



Volume 3, Issue 1

January 2008

Philadelphia **FORWARD**

1700 Market Street
Suite 3130
Philadelphia, PA 19103
215.563.3881 (phone)
215.563.1566 (fax)
www.philadelphiaforward.org

Executive Committee

William R. Miller, IV
Chair
Sharmain Matlock-Turner
Treasurer
David B. Thornburgh
Secretary
Brett Mandel
Executive Director

Board of Directors

Branville Bard
Suzanne Biemiller
John Chin
Della Clark
Priscilla Cohen
Donald Diloreto
Graham Finney
Heidi Gold
Edmund Goppelt
Keziah Johnson
Michael Jones
Diane Lucidi
Robert S. Nix
Claudia Post
Colleen Puckett
Ethan Thornton
Stewart Weintraub
Ahmeenah Young

Inside this issue:

The Next Mayor On Reform Issues	2
BUDGETWATCH: It Is Time To Open The Books	2
Moving Philadelphia Forward: Meet Other Reformers	2
Illegal Real Estate Taxation Is Challenged	3
The R.E.F.O.R.M. Agenda: Reformers, It Is Time To Act	3
Show That Philadelphia Is Now Engaged And Encouraged	3
<i>Philadelphia Forward</i> Making News & Change	4

The Order Is Rapidly Fadin'



Philadelphia Forward Executive Director
Brett Mandel

The times they are a-changin' indeed! The polls showed it and the elections confirmed it. Philadelphians want change. Philadelphians voted for change. The election of Michael Nutter as Mayor and the ousting of three incumbent City Council members represent an historic opportunity for Philadelphia. The fact that "reform" and "change" were central themes for the winning campaigns just underscores the importance of the results. Now it is time to give the people what they want.

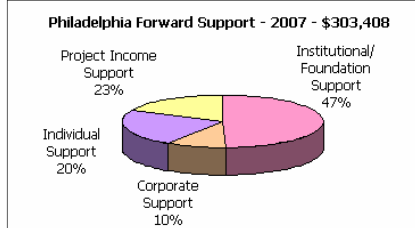
When we established *Philadelphia Forward* in 2004, we were focused on clear goals. We understood that we need to make Philadelphia taxes more fair and less burdensome to attract and retain firms and families. If we were to make tax reform happen, we knew we must bring transparency to the budget process so we could have an honest debate about raising and spending public money. Finally, if we were to honestly debate the budget, we recognized that we would have to reform the ethical framework within which our government operates so we could be sure that our elected leaders were working for the public good and not the special interests. *Philadelphia Forward* has worked toward these goals for the past four years.

These could be very good years, indeed, and we could not be more excited to work with the incoming administration and City Council to make Philadelphia the city we know it SHOULD be — a preferred place to live, work, and visit.

Philadelphia Forward Thanks Its 2007 Supporters

With apologies for inadvertent errors/omissions, we thank:

