Thursday, March 4, 2010

PRESENT: 17 - Councilmembers Blackwell, Clarke, Council President Verna, DiCicco, Goode, Green, Greenlee, Jones, Kelly, Kenney, Krajewski, Miller, O'Neill, Reynolds Brown, Rizzo, Sanchez and Tasco

Council met, a quorum being present.

Reverend John Teagle of Mt. Sinai Tabernacle Baptist Church was introduced and offered an appropriate prayer.

COUNCILMEMBER TASCO MOVED TO APPROVE THE JOURNAL

of the meeting of February 25, 2010.

THE MOTION WAS DULY SECONDED AND AGREED TO.

COMMUNICATIONS

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

- Transmitting a bill 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 2011 through 2015, and incorporating proposed changes with respect to Fiscal Year 2010, 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. 100144)

THE COMMUNICATION WAS READ.

- Transmitting a bill amending Chapter 19-3500 of The Philadelphia Code, entitled “General Acute Care Hospital Assessment,” by clarifying its applicability to High Volume Medicaid Hospitals, by revising due dates, by making changes to conform to amendments to State law, and making technical changes, all under certain terms and conditions. (File No. 100145)

THE COMMUNICATION WAS READ.

- Transmitting a bill authorizing the City Treasurer, on behalf of the City, to enter into an agreement with Wachovia Bank, N.A. for provision of payroll banking services to the City, under certain terms and conditions. (File No. 100146)

THE COMMUNICATION WAS READ.

- Transmitting a bill authorizing the Commissioner of Public Property, on behalf of The City of Philadelphia, to extend the term of a sublease agreement between the Philadelphia Municipal Authority as landlord and The City of Philadelphia as tenant for mailroom operations space at 1628 JFK Boulevard, under certain terms and conditions. (File No. 100147)

THE COMMUNICATION WAS READ.

- Transmitting a bill adopting the Operating Budget for Fiscal Year 2011. (File No. 100148)

THE COMMUNICATION WAS READ.

- Transmitting a bill to adopt a Fiscal 2011 Capital Budget. (File No. 100149)

THE COMMUNICATION WAS READ.

- Transmitting a bill to adopt a Capital Program for the six Fiscal Years 2011-2016 inclusive. (File No. 100150)

THE COMMUNICATION WAS READ.

- Transmitting a bill amending Chapter 10-700 of The Philadelphia Code, entitled “Refuse and Littering,” by providing for a sanitation services fee, under certain terms and conditions. (File No. 100151)

THE COMMUNICATION WAS READ.

- Transmitting a bill amending Title 19 of The Philadelphia Code, entitled “Finance, Taxes and Collections,' by adding a new Chapter 19-3600, entitled “Sugar-Sweetened Beverage Tax,” under certain terms and conditions. (File No. 100152)

THE COMMUNICATION WAS READ.

- Transmitting a bill 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; all under certain terms and conditions. (File No. 100153)

THE COMMUNICATION WAS READ.

- Transmitting a bill amending Chapter 19-1800 of The Philadelphia Code, entitled "School Tax Authorization," by amending Section 19-1806, entitled "Authorization of Realty Use and Occupancy Tax," to furthe0r 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. (File No. 100154)

THE COMMUNICATION WAS READ.

INTRODUCTION OF BILLS AND RESOLUTIONS

Councilmember Kenney Introduced the following Resolution, Sponsored by Councilmembers Kenney and Council President Verna:

- **Resolution No. 100137:** Resolution Urging PIDC to rename the Philadelphia Navy Yard as the Honorable John P. Murtha Navy Yard.

THE RESOLUTION WAS READ.

THE RESOLUTION WAS ADOPTED.

Councilmember Krajewski Introduced the following Resolution, Sponsored by Councilmember Krajewski:

- **Resolution No. 100138:** Resolution Honoring Seamus Boyle.

THE RESOLUTION WAS READ.

THE RESOLUTION WAS ADOPTED.

Councilmember Tasco Introduced the following Bill, Sponsored by Councilmember Tasco:

- **Bill No. 100115:** An Ordinance To adopt a Capital Program for the six Fiscal Years 2011-2016 inclusive.

THE BILL WAS REFERRED TO THE COMMITTEE OF THE WHOLE.

