Pennsylvania Intergovernmental Cooperation Authority

Staff Report
on the
City of Philadelphia's
Quarterly City Managers Report
for the Period Ending September 30, 2016

PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY

January 3, 2017

Executive Summary

The *Quarterly City Managers Report* (QCMR) for the first quarter of Fiscal Year 2017 was submitted to PICA on November 15, 2016. The most significant elements of the report include:

- *Financial Projections:*
  - *Fund Balance*. The current General Fund FY17 year-end fund balance projection is $95.8 million, $55.5 million higher than the initial FY17-FY21 Plan projection.
  - *Tax Revenue*. The currently projected FY17 General Fund tax revenue is $3,089.6 million, $17.7 million higher than the initial FY17-FY21 Plan projection.
  - *Spending*. FY17 General Fund obligations are projected at $4,224.1 million, an increase of $37.0 million from the original Five-Year Plan projection.
- *Performance & Key Management Issues:*
  - *Public Safety*. Based on the first quarter of FY17, 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" with the goal of accelerating exits from this metric.
  - *Staffing*. General Fund employment has increased by 78 employees since the last quarter, approaching a return to pre-recession staffing levels.

Introduction

- This PICA Staff Report analyzes the City of Philadelphia's *Quarterly City Managers Report* (QCMR) for the first quarter of Fiscal Year 2017, the period ending September 30, 2016. The QCMR contains information on projected FY17 General Fund revenues and expenditures, agency performance, personnel levels, leave usage, and cash flow.
- The focus of this report is the current projections of FY17 General Fund revenues and expenditures by category, agency performance, and other key financial and management issues such as labor contracts, pension reform, staffing and overtime. The report is organized as follows:
  - Background
  - FY17 Financial Projections
  - Key Financial and Management Issues
    - Labor Contracts & Pension Benefits
    - Performance
    - Staffing, Overtime & Leave Usage

Background

- 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 provides information on agency performance, personnel, leave usage, and cash flow.
- This PICA staff report analyzes the most recent QCMR covering the first quarter of FY17 (the "Q1 QCMR").[1] It compares the Q1 QCMR estimates of FY17 revenues and expenditures with estimates in the approved FY17-FY21 *Five-Year Financial Plan*.[2] The report also highlights agency performance and key finance and management issues.
- Unless otherwise noted, information in this report is drawn from City reports, including the *Five-Year Financial Plan* and QCMRs.

Notes:

[1] The QCMR is available at http://www.picapa.org/wp-content/uploads/2013/01/QCMR-ending-9-30-16.pdf

[2] The approved FY17-FY21 Plan was approved by PICA on August 31, 2016.

FY17 Projection

- Overview
- Revenue
- Obligations

FY17 Projection: Overview

- The Q1 QCMR projects FY17 General Fund revenues at $4,151.3 million, an increase of $19.5 million from the initial FY17-21 *Five-Year Financial Plan* estimate. Obligations are projected at $4,224.1 million, an increase of $37.0 million from the Plan. The FY17 operating deficit is projected at $72.9 million, an increase from the $55.3 million deficit projected in the Plan. The Plan projected the FY16 year-end fund balance at $76.1 million, while the unaudited actual FY16 fund balance is $148.3 million.
- The sum of the projected operating deficit, prior year adjustments, and FY16 fund balance is the projected FY17 fund balance of $95.8 million. This projection is $55.5 million higher than the initial FY17-FY21 Plan projection.

FY17 General Fund Summary: Projections ($ in Millions)			
Category	**FY17-21 Plan**	**Q1 QCMR**	**Change from Plan to Q1 QCMR**
Revenues	$4,131.8	$4,151.3	$19.5
Obligations	4,187.1	4,224.1	37.0
Operating Surplus/(Deficit)	(55.3)	(72.9)	(17.5)
Prior Year Adjustments	19.5	20.3	0.8
Prior Year Fund Balance/(Deficit)	76.1	148.3	72.2
Year-End Fund Balance	**40.3**	**95.8**	**55.5**

FY17 Projection: Revenue

- The Q1 QCMR projects FY17 General Fund revenue at $4,151.3 million, an increase of $19.5 million from the initial FY17-FY21 Plan estimate.
- The increase reflects higher than projected tax revenue ($17.7 million) and revenue from other governments ($2.9 million), offset by a decline in locally-generated non-tax revenue ($1.1 million).

FY17 General Fund Revenue: Projections ($ in Millions)			
Category	**FY17-21 Plan**	**Q1 QCMR**	**Change from Plan to Q1 QCMR**
Taxes	$3,071.9	$3,089.6	$17.7
Locally-Generated Non-Tax	287.3	286.2	(1.1)
Revenue from Other Governments	697.0	699.9	2.9
Revenue from Other Funds	75.6	75.6	--
Total	**4,131.8**	**4,151.3**	**19.5**

FY17 Projection: Tax Revenue

- FY17 General Fund tax revenue is projected at $3,089.6 million, an increase of $17.7 million from the initial Plan estimate. The overall increase reflects increases for the following taxes: wage and earnings ($8.5 million); sales ($4.7 million); and business income and receipts ($4.4 million).
- The changes reflect changes in estimates of FY16 tax revenues. The FY17 estimate applies anticipated annual growth rates for each tax in the revised FY16 estimates.

