

City of Philadelphia



Five-Year Financial Plan

**Fiscal Year 2003 - Fiscal Year 2007
(including Fiscal Year 2002)**

**Eleventh Five-Year Plan for the City of Philadelphia pursuant
to the Pennsylvania Intergovernmental Cooperation Act**

Presented by the Mayor, January 29, 2002

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CITY OF PHILADELPHIA

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John F. Street

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	Richard Tustin Director, Capital Program Office

Financial Advisor
Public Financial Management, Inc.

CITY OF PHILADELPHIA FIVE-YEAR FINANCIAL PLAN

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City of Philadelphia
Five-Year Financial Plan



Introduction

Introduction

Overview

Despite facing what could have been a devastating combination of slowing revenue growth and increased costs that are largely beyond its control, the City has made extraordinary progress in fulfilling the Mayor's primary objectives – maintaining fiscal stability, ensuring safe and clean neighborhoods, promoting business development, providing high quality public education and social services, and delivering exemplary public services. Since the start of Mayor Street's Administration, the City has managed to continue tax reductions and maintain a positive fund balance; begun to reverse decades of urban decay through abandoned vehicle removal, increased demolitions of vacant buildings, and lot cleaning; made the City more fertile for entrepreneurial ventures; reached an historic partnership with the Commonwealth in support of local schools; and received record high satisfaction ratings of City services in citizen surveys. To sustain this momentum, at a time when a recession converges with increased expenditures for anti-terrorism measures and school funding, City leaders must make exceptional efforts to continue to control costs and make prudent investments in the future of Philadelphia. Aligning efforts through effective partnerships with City Council and state government will be critical to the City's ability to succeed.

This is the eleventh Five-Year Financial Plan for the City of Philadelphia. As the subsequent sections of this Plan will reflect in greater detail, despite the limited resources that City departments have to meet their missions and objectives, they continue to develop new initiatives to ensure that citizens are provided with the high quality public services they deserve. The Plan will provide detail about the future initiatives intended to achieve the Mayor's overarching priorities as well as department-specific missions and objectives.

Mayor Street's Objectives

As the second year of Mayor Street's administration comes to a close, the City finds itself having made considerable progress toward fulfilling its primary objectives. Some of these accomplishments are highlighted below.

Maintain Fiscal Health with a Steady Tax Reduction

Historically, national economic downturns have affected Philadelphia more severely than other cities and the nation as a whole. However, as the nation's economic climate soured over the past year, the City finds itself relatively insulated from the worst of the storm. Other cities currently face significant unemployment and find themselves forced to deplete their financial reserves and severely cut critical services in order to make up for reduced tax revenues. Fortunately, Philadelphia's fiscal prudence over the past several years has led to a significant positive fund balance to help buffer this recession. Sound fiscal policies have allowed the City to balance its budget, stabilize the debilitating erosion of jobs and tax revenues, and steadily improve the delivery of services at lower costs to taxpayers.

This relative stability, however, cannot be sustained without continued fiscal vigilance. The Mayor and City Council, under the leadership of Council President Verna, must work

collaboratively to make responsible investments and, when necessary, curtail spending, to ensure that the City does not get pulled into spiraling deficits, reduced services, and ultimately, urban decay. This Administration has made a commitment to embrace new methods and reinforce successful past practices that will ensure the City lives within its means, especially during these challenging economic times, while at the same time combating and reversing years of blight.

The Plan as submitted by the Mayor to City Council in January proposed extending wage tax reductions through FY03 then freezing wage tax rates for the balance of the Plan. More than half of the savings realized from the rate reduction freeze were to be used to escalate the reduction in the gross receipts portion of the business privilege tax, with the remainder of the savings going to offset the combined impact of the national recession, weak pension fund earnings caused by a lagging stock market and increased security costs in the aftermath of September 11. The Plan said that those wage tax reductions would continue through FY03 so that if the national economy recovered, the stock market strengthened and there were no other major increases in city costs or reductions in city revenues, the wage tax reduction program would continue, but at a rate that, when combined with the accelerated reduction in the gross receipts tax, would cost the General Fund the same amount of revenue as contemplated in the prior tax reduction plan.

