



PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY

Staff Report on the City of Philadelphia's Quarterly City Managers Report

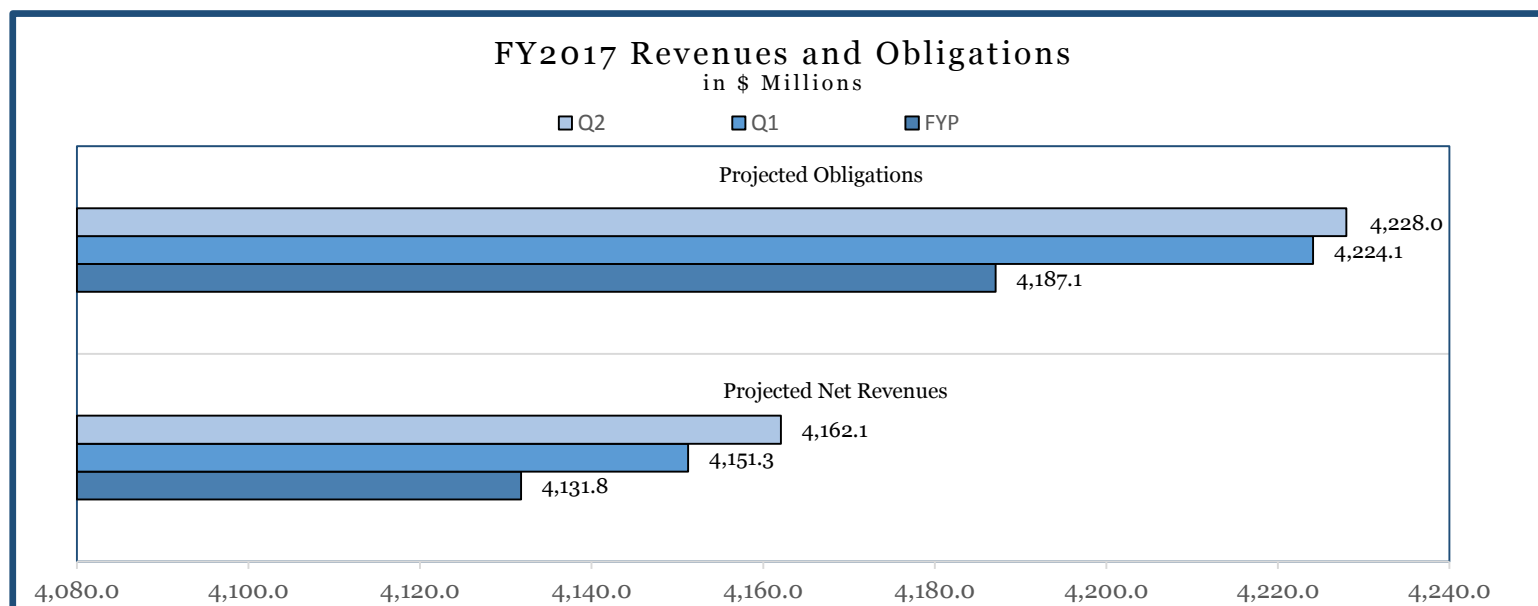
For the Period Ending December 31, 2016

Executive Summary

The *Quarterly City Managers Report* (“QCMR”) for the second quarter of Fiscal Year 2017 (October 1, 2016-December 31, 2016) was submitted to PICA on February 15, 2017. The most significant elements of the report include:

► *Financial Projections:*

- *Fund Balance.* The current General Fund FY2017 year-end fund balance projection is \$106.1 million, \$65.9 million higher than projected in the FY2017-FY2021 Plan.
- *Tax Revenue.* The currently projected FY2017 General Fund tax revenue is \$3,090.8 million, \$18.9 million higher than projected in the FY2017-FY2021 Plan.
- *Spending.* FY2017 General Fund obligations are projected at \$4,228.0 million, an increase of \$40.9 million from the Five-Year Plan, once again outpacing revenues.



Executive Summary

▶ *Key Management Issues:*

- ▶ General Fund employment increased by 51 employees this quarter, continuing a rise in full-time positions beginning in the third quarter of FY2012.
- ▶ Overtime costs represented 12.4 percent of wages and salaries through the second quarter of FY2017, slightly lower than FY16 figure of 12.5 percent over the same period, but higher than any other fiscal year since FY2010.
- ▶ In the second quarter of FY2017, time not available due to leave usage varied from a high of 26.9 percent of work days for non-uniformed police employees, to a low of 8.6 percent for employees in the Mayor's Office.