FY17 General Fund Tax Revenue: Projections ($ in Millions)			
Tax	**FY17-21 Plan**	**Q1 QCMR**	**Change from Plan to Q1 QCMR**
Wage and Earnings	$1,418.1	$1,426.6	$8.5
Real Estate	594.9	594.9	--
Business Income and Receipts	441.6	446.0	4.4
Net Profits	24.5	24.5	--
Sales	177.5	182.2	4.7
Real Estate Transfer	249.6	249.6	--
Parking	95.1	95.1	--
Amusement	20.5	20.5	--
Beverage	46.2	46.2	--
Other	3.9	3.9	--
Total	**3,071.9**	**3,089.6**	**17.7**

FY17 Projection: Locally-Generated Non-Tax Revenue

- FY17 locally-generated non-tax revenue is projected at $286.2 million, a decrease of $1.1 million from the initial Plan estimate.
- The most significant changes from the initial Plan estimate were decreases of $0.6 million in Innovation and Technology and $0.5 million in Fleet Management.

FY17 General Fund Locally-Generated Non-Tax Revenue: Projections ($ in Millions)			
Agency Source	**FY17-21 Plan**	**Q1 QCMR**	**Change from Plan to Q1 QCMR**
Finance	18.2	18.2	--
Public Health	12.6	12.6	--
Revenue	4.9	4.9	--
Fire	40.0	40.0	--
Innovation and Technology	26.6	26.0	(0.6)
Licenses and Inspections	54.3	54.3	--
Public Property	13.5	13.5	--
Streets	27.7	27.7	--
Records	17.8	17.8	--
FJD	33.0	33.0	--
Sheriff	9.8	9.8	--
Fleet	3.6	3.1	(0.5)
Other	25.3	25.3	--
Total	**287.3**	**286.2**	**(1.1)**

FY17 Projection: Revenue from Other Governments

- The Q1 QCMR projection of FY17 revenue from other governments is $699.9 million, an increase of $2.9 million from the initial Plan projection.
- PICA City Account revenue is projected at $387.3 million, accounting in large part for the above mentioned increase.

FY17 General Fund Revenue from Other Governments: Projections ($ in Millions)			
Agency Source	FY17-21 Plan	Q1 QCMR	Change from Plan to Q1 QCMR
Finance	$162.5	$162.5	--
PICA City Account	384.7	387.3	2.6
Revenue	39.6	39.6	--
Other	110.2	110.6	0.3
Total	**697.0**	**699.9**	**2.9**

FY17 Projection: Obligations

- The Q1 QCMR projects FY17 obligations at $4,224.1 million, an increase of $37.0 million from the initial Plan estimate. The most significant changes are shown below and described on the next page.

FY17 General Fund Obligations: Projections ($ in Millions)			
Agency or Cost Center	FY17-21 Plan	Q1 QCMR	Change from Plan to Q1 QCMR
Community Schools/Pre-K	27.5	27.5	--
Debt Service	275.3	275.3	--
Employee Benefits	1,229.8	1,250.8	21.0
Fire	221.8	233.9	12.1
Police	650.2	650.7	0.5
Indemnities	40.7	40.7	--
Streets	125.6	127.4	1.8
Prisons	258.8	261.5	2.6
Sheriff	20.1	20.2	0.1
Licenses & Inspections	33.6	33.8	0.2
Other	1,303.7	1,302.4	(1.2)
Total	**4,187.1**	**4,224.1**	**37.0**

FY17 Projection: Obligations

- Changes from the initial FY17-21 Plan estimate of FY17 obligations and the Q1 QCMR estimate include:

  - **Employee Benefits** ($21.0 million increase) The increase primarily reflects an increase in pension funding costs ($13.3 million) and increased health care costs ($6.9 million).

  - **Fire** ($12.1 million increase). The increase reflects an increase in overtime, as well as costs for an additional 40 firefighters and supplies.

  - **Prisons** ($2.6 million increase). The increase reflects costs associated with off-site housing requirements.

  - **Streets** ($1.8 million increase). The increase primarily reflects an increase in overtime related to the compactor shortage.

