

Pennsylvania Intergovernmental Cooperation Authority

**Staff Report
on the
City of Philadelphia's
Quarterly City Managers Report
for the Period Ending March 31, 2014**

Introduction

- The Pennsylvania Intergovernmental Cooperation Authority (“PICA”) Act (Act of June 5, 1991, P. L. 9, No. 6), Section 209(i), requires the City of Philadelphia to submit to PICA within 45 days following the end of each fiscal quarter a report describing actual or estimated revenues and expenditures and comparing them to budgeted levels for the most recent quarter.
- The City fulfills this requirement by publishing a *Quarterly City Managers Report* (“QCMR”) after the end of each fiscal quarter. The QCMR details actual-to-date and projected revenues and expenditures for the current fiscal year for the General Fund, Water Fund, and Aviation Fund, and information on personnel, leave usage, performance, and cash flow.
- This PICA staff report analyzes the most recent QCMR covering the third quarter of FY14.¹ It compares estimates of FY14 revenues and expenditures in the initially-approved FY14-FY18 *Five-Year Financial Plan* with the estimates in the QCMRs issued for the first, second, and third quarters of FY14.² The report also highlights finance and management issues that impact City financial results.
- Unless otherwise noted, information in this report is drawn from City Five-Year Financial Plans and QCMRs.

Notes:

¹ The QCMR is available at <http://www.phila.gov/finance//reports-Quarterly.html>

² The initially-approved FY14-FY18 Plan was submitted to PICA on September 10, 2013 and approved on September 17. Subsequently, revisions to the FY14-Fy18 Plan were approved on November 15, 2013 and March 18, 2014. The revisions were required under the PICA Act due to finalization of labor contracts that were not compliant with the previously approved Plan. All references to the “FY14-FY18 Plan” in this report are to the version approved on September 17.

FY14 Projection

- ▶ Overview
- ▶ Revenue
- ▶ Obligations

FY14 Projection: Overview

- ▶ The Q3 QCMR projects FY14 General Fund revenues at \$3,837.0 million, an increase of \$107.0 million from the FY14-18 *Five-Year Financial Plan* estimate. Obligations are projected at \$3,993.5 million, an increase of \$98.7 million from the Plan. The operating deficit is projected at \$156.5 million, a decrease from the \$164.8 million operating deficit projected in the Plan. The Plan projected the FY13 year-end fund balance at \$223.9 million, while the actual fund balance was \$256.9 million, an increase of \$33.1 million.
- ▶ The sum of the projected operating deficit, prior year adjustments, and prior year fund balance is the currently projected FY14 fund balance of \$119.8 million. The Q3 QCMR projection of the fund balance is \$41.3 million higher than the Plan projection.

FY14 General Fund Projections (\$ in Millions)					
<u>Category</u>	<u>FY14-18 Five- Year Plan</u>	<u>Q1 QCMR</u>	<u>Q2 QCMR</u>	<u>Q3 QCMR</u>	<u>Change from Plan to Q3 QCMR</u>
Revenues	\$3,729.9	\$3,778.5	\$3,822.8	\$3,837.0	\$107.0
Obligations	3,894.7	3,940.5	3,997.6	3,993.5	98.7
Operating Surplus/(Deficit)	(164.8)	(162.0)	(174.8)	(156.5)	8.3
Prior Year Adjustments	19.4	19.4	19.4	19.4	--
Prior Year Fund Balance/(Deficit)	223.9	256.9	256.9	256.9	33.1
Year-End Fund Balance	78.4	114.3	101.5	119.8	41.3

FY14 Projection: Revenue

- ▶ The Q3 QCMR projects FY14 General Fund revenue of \$3,837.0 million, an increase of \$107.0 million from the FY14-18 Plan estimate.
- ▶ The increase reflects higher than projected tax revenue (\$28.0 million), locally-generated non-tax revenue (\$34.7 million), and revenue from other governments (\$44.7 million), offset by a \$0.3 million decline in revenue from other funds.

FY14 General Fund Revenue Projections (\$ in Millions)					
<u>Category</u>	<u>FY14-18 Five-Year Plan</u>	<u>Q1 QCMR</u>	<u>Q2 QCMR</u>	<u>Q3 QCMR</u>	<u>Change from Plan to Q3 QCMR</u>
Taxes	\$2,760.8	\$2,760.8	\$2,777.3	\$2,788.7	\$28.0
Locally-Generated Non-Tax	273.3	273.3	309.0	308.0	34.7
Revenue from Other Governments	628.6	677.1	669.6	673.3	44.7
Revenue from Other Funds	67.2	67.2	66.9	66.9	(0.3)
Total	3,729.9	3,778.5	3,822.8	3,837.0	107.0

FY14 Projection: Tax Revenue

- ▶ FY14 General Fund tax revenue is projected at \$2,788.7 million in the Q3 QCMR, an increase of \$28.0 million from the FY14-18 *Five-Year Financial Plan* estimate.
- ▶ Wage and earnings tax revenue is projected at \$1,250.5 million, a decline of \$23.6 million from the Plan estimate. The lower projection reflects lower than anticipated revenue growth during the first two quarters of FY14. Compared to FY13, revenue in the first and second quarters increased 1.6 percent and 2.0 percent respectively, while the Plan had estimated growth of 3.59 percent for the fiscal year. Collections in the third quarter increased to a 6.6 percent annual growth rate. Through May, collections have increased 3.4 percent compared to the first eleven months of FY13.
- ▶ FY14 business income and receipts tax (BIRT) revenue is projected at \$461.3 million, an increase of \$51.3 million from Plan. This increase reflects strong collections in FY13 and the City's decision to use FY13 revenue as the base for the FY14 projection. FY14 revenue is projected to increase 2.3 percent from the FY13 level.

