

# NEWS



# NEWS

## MAYOR'S OFFICE OF COMMUNICATIONS

Room 216 - City Hall  
Philadelphia, PA 19107  
Phone: 215. 686.6210 or 6211  
Fax: 215.686.2170  
Internet: [www.phila.gov](http://www.phila.gov)

John F. Street, Mayor  
Barbara Grant  
Director of Communications

---

**CONTACTS:** Luz Cardenas, (215) 686-6210

**For Release:** November 18, 2004

### Mayor John F. Street's Statement On the Downsizing of City Government

Five years ago, when I was first sworn into office, I stated that my priorities would be to revitalize neighborhoods, keep our streets safe, improve public education and opportunities for children, and provide world-class services through fiscal discipline and strategic investments in our city.

Last month, Architectural Record published an article that was actually a very pleasant surprise. A nationally renowned publication looked at our City and confirmed the progress we always believed we had made. It stated, "*In the past four years, the City of Brotherly Love has become a hotbed of urban development and revitalization. In almost all of the nearly 70 neighborhoods in this 135-square-mile city, the sights, sounds and signs of construction are part of the everyday pedestrian experience.*"

This week, we topped off the new Cira Center in West Philadelphia, the first skyscraper in almost two decades, which represents a continuing commitment by Brandywine Realty in our city. We also announced that Toll Brothers, the largest homebuilder in America, will develop its first project in the city at the Naval Home.

Also, the Philadelphia *Inquirer* cited the latest Milken Institute report that showed Philadelphia to be one of the most improved metropolitan areas in the nation in job and wage growth. That simply doesn't happen without a strong urban center. The Milken report emphasized the importance and strength of our colleges and universities as well as our pharmaceutical, health care and hospitality industries. One of the successes they identified as important was our recruitment of Southwest Airlines to Philadelphia International Airport and the impact it is having on lowering the regional cost of transportation.

## **Mayor's Statement on Rightsizing Government**

### **Page 2**

We have managed, with care and fiscal restraint, to stay on course and make our neighborhoods more attractive places without turning our backs on the economic progress that has continued in Center City and the retail and commercial districts throughout the city. The unprecedented housing boom and the strong resale market throughout the city signal people have real a faith in our city and its future.

Importantly, we have done all of this while annually cutting taxes at a time when almost every other major city in the country has been forced to raise taxes or abandon tax reduction programs. To date, I have signed five budgets containing reasonable and affordable tax relief for individuals and businesses. I am committed to continuing affordable tax cuts in each of my remaining budgets and Five-Year Plans.

I have always been candid with the citizens of our City about our fiscal situation. As early as January of 2000, I indicated we would be looking at rough waters in the next few years. We have encountered many challenges: the national recession, rising pension costs and increased labor costs for our new contracts. In our budget address this year, I stated that there would have to be continued reductions in the number of city employees in order to continue to fund important services, meet our increased commitment to public education and further reduce taxes.

As you all know, last month, one of the bond rating agencies gave us a downgraded credit rating. As reasons, they cited weak revenue forecast and acknowledged the economic difficulties that have hit many urban centers. We took that as an appropriate message to redouble our watchfulness on the finances and continue the steps necessary to give Wall Street confidence that we have the will to live within our means.

Over the last two years, we have reduced the number of employees by 1,200, primarily through the DROP program and attrition. Today, I am announcing the second stage in the downsizing of this government. By the end of this fiscal year, the City will eliminate an additional 1,300 positions, fulfilling a promise I made two-and-a-half years ago to reduce the size of this government by approximately 2,500 employees in our effort to afford tax cuts and maintain core services.

I am announcing today that we will implement involuntary separations almost immediately in the form of over 150 layoff notices. That number will increase to approximately 500 in the next two to three months. Unfortunately, no other course remains if we are going to balance our budgets over the next five years.

This news will cause real pain in the lives of employees and the families of those people who will be asked to leave City employment. It is painful but it is an unavoidable step.

Despite these staff reductions, let me assure you we will not allow any budget cuts to compromise public safety, but these reductions WILL require reductions in the number of uniformed employees.

I have today authorized the Managing Director and our labor relations unit to notify DC 33 and 47, the Fraternal Order of Police and the Fire Fighters Union of the impending personnel reductions. As well, I have authorized the Commissioners and department heads to begin to assemble the registers from which layoff lists will be created.

**Mayor's Statement on Rightsizing Government**  
**Page 3**

Given the complexity of achieving layoffs under our civil service rules and other regulations, I am appointing Managing Director Phil Goldsmith to head a working group that will monitor this process to minimize disruption to the government operations and manage the needed transition and realignment that must take place.

I cannot guarantee there will be no slippage in some of the services residents receive and have come to expect but we will do our best. For example, it is of great concern to me that our libraries currently do not provide Saturday hours and I am not at all confident that we can continue the aggressive snow removing measures that have been a hallmark of this Administration.

But in closing, let me assure you that as this Administration makes important decisions they will be based on our clearly stated priorities: clean, safe neighborhoods; improved education and opportunities for children; as well as fiscal discipline. These priorities will remain in the forefront of all budget and spending priorities. It is clear from the progress we are seeing across the city that these initiatives are working.

My commitment is to work everyday to solve our problems and continue our progress while at the same time doing nothing to compromise the progress we have made.

###