Key Financial and Management Issues

- Labor Contracts
- Pension Benefits
- Performance
- 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 major uniformed unions:
  - **Fraternal Order of Police** (FOP): In July 2014, an arbitration panel issued a contract award for the FOP covering the period FY15 through FY17. The award provides for wage increases of 3 percent in FY15, 3.25 percent in FY16, and 3.25 percent in FY17, and increases the City's contributions to the union legal services fund. In addition, the award increases the annual clothing allowance by $100 per member. The contract also makes other important non-economic changes. The current contract expires at the end of FY17.
  - **International Association of Firefighters** (IAFF): The current IAFF arbitration award was announced in January 2015, covering the period FY14 through FY17. The award included retroactive wage increases of 3 percent in FY14 and 3 percent in FY15, and a 3.25 percent increase in FY16. The award implemented self-insurance for the IAFF health fund effective February 1, 2015. Wages for FY17 were determined through a reopener arbitration, which provided a 3.25 percent increase as of July 1, 2016. Additionally, the City will provide a $2.65 million lump sum payment into the union's health trust fund. The contract expires at the end of FY17.

Labor Contracts

- The following is a description of the status of contracts with the major non-uniformed unions:
  - **District Council 33** (DC33): In July 2016, the City announced a new agreement with DC33 covering the period FY17 through FY20. The agreement includes wage increases of 3 percent for the first, second, and fourth years of the contract, while the third year will have a 2.5 percent increase. The contract also included provisions that are expected to result in savings, including pension reforms surrounding plan design, which are explained in the following section of this report. As part of this negotiation, the City agreed to end litigation surrounding DROP in exchange for a new employee interest rate that is approximately half of the Treasury rate. The City will also provide $20 million in two lump sum payments to the union's health fund. The contract expires at the end of FY20.
  - **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 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 contract is also expected to result in savings due to pension reforms and changes to overtime rules. The contract expires at the end of FY17. Like DC33,DC 47 members will also be subject to the new employee interest rate for DROP for non-vested members.
- If the actual costs of any contracts between the City and municipal unions deviate from the projections in the *Five-Year Financial Plan*, any increased costs must be incorporated into future plans or plan revisions. As envisioned under the PICA statute, the Plan process requires the City to demonstrate that it can finance the cost of labor contracts while maintaining a positive General Fund balance over a five-year period. All labor costs described above are incorporated into the FY17-FY21 Plan approved by PICA in August 2016.

Pension Benefits

- The City has achieved some changes to its pension program to reduce costs and promote fiscal sustainability. The most significant recent changes were negotiated with DC33 and include increased employee contributions and the creation of a stacked hybrid plan, referred to as Plan 16. Plan 16 is mandatory for all new DC33 employees, including Correctional Officers. Additionally, a bill was recently introduced in City Council that would similarly require newly hired exempt and non-represented employees to be mandatory members of Plan 16. Furthermore, exempt employees, non-union employees, and elected officials would make increased contributions under this legislation; however, newly elected officials would not be required to participate in Plan 16. Plan 10 is still mandatory for newly-hired Register of Wills employees and Deputy Sheriffs. The status of recent pension changes for each bargaining unit is as follows:

  - **FOP and IAFF.** Newly-hired employees have the option to participate in Plan 10 or make an additional contribution to participate. If they choose Plan 87, required employee contributions will be higher than those of existing employees and will equal the greater of 6 percent of earnings or 30 percent of normal cost.
  - **DC33 (including Correctional Officers – Local 159).** Current DC 33 members have a tiered contribution system. Employees earning $45,000 or less will not make an additional contribution. Above $45,000, the increases in contributions range from an additional 0.5% to 3%, based on salary. New hires are required to participate in Plan 16, which caps the defined benefit pension at $50,000 and offers a defined contribution component for voluntary contributions.

Pension Benefits

- **DC47, Non-Union Employees and Elected Officials.** Contributions for those previously hired or elected increased 0.5 percent in 2015 and an additional 0.5 percent in 2016. Newly-hired DC47, non-union employees, and newly-elected officials, are required to participate in Plan 10 or in Plan 87. If they choose Plan 87, required employee contributions are 1 percent higher than current employees or officials.
- **Register of Wills (FOP).** 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. If Plan 87 is chosen, required contributions will be higher than those of existing employees and will equal 50 percent of normal costs.

- Current pension benefits, eligibility and participant contribution requirements are summarized on the next three pages.

Pension Benefits

- Below is a summary of the provisions of City offered pension plans. Plan 67 and Plan 87 are defined benefit plans. Plan 10 is a hybrid defined benefit-defined contribution plan. The new Plan 16 is a stacked hybrid plan that was recently negotiated with DC33 for new hires in lieu of Plan 10. Plan 16 was subsequently introduced in City Council and is intended to apply to non-union and exempt employees. Elected officials would experience an increase in their contribution rate but would not be subject to Plan 16. The formula for determining the defined benefit under each plan is shown below. Under the Plan 10 defined contribution plan, the City matches 50 percent of employee contributions, with the total City match not to exceed 1.5 percent of compensation. Under Plan 16, new hires enroll in a standard defined benefit pension plan up to pensionable earnings of $50,000 annually. Employees may also voluntarily participate in a deferred compensation plan. For new hires with pensionable earnings exceeding this $50,000 threshold, the City will match half of the employee contribution up to 1.5 percent of annual compensation.
- The definition of average final compensation (AFC) used to determine benefits varies by plan, as follows: Plan 67 municipal and Plan 87 municipal and elected, average of three highest years; Plan 67 uniformed, average of five highest years or 12 consecutive months, whichever is higher; Plan 87 uniformed, average of two highest years; Plan 10, average of five highest years; and Plan 16, average of final three years.
- To qualify for normal service retirement benefits, participants must meet age and service requirements, as follows: Plan 67 municipal, age 55; Plan 67 uniformed, age 45; Plan 87 and Plan 10 municipal, age 60 and 10 years of service; Plan 87 and Plan 10 uniformed, age 50 and 10 years of service; Plan 87 elected, age 55 and 10 years of service; and Plan 16, age 60 and 10 years of service.