FY14 General Fund Tax Revenue Projections (\$ in Millions)					
<u>Tax</u>	<u>FY14-18 Five- Year Plan</u>	<u>Q1 QCMR</u>	<u>Q2 QCMR</u>	<u>Q3 QCMR</u>	<u>Change from Plan to Q3 QCMR</u>
Wage and Earnings	\$1,274.1	\$1,274.1	\$1,238.1	\$1,250.5	(\$23.6)
Real Estate	536.6	536.6	533.2	533.2	(3.4)
Business Income and Receipts	410.0	410.0	461.3	461.3	51.3
Net Profits	12.8	12.8	19.4	19.4	6.7
Sales	270.8	270.8	265.9	264.9	(5.9)
Real Estate Transfer	157.6	157.6	160.5	160.5	2.9
Parking	75.0	75.0	75.0	75.0	--
Amusement	20.5	20.5	20.5	20.5	--
Other	3.4	3.4	3.4	3.4	--
Total	2,760.8	2,760.8	2,777.3	2,788.7	28.0

FY14 Projection: Locally-Generated Non-Tax Revenue

- ▶ The Q3 QCMR projects FY14 locally-generated non-tax revenue at \$308.0 million, an increase of \$34.7 million from the Plan. The overall increase reflects the following changes: an increase in Public Property (\$27.6 million) due to an estimated \$29.2 million received from the sale of the Love Park garage, offset by a decline of \$1.3 million in revenue from other asset sales; an increase in Streets (\$5.6 million) due to higher commercial property collection fees, offset by lower recycling revenue; an increase in Finance (\$1.9 million) due to higher employee health benefit charges and medical reimbursements; an increase in Innovation and Technology (\$1.4 million) due to higher cable TV franchise fees; a decline in Fire (\$1.0 million) due to lower emergency medical service fee collections; and an increase in Sheriff (\$1.5 million) due to higher fee revenue.

FY14 General Fund Locally-Generated Non-Tax Revenue Projections (\$ in Millions)					
<u>Agency Source</u>	<u>FY14-18 Five-Year Plan</u>	<u>Q1 QCMR</u>	<u>Q2 QCMR</u>	<u>Q3 QCMR</u>	<u>Change from Plan to Q3 QCMR</u>
Finance	\$20.3	\$20.3	\$21.0	\$22.2	\$1.9
Fire	37.9	37.9	36.9	36.9	(1.0)
Innovation and Technology	21.3	21.3	22.6	22.6	1.4
Licenses and Inspections	48.2	48.2	48.2	48.2	--
Public Property	9.6	9.6	37.5	37.2	27.6
Records	17.4	17.4	17.8	16.8	(0.6)
Sheriff	8.0	8.0	9.5	9.5	1.5
Streets	23.4	23.4	29.1	29.1	5.6
First Judicial District – Traffic Court	7.8	7.8	7.8	7.3	(0.5)
Other	79.5	79.5	78.7	78.2	(1.3)
Total	273.3	273.3	309.0	308.0	34.7

FY14 Projection: Revenue from Other Governments

- ▶ The Q3 QCMR projects FY14 revenue from other governments at \$673.3 million, an increase of \$44.7 million from the FY14-18 Plan estimate.
- ▶ Department of Finance revenue is projected at \$207.9 million, an increase of \$47.9 million from the Plan due to higher than projected state pension aid, and an unanticipated \$45.0 million State grant to the School District of Philadelphia (SDP) that was received by the City and transferred to SDP. The impact of the grant is neutral to the City General Fund since it was transferred to SDP. PICA City Account revenue is projected at \$323.4 million, a \$1.8 million decline from the Plan due to lower than projected PICA tax revenue. Revenue Department collections are projected at \$37.5 million, a decline of \$1.7 million due to lower payments by the Philadelphia Parking Authority of revenue generated by on-street parking and the Love Park garage.

FY14 General Fund Revenue from Other Governments Projections (\$ in Millions)					
<u>Agency Source</u>	<u>FY14-18 Five- Year Plan</u>	<u>Q1 QCMR</u>	<u>Q2 QCMR</u>	<u>Q3 QCMR</u>	<u>Change from Plan to Q3 QCMR</u>
Finance	\$160.0	\$208.6	\$207.9	\$207.9	\$47.9
PICA City Account	325.1	325.1	319.7	323.4	(1.8)
Revenue	39.2	39.2	37.5	37.5	(1.7)
Other	104.2	104.2	104.4	104.5	0.3
Total	628.6	677.1	669.6	673.3	44.7

FY14 Projection: Obligations

- ▶ The Q3 QCMR projects FY14 General Fund obligations at \$3,993.5 million, an increase of \$98.7 million from the FY14-18 Plan estimate. The most significant changes are shown below and described on the next page.

