

Fighting for Philadelphia: A Safer, Smarter and More Sustainable Future
Mayor Michael A. Nutter
March 4, 2010

Good morning:

Council President **Anna Verna**,

Majority Leader **Marian Tasco**,

Majority Whip **Darrell Clarke**,

Minority Leader **Brian O'Neill**,

Minority Whip **Frank Rizzo**,

Members of the City Council and the General Assembly,

District Attorney **Seth Williams**,

City Controller **Alan Butkovitz**,

Common Pleas President Judge **Pamela Dembe**,

Other elected officials, guests, my fellow Philadelphians and friends in the region.

And to our chief of staff **Clay Armbrister** and my fellow public servants in the Administration.

Every evening when I finish my work, I take some time to reflect on the day. I review what I've done, what we've done as an Administration and what we've done as an entire city government.

I think about the good things we've accomplished – cutting a ribbon, breaking ground on a new project, starting a new jobs program, reforming

part of the government, solving a senior citizen's painful problem, reading to a classroom of children.

But every night I also have the same thought no matter how well the day went ... I think of those we didn't help, those without a job, without a good education, those who live in fear, those who are incarcerated and our homeless – some with no hope for the future.

As we cope with double-digit unemployment and a system of education and training that still allows too many young people to fall by the wayside, we must not allow the present to be our future. We're better than that – Philadelphia.

For two years now, my administration has been on high alert, organized and energized to create new jobs, preserve the jobs we have and prepare our young people for productive lives. I believe we've had successes, but we still have far to go.

Confronting the effects of recession every day, we've become a battle-tested administration. Every day, we're fighting to expand the job prospects of all Philadelphians. And every day, I'm living, working and fighting in the present for Philadelphia's future.

I believe that Philadelphia is uniquely positioned for greatness in this century. We're at the right place, at the right time and we have what it takes to create a huge engine of economic growth and prosperity: a city that is safe, smart and sustainable.

I have a clear vision of our city's future and a plan to make it real:

- I see a future where Philadelphia prepares all of its children for the global economy. Philadelphia will be a safer city because educated and motivated young people are not committing crime.
- I see a city where many Philadelphians are finding jobs in a diverse economy rich in small minority- and women-owned businesses that are sustainable. It's an economy anchored by our great institutions of higher learning, health and life sciences research and the hospitality sector.
- And I see a city where a vast army of green-collar workers is transforming a 20th Century, carbon-based economy that grossly wasted energy into a sustainable marketplace with energy efficient buildings, enhanced public transportation, renewable energy, more parks and trees and yes ... even more bicycles.

For years now, Philadelphians have been engaged in a great internal debate, between our better angels who have hope, who see possibility

and who want change and those whose cynicism and lack of imagination freeze them in a past of low expectations.

A respected mayor of Los Angeles, Tom Bradley, once said, "In a great city, City Hall must be a beacon to the peoples' aspirations, not a barrier."

Yes, we can be a spotlight shining on a path toward prosperity, but I want our government to be more than that. It must be a strong, active partner with the private sector, the schools, the residents we serve, the Commonwealth and other governments in the region.

It's our responsibility to drive down the cost of government, to improve city services, to increase the value to taxpayers of each hard-earned dollar they send to us and to encourage people and businesses to partner with us.

My vision for Philadelphia is based on its fighting spirit. We're the city that never gives up. We're the city that works ... together.

And there's no better proof than how Philadelphia is fighting the worst recession in 75 years.

In no way do I minimize the pain that afflicts thousands of families and businesses in our city. The Recession has closed businesses. It has taken jobs and homes; it has stressed marriages and been the backdrop for violence.

There are too many Philadelphians who are hungry every day and too many who get by on empty calories and unhealthy food.

Nevertheless, in the face of this unprecedented recession, Philadelphia has moved forward along many fronts.

