and incentives to make Philadelphia a more attractive place for businesses to start here, stay here and grow here.

Working together, we're transforming thousands of acres of long-neglected waterfronts on the Central Delaware and the Lower Schuylkill with dynamic plans that reclaim former industrial land.

Working together, City Council President Clarke, the Fairmount Park Conservancy and our Administration have agreed to move forward with the sale of the Love Park garage and construction of a new JFK Plaza/Love Park. And the renovation of Dilworth Plaza - the People's Plaza - will be completed this fall.

Working together, our Administration with Council's active support has increased diversity in City business participation. We have consistently surpassed our goal with regard to the percentage of city contracts with minority, women and disabled-owned contractors. In 2013, we reached 28% participation, encouraging us to raise our participation target to 30% for FY15.

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A year before we began our partnership, in 2007, homicides in Philadelphia claimed the lives of 391 citizens. In 2013, we had 247 homicides - the lowest homicide count since 1967. It's a decrease of 38% since 2007 and 26% lower than 2012. Overall, violent crime is down 15% compared to 2012.

But we all agree, one life lost or damaged because of violence is one too many. That's why we will remain focused on reducing violence among young people through the Youth Violence Reduction Collaborative and the Department of Justice's National Forum on Youth Violence Prevention.

And we must maintain our commitment and determination regarding homicides and shootings involving Black men and boys through our work around Black Male Engagement, the Mayor's Commission on African American Males and the national organization called Cities United, which was recently recognized by President Barack Obama during the launch of his "My Brother's Keeper" initiative last week.

In 2013, for the second year in a row, civilian fire fatalities were at an all-time low. Unfortunately, we did suffer the loss of one of Philadelphia's finest firefighters, Battalion Chief Michael Goodwin last year. We pray for his family and all the families that have suffered the loss of loved ones from fire or violence.

In 2007, our high school graduation rate was 53% and the number of Philadelphians with a four-year college degree was 18%. In 2008, we all committed ourselves to turning the tide on poor educational outcomes. Today, our high school graduation rate is 64%, an improvement of 11 percentage points - and our college degree attainment rate is nearly 25%. Progress? Yes, but we know we have much more to do.

And, our population has grown every year since 2007, as affirmed by the 2010 Census, and we'll show growth in 2013 for the seventh straight year as well - attracting a diverse group of new residents: empty nesters, immigrants and Millennials. In fact, no major city in the nation has experienced a larger percentage growth in the population of young people than Philadelphia.

I also want to point out that our strong fiscal management, our careful financial stewardship, our ability to work together and make tough budget decisions, is the reason Standard & Poor's gave Philadelphia its highest rating ever with an "A+" municipal credit rating. And for the first time since the 1970s, all three major rating agencies placed us in the "A" category.

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That's just a small portion of what our Administration and City Council have achieved, working together. And, I know we will add more accomplishments to that list through our continued partnership.

Today, my proposed FY15 budget builds on our collective track record of fiscal responsibility and strategic investment. It includes investments that support our City of Philadelphia as we continue on the path to prosperity. It makes targeted investments for our children and adult citizens, in our neighborhoods and in public safety. This budget continues the incremental Wage Tax reductions that we restarted last year to bolster economic growth.

This budget proposes no tax increases for the City's General Fund. Let me repeat that, there are no tax increases for the general fund in our City budget proposal. But, there are tax revenue issues related to funding public education that must be addressed and I'll discuss those shortly.

And, we still have a variety of other challenges: Our total tax revenue in FY15 as compared to FY 14 is down about \$41 million, which translates to 1.5% below FY14's projections. This projected decrease for FY15 is due to the expiration of the 1% Philadelphia Sales Tax and reforms in the Business Income and Receipts Tax.

This budget, which balances lower tax revenue projections with rising employee costs, takes a prudent approach to addressing both the long-term challenges we face and the immediate needs of our citizens and City departments.

Just last night, District Council 47 overwhelmingly ratified an 8-year contract agreement that adds \$122 million in costs to our Five Year Plan. Our hard working city employees deserve the wage increases in this contract just as taxpayers, who foot the bill, deserve the cost-saving labor reforms in the agreement as well.