Pension Benefits

City Pension Plans Benefits (Defined Benefit Portion)				
Category	Plan 67	Plan 87	Plan 10	Plan 16
Police and Fire	2.5 percent x AFC x years of service	(2.2 percent x AFC x years of service up to 20 years) +(2.0 percent x AFC x years of service in excess of 20 years)	1.75 percent x AFC x years of service up to 20 years	NA
Municipal	(2.5 percent x AFC x years of service up to 20 years) +(2.0 percent x AFC x years of service in excess of 20 years)	(2.2 percent x AFC x years of service up to 10 years) +(2.0 percent x AFC x years of service in excess of 10 years)	1.25 percent x AFC x years of service up to 20 years	(2.2 percent x AFC x years of service up to 10 years) +(2.0 percent x AFC x years of service in excess of 10 years), defined benefit portion capped at pensionable earnings of $50,000
Elected Officials	NA	3.5 percent x AFC x years of service	1.25 percent x AFC x years of service up to 20 years	NA

Pension Benefits

City Pension Plans Eligibility and Participant Contribution Requirements		
Bargaining Unit/ Category	Previously-Hired 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% for first 20 years of service)
DC33 (including Correctional Officers) [2]	Plan 67 (3.75% for compensation subject to Social Security tax and 6% for compensation above that level; with additional 0.5% beginning January 2015 and additional 0.5% beginning January 2016) or Plan 87 (30% of normal cost, with additional 0.5% beginning January 2015, and additional 0.5% beginning January 2016 up to $45,000, tiered increases based on salary thereafter, ranging from an additional 0.5%-3%) or Plan 10 (50% of normal cost)	Plan 16 (up to $45,000 salary, same as Plan 87; an additional 0.5% for earnings between $45,000-$50,000; $50,000 and above, City to match 50% of contributions, capped at 1.5% of annual compensation)
DC47 and Non-Union[2]	Plan 67 (3.75% for compensation subject to Social Security tax and 6% for compensation above that level; with additional 0.5% beginning January 2015 and additional 0.5% beginning January 2016) or Plan 87 (30% of normal cost, with additional 0.5% beginning January 2015, and additional 0.5% beginning January 2016), those hired in 2014 or later (dates vary by employee group) who elect Plan 1987 over Plan 10 pay an additional 1% above this total.	Plan 87 (previously-hired employee contribution plus 1.0%) or Plan 10 (50% of normal cost)

Notes:

[1] Newly-hired employees are those hired on or after the following dates: police, January 1, 2010; firefighters, October 15, 2010; DC33 including correctional officers), upon Council enactment; DC47, March 5, 2014; non-represented civil service, May 14, 2014; non-represented non-civil service, November 14, 2014; and Deputy Sheriffs and Register of Wills employees, January 1, 2012. Plan 10 and Plan 16 contributions do not include voluntary DC plan contributions.

[2] Assumes employees are covered by Social Security.

Performance

- Public Safety
- Health and Human Services
- Housing
- Parks and Recreation and Free Library
- Streets and Licenses and Inspections

Performance: Public Safety

- **Police Department**: The number of City homicides declined from FY12 through FY14, then increased substantially between FY15 and FY16. Based on the first quarter of FY17, 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. The homicide clearance rate, which declined significantly between FY15 and FY16, is lower in Q1 FY17 than during the same period last fiscal year. The Department is looking into the reason for this performance.
- **Fire Department**: Through the first quarter, 72.0 percent of EMS calls received a response within 9 minutes, an increase from 67.0 percent over the same period in FY16. This metric has shown improvement over the last three fiscal years. The National Fire Protection Association standard is that 90 percent of these calls should receive a response within 9 minutes.