And across our great city, there are unmistakable signs of the new Philadelphia, new jobs and a better future:

- The new health-related construction at Penn and Temple.
- The high-rise condominiums at Rittenhouse Square and South Broad Street.
- The new supermarkets at Progress Plaza in North Philadelphia, Parkside West in West Philadelphia and West Oak Lane near LaSalle. And the start of a major retail development in Northern Liberties at the Schmidts site.
- The huge investments by two major rail carriers that will strengthen our port;
- The emergence of a clean energy campus at the Navy Yard;

- The grand expansion of the Pennsylvania Convention Center and the recent opening of the new Kimpton Hotel Palomar.

Billions of dollars of investment with more to come, and in every project, what do you see? Progress is based on strong partnerships among developers, the neighborhood and city government.

The City of Philadelphia has also forged new partnerships in Harrisburg with the General Assembly and strengthened our bonds with Gov. Rendell. Their work last summer and fall was essential to stabilize our finances and to prevent massive service cuts and layoffs.

And here in the Philadelphia region, the five Pennsylvania counties have banded together in a Metropolitan Caucus, where we've found new ways to cooperate, including joint requests for Federal funding to create a huge energy efficiency program in the Philadelphia region.

That kind of strong working relationship also exists between the City Council and my administration. Together, we are moving this city forward.

You saw it last year as we developed a city budget that preserved core services and then during the hard days last summer when the city was

united as it petitioned the Pennsylvania General Assembly for the tools to deal with the devastating recession.

And you see it in the wide-ranging progressive agenda in this Council:

- Council President Verna and her leadership on the budget, her getting tough on tax collection and her ability to find consensus;
- Majority Leader Marian Tasco and her work on mortgage foreclosure prevention;
- Majority Whip Darrell Clarke, a leading force on the historic merger of Fairmount Park and the Recreation Department; and his focus on the development process;
- Minority Leader Brian O’Neill who has worked closely with the Zoning Code Commission and its rewrite of that vital code;
- Minority Whip Frank Rizzo Jr. who has overseen improvements in police radio communications and pushed for a cell phone lot at the airport;
- Councilwoman Jannie Blackwell and her work with PHA and the issue of homelessness, particularly the dramatic decrease in on-street homelessness;
- Councilman Frank DiCicco and waterfront development, sustainability and the creation of the new Delaware River Waterfront Corp.;

- Councilman Wilson Goode and minority and small business development and accountability and the reintegration of ex-offenders;
- Councilman Bill Green and the critical reform of the Board of Revision of Taxes and the cell-phone ban for motorists;
- Councilman Bill Greenlee and unpaid leave for domestic violence victims and his work to protect owners from property loss due to the recording of fraudulent deeds;
- Councilman Curtis Jones Jr. and the oversight of millions of dollars in Federal Recovery funding;
- Councilman Jack Kelley and his deep concern for animal rights and protections;
- Councilman James Kenney and his key roles on developing the city's green strategies and the integration of immigrants into our diverse city;
- Councilwoman Joan Krajewski and her proposal for a tax amnesty program as well as proposed changes to improve police and fire response times to emergencies;
- Councilwoman Donna Miller and her focus on public safety and minority participation in the construction trades;
- Councilwoman Maria Quinones Sanchez and her focus on tax policy, prevailing wages and improved neighborhood services;

- And last but certainly not least, Councilwoman Blondell Reynolds Brown, a leader on the park-recreation merger who has focused on menu labeling and LEED certification of new city construction.

We have worked with City Council every step along the way and we'll continue to do so.

Across the city, thousands of Philadelphians are acting in partnership with their government, giving back to their communities, volunteering in town watch, mentoring a child, spending time at hospitals, recreation centers and much more.

Each one is living the ideal of Philadelphia, the city of Brotherly Love and Sisterly Affection ... Philadelphia, The City of Service.

There's Zurrell Toney, a high school dropout who became an AmeriCorps volunteer logging more than 900 hours rebuilding homes for low-income families.

I met him at his graduation from YouthBuild Philadelphia Charter School where he was the valedictorian. He's now in college with dreams of owning a business.

For 8 years, Linda Watson-Patterson has volunteered at Greater Philadelphia Cares. She runs Discovery Project every Saturday during the school year at Sheppard Elementary in Kensington.

The 3rd and 4th graders learn science with hands-on experiences, Linda has a blast and Philadelphia may one day produce the next Einstein, Edison or Gates.