On April 18, 2002, City Council passed legislation that would reinstate wage tax reductions and continue them through the life of the Plan. That bill, when combined with the tax cuts already included in the Plan, brings the total value of the tax cut program in this Plan to \$290 million, \$120 million more than the amount initially included. In addition, the bill stipulates that if wage tax receipts grow by at least 3.5% over the previous year, the size of the wage tax reduction will increase. If the wage tax receipts grow at 3.5% in each year of the Plan, the wage tax rate for residents would drop to 3.98%.

As mentioned previously and discussed in the Fiscal Health chapter, the City will continue its plan to accelerate the rate reductions for the gross receipts portion of the business privilege tax. By 2007, this tax will be only 50 percent of the rate that prevailed when the City began its tax cuts in 1996.

Even before the wage tax reductions were reinstated, the Plan included over \$225 million worth of budget-cutting initiatives in order to remain balanced. While the Plan did not contemplate the type of harsh actions that other cities have had to take, including tax increases or service reductions, the City was forced to pursue a number of aggressive measures to ensure that it maintained a positive fund balance. These measures, which include consolidating the workforce by leveraging the significant number of employee departures through the Deferred Retirement Option Program (DROP), requesting the use of excess indemnity funds from PICA, temporarily modifying the pension-funding program, and reducing the Fleet acquisition budget to reflect a smaller vehicle pool, will not lead to any diminution of services. The proposed change to the pension-funding program (discussed in the Fiscal Health chapter) is a short-term modification that can be altered if the fiscal situation for the City improves.

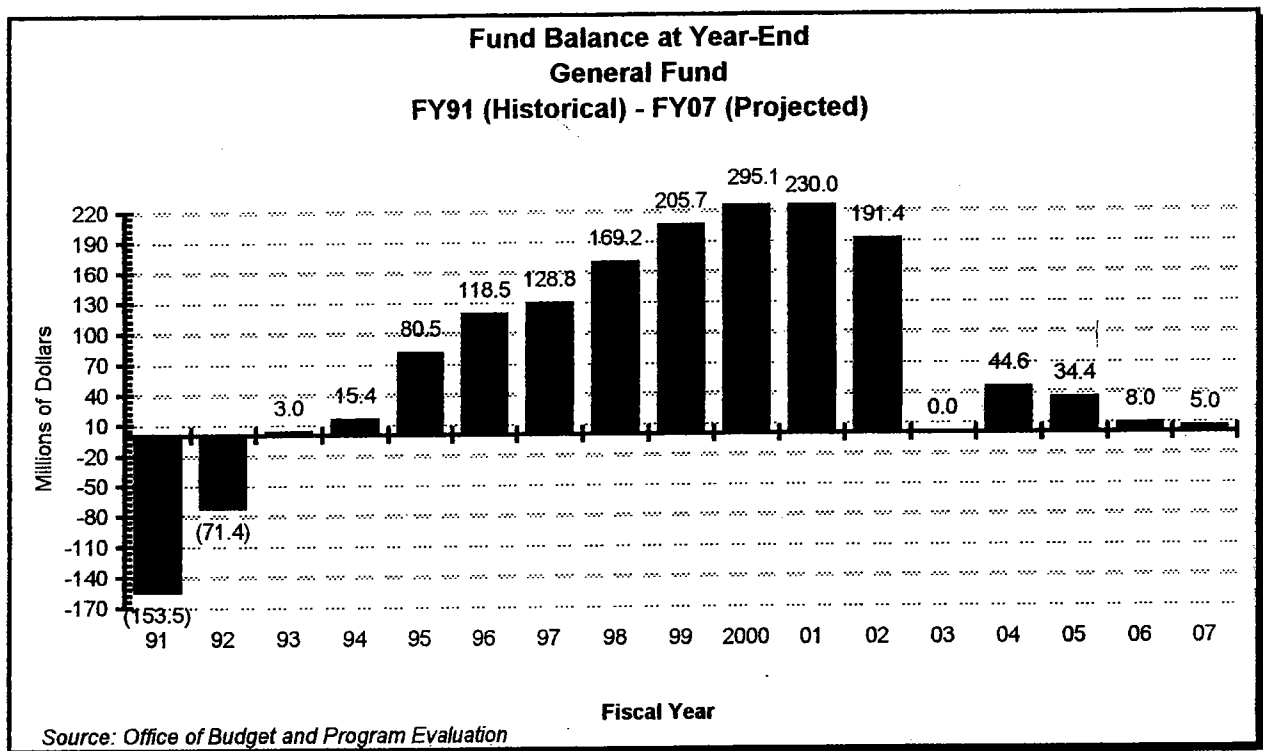
The City will also ask PICA for \$12 million from a special indemnities fund. At the City's request, PICA established a \$23.5 million special indemnities account out of the FY92 deficit financing. PICA had that \$23.5 million because the City's actual FY02 deficit turned out to be lower than the amount forecast when the deficit financing bonds were issued. The City asked to use those excess funds for indemnities payments that had been escalating rapidly as a result of a