FY14 General Fund Obligations Projections (\$ in Millions)					
<u>Agency or Cost Center</u>	<u>FY14-18 Five- Year Plan</u>	<u>Q1 QCMR</u>	<u>Q2 QCMR</u>	<u>Q3 QCMR</u>	<u>Change from Plan to Q3 QCMR</u>
Civil Service Commission	\$84.9	\$37.4	\$37.4	\$38.9	(\$46.0)
Contribution to School District	69.1	114.1	114.1	114.1	45.0
Debt Service	226.3	226.3	222.8	216.8	(9.5)
Employee Benefits	1,226.6	1,226.6	1,226.6	1,226.6	--
Fire	197.2	244.7	244.7	246.7	49.5
Fleet Management	56.4	56.4	62.3	62.3	5.9
Housing and Community Development	3.0	3.0	3.0	4.0	1.0
Indemnities	32.5	32.5	41.0	41.0	8.5
Licenses and Inspections	22.6	22.6	25.6	25.6	3.0
Supportive Housing	43.6	43.6	45.1	45.1	1.4
Police	595.6	595.6	595.6	585.6	(10.0)
Prisons	238.8	238.8	243.5	245.2	6.4
Public Property	57.5	57.5	87.3	87.3	29.8
Sheriff	14.7	15.5	17.2	18.0	2.5
Streets	30.3	30.3	31.8	36.6	6.3
Other	995.8	995.8	999.7	999.8	4.0
Total	3,894.7	3,940.5	3,997.6	3,993.5	98.7

FY14 Projection: Obligations

- ▶ Changes in FY14 obligation projections between the FY14-18 Plan and Q3 QCMR estimate include:
 - **Civil Service Commission** (\$46.0 million decrease): The FY14-FY18 Plan included within the Civil Service Commission line item \$47.5 million to cover retroactive and current FY14 wages for the International Association of Fire Fighters (IAFF) under a FY10-FY13 arbitration award. In the QCMR projection, this appropriation is shifted to the Fire Department. The Q3 QCMR projection still includes estimated FY14 costs of the recent DC47 contract, wage increases for non-represented employees, and a potential wage increase for IAFF members under a new arbitration award. The estimate for these categories increased \$1.5 million from the Plan.
 - **School District Contribution** (\$45.0 million increase): This reflects the pass through of an unanticipated State grant that provided one-time aid to the School District of Philadelphia.
 - **Debt Service** (\$9.5 million decrease): Lower than anticipated borrowing costs
 - **Fire** (\$49.5 million increase): Reflects increased overtime (\$2.0 million) and the transfer of wage costs required under the FY10-FY13 IAFF arbitration award from Civil Service Commission to Fire Department (\$47.5 million)
 - **Fleet Management** (\$5.9 million increase): Increased fuel and vehicle purchase costs
 - **Housing and Community Development** (\$1.0 million increase): Increased funding for basic repairs.
 - **Indemnities** (\$8.5 million increase): Increased cost of case settlements
 - **Licenses and Inspections** (\$3.0 million increase): Increased allocation for demolitions
 - **Supportive Housing** (\$1.4 million increase): Increased funding for domestic violence and winter shelter
 - **Police** (\$10.0 million decrease): Reduction in payroll due to lower than expected hiring and overtime
 - **Prisons** (\$6.4 million increase): Increased overtime and higher cost for contracted correctional facility space
 - **Public Property** (\$29.8 million increase): Distribution of proceeds from sale of Love Park garage and increased costs for facility maintenance
 - **Sheriff** (\$2.5 million increase): Increase of 30 Sheriff deputies and higher overtime costs
 - **Streets** (\$6.3 million increase): Increased costs related to severe weather

FY14 Projection: Employee Benefit Obligations

- ▶ The Q3 QCMR projects total FY14 employee benefit obligations of \$1,226.6 million. This projection is unchanged from the FY14-FY18 Plan projection.
- ▶ The QCMR projects obligations for pension-related debt service at \$215.3 million, an increase of \$110.0 million from the Plan. This increase is offset by an equal decrease in the projected Pension Fund contribution. The shift in obligations reflects the issuance of bonds by the Philadelphia Authority for Industrial Development (PAID) to finance the City's repayment of required Pension Fund contributions that were deferred in FY10 and FY11. Under State law, the City was required to repay these deferred contributions with interest by the end of FY14. The City was able to achieve interest cost savings by making the repayments through a PAID debt issuance rather than through direct payments to the Pension Fund. The savings to the General Fund are estimated at \$9.7 million in each of the past two fiscal years.

FY14 General Fund Employee Benefits Obligations Projections (\$ in Millions)					
<u>Category</u>	<u>FY14-18 Five-Year Plan</u>	<u>Q1 QCMR</u>	<u>Q2 QCMR</u>	<u>Q3 QCMR</u>	<u>Change from Plan to Q3 QCMR</u>
Pension Fund Contribution	562.2	562.2	562.2	452.2	(110.0)
Pension-Related Debt Service	105.4	105.4	105.4	215.3	110.0
Health Benefits	411.9	411.9	411.9	411.9	--
Employee Disability	63.3	63.3	63.3	63.3	--
FICA	65.0	65.0	65.0	65.0	--
Unemployment Compensation	5.6	5.6	5.6	5.6	--
Group Life	7.8	7.8	7.8	7.8	--
Group Legal	4.4	4.4	4.4	4.4	--
Flex Cash/Tool Allowance	1.1	1.1	1.1	1.1	--
Total	1,226.6	1,226.6	1,226.6	1,226.6	--

Key Financial and Management Issues

- ▶ Labor Contracts
- ▶ Pension Benefits
- ▶ Performance Measures
- ▶ Staffing
- ▶ Overtime
- ▶ Leave Usage