And Lorette Feltoon, a retired psychologist, volunteers at the Philadelphia Municipal Court's Dispute Resolution Center where she helps resolve small claims, private criminal cases and trains law students to participate in the program.

When volunteers like these fine people and City Council and the administration work together to solve problems, taxpayers are the winners.

In these extraordinary times, we've met the challenge of recession. We've innovated, we've reformed and we've preserved the basic services that Philadelphians want and deserve.

The numbers are truly astounding: overall city government has made \$2.4 billion worth of painful budget changes. We've shed more than 800 filled

jobs. Between FY08 and this year, overall spending has declined by \$159 million, excluding pensions and debt service.

At the same time, overtime spending has been reduced by \$50 million. We've gotten tough on tax collection. Our new programs have brought in more than \$8.5 million so far. We've cut the city fleet and dramatically reduced take-home car privileges.

Let me highlight some of the work we've done for taxpayers:

Armed with a smart crime fighting strategy, Police Commissioner Charles Ramsey and the Philadelphia Police Department have achieved striking reductions in crime: homicides down 8 percent last year and 22 percent in the last two years; violent crime is down 9 percent.

The department is now rolling out a new neighborhood policing model that we hope will encourage communities to work closely with police and other city agencies to clean up crime problems.

And we've reduced crime while sharply cutting overtime. This year, the department has a target of \$40 million in overtime, \$30 million less than 2008 spending.

L&I Commissioner Fran Burns and her team have put L&I on track to become one of the nation's leading code enforcement agencies.

After sustaining a 20 percent budget reduction and the loss of 10 percent of the department's workforce, L&I has become more efficient, provided better service and reduced overtime by almost 60 percent.

Over-the-counter wait times of two hours have been reduced to less than 15 minutes. Quick, courteous service, including help to people with limited English, is now the customer standard.

In the Fire Department, Fire Commissioner Lloyd Ayers has developed a firefighting strategy, delivering efficient yet highly effective firefighting services while significantly reducing costs.

At the same time, the department's dedicated public servants have continued to meet national response time standards, to engage the public in fire prevention and education work and last year had THE fewest number of fire deaths in city history.

The Streets department ...what can I say? From top management, Deputy Mayor Rina Cutler and Streets Commissioner Clarena Tolson to

employees on the street, they have done a superb job during the blizzards this winter.

But that's just part of the story. In 16 months, Streets reduced its budget by almost 14 percent through efficiencies and reductions. And what have they achieved?

The department deployed 500 Big Belly solar-powered compactors and 210 public recycling containers. And we're getting more of them placed in our neighborhood commercial corridors all over the city.

Our weekly, single-stream recycling effort achieved a diversion rate of 18 percent in December, saving in that month alone \$600,000 in landfill fees. That rate is more than double the 7.5 percent rate when my Administration took office.

The recession brought 20 percent budget cuts to both the Fairmount Park Commission and the Department of Recreation.

But under the leadership of Commissioner of Parks and Recreation Michael DiBerardinis, Recreation Director Sue Slawson and Fairmount Park executive director Mark Focht, the two departments are moving

toward a seamless merger that will result in more value for taxpayers and better service.

Despite the budget cuts, the summer camp program was roughly the same size. We were able to keep 46 pools open last summer with the Splash and Summer Fund and this coming summer we'll have all functioning pools open.

I believe that bears repeating: all functioning swimming pools – 69 of our 72 pools – will be open this summer!

We're going to launch at least a half dozen new urban farms in support of our Greenworks Philadelphia goal of increasing fresh food for Philadelphians, and later this year, we'll open Hawthorne Park, the first new park in our city in a decade.

For the first time in years, the Philadelphia Prison system has had a sustained decline in prison population, about 10 percent less than the previous year. This translates into almost \$15 million in savings that could not have been better timed.

I want to thank the Criminal Justice Advisory Board, created and headed by Deputy Mayor Everett Gillison and co-chair Common Pleas President

Judge Pamela Dembe, for developing innovative ways to expedite the processing of inmates. These innovations have led to faster disposition times, which reduce an inmate's length of stay.