Court program to eliminate a backlog of cases. A little over half of the funds, however, have never been spent because the City's indemnities costs leveled out and the City was able to pay them without seeking funds from PICA. The fiscal challenges underlying this Plan make it an appropriate time for the City to ask PICA for those funds.

The reinstated wage tax reductions now pose a further challenge to balancing the Plan. Specifically, the City will have to identify an additional \$120 million in revenue enhancing or cost cutting measures from FY04 through FY07 in order to afford the wage tax reduction. As of the printing of the amended Plan, the City is developing a list of initiatives to close this gap without producing significant reductions in services. If these initiatives do not produce the needed savings, the City may be forced to significantly reduce the number of staff positions. In order to generate \$30 million in annual savings, the City would have to eliminate an additional 600 positions. When combined with the proposed position reductions already included in the Plan, the additional cuts would bring the total number of positions eliminated to over 900. The City could not make those types of cuts without reducing services.

Accomplishments

- Fiscal discipline.** The City ended FY01 with a positive fund balance of \$230 million, the ninth consecutive year of maintaining a significant fund balance. While that fund balance was about \$65 million lower than FY00's balance, a large part of that reduction was the result of changes imposed by the Governmental Accounting Standards Board (GASB) in its Statement 33, requiring the use of the full-accrual accounting method in FY01. Taking full advantage of the economy's unprecedented expansion, the City has effectively controlled expenditures and built a robust fund balance to provide a buffer against the inevitable threats to the City's budget.



- **Prudent fiscal policies.** During times of economic hardship, cities are often short-sighted in their need to find revenues and consider raising taxes. Philadelphia has made a long-standing commitment to incremental tax reductions and will target the reductions as effectively as possible. To ensure that the City maintains a prudent long-term approach, the Mayor formed a Council of Economic Advisors in early 2001 to provide guidance and insight regarding the City's fiscal policies. Comprised of leading local economists and business people, the Council met regularly during 2001 to assess the City's fiscal policies.
- **Cut gross receipts portion of business privilege tax in half.** Input from a survey of local businesses conducted by the Commerce Department last fall has confirmed that businesses find the Business Privilege Tax on Gross Receipts to be a particularly onerous tax. Research by economist Dr. Robert Inman of the Wharton School at the University of Pennsylvania has also shown that if this tax were eliminated, the increased revenues from other taxes that would result from greater businesses activity would lead to a net increase in overall City tax revenues. As a result, the City proposes to significantly accelerate the reduction of this tax so that by the end of this Five Year Plan (FY07), the Gross Receipts portion of the BPT will be 50 percent of its level before the reduction plan began.
- **Enhanced revenue collection.** The City continues to be aggressive in its collections of non-tax and tax revenues. In April 2000, the Law Department formed an Affirmative Litigation Unit to focus on increasing revenues to the City by acting as plaintiff, with a goal of raising \$1 million annually. In 2001 the Water Department expanded its customer base and began supplying wholesale potable water for customers of the Philadelphia Suburban Water Company. The Water Department also initiated a new revenue protection program to identify shut-off or non-billed accounts that had illegally restored service. From the program's inception in FY00 through the end of FY01, the Water Department recovered billings of over \$4.8 million. The Revenue Department continues to expand its use of compliance matching across the different tax categories and with IRS files, to identify taxpayers who may pay one tax, but fail to pay the other taxes they owe.
- **Efficiencies and cost savings.** The City has been steadfast in its efforts to uncover opportunities to tighten its operations and better leverage economies of scale.
 - There has been unprecedented progress toward consolidating efforts across departments to maximize existing resources. Activities such as after-school programs, snow removal, abandoned vehicle confiscation, truancy prevention, lot cleaning, IT procurement and support, housing development and custodial services are being approached holistically rather than department-by-department.
 - Planning has already begun to ensure the City takes advantage of the departure of over 1,000 non-uniform employees who are enrolled in the Deferred Retirement Option Program (DROP). Workflows and functions will be assessed to determine where departments can implement consolidated or streamlined operations with fewer employees, without affecting service delivery. Departments will be challenged to leave open a substantial percentage of the vacancies caused by DROP departures, substantially reducing the City's workforce by FY07 and lessening the City's costs by approximately \$55 million over the life of the Plan.