▶ *Departmental Performance:*

- ▶ Year-over-year comparison has become unfeasible in several key departments, as a direct result of wholesale changes to previously reported performance metrics. New metrics were introduced without presenting the prior year metrics parallel with the new, or alternatively, presenting prior quarterly numbers for the new metrics.
- ▶ Departments with performance targets that are presented as greater than or less than prior year actual performance, in lieu of specific targets, suggests that a appropriate strategic performance measuring process is not in place. We found this in certain key departments, such as DHS, Fire, and Police.
- ▶ Police: Homicide totals decreased through the second quarter of FY2017 compared to the same period last year, yet the homicide clearance rate (homicide cases in which an arrest is made) continues to decline.
- ▶ Public Health: The percent of District Health Center visits by uninsured patients continued to decline through the second quarter of FY2017, continuing a downward trend begun in FY2014 corresponding with the rollout of the Affordable Care Act.

Introduction

- ▶ This PICA Staff Report analyzes the City of Philadelphia's *Quarterly City Managers Report* (QCMR) for the second quarter of Fiscal Year 2017, the period ending December 31, 2016. The QCMR contains information on projected FY2017 General Fund revenues and expenditures, agency performance, personnel levels, leave usage, and cash flow.
- ▶ The focus of this report is the current projections of FY2017 General Fund revenues and expenditures by category, and key management issues such as labor contracts, pension benefits, staffing, overtime, and departmental performance. The report is organized as follows:
 - ▶ Background
 - ▶ FY2017 Financial Projections
 - ▶ Overview
 - ▶ Revenue
 - ▶ Obligations
 - ▶ Key Management Issues
 - ▶ Labor Contracts
 - ▶ Pension Benefits
 - ▶ Staffing
 - ▶ Overtime
 - ▶ Leave Usage
 - ▶ Departmental Performance

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 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 second quarter of FY2017.¹ It compares the second quarter QCMR estimates of FY2017 revenues and expenditures with estimates in the approved FY2017-FY2021 *Five-Year Financial Plan*.² The report also highlights agency performance and key management issues.
- ▶ Unless otherwise noted, information in this report is drawn from City reports, including the FY2017-FY2021 *Five-Year Financial Plan* and QCMRs.

Notes:

¹ The QCMR is available at <http://www.picapa.org/wp-content/uploads/2013/01/QCMR-ending-12-31-16.pdf>

² The approved FY2017-FY2021 Plan was approved by PICA on August 31, 2016.

FY2017 Financial Projections



- ▶ **Overview**
- ▶ **Revenue**
 - ▶ **Tax**
 - ▶ **Locally-Generated Non-Tax**
 - ▶ **From Other Governments**
- ▶ **Obligations**

FY2017 Financial Projections: Overview

- ▶ The second quarter QCMR projects FY2017 General Fund revenues at \$4,162.1 million, an increase of \$30.3 million from the initial FY2017-2021 *Five-Year Financial Plan*. Obligations are projected at \$4,228.0 million, an increase of \$40.9 million from the Plan. The FY2017 operating deficit is projected at \$65.9 million, an increase from the \$55.3 million deficit projected in the Plan. The Plan projected the FY2016 year-end fund balance at \$76.1 million, while the unaudited actual FY2016 fund balance is \$148.3 million.
- ▶ The sum of the projected operating deficit, prior year adjustments, and FY2016 fund balance is the projected FY2017 fund balance of \$106.1 million. This projection is \$65.9 million higher than the FY2017-FY2021 Plan.

FY2017 General Fund Projections Summary (\$ in Millions)				
<u>Category</u>	<u>FY2017-21 Plan</u>	<u>Q1 QCMR</u>	<u>Q2 QCMR</u>	<u>Change from Plan to Q2 QCMR</u>
Revenues	\$4,131.8	\$4,151.3	\$4,162.1	\$30.3
Obligations	4,187.1	4,224.1	4,228.0	40.9
Operating Surplus/(Deficit)	(55.3)	(72.9)	(65.9)	(10.6)
Prior Year Net Adjustments	19.5	20.3	23.7	4.2
Prior Year Fund Balance/(Deficit)	76.1	148.3	148.3	72.2
Year-End Fund Balance	\$40.3	\$95.8	\$106.1	\$65.9

FY2017 Financial Projections: Revenue

- ▶ The second quarter QCMR projects FY2017 General Fund revenue at \$4,162.1 million, an increase of \$30.3 million from the FY2017-FY2021 Plan.
- ▶ The increase is largely attributable to higher than projected tax revenue (\$18.9 million), revenue from other governments (\$9.0 million), and locally-generated non-tax revenue (\$2.6 million).