And under Prison Commissioner Louis Giorla's leadership, the prisons are better deploying staff, with overtime spending down more than 8 percent and sick time reduced by 25 percent. The commissioner is also leading an initiative to open Day Report Centers, which will allow non-violent offenders an alternative to prison incarceration.

And let me take a moment to welcome into the leadership of our city a new partner in crime-fighting, District Attorney Seth Williams, who has innovations of his own which are going to help us be a safer city and reduce costs.

Last September, Commissioner Bernard Brunwasser and the Water Department released a revolutionary plan to deal with an age-old urban problem – stormwater, which creates flooding and basement sewer backups, just to name two problems.

The department's game-changing plan proposes to use the landscape itself to cope with surging rainfall.

Instead of using grey infrastructure, giant pipes, tanks and tunnels, the department will develop green infrastructure – from green roofs and rain barrels to street tree trenches and wetlands -- to reduce the amount of stormwater that enters our combined sewer system. These benefits will mesh with our broader sustainability goals of Greenworks Philadelphia.

And in response to the global credit crisis that led to the demise of many financial institutions, City Treasurer Rebecca Rhynhart has dramatically reduced the city's fiscal risks by restructuring \$1.5 billion in variable-rate debt into fixed-rate debt, saving the city millions of dollars.

These are just some of the reforms and efficiencies that this government has made during the worst economic downturn in 75 years. Indeed, Philadelphia government has been transforming in front of your eyes.

But unfortunately, the recession continues to batter our economy, hurting businesses, discouraging investment and leaving vast numbers of Philadelphians with little or no work.

Our situation calls to mind the words of the great American patriot, Thomas Paine, who in 1776 said, "These are the times that try men's souls."

Later, I'll have more to say about the rest of his comment, but there's no doubt that we're facing trying times.

And, it should surprise no one that Philadelphia confronts yet another hurdle, a deficit that could have been more than \$120 million in the upcoming fiscal year without the corrective actions that I'll discuss shortly.

This new budget gap has many different causes, including a drop off in projected wage and sales tax revenue owing to the recession; an increase in payouts because of law suits and the cost of record-breaking snow storms.

There's also the cost of salary increases in the recent FOP arbitration award, which included the historic, long-term restructuring of healthcare and pensions, two major cost drivers in the city budget.

After considerable review, we concluded that the long-term gains of pension/healthcare benefit reform outweigh the short-term pain in the cost of salary increases. Overall, the award is fair to our brave police officers and the city.

Meanwhile, we're pursuing similar pension and healthcare reforms and cost savings with the other three bargaining units. I look forward to the

conclusion of negotiations and resulting contracts that are fair to both our employees and our taxpayers.

Let me take a moment to recognize four great leaders in our city, our union leaders, Bill Gault, Pete Matthews, John McNesby and Cathy Scott. To each of you, I say thank you for your dedication and commitment in representing your members, our great city employees. I look forward to working with each of you as we make Philadelphia great.

Our problem, then, is that we are faced with a budget hole that exceeds \$120 million and that balloons into a \$500 million to \$700 million shortfall over the Five Year Plan.

Some may ask, what will you do? I say we must act swiftly and boldly.

Last year, Philadelphians demanded that the city's core services be maintained, that we protect the vulnerable populations who depend on city services and that we all share in the painful solutions to our budget crisis.

Neither the continuing recession nor the attitudes of Philadelphians have changed on these issues. We heard you then and we hear you now.

In a spirit of partnership with this City Council and with friendship and respect for the members, let me suggest what we must not do.

First, we can't completely rely upon cutting our way out of this deficit because the enormous reductions required would devastate our basic services, from police and fire to parks, libraries, recreation and everything in between.

That said, it's also true that our administration has consistently sought less expensive ways to deliver service, and we will continue to ask the tough questions about whether a service should be reduced or ended.

In fact, the city in partnership with the Private Sector Outreach Board will engage a consultant in a pro bono arrangement to assess how our departments work and are staffed with an eye toward streamlining how we do business, reduce our costs and improve service.

But after what we've done in the last 16 months in preserving core services for Philadelphians, the deep budget cuts required to fill the deficit would force massive layoffs and a very noticeable reduction in services. It's a path we should avoid.