Councilmember Tasco Introduced the following Bill, Sponsored by Councilmember Tasco:

- **Bill No. 100116:** An Ordinance To adopt a Fiscal 2011 Capital Budget.

THE BILL WAS REFERRED TO THE COMMITTEE OF THE WHOLE.

Councilmember Tasco Introduced the following Bill, Sponsored by Councilmember Tasco:

- **Bill No. 100117:** An Ordinance Adopting the Operating Budget for Fiscal Year 2011.

THE BILL WAS REFERRED TO THE COMMITTEE OF THE WHOLE.

Councilmember Tasco Introduced (By Request) the following Bill, Sponsored by Councilmember Tasco:

- **Bill No. 100118:** An Ordinance Amending Title 19 of The Philadelphia Code, entitled "Finance, Taxes and Collections,' by adding a new Chapter 19-3600, entitled "Sugar-Sweetened Beverage Tax," under certain terms and conditions.

THE BILL WAS REFERRED TO THE COMMITTEE OF THE WHOLE.

Councilmember Tasco Introduced the following Bill, Sponsored by Councilmember Tasco:

- **Bill No. 100119:** An Ordinance Amending Chapter 19-1800 of The Philadelphia Code, entitled "School Tax Authorization," by amending Section 19-1806, 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.

THE BILL WAS REFERRED TO THE COMMITTEE OF THE WHOLE.

Councilmember Tasco Introduced the following Bill, Sponsored by Councilmember Tasco:

- **Bill No. 100120:** 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; all under certain terms and conditions.

THE BILL WAS REFERRED TO THE COMMITTEE OF THE WHOLE.

Councilmember Tasco Introduced the following Bill, Sponsored by Councilmembers Tasco, Green, Sanchez, Reynolds Brown, Jones, Goode, Greenlee, DiCicco, Council President Verna, Kenney, Krajewski, Miller, Kelly, Clarke and O'Neill:

- **Bill No. 100121:** An Ordinance Providing for the submission to the qualified electors of the City of Philadelphia of a poposed amendment of The Philadelphia Home Rule Charter set forth in a Resolution approved by Council relating to restrictions on the political activities of City officers and employees, and authorizing the appropriate officers to publish notice and to make arrangements for the special election.

THE BILL WAS REFERRED TO THE COMMITTEE ON LAW AND GOVERNMENT.

Councilmember Tasco Introduced the following Bill, Sponsored by Councilmembers Tasco, Green, Sanchez, Reynolds Brown, Jones, Goode, Greenlee, DiCicco, Council President Verna, Kenney, Kelly, Miller, Krajewski, Clarke and O'Neill:

Bill No. 100122: An Ordinance Amending Chapter 20-1000 of The Philadelphia Code, entitled "Political Contributions and Expenditures," by authorizing the creation of inauguration and transition committees and providing separate limitations on contributions to such committees; by requiring certain disclosures with respect to a candidate's various committees; by limiting contributions that may be made after an election to retire debt; and by otherwise revising the provisions of that Chapter; all under certain terms and conditions.

THE BILL WAS REFERRED TO THE COMMITTEE OF THE WHOLE.

Councilmember Tasco Introduced the following Bill, Sponsored by Councilmembers Tasco, Green, Sanchez, Reynolds Brown, Jones, Goode, Greenlee, DiCicco, Council President Verna, Kenney, Krajewski, Miller, Kelly, Clarke and O'Neill:

Bill No. 100123: An Ordinance Providing for the submission to the qualified electors of the City of Philadelphia of an amendment to The Philadelphia Home Rule Charter to provide for the creation of an Office of Inspector General, to provide for the powers and duties of such Office, to establish requirements for certain City officials and employees in connection with the work of the Inspector General, and to otherwise provide for incorporation of the Inspector General into the City government; fixing the date of a special election for such purpose; prescribing the form of ballot question to be voted on; and authorizing the appropriate officers to publish notice and to make arrangements for the special election.

THE BILL WAS REFERRED TO THE COMMITTEE ON LAW AND GOVERNMENT.

