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COUNCIL OF THE CITY OF PHILADELPHIA  
COMMITTEE ON FISCAL STABILITY AND  
INTERGOVERNMENTAL COOPERATION

- - -

Room 400, City Hall  
Philadelphia, Pennsylvania  
Wednesday, October 28, 2009  
10:35 a.m.

- - -

PRESENT:

- COUNCILMAN DARRELL L. CLARKE, CHAIR
- COUNCILWOMAN JANNIE BLACKWELL
- COUNCILMAN FRANK DiCICCO
- COUNCILMAN BILL GREEN
- COUNCILMAN CURTIS JONES, JR.
- COUNCILMAN JAMES F. KENNEY
- COUNCILMAN BRIAN J. O'NEILL
- COUNCILWOMAN MARIA QUINONES-SANCHEZ
- COUNCILWOMAN BLONDELL REYNOLDS BROWN
- COUNCILMAN FRANK RIZZO
- COUNCILWOMAN MARIAN B. TASCO

RESOLUTION 090540 - Resolution authorizing  
Council's Committee on Fiscal Stability and  
Intergovernmental Cooperation to hold hearings  
regarding the City of Philadelphia's receipt,  
allocation and utilization of Federal stimulus  
funds...

- - -

V A R A L L O Incorporated  
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Eleven Penn Center  
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Philadelphia, Pennsylvania 19103  
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2

COUNCILMAN CLARKE: Good

3

morning. This is the Committee on Fiscal

4

Stability and Intergovernmental

5

Cooperation.

6

Mr. Carter, would you please

7

read the title of the resolution.

8

THE CLERK: Resolution 090540,

9

a resolution authorizing Council's

10

Committee on Fiscal Stability and

11

Intergovernmental Cooperation to hold

12

hearings regarding the City of

13

Philadelphia's receipt, allocation and

14

utilization of Federal stimulus funds

15

pursuant to the American Recovery and

16

Reinvestment Act.

17

COUNCILMAN CLARKE: Thank you.

18

We have established a quorum.

19

Committee members here are Councilman

20

Kenney, Councilman DiCicco, Councilman

21

Jones, Councilman O'Neill and

22

Councilwoman Tasco. Also in attendance

23

are Councilman Green, Councilwoman

24

Sanchez and that is it for -- I'm sorry,

25

and Councilman Rizzo.

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2                   Before we start with our first  
3 witness, before we start, I just wanted  
4 to say first thanks to everyone for  
5 coming. It's good to see the  
6 Administration brought its full team. We  
7 will hopefully get you back to work as  
8 soon as possible, because we know you got  
9 a lot of things to take care of for the  
10 City of Philadelphia.

11                   One of the things that we  
12 wanted to establish, so we're clear  
13 today, is, this is not a "got you"  
14 moment. We essentially would like to  
15 know where we are as it relates to our  
16 ability to maximize the opportunities  
17 that present themselves. As you know,  
18 the American Recovery Act is -- I'm now  
19 told we should call it not the stimulus  
20 bill -- probably has been the largest  
21 infusion of cash that's made available to  
22 municipalities across the country in  
23 history, and there is no guarantee that  
24 there will be a stimulus II. So what we  
25 want to make sure is that we're doing

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2 everything necessary. We as a Council  
3 want to make sure that we're here to  
4 provide assistance to the Administration  
5 and any other departments or  
6 quasi-government departments that have  
7 opportunities to implement programs and  
8 ultimately create much-needed jobs in the  
9 City of Philadelphia.

10 So with that, I'd like to say  
11 that I would like to call the first  
12 witness. Mr. Joseph Casey from SEPTA.

13 (Witness approached witness  
14 table.)

15 MR. CASEY: Good morning,  
16 Councilman Clarke and members of the  
17 Philadelphia City Council. My name is  
18 Joe Casey, General Manager for the  
19 Southeastern Pennsylvania Transportation  
20 Authority, otherwise known as SEPTA.  
21 Thank you for the opportunity to appear  
22 before the Committee on Fiscal Stability  
23 and Intergovernmental Cooperation to  
24 speak about the American Recovery and  
25 Reinvestment Act, ARRA, and SEPTA's

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2 stimulus work in Philadelphia.

3 Our capital program focuses on  
4 improving service and customer amenities  
5 by modernizing our stations and  
6 infrastructure, some of which date back  
7 to the 1800s. Each year the number of  
8 projects SEPTA would like to complete  
9 exceeds available resources, so the  
10 federal funds were very much welcomed.

11 In Philadelphia, SEPTA has nine  
12 stimulus construction projects, and we  
13 are purchasing additional hybrid buses  
14 that will operate on City routes. Our  
15 largest stimulus-funded project is the  
16 rehabilitation of the Girard and Spring  
17 Garden stations on the Broad Street Line.  
18 Originally constructed between 1924 and  
19 1928, these stations will undergo  
20 complete modernization, including new  
21 wall, floor, ceiling finishes,  
22 energy-efficient lighting, improved  
23 safety and communication systems and  
24 elevators for ADA accessibility. Among  
25 the contracts awarded for these stations

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2 are six Philadelphia firms, including  
3 prime contractors for general, mechanical  
4 and the electrical work.

5 The other Philadelphia projects  
6 include improvement to the nine Chestnut  
7 Hill East stations, improvements to seven  
8 Chestnut Hill West stations, improvement  
9 to the Fox Chase Regional Rail Station, a  
10 LEED-certified project, and track work at  
11 the end of the Broad Street Line in the  
12 Fern Rock Yard. Also, we are including  
13 upgrades to the trolley control systems  
14 on the subway surface cars.

15 Each project is creating  
16 much-needed jobs in construction and  
17 manufacturing sectors. SEPTA stimulus  
18 work has created a range of contracts  
19 providing opportunities for large and  
20 small contractors with a multitude of  
21 construction skills and trades.

22 To ensure participation of  
23 disadvantaged, minority and female  
24 contractors, in February SEPTA hosted a  
25 successful seminar and networking

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2 session, and bids to date have resulted  
3 in the DBE participation rate exceeding  
4 12 percent.

5 SEPTA is proud of its stimulus  
6 program and our achievements to date. We  
7 received a total of \$191 million in  
8 stimulus funds. In less than four  
9 months, more than 75 percent of the  
10 contracts were awarded, and currently 91  
11 percent of those dollars have been  
12 awarded, and by December, a hundred  
13 percent of the SEPTA stimulus projects  
14 will be let.

15 SEPTA has demonstrated a  
16 longstanding commitment to build and  
17 strengthen Philadelphia and our region  
18 through delivery of transit services,  
19 investing in our infrastructure. I look  
20 forward to continue working with members  
21 of City Council to enhance the vitality  
22 of the City of Philadelphia. And I'll  
23 entertain any questions.

24 COUNCILMAN CLARKE: Thank you,  
25 Mr. Casey. Thank you for being

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2 available.

3 Briefly, I just want to ask a  
4 question centering around the  
5 participation. I know during the course  
6 of the debate as it related to the  
7 availability of these dollars, there's  
8 been some question as to whether or not  
9 the federal regulations surrounding  
10 participation goals superseded local  
11 goals.

12 SEPTA is a regional authority,  
13 we understand, state created. In terms  
14 of your goals, was it your understanding  
15 that the federal regulations  
16 traditionally guiding the GAO contracts  
17 superseded SEPTA's local or were you able  
18 to -- or did that --

19 MR. CASEY: Yes. These were  
20 federal dollars, so all the federal  
21 regulations applied, including purchasing  
22 regulations and the DBE percentages.

23 COUNCILMAN CLARKE: So did you  
24 simply adopt the GAO?

25 MR. CASEY: Yes. Yeah. We

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2 tried to -- again, we try to encourage  
3 DBE participation. That's why we had the  
4 outreach program. The program basically  
5 tried to partner the DBE community with  
6 the prime contractors, and we had well  
7 over 150 companies attend, and we plan on  
8 doing that semi-annually now. We had our  
9 second one last month. Basically not on  
10 stimulus projects, but on upcoming  
11 capital projects that will be starting in  
12 the next six months.

13 COUNCILMAN CLARKE: Okay.

14 Great.

15 Councilman DiCicco.

16 COUNCILMAN DiCICCO: Thank you,  
17 Mr. Chairman.

18 Good morning, Mr. Casey.

19 MR. CASEY: Good morning.

20 COUNCILMAN DiCICCO: Several  
21 months ago I believe you were here and we  
22 had a discussion at that time as it  
23 relates to either purchasing the hybrid  
24 buses or going with light rail trolleys.  
25 I think you may recall that conversation?

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2 MR. CASEY: Yes.

3 COUNCILMAN DiCICCO: At the  
4 time, I had asked that you look into or  
5 have some conversations with people,  
6 maybe even in Washington, as a result of  
7 the new Obama Administration and its  
8 efforts to go green and create more  
9 sustainable means of transportation.

10 We're still purchasing hybrid  
11 buses, buses run on fuels, different  
12 types of fuels. Where are we? Are we  
13 really looking seriously? I've been  
14 wasting my breath for the last ten years  
15 around here about getting more trolleys  
16 and replacing buses. Could you give me a  
17 sense of where we are with this stuff?

18 MR. CASEY: Yeah. One of the  
19 reasons why we purchased additional  
20 hybrid buses, because it was stimulus  
21 project -- it was stimulus money and we  
22 had an option on the current order. So  
23 it was easy for us to expand the fleet.

24 As you're aware, last week we  
25 extended services throughout the region,

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2 including more frequent buses, so we were  
3 holding onto the older buses to expand  
4 the fleet, but this allowed us to infuse  
5 those buses.

6 But in answer to your question,  
7 we are looking down that road. There was  
8 just a meeting Monday with Senator  
9 Specter and DVRPC talking about a trolley  
10 route down Market Street, and that seems  
11 to have some support. But we are  
12 continuing to look into that, and Rina  
13 Cutler is here from the Mayor's Office  
14 and I'm sure she can -- I don't want to  
15 put words in her mouth, but her intention  
16 is to put more trolleys out there.

17 COUNCILMAN DiCICCO: And I just  
18 repeat from memory I think what I talked  
19 about is, when you do, using a trolley as  
20 an example, a lot of those substations  
21 that are throughout the neighborhoods  
22 have been shut down.

23 MR. CASEY: Yes.

24 COUNCILMAN DiCICCO: Where  
25 those substations were supporting power

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2 to particular -- I use the 23 as the  
3 example.

4 MR. CASEY: Yes.

5 COUNCILMAN DiCICCO: Those are  
6 opportunities where not only would we  
7 create immediate jobs to get those places  
8 back up to operations, but to become  
9 sustainable, because there are people  
10 going to be needed to be employed to  
11 maintain those, and I think that's what  
12 the stimulus was about, not just the  
13 infusion of money now and it goes away.

14 In addition to the environment,  
15 environmental issues, do trolleys and the  
16 electric that is needed to generate the  
17 power for trolleys, does that  
18 environmentally impact this more  
19 negatively than buses? I don't think so,  
20 but...

21 MR. CASEY: I do not think so,  
22 no.

23 COUNCILMAN DiCICCO: So I just  
24 kind of want to reemphasize the  
25 importance of the trolley systems. And

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2 from my experience talking to people,  
3 ridership seems, from other  
4 municipalities who have purchased some of  
5 our trolleys over the years, ridership  
6 has gone up, because people --

7 MR. CASEY: Yes.

8 COUNCILMAN DiCICCO: -- feel  
9 more comfortable on a trolley than they  
10 do on a bus.

11 MR. CASEY: That's correct.

12 COUNCILMAN DiCICCO: But you  
13 are looking into that, aside from the  
14 market --

15 MR. CASEY: Yes, we are, and if  
16 you want, I can have a separate meeting  
17 with you as we progress.

18 COUNCILMAN DiCICCO: If you  
19 think I could be helpful. And trust me,  
20 I know several of my colleagues represent  
21 the neighborhoods where the 23 line goes  
22 through, because, as you know, it goes  
23 from one end of the City to the other,  
24 and if there's any community support that  
25 you need, I'm sure we'll be able to get

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2 that.

3 MR. CASEY: Thank you.

4 COUNCILMAN DiCICCO: Thank you.

5 No further questions.

6 COUNCILMAN CLARKE: Thank you,  
7 Councilman.

8 Let the record reflect that  
9 Councilwoman Blondell Reynolds Brown has  
10 joined the Committee meeting.

11 Councilman Jones and then  
12 Councilman Kenney.

13 COUNCILMAN JONES: Thank you,  
14 Mr. Chairman, and good morning.

15 MR. CASEY: Good morning.

16 COUNCILMAN JONES: Several  
17 months ago we had an opportunity to  
18 invite you and other utilities to a  
19 Caucus Room briefing. Deputy Mayor  
20 Cutler was kind enough to convene that  
21 group to give us a heads-up on the  
22 stimulus program and what was coming down  
23 the pike, and I want to thank you for  
24 staying vigilant in that regard,  
25 segregating a lot of the stimulus

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2 information impact and providing that  
3 kind of information to us, and I want to  
4 make that as a part of the record. The  
5 Chairman, who was kind enough to convene  
6 these hearings, stated early that this is  
7 not a "got you" moment, but what we are  
8 trying to do today is to see if we "got  
9 it" moment and to see if we can use best  
10 practices, similar to what you're doing  
11 to spread throughout government. And one  
12 of the questions I heard in your  
13 testimony and wanted to just reiterate  
14 it, as a result of the stimulus dollars,  
15 you've done regionally about 40 projects,  
16 is it safe to say?

17 MR. CASEY: It's a total of 32  
18 projects. We started with 26. Because  
19 we were early with the contracts being on  
20 the street, we received very favorable  
21 prices, we were able to add additional  
22 projects. So it's a total of 32  
23 projects.

24 COUNCILMAN JONES: How many of  
25 them are actually in Philadelphia?

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2 MR. CASEY: Nine.

3 COUNCILMAN JONES: Nine of  
4 those projects. And out of the 32  
5 projects, how many jobs were actually  
6 created?

7 MR. CASEY: We know how many  
8 construction jobs were out there.  
9 There's in excess of 300 jobs,  
10 construction, but that doesn't include  
11 the manufacturing jobs. One of the major  
12 benefitters of our stimulus program was  
13 track and steel manufacturing. A lot of  
14 that steel comes from Steelton, PA just  
15 south of Harrisburg. We purchased track  
16 work for the Media-Sharon Hill, the Fern  
17 Rock Yard and other projects. So a lot  
18 of that beneficiary, the manufacturing  
19 jobs, were not in that number.

20 (Witness approached witness  
21 table.)

22 MR. CASEY: And also in  
23 conjunction with that, a lot of the  
24 construction projects are really starting  
25 this fall. So they are not in our

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2 number. So we expect to easily double  
3 that within the next month or so as far  
4 as construction jobs on the property.

5 MS. CLAITT: Good morning. I'm  
6 Lillie Claitt. I'm the Director of the  
7 DBE program at SEPTA.

8 SEPTA is working with the  
9 Greater Philadelphia Urban Affairs  
10 Coalition to collect data from the  
11 contractors on their jobs. And of the 23  
12 active projects that we have, we  
13 currently have a total of 331 people  
14 working on the project. For the State of  
15 Pennsylvania, we have a total of 215, and  
16 in the City of Philadelphia there's 61  
17 people working on these projects.

18 COUNCILMAN JONES: So are these  
19 retained jobs, new jobs based on  
20 construction? These are  
21 construction-related jobs?

22 MS. CLAITT: Yes. These are  
23 construction-related jobs, yes.

24 COUNCILMAN JONES: All right.  
25 How much participation by way of minority

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2 and female companies is associated with  
3 the stimulus money and these projects?

4 MS. CLAITT: In terms of the  
5 companies or are we looking at the jobs;  
6 for example, minorities and female? I'm  
7 sorry.

8 COUNCILMAN JONES: The  
9 subcontracting/prime contracting  
10 opportunities created by the stimulus  
11 projects.

12 MS. CLAITT: Yes. For  
13 minorities we have a total of 71  
14 subcontracts that have been awarded so  
15 far, and of those 71, we have 48 DBE  
16 contractors that are participating. We  
17 have several that are working on multiple  
18 projects.

19 COUNCILMAN JONES: And what is  
20 the total dollar volume of those  
21 subcontracts?

22 MR. CASEY: Fourteen million.

23 COUNCILMAN JONES: Fourteen  
24 million.

25 MS. CLAITT: A little over 14

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2 million.

3 COUNCILMAN JONES: Quick  
4 summary. How much stimulus money came in  
5 through the various sources to SEPTA?

6 MS. CLAITT: Based on these  
7 awarded projects that I'm looking at for  
8 the construction contracts only, we're  
9 looking at \$114 million, a little over  
10 \$114 million, and of that, 12.42 percent  
11 of that, or the 14,193,000, for example,  
12 is for DBE, the DBE participation.

13 COUNCILMAN JONES: So the  
14 stimulus money came in?

15 MS. CLAITT: Yes.

16 COUNCILMAN JONES: The  
17 contracts were let?

18 MS. CLAITT: Yes.

19 COUNCILMAN JONES: Minorities  
20 and females participated?

21 MS. CLAITT: Yes.

22 COUNCILMAN JONES: Jobs were  
23 created?

24 MS. CLAITT: Yes.

25 COUNCILMAN JONES: So that's

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2 the purpose of the stimulus money?

3 MS. CLAITT: That's correct.

4 COUNCILMAN JONES: Thank you,  
5 Mr. Chairman.

6 COUNCILMAN CLARKE: Councilman  
7 Kenney.

8 COUNCILMAN KENNEY: Thank you,  
9 Mr. Chairman.

10 First let me say for the record  
11 that I think you guys have been really  
12 doing an excellent job in running the  
13 system. As a regular user of the system,  
14 mostly in South Philadelphia, it is on  
15 time, it is clean as possible,  
16 considering the negligence of some of our  
17 riders and their habits, but anyone who  
18 goes to the sports complex and doesn't  
19 take the subway is crazy. It runs every  
20 eight minutes or less, and it's really  
21 been just a pleasure dealing with it.

22 I want to go back to Councilman  
23 DiCicco's comment relative to -- I like  
24 trolleys. He loves trolleys. And I live  
25 on the 23 route.

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2                   What is the situation relative  
3 to your inspections of your emission  
4 systems? Because one of the biggest  
5 complaints I will get, even in my own  
6 household, is that it's difficult to keep  
7 the windows open, because I'm at the  
8 end -- I'm three-quarters of the way down  
9 11th Street at Tasker. So when the bus  
10 is idling and starts back up again,  
11 sometimes you get this big puff of black  
12 emission that is really -- is what the  
13 problem is, from my perspective, because  
14 it does create a real breathing issue and  
15 a dirt issue, and I'm wondering how often  
16 you guys inspect and repair or replace  
17 those emission systems. Some buses do it  
18 and some don't.

19                   MR. CASEY: We do it all the  
20 time, and obviously as we get the new  
21 hybrids, you'll see less and less of  
22 that. But I will tell you, since buying  
23 cleaner fuel and changing the filtering  
24 system on the vehicles, that black smoke  
25 has really dissipated, almost 90 percent

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2 reduction in particulate matters since  
3 the late '90s.

4 COUNCILMAN KENNEY: And, again,  
5 if you're driving behind a bus or you're  
6 outside and a bus goes by, it's not every  
7 bus. It just seems on an occasion you  
8 get that, and I usually call it in to  
9 Frances to see if they can get something  
10 done with it, because I just -- so you  
11 think at some point in time with the  
12 replacements and with some of these  
13 improvements that that's going to go  
14 away?

15 MR. CASEY: It has to be a  
16 carryover, some of the old buses that are  
17 still on the route.

18 COUNCILMAN KENNEY: The other  
19 issue that's been raised over the years,  
20 and it's something that you see when you  
21 live along a route, obviously in the  
22 morning or rush hour, the 23 is jammed  
23 with people sitting and standing. In the  
24 evening when it's coming back down south,  
25 it's jammed on 12th Street with people

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2 sitting and standing, but a lot of the  
3 day, midday, early or late evening, that  
4 bus will go by with one or two people on  
5 it.

6 Has there been any look-see at  
7 buying smaller buses that work on the  
8 off-peak hours, both for maneuverability  
9 and fuel efficiency and all the other  
10 factors?

11 MR. CASEY: Yeah, we have, and  
12 as a matter of fact, we're actually -- we  
13 did that in the mid '90s, purchased some  
14 smaller buses. What we found is, they  
15 were not as reliable.

16 COUNCILMAN KENNEY: Reliable  
17 mechanically?

18 MR. CASEY: Exactly. They're  
19 much noisier than the regular buses.

20 COUNCILMAN KENNEY: Really?

21 MR. CASEY: Yes. And we just  
22 didn't get the benefit of it that we  
23 thought we would. And especially with  
24 the price of gases going up in the last  
25 couple of years with the increased

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2 ridership, we found that we really didn't  
3 have the need for those buses on most of  
4 the routes.

5 COUNCILMAN KENNEY: Have you  
6 seen a drop in ridership relative to the  
7 gas price fluctuation? I'm talking about  
8 the regional rails, too.

9 MR. CASEY: Not necessarily the  
10 gas prices, but we're seeing with the  
11 economy. And we were strong, very  
12 strong, through March, and since March,  
13 April, it's been down. We're currently  
14 about five percent less than --

15 COUNCILMAN KENNEY: Is that  
16 mostly a regional rail issue?

17 MR. CASEY: That's across the  
18 board.

19 COUNCILMAN KENNEY: Across the  
20 board?

21 MR. CASEY: Yes.

22 COUNCILMAN KENNEY: Okay.

23 Thank you.

24 COUNCILMAN CLARKE: Mr. Casey,  
25 briefly, if you can, can you talk to me

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2 about the process? Like you heard about  
3 the stimulus program, as it was called at  
4 that time.

5 MR. CASEY: Yes.

6 COUNCILMAN CLARKE: Can you  
7 kind of walk us briefly through the  
8 process? What was SEPTA's response? Did  
9 you put together a team or did you direct  
10 certain --

11 MR. CASEY: A lot of the credit  
12 for our program really should be extended  
13 to our engineering group and to our  
14 purchasing group. We knew the federal  
15 regulations still apply. We still had to  
16 solicit bids and proposals. But when  
17 there was talk about a stimulus program  
18 in October and November, we started. We  
19 started the engineering. We cleaned up  
20 some of the projects that had to be  
21 completed at the engineering before the  
22 ARRA funds --

23 COUNCILMAN CLARKE: Did you  
24 contract out with the engineering firm?

25 MR. CASEY: Well, we already

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2 had subcontractors. We have some open  
3 contracts that we allowed the  
4 contractors. And we took a risk. We  
5 took a risk that perhaps there wasn't  
6 money, but we thought it was worth the  
7 risk, so we got those projects ready to  
8 go. So as soon as the bill was passed,  
9 we more or less hit the street running.

10 COUNCILMAN CLARKE: So let me  
11 understand. The engineering firm put  
12 together the process for responding to  
13 the NOFAs?

14 MR. CASEY: Getting the  
15 projects ready on the street. We got the  
16 purchasing department ready to hit the  
17 street running.

18 COUNCILMAN CLARKE: And then  
19 what happened?

20 MR. CASEY: As soon as we got  
21 the bids, we had the DBE and getting the  
22 partners together, and we put the bids on  
23 the street, and, as I said, within four  
24 months, 75 percent of the contracts were  
25 awarded.

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2 COUNCILMAN CLARKE: Did that  
3 firm -- it may be a little -- let me ask  
4 this question: In terms of the grants  
5 that were made available to SEPTA, were  
6 they competitive or were they grants that  
7 came to the --

8 MR. CASEY: The 191 million  
9 that we received was our allocation.

10 COUNCILMAN CLARKE: So it was  
11 understood that --

12 MR. CASEY: It was a fixed  
13 amount. We actually had projects, and we  
14 were preparing for a program that was  
15 really double that, 400 to 450 million.

16 COUNCILMAN CLARKE: So it was  
17 essentially you figuring out how to get  
18 that 191 --

19 MR. CASEY: Well, they always  
20 said, use it or lose it, and one of the  
21 things that -- my goal, we're certainly  
22 not going to lose any money, and if  
23 someone did lose money, we were going to  
24 be first in line to grab it up for the  
25 region.

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2 COUNCILMAN CLARKE: In terms of  
3 the money flow, are you involved in a  
4 reimbursement program or invoice program?

5 This is a question about the money flow,  
6 because I've heard on CNN sometimes some  
7 municipalities and other entities saying  
8 that we're ready -- actually, even in the  
9 junker, the car junker deal, that people  
10 say they haven't gotten their stimulus  
11 money. How is that working with you  
12 guys?