Second, I will not propose to increase the rates in the five major taxes that fuel city government. Let me repeat: I will not propose any increase in the tax rates of our city government.

Across-the-board wage and business tax rate increases make no sense in the midst of this recession.

The real estate tax system requires major reform and is simply not available. The real estate transfer tax is one of the highest in the nation, and we've already raised the sales tax.

Our options, therefore, are limited, but let me be clear: I will not let the recession deter us from moving toward our goals for a safe, healthy and prosperous city as we protect the city's fiscal standing.

Now, I've said this before, "nothing worth having in life is free." And we all know that as surely as the sun sets, the cost of living continues to rise.

I don't have a magic wand and I don't print money like the federal government, but I do have a vision of where this city needs to go and I've been fighting for it throughout my public career.

I firmly believe we have the will and the skill to make Philadelphia great.

What we need is a new way, a creative solution that helps us bridge a recession that has decimated our municipal finances, that gets us to a more long-term sustainable fiscal position and that prepares us for the economic recovery.

In my proposed \$3.87 billion budget that begins July 1, I propose further budget reductions and cost savings of about \$33 million.

I'm also proposing a new source of revenue, the Keep Philly Clean Service fee. This is not just a trash fee. It's an annual service charge to each property in the city that will allow us to preserve, restore and expand a variety of services, including trash collection, recycling, vacant lot cleaning, graffiti removal and restored services like leaf collection. We believe the charge will raise about \$107 million annually.

In addition, I'm requesting the creation of a Healthy Philly Initiative that would impose a tax on retailers who market sugar-sweetened beverages, based on their annual sales volume. This tax will generate about \$77 million per year and be in place for the second half of the upcoming fiscal year.

These carefully targeted proposals would generate enough revenue to accomplish two critical goals:

First, the new funding will enable the city to begin restoring some services previously terminated or reduced -- such as mechanical leaf collection and recycling, a vacant lot cleaning program and citywide neighborhood cleaning crews who will clean vacant lots and support neighborhood cleanups.

And we'll also initiate a desperately needed program – a smart, concerted fight against obesity, which is ravaging our children and adults.

Second, with the new revenue we can provide better services and avoid devastating budget cuts.

All libraries will be open. All health centers will be open. All recreation centers will be open. There will be no layoffs of police officers or firefighters and no loss of public safety coverage. It means the services that we've fought so hard to preserve will remain in place for all Philadelphians.

So, we'd pay a little more, but we'd preserve city services and get more. And when the economy recovers, this city will take off ...

Let me begin with the Keep Philly Clean Service fee.

For a little less than \$6 per week, each property in the city that receives trash collection service on a weekly basis will continue to do so and as I said benefit from additional services. Qualifying low-income households will be charged a little less than \$4 per week, and we're exploring other options for seniors on fixed incomes.

Properties will receive an annual bill with 60 days to pay. Delinquent bill payers will be charged penalties and interest, and we will work hard to make sure that everyone pays what they owe.

We propose to increase the current rate for small commercial properties, putting them at least on par with residential properties. Property owners who can document private trash collection will be exempt from the fee.

Philadelphians can also offset some of their Keep Philly Clean Service fee by fully participating in the city's new Philadelphia Recycling Rewards program.

Residents who recycle every week and get their neighbors to do the same can easily save \$100 a year and as much as \$400 in rewards, including

discounts on supermarket or drug store purchases or at entertainment venues. That's real value to help purchase real goods that you want or need. If you consider the value of the discounts and rewards from recycling, they will or almost will cover your out-of-pocket cost for the cleaning services fee.

Let me now turn to one of the most serious public health issues facing our city.

In recent years, Philadelphia has been very aggressive in promoting health by adopting Smoke Free legislation, Menu Labeling and a ban on Trans Fat used in the preparation of food.

Two weeks ago, a Robert Wood Johnson Foundation report ranked Philadelphia dead last among the 67 counties in the Commonwealth in the overall health of its population. And First Lady Michelle Obama came to Philadelphia to talk about her national initiatives to fight obesity.