Councilmember Tasco Introduced the following Bill, Sponsored by Councilmembers Tasco, Green, Sanchez, Reynolds Brown, Clarke, Jones, Goode, Greenlee, DiCicco, Council President Verna, Kenney, Krajewski, Miller, Kelly and O'Neill:

Bill No. 100124: An Ordinance Amending Chapter 20-1000 of The Philadelphia Code, entitled "Political Contributions and Expenditures," by permitting a candidate for elective office to establish a litigation fund to receive contributions and make expenditures for the defense of certain proceedings relating to the candidate's campaign, and further regulating and limiting such contributions and expenditures, all under certain terms and conditions.

THE BILL WAS REFERRED TO THE COMMITTEE OF THE WHOLE.

Councilmember Tasco Introduced the following Bill, Sponsored by Councilmembers Tasco, Green, Sanchez, Reynolds Brown, Jones, Goode, Greenlee, DiCicco, Council President Verna, Kenney, Krajewski, Miller, Kelly, Clarke and O'Neill:

Bill No. 100125: An Ordinance Amending Title 20 of The Philadelphia Code, entitled "Officers and Employees," by revising the penalties for violation of various ethics and ethics-related provisions, including Chapter 20-600 ("Standards of Conduct and Ethics") and Chapter 20-1000 ("Political Contributions and Expenditures"), all under certain terms and conditions.

THE BILL WAS REFERRED TO THE COMMITTEE OF THE WHOLE.

Councilmember Tasco Introduced the following Bill, Sponsored by Councilmembers Tasco, Green, Sanchez, Reynolds Brown, Jones, Goode, Greenlee, DiCicco, Council President Verna, Krajewski, Clarke, Kenney, Kelly, Miller and O'Neill:

Bill No. 100126: An Ordinance Amending Chapter 20-1000 of The Philadelphia Code, entitled "Political Contributions and Expenditures," by providing that expenditures incurred in the printing or distribution of sample ballots shall not be considered a contribution for purposes of the contribution limits of that Chapter, and clarifying that the requirement of a single candidate political committee does not prohibit other committees or entities from making expenditures for the printing or distribution of sample ballots listing the names of more than one candidate, all under certain terms and conditions.

THE BILL WAS REFERRED TO THE COMMITTEE OF THE WHOLE.

Councilmember Tasco Introduced the following Bill, Sponsored by Councilmembers Tasco, Green, Sanchez, Reynolds Brown, Jones, Goode, Greenlee, DiCicco, Council President Verna, Kenney, Krajewski, Miller, Kelly, Clarke and O'Neill:

Bill No. 100127: An Ordinance Amending Title 20 of The Philadelphia Code, entitled "Officers and Employees," by adding a new Chapter requiring the registration of lobbyists and their principals, and requiring disclosure of lobbying expenditures, all under certain terms and conditions.

THE BILL WAS REFERRED TO THE COMMITTEE OF THE WHOLE.

Councilmember Tasco Introduced the following Bill, Sponsored by Councilmembers Tasco, Green, Sanchez, Reynolds Brown, Jones, Goode, Greenlee, DiCicco, Council President Verna, Kenney, Miller, Krajewski, Kelly, Clarke and O'Neill:

Bill No. 100128: An Ordinance Amending Chapter 20-600 of The Philadelphia

Code, entitled "Standards of Conduct and Ethics," by establishing standards of conduct regarding the political activities of City officers and employees, and providing penalties for violations, all under certain terms and conditions.

THE BILL WAS REFERRED TO THE COMMITTEE OF THE WHOLE.

Councilmember Tasco Introduced the following Bill, Sponsored by Councilmember Tasco:

- **Bill No. 100129:** An Ordinance Authorizing the City Treasurer, on behalf of the City, to enter into an agreement with Wachovia Bank, N.A. for provision of payroll banking services to the City, under certain terms and conditions.

THE BILL WAS REFERRED TO THE COMMITTEE ON FINANCE.

Councilmember Tasco Introduced the following Resolution, Sponsored by Councilmembers Tasco, Green, Sanchez, Jones, Goode, Council President Verna, Greenlee, Kenney, Miller, DiCicco, Krajewski, Kelly, Clarke, O'Neill and Reynolds Brown:

- **Resolution No. 100139:** Resolution Proposing an amendment to The Philadelphia Home Rule Charter relating to restrictions on the political activities of City officers and employees, and providing for the submission of the amendment to the electors of Philadelphia.

THE RESOLUTION WAS REFERRED TO THE COMMITTEE ON LAW AND GOVERNMENT.