13 MR. CASEY: We're working fine.  
14 The FTA, the regional FTA, was very  
15 cooperative with us. That's the other  
16 partner in here where they really got the  
17 grants approved very timely for us.

18 COUNCILMAN CLARKE: The money  
19 is flowing?

20 MR. CASEY: Yes, the money is  
21 flowing.

22 COUNCILMAN CLARKE: Okay.  
23 Great. Thank you.

24 Councilman Kenney.

25 COUNCILMAN KENNEY: I'm sorry.

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2 I forgot before I ended my conversation  
3 with you prior, I wanted to congratulate  
4 you also. Yesterday you guys, I think  
5 you're aware, that you won a General  
6 Building Contractor Association Award for  
7 design. I think it's 63rd and Market  
8 Street Station.

9 MR. CASEY: Okay. I haven't  
10 seen that. Thank you.

11 COUNCILMAN KENNEY: I was a  
12 judge for the award ceremony. But it's a  
13 beautiful station and it's all  
14 environmentally sustainable and it really  
15 is attractive, and it's a nice piece for  
16 the community out there. So I just  
17 wanted to congratulate you on that.

18 MR. CASEY: Thank you.

19 COUNCILMAN CLARKE: Thank you,  
20 Councilman.

21 Councilman Green.

22 COUNCILMAN GREEN: Thank you,  
23 Mr. Chairman.

24 I'd like to follow up on  
25 questions you were asking about the

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2 process within SEPTA. Mr. Casey, you  
3 have done quite well compared to other  
4 transportation authorities around the  
5 country, and I think you have even won  
6 some kind of award for or a lot of  
7 national recognition for the fact that  
8 you were ready and prepared and got a lot  
9 of money up front before anybody else  
10 knew what was happening.

11 You talked about hiring an  
12 engineering firm and getting them to  
13 identify shovel-ready projects, put them  
14 on the list, have the grants -- but can  
15 you describe the other internal  
16 processes? Did you have a team within  
17 SEPTA that you put in charge of it? How  
18 many staff people did you assign to this?

19 MR. CASEY: You know, if I can,  
20 I'd like to introduce Bob Lund. He's the  
21 Chief Engineer. He was the man behind  
22 the program, if you will, for these  
23 construction projects.

24 And, Bob, can you address that,  
25 please.

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2 COUNCILMAN GREEN: So you  
3 appointed from your process, you  
4 appointed Bob to be in charge of this  
5 and --

6 MR. CASEY: That was his job.

7 COUNCILMAN GREEN: He owned it.

8 MR. CASEY: He was the stimulus  
9 master.

10 (Witness approached witness  
11 table.)

12 MR. LUND: Good morning,  
13 Council.

14 Our Chief Engineer and  
15 Assistant General Manager Jeff Knueppel  
16 had -- he knows the system very well. He  
17 knows the needs of SEPTA. He's  
18 long-range planning. When this first was  
19 identified as a possibility, he set up  
20 what are the key areas that SEPTA needs  
21 to address that we didn't have funding  
22 for, and then he came up with the list.  
23 And as Mr. Casey said, it was about a  
24 \$400 million list. We were trying to  
25 think positive.

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2 Of that, I was assigned to get  
3 all the engineering done. And it was a  
4 combination of doing engineering with  
5 both our in-house forces as well as our  
6 general engineering contracts with  
7 various tasks. And it was a push where  
8 everybody, through the Christmas holidays  
9 and into January, worked around the clock  
10 to get the projects ready to hit the  
11 street for bidding.

12 COUNCILMAN GREEN: Bob, that's  
13 my question. Who is "everybody"? How  
14 many SEPTA staff people were involved in  
15 this project? How many external  
16 consultants were involved in this  
17 project? How much time, resources, money  
18 did you devote to making sure you were  
19 ready?

20 MR. LUND: We had four  
21 engineering firms that did various tasks  
22 depending on -- probably a dozen people  
23 for each engineering firm. In-house we  
24 had three or four engineers and  
25 architects, as well as our contract

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2 procurement officers and our project  
3 controls, and that would be another  
4 dozen.

5 COUNCILMAN GREEN: Another  
6 dozen people internally --

7 MR. LUND: Correct.

8 COUNCILMAN GREEN: -- devoted  
9 to this?

10 Does that include grant writers  
11 or other people?

12 MR. LUND: No.

13 COUNCILMAN GREEN: So there  
14 were grant writers involved also?

15 MR. CASEY: So you're talking  
16 about, what, about 40 engineers?

17 MR. LUND: About 40 engineers.

18 COUNCILMAN GREEN: What about  
19 grant writers?

20 MR. CASEY: Well, we had the  
21 purchasing and probably about four or  
22 five purchasing people.

23 MR. LUND: And two grant  
24 writers. But these are all people,  
25 staff, that did this up and above their

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2 normal --

3 COUNCILMAN GREEN: I  
4 understand, but within SEPTA, you had, it  
5 sounds like, internally at least 25  
6 people working on this, between grant  
7 writers, internal engineers, purchasing  
8 people --

9 MR. CASEY: Yes.

10 COUNCILMAN GREEN: -- people  
11 supervising the external engineers. And  
12 you had upwards of 45 external engineers  
13 getting you ready?

14 MR. LUND: That's correct.

15 COUNCILMAN GREEN: So you took  
16 a risk?

17 MR. CASEY: Yes, we did.

18 COUNCILMAN GREEN: But it paid  
19 off huge?

20 MR. CASEY: Yes.

21 COUNCILMAN GREEN: Thank you.

22 COUNCILMAN CLARKE: Thank you,  
23 Councilman.

24 Any other questions for these  
25 witnesses?

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2 Councilwoman Brown.

3 COUNCILWOMAN BROWN: Thank you  
4 very much, Mr. Chairman.

5 Good morning.

6 MR. CASEY: Good morning.

7 COUNCILWOMAN BROWN: During  
8 budget hearings, SEPTA showed, in a very  
9 serious way, how serious you are with  
10 regards to MBE/WBE participation, and as  
11 I look at new information that I have and  
12 what you have done in a very strategic  
13 and thoughtful way around the stimulus  
14 dollars, it's my estimation that you have  
15 set a gold standard. So our hope and  
16 expectation would be other entities, both  
17 governmental and non-governmental that  
18 will have access to these dollars, will  
19 listen carefully to how SEPTA has  
20 skillfully figured out how those dollars  
21 are spread across the board for women and  
22 people of color.

23 So we need to acknowledge that  
24 and wave the banner that we have a major  
25 enterprise organization in Philadelphia

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2 like SEPTA who figured it out. And as we  
3 listen to forthcoming testimony, many of  
4 us here will be looking to see how close  
5 they have come in making sure that women  
6 and people of color have access and  
7 opportunity to those stimulus dollars.

8 MR. CASEY: Thank you. I will  
9 say, Lillie Claitt was largely  
10 responsible for that, but I think it's  
11 important -- I mentioned earlier when we  
12 had this bringing the contractors and the  
13 DBE community together and the prime  
14 contractors together, it was very  
15 successful. And it's not only for the  
16 DBE for the opportunities, but also for  
17 the primes to develop relationships for  
18 bidding on future projects. And that's  
19 been very successful, and I do plan on  
20 doing that twice a year as we go forward.

21 COUNCILWOMAN BROWN: And please  
22 continue to keep members of Council  
23 informed of those opportunities for those  
24 dots to connect, because we have  
25 individuals and organizations and

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2 businesses that come to us often looking  
3 to see how they can penetrate and access  
4 large organizations like SEPTA.

5 MR. CASEY: Yes. Thank you.

6 COUNCILWOMAN BROWN: Thank you.

7 COUNCILMAN CLARKE: Thank you,  
8 Mr. Casey. Thank your team. Thank you  
9 very much for your good work and  
10 continue.

11 MR. CASEY: Thank you.

12 COUNCILMAN CLARKE: Our next  
13 panel will be from Philadelphia Housing  
14 Authority, Mr. Clarence Mosely and  
15 Monique Delapenna.

16 (No response.)

17 COUNCILMAN CLARKE: Okay. I  
18 think we waited long enough and we are  
19 here able to determine that the  
20 Philadelphia Housing Authority is not  
21 here at this moment. They've indicated  
22 that they will be here, so we'll wait.

23 Mr. Michael Masch from the  
24 School District had a pressing matter.  
25 He has actually forwarded his testimony.

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2 We will not read it here today, but it  
3 will be entered into the record.

4 Right now we will have Panel  
5 II, Mr. Tommy Massarro and Ms. Barkha  
6 Patel. Did I screw that up? Barkha.  
7 I'm sorry.

8 These are individuals that City  
9 Council had gotten to do some research on  
10 some of the programs for us. There is a  
11 book, a work product, from that that can  
12 be made available. Right now we don't  
13 have enough copies to make them available  
14 to everyone. We wanted to make sure the  
15 Committee members had them.

16 So if you can briefly just give  
17 us information on some of the findings.

18 (Witnesses approached witness  
19 table.)

20 COUNCILMAN CLARKE: Good  
21 morning.

22 MR. MASSARRO: Good morning.

23 COUNCILMAN CLARKE: Please  
24 state your name for the record.

25 MS. PATEL: My name is Barkha

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2 Patel.

3 MR. MASSARRO: My name is

4 Thomas Henry Massarro.

5 COUNCILMAN CLARKE: Please pull

6 the mikes a little closer to you guys.

7 Thank you.

8 Please proceed.

9 MR. MASSARRO: In order to  
10 review and assess the efficacy of the  
11 City's efforts to solicit, secure,  
12 execute and accurately report federal  
13 state Recovery dollars and projects, I  
14 interviewed and conferred with the  
15 following sources: 14 members of the  
16 Council, senior members of the City  
17 Administration and their Recovery team,  
18 federal executive and legislative  
19 officials, state officials, executive and  
20 legislative, actual or prospective  
21 private or non-profit applicants or  
22 prospective partners for the stimulus,  
23 and a variety of individuals in the  
24 public and private sector who were  
25 involved in economic development or the

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2 Recovery.

3 The status of Recovery funds in  
4 the City is in the report, Mr. Agostini's  
5 report and also a report that I prepared  
6 for the Council that's in your package.

7 You asked me, Mr. Chairman, to  
8 focus on a summary of the key findings,  
9 the challenges and problems that face us  
10 and some of the strengths that are in  
11 front of us. I'll start with the  
12 challenges.

13 There are several serious  
14 impediments to a more effective  
15 solicitation, formulation, evaluation,  
16 submission, lobbying, receipt, execution  
17 and reporting of federal Recovery  
18 dollars. More importantly, there are  
19 significant inauspicious indicia that the  
20 City's Office of Economic Opportunity  
21 efforts substantially lack significant  
22 strategic insight and administrative  
23 potency. The most serious challenge that  
24 I encountered in interviewing an array of  
25 people is that there has been a lack of a

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2 consistent, clearly identified Chief  
3 Recovery Officer.

4           There are several serious  
5 impediments to a more efficient and  
6 bountiful solicitation of federal  
7 Recovery dollars, but all of them  
8 germinate in the fact that the  
9 Administration admits its eight months of  
10 appointments, resignations, vacancies,  
11 acting appointments, interim officials  
12 and/or unannounced appointments to this  
13 critical post. It was troubling to  
14 conduct over 50 interviews, members of  
15 Council, civic and corporate leaders,  
16 members of the Mayor's Administration,  
17 senior staff to our Senators and  
18 Congressmen, City Hall reporters, leaders  
19 in the construction and capital finance  
20 industries, state Recovery officials and  
21 current or prospective Recovery grant  
22 applicants and find that not one person  
23 knew who was or who has been the City's  
24 Chief Recovery Officer.

25           There's been a series of

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2 people. I identify them in my report.

3 And this lack of consistent leadership,

4 the lack of a clearly identified point

5 person has been the largest impairment to

6 the City's effort.

7 The best analogy I could offer

8 is, the City gets some money by formula,

9 but the bulk of it is competitive. Other

10 cities have had one person on the track,

11 eyes fixed in front of them, sprinting

12 ahead. We've been keeping our eyes down,

13 passing batons four or five times. That

14 slows you down. So if we could get one

15 person, continuous focus, build up a

16 snowball of knowledge, snowball of

17 relationships in Washington, we think

18 that's the critical element to improve

19 the City's effort.

20 Second major finding is,

21 there's a lack of a transparent

22 interdepartmental central Recovery team

23 under the direction of the Chief Recovery

24 Officer, and their entire job is to

25 oversee and manage, to solicit

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2 prospective applicants, to help formulate  
3 prospective applications, to analyze  
4 them, to submit them, to advocate and  
5 lobby in Washington, to execute them, to  
6 maximize the retention of Philadelphia  
7 residents and Philadelphia firms, and to  
8 adequately report to the federal  
9 government.

10 We are eight months of the  
11 City's Recovery efforts, and various City  
12 officials have been or still are  
13 unilaterally formulating, submitting,  
14 expending and reporting on our projects  
15 without the prior review, knowledge or  
16 consent of top City officials and the  
17 Chief Recovery Officer. This chaotic  
18 diffusion of responsibility increases the  
19 prospect of administrative conflict,  
20 erroneous fiscal accounting, duplicative  
21 managerial effort or the debilitating  
22 impression of chaos to critically  
23 important federal and state officials  
24 from both branches. The ongoing failure  
25 to compose such a central group,

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2 centrally led, has meant the lack of a  
3 uniform, consistent and experienced  
4 enriched application review.

5 The third principal finding --  
6 and this is really job day one. The  
7 reason there is a stimulus from the local  
8 point of view -- from the federal point  
9 of view, it has two objectives - to  
10 restimulate the federal economy and to  
11 strengthen this country environmentally  
12 and economically.

13 Locally, there's only two  
14 objectives for the federal stimulus  
15 money. The objective is not to help even  
16 the recipients. There's two objectives.  
17 The first objective is to hire local  
18 residents and to retain local companies.  
19 That's the whole reason for the program.  
20 That's the only way this city will grow  
21 out of its decline.

22 We've spent the last year  
23 balancing, rebalancing diminished  
24 resources. The stimulus is the  
25 opportunity to expand your resources to

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2 grow. So job one, day one, the first  
3 time someone mentions, I'm interested in  
4 talking to the City about a project, the  
5 first thing is, we're very interested to  
6 see how your project will retain  
7 Philadelphia residents and how your  
8 project will engage Philadelphia  
9 companies, and the extent to which you do  
10 that well means you will be very high on  
11 our priority list. The extent to which  
12 you are indifferent to that or don't  
13 address it, you will be lower on our  
14 priority list.

15 So the third -- and this is --  
16 again, it's the heart and the soul of the  
17 stimulus, the retention of local  
18 residents and the retention of local  
19 companies, particularly women and  
20 minorities and people who are  
21 disadvantaged in the economy.

22 I could not find one project  
23 where the City's OEO Office took a  
24 prospective application, prepared or  
25 reviewed a takeoff of labor, material or

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2 contractual needs and then matched it  
3 with the City's database. Okay, you need  
4 concrete, you need excavation equipment.  
5 Here's a list of Philadelphia companies  
6 that do concrete. Here's a list of ten  
7 jobs they did, this site, that site, the  
8 amount of the contract, this site, that  
9 site, the amount of the contract. To  
10 give that information, day one to start  
11 giving that, to put that in the mind of  
12 the sponsor.

13 Achieve and focus the objective  
14 of your institution, your museum, your  
15 school, whatever it is, but keep in mind  
16 the purpose is to retain Philadelphia  
17 residents as employees and as companies.  
18 That has to be day one when an applicant  
19 comes in. First stop has to be the  
20 central team in the OEO Office. What  
21 kind of things are you going to need in  
22 your project, and we'll start to identify  
23 Philadelphia firms, particularly ones  
24 owned by women and minorities that have  
25 been left out.

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2                   Of the 17 major building trades  
3 unions, I could not find one where the  
4 City has started negotiations, submitted  
5 a proposal to these unions to maximize  
6 the assignment of unemployed Philadelphia  
7 residents from the membership base of  
8 these unions. It's a regional membership  
9 base. They have between 20 and 40  
10 percent of their men and women out of  
11 work. So what we have to do is say,  
12 Okay, you have 100 of your union members  
13 out of work. Forty of them may be  
14 Philadelphia residents. Fifteen of them  
15 may be female or minority. If we are to  
16 submit a proposal with you, we want you  
17 to give us preference that you will send  
18 to this site in Philadelphia Philadelphia  
19 workers. That's what we're asking you to  
20 do. And if the City can collaborate  
21 constructively with the building trades,  
22 we will get more of these grants, which  
23 will help the building trades, and we  
24 will have more of our people back to  
25 work.

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2           It doesn't require getting into  
3       the longstanding debate in this town  
4       about the membership components of the  
5       building trades. We will accept the  
6       membership as is, but of the members of  
7       the union that are sitting home  
8       unemployed that live in Philadelphia, I  
9       believe this city should only submit  
10      applications where there's an agreement  
11      that those people will be given priority  
12      for assignment to these jobs.

13           If we do not work to focus on  
14      the engagement and the retention of  
15      Philadelphians and Philadelphia  
16      companies, there is no reason for this  
17      money to come to the City. It will not  
18      benefit. It will not replenish our tax  
19      coffers. It will not lower our  
20      unemployment rate.

21           I take exception to the belief  
22      or the assertion of some prominent  
23      Recovery officials that it's too early to  
24      get into that. It's a lot closer to  
25      being too late. I'll give you an

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2 example.

3           The Art Museum, they've applied  
4 for a very important project. I believe  
5 it's 35 million of stimulus money. They  
6 have about 58 people apply for money. A  
7 lot of it is transit improvements between  
8 the new Pearlman Annex and the Museum.  
9 That's a great potential project -  
10 excavation, concrete, curbs and sidewalk,  
11 landscaping. We have Philadelphia  
12 companies. We have Philadelphia minority  
13 companies. We have Philadelphia  
14 women-owned companies who have done that  
15 work and have a great track record. They  
16 need to be alerted first.

17           They're going to plant a lot of  
18 trees and shrubs. We have a beautiful  
19 program with Philadelphia Green in the  
20 prison to train men and women to do  
21 landscaping. Let's engage them there at  
22 the Art Museum. And we have young people  
23 in the City, Youth Build. It's a great  
24 program. I hope the general contractor  
25 there will reach out to Youth Build and

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2 see how we can engage some of our young  
3 people. I hope the landscape architects  
4 will reach out to CHAD, the Charter High  
5 School for Architecture and Design, and  
6 engage some of the students there.

7 So there's a whole range,  
8 there's a myriad ways to engage  
9 Philadelphians. We have to stretch our  
10 minds. We have to find ways to do it.

11 So once we get this money, I  
12 feel the most compelling challenge we  
13 have is to maximize the engagement, the  
14 employment of Philadelphia residents and  
15 Philadelphia companies.

16 In reviewing the  
17 Administration's efforts, there are also  
18 many positive and substantial elements  
19 which can enhance the City's capacity to  
20 solicit and secure this money. There is  
21 a lot of good thinking going on, as well  
22 as some deficiencies.

23 The most salient observation I  
24 might make is that there's a lot of  
25 thoughtful inclusion in designing these

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2 project components to enhance  
3 environmental quality and sustainability.  
4 If I talked to eight people in the  
5 Administration, seven of them, that's one  
6 of the first things that they mention.  
7 They're focused on that, sustainability,  
8 environmental enhancement. That's a good  
9 thing, and that's the kind of  
10 consciousness we really need in terms of  
11 employment the same way.

12           There's a very high  
13 consciousness of the imperative of  
14 timely, accurate and transparent  
15 reporting to the federal government. The  
16 Mayor's appointment of Steve Agostini  
17 reflects a recognition of the absolute  
18 imperative of compiling and submitting  
19 accurate, timely and transparent  
20 reporting to the federal government.

21           When I speak to the staff, not  
22 the Deputy Mayors, their own staff  
23 people, they're very, very conscious of  
24 that, and that's a very important thing.  
25 If we don't have good reports, the spigot

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2 can be closed.

3           Three, one can observe  
4 increasing horizontal collaboration among  
5 City departments and agencies. While I  
6 feel there's a problem vertically in  
7 terms of bringing this from the disparate  
8 elements to a central place, there's very  
9 good working relationships horizontally  
10 in the government. With the passage of  
11 time, some effective mechanisms are  
12 evolving or are already in place to  
13 thoughtfully collaborate across City  
14 departments. In the last month in  
15 particular, there's been a discernible  
16 increase in the level of collegial  
17 interdepartmental collaboration,  
18 especially in regards to Rina Cutler of  
19 Transportation, Parks, Health and Human  
20 Services, Don Schwarz. They're really  
21 coming up with a lot of good projects.

22           While I feel there's a  
23 significant deficiency so far in the  
24 outreach from the OEO Office, there's  
25 also some very hopeful signs. Some

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2 public agencies, particularly SEPTA and  
3 PHA and the Enterprise Center, are  
4 working effectively -- and I'll say that  
5 again, they're working effectively -- to  
6 identify economic opportunity for  
7 Philadelphia residents, Philadelphia  
8 companies and Philadelphia entrepreneurs.  
9 Joe Casey, General Manager of SEPTA, and  
10 Carl Greene, Executive Director of PHA,  
11 have been working proactively. They're  
12 not waiting until the end. They say it  
13 from day one, that's job one, engage  
14 Philadelphians. They've really been  
15 beacons, not only here but around the  
16 country, and I really want to commend  
17 them. We took a real vigorous look. We  
18 didn't look at the press releases. We  
19 looked a lot deeper than that.

20 They've been working  
21 proactively in multiple venues to  
22 identify employment, corporate and  
23 entrepreneurial opportunities for  
24 Philadelphia-based residents and  
25 corporations, especially minority, female

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2 and disabled owned. While contracts have  
3 largely yet to materialize, there are  
4 credible incipient signs that this  
5 professional proactive outreach can  
6 successfully match Recovery opportunities  
7 with those persons and companies in need  
8 of those opportunities.

9           The Enterprise Center, led by  
10 Ms. Della Clark, recently sponsored a  
11 Connect to Federal Recovery Opportunities  
12 Conference. It was very thoughtfully  
13 planned. It was clearly presented, with  
14 an abundance of technical information on  
15 these contractual opportunities. I was  
16 impressed.

17           There's a widespread belief,  
18 though, amongst those companies and  
19 residents in search of these  
20 opportunities that the City's OEO Office  
21 has not yet provided productive  
22 leadership or energetic involvement for a  
23 clear path to results.

24           COUNCILMAN CLARKE: Thank you,  
25 sir.

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2 We're going to get to you. Do  
3 you want to talk about the charts  
4 briefly?

5 MS. PATEL: Sure. Okay.

6 COUNCILMAN CLARKE: Can you  
7 kind of run us through that?

8 MS. PATEL: Thank you,  
9 Mr. Chairman. My name is Barkha Patel  
10 and I'm a Drexel co-op student working at  
11 Councilman Bill Green's office. Over the  
12 past month I've been working in  
13 conjunction with the staff from  
14 Councilman Bill Green's office and other  
15 Council offices and Mr. Massarro, and  
16 I've been researching Philadelphia's  
17 stimulus funding, including the efforts  
18 of other cities.

19 I've prepared three charts for  
20 the Committee. One is formula grants,  
21 one is competitive grants, and one is  
22 showing specific competitive grants that  
23 I was able to find more data of  
24 comparable cities and their numbers.

25 I compiled this information by

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2 talking to different budget and finance  
3 offices in other cities, reviewing  
4 materials on those city websites and  
5 federal websites, and through other  
6 research on the Internet.

7 For the Philadelphia  
8 information, I reviewed the information  
9 on our phila.gov website and consulted  
10 staff at the Recovery Office.

11 I just want to make clear that  
12 any blank spaces that you see in the  
13 charts, it shouldn't be assumed that we  
14 haven't applied or that Philadelphia  
15 hasn't sought into that competitive or  
16 formula grant. It's just that there's  
17 been some miscommunication or I wasn't  
18 able to find that data on the Internet.  
19 So if there are any incorrect numbers or  
20 any blank spaces where there shouldn't  
21 be, my apologies. And if you do have any  
22 questions, I'll be happy to answer them  
23 now.

24 Thank you.

25 COUNCILMAN CLARKE: Thank you

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2 so much. Very good report.

3 Councilman Jones and then

4 Councilman Kenney.

5 COUNCILMAN JONES: Thank you

6 again, Mr. Chairman, for pulling this

7 together in this hearing. It's very

8 worthwhile.