Labor Contracts

- ▶ The City's financial stability depends on its ability to manage the cost of labor contracts with its unions. The following is a description of the status of contracts with the four major unions:
 - ▶ **Fraternal Order of Police (FOP)**: The FOP is currently in the final year of a contract covering FY10 through FY14. The City's proposed FY15-FY19 Plan incorporates the costs of 2.5 percent wage increases in FY15 and FY16. No additional costs for FY17 through FY19 are assumed. Any additional wage increases beyond these assumptions will require adjustments to maintain fiscal balance. The proposed FY15-FY19 Plan assumes that base FOP health benefit costs will increase 8 percent annually.
 - ▶ **International Association of Firefighters (IAFF)**: The most recent IAFF contract expired at the end of FY13. IAFF employees are currently working without a contract. An ongoing arbitration process will determine the new IAFF contract covering the period beginning July 1, 2013. The proposed FY15-FY19 Plan incorporates the cost of a 2.5 percent IAFF wage increase in FY14 and FY15. The Plan does not assume additional costs for IAFF wage increases after FY15 or health benefit cost increases after FY14.
 - ▶ **District Council 33 (DC33)**: The last DC33 contract expired July 1, 2009. The City is seeking court approval to impose the terms of its final offer to the union made in January 2013. The proposed Five-Year Plan includes \$39.5 million to fund the estimated costs of a future DC33 contract. This amount represents the estimated cost of the City's final offer, which would have provided a 2.5 percent wage increase retroactive to March 2013, a 2.0 percent wage increase retroactive to January 2014, and a \$15 million lump-sum City payment to the union health fund. The estimated cost also takes into account savings from changes to overtime rules and pension benefits and contributions that were part of the City's final offer.
 - ▶ **District Council 47 (DC47)**: In February 2014, the City executed a contract with DC47 covering FY10 through FY17. The contract provides for a 3.5 percent wage increase after ratification by the union, a 2.5 percent wage increase in FY16 and a 3 percent wage increase in FY17. The new contract also allows for adjustment of salaries to reflect step and longevity increases that were frozen when the previous contract expired in July 2009. The costs of the new contract are reflected in the proposed FY15-19 Plan.
- ▶ If actual labor contracts deviate from the proposed FY15-FY19 Plan assumptions, any increased costs will be incorporated into future Plans or Plan revisions. The Five-Year Financial Plan process requires the City to demonstrate that it can finance the cost of labor contracts while maintaining a positive General Fund balance.

Pension Benefits

- ▶ The City has sought changes to its pension program to reduce costs and promote fiscal sustainability. Costs as a percentage of payroll have risen substantially in recent years. Moreover, costs could continue to escalate if actuarial assumptions – which determine the level of required City contributions to the Pension Fund – are inaccurate. The City has achieved some significant changes in the pension program through arbitration awards and new labor agreements. The status of changes, by union, is as follows:
 - ▶ **FOP and IAFF.** Newly-hired employees are required to participate in Plan 10 (a hybrid defined contribution-defined benefit program), or in Plan 87 (a defined benefit plan) with an employee contribution of 6 percent of payroll.
 - ▶ **DC47 and Non-Union (Civil Service).** Current employee contributions will increase by 1 percent, and newly-hired employees are required to participate in Plan 10 or in Plan 87 with contributions 1 percent higher than current employees.
 - ▶ **Register of Wills.** Newly-hired employees are required to participate in Plan 10.
 - ▶ **Deputy Sheriffs.** Newly-hired employees are required to participate in Plan 10 or in Plan 87 with contributions equal to 50 percent of normal costs.
 - ▶ **Correctional Officers (DC33 Local 159).** Current employees are required to participate in Plan 10 or increase contributions to their current plan, and newly-hired employees are required to participate in Plan 10. Implementation of these changes requires City Council legislation.
 - ▶ **DC33 (Other than Correctional Officers).** The City is seeking court approval to impose the terms of its “final” contract offer made in January 2013. Under these terms, current employees would be required to increase employee contributions similar to correctional officers represented by Local 159, and newly-hired employees would be required to participate in Plan 10.
 - ▶ **Non-Union (Non-Civil Service).** The Administration is seeking pension changes for this group similar to those for other non-union employees.
- ▶ The current status of pension plan participation and employee contributions is summarized on the next page.

Pension Benefits

Status of City Pension Plan Participation and Employee Contribution Requirements		
Bargaining Unit/ Employee Category	Current Employees	Newly-Hired Employees ¹
Police (FOP) and Firefighters (IAFF)	Plan 67 (6%) or Plan 87 (5%, but not less than 30% or greater than 50% of normal cost)	Plan 87 (6% or 30% of normal cost, whichever is greater) or Plan 10 (5.5%)
DC47 and Non-Union (Civil Service)	Plan 67 (3.75%, 4.25% January 2015, 4.75% January 2016) or Plan 87 (30% of normal cost, with additional 0.5% January 2015, and additional 1.0% January 2015)	Plan 87 (current employee contribution plus 1.0%) or Plan 10 (50% of normal cost)
Deputy Sheriffs (FOP)	Plan 67 (3.75%) or Plan 87 (30% of normal cost)	Plan 87 (50% of normal cost) or Plan 10 (50% of normal cost)
Register of Wills (FOP)	Plan 67 (3.75%) or Plan 87 (30% of normal cost).	Plan 10 (50% of normal cost)
Correctional Officers (DC33 Local 159) ²	Plan 67 (6% or 50% of normal cost, whichever is higher), Plan 87 (50% of normal cost), or Plan 10.	Plan 10 (50% of normal cost)
DC33 (Other than Correctional Officers) and Non-Union (Non-Civil Service) ³	Plan 67 (3.75%) or Plan 87 (30% of normal cost)	Plan 87 (30% of normal cost)

Note:

¹Definition of newly-hired is employees hired on or after the following dates: police, January 1, 2010; firefighters, October 15, 2010; Deputy Sheriffs and Register of Wills employees, January 1, 2012; DC47, March 5, 2014; non-represented civil service, May 14, 2014.