Councilmember Tasco Introduced the following Resolution, Sponsored by Councilmembers Tasco, Green, Sanchez, Jones, Goode, Council President Verna, Greenlee, Kenney, Miller, DiCicco, Krajewski, Kelly, Clarke, Reynolds Brown and O'Neill:

- **Resolution No. 100140:** Resolution Proposing an amendment to The Philadelphia Home Rule Charter to provide for the creation of an Office of Inspector General, to provide for the powers and duties of such Office, to establish requirements for certain City officials and employees in connection with the work of the Inspector General, and to otherwise provide for incorporation of the Inspector General into the City government; and providing for the submission of the amendment to the electors of Philadelphia.

THE RESOLUTION WAS REFERRED TO THE COMMITTEE ON LAW AND GOVERNMENT.

Councilmember Tasco Introduced (By Request) the following Resolution, Sponsored by Councilmember Tasco:

- **Resolution No. 100141:** 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 2011 through 2015, and incorporating proposed changes with respect to Fiscal Year 2010, 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 Tasco Introduced the following Resolution for Councilmember Council President Verna, Sponsored by Councilmember Tasco:

Resolution No. 100142: Resolution Authorizing the Commissioner of Public Property to execute and deliver to the Redevelopment Authority of the City of Philadelphia, without consideration, deeds conveying conditional fee simple title to certain City-owned lots or pieces of ground with the buildings and improvements thereon, situate in the Thirty-sixth Ward of the City of Philadelphia, pursuant to Chapter 16-400 of The Philadelphia Code and authorizing the Redevelopment Authority of the City of Philadelphia to dispose of such properties for rehabilitation and/or improvement in accordance with the terms of Chapter 16-400 of The Philadelphia Code.

THE RESOLUTION WAS READ.

THE RESOLUTION WAS ADOPTED.

Councilmember Miller Introduced the following Bill, Sponsored by Councilmember Miller:

Bill No. 100130: An Ordinance Authorizing the Commissioner of Public Property to execute and deliver to the Philadelphia Authority for Industrial Development a deed conveying, for nominal consideration, fee simple title to the parcel measuring approximately 58,402 square feet which is located at 5326 Pulaski Avenue at the southwesterly side of Penn Street and Pulaski Avenue, with the buildings and improvements thereon, for further conveyance at nominal consideration.

THE BILL WAS REFERRED TO THE COMMITTEE ON PUBLIC PROPERTY AND PUBLIC WORKS.

Councilmember Miller Introduced the following Resolution, Sponsored by Councilmember Miller:

Resolution No. 100143: Resolution Proclaiming March 8, 2010 as "International Women's Day."

THE RESOLUTION WAS READ.

THE RESOLUTION WAS ADOPTED.

Councilmember DiCicco Introduced the following Bill, Sponsored by Councilmembers DiCicco and Tasco:

- **Bill No. 100131:** An Ordinance Amending Chapter 10-700 of The Philadelphia Code, entitled "Refuse and Littering," by providing for a sanitation services fee, under certain terms and conditions.

THE BILL WAS REFERRED TO THE COMMITTEE OF THE WHOLE.

Councilmember Clarke Introduced the following Bill, Sponsored by Councilmember Clarke:

- **Bill No. 100132:** An Ordinance Authorizing the Commissioner of Public Property, on behalf of the City of Philadelphia, to extend the term of a sublease agreement between the Philadelphia Municipal Authority as landlord and the City of Philadelphia as tenant for mailroom operations space at 1628 JFK Boulevard, under certain terms and conditions.

THE BILL WAS REFERRED TO THE COMMITTEE ON PUBLIC PROPERTY AND PUBLIC WORKS.

Councilmember Clarke Introduced the following Bill, Sponsored by Councilmember Clarke:

- **Bill No. 100133:** An Ordinance To amend the Institutional Development District Master Plan of Temple University, by allowing for the construction of additions to Pearson and McGonigle Halls which are located at 1800 N. Broad Street.

THE BILL WAS REFERRED TO THE COMMITTEE ON RULES.

Councilmember Clarke Introduced the following Bill, Sponsored by Councilmembers Clarke and Goode:

- **Bill No. 100134:** An Ordinance Amending Chapter 17-1600 of The Philadelphia Code, entitled "Economic Opportunity Plans," by modifying the monetary threshold triggering the requirement of an economic opportunity plan on City funded projects or contracts.