Ames Adamson, Wilbert Afflerback, Rebecca Alexander, Kathy Anderson, Avencia Inc., William Bailey, Timothy Bathurst, The Beach Foundation, Barbara Benton, Terry Berch, Richard Biddle, Suzanne Biemiller, John Blickensderfer, Joe Blume, Marlene Blume, Vincent Bolognone, Lauren Bornfriend, Robert Brasler, Joseph Bright, Catherine Broh, Edwin Bronstein, Dewitt Brown, Building Owners And Managers Assn., W.W. Keen Butcher, Kevin Cafferky, Thomas Callan, Barbara Capozzi, Michael Carrier, Daniel Ceballos, Joan Chait, John Chin, Della Clark, Priscilla Coblenz, Robert Cohen, John Collins, James Connor, Douglas Cooperberg, Arthur Council, Court Daspit, Martin Dershowitz, Jeffrey DeVuono, Dickstein & Scutti, Don Diloreto, Edward Dixon, Charles Donnelly, Elizabeth Dow, Shannon Drosnock, Fred Druding, Jr., Mario Economou, Econsult Corporation, Gilbert Feinberg, David Feldman, Marc Feller, Graham Finney, Judy Foley, Henry Frank, Shuchi Franklin, Frances Frederick, Martin Friedman, William Frith, Carol Fritz, Geoff Hornstein, Robert Hornick, William Horoschak, Ruth Horwitz, Gwendolyn Hoye, Stephen Huntington, Independence Foundation, Susan Jaffe, Jill Horn Catering, Farrah Jimenez, Erik Johanson, Michael Jones, Ken Kaiserman, Anna Kamstra, Leroy Kean, Allison Kelsey, Ralph Kendricks, John Kennedy, Keystone Mercy Health Plan, Gay and Don Kimelman, Knight Foundation, Alan Kraus, Rob Lamendola, Melani Lamond, Susan Lamparter, Marc Lapayowker, Margherita Larson, Robert Leming, H.F. Lenfest, Alvin Levin, Lincoln Inst. of Land Policy, Herbert Lipsch, Local Initiatives Support Corp., Melvin Lovett, Brett Mandel, Steve Markowitz, Charles Marshall, Nicholas Mascuilli, Harry Massale, Ayanna Matlock, Elizabeth McLaughlin, John McTague, David Mercuris, Virginia Meyer Smith, Kristin Mihelic, Thomas Mills, Kay Mosby, Frederic Murphy, Anthony Naccarato, Robert Nix, Robert O'Donnell, Judith O'Leary, Julio Olmo, Erika Orsulak, Mary Ounsworth, Richard Padgham, PECO Energy Company, PA Economy League Eastern Div., Gladys Pfaff, Philadelphia Foundation, Diane Pieri, Daniel Pipes, Poor Richard's Charitable Trust, Lisa Posey-Alandt, David Post, James Price, Colleen Puckett, Mark Randall, John Randolph, Thomas Reilly, Jr., REIT Mgt & Research LLC, James Robb, Angeles Roca, Franklyn Rodgers, Rohm and Haas Company, Ena Rosen, Andrew Rosenbach, Harold Rosenthal, Ross Associates, Inc., The Elizabeth B. and Arthur E. Roswell Foundation, Joan Sage, Samuel S. Fels Fund, Bruce Schimmel, Debra Schwartz, Ruth Segal, Vivian Seltzer, Barry Seymour, Robert Shipman, M'Balia Singley, John Smyth, Hal Sorgenti, Mary Stafford, Joselyn Starks, Paul Steinke, Ronni Stillman, Strategic Metals Corp., Catherine Sullivan, Cy Swartz, Andrew Terhune, The Campaign Group, Inc., David Thomson, David Thornburgh, Tierney Communications, Casimir Toczylowski, Ray Tomczak, Giovanna Tonelli, Andrew Toy, Mary Tracy, David van Balen, Norma Van Dyke, Thomas Vernon, Gary Votto, Alfred Waber, Wachovia Bank, Kesho Watson, Mary Ellen Weber, Carol and George Weinbaum, Ken Weinstein, Stewart Weintraub, Barry and Arlene Weissman, Lewis Wendell, ML Wernecke, William Penn Foundation, J. Randolph Williams, Jr., Jason Wingard, Edwin Winter, Connie Winters, Arthur Yeatman, Cecilia Yep, Hope Yusem, Hope Zoss, Yards Brewery, Zip Co Wine Cellar Services, Inc., Joseph Zuritsky



The Next Mayor On Reform Issues

Regarding tax reform, Mayor-elect Nutter declares:

- I will sustain the scheduled reductions in the Wage Tax to a rate of 3.25% for both residents and non-residents by 2015.
- I will establish a certain schedule for the gradual elimination of the Gross Receipts portion of the Business Privilege Tax over a five-to-seven year period and the gradual reduction of the Net Income portion of the BPT to the current rate of the Wage Tax.
- I will support a revenue-neutral move toward Full Value Assessment by the BRT for the purposes of the Real Property Tax matched by a proportional reduction in the millage rate by City Council.
- I will support a fair and accurate reassessment of property in the City to current market value with the provision that safeguards be in place (as proposed in my Better Housing Now Plan) that ensure no Philadelphian is forced to sell their home because of an increase in property taxes.



- Present realistic estimates of the costs and funding sources of new proposals, starting with those I am making in this campaign.

Regarding ethics reform, he presents his ideas to restore trust in city government:

- A Board of Ethics that becomes a powerful and independent enforcer of the ethics agenda
- Campaign Finance reform that reduces the amount of money circulating in our elections
- Financial Disclosure that exposes the "pay-to-play" activities that can corrupt our government
- Contracting Reforms that bring efficiency and fairness to the City's business
- Open Government procedures that involve citizens and makes integrity the new high standard in City Government

Mayor-elect Nutter in his own words on reform issues:
www.philadelphiaforward.org/decision2007

Michael Nutter For Mayor position papers:
www.nutter2007.com/images/uploads/an_honest_budget_now.pdf
www.nutter2007.com/images/uploads/Ethics.pdf

Regarding budget reform, he declares his plan to:

- Reform the process by which the City budget is devised and debated in order to achieve greater levels of public participation and government performance.

BUDGETWATCH: It Is Time To Open The Books



BUDGETWATCH raises the level of public debate surrounding the city budget.

