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City of Philadelphia's Projected Fund Balance for FY17 \$55.5 Million Higher Than Forecasted

General Fund Revenue \$19.5 Million Higher Than Previous Estimate

January 3, 2017—PICA's Staff Report on the City's Quarterly City Managers Report (QCMR) for the first quarter of FY17 shows a General Fund year-end balance projected at \$95.8 million, \$55.5 million higher than the initial FY17-21 *Five-Year Financial Plan* estimate. The report also shows General Fund revenue projected at \$4.2 billion, an increase of \$19.5 million from the initial Plan estimate. The increase reflects higher than projected tax revenue of \$17.7 million, and an increase in revenue from other governments of \$2.9 million.

The higher than projected revenue is offset by General Fund obligations, projected at \$4.2 billion, an increase of \$37.0 million from the Plan estimate. The increase is largely due to higher than projected overtime—primarily in the Fire and Streets Departments—as well as pension and health care costs, and off-site housing costs within the Prisons department.

PICA's Staff Report also tracks performance measures across key City departments and identifies key financial and management issues:

- *Public Safety.* Based on the first quarter, the City is on pace to equal homicide totals of FY16 in FY17. However, Part 1 violent crime (rape, murder, and robbery) as a whole was lower in the first quarter of FY17 as compared to the same period last fiscal year.
- *Human Services.* Dependent placement population has steadily risen from year to year, as well as in the first quarter of FY17. DHS is working to implement a new program called "Rapid Permanency Reviews," to address this issue.
- *Staffing.* General Fund employment has increased by 78 employees since the last quarter, approaching a return to pre-recession staffing levels.
- *Overtime Management.* Overtime continues to be a challenge for the City. Overtime costs in the first quarter of FY17 represented 14.5 percent of total wages and salaries, the highest percentage compared to any fiscal year since FY10.

For the full report click [here](#) or visit www.picpa.org

Pennsylvania Intergovernmental Cooperation Authority

Financial Oversight for the City of Philadelphia