This contract includes vital reforms in the areas of pensions, healthcare and overtime while members of DC47 receive multiple wage increases over three years that they need for themselves and their families, starting 30 days from now.

I have said many times that I want contracts with all of our municipal unions - and I know City Council feels the same way - but the agreements in my view have to be fair both to the financial interests of our citizens and our public servants.

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This remains my goal as we continue negotiations with District Council Union 33, which unfortunately, is now the only group of public employees that doesn't have a contract that provides raises for workers. I want to give you raises but I need reforms as well. Let's get a contract for our DC33 workers. We are also concluding the arbitration process with the Fire Fighters Union, whose members received raises last year, and entering the arbitration process with members of the FOP who received multiple raises in their five-year contract.

Therefore, in our FY 15 budget, we are setting aside some of our fund balance for future labor contract agreements, as we did in our FY 14 budget.

We are committing more than \$44.3 million for potential obligations with DC 33, Local 22 of the Fire Fighters Union, Lodge 5 of the Police union and non-represented employees and for the new DC47 contract in the FY15 budget. Over the span of the Five Year Plan, we are reserving more than \$375.5 million for contract costs, including the full cost of the contract with District Council Union 47.

I am hopeful that all of our union leaders understand that my Administration wants fair multi-year contracts with all of our union employees. But fair contracts must include work rule changes, healthcare cost savings and most importantly, pension reform.

We must control our costs of operating the city government while providing high quality services and while also seeking opportunities to strengthen our financial picture and reduce financial risk. We must also explore new economic and job growth opportunities for our city, and that is why we've spent the last few years exploring the possible sale of PGW and the incredible business growth and job generation this proposal could create.

I know that members of City Council and all Philadelphians appropriately have questions regarding the proposed sale of PGW to UIL Holdings but let me restate my analysis because I believe this is the right decision for us, for PGW customers and for PGW workers.

The proposed agreement will freeze gas rates for three years - that means no rate hike for three years and any new owner cannot raise rates after that without the approval of the Pennsylvania Public Utility Commission, just like PGW right now.

The agreement will maintain PGW's discount programs for low-income families and seniors and will position PGW to take full advantage of the abundant supply

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of natural gas in Pennsylvania, offering our city and region the opportunity to become a prime energy hub and job creator in America.

In addition, UIL's commitment to accelerating investment in pipe replacement, LNG facilities and expanding shale gas operations means more jobs for Local 686 and our building construction trades - this is about jobs and economic growth for our city.

The proposed agreement also protects the interests of PGW workers, which is very important to me, all PGW workers will be offered employment at UIL; there will be no lay-offs; all pension benefits earned through the sale date are assured in the future. That means, PGW workers will receive their PGW pension whenever they retire whether its two years or two decades from now - you will get your PGW pension.

In addition, each year, our own City pension costs grow, straining our resources - resources that could be spent improving service delivery or reducing taxes. Now, the City is doing what it can to ensure the long-term financial security of our City Pension Fund, but it's still less than half funded.

The sale of Philadelphia Gas Works could go a long way to rejuvenate our severely underfunded Pension Fund. The \$1.86 billion agreement with UIL Holdings could infuse between \$420 million and \$630 million into the Fund.

In the coming months, I know that City Council will do its due diligence and carefully weigh all of the elements of a potential sale of PGW. My Administration is looking forward to working with Council, answering your questions, and ultimately completing this sale.

Let me take a few moments to discuss the paramount issue that I know every member of Council is concerned about - public education for our kids.

Our children deserve a high-quality education. Period. But, prolonged fiscal challenges at the School District have truly impeded our ability to provide a rich learning experience for our young people. Our Administration and City Council have time and time again shown leadership, increasing annual, recurring education funding by \$155 million over the last three years.

Despite increased funding from the City and making tough decisions to reduce costs and implement savings, the School District is operating under a significantly constrained budget because it did not receive the full funding it needed for its current budget.

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Recently, the District requested an additional \$320 million in recurring funding - that number is in addition to the \$120 million that would be generated by the extension of the 1% Sales Tax currently a topic of discussion in City Council.