² Changes were included in a arbitration award issued on March 12, 2012. City Council legislation is required to implement.

³ Changes for these groups will occur as a result of collective bargaining in the case of DC33, and legislation for DC 33 and non-represented employees.

Performance Measures: Public Safety

- ▶ **Police Department:** Significant declines in homicide and total Part 1 violent crime occurred from FY11 to FY13. Data through the third quarter suggest that this progress will be maintained in FY14. The clearance rate for homicide increased from FY11 to FY13, although it has declined in the first nine months of FY14.
- ▶ **Fire Department:** The number of fire deaths declined substantially from FY11 to FY13. Through the first three quarters of FY14, 18 fire deaths occurred. The percentage of EMS calls that have achieved a response time of 9 minutes or less was 66.0 percent in FY13, and declined to 63.7 percent through the first three quarters of FY14. According to the Department, this decrease reflects an overall increase in EMS calls. The Department has plans to address this through public education about proper use of the 911 system and diversion of non-emergency calls to other more appropriate services.

Performance Measures: Public Safety						
<u>Agency</u>	<u>Measure</u>	<u>FY10 Total</u>	<u>FY11 Total</u>	<u>FY12 Total</u>	<u>FY13 Total</u>	<u>FY14 To Date</u>
Police ¹	Homicides	305	318	350	263	193
	Part 1 Violent Crime	17,740	18,446	18,224	17,384	12,304
	Homicide Clearance Rate	72.2%	67.9%	64.0%	73.0%	62.2%
	Other Violent Crime Clearance Rate	51.2%	49.8%	48.5%	50.4%	50.7%
Fire	Fire Engine Average Response Time ²	4:46	4:57	4:57	4:54	5:00
	Structural Fires ^{1, 3}	1,362	3,041	3,108	2,882	2,346
	Fire Deaths	32	41	24	25	18
	EMS Response Time (Percent Within 9 Minutes)	73.9%	68.5%	68.0%	66.0%	63.7%

¹ Figures for FY14 are estimates.

² Includes responses for fire and EMS incidents.

³ Beginning in FY11, figures are based on the National Fire Incident Reporting System (NFIRS) definition, and not comparable to figures for FY10, which are based on a less inclusive definition.

Performance Measures: Public Health and Human Services

- ▶ **Department of Human Services:** The number of permanency discharges has declined in recent years. The percentage of these discharges to adoption has remained roughly constant. After years of declines, the number of dependent placements increased in FY13 and has increased through the first three quarters of FY14. According to the Department, the increase reflects a larger number of incoming General Protective Service reports that has resulted from a change in definition of child abuse. Delinquent placements and the Juvenile Justice Services Center population have declined in recent years, which suggests, according to the Department, the effectiveness of diversion and prevention programs.
- ▶ **Department of Public Health:** The percentage of District Health Center visits by uninsured patients has increased since FY11.

Performance Measures: Public Health and Human Services					
<u>Agency</u>	<u>Measure</u>	<u>FY11 Total</u>	<u>FY12 Total</u>	<u>FY13 Total</u>	<u>FY14 To Date</u>
Human Services	Permanency Discharges	2,130	1,633	1,229	905
	Adoptions as Percent of Permanency Discharges	31%	29%	29%	31%
	Dependent Placements as of End of Period	4,182	4,030	4,179	4,430
	Delinquent Placements as of End of Period	1,413	1,198	1,155	1,017
	Juvenile Justice Services Center Average Daily Population	118	119	105	99
Public Health	Visits to District Health Centers	339,032	348,472	NA	NA
	Percent of Visits from Uninsured Patients	49.6%	51.1%	52.9%	53%
	Newly Diagnosed HIV Case Reports	NA	792	704	448

Performance Measures: Housing

- ▶ **Office of Supportive Housing:** The number of households receiving homeless prevention services has declined in recent years due to the September 2012 expiration of the Homeless Prevention and Rapid Re-Housing program funded through the federal Recovery Act. Prevention programs in FY14 have been funded through the Housing Trust Fund and the Community Services Block Grant.
- ▶ **Office of Housing and Community Development:** Mortgage foreclosures diverted has declined in FY14 due to a reduction in foreclosure filings and the exclusion of forbearances from the definition of foreclosures diverted. The number of owner-occupied homes repaired has declined in recent years due to funding reductions.

Performance Measures: Housing					
<u>Agency</u>	<u>Measure</u>	<u>FY11 Total</u>	<u>FY12 Total</u>	<u>FY13 Total</u>	<u>FY14 To Date</u>
Supportive Housing	Households Receiving Financial Assistance for Homelessness Prevention	1,898	809	610	409
	Households Receiving Financial Assistance to End Homelessness	NA	NA	291	109
	New Permanent Supportive Housing Units ¹	120	179	180	NA
	Transitional Housing Placements	510	558	539	398
Housing and Community Development	Mortgage Foreclosures Diverted	1,647	1,423	1,754	851
	Owner-Occupied Homes Repaired ²	8,232	7,129	5,409	3,910
	City Lots Greened and Cleaned ³	8,417	8,500	9,238	8,766
	Homebuyer Grants Awarded	307	200	221	NA

Notes

¹ Excludes Philadelphia Housing Authority units.

² Through Basic System Repair Program, Weatherization, or Heater Hotline.

³ This measure represents the number of lots as of a point in time. Includes land stabilization and land maintenance.