THE BILL WAS REFERRED TO THE COMMITTEE ON COMMERCE & ECONOMIC DEVELOPMENT.

Councilmember Clarke Introduced the following Bill, Sponsored by Councilmembers Clarke and Goode:

- **Bill No. 100135:** An Ordinance Amending Chapter 17-1600 of The Philadelphia

Code, entitled "Economic Opportunity Plans," by establishing minimum standards of "best and good faith efforts" to be employed in the development and implementation of Economic Opportunity Plans.

THE BILL WAS REFERRED TO THE COMMITTEE ON COMMERCE & ECONOMIC DEVELOPMENT.

Councilmember Clarke Introduced the following Bill, Sponsored by Councilmembers Clarke and Tasco:

- **Bill No. 100136:** An Ordinance Amending Chapter 19-3500 of The Philadelphia Code, entitled "General Acute Care Hospital Assessment," by clarifying its applicability to High Volume Medicaid Hospitals, by revising due dates, by making changes to conform to amendments to State law, and making technical changes, all under certain terms and conditions.

THE BILL WAS REFERRED TO THE COMMITTEE OF THE WHOLE.

REPORTS FROM COMMITTEES

COMMITTEE ON LAW AND GOVERNMENT

- **Bill No. 090519:** An Ordinance Providing for the submission to the qualified electors of the City of Philadelphia of the proposal set forth in a Resolution approved by Council proposing an amendment of the Philadelphia Home Rule Charter confirming Council's power to enact ordinances that (i) require City contractors and recipients of City financial assistance to submit and comply with economic opportunity plans addressing the participation of disadvantaged business enterprises and workforce diversity, and (ii) that provide remedies for violations, including debarment from doing business with the City or receiving City financial assistance for a specified period of time; and authorizing Council to specify procedures for such debarments by conferring powers and duties on existing City agencies, including Council, or by creating new agencies for such purposes; and authorizing the appropriate officers to publish notice and to make arrangements for the special election.

COUNCILMEMBER GREENLEE MOVED TO SUSPEND THE RULES OF THE COUNCIL SO AS TO PERMIT CONSIDERATION THIS DAY OF BILL NO. 090519.

THE MOTION WAS DULY SECONDED AND AGREED TO.

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

- **Resolution No. 090529:** Resolution Proposing an amendment to the Philadelphia Home Rule Charter confirming Council's power to enact ordinances that (i)

require City contractors and recipients of City financial assistance to submit and comply with economic opportunity plans addressing the participation of disadvantaged business enterprises and workforce diversity, and (ii) that provide remedies for violations, including debarment from doing business with the City or receiving City financial assistance for a specified period of time; and authorizing Council to specify procedures for such debarments by conferring powers and duties on existing City agencies, including Council, or by creating new agencies for such purposes; and providing for the submission of the amendment of the electors of Philadelphia.

THE RESOLUTION WAS FAVORABLE RECOMMENDATION; CONSIDERATION AT NEXT STATED COUNCIL MEETING.

COMMITTEE ON COMMERCE & ECONOMIC DEVELOPMENT

Bill No. 100009: An Ordinance Amending Section 19-2604 of The Philadelphia Code, relating to tax rates and credits for the business privilege tax, by amending the credit for contributions to community development corporations to allow a business that terminated a contribution agreement to remain eligible for future tax credits under the provision that permits two businesses to apply jointly for the tax credit, 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. 100009.

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. 090519, as amended: An Ordinance Providing for the submission to the qualified electors of the City of Philadelphia of the proposal set forth in a Resolution approved by Council proposing an amendment of the Philadelphia Home Rule Charter confirming Council's power to enact ordinances that (i) require City contractors and recipients of City financial assistance to submit and comply with economic opportunity plans addressing the participation of disadvantaged business enterprises and workforce diversity, and (ii) that provide remedies for violations, including debarment from doing business with the City or receiving City financial assistance for a specified period of time; and authorizing Council to specify procedures for such debarments by conferring powers and duties on existing City agencies, including Council, or by creating

new agencies for such purposes; and authorizing the appropriate officers to publish notice and to make arrangements for the special election.

