

# Interview

## Philadelphia's Priorities



The Hon. Michael A. Nutter

**EDITORS' NOTE** Michael Nutter is the 98th Mayor of Philadelphia and took office in January 2008. Nutter is a former Councilman of the city's 4th Council District and has served as the Democratic Leader of the 52nd Ward since 1990. He graduated from the Wharton School of Business at the University of Pennsylvania in 1979.

**Following the economic downturn over the past 24 to 48 months, what is the city's fiscal stability and how is it positioned going forward?**

We started to see signs of a problem in the spring of 2008, but we didn't know what it was. Then, in the summer of 2008, we saw significant declines in revenue and we then knew we had a problem. In August, we made a decision to share what we thought was happening with the public. On September 11th, 2008, we announced that we had a \$450-million, five-year plan budget problem.

We tried to keep the public informed and stay ahead of whatever was going on at every step along the way in terms of our actions. We then took immediate steps to start closing that gap and continuously stayed in touch with the public to give them updates, letting them know what we had found out.

Two days after the Obama/McCain election, we announced that we had a \$1-billion, five-year plan deficit and that same day we laid out steps to close it.

We communicated to the public our priority areas: public safety first and foremost; making sure the government could still function; and not taking short-term actions that would damage us in the long term and threaten our recovery.

In the summer and into the fall of 2010, our tax revenues stabilized. They've continued to come in where estimated and a few are actually up. So we're starting to see some business growth, we have companies locating or relocating or expanding in the city – GlaxoSmithKline, the Mark Group,

Urban Outfitters, and Teva Pharmaceuticals – and we're on a much more solid fiscal ground today than we were two years ago.

**How challenging was it maintaining high levels of public safety during this time?**

I was planning to hire 400 more officers shortly after I came into office, but we weren't able to do that. However, we have not laid off one police officer, firefighter, sanitation worker, or social worker.

We have allowed the workforce to be reduced primarily through attrition. We cut overtime in half and the police commissioner, Charles Ramsey, re-deployed officers and collapsed specialized units. His focus has always been on patrol, so he put more bodies out on the street.

On the fire side, we were running up significant overtime and had equipment out there we couldn't afford to staff, so we pulled some of that equipment back. In 2009, we had the lowest number of recorded fire deaths in the city's history.

I have a great team of experienced professionals who know what they're doing and I let them do their jobs.

**How much have you been able to do as Mayor in reforming the education system?**

I may not technically be in charge of the schools, but these are my children. I serve their parents, I pick up their trash, I run their rec centers, I put police officers on the street, and I send nearly \$1 billion of city tax money to the schools.

From my first day in office, I laid out three important goals for this city: we had to deal with public safety since crime had been rising, so we hired a great police commissioner and focused on homicide and violent crime reduction; the other two goals were increasing the high school graduation rate and college degree attainment.

So while I'm not in charge of secondary or post-secondary education, I have staked our city's future on those two items, because if we get those two things right, everything else we want to do will fall into place.

With a well-educated workforce, there are more people working, resulting in less crime. We'll also be maximizing the effect of the 101 colleges and universities in the Tri-State area; my goal is to double our college degree attainment rate to get it into the high 30s, low 40s.

This will enable us to have the kind of workforce that will make employers want to be in Philadelphia. With more jobs and more tax revenue, we will have a better city.

I understand the true value of colleges as economic engines, because they bring thousands of

young people to this city for their education and millions of dollars in research money.

One in five doctors in the country are trained in the Philadelphia area. The education, medical, pharma, and life sciences space is big in Philadelphia and we're growing in clean tech and energy.

**How did the Greenworks Philadelphia program with its focus on clean energy come about?**

On inauguration day in 2008, with no plan in hand, I declared that Philadelphia would be the number one green city in the U.S.

In April 2009, we released our Greenworks Philadelphia plan, which set 15 targets for improving the environment by reducing Philadelphia's energy use, creating jobs, and enhancing the quality of life. Company after company has seen our focus on this and wants to be here.

This is a national award-winning program, and we've not only talked about it but implemented 60 percent of it.

I've visited training classes for things like weatherization programs and solar panel installation, where all the participants were unemployed when they started. Eight weeks later at graduation, every one of them had a job in the private sector. And out of this, you will see a number of entrepreneurs develop.

**Have you been happy with how the business community has come onboard and how critical has it been to have them engaged?**

It has been critically important. As a member of City Council for 14 and a half years and the leader on tax reduction, I have known these folks for a long time. So they have seen me operate as a council member and take on the challenges as an executive.

This government, prior to the recession, was a \$4-billion operation, with 22,000 employees, 17 members of City Council that could be considered the board of directors, with me as CEO. We have a million and a half shareholders who expect a return on their investment from the taxes they pay – those are my residents. If I serve my customers well, they will stay here; otherwise, they'll find someone else to be in charge of picking up their trash, running their rec centers, and making them feel safe with their police department.

So like any other business, I have to provide a high quality product at the lowest possible cost. And that makes it critical to stay in touch with the business community. ●