BUDGETWATCH essays are posted online and archived at www.philadelphiaforward.org/budgetwatch. Recent opinions examined the fiscal state of the city and called for an open and transparent budget process.

On the city's budgetary process:
In recent years, the Mayor has routinely told City Council that it would be impossible to find money to fund the priorities of City Council during the budget process, only to come to City Council later in the year with news that it was suddenly possible to find money to fund new Mayoral pet projects. Then, using his charm, and some of the power of a strong mayor, he has been able to have City Council pass a transfer ordinance to get his way — year after year — playing the same bait-and-switch game.

On a better way to budget:
Given our current fund balance surplus, we can establish a Rainy Day Fund to set aside a cushion against any potential fiscal difficulties in the future. Then, we can use our budgetary flexibility to invest in addressing looming problems. If we embrace an open and transparent budget process and an honest discussion of fiscal priorities and assumptions, we can address the city's long-term structural problems in a way that allows us to make Philadelphia the city we know it can be.

Moving Philadelphia Forward: Meet Other Reformers



Philadelphia Forward Board Member Ed Goppelt

Philadelphia Forward Board member Ed Goppelt is moving Philadelphia forward. As a teen, he built his first computer from a mail-order kit, later turning his tech savvy into a pioneering effort to inform Philadelphians about their government.

Seven years ago, Goppelt established www.hallwatch.org and revolutionized how Philadelphians interact with their govern-

ment. It directly led to improved public access to government information. Hallwatch's mission is to provide Philadelphians with the tools and information to participate as equals in the political life of our city. How government collects and spends taxpayer money has been a longstanding focus of Hallwatch coverage.

Goppelt, a graduate of Penn Charter and Harvard University, lives with his wife Jody and their three dogs in the Italian Market section of South Philadelphia.

Illegal Real Estate Taxation Is Challenged

Philadelphia Forward and other stakeholders are currently exploring legal options to compel the city to make real estate taxation fair and understandable. We are convinced that legal action is a viable path for change.

The Tax Reform Commission showed that:

"Philadelphia's property assessments do not meet industry standards for accuracy; all across the city, assessed values diverge widely from market values. Philadelphia's property assessments do not meet industry standards for equity; properties in poorer neighborhoods are, on average, assessed at a higher percentage of market value than properties in more affluent neighborhoods."



What is wrong with this picture? *Philadelphia Forward* Executive Director Brett Mandel illustrates the problem: in Philadelphia similar properties pay different Real Estate Tax Bills. That's not just unfair — IT'S ILLEGAL!

In his recent ruling in *Clifton vs. Allegheny County*, Judge Stanton Wettick found that:

"Using income tax terminology, one out of every four Philadelphia property owners was in a tax bracket of at least 3.35% and one out of every four property owners was in a tax bracket that did not exceed 1.42%"

"Market Value" for tax purposes. But that is not the case in Philadelphia today.

The Pennsylvania Constitution demands that "all taxes shall be uniform, upon the same class of subjects, within the territorial limits of the authority levying the tax." However, the city is in comprehensive violation of uniformity and the most-recent assessments do not correct the problems. Because the assessment lacks uniformity with other properties within the taxing jurisdiction, they are illegal, improper, and unjust.

Philadelphia Forward has demonstrated the problems with Real Estate Taxation issues in many ways and we have consistently articulated policies that can help Philadelphia move from an unfair (and illegal) system to a fair

one. See:

- <http://www.philadelphiaforward.org/node/47>
- http://www.philadelphiaforward.org/citywide_reassessment

By law, all properties are to be assessed uniformly and all properties should share the same basic relationship between their current potential resale value and their

If policy makers will not fix this problem, then we are prepared to go to court to make them fix the problem.

The R.E.F.O.R.M. Agenda: Reformers, It Is Time To Act



In this summary of the citizen-drafted R.E.F.O.R.M. Agenda, principles noted with an (*) are those supported by the Mayor-elect and a majority on City Council:

Restore Credibility

- Set Term Limits for City Council
- Enact Anti-Nepotism Laws
- *Alter Police-Department Governance
- Establish Public Finance for City Elections

Engage and Enable Neighborhoods

- Establish a 311 System
- Eliminate the BPT; Reduce the Wage Tax
- *Publish Government Performance Data
- *Encourage Energy Efficiency

Fight for Fiscal Responsibility

- *Show Budget Costs by Program
- *Fix PGW to Make the Utility Work
- End the 10-Year Property Tax Abatement
- Establish A Rainy-Day Fund For the City

Open Government to the People

- Competitively Bid All City Contracts
- Update Open-Records Laws
- *Publish Documents in a Timely Manner
- *Publish Citizen and Employer Manuals

Respect Citizen Input

- Draw Districts Without Gerrymandering
- Hold Council Hearings in the Community
- *Issue Comments With Zoning Brd. Rulings
- *Publish Vacancies for Agencies/Boards

Modernize City Services

- *Enact Modern Zoning and Building Codes
- *Extend and Modernize Transit Services
- *Complete a New City Comprehensive Plan
- *Allow Citizens to Interact with City Online

Now, our elected reformers must implement the R.E.F.O.R.M. Agenda. Visit www.reformballot.org to review the Agenda and the officials who support its principles.