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

Bill No. 100009: An Ordinance Amending Section 19-2604 of The Philadelphia Code, relating to tax rates and credits for the business privilege tax, by amending the credit for contributions to community development corporations to allow a business that terminated a contribution agreement to remain eligible for future tax credits under the provision that permits two businesses to apply jointly for the tax credit, under certain terms and conditions.

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

BILLS ON SECOND READING AND FINAL PASSAGE

Bill No. 100003: An Ordinance To amend the Philadelphia Zoning Maps by changing the zoning designations of certain areas of land located within an area bounded by Marsden Street, Friendship Street, Keystone Street, and Tyson Avenue.

THE BILL WAS READ.

THE BILL WAS PASSED.

The Ayes and Nays were as follows:

Ayes: *17 - Councilmembers Blackwell, Clarke, Council President Verna, DiCicco, Goode, Green, Greenlee, Jones, Kelly, Kenney, Krajewski, Miller, O'Neill, Reynolds Brown, Rizzo, Sanchez and Tasco*

Nays: *0*

Bill No. 100014, as amended: An Ordinance Amending Section 14-1638, entitled "Central Delaware Riverfront Overlay District," by establishing no height limit and by making technical changes, all under certain terms and conditions.

THE BILL WAS READ.

THE BILL WAS PASSED.

The Ayes and Nays were as follows:

Nays: *0*

Ayes: *17 - Councilmembers Blackwell, Clarke, Council President Verna, DiCicco, Goode, Green, Greenlee, Jones, Kelly, Kenney, Krajewski, Miller, O'Neill, Reynolds Brown, Rizzo, Sanchez and Tasco*

Bill No. 090833: An Ordinance Amending Chapter 19-3100, entitled "Attorney Fees In Collection Matters; Retention Of Private Attorneys," by providing for imposition of attorney and collection agency fees in connection with certain collection activity, under certain terms and conditions.

THE BILL WAS READ.

THE BILL WAS PASSED.

The Ayes and Nays were as follows:

Ayes: *17 - Councilmembers Blackwell, Clarke, Council President Verna, DiCicco, Goode, Green, Greenlee, Jones, Kelly, Kenney, Krajewski, Miller, O'Neill, Reynolds Brown, Rizzo, Sanchez and Tasco*

Nays: *0*

Bill No. 100005: An Ordinance Constituting the Thirteenth Supplemental Ordinance to the Restated General Water and Wastewater Revenue Bond Ordinance of 1989, as supplemented; authorizing the Bond Committee to issue and sell either at public or private sale Water and Wastewater Revenue Bonds; authorizing approval of the form of such Bonds; providing that such Bonds shall bear interest at prescribed fixed or variable rates, and authorizing agreements to provide credit enhancement and payment and liquidity sources for such Bonds; authorizing the Director of Finance to take certain actions with regard to the sale of such Bonds, the investment of proceeds thereof and the City's continuing disclosure obligation; setting forth the use of proceeds; covenanting the payment of interest and principal; and supplementing the Restated General Water and Wastewater Revenue Bond Ordinance of 1989.

THE BILL WAS READ.

THE BILL WAS PASSED.

The Ayes and Nays were as follows:

Nays: *0*

Ayes: *17 - Councilmembers Blackwell, Clarke, Council President Verna, DiCicco, Goode, Green, Greenlee, Jones, Kelly, Kenney, Krajewski, Miller, O'Neill, Reynolds Brown, Rizzo, Sanchez and Tasco*

Bill No. 100006, as amended: An Ordinance Authorizing, generally, the continued issuance and sale by the City of Philadelphia of Gas Works Revenue Notes of the City, prescribing the forms of notes and providing for their execution and payment, pledging certain revenues of the Gas Works as security, adopting a rate covenant and directing the imposition and collection of rates and charges sufficient to comply therewith, prescribing the conditions precedent to the issuance of specific series of notes, including a resolution passed by the Bond

Committee providing for establishment of credit support for notes, providing for designation of a fiscal agent and sinking fund depositary, providing for establishment of a sinking fund and its management, providing remedies upon default, and providing for amendments and modifications.

THE BILL WAS READ.

THE BILL WAS PASSED.

