

# The Philadelphia Inquirer

## City overspends in overtime, again

NOVEMBER 15, 2016 — 1:08 AM EST

This is the sixth year in a row that Philadelphia overspent on overtime.

by **Claudia Vargas**, Staff Writer

Philadelphia spent \$170 million in overtime in fiscal 2016, which was 26 percent over budget and represents the sixth year in a row that saw such overspending, according to a report from the city's fiscal watchdog.

The Pennsylvania Intergovernmental Cooperation Authority (PICA) released its 2016 report of the spending Monday, noting that the city's use of overtime has been "steadily rising" since 2010, when the city spent \$120 million in the budget category.

"The PICA board and staff have grown increasingly concerned about overtime usage and management," the report said. "Regularly exceeding budgeted overtime has the potential to adversely affect the city's fund balances, which have yet to rise to pre-recession levels."

For fiscal 2016, which ended June 30, the city had budgeted \$1.5 billion in salaries, including \$135 million for overtime. The total general fund budget for the year was \$3.9 billion.

While fiscal 2016 included a change of mayoral administration, the city's finance director, Rob Dubow, was a constant.

For 2016, the Police and Fire Departments used the most overtime, as in previous years. Police spent \$64 million, up from \$49 million budgeted, and the Fire Department spent \$37.4 million, up from \$25 million budgeted.

The Sheriff's Office, which is not under the mayor's control, spent \$5.7 million in overtime, more than double its budget.

The Streets Department saw its overtime nearly double to \$14.5 million. The Department of Licenses and Inspections spent \$1.8 million, more than three times budget.

The city has said that the increase in overtime was in part related to the papal visit last year. In addition, there were some staffing shortages in the Fire and Police Departments.

"The additional overtime was covered within the budget by transfer ordinances among departments, as is the case every year," city spokesman Mike Dunn said.

Dunn said that the city's final fund balance for 2016 was \$148.3 million. That was \$79 million higher than anticipated in the adopted fiscal year 2016 budget.

"Our FY16 fund balance ended higher than anticipated, and that's because overall spending came in lower than anticipated," Dunn said. He added that tax revenues were higher than predicted.

In addition, Dunn said that cutting overtime is a priority for the Kenney administration. The Managing Director's Office is overseeing the overtime reduction effort.

The city is projecting to spend \$133 million in fiscal 2017, about \$37 million less than in the previous fiscal year.

"Overtime spending in lieu of hiring may sometimes be financially prudent in order to avoid added benefits costs," the report states. "However, overtime should be monitored and applied efficiently."

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