Because we're required to budget revenues consistent with existing law for measures that have already been enacted, our budget assumes that the District will receive that \$120 million. But, let me be clear, and I have been consistent on this issue, we are in agreement that a 50/50 split of the 1% Sales Tax extension, coupled with the implementation of the cigarette tax, is vitally important for the financial stability of the School District and the fiscal health of our City pension fund. And, I will continue to advocate for a change in the Sales Tax extension legislation in Harrisburg.

Two weeks ago, when Dr. Hite announced that the District would need an additional \$320 million for Action Plan 2.0, I said that I support his broad request for additional funds and that I would do whatever I could within our budget constraints to ensure the District had the additional funding they needed from us.

Specifically, the District has now made a request for \$75 million in recurring annual funding from the City to support District-managed and charter schools. To meet the funding request, I am again calling on the General Assembly to authorize the \$2 per-pack cigarette tax, as already approved by this City Council.

In its first year, the cigarette tax would generate \$83 million in education funding assuming a July 1, 2014 start date, and even in the out years of the tax, when smoking rates more than likely will decrease, which is a very good thing for the health and wellness of our citizens, it will still provide more than \$70 million of dependable, annual education funding. All it requires is the General Assembly simply to pass authorizing legislation, which I will continue to push for in Harrisburg.

Once again, I want to thank the members of City Council for passing the cigarette tax 16-0. But there is still more work for us to do to support high-quality education and the children of this City. The School District of Philadelphia has a structural funding deficit that is caused by a consistent underfunding problem, it's not getting the funds it needs or deserves.

Most importantly, we need substantial and sustainable long-term funding. The School District of Philadelphia has a structural funding deficit that is caused by consistent under funding problem - it's not getting the funding it needs or

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deserves. We need a state-wide, student-weighted funding formula, a formula that takes into account the number of students in a District and the needs of those students. Pennsylvania is one of only three states in the United States of America that does not utilize a student-weighted formula.

We must stand together and urge the Commonwealth to step up, create a new funding formula and support Philadelphia students and children all across the state.

Last month, I asked members of the Greater Philadelphia Chamber of Commerce to partner with all of us in the fight for the future of our city: the fight for education funding. It is my sincere hope that all Philadelphians will join in that fight for fair and full education funding as well.

I want to recognize Dr. William Hite and his team at the School District - he is doing an incredible job under tremendously difficult circumstances and has my complete support, including his efforts to gain sensible work rule changes that support positive outcomes for our kids in new teacher and principal contracts.

I know Dr. Hite, the School Reform Commission and every Councilmember shares my belief that our children should be our first priority. Investing in their education is our investment in Philadelphia's future.

Earlier, I talked about fiscal responsibility and strategic investments. Our proposed FY 15 budget continues to allocate funding for the support of our citizens and the improvement of our communities and neighborhoods. Let me take a few moments to highlight some of our new FY 15 investments from the operating and capital budgets.

Today, I am pleased to announce that we will invest an additional \$2.3 million in FY15 to bring all neighborhood branch libraries up to six-days a week service. We have not had this level of service in our branch libraries since the Recession in 2008. We are back to full six-day service! This Council was right on this issue back in 2009, and I've been determined to correct my mistake ever since, and I apologize to the children and library users of this City for the impact of my decision back then. This investment will total more than \$11 million over the Five Year Plan to benefit our children, parents, job-seekers, seniors and other library users.

Additionally, we will spend \$200,000 to build the collections at neighborhood branches to ensure our neighborhood libraries have the resources Philadelphians need and want. The collections at our neighborhood library branches support

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literacy initiatives, educational plans for students of all ages and a life-long love of learning for every Philadelphian.

And so, I'd like to challenge the Library Foundation, the Friends groups, non-profits and private donors to match the City's proposed \$200,000 for collections at our neighborhood branches.

Our educational interests don't end when a student graduates high school. To ensure that that the Community College of Philadelphia, the City College of Philadelphia, is a viable and attractive post-secondary learning option for every Philadelphian, we will spend an additional \$500,000 in FY15 to help off-set rising tuition costs.

And because learning outside of the classroom is also important to the development of our young people, we will invest an additional \$500,000 in the Department of Parks and Recreation to provide more programming options and expand recreation center hours across the City in FY15.