Performance Measures: Parks and Recreation and Free Library

- ▶ **Department of Parks and Recreation:** The number of acres mowed has increased in recent years due to weather and increased frequency of mowing at athletic fields. The number of trees planted increased from FY11 to FY13, but has declined through the first three quarters of FY14 due to lower than expected contractor tree planting.
- ▶ **Free Library of Philadelphia:** Circulation declined by nearly one million from FY12 to FY13, in part due to the transfer of responsibility for audio tapes from the Library for the Blind to a Pittsburgh library. The number of visits declined in the third quarter due to the closing of the South Philadelphia branch for renovations and weather-related closings. Increased on-line access to Free Library materials may also have contributed to the decline.

Performance Measures: Parks and Recreation and Free Library					
<u>Agency</u>	<u>Measure</u>	<u>FY11 Total</u>	<u>FY12 Total</u>	<u>FY13 Total</u>	<u>FY14 To Date</u>
Parks and Recreation	Programs Offered ¹	3,824	4,050	3,742	3,173
	Visits to Departmental Facilities and Sites (Millions)	6.57	6.60	7.30	5.12
	Acres Mowed ² (Thousands)	37.5	36.0	40.3	24.5
	Trees Planted ³ (Thousands)	18.3	20.3	26.0	8.3
Free Library	Circulation of Materials (Millions)	7.21	7.50	6.58	4.82
	Visits (Millions)	6.10	5.96	5.85	4.17
	Hours Open (Thousands)	100.0	97.8	95.8	73.6

Notes

¹ Beginning in FY13, data reflect number of unique programs in the period in which the program first occurs.

² Includes athletic fields and neighborhood parks.

³ Includes trees planted by the Department along streets and on Department sites and public land, and trees planted in partnership with other organizations.

Performance Measures: Transportation and Regulation

- ▶ **Streets Department:** On-time trash and recycling collection has decreased through the first three quarters of FY14 due to severe weather.
- ▶ **Department of Licenses and Inspections:** Residential demolitions declined in FY13 due to reduced grant funding. However, there has been an increasing number of complaints relating to the need for demolitions. The City has increased the Licenses and Inspections appropriation by \$3 million in FY14 to address this need.
- ▶ **Mayor's Office of Transportation and Utilities:** General Fund energy consumption is 1.29 million British Thermal Units to date in FY14. According to the QCMR, the City is working to improve operational practices and capital planning to reduce utilities expense.

Performance Measures: Transportation and Regulation					
<u>Agency</u>	<u>Measure</u>	<u>FY11 Total</u>	<u>FY12 Total</u>	<u>FY13 Total</u>	<u>FY14 To Date</u>
Streets	Recycling Rate	19%	19%	20%	21%
	On-Time Trash Collection ¹	94%	94%	96%	84%
	On-Time Recycling Collection ¹	96%	97%	97%	92%
Licenses and Inspections	Residential Buildings Demolished	567	543	521	338
	Permits Issued (Thousands)	NA	NA	35.7	25.6
	Operations Division Inspections (Thousands)	NA	85.9	76.2	NA
	Development Division Inspections (Thousands)	NA	101.0	96.2	NA
Transportation and Utilities	Energy Consumption (Million BTUs) ³	NA	NA	1.84	1.29

Notes

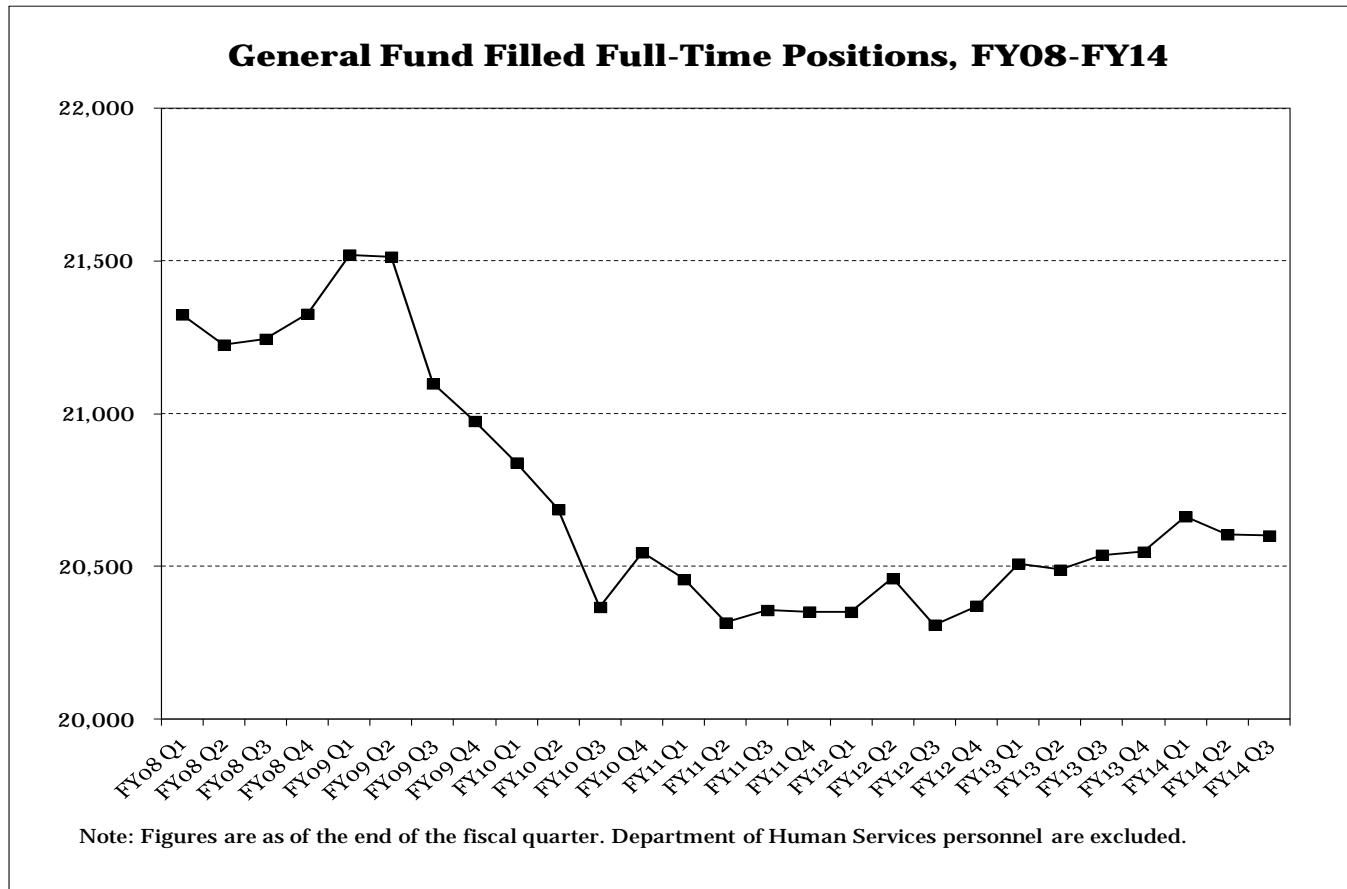
¹ Percentage of collections completed by 3:00 PM.