The Ayes and Nays were as follows:

Nays: *0*

Ayes: *17 - Councilmembers Blackwell, Clarke, Council President Verna, DiCicco, Goode, Green, Greenlee, Jones, Kelly, Kenney, Krajewski, Miller, O'Neill, Reynolds Brown, Rizzo, Sanchez and Tasco*

Bill No. 090878: An Ordinance Authorizing transfers in appropriations for Fiscal Year 2010 within the General Fund from the Department of Public Property and the Department of Public Property - Telecommunications to the Managing Director - Division of Technology and within the Water Fund from the Department of Public Property to the Managing Director - Division of Technology and within the Grants Revenue Fund from the Department of Public Property to the Managing Director - Division of Technology and within the Aviation Fund from the Department of Public Property - Utilities to the Managing Director - Division of Technology.

THE BILL WAS READ.

THE BILL WAS PASSED.

The Ayes and Nays were as follows:

Ayes: *17 - Councilmembers Blackwell, Clarke, Council President Verna, DiCicco, Goode, Green, Greenlee, Jones, Kelly, Kenney, Krajewski, Miller, O'Neill, Reynolds Brown, Rizzo, Sanchez and Tasco*

Nays: *0*

Bill No. 090879: An Ordinance Authorizing transfers in appropriations for Fiscal Year 2010 from the General Fund, certain or all City offices, departments, boards and commissions and from 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 and to the Grants Revenue Fund, the Managing Director - Division of Technology.

THE BILL WAS READ.

THE BILL WAS PASSED.

The Ayes and Nays were as follows:

Ayes: *17 - Councilmembers Blackwell, Clarke, Council President Verna, DiCicco, Goode, Green, Greenlee, Jones, Kelly, Kenney, Krajewski, Miller, O'Neill, Reynolds Brown, Rizzo, Sanchez and Tasco*

Nays: *0*

Bill No. 100001: An Ordinance Authorizing transfers in appropriations for Fiscal Year 2010 within the Grants Revenue Fund from the Director of Finance - Federal Stimulus Funding to certain or all City offices, departments, boards and commissions.

THE BILL WAS READ.

THE BILL WAS PASSED.

The Ayes and Nays were as follows:

Ayes: *17 - Councilmembers Blackwell, Clarke, Council President Verna, DiCicco, Goode, Green, Greenlee, Jones, Kelly, Kenney, Krajewski, Miller, O'Neill, Reynolds Brown, Rizzo, Sanchez and Tasco*

Nays: *0*

Bill No. 100002: An Ordinance Authorizing transfers in appropriations for Fiscal Year 2010 from the General Fund, certain or all City offices, departments, boards and commissions and from 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 BILL WAS READ.

THE BILL WAS PASSED.

The Ayes and Nays were as follows:

Ayes: *17 - Councilmembers Blackwell, Clarke, Council President Verna, DiCicco, Goode, Green, Greenlee, Jones, Kelly, Kenney, Krajewski, Miller, O'Neill, Reynolds Brown, Rizzo, Sanchez and Tasco*

Nays: *0*

Bill No. 100063: An Ordinance Amending Chapter 21-1700 of The Philadelphia Code, entitled "Publication of Notices by City," by revising provisions concerning how and when required notices shall be published and advertised; all under certain terms and conditions.

THE BILL WAS READ.

THE BILL WAS PASSED.

The Ayes and Nays were as follows:

Ayes: *17 - Councilmembers Blackwell, Clarke, Council President Verna, DiCicco, Goode, Green, Greenlee, Jones, Kelly, Kenney, Krajewski, Miller, O'Neill, Reynolds Brown, Rizzo, Sanchez and Tasco*

Nays: *0*

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

Council President Verna appointed the following: Councilmember Tasco, Councilmember,Clarke, Councilmember O'Neill and Councilmember Rizzo 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 2011.

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 integrationof 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, grafitti 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 i (File No. 100155)

THE COMMUNICATION WAS READ.

NOTE: SEE NOTES OF TESTIMONY OR WWW.PHILA.GOV OR LEGISTAR ATTACHMENTS FOR THE COMPLETE BUDGET ADDRESS OF MICHAEL A. NUTTER ON MARCH 4, 2010.

SPEECHES

COUNCILMEMBERS JONES AND BLACKWELL - (SEE NOTES OF TESTIMONY).

COUNCILMEMBER CLARKE MOVED TO ADJOURN

THE MOTION WAS DULY SECONDED AND AGREED TO.