9 Specifically, I took a ride on

10 my way to work. I stopped at 54th and

11 Berks Street in my district, I stopped at

12 57th and Lansdowne in my district, and I

13 stopped at 60th and Market in my

14 district, just to remind myself why we're

15 having this hearing today. For my

16 colleagues on this committee and people

17 that are listening, there wasn't one

18 lunch pail, hard hat, construction,

19 blue-collar kind of job guy going, or

20 woman, Blondell, going to work early in

21 the morning to a job that I could visibly

22 see. I could see some of the same

23 remnants of some of the problems that

24 when I ran for office why I came here.

25 And the whole idea of a stimulus package

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2 for them is the hope that some of that  
3 trickled down after the bailout of the  
4 auto industry, Wall Street, banking,  
5 would eventually get to them. So my  
6 question and the line of my question is  
7 in context to that truth.

8 How do we rank, simply put,  
9 compared to other cities? And compare  
10 apples to apples, if we can.

11 MR. MASSARRO: We took a look  
12 at two things in terms of looking at  
13 other cities. We took a look at what  
14 their structure was, how they made a  
15 point person, what kind of committee or  
16 organizational structure they set up, and  
17 we reviewed that. That's one of your  
18 handouts, this chart. I don't know what  
19 number it is in your binder.

20 COUNCILMAN CLARKE: Give us a  
21 number. As good as we are, there's no  
22 way we can see that from here. Just give  
23 us -- you don't have to come up.

24 MS. PATEL: If I can just jump  
25 in to answer Councilman Jones' question.

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2 COUNCILMAN CLARKE: Green tag.

3 All right. Thank you.

4 MS. PATEL: If I can just jump  
5 in and answer the question to the best of  
6 my ability. If you go to New York City's  
7 website on their stimulus track or their  
8 tab, they have specifically listed the  
9 amount of jobs that they've created due  
10 to the economic Recovery funds, and I  
11 think it's around 3,700, if I'm not  
12 mistaken. Of course, New York City is a  
13 lot bigger city than we are and, of  
14 course, they've received a lot more  
15 funding than we have, but their website  
16 specifically discloses how many jobs  
17 they've created and in which fields. And  
18 if you've seen our website and read some  
19 of the -- especially the Daily News  
20 article today that was published, we've  
21 created about 52, I think it says. So I  
22 guess we are not up to date according to  
23 other cities.

24 COUNCILMAN CLARKE: Okay. I  
25 just want to say that I want to

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2 acknowledge that I had a conversation  
3 with Mr. Agostini yesterday about some of  
4 the website issues and some of the other  
5 issues, and he will be testifying that  
6 there will be some changes. The  
7 Administration has acknowledged that  
8 there are some issues related --

9 MR. MASSARRO: There's some  
10 mathematical errors on the website.

11 COUNCILMAN CLARKE: Yeah. I  
12 mean, so that's a part of my not wanting  
13 to be a "got you" moment, but I think the  
14 most important thing is that all of us,  
15 we recognize where there may be  
16 shortcomings and we're taking corrective  
17 action. So I think that's the most  
18 important as we move ahead. But it's  
19 good to point out those issues, and what  
20 I would like to see, as I'm sure all my  
21 colleagues, to make sure that we work in  
22 a cooperative spirit. We have some  
23 talent among Councilmembers and their  
24 staff. We look to be as helpful as  
25 possible as we work through all of this.

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2 And so I think that's important, if we  
3 continue in the spirit of working  
4 together, making sure that we maximize  
5 our opportunities, because at the end of  
6 the day, we all represent the same  
7 citizens of the City of Philadelphia.

8 COUNCILMAN JONES: In that  
9 spirit, I was trying to figure out by way  
10 of -- and we had a spirited debate  
11 outside of these Chambers by way of our  
12 competitiveness by way of formula grants  
13 versus competitive grants. You remember  
14 the spirit of that debate late into the  
15 evening. But how do we stack up by way  
16 of formula and by way of competitive  
17 grants? Specifically, formula and then  
18 competitive.

19 MR. MASSARRO: We've identified  
20 some of the deficiencies, but it is also  
21 clear that there's been a steady increase  
22 in some of the momentum in the program.  
23 They've been more effective at  
24 identifying opportunity, more effective  
25 at applying for opportunity in a more

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2 efficient way. There's been particular  
3 progress in the last month. That's  
4 readily discernible. It's palpable.

5 So I think the other cities --  
6 at some point we stopped trying to  
7 quantify it because we were really  
8 focused on what Councilman Clarke says,  
9 identifying constructive elements to try  
10 to move it ahead.

11 So we were clearly behind. We  
12 surveyed 23 or 25 cities. We were  
13 significantly behind most of them for the  
14 reason we gave, is that while these other  
15 people were running a sprint, we passed  
16 the baton four, five or six times.

17 COUNCILMAN JONES: Then very  
18 briefly I'll segue and say, in those  
19 researches, did you identify best  
20 practices that we might be able to --

21 MR. MASSARRO: Yes, and --

22 COUNCILMAN JONES: Can you for  
23 the record talk about them?

24 MR. MASSARRO: Yes.

25 MS. PATEL: I think if you look

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2 at the green tab again.

3 COUNCILMAN JONES: My green is  
4 different than his green. It's different  
5 than his.

6 MS. PATEL: There's a specific,  
7 I guess, divider in the binder that has  
8 the best practices that a staff member  
9 has researched of different cities, and  
10 it says the Chief Officer, their team  
11 members and who they've been consulting  
12 and their meetings and things like that.

13 MR. MASSARRO: There's two  
14 principal factors here that are really  
15 salient. The first is, we surveyed -- of  
16 the 25 cities, 23 of the 25 had one  
17 person in charge. That's a tremendous  
18 advantage to us.

19 The second salient feature is,  
20 all of the cities have had this central  
21 working group where you snowball your  
22 capacity, your experience and your  
23 knowledge. Philadelphia has gotten good  
24 ideas horizontally from housing,  
25 transportation, energy, but has not done

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2 as well putting it back into central form  
3 for a central evaluation and disbursement  
4 back.

5           So the other cities I think  
6 have had the advantage of being a  
7 repository over time for knowledge and  
8 experience. We put together this  
9 application and that application. You  
10 learn. There's things you could use to  
11 be more efficient. There's problems you  
12 could solve. And then one of the things  
13 we've missed by not having the same  
14 person is, even in my own conversations  
15 with members of Senator Casey's staff,  
16 Senator Specter's staff, Congressman  
17 Brady's staff, Congressman Fattah's  
18 staff, you can build up a relationship  
19 and they can point you, because they're  
20 dealing with a multiplicity of  
21 applications from other jurisdictions and  
22 they'll tell you, if you have the  
23 relationship, this is what's working,  
24 this is not working, this was received  
25 well at HUD, this wasn't received well at

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2 HUD, here's a good idea that someone else  
3 had that was funded, they told us they  
4 didn't fund you now, but maybe you could  
5 modify the application in another  
6 category later.

7           So I think that if Philadelphia  
8 can have continuity of leadership, if  
9 they can assemble a central team that  
10 will be in charge of this to vet them,  
11 even if they then delegate it out to one  
12 particular department, I think we'll  
13 build up the momentum. And then if we  
14 can take some of the exemplary agencies,  
15 like PHA and SEPTA, and have them work  
16 constructively with OEO -- I know the OEO  
17 people want to get this right. I think  
18 it's a matter of a learning curve and  
19 building some relationships. I think we  
20 can start -- if we identify our goal, our  
21 principal goal, as the retention of  
22 Philadelphia companies and the employment  
23 of Philadelphia residents, if we make  
24 that the salient feature, I think it will  
25 be in the consciousness of people and

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2 there's mechanisms to work it out. And I  
3 think Penn has done some good work. In  
4 some instances they worked with  
5 Councilwoman Blackwell's office, and I  
6 think we can take some of these singular  
7 models around the City and come together  
8 and have a template for how to do this.

9 COUNCILMAN JONES: My final  
10 point is -- and thank you for this  
11 information. As municipalities make  
12 decisions, this program versus this  
13 program or this application or category,  
14 I'd be curious to know how they kind of  
15 came up with that maximizing benefit  
16 ratio. And I guess I'll say that for  
17 Mr. Agostini as to in the future -- and  
18 this is, as the Chairman said, creating  
19 and getting it right going forward -- how  
20 we make that determination.

21 Curious to me is if -- I have  
22 160 vacant properties owned by PHA in my  
23 district. To me, shovel ready means I'm  
24 ready, we can start shoveling. And so I  
25 don't understand how we decide which has

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2 maximum benefit versus others and what  
3 that formula kind of will be, and I guess  
4 that's a question that I'll put a pin in  
5 and look to an answer from the  
6 Administration.

7 MR. MASSARRO: But it still  
8 gets back to, I think, day one, the first  
9 day. Whether it was SEPTA, whether it's  
10 the University of Pennsylvania, whether  
11 it's a non-profit, when they contact the  
12 City that they have an idea for a  
13 prospective stimulus project, whether  
14 they're the sponsor or partner, we have  
15 to start to get them on the track to deal  
16 with Philadelphia companies. I mean,  
17 Councilman Kenney could tell you that  
18 most of the time an architectural firm is  
19 retained a year, two, three years before  
20 they break ground, and that's what's  
21 going on now. So we can't say, Well,  
22 when these firms might get an award,  
23 we'll start to work to engage them with  
24 Philadelphia companies. It's got to  
25 start as soon as possible.

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2 COUNCILMAN JONES: Thank you,  
3 Mr. Chairman.

4 COUNCILMAN CLARKE: Thank you.  
5 Councilman Kenney.

6 COUNCILMAN KENNEY: Thank you,  
7 Mr. Chairman.

8 I know it's been said twice  
9 before in this hearing that this is not a  
10 "got you" hearing, but the testimony of  
11 the witness is pretty much "got you."  
12 And I don't know what the process is  
13 relative to the next witness, but I would  
14 make a request that Mr. Agostini be the  
15 next witness so he can refute or explain  
16 or elaborate on some of the charges, I  
17 guess, that have been made of their  
18 inability to do anything in the last  
19 eight months, which it seems -- I mean,  
20 other than a short section of the  
21 testimony about a couple good things they  
22 did, pretty much all of it was  
23 non-productive.

24 So I would really like to hear  
25 from a records point of view, keeping the

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2 record intact, this testimony and then  
3 after that, what they had to say in  
4 response to that.

5 So I don't know what you had in  
6 mind in the way of witnesses, but I don't  
7 want to see two or three witnesses after  
8 this talking about other things and then  
9 we lose track of it.

10 The other thing is, you had  
11 mentioned -- we had extensive hearings  
12 that Councilman DiCicco sponsored a  
13 resolution a couple years ago, I guess,  
14 relative to employment practices and  
15 employment numbers and demographics of  
16 the construction trades. It was not a  
17 very productive hearing, if I remember  
18 correctly. They were not willing or able  
19 to give us numbers relative to where  
20 their members lived and what the  
21 demographics, race, gender. Your  
22 testimony indicated that you had some  
23 idea as to how many of these folks lived  
24 in Philadelphia, because this is all  
25 about creating Philadelphia jobs or

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2 retaining Philadelphia companies. Were  
3 you able in your discussions with them to  
4 figure out of their employment complement  
5 how many live in the City, what their  
6 race and gender is and why doing projects  
7 particular with an individual union would  
8 create jobs for Philadelphians if we  
9 don't know how many members live in  
10 Philadelphia?

11 MR. MASSARRO: Well, I took  
12 actually some of the testimony from those  
13 hearings. There were some records given  
14 to Council, some estimations of the  
15 percent of their members that lived in  
16 Philadelphia, but I don't believe we  
17 really need to know that exactly. We do  
18 know that they have, depending on the  
19 trade, they're reporting between 15 and  
20 40 percent unemployment.

21 COUNCILMAN KENNEY: I  
22 understand that.

23 MR. MASSARRO: What I am saying  
24 is, of the people who are unemployed, a  
25 percentage of them are Philadelphia

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2 residents and we would ask that they be  
3 assigned.

4 COUNCILMAN KENNEY: This goes  
5 back to Councilman Jones' point, that if  
6 we were to engage in that process -- and  
7 I don't want anybody to be unemployed,  
8 but if some guy in New Jersey is  
9 unemployed, I care a little less about  
10 that than Councilman Jones' constituents.

11 I mean, unless -- did you  
12 interview them? Did you find out from  
13 them what their numbers are?

14 MR. MASSARRO: Just in terms of  
15 what was submitted on the Convention  
16 Center discussion two years ago.

17 COUNCILMAN KENNEY: I don't  
18 know, Councilwoman Brown, if you would  
19 agree that that hearing was less than  
20 fruitful.

21 COUNCILWOMAN BROWN: It was  
22 that, and because it was that, I should  
23 mention that I am now in the process of  
24 drafting a resolution to invite those  
25 parties to report back to us what their

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2 progress has been since that hearing.

3 And so you raise it. The end  
4 of the sentence hasn't been completed,  
5 and it's my expectation that during those  
6 hearings, we will get an update on what  
7 our requests were and what they've done  
8 to meet that request and what their  
9 numbers are now.

10 COUNCILMAN KENNEY: Thank you.

11 Mr. Chairman, I just reiterate  
12 my request that -- I don't want to have  
13 you do something different than you want  
14 to do, but I really want to hear after  
15 these witnesses what the Administration's  
16 responses to those allegations are.

17 Thank you.

18 COUNCILMAN CLARKE: Thank you.

19 Councilman Green.

20 COUNCILMAN GREEN: Thank you.

21 I just want to note for the record that I  
22 think the report that was put together by  
23 my intern, Barkha Patel, and others with  
24 respect to the competitive grants and  
25 others, actually if you look at it in

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2 terms of pure quantity, we're behind, but  
3 we're not that far behind, and I don't  
4 think that we were suggesting that in  
5 terms of the quality of dollar of grants  
6 applied for that that's the case.

7           So I didn't want it -- I mean,  
8 you characterized the report. It  
9 certainly isn't our view, having  
10 participated in it, that we were, from a  
11 quantity perspective, necessarily behind  
12 or anything else. I do think that the  
13 report identified some best practices  
14 which, while they seem obvious, we  
15 weren't in fact doing them.

16           COUNCILMAN KENNEY: No. I  
17 haven't read the report. I'm basing my  
18 comments based on the testimony.

19           COUNCILMAN GREEN: No. I  
20 understand.

21           COUNCILMAN KENNEY: I would say  
22 probably 75 percent of the testimony was  
23 that they weren't doing things right and  
24 maybe 25 percent were doing right. So  
25 I'd like some illumination as to what

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2 they think they're doing right.

3 COUNCILMAN GREEN: That's  
4 great.

5 COUNCILMAN KENNEY: And I meant  
6 that in context to this witness.

7 COUNCILMAN GREEN: Councilman,  
8 I agree with you. I look forward to  
9 hearing from Steve.

10 COUNCILMAN KENNEY: Okay.  
11 Thank you.

12 COUNCILMAN CLARKE: Thank you,  
13 Councilman.

14 Any other questions of these  
15 witnesses by members of the Committee or  
16 members present?

17 (No response.)

18 COUNCILMAN CLARKE: There being  
19 none, thank you very much for your  
20 testimony.

21 I understand that the  
22 Philadelphia Housing Authority had some  
23 misinformation about the time, so they  
24 will be available, but what I'd like to  
25 do now is to bring, I guess,

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2 Mr. Agostini, who will be testifying on  
3 behalf of the Administration, and anyone  
4 else that he so chooses.

5 (Witness approached witness  
6 table.)

7 COUNCILMAN CLARKE: Good  
8 morning, Mr. Agostini.

9 MR. AGOSTINI: Good morning,  
10 Councilmember. Good morning,  
11 Councilmembers.

12 COUNCILMAN CLARKE: First, I'd  
13 like to say that -- and I want to say  
14 this in a way that I am not critical of  
15 anyone who had any role or responsibility  
16 of the Recovery dollars prior to now, but  
17 I do want to say that I'm happy that you  
18 are now in charge. I feel a little more  
19 comfortable, given your budget  
20 background, because at the end of the  
21 day, this is about the money. I know  
22 that you have divided interests, because  
23 you still have to be the Budget Director,  
24 but I think that that perspective that  
25 you bring to the table actually will be

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2 helpful in ensuring that in the instance  
3 where I know that we're not supposed to  
4 supplant certain dollars, that is the  
5 case, but at the end of the day, I think  
6 that your ability to understand revenue  
7 streams and understand the budget from  
8 the perspective on the local level -- and  
9 actually you worked other places, I'm  
10 sure you have somewhat of a national  
11 perspective on other things -- that we  
12 will be much better served by having you  
13 in charge at this time.

14           So, again, we in Council look  
15 forward to working with you. At the end  
16 of the day, I'd really like to see this  
17 be a cooperative effort with consistent  
18 conversations on an ongoing basis, not  
19 the Committee on Fiscal Stability having  
20 to have a hearing to have this type of  
21 dialogue. This should be happening every  
22 week or in a consistent basis that allows  
23 us an opportunity to have a free-flowing  
24 level of conversation and input and  
25 solicitation.

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2 So with that, I say good  
3 morning.

4 MR. AGOSTINI: Good morning.  
5 Steve Agostini, Budget Director for the  
6 City of Philadelphia and Recovery  
7 Officer.

8 Councilmember, thank you very  
9 much. Those are very generous remarks.  
10 I appreciate that.

11 COUNCILMAN CLARKE: I don't  
12 give them out a lot.

13 MR. AGOSTINI: And I appreciate  
14 that, and I hope to live up to your  
15 expectations on this.

16 What I'd like to do, if it's  
17 okay with the Committee, is to go over  
18 what I had planned, and then if you would  
19 like, I'm happy to respond to some of the  
20 comments that were made. I'll leave that  
21 up to the Committee if that's the  
22 Committee's pleasure to hear that, but if  
23 I could, I'll do a brief overview of  
24 where we are.

25 COUNCILMAN CLARKE: Sure.

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2 MR. AGOSTINI: I'd like to  
3 start by saying that we probably could  
4 have done a few things a little  
5 differently at the inception with respect  
6 to Recovery. It has been a learning  
7 process for us as an administration. I  
8 think that we are quickly learning what  
9 needs to be done and what needs to be  
10 done well in order to be effective at not  
11 only applying for grants, but receiving  
12 them, as well as being sure that the  
13 dollars begin to hit the street as  
14 quickly as possible.

15 Having said that, one of the  
16 major challenges that we have is that the  
17 federal government itself is still trying  
18 to put in place the set of rules that are  
19 consistent, that are clear for us to use.  
20 And I'll get to that in a moment, but  
21 there is still the fact of the matter  
22 that there is a great deal of  
23 inconsistency at the federal level with  
24 respect to how we are supposed to report,  
25 what the expectations are in terms of

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2 those reports and how we proceed.

3           With respect to the job count  
4 issues, that is one of the areas where  
5 there is some inconsistency at the  
6 federal level. You should know, you may  
7 know already, that each of the  
8 departments has, in essence --  
9 cabinet-level departments at the federal  
10 level -- has in place its own methodology  
11 for job counting. It is not consistent.  
12 It is something that I have actually  
13 talked to Ed DeSeve himself about, the  
14 White House Recovery point person, as  
15 well as to Danny Werfel, who is the  
16 Controller for the United States and is  
17 in OMB.

18           We have the benefit of direct  
19 relationships with those individuals.  
20 They are relationships that I maintain  
21 and will continue to cultivate in an  
22 effort to be sure that we have up-to-date  
23 regulatory information, and if we hit a  
24 snag, we can get that resolved quickly,  
25 as was the case when we were doing some

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2 of our reporting, and I can talk more  
3 about that later.

4 We also have the benefit of a  
5 federal liaison who was appointed to us  
6 the first week of October right before  
7 our reporting. That individual is the  
8 Acting Regional Administrator for GSA.  
9 The federal government has designated a  
10 number of liaisons for cities around the  
11 country. This individual has  
12 responsibility for being liaison not only  
13 to us but also for the City of Baltimore,  
14 which allows us to get answers quickly to  
15 a number of issues, as well as to compare  
16 notes, and because of that, we're going  
17 to start comparing ourselves with  
18 Baltimore a little more carefully and try  
19 to share information with them directly  
20 regarding where we are.

21 Having said that, it is clear  
22 that we're not the only city that is  
23 running into the following impediment,  
24 which is while we may have applied for  
25 funds, we may have been awarded funds,

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2 the actual receipt of dollars into the  
3 City coffers has not happened quickly.  
4 We have a sort of running average right  
5 now that is approximately two months  
6 between when we have received an award  
7 letter and when dollars have actually  
8 shown up in our treasury. We are still  
9 waiting for dollars. In some cases, the  
10 delay is almost four months between the  
11 actual award letter having been received  
12 by a City official and the dollars  
13 manifesting themselves in our treasury.

14 That's an issue, and it became  
15 a particularly acute issue over the  
16 summer where we were faced with the  
17 prospect of do we spend dollars as a city  
18 that we anticipate receiving even if we  
19 have an award letter while we are in the  
20 midst of a fairly significant cash  
21 conservation issue, so that we did not  
22 run out of funds over the course of the  
23 summer, as you all know very well, as we  
24 waited for the state to take its action  
25 with respect to issues that affected our

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2 budget.

3 We do have a new structure in  
4 place with respect to Recovery, however,  
5 because there were some things that  
6 needed to be addressed. I am the  
7 Recovery Officer. There is an Executive  
8 Committee that I report to that consists  
9 of the Managing Director, the Finance  
10 Director, the Planning Director, our  
11 Chief Integrity Officer, our Director  
12 of -- our Chief Technology Officer, the  
13 City Solicitor, a member of the Deputy  
14 Mayor for Transportation staff and the  
15 Mayor of -- the Deputy Mayor for Health  
16 and Human Services staff. I report to  
17 that Steering Committee. I will be  
18 reporting to them on a biweekly basis in  
19 order to keep them apprised of what we  
20 are doing.

21 I also then have a group of  
22 approximately 25 project managers who I  
23 am also meeting with on a regular basis  
24 at biweekly to be apprised of what's  
25 happening with Recovery issues. I have

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2 also implemented a requirement that  
3 before any grants move forward that are  
4 Recovery related, they have to be  
5 reviewed by the Recovery Office and  
6 approved by the Executive Committee so  
7 that we can address some of the  
8 coordinating issues that indeed were  
9 apparent as we were looking through this.

10 We've also taken a step that is  
11 in addition to what is required by the  
12 federal government. As we move forward  
13 and as we completed our reporting for the  
14 October 10th deadline to the federal  
15 government, I asked -- actually, required  
16 that anyone who was reporting on a grant  
17 and was reporting either directly to  
18 their cabinet agency or their granting  
19 agency, whether that was state or  
20 federal, that I was requiring a  
21 certification by the program or project  
22 manager responsible for that particular  
23 grant, that the information that they  
24 were filing or the information they were  
25 providing to me was correct to the best

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2 of their knowledge, so that that  
3 certification now exists in a file for  
4 each and every one of the grants that we  
5 have reported on, and I anticipate that  
6 as we move forward for our quarterly  
7 reporting requirements, that we will  
8 indeed maintain that certification  
9 process. While it is not required of me,  
10 I am also then providing a certification  
11 letter to the Mayor -- and am happy to  
12 provide that to you as well -- regarding  
13 the report to the federal government and  
14 what was included in that report.

15 We are also, as I mentioned,  
16 reporting as well as talking to  
17 counterparts, particularly at the state  
18 level. We've been in communication and  
19 we've had a couple of meetings with the  
20 state's Recovery Office led by Ron  
21 Naples. We in some instances are  
22 learning about requirements that they  
23 have that are slightly different than  
24 ours, and in some cases, after talking to  
25 them, we've implemented some of the

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2 reporting or information flow procedures  
3 that they've adopted, because we think  
4 that they represent best practices.

5           Within two or three weeks, we  
6 will be implementing a new software  
7 package from Microsoft called Microsoft  
8 Stimulus 360. To date, we've been doing  
9 all the reporting basically through  
10 spreadsheets and templates that we've  
11 created ourselves. Microsoft Stimulus  
12 360 is, in essence, the state of the art.  
13 It's being used by a number of offices,  
14 Recovery offices, throughout the United  
15 States both at the state and the local  
16 level. We've had a number of training  
17 and sort of introductions to this. We  
18 feel that it will not only allow us to  
19 capture information more comprehensively,  
20 but also more accurately, and we intend  
21 to implement that in the next two or  
22 three weeks.