- In early FY02 the Office of Fleet Management (OFM) implemented a fleet reduction plan, which resulted in the elimination of 81 non-critical vehicles. OFM will continue to perform annual usage assessments, with the goal of reducing the City's fleet of vehicles and equipment by at least one percent each year. This reduction will allow the City to eliminate \$3 million annually out of the vehicle acquisition budget.
- The City will continue to use target budget reductions, which require departments to spend below appropriation levels, as an effective tool for encouraging departments to uncover cost savings and revenue generating opportunities.

Implement Neighborhood Transformation and Blight Elimination

For decades Philadelphia neighborhoods have been plagued by dilapidated vacant buildings, debris-filled lots, graffiti, and abandoned vehicles. This blight has led to an endless cycle of further abandonment by residents and businesses and an increase of crime. Although there are a number of long-term initiatives to address the problem that are still in the planning stages (as described in the Neighborhood Transformation and Blight Elimination chapter), significant accomplishments have already been reached.

Accomplishments

- **Initiated citywide vacant lot cleaning program.** On June 16, 2001, the City kicked off its Vacant Lot Clean-up program, an unprecedented effort to clean and maintain all of the city's vacant lots. In just six months, the City cleaned 17,557 lots and removed 11,099 tons of debris. After cleaning all 31,000 vacant lots by June 2002, the City will continue to maintain the lots at an annual cost of approximately \$4.5 million. The City also received \$600,000 from the federal government and the William Penn Foundation to support the Greene City Strategy, a comprehensive effort to transform vacant land into community assets such as parks, gardens and playgrounds. This strategy will build off the City's work in the American Street corridor of the Empowerment Zone, where 39 vacant lots (nine acres of land) were 'cleaned and greened' in the past two years and another 27 lots will be similarly treated by the end of FY03.
- **Continued streetscape improvement programs.** The City is continuing, and in some cases expanding, its vigorous efforts to keep streets and properties clean and attractive. By the end of FY02, the Police Department projects to remove 54,500 abandoned autos, bringing the total number removed since April 2000 to 170,295. The Police Department continues to respond to all reports of abandoned autos within 48 hours. During FY02, the City plans to complete 155 new and restored murals, clean 70,000 vandalized properties and fixtures, and provide \$90,825 to community groups to reimburse their graffiti-fighting efforts. Over 4,200 dangerous street trees will be removed in FY02, substantially reducing the City's backlog of 8,500 dangerous trees. Finally, the City is performing intense repeated clean-ups of illegal dumping sites and the Police Department has increased surveillance of these sites in order to better apprehend the illegal dumpers.
- **Received Renewal Community designation.** In January 2002, the City received one of 40 U.S. Housing and Urban Development Renewal Community designations. This

designation allows Philadelphia to offer tax and other financial incentives until December 2009, for the development of commercial properties, purchase of equipment and employment of area residents. Philadelphia's zone encompasses the parts of North, South and West Philadelphia that suffer from economic distress but are also areas where the City, Commonwealth and non-governmental organizations have initiated activities to promote economic growth.