² Includes building, electrical, and plumbing permits.

³ Includes natural gas, electricity, steam, and fuel oil from General Fund funded City facilities and street lights. Vehicle fuel is excluded.

Staffing

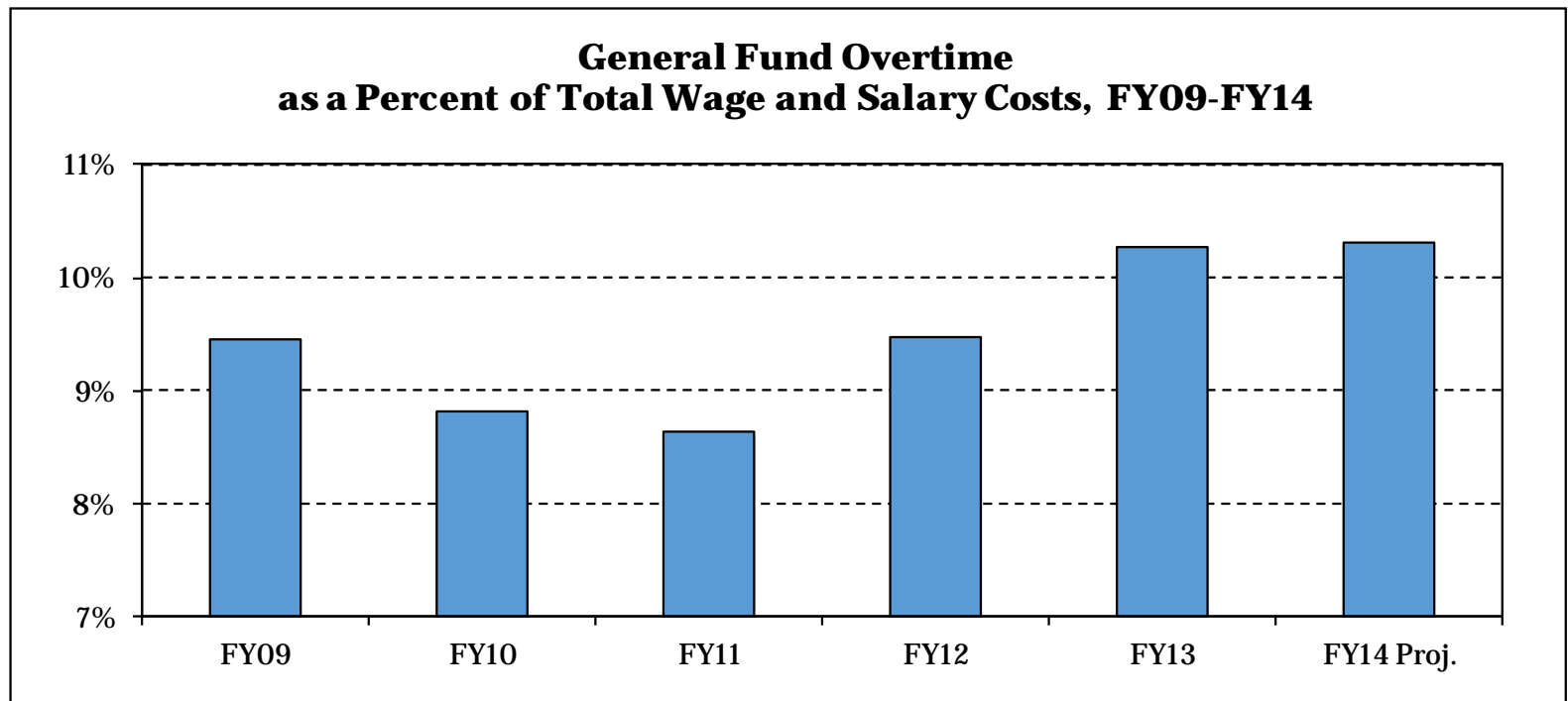
- ▶ After declining by more than 1,100 from December 2008 through March 2010, General Fund employment levels stabilized through the March 2012. Since March 2012, there has been a gradual increase of nearly 300 positions.¹



¹ Department of Human Service (DHS) personnel are excluded to allow comparability. DHS personnel are primarily reported in the Grants Revenue Fund beginning in FY12, due to an accounting change.