Last week, Council members Marian Tasco and Blondell Reynolds Brown convened a Council hearing to investigate the health threats posed by obesity.

The facts are alarming: Philadelphians are becoming overweight in astonishing numbers – 64 percent of adults and 57 percent of children were overweight or obese in 2008.

In just six years, between 2002 and 2008, the percentage of overweight or obese children between 6 and 17 years old jumped 18 percent. Without effective intervention, most of these children will grow up to be obese.

And what awaits them as adults is a litany of chronic disease and possible death from heart disease, many forms of cancer, type 2 diabetes and stroke.

Though obesity is a problem in all communities, it's an even greater problem in African American and Latino neighborhoods and worst in the poorest neighborhoods of our city.

In response to these facts on the ground, we're looking forward to working with members of City Council to launch a comprehensive program for obesity prevention, starting in January 2011.

We must do all we can to make healthy foods more available to Philadelphians. We must discourage the consumption of unhealthy foods and we must encourage Philadelphians to be more active.

At the same time, Deputy Mayor Donald Schwartz and his team have applied on the city's behalf for a grant from the U.S. Centers for Disease Control to support an obesity prevention program and we have hopes that the CDC will see the merit in supporting a program here.

The tax we're proposing is a two-cent per ounce levy on retailers based on their annual volume of sugar-sweetened beverages.

Our hope is that the tax will be passed on by retailers in higher costs for sugar-sweetened beverages, including soda, non-100 percent fruit drinks, sports drinks and energy drinks. In turn, consumers will respond to the price increase and buy more healthy beverages.

And so, I'm calling on the retailers in Philadelphia to show their concern for Philadelphia consumers by apportioning the new tax to these sugar-sweetened beverages and not to spread the cost over all their merchandise.

If they follow our lead, these beverages could see price increases of between 20 percent and 40 percent, while making more healthy drinks more cost attractive.

Beginning in July 2011, we propose to spend \$20 million in revenue from the Healthy Philly Initiative to support this program to promote healthy eating and physical activity. As responsible public servants, I believe we're obliged to do all we can to ensure healthier outcomes and lives for our children and adults.

Of course, nothing promotes health more than a steady paycheck.

And this budget and Five Year Plan will make long-term and short-run investments and undertake new initiatives aimed at moving the city on the road to sustainable recovery and more jobs for Philadelphians.

I'm pleased to announce that we are proposing at this time to restore in FY14 the wage and business tax reduction schedule that was halted last year. That's right! We're fighting hard to get back to reducing taxes and spurring development and job creation. Again, we must act boldly to give business the assurance of a steadily improving environment in which to invest.

I also recently announced that we are establishing two pilot programs – one to explore the adoption of singles sales factor apportionment for certain life sciences and other R&D firms and a second program to

explore market-based sourcing in connection with computer system design firms.

We're also doing everything possible to be a more business friendly city, creating on-line business and development portals and turning L&I into an agency with a customer service ethos that makes getting permits and licenses quick and easy.

Last month, I set out our goals for growing more and larger minority-, women- and disabled-owned businesses. These small businesses can be major job-generators, particularly in minority neighborhoods.

Our strategy is called Inclusion Works and it has a two-fold purpose: increasing the contracting opportunities for these businesses in city government and helping them compete in the regional economy.

On Tuesday, Inclusion Works received a tremendous boost with the announcement that Angela Dowd-Burton, a former top executive with Rohm & Haas who served with distinction as the city's procurement commissioner in the late 1980s, will head up our Office of Economic Opportunity. She brings incredible business and government experience to this critically important effort and Philadelphia is fortunate to have her service again.

In addition to breaking down barriers to business investment, the city will make major new investments through its capital program.

Following last year's executive order consolidating all information technology functions from 33 agencies into the new Division of Technology, we are proposing an unprecedented, six-year \$120 million investment, including \$25 million in FY11, which will move us away from our paper-intensive government toward a more efficient, high-speed system. We may not be completely "paper-less," but we'll definitely use "less paper."

We're also moving ahead with plans to build out the recently purchased broadband wireless network that will improve public safety with enhanced video surveillance capabilities and government efficiency.