23           We did indeed report on October  
24 9th for the October 10th reporting  
25 period. We were one of many who reported

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2 on time. There are a handful of  
3 reporting entities, both cities and I  
4 think other jurisdictions, that did not  
5 meet that reporting deadline requirement,  
6 and for that reason, the federal  
7 government provided an extension for them  
8 to provide their reports on stimulus.  
9 Thankfully, we did not have to do that,  
10 because we had all of our information in  
11 and, to our knowledge, pretty much all of  
12 it was correct.

13 We are planning -- we've been  
14 discussing a briefing with our federal  
15 delegation in order to let them know what  
16 was going on and keep them apprised, as  
17 well as conversations with this body, to  
18 be sure on a going-forward basis that you  
19 are aware of what we are doing. And  
20 depending on how frequently you'd like to  
21 see me and others, we can do that in  
22 order to accommodate your interest and  
23 curiosity and desire to hear about this.

24 With respect to the dollars --  
25 and I don't know if you have this in

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2 front of you, but I did send a letter to  
3 the Councilmember to provide you with an  
4 overview.

5 We have applied for  
6 approximately \$310.8 million in  
7 Recovery-related funds. We have been  
8 awarded approximately 157.6 million to  
9 date. We have spent approximately  
10 \$776,000 to date, and we believe that we  
11 have retained approximately 52 jobs.

12 Let me go through the breakdown  
13 of this a little more, and I'm sure  
14 you're going to want to know why we have  
15 spent what we have spent as opposed to a  
16 larger number. I think that's a very  
17 fair question.

18 With respect to a little more  
19 detail, we have received about \$94.8  
20 million in Recovery funds that have been  
21 allocated based on formula. And I can go  
22 through that very quickly.

23 About \$14 million in Community  
24 Development Block Grants that was awarded  
25 in August; 13.9 million in employment and

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2 training from the Department of Labor  
3 that went directly to the Workforce  
4 Investment Board; 250,000 Senior  
5 Community Service Employment Program  
6 awarded in April; 14 million in the  
7 Energy Efficiency and Conservation Block  
8 Grants, that was awarded September 29th  
9 of 2009; 7.2 million in Highway  
10 Investment funds awarded in August; 21.4  
11 million in Homeless Prevention funds  
12 awarded in August; 2.1 million in  
13 Homeless Prevention funds that was  
14 awarded in September; 13.5 million in  
15 Byrne Justice grants awarded in August;  
16 and 8.3 million in Community Service  
17 Block Grants that were awarded at the end  
18 of July.

19 With respect to competitive  
20 money, we've been awarded 62.4 million -  
21 26.6 million for a baggage screening  
22 project at the Airport that was awarded  
23 in June; 5.7 million, another Airport  
24 project for one runway and taxiway rehab  
25 that was awarded in August; 434,000 in

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2 Healthy Homes for Foster Care grant that  
3 was awarded in March; 875,000 for Healthy  
4 Homes for Daycare awarded in March;  
5 homeless prevention grant of 685,000  
6 awarded in September; 200,000 water and  
7 sewer replacement plant maintenance  
8 projects funding that was awarded in  
9 April; 150,000 for a vaccine research  
10 study that was awarded in September;  
11 125,000 for supplemental funding for  
12 immunization awarded in September;  
13 565,000 for evaluation of vaccines for  
14 preventable diseases that was awarded in  
15 September; 11 million for the COPS grant  
16 that was awarded in July; 250,000 for  
17 Strengthening Communities funds that was  
18 awarded at the end of September of this  
19 year; and 15.8 million for weatherization  
20 that was awarded in September.

21 Of the funds we have spent,  
22 714,000 was against the Byrne grant in  
23 the First Judicial District for the  
24 replacement of activities that were part  
25 of the budget that was adopted by the

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2 Council, approximately 12,000 Healthy  
3 Homes Daycare and 49,000 in Senior  
4 Community Service Employment.

5           What we actually have in hand  
6 in awards, unfortunately, does not mirror  
7 what we actually have in hand in terms of  
8 dollars. What we have in hand in terms  
9 of dollars is approximately \$14 million.  
10 It's about \$13.6 million, and the bulk of  
11 that is actually in the Byrne area. The  
12 number that you read in the newspaper was  
13 incorrect. That is not Miss Lucy's  
14 fault. That is my fault. I gave her the  
15 incorrect number. I apologize for that.  
16 But the actual number that we have is \$13  
17 million in hand.

18           Why there has been such a delay  
19 in the dollars actually arriving at our  
20 doorstep, we are not sure. There is a  
21 very extensive process. There are  
22 numerous hiccups. I can tell you one  
23 that comes to mind -- and I'm sure Deputy  
24 Mayor Cutler and representatives at the  
25 Airport can tell you more about this, but

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2 we have \$33 million awarded with respect  
3 to Airport projects. We are currently in  
4 the process of getting those out to bid,  
5 if not bids already being completed, but  
6 we are waiting for Federal Aviation  
7 Administration approval before we can  
8 actually spend those dollars.

9           There are numerous instances  
10 where not only have we been awarded and  
11 not received dollars, but we then have an  
12 additional administrative hurdle that we  
13 have to have in place.

14           We are clearly very interested  
15 in who gets jobs. We're clearly very  
16 interested in where the jobs are being  
17 created, but because we have spent so  
18 little at the moment, it's hard to  
19 capture that. We are also, because these  
20 are all federal dollars, cognizant of the  
21 rules that the federal regs impose with  
22 respect to bids and how you distribute  
23 dollars, and we're trying to be cognizant  
24 and knowledgeable about that as we move  
25 forward to be sure that we're not

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2 catching ourselves afoul of any federal  
3 requirements.

4 I can go into greater detail.  
5 I'm sure you have lots of questions, and  
6 perhaps it would be better if I just  
7 stopped and let you ask the questions and  
8 get to the information you'd like to hear  
9 about.

10 COUNCILMAN CLARKE: Sure. I  
11 have a couple of quick questions, and I  
12 know there are a number of questions from  
13 members of the Committee and members that  
14 are present.

15 You kind of touched on this  
16 first one. When SEPTA was testifying,  
17 Mr. Casey indicated that the money was  
18 flowing. Is there a difference between  
19 Recovery Act dollars going to an agency  
20 versus the City in terms of the  
21 timeliness of it or the access?

22 MR. AGOSTINI: Councilmember,  
23 I'm not sure about the SEPTA grants.  
24 Ms. Cutler can probably speak a little  
25 better. I do know that there were a

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2 number of grants that were already in  
3 place, or granting vehicles; most  
4 notably, Community Development Block  
5 Grant funds. What was done by the  
6 federal government was to expand that  
7 particular program, add additional  
8 dollars, label it as Recovery dollars,  
9 but because there was a process in place  
10 already, they could get that money out  
11 the door quickly. That may be the case  
12 with the SEPTA funds. I don't know that  
13 for a fact.

14 With many of the other grants  
15 that we are receiving now, they don't  
16 fall necessarily into that category.  
17 Those that have come a little -- or where  
18 the awards have come a little faster are  
19 clearly the formula driven, where there's  
20 an allocation based on population or  
21 other criteria, like the COPS grant.  
22 Those awards are flowing faster, but the  
23 dollars are still in delay, and we don't  
24 have -- I don't have an answer for you  
25 for that. I'm not sure that I can

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2 explain why that is the case.

3 There is also then the  
4 competitive grant process --

5 COUNCILMAN CLARKE: You're not  
6 sure --

7 MR. AGOSTINI: I'm not sure  
8 what's happening on the federal level  
9 that's slowing those dollars coming down.

10 COUNCILMAN CLARKE: So you  
11 think the problem lies on the federal  
12 level?

13 MR. AGOSTINI: My expectation,  
14 if we have an award letter that is dated  
15 July 30th, as is the case in the  
16 Community Service Block Grants, that the  
17 dollars associated with those would flow  
18 no later than 30 to 45 days after that.  
19 Well, it's now October, almost November  
20 and we still don't have those dollars in  
21 hand.

22 COUNCILMAN CLARKE: Are we  
23 having conversations with our federal  
24 delegation?

25 MR. AGOSTINI: I am not having

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2 those conversations. I think right now  
3 we've been in a process of gathering the  
4 information and trying to understand. I  
5 think that on a going-forward basis,  
6 that's got to be one of the things that  
7 we talk about with our federal  
8 delegation, with representatives in the  
9 White House and, if necessary,  
10 representatives at the actual cabinet  
11 agencies.

12 COUNCILMAN CLARKE: Okay.

13 Because I really -- it would be very  
14 helpful, because I understand that the  
15 Housing Authority has actually been able  
16 to access dollars now. They're actually  
17 out cleaning out homes in preparation for  
18 renovation.

19 MR. AGOSTINI: I don't doubt  
20 that.

21 COUNCILMAN CLARKE: And I just  
22 don't understand why they would make that  
23 money available in a timely way to those  
24 agencies and not the City of  
25 Philadelphia. So if you could figure

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2 that out.

3 MR. AGOSTINI: I will ask.

4 Again, my guess at the moment is that

5 they're funding vehicles that were

6 already in place and so it was easy --

7 COUNCILMAN CLARKE: I'd rather

8 you not guess. If we could just find out

9 exactly what the problem is.

10 MR. AGOSTINI: Agreed.

11 COUNCILMAN CLARKE: What the

12 difference is in terms of those Recovery

13 dollars, if at all possible.

14 MR. AGOSTINI: Okay.

15 COUNCILMAN CLARKE: Earlier you

16 mentioned the team, the Recovery team,

17 that's in place, and throughout this

18 conversation, we've talked about working

19 in the spirit of cooperation. This

20 subject matter actually came up at a

21 hearing last week about this initiative

22 to determine vacant property usage,

23 disposition policies and things of that,

24 and it was suggested in that hearing that

25 Council be given some role, particularly

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2 given the fact that at the end of the day

3 disposition/acquisition must go through

4 Council. And my next question will be

5 about Council's role as it relates to

6 Recovery dollars actually being spent.

7 What do you suggest -- and if you can't

8 answer right now, I understand --

9 Council's role should be in this team

10 approach that's currently in place on a

11 more consistent basis as opposed to us

12 having to have a hearing -- this is, I

13 think, our second one -- to be in a

14 position to have just what I call

15 productive interaction?

16 MR. AGOSTINI: Councilmember,

17 members, I would suggest that as we go

18 forward, I think there is room for

19 regular briefings, whether it's in a

20 smaller group or here, whether that's

21 every other week or monthly or quarterly

22 as to what the activities are. I would

23 suggest that because the Recovery

24 reporting requirements are quarterly,

25 that, at a minimum, as we make our

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2 reports to the federal government, I  
3 think you would want to see those reports  
4 as well, and I think we should come back  
5 and plan to be back here at least on a  
6 quarterly basis.

7 With respect to what we apply  
8 for and how we apply for that, I would  
9 suggest that we -- the Administration is  
10 trying to coordinate what we're doing  
11 carefully so that we can maximize the  
12 dollars that we're receiving and use them  
13 to leverage some other things.

14 With respect to the strategy,  
15 I'm probably the wrong person to talk to  
16 in terms of how Council should be  
17 involved in terms of the strategic moving  
18 forward. I think that needs to be a  
19 conversation, as we used to say in the  
20 federal government, at a higher pay grade  
21 than mine.

22 COUNCILMAN CLARKE: I  
23 understand. I have one of those, too.

24 Last question that I have  
25 before I come back. During the course of

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2 the discussions on the Recovery dollars  
3 informally and actually formally in an  
4 earlier hearing, it was always believed  
5 that Council in its appropriations role  
6 would either have an appropriations  
7 bill/resolution, some mechanism to  
8 authorize the expenditure or the  
9 appropriations to departments. What is  
10 your understanding on that issue?

11 MR. AGOSTINI: That's my  
12 understanding as well, and it's for that  
13 reason that we have introduced a transfer  
14 ordinance to ensure that we have the  
15 appropriate appropriations authority in  
16 departments.

17 One of the things that I have  
18 been concerned about as the Budget  
19 Director is that departments do not move  
20 forward in spending dollars where Council  
21 has not taken a dispositive action to  
22 say, yes, we've appropriate that, yes, we  
23 should spend money on, and that is the  
24 reason we've introduced an ordinance that  
25 would appropriate about \$52.3 million for

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2 purposes of stimulus.

3 I think that over the summer,  
4 given what was going on with the budget  
5 and given our own cash conservation and  
6 the slow flow of dollars, there really  
7 wasn't the imperative to do that right  
8 away. We didn't really need to do that.  
9 But I think moving forward, it may be the  
10 case that we may want to come to you on a  
11 regular basis, perhaps even monthly, to  
12 say, We just want to have a scheduled  
13 item on the docket so that we can move  
14 the appropriations quickly so that  
15 dollars get out into contracts, into  
16 people's hands as quickly as possible.

17 COUNCILMAN CLARKE: Is there an  
18 instance where there has been an  
19 appropriations of dollars that should  
20 have gone through Council approval  
21 process or Council review process?

22 MR. AGOSTINI: There is one  
23 instance of that, and I've talked at  
24 length to the First Judicial District  
25 about this. It was my understanding

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2 during our Council hearings on the budget  
3 that there was an expectation Council  
4 would receive from the Administration  
5 what those Byrne dollars were going to be  
6 spent against. An appropriation would  
7 then be adopted by Council, if they saw  
8 fit, that would then allow those dollars  
9 to be spent from the Byrne grants. In  
10 the case of the First Judicial District,  
11 they received a Byrne grant. They  
12 started spending dollars in order to  
13 preserve 52 positions at the courts. The  
14 expenditures there are approximately  
15 700,000. And that's the one instance  
16 where we needed to have -- we should have  
17 had an appropriation ordinance before you  
18 before that happened. That is in the  
19 appropriation ordinance for you now in  
20 order to clean that up, if you will.

21 COUNCILMAN CLARKE: We will not  
22 jeopardize any of --

23 MR. AGOSTINI: I do not believe  
24 so. That was the intention. The  
25 intention was do you not spend and wait

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2 for the appropriation ordinance to move  
3 forward and do you put yourself in peril  
4 with the feds for not doing that. So we  
5 were trying to walk a fine line. But,  
6 yes, that was something that probably  
7 should have come to you in advance.

8 COUNCILMAN CLARKE: Right. I'm  
9 going to come back on that.

10 Councilman Jones and then  
11 Councilman Kenney.

12 COUNCILMAN JONES: Thank you,  
13 Mr. Chairman.

14 I really learned a lot from  
15 your testimony as to how we can start to  
16 move in the right direction, and I  
17 appreciate you crystallizing that for us.

18 I want to go to the team again,  
19 and I would be interested in  
20 understanding how that team will put  
21 together a formula as to prioritize what  
22 competitive grants we go after and why.  
23 My question becomes an example of --  
24 we're spending -- we went after \$7  
25 million for anti-poverty-related money

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2 versus what we might have been able to go  
3 after for renovation of housing at PHDC  
4 or something like that, and what was our  
5 thinking -- or not so much  
6 retrospectively. What will be our  
7 thinking going forward as to what is  
8 worth us going after in light of what you  
9 said about it costing us money to gear up  
10 on some things versus just expending  
11 dollars and letting the paper trail catch  
12 up to us?

13 MR. AGOSTINI: Councilmember, I  
14 think what happened retrospectively --

15 COUNCILMAN JONES: I see the  
16 Chief Integrity Officer and others  
17 leaving. I have a question related to  
18 them, so they might not want to go just  
19 yet.

20 MR. AGOSTINI: Do you want to  
21 ask that question first?

22 COUNCILMAN JONES: Yeah, why  
23 don't I ask that. Well, keep that in  
24 mind.

25 MR. AGOSTINI: I will.

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2 COUNCILMAN JONES: And what I  
3 want to know -- if you would come up,  
4 both folks.

5 (Witnesses approached witness  
6 table.)

7 COUNCILMAN JONES: There is a  
8 great deal of emphasis by the federal  
9 government -- and I have knowledge of  
10 that based on my relationship with the  
11 Philadelphia delegation -- that they're  
12 paying a lot of attention to how we spend  
13 money.

14 MS. KURLAND: That's correct.

15 COUNCILMAN JONES: And I was  
16 pleased to know that you're a part of  
17 this team that we're developing, and I  
18 wanted to get a sense of how you're going  
19 to vet and review some of these projects  
20 and how we're spending money to make sure  
21 we don't wind up in more trouble than  
22 it's worth.

23 MS. MARKMAN: Actually, why  
24 don't we each introduce ourselves --

25 COUNCILMAN DiCICCO: Excuse me.

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2 Would you each identify yourself.

3 MS. KURLAND: Yes. I'm Amy

4 Kurland. I am the Inspector General.

5 I am actually not on the team.

6 My role is to come in later if problems

7 are discovered in how the money is spent.

8 Joan Markman is on the team with

9 Mr. Agostini, as he described, and I'll

10 let Joan speak for what her role is.

11 MS. MARKMAN: Yes. Good

12 morning. Thanks for asking. Joan

13 Markman, Chief Integrity Officer.

14 What my concern is is that the

15 federal authorities have appropriated

16 some \$80-some million for inspectors

17 general to come in and investigate after

18 the fact how the money is being spent. I

19 also understand that the public wants to

20 know that the money is being spent in

21 particular ways, not just monies being

22 spent for this category or that category,

23 but you want to see if, for example,

24 there is money being spent for housing

25 projects or for particular streets. You

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2 want to see where the money is going,  
3 addresses. You want to see your money  
4 being spent and accounted for. And where  
5 I am coming in is working with the  
6 project managers on the various grants to  
7 say, Okay, if you're awarding money to  
8 contractors, how are you ensuring that  
9 the money is being spent, where is it  
10 going, do you see invoices, these are the  
11 kinds of records you should be looking  
12 for, these are the kind of controls you  
13 should be putting in place to make sure  
14 that when we say money is going to a  
15 particular project, it really is going to  
16 that particular project.

17 Amy and I have invited several  
18 months ago someone from the Inspector  
19 General at the Department of Justice to  
20 conduct training for project managers  
21 about what to look for in grant fraud so  
22 that we can avoid that going forward.

23 MS. KURLAND: I have been in  
24 touch with various inspectors general on  
25 the federal level. They have a huge

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2 influx of money being awarded to them to  
3 come in and review different projects  
4 that have been started as a result of the  
5 stimulus money. My role is to make sure  
6 that Philadelphia polices itself and that  
7 we make sure that our money is being  
8 spent appropriately so we don't have the  
9 federal inspectors general coming in and  
10 criticizing the City for how the money  
11 has been spent.

12 As Joan said, one of those  
13 individuals from the Department of  
14 Justice Inspector General has been here  
15 to speak to project managers. My  
16 investigators in the Inspector General's  
17 Office are also being trained on how to  
18 recognize stimulus money fraud, grant  
19 fraud and loan fraud.

20 COUNCILMAN JONES: And I  
21 appreciate that and I wanted to get a  
22 clear understanding, because I know there  
23 is an emphasis on making sure that I's  
24 are dotted and the T's are crossed, and I  
25 know in our haste to try to create jobs,

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2 I don't want us to create a bigger  
3 problem than we should.

4 In light of that team also --  
5 and I appreciate your testimony -- I  
6 wanted to get a sense of if we're  
7 including -- one of the goals was to  
8 include as many minorities, females early  
9 on, and if that is indeed the case, are  
10 the chambers of commerce, minority,  
11 African American, Latino, women chambers  
12 of commerce, being afforded an  
13 opportunity to get this information, not  
14 the day the contracts are let, but early  
15 on in the design phase so that they can  
16 participate fully as a part of the team?

17 MR. AGOSTINI: Councilmember,  
18 I'll answer that question, then go back  
19 to the other questions that you asked.

20 I believe in May, I think the  
21 date was May 11th, the Commerce  
22 Department actually held what they called  
23 a Recovery 101 sort of symposium and  
24 outreach to the community, and I believe  
25 they had a couple of hundred participants

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2 there. That was one of our first  
3 efforts. I know that we are continuing  
4 to do that on a moving-forward basis. I  
5 know that Kevin Dow over in Commerce has  
6 been prepared to speak to some of those  
7 efforts and what we're planning to do  
8 going forward.

9           I think some of that is, yes,  
10 we're trying to reach out. We're kind of  
11 juggling a couple of balls at the same  
12 time, and I hope -- I think you can  
13 appreciate. One is to be sure we can  
14 maximize the applications that we're  
15 going after, and I think that was the  
16 gist of the efforts by the staff, if you  
17 will, before we started to coordinate.  
18 Let's get as much money as we can. So  
19 that's one ball.

20           The other is, let's be sure  
21 we're reporting, because as Ms. Kurland  
22 and Ms. Markman said, we do not want to  
23 run afoul of any of the federal reporting  
24 requirements, because it's a very bad  
25 place to be when you got a federal IG

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2 breathing down your neck. That's not  
3 where you want to be.

4 A third is to be sure that we  
5 are actually doing what we're supposed to  
6 be doing, which is creating jobs, that  
7 we're identifying those jobs and that the  
8 dollars are doing what they can do to  
9 generate the economic activity in the  
10 community. That is the purpose of the  
11 stimulus, as Mr. Massarro had said  
12 earlier.

13 So we're trying to juggle all  
14 those. We're learning the process.  
15 We're learning the regs. The regs have  
16 been changing. They're very dynamic.  
17 I've gone through them myself a number of  
18 times. If I miss a week having gone  
19 through the regs, I've missed something  
20 substantial, and so I've got someone,  
21 thankfully, who is doing that almost  
22 exclusively to be sure that we're on top  
23 of that.

24 It's not -- I'm not trying to  
25 give you that as an excuse. It's just

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2 that we're trying to juggle lots of balls  
3 at the same time. We're getting better  
4 and we're getting better faster at it and  
5 we'll be able to address a lot of the  
6 issues in terms of outreach, in terms of  
7 getting information to people, in terms  
8 of the efforts of OEO. We have to do  
9 that, and we will.

10 COUNCILMAN JONES:

11 Mr. Agostini, saving us from financial  
12 collapse is not a juggling. It's a major  
13 undertaking. So we get that part. Going  
14 forward is where we're going, and I  
15 asked -- the original question was about  
16 the formula for priorities in one  
17 application over the other, and what pops  
18 out at me is \$7 million to MOCS and what  
19 is that specifically going to go for  
20 versus what could be money for -- and I'm  
21 for anti-poverty programs, believe me.  
22 My heart is there. My district is at  
23 least 24 percent under the -- and  
24 probably you'll tell me more, but I would  
25 like specifically to know how they ranked

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2 over the stimulus formula versus PHDC,  
3 which also creates those blue-collar  
4 lunch pail jobs that we so desperately  
5 are going after.

6 MR. AGOSTINI: Two things, and  
7 the first is that you should have  
8 received in your packet a summary, a  
9 one-page summary, of each and every grant  
10 that we have moved forward with. I will  
11 let the individual responsible for the  
12 MOCS-related grant come up and speak to  
13 that for you.

14 On a going-forward basis, what  
15 we are trying to do and what we've  
16 implemented is, there needs to be the  
17 coordination to be sure that we are  
18 leveraging the dollars, that we are  
19 coordinating, being sure that they are  
20 hitting the priorities that we as a city  
21 have. We were not doing that prior to  
22 implementing this new policy where  
23 everything that is applied for has to  
24 come to the Recovery Office before the  
25 application goes out. And that is what

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2 we're now focused on, how do we  
3 coordinate, how do we be sure we're  
4 maximizing and leveraging and that it  
5 hits the policy priorities that this city  
6 has.

7 COUNCILMAN DiCICCO: We have a  
8 point of information. Councilman Rizzo.

9 COUNCILMAN RIZZO: Thank you,  
10 Mr. DiCicco.

11 Mr. Agostini, we use the term  
12 regularly around here "shovel ready."  
13 Maybe you or one of your colleagues can  
14 tell me whether projects that are heading  
15 towards greening, like some of the debris  
16 and dirt that we have unfortunately in  
17 our city, could qualify for some of this  
18 fund, lot cleaning, et cetera, and I know  
19 there's a criteria that it has to be  
20 something --

21 MR. AGOSTINI: I'll let someone  
22 else answer that. Basically in the  
23 shovel ready, we have tried to meet the  
24 definition set by the feds. Arguably,  
25 the Airport projects were shovel ready.

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2 They've been in our capital plan for at  
3 least a year, but for the reasons I  
4 hinted at earlier, we're not getting the  
5 dollars to get that done.

6 COUNCILMAN RIZZO: The reason I  
7 brought up shovel ready, there's nothing  
8 more shovel ready than dirt and trash.

9 (Witnesses approached witness  
10 table.)