- **Began creating national model for anti-predatory lending activities.** With the goal of becoming a national model in combating predatory lending, late in FY01, the City began strengthening Philadelphia's capacity to counsel residents about predatory loans and how to avoid becoming a victim of predatory lending. The Office of Housing and Community Development (OHCD) initiated an anti-predatory lending training program and trained 60 counselors. It also spent \$450,000 to fund 12 anti-predatory lending counseling programs throughout Philadelphia. Beginning in FY02, OHCD will spend \$50,000 to retain dedicated legal support from Community Legal Services for predatory lending victims.
- **Expanded the stock of decent, affordable housing.** During the first half of FY02, with assistance from OHCD and the Redevelopment Authority (RDA), 349 new affordable homeownership units were completed, 64 of which were for special needs populations. Another 353 new affordable rental units (127 for special needs) and 166 affordable homeownership units are currently under construction. Over 170 households received rehabilitation and home-improvement assistance from the City. In addition, the City implemented a new, innovative loan program designed to reduce development costs by providing City-supported developers with bridge loans of up to \$100,000 at zero percent interest. Finally, through the Philadelphia Housing Authority, Philadelphia was awarded \$40.2 million in federal HOPE VI grants to support an \$82 million revitalization of the Mill Creek public housing development.

Promote Economic Development, Including a New Emphasis on Supporting Entrepreneurship

Because the future of the national and local economy is filled with so much uncertainty, the City's targeted efforts are more important than ever. The City will continue to invest in its economy to help generate the sustained growth essential to reversing its long-term decline. Philadelphia, once the manufacturing capital of the nation, has witnessed the loss of more than 350,000 manufacturing jobs over the last 40 years. In the post-manufacturing era, the healthcare and financial/insurance services industries provided much of the foundation of Philadelphia's economy. In recent years, spurred by the completion of the Pennsylvania Convention Center in 1993, the City has experienced significant growth in its hospitality and tourism industry. While the City will continue efforts to support both its mature and new industries in Center City and within neighborhoods, the City has begun to focus economic development initiatives on entrepreneurs who participate in innovative "new economy" start-ups that fuel future growth.

Accomplishments

- **Innovation Philadelphia.** The Street Administration has joined forces with the leadership of the city's largest private employer and academic research institution (the University of Pennsylvania), its largest technology-oriented company (Comcast Corporation) and its largest life sciences company (GlaxoSmithKline) to create Innovation Philadelphia (IP). IP

is a public/private partnership committed to promoting entrepreneurship and the growth of a knowledge economy in Philadelphia. With City Council approval, the City pledged \$2.5 million in FY01 to IP. In December 2001, a nationally acclaimed knowledge economy leader was hired as the organization's president and chief executive officer.