Performance Measures: Public Safety								
Agency	**Measure**	**Totals**					**Through Q1**	
		FY12	**FY13**	**FY14**	**FY15**	**FY16**	**FY16**	**FY17**
Police	Homicides	350	263	246	248	287	86	85
	Part 1 violent crime	18,224	17,384	16,533	15,912	15,859	4,553	4,158
	Homicide clearance rate (%)	64.0	73.0	56.5	62.1	49.8	46.5	35.3
	Burglaries	12,241	11,841	9,898	9,064	7,410	2,236	2,008
Fire	Fire engine average response time[1]	4:57	4:54	4:57	4:54	4:53	4:47	NA
	Structural fires	3,108	2,882	3,019	2,880	2,680	631	558
	Fire deaths	24	25	23	24	18	2	1
	EMS response time (percent within 9 minutes) (%)	68.0	66.0	64.0	68.5	69.8	67.0	72.0

Note:
[1] Includes responses for fire and EMS incidents; measure not available in Q1 due to staff turnover. This performance measure is under review.

Performance: Health and Human Services

- **Department of Human Services**: DHS has introduced a series of new performance metrics for FY17. 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" with the goal of accelerating exits from this metric.
- **Department of Public Health**: The percent of District Health Center visits by uninsured patients in Q1 of FY17 is comparable to the same period in FY16. Through the first quarter of FY17, the child immunization rate increased to 80.8 percent, compared to 77.6 percent over the same period in FY16.

Performance Measures: Health and Human Services

Agency	Measure	Totals					Through Q1	
		FY12	FY13	FY14	FY15	FY16	FY16	FY17
Human Services[1]	Percent of CPS investigations determined within 60 days[2] (%)	NA	NA	NA	NA	NA	NA	93
	Percent of children in Kinship Care[3] (%)	NA	NA	NA	NA	NA	NA	45.5
	Dependent placement population as of last day of quarter	4,030	4,179	4,473	5,184	5,900	5,738	5,988
	Percent of dependent placement population in care more than two years[4] (%)	NA	NA	NA	NA	NA	NA	33.4
Public Health	Uninsured patient visits to District Health Centers	51.1	52.9	49.6	49.0	42.1	41.3	41.8
	New HIV diagnoses	NA	792	704	585	538	127	111
	Children with complete immunizations[5] (%)	NA	NA	75	78	85.8	77.6	80.8

Note
[1] DHS new measures under PICA staff review pending staff meeting with DHS officials.
[2] New Measure
[3] New Measure; a percent of children placed with kin when children have to be removed from their homes.
[4] As of the last day of the quarter.
[5] Defined as percentage of children of age 19 to 35 months with complete immunizations.

Performance: Housing

- **Office of Homeless Services**: Households receiving financial assistance to prevent homelessness and to end homelessness increased considerably in the first quarter of FY17 as compared to the first quarter of FY16. During the first quarter of FY17 however, there were 105 placements into transitional housing, compared to 124 for the same quarter in FY16.
- **Office of Housing and Community Development**: The number of mortgage foreclosures diverted declined in FY16 but is on pace to increase in FY17. Through the first quarter of FY17, repairs to owner-occupied homes increased, compared to the first quarter of FY16. The number of current or prospective homeowners receiving counseling during the first quarter of FY17 was substantially higher than during the same period in FY16.

Performance Measures: Housing

Agency	Measure	Totals					Through Q1	
		FY12	FY13	FY14	FY15	FY16	FY16	FY17
Homeless Services	Assistance to prevent homelessness (households)	809	610	676	814	824	155	265
	Assistance to end homelessness (households)	NA	291	135	356	339	0	86
	New permanent supportive housing units[1]	179	180	59	115	135	NA	NA
	Transitional housing placements	558	539	509	610	495	124	105
Housing and Community Development	Mortgage foreclosures diverted	1,423	1,754	1,232	1,178	1,502	222	470
	Owner-occupied homes repaired[2]	7,129	5,409	5,689	5,111	6,080	1,164	1,303
	City lots greened and cleaned[3]	8,500	9,328	8,766	8,713	9,227	8,412	10,574
	Clients receiving counseling	NA	12,463	12,398	11,495	10,428	2,462	3,054

Notes:
[1] Excludes Philadelphia Housing Authority units. Quarterly data for this indicator is not available; data will be available at the end of the fiscal year.
[2] Includes Basic System Repair Program, Weatherization, and Heater Hotline.
[3] The number of lots as of a point in time. Includes land stabilization and land maintenance.

Performance: Parks and Recreation and Free Library

- **Department of Parks and Recreation**: Reporting of programs was changed to improve accuracy. The number of programs offered has increased in the first quarter of FY17, compared to the same period in FY16.
- **Free Library of Philadelphia**: Through the first quarter, Free Library physical visits and program attendance were slightly down compared to the same period in FY16, due to continued closures of libraries for repairs and improvements. Website visits are also down, due to a change in the definition of what constitutes a virtual visit.