11 COUNCILMAN DiCICCO: Thank you.

12 Are you ladies --

13 MS. SPARANDARA: I'm sorry. We  
14 were going to answer a question about  
15 MOCS and stimulus dollars.

16 COUNCILMAN DiCICCO: Hold on  
17 one second.

18 Mr. Agostini, do you mind  
19 staying at the table? Just pull up  
20 another chair.

21 COUNCILMAN JONES: What I  
22 wanted to get was, I understand that this  
23 is a formula --

24 COUNCILMAN DiCICCO: Excuse me  
25 for interrupting. I think -- were you

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2 here to answer Councilman Rizzo's

3 question?

4 MS. SPARANDARA: No; Councilman

5 Jones'.

6 COUNCILMAN RIZZO: I'll wait.

7 COUNCILMAN DiCICCO: Okay.

8 Councilman Jones.

9 COUNCILMAN JONES: Thank you.

10 You want to state your name for

11 the record.

12 MS. MARINER: Good morning. My

13 name is Mary Mariner. I'm the Acting

14 Executive Director of the Mayor's Office

15 of Community Services.

16 MS. SPARANDARA: I'm Jennie

17 Sparandara and I'm the Mayor's Senior

18 Policy Aide.

19 MS. MARINER: And your question

20 was where the money was going, the \$8.3

21 million for CSBG? Primarily it's going

22 into job development. We're going to be

23 working with PHA to place 160 City

24 residents into construction trades.

25 We're doing -- we're working with

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2 Community Legal Services to give legal  
3 services to 2,000 individuals -- and  
4 these were all citywide services --  
5 individuals who were having problems,  
6 either they were laid off from their job  
7 for the wrong reason or they're having  
8 problems in their job where they need  
9 other legal services.

10 We're providing employment  
11 services to 300 homeless people to get  
12 them connected to employment, both in  
13 training and placement and support  
14 services. And all of the services that  
15 we're providing through the Community  
16 Service Block Grant are citywide  
17 services. We're working with the  
18 Contextual Literacy Program so that we  
19 are -- people who work in the Clean  
20 Corridors have the opportunity to improve  
21 their academic skills and get work  
22 through the Career Links to get better  
23 jobs. Some of the things --

24 MS. SPARANDARA: Councilman, if  
25 part of your question is why are these

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2 funds flowing through MOCS as opposed to  
3 a different agency, they have to flow  
4 through MOCS. So MOCS is the designated  
5 community action agency, and that means  
6 for all Community Services Block Grant  
7 dollars, they have to flow there.

8           What we've decided to do, kind  
9 of acknowledging the broader anti-poverty  
10 question that I think you're referencing,  
11 is get those dollars out the door  
12 straight away and get them into workforce  
13 development programs, literacy programs  
14 and then programs that we know will help  
15 connect people to services that they may  
16 need particularly at this time, such as  
17 unemployment insurance, public benefits,  
18 that sort of thing, and that's the  
19 Community Legal Services piece. But we  
20 were always intending that these dollars  
21 be used as part of an anti-poverty  
22 strategy instead of direct services  
23 coming out of one agency over another,  
24 and we've worked with Deputy Mayors of  
25 Public Safety, Health and Opportunity and

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2 at Economic Development in part to make  
3 sure that we're all referencing each  
4 other's programming.

5 COUNCILMAN JONES: What would  
6 be helpful to me as a part of this  
7 committee is to get where the  
8 connectivity happens between you. Are  
9 you at the table to -- the question  
10 becomes, the SEPTA opportunity -- we did  
11 this in the beginning. The stimulus  
12 money, the Recovery money that came to  
13 SEPTA that now creates a project, which  
14 will create a job opportunity, how do you  
15 plug in? And that is what the matrix of  
16 how this gets to 60th and Market in my  
17 district.

18 COUNCILWOMAN SANCHEZ: Point of  
19 information.

20 COUNCILMAN JONES: So that's  
21 why I'm concerned.

22 COUNCILMAN DiCICCO: Point of  
23 information. Councilwoman Sanchez.

24 COUNCILWOMAN SANCHEZ: Thank  
25 you. As a member of the Board of MOCS,

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2 I'm a little concerned about your  
3 focusing the anti-poverty money for job  
4 development in light of the fact that  
5 both WIB and the Workforce Development  
6 Corporation are getting millions of  
7 dollars for job development. So I'd like  
8 to know how that's connected to what  
9 they're doing as it relates to the work  
10 on workforce development, because it  
11 would just appear to me that MOCS may not  
12 be the best entity unless it is  
13 absolutely coordinated through those.

14 MR. AGOSTINI: So let me  
15 describe a little bit of the structure,  
16 because those are very legitimate  
17 questions and concerns, and I think that  
18 Councilmembers -- I hope that this  
19 addresses it.

20 So we have a group of 25 policy  
21 deputies and project managers that, for a  
22 period, met every week and now is meeting  
23 every two weeks. Each of those meetings  
24 has an individual who represents a deputy  
25 mayor for the City, and each one of those

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2 deputy designees, if you will, does  
3 indeed know what is going on with the  
4 activities in these related, affiliated  
5 entities.

6 So, for example, with respect  
7 to the Workforce Investment Board, Andy  
8 Rachlin, who sits on the committee as a  
9 representative of Commerce, and Alan  
10 Greenberger, the Acting Deputy Mayor, is  
11 aware and has been following, and for a  
12 period we actually had debate internally  
13 as to whether we should report on the  
14 WIB's dollars or not. But we are indeed  
15 trying to coordinate and stay abreast of  
16 what's happening there.

17 Similarly with Ms. Cutler, her  
18 Policy Deputy, Andrew Stober, is also in  
19 attendance at all those meetings. He  
20 stays on top of what's happening not only  
21 with SEPTA but with the Airport and  
22 others.

23 So we try to stay abreast.  
24 We're trying to coordinate. Again, it's  
25 been a fairly significant effort to be

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2 sure we're all getting into the same  
3 direction, but we are communicating, we  
4 are aware of what's going on. This is  
5 the case with PHA and the School District  
6 as well, although because they are  
7 separate political jurisdictions, our  
8 ability to manage, control -- our desire  
9 to manage, control is sort of in question  
10 and a gray area, and so given everything  
11 else we had on our plate, we decided we  
12 wouldn't try and take that on.

13 COUNCILMAN JONES: I'm going to  
14 yield, because my colleagues have been  
15 real patient with me as a freshman, and  
16 I'm going to do that, but please have a  
17 heads-up that I'm going to pay particular  
18 attention to that aspect of it. I love  
19 the bridges and the stuff that's going to  
20 get built, but where the jobs are created  
21 and moving people from poverty to  
22 self-sufficiency with stimulus dollars is  
23 going to be my focus. I sent you a  
24 letter to that end October 15th and I'm  
25 awaiting a response on it. I'm going to

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2 pay laser beam attention to job creation.

3 Thank you, Mr. Chairman.

4 MS. SPARANDARA: May I answer

5 Councilwoman Sanchez's question just real  
6 quickly.

7 We've been working specifically  
8 with the Workforce Investment Board and  
9 PWDC on these programs to make sure that  
10 these funds, which may have some more  
11 flexibility in terms of providing for  
12 literacy or case management, are  
13 augmenting the efforts that are going on  
14 over there. So I think it's really  
15 important that we're all kind of in  
16 lockstep, and they've been really great  
17 partners with these dollars.

18 COUNCILWOMAN SANCHEZ: I'd like  
19 to see the details of that.

20 MS. SPARANDARA: Absolutely.

21 COUNCILWOMAN SANCHEZ: Just  
22 because we're still dealing on the  
23 organizational chart, it would be helpful  
24 for us if you could submit to the Chair  
25 that work group organizational chart and

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2 the workflow processes and the  
3 communication piece for it so that we can  
4 visualize what are the interactions.

5 MR. AGOSTINI: I will  
6 certainly -- that's a straightforward  
7 thing to do.

8 COUNCILWOMAN SANCHEZ: Okay.

9 COUNCILMAN CLARKE: Thank you.  
10 Councilman Kenney.

11 COUNCILMAN KENNEY: Thank you,  
12 Mr. Chairman.

13 Mr. Agostini, somewhere during  
14 the course of this hearing we were handed  
15 what seems to be about 100 pages or so of  
16 work product that contains a heading for  
17 each page relative to the Recovery Act  
18 and the department that's applying for or  
19 is proposing to be funded. It includes a  
20 program description, a rationale for  
21 program description, projects' objectives  
22 and the job creation numbers for every  
23 one of them, and some of them are Mayor's  
24 Commission on Aging, Mayor's Office of  
25 Faith-Based Initiatives, Office of

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2 Housing and Community Development,  
3 Philadelphia Department of Public Health  
4 Childhood Lead Poisoning Prevention  
5 Program summary.

6 Is this work product -- did you  
7 provide Council with this work product?

8 MR. AGOSTINI: There is a work  
9 product I did provide to Council that  
10 has -- I can't -- my eyesight is failing.  
11 But there is a document that we provided  
12 that was a one-page summary that I think  
13 looks like what you're showing me there.

14 COUNCILMAN KENNEY: But they're  
15 one-page summaries, but it's for all the  
16 programs.

17 MR. AGOSTINI: That's correct.  
18 That is our work product.

19 COUNCILMAN KENNEY: This number  
20 of pages represents what period of time?

21 MR. AGOSTINI: That represents,  
22 I believe, through the reporting period,  
23 but let me -- through the reporting  
24 period of October 10th.

25 COUNCILMAN KENNEY: But the

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2 work product -- this is the report that's  
3 through October 10th. This represents  
4 applications or ideas or discussion how  
5 far back?

6 MR. AGOSTINI: Since the  
7 beginning, since February.

8 COUNCILMAN KENNEY: So over the  
9 eight-month period this is the work  
10 product?

11 MR. AGOSTINI: That's correct.

12 COUNCILMAN KENNEY: Was this  
13 available to the Council's consultant?

14 MR. AGOSTINI: He never asked  
15 for it.

16 COUNCILMAN KENNEY: Was it  
17 available?

18 MR. AGOSTINI: It was. In  
19 fact, I put that together in anticipation  
20 that we were going to have an  
21 appropriations hearing in the coming  
22 weeks and I felt it was incumbent upon me  
23 to get as much information in a summary  
24 for you to see so that you understood and  
25 had an ability to ask questions about

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2 each of the --

3 COUNCILMAN KENNEY: And when  
4 you did provide it to Council, where did  
5 it go?

6 MR. AGOSTINI: I provided that  
7 to Ms. Chapman, who I believe provided  
8 that to staff to Council.

9 COUNCILMAN KENNEY: And how  
10 long ago was that?

11 MR. AGOSTINI: I believe we did  
12 that early in the week. I believe Monday  
13 or so or Tuesday morning.

14 COUNCILMAN KENNEY: I mean,  
15 I've had my ups and downs from time to  
16 time with the Administration relative to  
17 certain issues, and we discuss them.  
18 Sometimes it works out; sometimes it  
19 doesn't. But I think that it's important  
20 for two reasons. Number one, for  
21 fairness, that this work product existed  
22 and that work was going on despite what  
23 past testimony would indicate.

24 And, secondly, I don't want to  
25 get a reputation that the City can't do

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2 anything relative to the stimulus dollars  
3 to put in people's minds in Washington  
4 that we're not able to use the money  
5 effectively. And I want to make sure  
6 that we come out of this hearing with a  
7 new-found sense of cooperation with  
8 Council, and part of the problem goes  
9 back to the issue of communication, which  
10 I've had discussions with just about  
11 everybody in this room from the  
12 Administration on that, but I don't want  
13 to come out of this hearing with  
14 newspaper stories that basically say  
15 we've been tripping down the road the  
16 whole eight months. This would indicate  
17 to me, if it's accurate -- and I have no  
18 reason to believe it's not -- is a work  
19 product that has been an ongoing work  
20 product for eight months.

21 MR. AGOSTINI: Well, it has  
22 been an ongoing work product and it is  
23 important to me that it is accurate to  
24 you, because it is the basis by which I  
25 make the reports to the federal

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2 government. And I'm very conscious,  
3 having been in the federal system as a  
4 CFO, that that is not something to dally  
5 with, that it is really not a place to be  
6 to have a federal agency's IG unhappy.  
7 So I'm trying to be sure that that's --

8 COUNCILMAN KENNEY: I'm not  
9 even at that level. I'm not even at the  
10 malfeasance level. I'm at the -- or the  
11 non-reporting. I'm at the level of  
12 cooperation between Council and the  
13 Administration is an issue and it will be  
14 an ongoing issue, but somehow the  
15 promulgation of the testimony that was  
16 given earlier that you guys have no focus  
17 and haven't been doing anything for eight  
18 months I think is unfair, and I don't  
19 want it to be understood in the media  
20 that somehow someone in Washington gets a  
21 copy of a story that says these people  
22 can't run a one-car parade, which I don't  
23 think is accurate.

24 MR. AGOSTINI: I don't think  
25 it's accurate. I think it would be

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2 unfortunate if that was the case.

3 Councilmember and members,  
4 there are some things we could have done  
5 better. I'm not going to dispute that  
6 with you, some of the coordination and  
7 communications things that we could have  
8 done a little more crisply, in a little  
9 more organized fashion, but I will tell  
10 you that a lot of the issues that I have  
11 raised in my letter to the Mayor, I think  
12 we're addressing, if not have put in  
13 place a structure to address, and I  
14 believe on a going-forward basis, we will  
15 be a lot better, a lot more effective for  
16 many of the reasons that I've laid out  
17 here.

18 COUNCILMAN KENNEY: And earlier  
19 you indicated that we have applied so far  
20 for how much?

21 MR. AGOSTINI: Just under \$311  
22 million.

23 COUNCILMAN KENNEY: What are we  
24 eligible to apply for? Is there a cap?

25 MR. AGOSTINI: In fact, that is

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2 a question that I have asked the staff to  
3 put together for me, because I want to  
4 get the universe, if you will, what's  
5 available. I do not have that right now.

6 COUNCILMAN KENNEY: But it will  
7 be a different number than New York City.

8 MR. AGOSTINI: Yes.

9 COUNCILMAN KENNEY: Different  
10 number that a city like Chicago.

11 MR. AGOSTINI: It will be very  
12 different in the case of New York City  
13 because they're getting direct funding  
14 from the feds for things like Medicaid,  
15 for unemployment insurance. We don't get  
16 that.

17 COUNCILMAN KENNEY: So a New  
18 York-Philadelphia comparison is not  
19 apples and apples?

20 MR. AGOSTINI: No.

21 COUNCILMAN KENNEY: Or a  
22 Chicago comparison?

23 MR. AGOSTINI: No, I don't  
24 think so. But I'm calling my  
25 counterparts in all of these other cities

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2 to get a grasp of what they're doing to  
3 find out are there things that we are not  
4 doing well and should do better. So I'm  
5 trying to do that.

6 COUNCILMAN KENNEY: So it's  
7 your attempt to maximize the dollars?

8 MR. AGOSTINI: Absolutely.

9 COUNCILMAN KENNEY: And one of  
10 the reasons why the dollars have not been  
11 here yet is because it's out of our  
12 control?

13 MR. AGOSTINI: Yes.

14 COUNCILMAN KENNEY: In some  
15 instances, FAA approval, other issues and  
16 things like that?

17 MR. AGOSTINI: Yes.

18 COUNCILMAN KENNEY: Fine.

19 Thank you.

20 COUNCILMAN CLARKE: Before  
21 that, Mr. Agostini, with respect -- and I  
22 concur with Councilman Kenney's  
23 assessment that it's about getting things  
24 done and not about placing blame or  
25 whatever or sending a signal that we

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2 don't -- when exactly did we receive  
3 anything on the stimulus?

4 MR. AGOSTINI: When did we  
5 receive dollars or --

6 COUNCILMAN CLARKE: No. I'm  
7 sorry. Documents relating to stimulus,  
8 because I've been -- the reason I ask  
9 this question, because I have been  
10 raising this issue about what's going on  
11 personally with the stimulus program for  
12 a while, and up until the notification of  
13 the hearing, I haven't really gotten  
14 anything. So, I mean, unless something  
15 was forwarded to us over a period of the  
16 summer and leading up to this that I  
17 didn't know about.

18 MR. AGOSTINI: From me in the  
19 capacities --

20 COUNCILMAN CLARKE: From  
21 whomever.

22 MR. AGOSTINI: -- in the  
23 Recovery Office, I believe the documents  
24 you received this week in anticipation of  
25 this hearing --

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2 COUNCILMAN CLARKE: So we just  
3 got them?

4 MR. AGOSTINI: You just  
5 received that. I was under the  
6 impression you were receiving weekly  
7 minutes from the meetings we were having  
8 as a committee, but it appears that that  
9 may not have been the case. And, again,  
10 if that isn't, that is something I'm more  
11 than happy to provide to you on a weekly  
12 basis, every other week that we meet so  
13 that you can see the work product of that  
14 work group, because it's --

15 COUNCILMAN CLARKE: I just want  
16 to make sure that I wasn't missing  
17 something, because I had been asking  
18 because I'm concerned, and we want to be  
19 in a position to help wherever possible.  
20 So that's --

21 COUNCILMAN KENNEY: Mr.  
22 Chairman, if I may add -- and I agree  
23 with you, and it goes back to -- we could  
24 avoid -- I don't think this is a bad  
25 process here, because everybody is

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2 learning, but you can avoid some of the  
3 contention by communication, because what  
4 happens -- and it's been happening a  
5 lot -- is that without information, it's  
6 rumor and exaggeration, and we wind up in  
7 a forum like this where we discover that,  
8 God, you have been working, look, you've  
9 been doing something with this hundred  
10 pages. And why the reasons why things  
11 are slowed down, delayed, whatever, if  
12 that's communicated to us or communicated  
13 to the Chairman or any other  
14 Councilmember that asks the question  
15 early, we avoid all this. So I hope you  
16 take that back and understand that we  
17 want to be partners.

18 MR. AGOSTINI: I understand,  
19 Councilmember. And, again, I offer that  
20 if it is meeting with you regularly,  
21 whatever your desire is to do that, I'm  
22 more than happy to do that.

23 COUNCILMAN KENNEY: Or someone  
24 designated. Thank you.

25 COUNCILMAN CLARKE: Thank you,

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2 Councilman.

3 MR. AGOSTINI: Councilmember,  
4 if I might, I'm not sure we responded to  
5 Councilmember Rizzo's question on the  
6 shovel ready.

7 COUNCILMAN CLARKE: I'm sorry.

8 Sorry, Councilman.

9 COUNCILMAN RIZZO: It's okay.

10 COUNCILMAN CLARKE: That's what  
11 happens when I leave the room. I'm  
12 sorry. I won't do that again.

13 (Witness approached witness  
14 table.)

15 DEPUTY MAYOR CUTLER: Good  
16 morning. Rina Cutler, Deputy Mayor for  
17 Transportation and Utilities.

18 I am happy to respond within my  
19 own area, which is the transportation and  
20 infrastructure side, what the definition  
21 is of shovel ready for stimulus dollars,  
22 and I think it's really different in a  
23 lot of the categories. I think shovel  
24 ready is really a term that is specific  
25 to infrastructure. I am not sure that

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2 other types of stimulus dollars have the  
3 same specificity for shovel ready.

4 In the transportation and  
5 infrastructure side, shovel ready, for  
6 example, for road and bridge projects is,  
7 you must have a contract in place within  
8 a year. So that would be February of '10  
9 is a year. And you must have all of the  
10 dollars expended within a three-year  
11 period. So for Transportation, those are  
12 the criteria that came. And so if a  
13 project can be put out to bid and awarded  
14 within that first one-year piece for  
15 Transportation and all of your funds can  
16 be expended within three years on  
17 eligible pieces, then that project is  
18 deemed shovel ready for Transportation.

19 For Water, for example, and for  
20 the Airport, both of those have the same  
21 front-end criteria, that the money must  
22 be obligated within a year, but I don't  
23 believe Water must be spent by -- I don't  
24 believe that's part of that criteria.  
25 Airport does not have the back-end

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2 requirement either. So I can only tell  
3 you the definition, Councilman, for ours.

4 COUNCILMAN RIZZO: I got that  
5 part, but the other part I guess the  
6 Streets Department would probably have to  
7 answer. All right. Let's use --

8 DEPUTY MAYOR CUTLER: That is  
9 Streets. What I just described is the  
10 Streets Department.

11 COUNCILMAN RIZZO: Doesn't the  
12 Streets Department do some cleaning of  
13 areas that are trash strewn?

14 DEPUTY MAYOR CUTLER: No. That  
15 would be CLIP, sir.

16 COUNCILMAN RIZZO: CLIP does it  
17 all over the City?

18 DEPUTY MAYOR CUTLER: Primarily  
19 within a subscribed area. There may be  
20 some sanitation piece. You may be  
21 correct that there may be a sanitation  
22 piece that picks it up. I think they  
23 work jointly with CLIP now, and we're  
24 expanding it as best we can citywide with  
25 the resources we have. But none of those

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2 dollars -- the Transportation dollars  
3 could not be used to clean vacant lots.

4 COUNCILMAN RIZZO: I understand  
5 that. All right. Let's just go back,  
6 and this is just a quick question, and I  
7 want to thank you for working out the  
8 cell phone lot at the Airport. Would  
9 that be eligible, the money we're going  
10 to spend there?

11 DEPUTY MAYOR CUTLER: It's an  
12 interesting question. It does not fall  
13 within the Airport criteria for projects.  
14 I would have to check to see if it would  
15 qualify under the general infrastructure  
16 category.

17 COUNCILMAN RIZZO: It's not a  
18 lot of money.

19 DEPUTY MAYOR CUTLER: No, it is  
20 not.

21 COUNCILMAN RIZZO: But I'd  
22 rather spend stimulus money than ours.

23 DEPUTY MAYOR CUTLER: Yes. I  
24 think, though, the problem is, if I had  
25 to wager an intelligent guess, is that we

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2 are doing the cell phone lot with our  
3 internal resources, and so I don't  
4 believe there's a contract to let.

5 COUNCILMAN RIZZO: We could.

6 DEPUTY MAYOR CUTLER: Well,  
7 it's already well underway.

8 COUNCILMAN RIZZO: Okay.

9 DEPUTY MAYOR CUTLER: And will  
10 be open hopefully by Christmas.

11 COUNCILMAN RIZZO: And, again,  
12 I'm still not clear on using stimulus  
13 money for the project that I described  
14 whether or not --

15 DEPUTY MAYOR CUTLER: The cell  
16 phone lot?

17 COUNCILMAN RIZZO: Well, no.  
18 Could CLIP recover some stimulus money  
19 for their work?

20 DEPUTY MAYOR CUTLER: I have  
21 not yet seen a category in the  
22 competitive group of stimulus dollars  
23 that would qualify that.

24 COUNCILMAN RIZZO: But it would  
25 be interesting -- you indicate your

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2 workload -- that maybe with this money,  
3 additional money, that possibly you could  
4 figure out a way to get some. You could  
5 escalate the work because you have more  
6 money to work with.

7 DEPUTY MAYOR CUTLER: Right,  
8 but I would need a category of stimulus  
9 dollars for it to fit into.

10 COUNCILMAN RIZZO: I described  
11 it earlier, clean a lot and it's then  
12 eligible for greening. I believe that's  
13 a category that works.

14 DEPUTY MAYOR CUTLER: Okay.

15 COUNCILMAN CLARKE: Councilman  
16 Rizzo --

17 COUNCILMAN RIZZO: That's good.

18 COUNCILMAN CLARKE: You were on  
19 a point of information. We'll come back.

20 COUNCILMAN RIZZO: Well, they  
21 still didn't answer that question, so  
22 we'll come back at it.

23 COUNCILMAN CLARKE: We'll come  
24 back. All right. Thank you, Councilman.

25 Councilwoman Brown.

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2 COUNCILWOMAN BROWN: Thank you,  
3 Mr. Chairman.

4 COUNCILMAN CLARKE: You'll be  
5 back. We were just on a point of  
6 information. It's a procedural issue.  
7 So the Councilman will have your full  
8 attention in a very short matter.

9 COUNCILWOMAN BROWN: For  
10 legitimate reasons, we've been all over  
11 the map in terms of this hearing. I want  
12 to get back to two principal criteria or  
13 priorities or goals to make sure we're at  
14 the same place with regards to why we're  
15 even here.

16 Do you agree with the premise  
17 that the primary purpose for these  
18 dollars were two things as I've heard,  
19 hire local residents, retain local  
20 companies?