Overtime

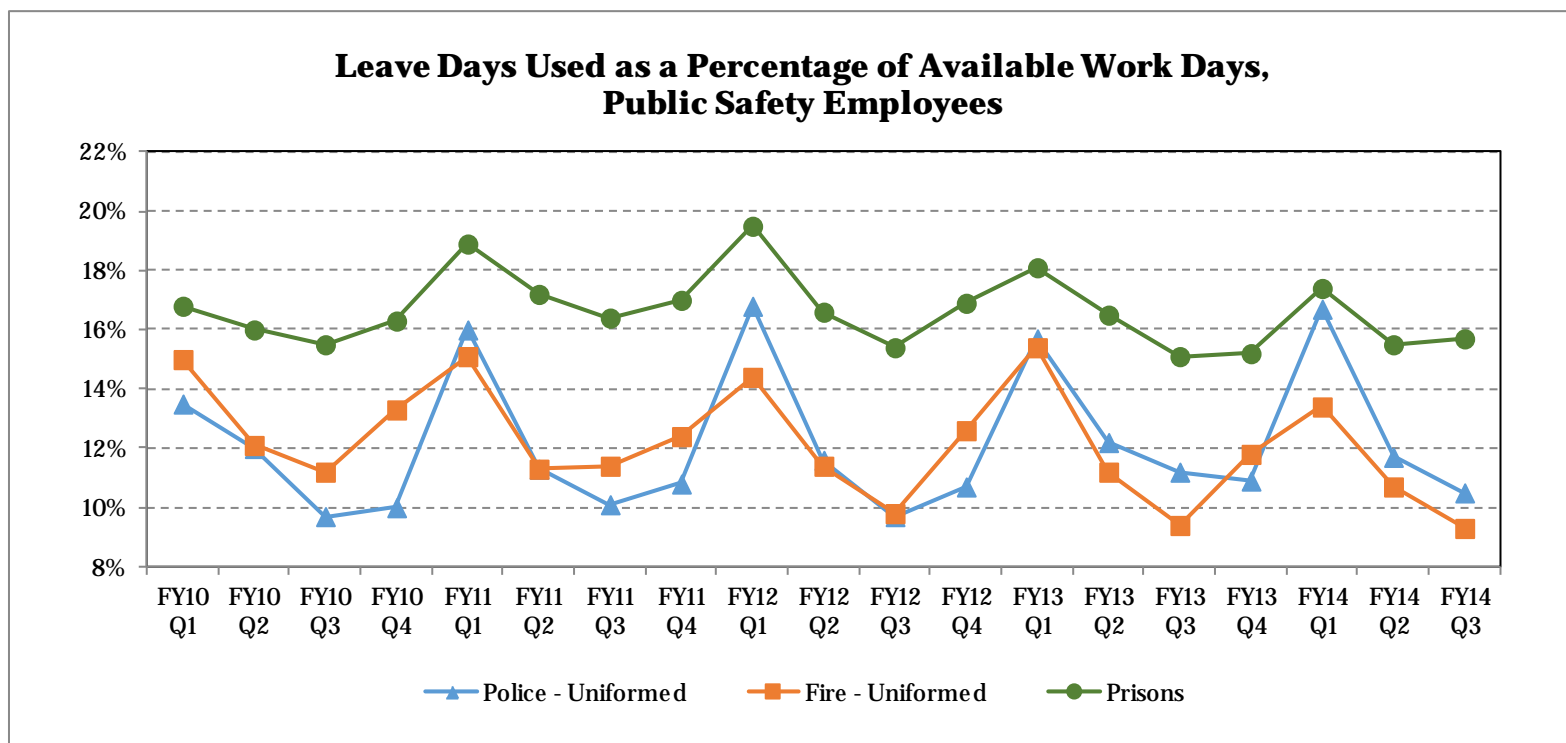
- ▶ The QCMR projects total FY14 General Fund overtime costs of \$149.9 million, or 10.3 percent of total wages and salaries. Overtime as a percentage of wages and salaries declined from 9.5 percent in FY09 to 8.6 percent in FY11, and increased to 9.5 percent in FY12 and 10.3 percent in FY13.¹ With total projected FY14 General Fund wages at \$1.45 billion, a difference of one percentage point represents \$14.5 million. The decline in overtime costs during the City's greatest period of fiscal constraint after the recession and the increase since FY11 suggests that greater overtime control is possible.



¹The FY11 amount excludes \$3.8 million in Fire Department overtime due to a one-time legal settlement related to overtime for emergency medical services personnel.

Leave Usage

- ▶ For the median City agency, employees were absent from work on 12.6 percent of available work days in the third quarter of FY14.¹ Leave usage varied from a high of 19.8 percent among civilians in the Police Department to a low of 5.3 percent in the Planning Commission. Seasonal variability in leave use has major cost implications, since overtime is often necessary to assure consistent staffing. Contractual restrictions on the City’s ability to manage leave use compound the problem. As the chart below indicates, among public safety agencies, leave usage is relatively high in the Prison System, while seasonal variability is particularly large among uniformed employees of the Police and Fire departments.



Note

¹ The calculation includes vacation, annual, sick, funeral, and unpaid leave, and absences due to comp time and “AWOL.”