Philadelphia will almost double its street paving program to \$17.5 million, and our tree planting program run by Fairmount Park will have \$2.5 million.

And a new cooperative agreement with district City Council members will increase funding for Recreation facility improvements. Thank you City Council for investing in our facilities.

Improving the business climate and investing in technology to lower costs are crucial to growing a job-rich economy, but getting Philadelphians the education and training they need for the demands of this new economy is even more important.

We're fighting for every possible Federal Recovery grant that enables the city and its many workforce development partners to prepare Philadelphians for good jobs in the Philadelphia region.

Let me mention one of the new innovative workforce programs we've developed. We call it PhillyWorks.

Using multiple funding sources, this program will help Philadelphians who are working part-time to move into full-time, family-sustaining work.

As they continue their part-time work, they'll participate in a program that will increase their job skills with training, contextualized or real-life learning and career coaching. Then, they'll move into a new job – full-time employment with a Philadelphia-based company partnering with us.

PhillyWorks will give these participants the helping hand they need to move forward in their lives.

In addition to our recently launched PhillyGoes2College effort, we're also kicking off in the coming months two important education initiatives that we expect will prepare large numbers of Philadelphians for work and success.

Literacy is at the heart of the skill-set required for success in the 21st Century economy. There are fewer and fewer decent paying jobs that do not require high levels of literacy, including a firm grasp of technology.

We face an enormous challenge in Philadelphia: there are more than 200,000 adults without a high school diploma and more than 550,000 adults who need to improve their literacy skills.

If we can help them get GED's, improve their literacy skills and complete college, they'll be able to boost their marketability and income and be positive models for their children.

Twenty-seven years ago, Mayor William Green established the Mayor's Commission on Literacy and appointed Marciene Mattleman its first director.

In the last five years, the commission has not functioned to the standards I expect in our government. It has been without an executive director, a working advisory commission or a strategy to deal with the city's huge literacy challenges.

In recent months, we've been working hard to fix all of these components, and so I'm pleased to announce today that working with the Free Library Foundation and literacy and workforce advocates, I will rebuild this commission with new, dynamic leadership, hire an executive director, reach out to the corporate community for support and employee participation as mentors and we will launch an aggressive literacy program that produces literate, life-long learners who are ready for the new economy.

Two years ago, I set an ambitious goal of increasing the high school graduation rate because without that degree, gainful employment and a prosperous future is less and less likely.

But truant children rarely ever graduate. In fact, research shows that 6th graders who attend school less than 80 percent of the time are almost certain not to graduate from high school years later. And most juvenile offenders are chronically truant.

In Philadelphia, about 15,000 students are absent each day, that's 10 percent of the student body, and one half have no valid excuse.

For a year, a team with representatives from the School District, the Courts, the District Attorney's office and my administration has been developing a new strategy and funding plan to sharply reduce truancy by strengthening programs that work. In the spring, we'll launch that effort.

Finally, one of the city's largest and often untapped resources is the good will and energy of Philadelphians.

If we as a city can dramatically increase volunteering and direct that resource toward our key goals, then we will move Philadelphia closer to our goal of being a safer, smarter and more sustainable city.

Philadelphia recently won a competitive grant from the national Cities of Service, a program funded by the Rockefeller Foundation. We were one of only 10 cities to win this grant.

It will allow us to recruit the city's first ever Chief Service Officer, whose goal will be to bring all our partners and resources together so that we can greatly increase the role of volunteering and attract thousands more Philadelphians to this fulfilling activity ...

I've had a great deal to say today and I deeply appreciate your attention.

We politicians often turn to the world of sports to make a point. Let me recall a comment from one of my idols, the great NFL coach Vince Lombardi, who once said, "Leaders aren't born, they are made. And they are made just like anything else, through hard work."

As a former member of this legislative body and having worked with you in the last two years as Mayor, I can say without reservation that each of you has worked very hard with me on behalf of all Philadelphians. You are leaders, because you've been willing to work hard and you've made tough decisions.

For my part, let me say that the Office of the Mayor is a humbling place, and I have made some mistakes and for that I say I am sorry, but I hope we can all remember our scripture, in Matthew 7:1 – Judge not lest ye be judged.