21 MR. AGOSTINI: Actually --

22 COUNCILWOMAN BROWN: At the end  
23 of the day.

24 MR. AGOSTINI: I don't agree  
25 with that. I believe that the dollars

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2 that were provided by the federal  
3 government in the Recovery were set aside  
4 or appropriated for the purposes of  
5 jump-starting the economy, and to  
6 jump-start the economy, the expectation  
7 was that jobs would be created throughout  
8 the country, including those places that  
9 got the dollars, as well as providing  
10 lifts to companies so that the economy  
11 would get restarted. But I think first  
12 and foremost, it was an attempt to  
13 jump-start the economy.

14 COUNCILWOMAN BROWN: So if we  
15 narrow that vision specifically for  
16 Philadelphia, would the definitions you  
17 just presented still apply?

18 MR. AGOSTINI: I think it does,  
19 but then I think then my definition and  
20 your definition merge, because to  
21 jump-start the economy, we have got to  
22 put people to work, we have got to get  
23 companies in a situation where demand for  
24 whatever they do is increased because  
25 we're spending more of the federal

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2 dollars. So, yes, I would say then the  
3 measure of success, the proof in the  
4 pudding, if you will, would be jobs  
5 created, which is why that's one of the  
6 requirements to report, as well as the  
7 number of dollars that are being provided  
8 to local companies and companies in the  
9 region.

10 COUNCILWOMAN BROWN: Okay. In  
11 the document Councilman Jim Kenney  
12 presented, is this a federal application  
13 or one that was created by the City of  
14 Philadelphia?

15 MR. AGOSTINI: We created that  
16 document, Councilmember, in order to have  
17 a handy summary of everything that we  
18 were doing. I have a file here on each  
19 one of these that runs many pages and I  
20 thought that was not going to be helpful  
21 to people who needed to get a quick  
22 understanding of what the grants were.

23 COUNCILWOMAN BROWN: Sure. So  
24 it's a snapshot --

25 MR. AGOSTINI: That's correct.

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2 COUNCILWOMAN BROWN: -- of each  
3 applicant?

4 Where my concern rises is a  
5 disconnect between what we just viewed  
6 the primary purposes to be for these  
7 dollars and that being reflected on this  
8 document, unless I'm not seeing it.  
9 Maybe it's in the subsequent back-up  
10 documentation you have, but a  
11 continuation of that purpose I believe is  
12 essential if we're going to honor the  
13 initial goals and objectives for these  
14 dollars. So I need to know or would like  
15 to know in your biweekly meetings now, is  
16 that viewed as a criteria or a priority  
17 for those who ultimately --

18 MR. AGOSTINI: Absolutely. The  
19 job creation numbers are critical. They  
20 are one of the things we have to report  
21 to the federal government, and so I am  
22 very cognizant in trying to be very  
23 careful about how we capture and to be  
24 sure that we're accurate and  
25 comprehensive.

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2                   And the other issue that we are  
3                   required to report to the federal  
4                   government -- and I think speaks to your  
5                   concern -- is that we also need to report  
6                   contracts, the value of the contracts, in  
7                   some cases the sort of makeup of those  
8                   particular entities that are receiving  
9                   contracts from us. So there is a whole  
10                  reporting requirement that you haven't  
11                  seen, but you will see as we start to  
12                  spend more dollars.

13                  COUNCILWOMAN BROWN: Thank you  
14                  very, very much.

15                  MR. AGOSTINI: Your questions  
16                  are very fair.

17                  COUNCILWOMAN BROWN: That's  
18                  what I haven't heard, and what that  
19                  composition looks like, local companies,  
20                  companies owned by women, companies owned  
21                  by people of color. You're telling me  
22                  that that kind of information is  
23                  forthcoming?

24                  MR. AGOSTINI: We are not  
25                  required to report that to the federal

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2 government, but we have had a number of  
3 discussions internally about how we  
4 capture that kind of information to  
5 provide that to you, because, one, I  
6 think it's important. I think citizens  
7 will want to know what that is, and it's  
8 something that should be part of the  
9 reporting. We just haven't hit on  
10 exactly how to do that right now, and  
11 we're still having conversations  
12 internally. And if for anyone who is  
13 listening to this, if there are  
14 suggestions on how we can do that, I  
15 would like to hear them, because it would  
16 be helpful.

17 COUNCILWOMAN BROWN: Thank you.  
18 There are many, many members of this body  
19 that deeply care about that and we want  
20 to see it in the future reports.

21 Lastly, what types of actions  
22 have you taken to tighten what you view  
23 to be and what you stated to be in a  
24 piece of correspondence a centralized  
25 approach for this competitive grant

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2 application? What one, two or three  
3 steps are you now doing to improve where  
4 you are going forward?

5 MR. AGOSTINI: The most  
6 significant step is that we have sent out  
7 instructions to all departments, all City  
8 departments, that they are not to apply  
9 for grants unless they have been approved  
10 beforehand by the Steering Committee for  
11 the Recovery Office.

12 COUNCILWOMAN BROWN: And so  
13 those that did make application prior to  
14 the structure of this committee did that,  
15 I guess, in absence of the committee?

16 MR. AGOSTINI: Well, to answer  
17 that, they did it before the committee  
18 was in place. We've asked everyone to  
19 give us everything that they have applied  
20 for, and we think we have the full  
21 universe of that now. But then on a  
22 going-forward basis, we have, in essence,  
23 said we have to have sign-off authority  
24 in the Recovery Office before an  
25 application can be submitted to the

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2 federal government.

3 COUNCILWOMAN SANCHEZ: Point of  
4 information.

5 COUNCILMAN CLARKE:  
6 Councilwoman Sanchez.

7 COUNCILWOMAN SANCHEZ: Thank  
8 you.

9 I think it's important for the  
10 record that you give us an indication of  
11 when this committee was structured and --  
12 so since when have you been meeting and  
13 the project managers have been in place?  
14 I think it's important, because I think  
15 it goes back to Councilman Kenney's point  
16 of there was work being done, but I think  
17 you've acknowledged that it came together  
18 partly as a result of us having these  
19 hearings.

20 So when did this committee  
21 formulate itself? And then when I  
22 finally get my round, I'd like to ask  
23 some questions around decision-making.

24 COUNCILWOMAN BROWN: My last  
25 question, therefore: Communicating

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2 internally is vital. I also believe we  
3 have responsibility to communicate to  
4 those who never see City Hall, but read  
5 about it in the news, hear it on CNN  
6 about what is my city doing to make a  
7 difference with these dollars. And so  
8 what strategies do you have in place or  
9 what timeline do you have in place to --  
10 I don't know the status of the website,  
11 but when I look at what other cities are  
12 doing, that's a vital opportunity to tell  
13 citizens, Here are the dollars, these are  
14 where the dollars are going, this is  
15 what's happening in the 1 through 10  
16 councilmanic districts so that we can  
17 connect with the average citizens that  
18 our city is doing the right thing for  
19 these dollars.

20 MR. AGOSTINI: Councilmember,  
21 you're about to see probably within the  
22 next ten days a total revamp of the  
23 website. The website will have sort of  
24 drill-down information where you will be  
25 able to call up a one-page summary like

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2 the one you have in front of you on the  
3 program, the actual report that we  
4 submitted to the federal government,  
5 probably the application itself and other  
6 information that we think would be useful  
7 to people so that they can see it. Right  
8 now I'm trying to reconcile what was on  
9 the website. We had some incorrect  
10 numbers, and we're going to fix that.

11 I spent last night for a little  
12 bit of time looking at the New York City  
13 Recovery Office and their website. We're  
14 trying to take examples of best practices  
15 from other places, so that we use the  
16 website to drive information to people,  
17 to use it as a way for citizens to get  
18 some access to information, and then if  
19 they want more information, a contact  
20 person they could talk to.

21 COUNCILWOMAN BROWN: Yes, yes,  
22 yes. So making it user-friendly is  
23 different from making -- for the  
24 professional that's going to read that  
25 and want to know the intimate details.

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2 Thank you. Thank you for your  
3 testimony.

4 COUNCILMAN CLARKE: Thank you.  
5 Councilman DiCicco.

6 COUNCILMAN DiCICCO: I just  
7 have a public service announcement, if  
8 you will, on a much lighter note.

9 For those of you who may not  
10 remember receiving a little insert in  
11 your paycheck over the last two weeks,  
12 we're talking about spending money  
13 locally. Macy's tomorrow is offering all  
14 City employees an additional discount to  
15 their regular discount beginning at 8  
16 o'clock tomorrow morning. It's an  
17 opportunity to spend money locally.  
18 We'll see some benefits as a result of  
19 that, and you will also get a much deeper  
20 discount on any products you might like  
21 to buy between now and the holiday  
22 season.

23 So it's really a great thing.  
24 All you need to do is show your City ID  
25 tomorrow and you will get an additional

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2 20 percent off.

3 Thank you.

4 COUNCILMAN CLARKE: Councilman

5 DiCicco --

6 COUNCILMAN DiCICCO: Spend it

7 locally.

8 COUNCILMAN CLARKE: This

9 message was approved by Councilman

10 DiCicco.

11 COUNCILMAN DiCICCO: It's been

12 approved by the ethics. I already went

13 through this whole thing.

14 Right, Ms. Markman?

15 COUNCILMAN CLARKE: Thank you.

16 Councilwoman, one quick

17 question, real quick.

18 COUNCILWOMAN SANCHEZ: That's

19 how they treat the freshmen around here.

20 COUNCILMAN CLARKE: I'm sorry.

21 Mr. Agostini, you had asked in

22 response to your earlier questions about

23 ways of getting involvement of the local

24 citizens and DBEs, MBEs and WBEs. I'm

25 not going to ask for an opinion today

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2 unless the City Solicitor is prepared to  
3 say that these bills are illegal, but  
4 next week we're having a hearing. We  
5 introduced Council -- we introduced two  
6 bills, one on a local preference for  
7 stimulus spending and a bill that  
8 requires an attachment of an Equal  
9 Opportunity Plan. So next week when we  
10 have the hearing, we're going to  
11 obviously ask, and it would be helpful if  
12 the Solicitor could say we're within our  
13 rights to implement such a program.

14 MR. AGOSTINI: I'm happy to  
15 hand this off to the City Solicitor.

16 COUNCILMAN CLARKE: I don't  
17 want to hear today unless she's prepared  
18 to say yes. We'll wait until next week,  
19 after we need a little time to try to  
20 soften you up over the weekend.

21 But we just think it's  
22 important, and there's a way -- we  
23 actually apparently I think have some  
24 information on a couple of other  
25 municipalities that have introduced some

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2 sort of equal opportunity plan mechanism  
3 in their local stimulus, and we'll have  
4 that at the hearing.

5 MR. AGOSTINI: If you could  
6 send that.

7 COUNCILMAN CLARKE: We'll make  
8 sure you have it.

9 MR. AGOSTINI: That would be  
10 very helpful. Thank you.

11 COUNCILMAN CLARKE: I'm sorry.  
12 Councilwoman Sanchez.

13 COUNCILWOMAN SANCHEZ: Thank  
14 you, Steve.

15 So my question for the record  
16 is, when did this committee come to bear?  
17 And you didn't quite answer Councilman  
18 Clarke earlier, and I'd like to get this,  
19 if not now, later submitted to the Chair.  
20 How is Council going to weigh in on the  
21 selection of what folks consider  
22 shovel-ready projects?

23 MR. AGOSTINI: I'm going to  
24 take that one last. To the questions you  
25 had asked regarding structure and the

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2 work that we were doing, the team had  
3 been meeting weekly, I'm going to say,  
4 since sometime in March or April. There  
5 was a group. They were meeting  
6 regularly. I actually participated in a  
7 few of those early meetings trying to get  
8 our hands around what was expected of us.  
9 That continued over the summer months as  
10 we were getting applications in, as we  
11 were getting information about  
12 applications.

13 With respect to the Executive  
14 Committee, when I discussed taking on  
15 this role, I made it clear, along with  
16 those people on the committee, like Joan  
17 Markman and the Managing Director,  
18 Ms. Barnett, we all made it clear that it  
19 was important that I have a group that I  
20 reported to, that the expectation of  
21 having to go back to the Mayor on a  
22 regular basis wasn't a realistic one. So  
23 I needed to have a group that I had to go  
24 back to so that they were informed and  
25 there was an oversight capacity

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2 internally for what I was doing.

3 And so about the same time that  
4 I adopted this role, we also put in place  
5 that committee. We've met two or three  
6 times since. We've scaled back to a  
7 biweekly meeting on the teams for the  
8 time being, but that may ramp up to a  
9 weekly meeting. I'm now chairing those  
10 meetings.

11 I understood that the minutes  
12 from those meetings were being delivered  
13 via e-mail to Councilmembers over the  
14 summer. If that is not something that  
15 works, I'm happy to do something else.

16 COUNCILWOMAN SANCHEZ: That has  
17 not been happening, for the record, and I  
18 think it's important that we make note of  
19 that.

20 MR. AGOSTINI: I did not know  
21 that. That was my understanding.

22 COUNCILWOMAN SANCHEZ: So just  
23 for the record, for the perspective of  
24 the record, that has not been happening.  
25 And we don't want the process of

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2 communication to become cumbersome. It  
3 should be as seamless as the dialogue  
4 that happens interdepartmentally. But we  
5 now, because of this process in  
6 preparation for this hearing and in  
7 preparation for the report, I think it is  
8 important that we begin to receive a  
9 delineation of how these large goals get  
10 implemented through parts of the City.  
11 And that doesn't need to be complicated  
12 either, but I have a concern that, as I  
13 stipulated earlier, as it relates to  
14 MOCS, who is our anti-poverty agency, how  
15 do I connect that to the offices of  
16 special needs, housing? How does all  
17 those things connect? Because although  
18 this is useful in terms of the fact  
19 sheets, you can't see the connections,  
20 the connectivity that Councilman Jones  
21 talked about, and I think we may want to  
22 have a department-by-department kind of  
23 review and a briefing format where we get  
24 an opportunity to kind of engage in that.  
25 So we need to create that sooner, because

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2 now we have this report and we kind of  
3 know what is going on rather than later,  
4 but how we're going to impact that  
5 decision-making is a question that we  
6 can't leave here today without kind of  
7 understanding that.

8 MR. AGOSTINI: Councilmember,  
9 again, not to -- I'm not trying to avoid  
10 it, but I think that that's a question  
11 that needs to be answered by someone at a  
12 higher pay grade in order. I can  
13 appreciate your concern and your desire,  
14 the Council's desire to be involved, and  
15 to the extent that I can accommodate  
16 that, I will, but with respect to the  
17 strategic thrust -- and I don't know that  
18 there's a disagreement necessarily  
19 between the Administration and Council  
20 about this. I don't believe that to be  
21 the case, but I think there needs to be a  
22 discussion about what roles the bodies  
23 play and I'm not the right person to  
24 answer that question. I'm sorry.

25 COUNCILWOMAN SANCHEZ: But I

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2 will -- I would hope that because of your  
3 leadership as this officer, that you  
4 understand the importance of that and we  
5 figure out how we integrate that in the  
6 communication process.

7 MR. AGOSTINI: Councilmember, I  
8 do. I appreciate that, and as I've said  
9 before, I think there's some things we  
10 probably could have done a little better  
11 in terms of information. So I'll take  
12 that to heart and do better.

13 COUNCILWOMAN SANCHEZ: I have  
14 one more question. The project managers  
15 that are selected on the departmental  
16 level, were they policy people,  
17 administrative people?

18 Again, my concern becomes in  
19 the selection of projects and the  
20 establishment of priorities, are these  
21 folks who know what's going on on the  
22 ground and can make the connectivity  
23 between the top policy and what happens  
24 on my 3rd and Indiana?

25 MR. AGOSTINI: Councilmember,

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2 having spoken to pretty much every one of  
3 them, I believe that they are indeed  
4 people who know intimately what's going  
5 on in the departments and on the ground.  
6 For example, there's someone in Don  
7 Schwarz's office, James Moore, who has  
8 this tremendous command of what's going  
9 on across the breadth of Dr. Schwarz's  
10 portfolio, and those people have been the  
11 go-to people for me to sort of say,  
12 what's going on.

13           So I believe they have that.  
14 They also then have a tier of individuals  
15 underneath them who are actually running  
16 those programs on the ground. So I think  
17 that we are lucky in that respect that we  
18 have very good policy people. And it's  
19 James, it's Andrew Stober, it's Andy  
20 Rachlin, it's a range of people who  
21 really have command of that stuff and  
22 know who to go to and understand how that  
23 fits within the organization, not just  
24 the departmental organization but the  
25 larger organization. I think we're lucky

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2 in that respect.

3 COUNCILWOMAN SANCHEZ: And I  
4 will end with this. In light of the fact  
5 that we've all acknowledged today that  
6 we've missed some opportunities on  
7 communication, my concern becomes how are  
8 we, therefore, communicating with our  
9 stakeholders, who ultimately help us  
10 deliver some of these services, and how  
11 do we make sure that they're not in the  
12 same boat that we were yesterday?

13 MR. AGOSTINI: Councilmember, I  
14 think that's very fair. I think we  
15 need -- the website has to be sort of an  
16 entry point, if you will, for people. I  
17 think that we need to be doing some  
18 outreach. I know that there has been  
19 some of that with respect to Commerce  
20 Department and some of the grants that  
21 they've received, but we probably need to  
22 do that in a broader fashion where we're  
23 actually out in the community and talking  
24 to people. We haven't really talked  
25 about that as sort of an overall

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2 strategy, and we should, and I will take  
3 that back.

4 COUNCILWOMAN SANCHEZ: And that  
5 goes to my earlier statement around  
6 making sure that these project managers  
7 are the folks that interact with these  
8 folks regularly so that the information  
9 is flowing from -- because there might be  
10 opportunities on the ground that we might  
11 be missing if we're not communicating  
12 with those strategic stakeholders.

13 MR. AGOSTINI: That's a good  
14 point.

15 COUNCILWOMAN SANCHEZ: Thank  
16 you.

17 Thank you.

18 COUNCILMAN CLARKE: Thank you,  
19 Councilwoman.

20 Councilman Rizzo, I know you  
21 wanted to follow up on your question.  
22 What I would like to do after that is use  
23 the privilege of the Chair to ask the  
24 Administration to suspend your testimony  
25 for a moment. Ms. Clark from the --

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2 well, we got one more question from  
3 Councilman Rizzo, and then Ms. Clark from  
4 the Enterprise wants to come. I want her  
5 to come and testify. She's been waiting  
6 since 10 o'clock, maybe even 9:30. And  
7 then I have some follow-up questions on  
8 some housing-related issues. There may  
9 be a couple of other questions. I  
10 promise I will get you all out of here as  
11 soon as possible.

12 MR. AGOSTINI: With respect to  
13 Councilman Rizzo's, I think Deputy Mayor  
14 Gillison has, I think, a program that  
15 we're doing as part of a sort of Clean  
16 and Seal in L&I, and I would ask him to  
17 come up and respond to your question.

18 COUNCILMAN RIZZO: Because I  
19 want to make sure that we are  
20 interpreting where and where we cannot  
21 use stimulus money. An example, it was  
22 great and the cell phone lot was a long  
23 time. We used Aviation Fund money to  
24 build it, but it possibly was -- and,  
25 again, I appreciate this project getting

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2 done and I don't want to slow it down,  
3 but there probably are other projects or  
4 other areas of constituent service that  
5 we do in this city that maybe could be  
6 put under -- possibly Deputy Mayor  
7 Gillison will say that maybe the Clean  
8 and Seal at L&I is eligible for some of  
9 that money. But I just don't want to  
10 stop there. I want to look under every  
11 rock to make sure that there is no  
12 confusion on what we can do and what we  
13 can't do.

14 Cleaning up vacant lots,  
15 cleaning up areas that eventually will be  
16 greened might be an opportunity to spend  
17 stimulus money. You got a lot of money  
18 to spend between now and February. I  
19 mean, it's our money. I don't care if  
20 it's federal money or state money. We  
21 all kicked in for that, but I would hate  
22 to not take advantage of whatever the  
23 amount is. Eventually some day we'll  
24 know what that amount of money is, but I  
25 have a feeling we're not going to spend

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2 it all, and I would like to make sure  
3 that some of the real obvious things that  
4 people see get taken care of.

5 MR. AGOSTINI: That's a very  
6 good point, and we will do that.

7 (Witness approached witness  
8 table.)

9 DEPUTY MAYOR GILLISON: Good  
10 morning, Councilman Rizzo. Everett  
11 Gillison, Deputy Mayor for Public Safety.

12 In direct answer to your  
13 question, I would suggest that we use  
14 part of the Byrne money, which was our  
15 allocation dollars, in order to try to  
16 see how we could integrate the use of  
17 those dollars in a way that would best  
18 deal with the public safety needs of the  
19 City. We decided that we would use L&I  
20 and Clean and Seal in order to do that,  
21 and I know that we put forward, I believe  
22 it was, just over \$420,000, I believe,  
23 for what I believe was three Clean and  
24 Seal teams for a year that would be able  
25 to do that.

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2 And I know that you can provide  
3 additional information.

4 (Witness approached witness  
5 table.)

6 MR. HAIGLER: Yes. My name is  
7 Otis Haigler. I'm Director of  
8 Legislative Affairs for the Department of  
9 Licenses and Inspections.

10 The Department of Licenses and  
11 Inspections has put in an appropriation  
12 allocation for \$348,600 to hire 12  
13 temporary Clean and Seal workers to  
14 actually go about cleaning and sealing  
15 vacant buildings throughout the City.

16 COUNCILMAN RIZZO: I hear you  
17 talking about hiring people, but what  
18 about material, the shovels and all that  
19 that goes with it?

20 MR. HAIGLER: It's broken down  
21 as far as the Class 100, Class 200 for  
22 personal services, Class 300 for supplies  
23 and Class 400 for other office-related  
24 materials.

25 COUNCILMAN RIZZO: And you said

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2 it's \$400,000? No disrespect to that  
3 number, but in the realm of things,  
4 300,000, 400,000 is not a lot of money.  
5 So I don't know how much cleaning and  
6 sealing we're going to do with that  
7 little bit of money.

8 MR. HAIGLER: Well, the 300,000  
9 is only for the Class 100, which deals  
10 with the salaries and benefits. I have a  
11 total breakdown that I could share with  
12 the Chair.

13 COUNCILMAN RIZZO: Just tell  
14 us.

15 MR. HAIGLER: I think the total  
16 amount that we're looking at is \$420,000  
17 in Class 100, and in the other classes,  
18 it appears to be over 300,000.

19 COUNCILMAN RIZZO: So what's  
20 the total? Under a million?

21 MR. HAIGLER: Well, we're  
22 looking at a total allocation that we're  
23 asking for of \$573,600.

24 COUNCILMAN RIZZO: Again,  
25 that's great, but in the realm of things,

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2 I'm not sure what the impact with  
3 \$500,000 when we're talking \$50 million,  
4 50 million plus I think the number is, of  
5 eligible money.

6 DEPUTY MAYOR GILLISON: Well,  
7 if I may, Councilman, the eligible money  
8 is really not that much money, because  
9 it's not eligible. This particular  
10 program, because it was public safety, I  
11 keep looking at different buckets of  
12 stimulus money. This was our money that  
13 was allocated, and so we only had a  
14 certain sliver of those dollars in order  
15 to allocate here, and we took this  
16 information to our various teams, and  
17 this is the amount of money we were able  
18 to push over.

19 COUNCILMAN RIZZO: But that's  
20 only the Byrne money.

21 DEPUTY MAYOR GILLISON: Right.  
22 That's the only --

23 COUNCILMAN RIZZO: But my point  
24 is, are we looking at the whole big  
25 stimulus pot to make sure that we aren't

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2 overlooking some very basic things --

3 DEPUTY MAYOR GILLISON:

4 Absolutely.

5 COUNCILMAN RIZZO: -- that we

6 can do?

7 Some days when I go into some  
8 of the neighborhoods, it's not a pleasant  
9 situation. If we could spend stimulus  
10 money and plan to go green, I think that  
11 it would be hard to lose that one, asking  
12 for the money and the resources to start  
13 cleaning beyond Clean and Seal, beyond  
14 Byrne money, but the rest of those pots.

15 DEPUTY MAYOR GILLISON: And I  
16 can tell you that there has been part of  
17 the team, the Recovery team that is  
18 headed up by Mr. Agostini, not only are  
19 they looking at all of the grants that  
20 are available, but where they even  
21 believe we might be able to access some  
22 of those dollars to do some of these  
23 things that's part and parcel of it.