Performance Measures: Parks and Recreation and Free Library

Agency	Measure	Totals					Through Q1	
		FY12	FY13	FY14	FY15	FY16	FY16	FY17
Parks and Recreation	Programs offered[1]	4,050	3,742	3,603	4,695	3,196	1,374	1,475
	Visits to Department facilities and sites (000,000) [2]	6.60	7.30	6.24	6.78	9.65	3.50	3.55
	Acres mowed[3] (000)	37.5	36.0	40.3	40.3	43.6	18.7	18.7
	Trees planted[4] (000)	20.3	26.0	18.3	13.9	7.50	N/A	N/A
Free Library	Digital access (000,000) [5]	NA	NA	NA	NA	3.6	9.9	1.5
	Visits (000,000)	5.96	5.85	5.67	5.9	5.8	1.31	1.28
	Website visits (000,000)	NA	NA	8.2	9.9	8.7	2.5	1.4
	Program attendance[6]	NA	NA	NA	NA	685,639	173,427	144,738

[1] Reporting method has changed to account for duplicate programs and for consistency. FY16 total of programs has been changed from the previously reported 6,835 to reflect this change. Programs through Q1 in FY16 also reflect this change for comparison purposes.
[2] Reporting method has changed to include more activities and services. FY16 total visits has been changed from the previously reported 5.66 to reflect this change. Visits through Q1 in FY16 also reflect this change for comparison purposes.
[4] There were no scheduled tree plantings in Q1.
[5] New Measure; includes Wi-Fi usage, eBook circulation, electronic resource/database use, and public PC use.
[6] New Measure; includes preschool, child, teen, adult, and senior program attendance.

Performance: Streets and Licenses and Inspections

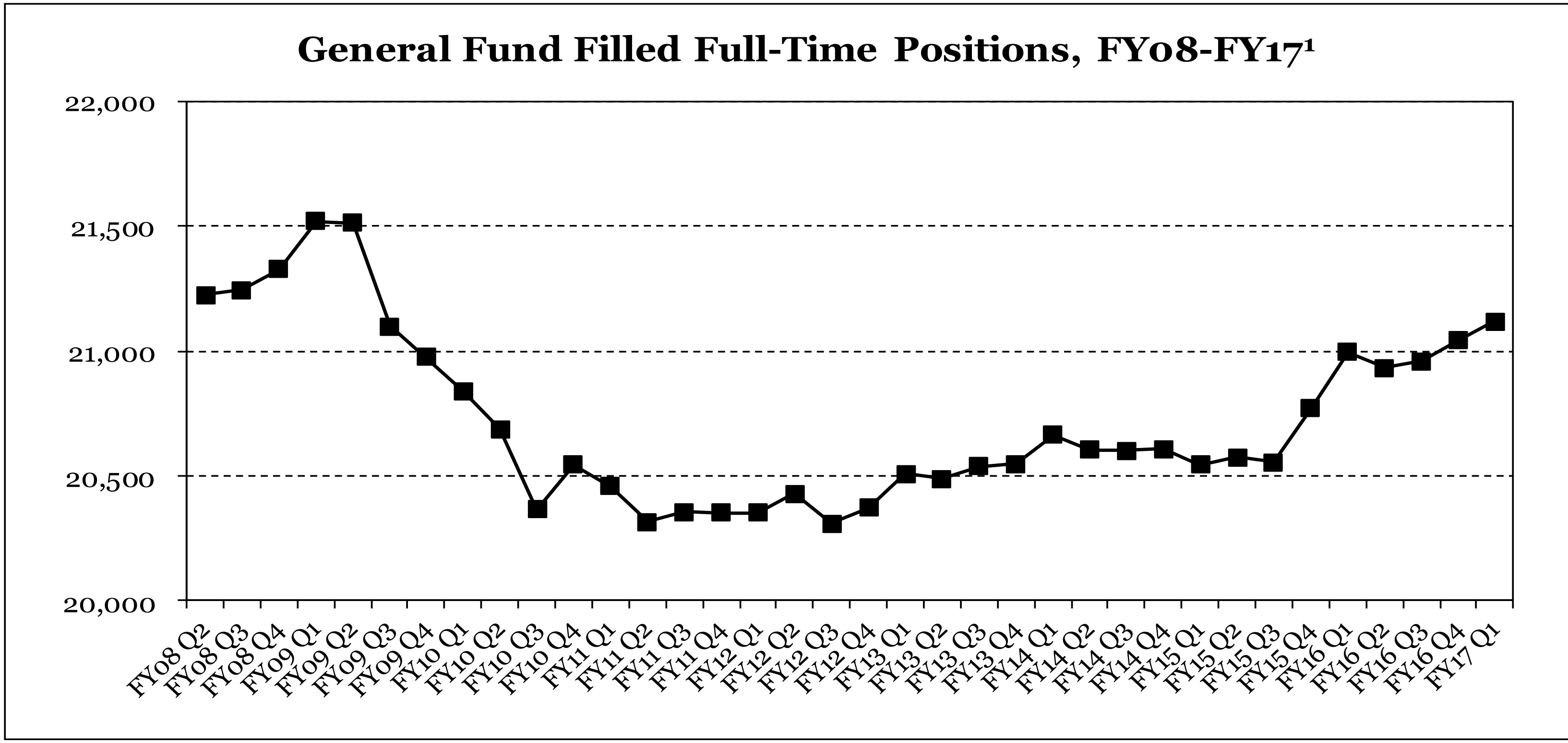
- **Streets Department**: On-time recycling collection through the first quarter of FY17 was 95.5 percent, consistent with Q1 of FY16. On-time trash collection declined significantly from FY13 to FY15, but increased in FY16 and the first quarter of FY17, due to added new compactors.
- **Department of Licenses and Inspections**: New measures have been introduced by the Department of Licenses and Inspections. "Demolitions performed" now includes all demolitions; previously, only statistics for residential demolitions were included. The number of permits issued includes building, electrical, plumbing, and zoning permits; adding zoning to the category.