I ask your forgiveness for my mistakes, but I also ask for your continued support as we all strive to serve our citizens to the best of our God-given ability – I'm trying hard every day.

You know I often talk about being a life-long learner, it's one of my major messages to young people, and I practice it daily. I'm always learning something "new" in this job!

One lesson I believe we've all learned is just how painful and politically volatile the times are. People are hurting and they look to us as leaders to find a safe path to a better future. I understand that pain, I see it every day and I know you do also.

I believe our job is to solve today's fiscal problems with a plan that best positions us for the future. The Athenian Oath reminds us that we have an obligation to our children – to leave them our city better than we found it.

As leaders we have to be straightforward with those who elected us. Some say that Philadelphians can't handle the truth. I think they can. Getting to a better place is never a pain-free journey.

Coping with one of the worst recessions ever has not and will not be without cost, but I do believe it has strengthened us.

In the last two years, we as a government have proven that we are responsible stewards of taxpayers' resources.

Philadelphians have been very clear they want a basic level of services that includes protecting the most vulnerable among us. We heard that message and we have preserved basic services. We've cut where we had to and we're a leaner and more efficient government as a result.

Through innovative new programs like Greenworks Philadelphia, PhillyWorks and Inclusion Works, we're preparing Philadelphia, the city that works together, for a prosperous future.

In this proposed FY11 budget and Five Year Plan, I've recommended against devastating cuts or major tax increases. There must be new ways for us to deal with old problems.

If we want a safer city, a smarter city, a sustainable city, we must act boldly now! Because:

- A safer city is a clean city and that's why we need the Keep Philly Clean Service fee.
- A smarter city is a city that takes on the health crisis facing us and that's why we need the Healthy Philly Initiative.
- A sustainable city is a city of leaders willing to make the tough decisions that ensure a great future and that's why we must work together.

The proposed Keep Philly Clean Service fee and the Healthy Philly Initiative will attract naysayers and some will complain. Some will be very loud, but I believe this course is the best one for our city.

Starting tomorrow and in the days and weeks to come, members of my administration and I will visit Philadelphians where they live, work and gather to talk about this proposed budget and Philadelphia's future. I want to invite City Council members and other elected officials to join me on this important journey.

And now, allow me return to Thomas Paine's comment on Dec. 23, 1776. Earlier, I read part of it; here's a little more:

"These are the times that try men's souls. The summer soldier and the sunshine patriot will, in this crisis, shrink from the service of their country; but he that stands it now deserves the love and thanks of man and woman. Tyranny, like hell, is not easily conquered; yet we have this consolation with us, that the harder the conflict, the more glorious the triumph."

There is no doubt in my mind that this Great Recession has a tyrannical hold on our city and we must defeat it.

My fellow Philadelphians, we are not sunshine patriots.

In the face of recession, we've created a crime-fighting strategy that is working.

We are not summer soldiers.

In the face of recession, we have moved our city forward fighting for more educational opportunity and training programs, sustainability and reform ... and for jobs.

And when we do the right thing, we will deserve the thanks of OUR fellow men and women of this great city.

Now, I'm well aware of the heavy lifting required of all of us who deserve to be called leaders. I ask you to keep an open mind. I ask for your serious consideration and analysis.

I'm asking for your help and support to lead our city out of recession and into recovery. We must explore creative options to fully fund the services that Philadelphians want and deserve because the old model just won't work in these modern times.

James Baldwin, the great African American novelist and civil rights advocate, once said, "The moment we break faith with one another, the sea engulfs us and the lights go out."

Well, we must not break faith with one another. We must only allow a bright future to engulf us, and the light of our faith in each other must shine brighter than before.

I believe our job as responsible public servants is to shine that light on the path ahead and act decisively with common sense for the common good and our city's uncommon future.

It's a future right in front of us and we must hold it with all our might and fight to succeed.

Members of City Council, ladies and gentlemen, my fellow Philadelphians, we were hit hard and we almost went to our knees, but through hard work and faith in each other, we're back on our feet, ready to fight some more for Philadelphia and we are going to win.

Thank you, and God bless you and God bless Philadelphia.