24 So, yes, we are looking, and,  
25 yes, we're trying to make sure that

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2 they're available.

3 COUNCILMAN RIZZO: And, again,  
4 great that you're going to do that, but,  
5 again, I think one of my colleagues said  
6 it's communications. We don't know that  
7 you're doing these things, and once we  
8 learn exactly where you're making  
9 applications or where you have a focus,  
10 then we'll feel more comfortable that  
11 we're in the loop.

12 DEPUTY MAYOR GILLISON: Not --

13 COUNCILMAN RIZZO: Thank you.

14 DEPUTY MAYOR GILLISON: Thank  
15 you.

16 COUNCILMAN RIZZO: Thank you,  
17 Mr. Chairman.

18 COUNCILMAN CLARKE: Thank you,  
19 Councilman.

20 Can we just suspend the  
21 Administration testimony just for a  
22 minute and we'll be right back and have  
23 Ms. Clark come up.

24 (Witness approached witness  
25 table.)

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2 COUNCILMAN CLARKE: Good

3 morning -- sorry; good afternoon.

4 MS. CLARK: Good afternoon. My  
5 name is Della Clark, and thank you for  
6 allowing me to provide testimony. I  
7 submitted a written testimony, but in  
8 spite of what I've heard today from Steve  
9 Agostini, I'd like to respond to some of  
10 those observations and just leave my  
11 written testimony for the record. So  
12 with your permission, I'd like to  
13 deviate.

14 COUNCILMAN CLARKE: Sure.

15 MS. CLARK: The first thing,  
16 I'd like to bring the spotlight on his  
17 remarks that I heard around small  
18 businesses. When I heard him pill away  
19 the amount of money that the City of  
20 Philadelphia was receiving, I heard money  
21 being allocated for job training, I heard  
22 money being allocated for public  
23 property, but I didn't hear any money  
24 being allocated for small businesses, for  
25 capacity, capital, bonding, helping them

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2 to grow, because the Enterprise Center,  
3 which I have been employed there for 17  
4 years, is focused on helping minorities  
5 accelerate and grow. And when I hear the  
6 word "job training" and when I hear "job  
7 creation," I don't know whether this  
8 committee recognizes that the jobs are  
9 going to come from these small  
10 businesses, and if we don't invest in  
11 these small businesses, then I wonder who  
12 is going to hire these people that we're  
13 training, because I don't see these big  
14 businesses hiring a lot of these people.  
15 And so I think that our dollars should be  
16 used to help stimulate the growth and  
17 development of small businesses as well.

18 A couple other observations I  
19 heard from his remarks. As he talked  
20 about the oversight committee, I did not  
21 hear any representative from OEO serving  
22 on that stimulus oversight committee, and  
23 maybe I didn't hear it, but I didn't hear  
24 anyone representing small businesses on  
25 that oversight committee.

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2           Second observation is that,  
3           Councilwoman Blondell, when you asked him  
4           about was there money to be used for  
5           local economy, he said it was to be used  
6           to jump-start the economy. And we'd like  
7           to see small businesses and particularly  
8           minority business enterprises be included  
9           in the whole coordination of  
10          jump-starting the economy.

11                 Just to give you an example, on  
12          Friday of last week, October the 23rd, we  
13          had a business-to-business forum at the  
14          Enterprise Center for our stimulus  
15          projects, and the reason we had that  
16          B-to-B is to make you aware that the  
17          Enterprise Center has been awarded a  
18          contract by the federal government on  
19          behalf of the Obama Administration to  
20          monitor and advocate for stimulus dollars  
21          to be spent with MBEs. We've been  
22          assigned a four-month contract, and we  
23          have to report back to the Obama  
24          Administration what the City of  
25          Philadelphia and what the Commonwealth of

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2 Pennsylvania has done around minority  
3 participation. We have to provide a  
4 monthly report, as well as an  
5 end-of-the-year report, because he has to  
6 report -- the Obama Administration has to  
7 report to Congress in February how these  
8 dollars have been spent, and we're  
9 charged with that on a local level.

10           There were seven sites picked  
11 in the United States to participate in  
12 this endeavor. And so this work is very,  
13 very important to us. And so we had a  
14 B-to-B forum on October the 23rd and we  
15 had about 100 minority enterprises there,  
16 and only one, when we asked the question,  
17 had received a stimulus contract, and it  
18 was through SEPTA.

19           We also reached out to Steve  
20 Agostini, as well as most of the City's  
21 Administration, and we did not have one  
22 City agency, except the School District,  
23 PHA, Airport represented. In terms of  
24 Streets, in terms of any agency in the  
25 City, no one participated in our B-to-B

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2 forum to show small businesses that we  
3 were open to do business, that there was  
4 a sense of collaboration in terms of the  
5 City wanting to reach out to MBEs so they  
6 would know what the process is. We did  
7 not get a good response at all.

8           The second area that I want to  
9 bring out is that when I heard his  
10 remarks, I didn't hear anything about  
11 metrics, how are we going to measure the  
12 success of the City and as it relates  
13 particularly to minority business  
14 enterprise. We need that data. We need  
15 that information to report back to the  
16 federal government how the City performed  
17 in that area with minority business,  
18 because I hope you will agree as we agree  
19 at the Enterprise Center, that small  
20 businesses is going to be the lifeline  
21 and the life blood of our economy, and if  
22 we don't invest in small businesses and  
23 use our stimulus-funded projects as a way  
24 to jump-start small enterprises, I think  
25 the City of Philadelphia is going to

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2 continuously be ranked at the bottom as  
3 an entrepreneur city. And that ends my  
4 testimony.

5 COUNCILMAN CLARKE: Thank you.  
6 Maybe I should have had you on a little  
7 earlier so we could have responded to  
8 some of those questions, which I'm sure  
9 we will after your testimony.

10 Let me understand. You have a  
11 contract with the federal government to  
12 essentially play a monitoring role as it  
13 relates to all stimulus dollars being  
14 spent in the City of Philadelphia?

15 MS. CLARK: No. It's very  
16 specific to minority enterprises.

17 COUNCILMAN CLARKE: For  
18 minority contracts?

19 MS. CLARK: Correct. So the  
20 federal government wants to know out of  
21 all the money that comes to the  
22 Commonwealth of Pennsylvania -- so we  
23 have to look at Commonwealth first, and  
24 then they want us to look at it by city,  
25 by counties and report back in the

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2 Commonwealth of Pennsylvania, which  
3 includes Philadelphia, how much of the  
4 projects was spent and included minority  
5 participation.

6 COUNCILMAN CLARKE: In terms of  
7 accessing your information, because that  
8 can be challenging even when you're an  
9 elected official, what authority do they  
10 give you or what ability do they give you  
11 to access that information from agencies  
12 or municipalities or townships across the  
13 state? How exactly do you do that?

14 MS. CLARK: Well, we started  
15 with, as an example, we started with the  
16 Chief Implementation Officer at the  
17 federal government, which I heard Steve  
18 mention his name, Ed DeSeve. We've met  
19 with him. Then we met with Secretary  
20 Creedon, who is the Chief Implementation  
21 Officer for the Commonwealth of  
22 Pennsylvania. He actually attended the  
23 forum on Friday and he brought the Chair  
24 of the Pennsylvania Stimulus Oversight  
25 Commission, which is Ron Naples.

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2 So we've already started the  
3 work at the Commonwealth of Pennsylvania  
4 statewide effort to try to get access to  
5 this information. And we have begun to  
6 have some cooperation with the  
7 Commonwealth of Pennsylvania. That also  
8 was a very difficult undertaking in the  
9 beginning, but we're starting to make  
10 some headway. And we started the same  
11 process with the City of Philadelphia, as  
12 well as with Harrisburg, as well as with  
13 Pittsburgh, because we picked those  
14 particular cities because that's where  
15 the majority of the minorities live in  
16 the Commonwealth of Pennsylvania. And  
17 since we are located here in  
18 Philadelphia, we want to do a much better  
19 job here in Philadelphia in this effort.

20 COUNCILMAN CLARKE: Okay.

21 MS. CLARK: I have a letter.

22 COUNCILMAN CLARKE: What I'm  
23 trying to get at, because you're not a  
24 government entity or private  
25 organization -- non-profit, right?

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2 MS. CLARK: That's correct.

3 COUNCILMAN CLARKE: And if  
4 you're trying to seek information -- I  
5 mean, we in Council, we have subpoena  
6 powers, so if we get frustrated, we say  
7 we need information from anybody, we can  
8 ultimately issue a subpoena. Somebody  
9 can choose to ignore it or adhere to it.

10 I guess I'm trying to get a  
11 sense of in the event that you run  
12 against a roadblock for any agency or  
13 township in getting that information on  
14 the participation numbers, what do you  
15 do? I mean, do you contact the federal  
16 government and say that, I've been unable  
17 to have a response from these particular  
18 townships or cities? How does that work?

19 MS. CLARK: We don't want to  
20 have to do that.

21 COUNCILMAN CLARKE: I  
22 understand. None of us do.

23 MS. CLARK: If we have to, we  
24 will. If we continuously get roadblocks,  
25 not get access to the information --

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2 because we're accountable, we have some  
3 metrics, we have some numbers. We've  
4 been told how much money is going to come  
5 in. We've been told to advocate, provide  
6 outreach, connect minority businesses to  
7 these stimulus and match them up for  
8 actual opportunities, not just talk about  
9 it, but actually make sure they get  
10 matched up and that minorities get a  
11 percentage of this. And it wasn't a goal  
12 set. It was more of an aspiration goal  
13 in terms of minority participation.

14 So we don't want to go back to  
15 the Obama Administration and say, you  
16 know, We're working in the City of  
17 Philadelphia and they're not cooperating.  
18 That is not our intent. Our intent is to  
19 work with the City to make sure we can  
20 provide a good report.

21 COUNCILMAN CLARKE: Okay.

22 Thank you.

23 Councilwoman.

24 COUNCILWOMAN BLACKWELL: Thank  
25 you very much.

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2 COUNCILMAN CLARKE:

3 Councilwoman Blackwell.

4 COUNCILWOMAN BLACKWELL: Thank  
5 you.

6 We want to thank Della Clark  
7 and the Enterprise Center. As you know,  
8 they have incubated programs, many  
9 programs, that deal with small businesses  
10 and that have made a difference in our  
11 city, and we certainly say we are  
12 interested in working closely with her.  
13 Here in the City we haven't resolved the  
14 issues yet with regard to the zip codes  
15 being included on contract-getting,  
16 especially minorities, nor have we  
17 resolved the issue that even if we deal  
18 with minorities, African Americans aren't  
19 getting much more than they did in many  
20 areas, when Lucien Blackwell and John  
21 Macklin over there introduced the  
22 set-aside bill, where minorities were  
23 getting less than one-tenth of one  
24 percent. We're still down at the bottom.  
25 So even contracts let don't include

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2 African Americans as they should.

3 So we want to work closely with  
4 you, and even if we can't resolve that  
5 during your reporting period, we've got  
6 to do something to let it be known so  
7 that we can begin to straighten out so  
8 many of the disparities that exist in our  
9 city and certainly everywhere today.

10 Thank you, Della.

11 Thank you, Mr. Chairman.

12 COUNCILMAN CLARKE: Thank you,  
13 Councilwoman.

14 MS. CLARK: I just have one  
15 comment. If the Committee here doesn't  
16 know what's going on, you can imagine the  
17 small businesses don't know what's going  
18 on. It's a maze to them. They don't  
19 know who to call, who to go to to find  
20 out about these contracts, and that's one  
21 of our role, is to be that bridge and  
22 that connector and that intermediary to  
23 these opportunities. So we need to work  
24 with the City to accomplish these goals.

25 COUNCILMAN CLARKE: Yes. We

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2 have to do a better job.

3 Councilwoman.

4 COUNCILWOMAN BROWN: Thank you  
5 very much.

6 I'll underscore the important  
7 work you've been doing there for decades  
8 and for start-up and emerging and now  
9 established businesses there in West  
10 Philadelphia. I took notes and I thought  
11 I did list that OEO is included at the  
12 table, at the door with the Recovery Task  
13 Force. So we need to ask our City  
14 official to please step back to the  
15 witness table so that we can get some  
16 clarity on that.

17 And am I to understand you to  
18 say that you sent a formal request to the  
19 Administration and/or the Administration  
20 officials, A, letting them know what  
21 you're doing; B, why it's important for  
22 them to be at the table?

23 MS. CLARK: Yes. I sent one to  
24 Mr. Steve Agostini.

25 COUNCILWOMAN BROWN: If you

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2 could please respond.

3 MR. AGOSTINI: Sure. I'd be  
4 happy to. I think this goes under the  
5 category of the lack of coordination  
6 information from the federal government  
7 creating a situation where unfortunately  
8 we are at odds.

9 I received an e-mail. I don't  
10 recall a formal letter, but I did receive  
11 an e-mail from Michael Bell.

12 The background for this, I have  
13 been receiving phone calls, e-mails from  
14 numerous --

15 COUNCILWOMAN BROWN: The world.

16 MR. AGOSTINI: -- individuals  
17 with respect to Recovery. I've also been  
18 alerted by numerous individuals, both at  
19 the federal government and among  
20 colleagues, to be mindful of who has a  
21 formal role to play. I don't doubt that  
22 the Enterprise Center has that role. I'm  
23 not quibbling with that, but it would  
24 have been nice for either the federal  
25 government or the state government, who

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2 we do stay in contact with, to, as a  
3 courtesy, simply say, We have engaged the  
4 Enterprise Center to do this.

5 I have not received any  
6 communication to that effect from any  
7 federal or state official. I apologize  
8 for not, but I have been very careful  
9 about who I'm providing information to  
10 since I am not really clear what their  
11 roles are.

12 COUNCILWOMAN BROWN: So  
13 recognizing that this is another example  
14 of what Councilman Jim Kenney and  
15 Councilman Clarke have spoken to, which  
16 is really what precipitated these  
17 meetings, not adequate communication,  
18 going forward -- let me not editorialize.  
19 Do you think it appropriate for OEO to be  
20 at the table? And I actually assumed  
21 that they were, if we are serious about  
22 making sure that when -- we had this  
23 conversation again yesterday in another  
24 hearing -- that women, people of color,  
25 A, hear about the opportunity, but more

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2 difficult the experience they have is  
3 access, penetrating the brick walls that  
4 they still encounter, and the Recovery  
5 dollars are a unique opportunity to break  
6 the mold.

7 MR. AGOSTINI: I agree with  
8 you. On a moving-forward basis, there's  
9 no reason why we can't address some of  
10 these issues. There is a Policy Deputy  
11 that follows this on behalf of OEO.  
12 Mr. Dow, I think, is aware of this, as  
13 well as a representative from Commerce.  
14 So to the extent that we have not done  
15 this crisply, we will improve on a  
16 going-forward basis. But they are at the  
17 table. They have been at the table. We  
18 just need to be sure the communication,  
19 as you've just described it, needs to  
20 happen more effectively.

21 COUNCILWOMAN BROWN: So OEO is  
22 at the table? I did hear that in earlier  
23 testimony.

24 MR. AGOSTINI: Yes. That's  
25 correct.

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2 COUNCILWOMAN BROWN: And we can  
3 anticipate that the links and the --

4 MR. AGOSTINI: I'm sorry. At  
5 least the Policy Deputy that reports back  
6 to Commerce and to the Deputy Mayor in  
7 that area is involved, and perhaps it's  
8 more appropriate for Mr. Greenberger to  
9 come up and Mr. Dow to come up to respond  
10 to those issues.

11 COUNCILWOMAN BROWN: Okay. Let  
12 me make sure I'm understanding what I'm  
13 hearing. Earlier in your testimony you  
14 provided a list of professionals that are  
15 sitting with you on a biweekly basis. Is  
16 OEO leadership at the table?

17 MR. AGOSTINI: The direct  
18 leadership, no, but someone who  
19 represents the Policy Deputy Mayor in  
20 that area is. And to your point, after  
21 we leave here, we will be sure that  
22 someone from OEO leadership is at the  
23 table.

24 COUNCILWOMAN BROWN: Thank you  
25 very much.

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2 So we can expect that the two  
3 of you will have a sidebar and do what's  
4 required to strengthen the communication  
5 for the expectation you have to meet with  
6 the feds, Ms. Della Clark?

7 MS. CLARK: Yes.

8 COUNCILWOMAN BROWN: Thank you  
9 very much for your testimony.

10 MS. CLARK: Thank you.

11 COUNCILMAN CLARKE: Thank you  
12 so much for your testimony.

13 I've just been informed that we  
14 have a 1 o'clock hearing.

15 Mr. Greenberger, did you have  
16 something you wanted to say?

17 MR. GREENBERGER: No. If you  
18 wanted to pursue this question, but if  
19 not --

20 COUNCILMAN CLARKE: Are you  
21 sure you want me to?

22 COUNCILWOMAN BROWN: Mr. Dow?

23 COUNCILMAN CLARKE: I actually  
24 had something else to say, but I was  
25 going to let it go for now.

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2 MR. DOW: Let it go.

3 COUNCILWOMAN BROWN: This issue  
4 is of such importance, enormous  
5 importance, to so many businesspeople  
6 here, let's not let it go.

7 MR. DOW: Let's --

8 COUNCILWOMAN BROWN: This  
9 should stack as high as every other  
10 aspect of the Recovery discussion.

11 (Witness approached witness  
12 table.)

13 MR. DOW: My name is Kevin Dow,  
14 for the record. I am the Acting Chief  
15 Operating Officer for the Commerce  
16 Department and have responsibility for  
17 the Office of Economic Opportunity.

18 In regards to that committee  
19 that Steve Agostini referred to, we do  
20 have representation from -- he's on that  
21 committee. Andrew Rachlin is on that  
22 committee. So these individuals both  
23 serve as representatives of the Office of  
24 Economic Opportunity in those  
25 initiatives. We report back. We have

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2 conversations about what's going on.

3           If you're looking for actual  
4 direct leadership there, we could  
5 certainly address that and have some  
6 there, but we're very confident that we  
7 are involved in the process of  
8 identifying opportunities for minorities,  
9 women and disabled.

10           COUNCILWOMAN BROWN: Here's my  
11 experience in the eight years I've been  
12 here: If you don't have leadership at  
13 the table on an issue where you want the  
14 needle moved, it doesn't happen. The  
15 person who is ultimately responsible for  
16 the movement of that needle --  
17 Mr. Greenberger has several different  
18 roles, some of which have been added  
19 because of legitimate reasons in the  
20 management in which government goes. But  
21 if the person principally responsible for  
22 moving the needle on that issue is not at  
23 the table, little happens, and at the end  
24 of the day, we can look at the numbers,  
25 which Councilman Goode is vigilant about.

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2 That's where we're ultimately measured.

3 And we have a window here with the

4 Recovery dollars. So if our track record

5 has not been favorable in the past and we

6 are serious about making a dent of a

7 difference going forward in this ripe

8 opportunity of Recovery dollars, then

9 it's my personal opinion that leadership

10 should be at the table on that issue, the

11 one who lives and breathes it, knows the

12 dynamics and the issues and the hurdles

13 every single day.

14 (Applause.)

15 MR. GREENBERGER: Alan

16 Greenberger, Acting Deputy Mayor for

17 Planning and Economic Development.

18 If I could, one, reenforce -- I

19 think it's a fair point, and Mr. Agostini

20 made that commitment, which we'll keep.

21 If I could offer an example, if the Chair

22 would indulge me a few minutes on this,

23 an example through the weatherization

24 program of how well that particular

25 situation has worked, it might be helpful

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2 to hear an example. Would that be all  
3 right?

4 COUNCILWOMAN BROWN: I'd be  
5 interested.

6 COUNCILMAN CLARKE: Okay. But  
7 I do have some questions for you,  
8 gentlemen, and probably Mr. Agostini with  
9 respect to the outreach, because  
10 Mr. Agostini said that he had not been  
11 notified by the state and the federal  
12 government that entities had contracts to  
13 provide a service that in the earlier  
14 testimony we were seeking -- Mr. Agostini  
15 said that if anyone knows of a way where  
16 we can enhance our inclusion process and  
17 what's caused me to talk about the two  
18 bills that we had a hearing on yesterday,  
19 I take the position that it shouldn't be  
20 the sole responsibility of the federal  
21 and the state government to reach out to  
22 us and tell them that they have somebody  
23 under contract. If we, the City of  
24 Philadelphia, that the demographics  
25 reflect that we need to take this

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2 serious, we should be the aggressor as it  
3 relates to this issue and we should have  
4 asked the federal or the state government  
5 if there were any contracts or anyone who  
6 was providing the service that can  
7 enhance our ability to get where we need  
8 to get.

9           So I don't think -- I don't  
10 take this whole approach that because  
11 nobody told us that there was such an  
12 entity like the Enterprise Foundation to  
13 provide a service, that we somehow are  
14 absolved of any fault. I mean, this is  
15 our city. We are elected by the people  
16 of this city. So at the end of the day,  
17 that should be number one on the list.

18           Sitting in this seat over there  
19 too many hearings, it is always an  
20 afterthought as it relates to somebody  
21 seeking a contract with the City of  
22 Philadelphia, and we have to wrestle  
23 with, at the end of the day prior to the  
24 vote of a bill, making them come up with  
25 an inclusion process, which causes us to

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2 do the Equal Opportunity Plan attachment  
3 to all bills.

4 So if we're going to take this  
5 approach -- and I'm assuming since the  
6 follow-up is now going to be aggressive  
7 on reaching the goals, we're going to  
8 take the approach if somebody tells us  
9 where to get that help, then we'll never  
10 get there. And I should be addressing  
11 this to Mr. Agostini, because he's the  
12 one --

13 MR. GREENBERGER: That's all  
14 right. Fair point.

15 COUNCILMAN CLARKE: He's the  
16 one that made the statement.

17 MR. GREENBERGER: Thank you.  
18 What I'd like to do is have Anthony  
19 McIntosh, the Executive Vice-President to  
20 the Philadelphia Housing Development  
21 Corporation, just talk briefly about the  
22 weatherization program, less so about the  
23 weatherization program itself and more  
24 about the process that he has led taking  
25 us through, in particular reference,

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2 Councilwoman, to your questions.

3 (Witness approached witness  
4 table.)

5 MR. McINTOSH: My name is  
6 Anthony McIntosh. I'm the Executive  
7 Vice-President of Philadelphia Housing  
8 Development Corporation.

9 There were comments made  
10 earlier with respect to what has been  
11 happening over the past eight months, and  
12 one of the things that we've done at PHDC  
13 in anticipation of stimulus dollars  
14 becoming available was, we started about  
15 11, 12 months ago in an effort to try and  
16 ramp up and gear up to put ourselves in a  
17 position to achieve our production goals  
18 in addressing the weatherization needs  
19 throughout the City of Philadelphia.

20 As a part of that initiative,  
21 we attended a series of community  
22 briefings, neighborhood forums in an  
23 effort to jump-start the solicitation  
24 process to engage contractors and vendors  
25 as it relates to bringing them aboard to

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2 put themselves in a position to take  
3 advantage of the funding opportunities  
4 when they became available.

5 In April of this year, we began  
6 to draft an RFP to solicit contractors to  
7 participate in the program, and as some  
8 of you may be aware, at PHDC we've been  
9 quite successful as it relates to  
10 minority participation and all of our  
11 home improvement programs, and with  
12 respect to the weatherization program,  
13 this program is no different. We have  
14 made a concerted effort through  
15 neighborhood organizations in trying to  
16 encourage contractors, minority as well  
17 as women, to come on board. One of the  
18 things that we're looking at at this  
19 point -- because, again, in spite of the  
20 success that we've been able to achieve,  
21 we still feel as though we need to make a  
22 more concerted effort, especially as it  
23 relates to women participation, and as a  
24 result of those initiatives and those  
25 efforts, PHDC will be receiving \$15.9

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2 million over the next three years. Fifty  
3 percent of those funds are available in  
4 the first year. That's the year that  
5 began October 1st and it will go through  
6 September 30th of 2010.

7 With respect to the proposed  
8 allocations at this point, we're in the  
9 neighborhood of about 37 percent as it  
10 relates to MBE/WBE participation  
11 percentages. Personally, I think we can  
12 do better. Personally, I'm committed to  
13 trying to do better, and realistically, I  
14 think when the final numbers are  
15 computed, we will be well over 40-plus  
16 percent as it relates to participation.

17 COUNCILMAN CLARKE: Thank you.  
18 In all due respect -- and first I want to  
19 say, Mr. McIntosh, you're doing a good  
20 job. PHDC under your leadership has  
21 always done a good job as it relates to  
22 participation. You've done a number of  
23 housing developments in my district,  
24 provided grants for basic systems,  
25 ensuring that there's participation.