Performance Measures: Streets and Licenses and Inspections								
Agency	Measure	Totals					Through Q1	
		FY12	FY13	FY14	FY15	FY16	FY16	FY17
Streets	Recycling rate (%)	19	20	21	19	21	20.0	18.7
	On-time trash collection[1] (%)	94	96	85	76	84	76.0	85.7
	On-time recycling collection (%)	97	97	93	96	96	96.0	95.5
Licenses and Inspections	Demolitions performed[2]	NA	NA	NA	NA	NA	NA	123
	Percent of Nuisance Properties inspected within seven days[3] (%)	NA	NA	NA	NA	NA	NA	39.4
	Permits issued[4] (000)	NA	NA	NA	NA	NA	NA	13.5

Notes
[1] Percentage of collections completed by 3:00 PM.
[2] New Measure; previously included only residential demolitions, thus data from previous years is not comparable.
[3] New Measure
[4] Includes building, electrical, plumbing permits and zoning. Zoning permit counts have been added in FY17, thus data from previous fiscal years is not comparable.

Staffing

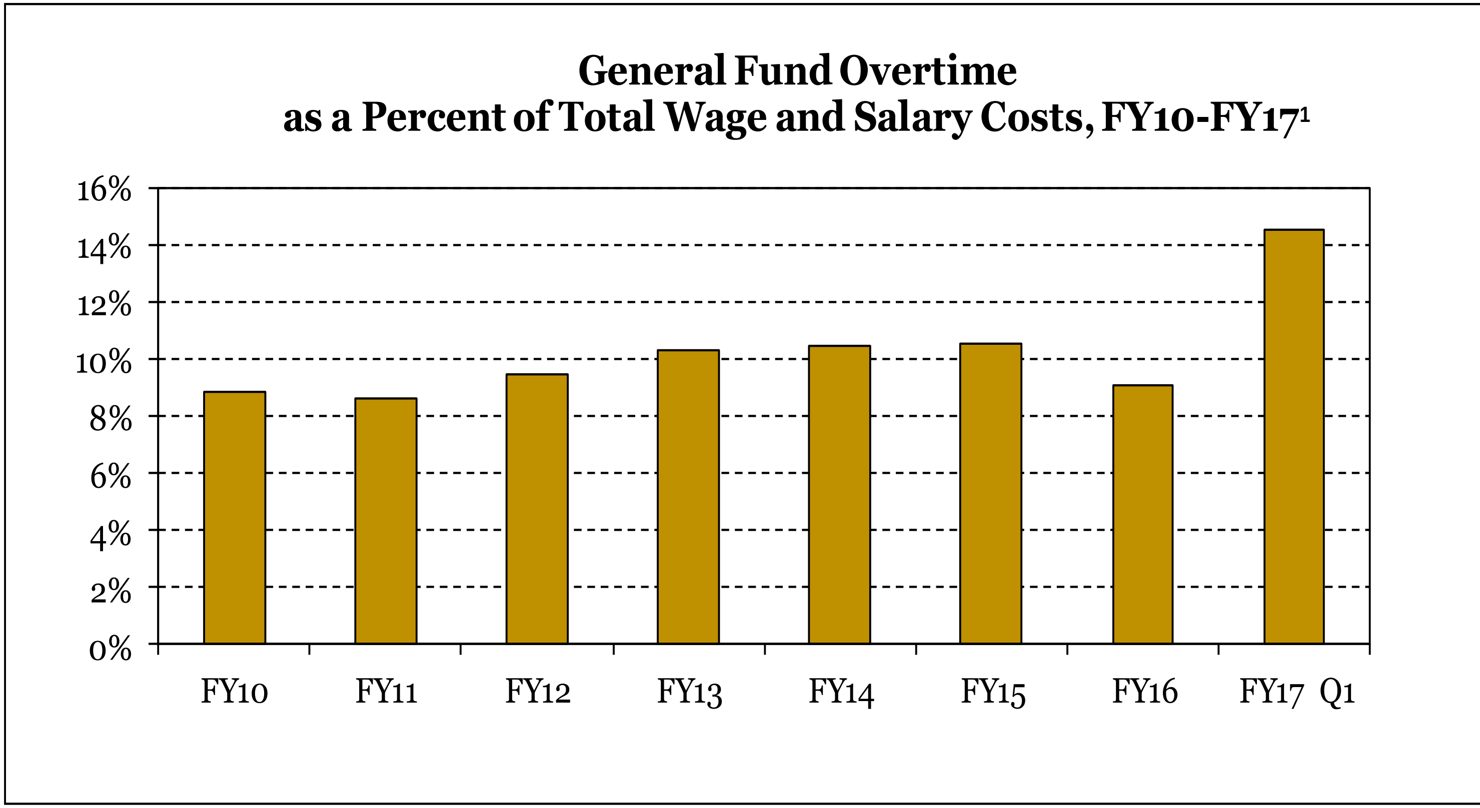
- General Fund employment has increased by 961 since Q1 of FY15, and by 78 since the last quarter, Q4 of FY6—approaching a return to pre-recession staffing levels.