- **Strengthened the hospitality and tourism sector.** Responding to the precipitous drop in tourism after September 11, the Street Administration, the Delaware River Port Authority and the Commonwealth created a special \$3 million marketing campaign aimed to draw visitors who are within driving distance of Philadelphia. Launched in November 2001, "Philly's More Fun When You Sleep Over" offers hotel packages and other visitor incentives, to stimulate short-term sales of hotel rooms and spending on historic and cultural attractions, performing arts, restaurants and retail purchases. In addition to this campaign, a number of amenities that support the hospitality and tourism industry are progressing and opening to the public:
 - The acclaimed Kimmel Center for the Performing Arts and the new Independence Visitors Center both opened in late 2001, securing Philadelphia's status as a world-class center for the arts and an historic destination second to none.
 - Construction is underway on Philadelphia's new, state-of-the-art athletic facilities in South Philadelphia. The Eagles' football stadium is scheduled to open in 2003 and the Phillies' ballpark opening is expected in 2004.
 - The Philadelphia International Airport opened the 38-gated Terminal F in June 2001 and anticipates opening the new International Terminal by the fall of 2002. Expanded airport capacity and international routes are critical to support local convention and tourism business growth.
- **Keystone Opportunity Expansion Zone (KOEZ) designation.** In 2001, the Commonwealth approved the designation of eight new Keystone Opportunity Expansion Zones (KOEZ) in Philadelphia. Tax exemptions for businesses that locate in KOEZs, including the BPT, net profits tax, use and occupancy tax, real estate tax, state business taxes, and state sales tax on items consumed at the site, extend through September 30, 2013. Since January 1999, the City has participated in deals with 56 new or existing companies within KOEZs, leveraged over \$141 million in private investment, and fostered the creation of 2,000 jobs and the retention of 1,400 jobs. In October 2001, a 1.1 million square foot warehouse and distribution center was opened by TJX Companies (TJ Maxx) in a KOEZ in Northeast Philadelphia. The center, which is one of the most significant new generators of private sector employment to open in the city in decades, is expected to employ 1,100 workers when fully operational.
- **Brownfield development.** In January 2002, a \$15 million, 110,000 square foot FedEx Express facility opened in Grays Ferry. The facility, which will employ approximately 150 people, is located on an industrial site that had been abandoned for 20 years and once suffered from significant environmental problems. The project was the result of cooperation between the Commerce Department, the Philadelphia Industrial Development Corporation, and various other City and state agencies and was supported by \$1 million from the City and \$500,000 from the Commonwealth's Industrial Site Re-Use Program.

- **Neighborhood economic development.** The Commerce Department provided critical deal-closing funding for a number of important neighborhood revitalization projects. Some recent examples of projects that were implemented as a result of City support include the:
 - Universal Business Support Center in South Philadelphia;
 - Commercial redevelopment and rehabilitation of the Oliver Wendell Holmes School in West Philadelphia;
 - Redevelopment of the historic Wagon Wheel property in Mt. Airy; and the
 - Philadelphia Development Partnership’s Microloan program benefiting new small business entrepreneurs.

Provide High Quality Public Education and Comprehensive, Coordinated Social Services for Children, Adults and Families

The future of Philadelphia depends on the development of our youth. High quality public education leads to a capable, well-skilled workforce, a critical factor in attracting companies and jobs. One of the primary reasons for the migration of the City’s middle class to the surrounding suburbs has been the lure of smaller class sizes and well-funded public school districts. Stable, healthy families and effective prevention programs, including quality after-school options, further ensure the progress of children and youth. The Mayor has made a commitment to improve the lives of youth and adults and help them realize their potential by setting higher performance goals and monitoring the outcome of the delivery of public education and social services.

Accomplishments

- **Public Education**
 - **City-Commonwealth partnership.** On December 21, 2001 the Governor and the Mayor announced that they had reached an agreement for a “full partnership” to manage the School District of Philadelphia. As part of the agreement, the City will increase its annual contribution to the District by \$45 million and the Commonwealth will increase its annual contribution by \$75 million. Rather than face a hostile takeover that could have required the City to make an even larger annual payment without the ability to have any meaningful input, the City was able to achieve an historic partnership. This collaborative effort, if coupled with statewide tax reform, has the potential to bring financial stability to the District while continuing and expanding the academic progress that District schools have made in recent years.
 - **Academic improvements.** Since 1996, even amidst a significant financial crisis, Philadelphia student test scores have reflected significant increases that outpace those of the Commonwealth overall. Scores from both the Pennsylvania System of School Assessment test (in reading and math for 5th, 8th and 11th graders) and the Stanford 9/Arpnda Achievement test (in reading, math and science for 4th, 8th, and 11th graders) have substantially improved during the past five years, particularly in the lower grades.