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2 PHDC is not the problem. So to  
3 ask Tony McIntosh to come here and talk  
4 as if somehow he's representative of  
5 what's going on in the City of  
6 Philadelphia as it relates to contract,  
7 frankly speaking, is bordering on  
8 offensive. That's not the problem. The  
9 problem is all of these other contracts,  
10 including infrastructure, the contracts  
11 that primarily include --

12 (Applause.)

13 COUNCILMAN CLARKE: --  
14 primarily include the trades -- let's  
15 call it like it is -- that's the problem,  
16 and if the City of Philadelphia doesn't  
17 take the approach that Mr. McIntosh has  
18 taken over the years with his agency,  
19 then we're never going to get anywhere.

20 So while I appreciate what he's  
21 done as it relates to the stimulus  
22 dollars -- not to mention the fact,  
23 correct me if I'm wrong, that your  
24 stimulus grant was a direct grant; am I  
25 correct?

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2 MR. McINTOSH: That's correct.

3 COUNCILMAN CLARKE: So it  
4 wasn't as if it came through the City's  
5 system. That's not what we're talking  
6 about. We're talking about the City of  
7 Philadelphia, the departments that will  
8 be letting contracts or facilitating  
9 contracts for stimulus dollars. That's  
10 where the problem is and that's where  
11 we've traditionally had a problem. So  
12 that's where we want you to focus on, not  
13 have Mr. McIntosh to come and talk about  
14 probably one of the most productive  
15 agencies, regardless of the stimulus,  
16 that we have in the City of Philadelphia.

17 MR. GREENBERGER: Thank you. I  
18 didn't mean to bring this up as an  
19 example of something that was sort of  
20 indicative of everything.

21 COUNCILMAN CLARKE: That's  
22 exactly what you said.

23 MR. GREENBERGER: Well, no. I  
24 said it's an example, and PHDC is an  
25 organization that has been working very

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2 closely with my staff in developing a  
3 program, and I think I look to this, as  
4 you said, as a model for how we can imbue  
5 this in the entire culture of the City,  
6 and that's certainly something that Kevin  
7 Dow has been trying to do through OEO.

8 So I think you're right, we can  
9 and must do better. He's an example of a  
10 program that has worked very well. We  
11 look to that for help with best  
12 practices. I think that's a fair  
13 statement.

14 COUNCILWOMAN BROWN: For  
15 clarity purposes, is this the 15.8  
16 million?

17 MR. McINTOSH: That's correct.

18 COUNCILWOMAN BROWN: And so to  
19 Councilman Clarke's point -- and I will  
20 beat a dead horse -- that's one of at  
21 least a dozen line items here.

22 MR. GREENBERGER: That's right.  
23 It happens to be more advanced in the  
24 process than most of them, so it was  
25 something that we can at least talk about

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2 specifically. A lot of the other ones  
3 that we are doing are in the application  
4 phase.

5 COUNCILWOMAN BROWN: And in the  
6 application phase, what is the  
7 stipulation, what is the criteria, what  
8 is the expectation around the involvement  
9 of OEO and the goals, if you will, around  
10 participation?

11 MR. GREENBERGER: Let me ask  
12 Kevin Dow to come back.

13 (Witness approached witness  
14 table.)

15 MR. DOW: As we receive these  
16 contract award amounts from the Recovery  
17 funds, then the departments that will be  
18 letting those contracts will be going out  
19 and doing their normal operating  
20 procedures for contracting. OEO will be  
21 involved with all of that process all the  
22 way through. We will look to be involved  
23 in primarily two areas: One, setting the  
24 ranges for minority participation.

25 COUNCILWOMAN BROWN: Setting

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2 the?

3 MR. DOW: Ranges. Ranges for  
4 each individual contract. So we  
5 anticipate to set ranges for every  
6 contract, and we are in the process now,  
7 weatherization, all of the contracts that  
8 are coming through right now.

9 Now, the second part is where  
10 we will take an extra step at this point  
11 and -- where it does not occur in all of  
12 our processes throughout the City, but  
13 the extra step to make sure that we  
14 confirm before the contract is awarded  
15 that the ranges have been met, because  
16 they essentially are based on a bidding  
17 process in the beginning. You bid on,  
18 you make some estimates, and then once  
19 the contracts are awarded, we want to  
20 make sure that the reality is that there  
21 are still -- the ranges that were  
22 proposed are being met. So we will have  
23 that checkpoint there to say, Okay,  
24 you've been selected, ready to make an  
25 award, you've selected a contractor,

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2 we'll verify the participation, we'll  
3 verify the contractors that are on the  
4 bid that are listed. We'll have the  
5 conversations with them to make sure that  
6 they are indeed engaged with the primary  
7 contractor or the department and then  
8 verify that. Then that will allow us to  
9 approve the contract moving forward. So  
10 that's done in the normal operating  
11 procedure. That's how we anticipate  
12 making sure that any contracts that are  
13 let current through City resources or the  
14 Recovery funds are -- have indeed  
15 minority, women and disabled  
16 participation.

17 COUNCILWOMAN BROWN: What  
18 claw-backs exist and what is the role of  
19 the Integrity Officer and the other  
20 professional that was at the table, whose  
21 name escapes me now?

22 MR. DOW: Joan Markman?

23 COUNCILWOMAN BROWN: Yes.

24 MR. DOW: So there's a  
25 combination of things. We're making sure

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2 that we're transparent. We're doing

3 everything that's above ethical

4 standards, more in that regard.

5 Integrity Officer and Joan Markman, they

6 get involved when there's some egregious

7 situation. So if we find that there is

8 actual fraud within the process and we

9 uncover that through our checks and

10 points process, we will then report that

11 as a fraud through, A, the City Solicitor

12 and, B, the Chief Integrity Officer or

13 Joan Markman and make sure that there is

14 some recourse there, that that happens

15 from that perspective. But they don't

16 get involved in the actual process. They

17 get involved after we identify fraud.

18 COUNCILWOMAN BROWN: So my last

19 question will connect back to pre this

20 testimony of Ms. Della Clark.

21 Recognizing the role they have

22 for the region and reporting to the feds

23 how Philadelphia is doing with regards to

24 MBE/WBE activity, what do you anticipate

25 your next steps to be with the Enterprise

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2 Center?

3 MR. DOW: Well, we'll certainly  
4 have a conversation with Della Clark. I  
5 mean, that's important. The information  
6 that we got was out of context. We just  
7 got an e-mail that just said, Give us  
8 this information. We get that all the  
9 time. So we have to be very careful,  
10 because this is at times sensitive  
11 information that we just can't freely  
12 give it out. So to be candid with you,  
13 that came out of context. So what we  
14 will do is work with Della and work with  
15 her team there, whomever she's assigning  
16 to that, and make sure that we devise a  
17 process by which we will be able to  
18 respond to give them the information.

19 The challenges that that  
20 information, if it's in the next -- right  
21 now we have certain information, but as  
22 we go through the spending of the  
23 Recovery dollars as we receive it -- as  
24 you heard, we have not received a lot of  
25 these dollars.

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2 COUNCILWOMAN BROWN: That was  
3 important information for us.

4 MR. DOW: Right. That's  
5 through earlier testimony. So the  
6 contracts have not been let out and so,  
7 therefore, we don't have minority  
8 participation information. And so we're  
9 kind of putting the horse before -- the  
10 wagon before the horse. You see what I'm  
11 saying in that regard? Or horse before  
12 the wagon, and that we just don't have  
13 that information.

14 We can talk about how we're  
15 doing, how we're engaging, the outreach  
16 activity that we're doing, and then the  
17 actual results will come as these  
18 contracts are then put out and let and  
19 confirmed.

20 COUNCILWOMAN BROWN: So there  
21 are ongoing outreach, organizing,  
22 information-driven --

23 MR. DOW: Yes.

24 COUNCILWOMAN BROWN: --  
25 sessions, forums around the City?

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2 MR. DOW: Yes.

3 COUNCILWOMAN BROWN: Partnering  
4 possibly with other organizations that  
5 live and breathe that mission every day?

6 MR. DOW: Yes.

7 COUNCILWOMAN BROWN: Thank you  
8 very much for your testimony. Thank you  
9 both.

10 COUNCILMAN CLARKE: Give me an  
11 example where that's happening.

12 MR. DOW: Steve Agostini  
13 mentioned the Recovery 101. That was the  
14 first one. We had two of those. We've  
15 had outreach sessions where we had our  
16 Office of Economic Opportunity  
17 participate in the MED Week activities.  
18 There's a whole week of activities. So  
19 part of that involved procurement,  
20 business opportunities that Councilman  
21 Curtis Jones held.

22 COUNCILWOMAN BROWN: Are they  
23 going to be scheduled on a regular basis?

24 COUNCILMAN CLARKE: Is that it?

25 MR. DOW: Well, I gave you two.

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2 I can give you a couple more.

3 COUNCILMAN CLARKE: Yeah.

4 MR. DOW: Within the gap  
5 financing programs, we did specific  
6 outreach through the media, through the  
7 ethnic media, so we were able to reach  
8 out to them. Outreach to Councilmembers  
9 as a whole to say, Hey, if you knew any  
10 people who would be interested in the gap  
11 financing product.

12 We knew that there were some  
13 applications that were not as strong as  
14 others. We offered that help directly to  
15 make sure that we were able to get  
16 qualified and credible proposals and that  
17 kind of technical assistance to make sure  
18 we did that. So that's the gap financing  
19 product. Those are two more examples.

20 COUNCILMAN CLARKE: Do you have  
21 a list of organizations, entities that  
22 have contractual responsibility for  
23 identifying qualified DBEs in the City of  
24 Philadelphia?

25 MR. DOW: That -- I'm not sure

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2 if I understand the question.

3 COUNCILMAN CLARKE: Do you have  
4 a list of organizations similar to the  
5 Enterprise in the City of Philadelphia?

6 MR. DOW: Yeah. We have a  
7 certified list, yes. We have  
8 approximately --

9 COUNCILMAN CLARKE: Have you  
10 sent those to potential solicitations?

11 MR. DOW: We communicate to  
12 them frequently. We send them --

13 COUNCILMAN CLARKE: On the  
14 stimulus-related issue?

15 MR. DOW: Right. But what  
16 happens -- in the practical nature of  
17 things, what happens is that we get an  
18 opportunity that's specific to a  
19 contract. We will say, Okay, that  
20 contract is specific to a certain  
21 category of organizations that could do  
22 those types of things, and we'll send out  
23 information to those particular  
24 organizations that are capable. So let's  
25 say we have something that's for

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2 concrete. We're not going to send that  
3 to an electrical or --

4 COUNCILMAN CLARKE: That's  
5 not -- let's talk about reality. On the  
6 contracts -- because based on what we  
7 received, it seems like you guys have  
8 been busy over the last several months.

9 Out of these contracts, how  
10 many solicitations for support or for  
11 qualified contractors have you done to  
12 match them with these contracts?

13 MR. DOW: I can't specifically  
14 speak to that right now. If that's  
15 information that you need, I'd have to go  
16 and get it.

17 COUNCILMAN CLARKE: This is  
18 something that came from the  
19 Administration.

20 MR. DOW: Right, and I --

21 COUNCILMAN CLARKE: I want to  
22 see for every one of these contracts some  
23 level of documentation that shows that  
24 prior to or during the course of these  
25 contracts being let or authorized, that

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2 there was some outreach to entities that  
3 could provide, that could match up the  
4 DBEs with these particular contracts.

5 MR. DOW: I'm following you.  
6 We can provide you that.

7 COUNCILMAN CLARKE: You'll be  
8 in a position to give that to us?

9 MR. DOW: I believe so, yes.

10 COUNCILWOMAN BROWN: And that  
11 is an example of why it is so helpful  
12 with all that you have to do that  
13 leadership is at the table so that you  
14 know at the door that this is expected.  
15 It's certainly not -- it's an expectation  
16 of Council, though it's always been. So  
17 we'll be looking and paying close  
18 attention to see how well we honor the  
19 City's commitment to level the playing  
20 field.

21 MR. DOW: Sure.

22 COUNCILWOMAN BROWN: Okay,  
23 then. Thank you.

24 COUNCILMAN CLARKE: Thank you.

25 MR. DOW: Thank you,

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2 Councilman.

3 COUNCILMAN CLARKE: Thank you  
4 so much.

5 Mr. Agostini, I just needed to  
6 ask a question of the public service --  
7 I'm sorry; public safety-related arm of  
8 the Recovery and I guess, to some degree,  
9 technology, but I understand Mr. Gillison  
10 has both hats. Then I would like to ask  
11 a couple of questions about  
12 housing-related stimulus dollars.

13 (Witness approached witness  
14 table.)

15 COUNCILMAN CLARKE:  
16 Mr. Gillison, good afternoon now.

17 DEPUTY MAYOR GILLISON: Good  
18 afternoon.

19 COUNCILMAN CLARKE:  
20 Mr. Gillison, I needed to -- and I want  
21 to thank you all for purchasing the most  
22 recent list, a number of cameras. I  
23 understand we might actually have some in  
24 the pipeline. Without saying it, we do  
25 have some challenges currently as it

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2 relates to getting them --

3 DEPUTY MAYOR GILLISON: Hooked  
4 up.

5 COUNCILMAN CLARKE: -- where we  
6 need to -- I didn't want to say it,  
7 but...

8 DEPUTY MAYOR GILLISON: Getting  
9 them hooked up.

10 COUNCILMAN CLARKE: I didn't  
11 want that out there publicly that some of  
12 them aren't actually hooked up.

13 Are we in a position to access  
14 some stimulus dollars, both public safety  
15 related and technology related, to not  
16 only move our current camera surveillance  
17 program ahead and possibly enhance it?  
18 Because I would think that that's an  
19 eligible activity.

20 DEPUTY MAYOR GILLISON: There  
21 are a number of opportunities that we  
22 examined in the earlier applications. We  
23 were looking at whether or not Byrne  
24 could be used. We found out it could  
25 not. We have asked and working with our

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2 legislator from Congress and I know that  
3 we've been in touch with Congressman  
4 Fattah, who has been very, very  
5 instrumental on getting us dollars,  
6 additional dollars, for our project. I  
7 know that Allan Frank through our IT has  
8 been able to take -- and we've put  
9 together a strategy for public safety  
10 that will be able to supplement what  
11 we've been -- what we're doing in a way  
12 that I think will expand our ability to  
13 hang cameras in a much quicker way than  
14 we've been able to do in the past based  
15 only on City dollars.

16 So we're trying to move this  
17 forward by putting together a new  
18 network, and if we can do that, then I  
19 think we'll be able to advance this a lot  
20 faster. But some of the dollars that we  
21 identified under the previous  
22 allocations -- it's not available under  
23 the COPS grant. It's not available under  
24 those kinds of matters, but Recovery  
25 dollars from IT, we did put in a grant

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2 under -- I think it was let in  
3 September -- where Allan Frank applied  
4 for grants that we would be able to use  
5 and leverage our video surveillance  
6 program. So there are dollars available.  
7 We applied for them.

8 COUNCILMAN CLARKE: How much  
9 was that; do you know?

10 DEPUTY MAYOR GILLISON: I don't  
11 know offhand how much the -- I think the  
12 initial was somewhere around \$21 million.  
13 That's coming to mind, but I'll be able  
14 to get back to you, Chairman.

15 COUNCILMAN CLARKE: Because you  
16 know where I am with the camera thing.

17 DEPUTY MAYOR GILLISON: Well,  
18 you know where I am. We've been --

19 COUNCILMAN CLARKE: Our  
20 inability to get those things, as you  
21 say, hooked up is very important.

22 DEPUTY MAYOR GILLISON: There  
23 was \$22 million that we applied for in  
24 order to help us with this particular  
25 matter.

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2 COUNCILMAN CLARKE: Just for  
3 the cameras?

4 DEPUTY MAYOR GILLISON: No.  
5 That's --

6 MR. AGOSTINI: Councilmember,  
7 it's \$22 million for general  
8 infrastructure, information technology  
9 infrastructure.

10 COUNCILMAN CLARKE: For  
11 everything?

12 MR. AGOSTINI: For everything.

13 COUNCILMAN CLARKE: Not  
14 necessarily --

15 MR. AGOSTINI: For the cameras.  
16 Not specifically to the cameras or  
17 surveillance.

18 COUNCILMAN CLARKE: Can you --  
19 and if you don't have it now, that's  
20 fine, but can you tell me how much of  
21 that, or would you make that  
22 determination after you received the  
23 grant, how much of that will go towards  
24 the surveillance program?

25 DEPUTY MAYOR GILLISON: I have

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2 to get back to you. But, yes, we have a  
3 couple of different strategies that are  
4 going on. I'll be glad to -- I know a  
5 lot of different deadlines are coming up  
6 and we are looking at how to supplement  
7 this particular program. You know the  
8 challenges that have been out there and  
9 you also know the limitations technology  
10 that we have, and once we get over those  
11 two things, then we'll be able to do this  
12 in a faster way.

13 COUNCILMAN CLARKE: Okay. All  
14 right. Thank you.

15 COUNCILMAN RIZZO: Point of  
16 information.

17 COUNCILMAN CLARKE: Councilman  
18 Rizzo.

19 COUNCILMAN RIZZO: Just a  
20 30-second comment.

21 We've got a lot of cameras up  
22 not operational, correct?

23 DEPUTY MAYOR GILLISON: That's  
24 correct.

25 COUNCILMAN RIZZO: How many?

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2 DEPUTY MAYOR GILLISON: There  
3 are -- from what I understand, there are  
4 117 that are up and operational and there  
5 are another 40, I believe, that are up  
6 and are waiting to be hooked into the  
7 network.

8 COUNCILMAN RIZZO: Could I  
9 please make a recommendation. The  
10 cameras that are up and not operational  
11 have plastic bags over them.

12 DEPUTY MAYOR GILLISON: The  
13 majority of them do.

14 COUNCILMAN RIZZO: A deterrent,  
15 you got the blue light or whatever the  
16 color of the light is, blue, flashing, a  
17 plastic bag over the camera. The bad  
18 guys don't know they don't work. Take  
19 the plastic bags off.

20 DEPUTY MAYOR GILLISON: I  
21 understand your point. I do.

22 COUNCILMAN RIZZO: Thank you.

23 COUNCILMAN CLARKE: Thank you.

24 Thank you so much, Mr. Gillison.

25 DEPUTY MAYOR GILLISON: Not a

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2 problem.

3 COUNCILMAN CLARKE: We look  
4 forward to -- particularly not just this  
5 issue, but as we move towards the budget  
6 process, let us know what you need for  
7 the cameras, because they really work.

8 DEPUTY MAYOR GILLISON: Oh,  
9 they do. I know that we have shared with  
10 both your office and other Councilpersons  
11 that have not only asked and shared with  
12 the Public Safety Committee how much our  
13 data is showing that they work. The  
14 idea, though, is that we have to make  
15 sure that we can deal with the  
16 integration, and it's a 30-day window  
17 that we want to keep for evidentiary  
18 purposes, and right now that's what we're  
19 going to have to figure out a way of how  
20 to put it forward. But, yes, I thank you  
21 very much for your support.

22 COUNCILMAN CLARKE: Thank you.

23 One last question I have  
24 relating to housing, the stimulus  
25 dollars.

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2 (Witness approached witness  
3 table.)

4 MR. WILDS: Good afternoon,  
5 Councilman. I'm Scott Wilds, Deputy  
6 Director of Housing. I'd be happy to  
7 answer any questions I can.

8 COUNCILMAN CLARKE: Good  
9 afternoon, Mr. Wilds. You have the right  
10 shirt on. Go Phillies.

11 MR. WILDS: I seem to be the  
12 only one here in spirit today, but I'm  
13 happy to --

14 COUNCILMAN CLARKE: I'm sorry.  
15 Councilwoman, I'm sorry. This is the  
16 last question. This is the last question  
17 for me.

18 Mr. Wilds, real quick, one of  
19 the issues -- and we've had significant  
20 hearings on the stimulus-related block  
21 grant dollars. There is one issue and  
22 it's to some degree NTI related, and you  
23 may not actually be able to answer this  
24 and I understand why, but I got to put it  
25 out there for the record.

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2 PHFA, Pennsylvania Housing  
3 Finance Agency, I understand got upwards  
4 of \$90-plus million.

5 MR. WILDS: They got a large  
6 amount of what's referred to as TCAP  
7 money.

8 COUNCILMAN CLARKE: So, i.e.,  
9 tax credit?

10 MR. WILDS: Yes.

11 COUNCILMAN CLARKE: In order to  
12 maximize our opportunity to take  
13 advantage of that, meaning that we have  
14 as many responses to their request for  
15 proposals as possible, we have to show  
16 site control; am I correct?

17 MR. WILDS: That is right. As  
18 a rule, they require site control at some  
19 level to be able to apply, and the next  
20 round we think is February.

21 COUNCILMAN CLARKE: And do you  
22 think there might be a subsequent round?

23 MR. WILDS: I think that will  
24 be the only one for 2010.

25 COUNCILMAN CLARKE: For the

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2 stimulus dollars -- for the stimulus  
3 credits, I'm sorry.

4 MR. WILDS: For the tax  
5 credits, that's correct.

6 COUNCILMAN CLARKE: So the  
7 bottom line is, if we don't have site  
8 control, we must move in God speed, so to  
9 speak, to --

10 MR. WILDS: In general, PHFA  
11 has accepted a resolution of Council to  
12 take through a condemnation as evidence  
13 of site control.

14 COUNCILMAN CLARKE: So if we're  
15 in a position to have access to, say, NTI  
16 dollars and before Council leaves in the  
17 December recess, we can pass an ordinance  
18 or a resolution that evidences an  
19 authorization for the Redevelopment  
20 Authority to acquire properties or  
21 authorize a condemnation, that  
22 traditionally suffices for PHFA as some  
23 evidence of ultimate site control?

24 MR. WILDS: I believe that  
25 would be correct, though they have

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2 sometimes varied what they will accept as  
3 evidence of site control.

4 COUNCILMAN CLARKE: Okay. I'm  
5 good.

6 Councilwoman.

7 COUNCILWOMAN BROWN: Any of  
8 those CDBG dollars, Recovery dollars,  
9 suitable for capital improvements for  
10 arts and cultural institutions in the  
11 City?

12 MR. WILDS: There is an  
13 allocation of funding, as you may recall,  
14 back in June, Councilwoman, when we  
15 brought a budget for those funds to  
16 Council, and of the 14 million, 500,000  
17 was set aside for businesses related to  
18 the arts and culture world. Mr. Steuer  
19 was here -- is here and could speak to  
20 where they are with those funds.

21 They could not be grants to  
22 arts groups for operating expenses. They  
23 would have to be a business-related  
24 job-creating activity. But he's here if  
25 you would like to hear from him.

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2 COUNCILWOMAN BROWN: Well, I  
3 would, but I'm going to have to push the  
4 pause button because I need to honor --  
5 Councilwoman Blackwell does have another  
6 hearing. That was an opportunity to put  
7 it on the record, with the follow-up  
8 being that the three of us possibly -- I  
9 know Gary and I tried before, but the  
10 three of us can sit so that I could have  
11 a better handle on how that impacts the  
12 arts and culture community favorably.

13 MR. STEUER: Sure.

14 COUNCILWOMAN BROWN: Thank you  
15 very much.

16 Thank you, Mr. Chairman.

17 COUNCILMAN CLARKE: Thank you,  
18 Councilwoman.

19 Any other questions of these  
20 witnesses?

21 (No response.)

22 COUNCILMAN CLARKE: Anyone else  
23 to testify on this resolution?

24 (No response.)

25 COUNCILMAN CLARKE: There being

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2 none, I want to thank you all very much.

3 Mr. Agostini, thank you for  
4 your work. We really look forward to  
5 having a follow-up, not necessarily in  
6 this format, but there are a couple of  
7 outstanding issues that we want to  
8 address so we can be more productive in  
9 our support of your efforts.

10 Thank you.

11 I'm sorry. This committee is  
12 recessed until the call of the Chair.

13 (Committee on Fiscal Stability  
14 and Intergovernmental Cooperation  
15 recessed at 1:55 p.m.)

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CERTIFICATE

I HEREBY CERTIFY that the proceedings, evidence and objections are contained fully and accurately in the stenographic notes taken by me upon the foregoing matter on October 28, 2009, and that this is a true and correct transcript of same.

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MICHELE L. MURPHY

RPR-Notary Public

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