Show That Philadelphia Is Now Engaged And Encouraged



Corrupt and contented? That is so 20th Century! Philadelphia is now ENGAGED AND ENCOURAGED! Show your

neighbors and friends that we have turned things upside down with our ENGAGED AND ENCOURAGED trinkets and our ENGAGED AND ENCOURAGED wear.



The ENGAGED AND ENCOURAGED logo is offered on a t-shirt, a polo shirt, a hoodie sweatshirt, and a fridge magnet. Each makes a great gift! Reformers can go online to the *Philadelphia Forward* superstore located at www.cafepress.com/philafoward to do all their EN-

GAGED AND ENCOURAGED shopping! Show Philadelphia that you are ENGAGED AND ENCOURAGED.

The **FORWARD** Thinker

Philadelphia **FORWARD**

1700 Market Street
Suite 3130
Philadelphia, PA 19103
www.philadelphiaforward.org

215.563.3881 (phone)
215.563.1566 (fax)
info@philadelphiaforward.org



Philadelphia Forward is a citizens' organization formed to build a diverse constituency for change to promote the policies that can make Philadelphia a vibrant city that is a preferred place to live, work, and visit.

For more information about getting involved with the push for reform, visit: www.philadelphiaforward.org

Philadelphia Forward Making News & Change

Philadelphia Forward continues to make news and extend the reach of its work through the local media. In recent months, the push for Real Estate Tax fairness made many headlines and brought *Philadelphia Forward* much attention. The scope and depth of the problems with Philadelphia Real Estate Taxation were laid bare for all to see.

metro Philadelphia's Board of Revision of Taxes has valued Fumo's 29-room home at \$250,000 for the past six years, just a fraction of his \$6,995,000 asking price. The BRT has required Fumo to pay just \$6,611 in real estate taxes each year, which according to tax advocate Brett Mandel is the most vivid picture of the problems with the city's assessment process.

"Even though thousands of people in Philadelphia are facing increased tax bills, Mr. Fumo hasn't faced an increase in six years," said Mandel, of Philadelphia Forward.

By Mandel's calculations, using the defined formulas for Philadelphia, Fumo's actual real estate taxes should be in the area of \$185,000 per year — \$179,000 more than Fumo is actually paying. Mandel, who found several other instances of houses being undervalued by the BRT, says this is proof that the tax assessment system needs to be overhauled.

"Whether it's ineptitude, political shenanigans or worse, the system is unfair, unjust and it's illegal," said Mandel, whose organization is looking into filing a lawsuit against the city and pushing for homeowners to challenge their tax bills. (10.17.07)



OF ALL THE damning details made public about state Sen. Vince Fumo since the February release of the 267-page indictment outlining 139 criminal counts against him, perhaps none is more infuriating than the detail that came to light last week: that his property-tax bill for his home, listed for sale at nearly \$7 million, is \$6,000. [snip]

Consider this example, provided by reformer Brett Mandel, of Philadelphia Forward, who is trying to sue for a system fix: He reviewed eight recent houses that sold for \$250,000. The BRT valuations of those properties ranged from \$6,000-\$125,000, with tax bills ranging from \$169 to \$3,305.

But if you're the homeowner with a \$169 tax bill, you're going to want to keep your mouth shut and keep the system broken as long as it works in your favor.

That's human nature. But it's not fair. And it hurts the city as a whole. Someone needs to fix this so everyone pays his fair share. (10.19.07)

The Philadelphia Inquirer It's bad enough that State Sen. Vincent J. Fumo (D., Phila.) has been receiving a huge break on city property taxes on his \$7 million, 27-room mansion. [snip]

The BRT's explanation for Fumo's enormous tax break is, essentially, "stuff happens." In August, the BRT raised assessments for about 7 out of every 10 homeowners, increasing their 2008 taxes by an average of 8 percent. Fumo's gigantic home probably fell through the cracks because - get this - its price tag is too large. A house so expensive sails right on by the BRT's computer. It simply does not compute.

The message to ordinary homeowners from this affair is that the size of a VIP's tax bill depends on having friends in convenient places. (11.2.07)



Philadelphia Forward's revelation about the big mansion with the tiny tax bill generated a major local media splash.