The Commonwealth recently awarded \$4.7 million in school performance funding in recognition of the increase in PSSA results and in attendance that many schools are achieving. For the 2000-2001 school year, Philadelphia schools won over 23 percent of the funding while having less than 12 percent of the Commonwealth's students. While significant improvements in the School District's academic performance are still required, the considerable accomplishments in recent years are an important step forward.

- **Resources provided to School District.** The City has worked to alleviate the School District's financial burden by providing a variety of services that receive no or minimal reimbursement. For example, the City shares its data communications infrastructure (CityNet) with the School District, which eliminates all School District infrastructure development costs and provides regular savings in its usage bills. Since June 2001, the City's Risk Management Division has extended all of its services to the School District except for third party claims. The Police Department provides school crossing guards, police officers on school detail, and anti-truancy programs. The Revenue Department provides school district tax collection and enforcement services. The Department of Licenses and Inspections provides the School District with building and construction permit waivers and nuisance inspection and abatement support. In addition to allowing the School District to use City fuel sites and fuel management equipment, for which it is reimbursed, the Office of Fleet Management is currently exploring the possibility of consolidating with the District's maintenance and automotive services units to provide an estimated savings of \$5.9 million over five years.

- **Social Services**

- **Expanded after-school and youth development programs.** During FY02 the Division of Social Services pooled \$14 million of Human Services Development Fund, Temporary Assistance to Needy Families (TANF) and other funds to expand the after-school initiative to 101 sites and to start up the Beacon Project in 9 local schools. These after-school programs are designed to provide positive, structured activities for school age children during non-school hours. The programs include recreation, academic enrichment, arts and culture, mentoring relationships and community service and serve approximately 6,000 youngsters.
- **Bolstered truancy prevention efforts.** The Street administration has made truancy reduction a priority. In FY01, four additional Truancy Courts – a joint effort of the School District, the Department of Human Services (DHS) and Family Court targeted at youth with 25 unexcused absences – were opened, bringing the total to seven. The number of social workers in Truancy Court grew from 23 in FY01 to 42 in FY02, allowing the Department to increase the number of families served from 840 to 2,500. The social workers work with the truant youth and their families for an extended period to resolve social service needs. During FY01 DHS also launched a major advertising campaign to raise awareness about the truancy crisis in Philadelphia and the prevention resources available, and plans to continue the campaign during FY02. DHS also introduced a school attendance hotline (215-IN-CROWD) to help youth address the issues that discouraged them from attending school, as well as established an early intervention program for elementary and middle school aged-children called the School Attendance Improvement Project. The Police Department has also instituted a truancy

program in which police officers work additional hours following a midnight shift, usually 8 AM to 12 PM, to patrol for truants. Officers stop truant students who are on the streets and return them to their schools or the central truancy site where the youth can be interviewed and counseled.

- **Introduced faith-based initiatives.** The Mayor’s Office of Faith-based Initiatives (MOFI) was developed in April 2001 to foster partnerships between faith-based organizations, the City, and the School District to reduce truancy, help children achieve in school, and help bridge the “digital divide.” In FY02, MOFI launched “Rebound,” a series of exhibitions and workshops focused on bringing together approximately 400 children, their parents, school representatives and faith-based organizations to put support services in the school. During 2001, MOFI and the Mayor’s Office of Information Services assisted five separate faith-based organizations in setting up computer labs with donated computers from the Philadelphia Stock Exchange.
- **Renewed focus on welfare-to-work efforts.** In 1997, federal welfare-reform legislation imposed a five-year, lifetime limit on cash assistance through TANF. In July 2001, to assist over 6,000 families who will reach their limit in March 2002, the state awarded a one-year, \$3.2 million contract to create the non-profit Maximizing Participation Project (MPP). MPP, under the direction of the City’s Director of Social Services, identifies the multiple barriers to an individual’s ability to work and finds ways to overcome those barriers, be it housing, mental health or substance abuse issues, prenatal or child care, or job training. Since its inception in July 2001, MPP has helped approximately 600 families find income alternatives to TANF, such as employment or SSI.
- **Raised health awareness.** The Office of Health and Fitness continued to develop and implement innovative methods to improve the health of Philadelphians. Initiatives implemented in 2001 included seminars on healthier lifestyle choices; cooking courses that taught individuals how to prepare healthy meals; and forums to educate and encourage youth to adopt positive lifestyle behaviors. In 2001 the Office worked directly with 347 residents and as many as 3,000 students through the seminar programs, and had approximately 26,000 participants in its citywide 76 TONS OF FUN weight-loss campaign. Seventy-five percent of the participants in these initiatives reported improvement in their overall health with seventy percent engaging in increased physical activity.