Note:
[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

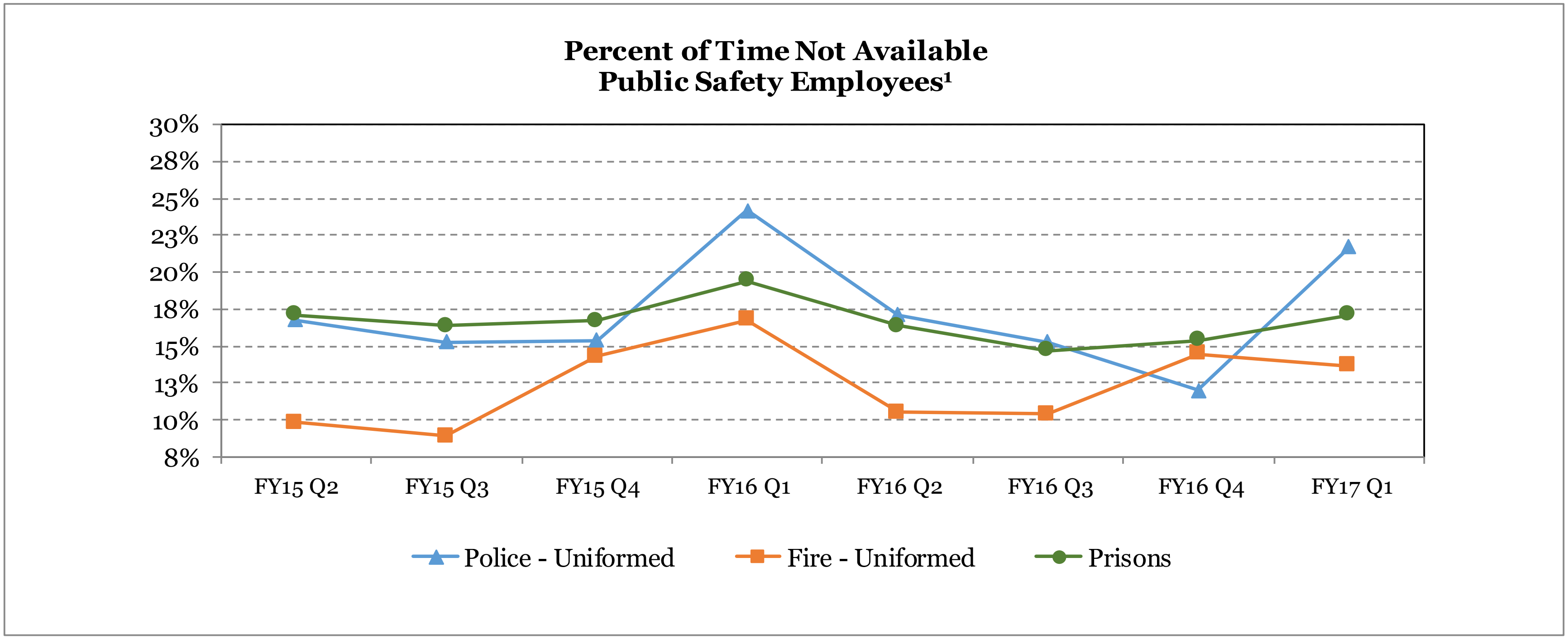
- Overtime as a percentage of wages and salaries was 14.5 percent for the first quarter, the highest percentage compared to any fiscal year since FY10. This figure has increased every year since FY11 before dropping slightly in FY16.



Note:
[1] The 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

- Leave usage in the first quarter of FY17 has decreased across all public safety departments as compared to the same quarter in FY16. In Q1 of FY17, time not available due to leave usage varied from a high of 21.9 percent of work days for City Commissioners employees, to a low of 3.4 percent for employees in the Mayor's Office. The median rate among all City agencies was 15.7 percent.[1] Seasonal variability in leave use has major cost implications, since overtime is often necessary to ensure consistent staffing.



Note:
[1] The calculation includes time not available due to sick, injured-on-duty, vacation, compensation time, holiday compensation time, annual leave, funeral, military, excused, AWOL, suspension, administration, and other miscellaneous leave.