I am proud to announce that, in order to counteract Federal Sequestration cuts that would hurt vulnerable Philadelphians, we will continue to invest an additional \$1 million in the Office of Supportive Housing to help our homeless citizens.

We will spend \$5 million in FY15 on neighborhood commercial corridors to make improvements to curbs, sidewalks, landscaping, lighting and parking to complement public and private investments.

And, we will provide \$16 million in FY15 to the Streets Department to pave roads across the City. I'd like to take a moment to acknowledge the exceptional efforts of our many snow-fighting City employees, starting with Streets Commissioner Dave Perri, who over the last few months have battled bitterly cold temperatures and intense snow falls during the third worst winter in our City's recorded history, including a snow storm just this week. Let's recognize our great public servants and their incredible work.

We will also make important investments in public safety to continue our progress.

We will hire 400 new police officers in FY15 to maintain a sworn-strength of 6,525 Police Officers. We will welcome new classes of firefighters, paramedics and EMT's to the Philadelphia Fire Department. And, we will continue to make renovations to Police and Fire Stations across the City, including breaking

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ground on the new Police Headquarters at 4601 Market Street.

During the Great Recession, we weren't able to replace our City vehicles in a way that served our departments well. But in our proposed FY15 budget, we will begin to invest again: \$2 million dollars from the operating budget for police vehicles and other City vehicles and \$10 million in capital money for large specialty vehicles, like fire trucks, EMS trucks, trash compactors and new plowing equipment. In fact, the FY15 capital budget is \$131 million, the largest capital budget since FY02.

To strengthen safety and demolition oversight, we will fund 31 new positions in the Department of Licenses and Inspections. These new employees will supplement L&I's current Emergency Services inspectional staff, to ensure safe public and private demolitions in accordance with the recent package of City Council legislation that I signed in response to the building collapse tragedy at 22nd and Market.

I'd like to thank Councilman Curtis Jones, Jr., and all of the members of City Council's Special Investigating Committee on Demolitions Practices, for their leadership on this issue.

Our Administration, with the support and recommendations of City Council, is doing everything we can to ensure that this heartbreaking situation never happens again. The safety and well-being of our citizens is of the utmost importance to me.

In the coming months, with Council's partnership and the expected recommendations from the Special Independent Advisory Commission to Review and Evaluate the Department of Licenses and Inspections, a commission created by my executive order, we will continue to make improvements to the construction and demolition process in this City.

When I presented my first budget in 2008, I talked about my vision for a new day in Philadelphia and the new way to make it safer, cleaner, greener, smarter ... a better Philadelphia.

I don't think any of us knew then that we would face such a devastating recession and slow recovery. But I knew that our citizens were resilient and that Philadelphia was ready for change.

Over the last six years, we have worked together to transform our City, the way it works for and with its citizens. And, we elevated our own expectations for what

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is possible in Philadelphia.

When you talk about expectations, some have thought that we could not regain our stature in manufacturing in the country and around the world. I disagree.

Working together with Councilman Henon and the Mayor's Manufacturing Task Force, I'm pleased to announce the creation of the Office of Manufacturing and Industry in the Commerce Department to coordinate and review the implementation of many of the Task Force recommendations.

This office will be the focal point of the city's efforts and the coordinator for external activities with many of our partners - like PIDC, UII, CCP, Philly Works, Select Greater Philadelphia and many others in advancing this critical sector.

We can do big things in Philadelphia and we will, working together.

Our proposed budget focuses on our immediate needs and the long-term challenges of our City. It is a fiscal pledge of investment in our children, in our citizens and in our neighborhoods.

It's an investment in public education, public safety, the financial stability of the City's Pension Fund and the City as a whole.

Today, we are on a different path, a path to a more prosperous Philadelphia. Let's keep working, together.

Thank you. God bless the City of Philadelphia. (File No. 140177)

COMMENT - MAYOR NUTTER'S 2015 BUDGET ADDRESS - SEE ENTIRE ADDRESS IN FILE, TRANSCRIPT OR ONLINE.

THE COMMUNICATION WAS READ.

COUNCILMEMBER REYNOLDS BROWN MOVED TO ADJOURN

THE MOTION WAS DULY SECONDED AND AGREED TO.