Enhance Public Safety and Quality of Life Standards for all Communities

As important as taxes are to business and residential location decisions, the quality and delivery of municipal services – what Philadelphians actually receive in return for taxes paid – are equally critical. The City must continue to enhance Philadelphia’s quality of life by further strengthening municipal services and public safety to make the City an even more desirable place for employers and residents.

Accomplishments

- **Effective emergency response.** After being triggered by the tragic events on September 11, the City’s Emergency Operations Plan, which is updated annually and approved by both the

Pennsylvania Emergency Management Agency (PEMA) and the Federal Emergency Management Agency (FEMA), was executed successfully. The Fire Department sent Heavy Rescue Unit personnel and its rescue dog to assist with the rescue mission at the World Trade Center in New York and continue to provide rescue and bomb scare response to the entire Philadelphia region. Employees from the Philadelphia Housing Authority joined the Fire Department in the recovery efforts, as part of the FEMA Urban Search and Rescue Team. The Police Department later sent its crime scene unit to the World Trade Center site to help collect evidence. Locally, the Police Department provided on-going enhanced security staffing and surveillance at high-profile locations and has intensified emergency-response training. In October 2001, in order to appropriately respond to citizen fears of anthrax contagion, the City formed six Rapid Assessment Teams. The Rapid Assessment Teams, each made up of two Fire Department hazardous material technicians, one police officer, and one Health Department representative, responded to an average of 41 calls per day in October.

- **Prepared for the implementation of Live Stop citywide.** In an effort to reduce the number of unlicensed drivers and unregistered vehicles on the streets of Philadelphia, the City has successfully piloted a Live Stop program since 1998 and made preparations to implement it citywide in early spring 2002. Under the program, a motorist who does not possess a valid drivers license or vehicle registration will have his or her vehicle impounded immediately. This program should ultimately reduce auto insurance rates as it curbs the number of uninsured drivers, who cannot get a vehicle registration and often drive without a license. Since the implementation of this pilot program along Roosevelt Boulevard, there has been a significant drop in the number of traffic accidents. The City is examining this trend to determine if the program is, in fact, increasing drivers' caution and a factor in the reduction.
- **Increased citizen satisfaction with services.** A citizen survey conducted at the end of FY01 found that 62 percent of respondents were either very or somewhat satisfied with how well the City performs services in general. This reflects a 21 percent increase from the 41 percent reporting satisfaction in FY97, the first year the survey was conducted. Each year since FY97, citizens have been increasingly satisfied with police protection and felt safer in their neighborhoods. During this Administration, well over 80 percent of citizen respondents have reported being satisfied with EMS response and fire protection. Complete survey results are available on the City's website as part of the Mayor's Report on City Services at www.phila.gov.
- **Expanded snow removal capacity.** During FY01, the City's enhanced snow-fighting plan was implemented and for the first time in the City's history, all tertiary residential streets were cleared during significant snowstorms. The City now boasts a reserve snow-fighting fleet of 163 mostly smaller and more maneuverable vehicles, expanding the total number of vehicles available to fight snow to over 600 vehicles during severe winter storms. During FY01 and FY02 the City continued to test new methods for snow removal including snow-melting machines and coating streets before storms with a salt-water solution.
- **Continued Mural Arts programs.** The extraordinary Mural Arts Program has created more than 2,000 indoor and outdoor murals since its inception in 1984, making Philadelphia home to the largest collection of public murals in the country. Mural Arts expanded from 13 workshop sites and 192 participants in FY00 to 36 workshop sites and 774 participants in