FY2017 General Fund Revenue Projections (\$ in Millions)				
<u>Category</u>	<u>FY2017-21 Plan</u>	<u>Q1 QCMR</u>	<u>Q2 QCMR</u>	<u>Change from Plan to Q2 QCMR</u>
Taxes	\$3,071.9	\$3,089.6	\$3,090.8	\$18.9
Locally-Generated Non-Tax	287.3	286.2	289.9	2.6
Revenue from Other Governments	697.0	699.9	706.0	9.0
Revenue from Other Funds	75.6	75.6	75.4	(0.1)
Total	\$4,131.8	\$4,151.3	\$4,162.1	\$30.3

FY2017 Financial Projections: Tax Revenue

- ▶ FY2017 General Fund tax revenue is projected at \$3,090.8 million, an increase of \$18.9 million from the Plan. The overall increase reflects increases for the following taxes: business income and receipts (\$23.5 million); sales (\$9.1 million); wage and earnings (\$2.9 million); net profits (\$2.8 million); parking (\$1.6 million); and amusement (\$0.7 million).
- ▶ These increases were offset by declines in the following taxes: real estate transfer (\$16.7 million); real estate (\$4.4 million); and other (\$0.5 million). Changes were made to estimates of FY2016 tax revenues. The FY2017 estimates apply anticipated annual growth rates for each tax in the revised FY2016 estimates.

FY2017 General Fund Tax Revenue Projections (\$ in Millions)				
<u>Tax</u>	<u>FY2017-21 Plan</u>	<u>Q1 QCMR</u>	<u>Q2 QCMR</u>	<u>Change from Plan to Q2 QCMR</u>
Wage and Earnings	\$1,418.1	\$1,426.6	\$1,421.0	\$2.9
Real Estate	594.9	594.9	590.5	(4.4)
Business Income and Receipts	441.6	446.0	465.1	23.5
Sales	177.5	182.2	186.6	9.1
Real Estate Transfer	249.6	249.6	232.9	(16.7)
Net Profits	24.5	24.5	27.3	2.8
Parking	95.1	95.1	96.7	1.6
Amusement	20.5	20.5	21.2	0.7
Beverage	46.2	46.2	46.2	--
Other	3.9	3.9	3.4	(0.5)
Total	\$3,071.9	\$3,089.6	\$3,090.8	\$18.9

FY2017 Financial Projections: Locally-Generated Non-Tax Revenue

- ▶ FY2017 locally-generated non-tax revenue is projected at \$289.9 million, an increase of \$2.6 million from the Plan.
- ▶ The most significant changes from the Plan were increases in Public Health (\$8.5 million) and Fire (\$5.0 million), offset by decreases in Public Property (\$3.2 million); Streets (\$2.1 million); Innovation and Technology (\$0.9); Records (\$0.6 million); and Fleet Management (\$0.5 million).

FY2017 General Fund Locally-Generated Non-Tax Revenue Projections (\$ in Millions)				
<u>Agency Source</u>	<u>FY2017-21 Plan</u>	<u>Q1 QCMR</u>	<u>Q2 QCMR</u>	<u>Change from Plan to Q2 QCMR</u>
Finance	\$18.2	\$18.2	\$18.2	--
Public Health	12.6	12.6	21.1	\$8.5
Revenue	4.9	4.9	4.9	--
Fire	40.0	40.0	45.0	5.0
Innovation and Technology	26.6	26.0	25.8	(0.9)
Licenses and Inspections	54.3	54.3	54.3	--
Public Property	13.5	13.5	10.3	(3.2)
Streets	27.7	27.7	25.7	(2.1)
Records	17.8	17.8	17.2	(0.6)
FJD	33.0	33.0	33.0	--
Sheriff	9.8	9.8	9.8	--
Fleet	3.6	3.1	3.1	(0.5)
Other	25.3	25.3	21.6	(3.6)
Total	\$287.3	\$286.2	\$289.9	\$2.6

FY2017 Financial Projections: Revenue from Other Governments

- ▶ The second quarter QCMR projection of FY2017 revenue from other governments is \$706.0 million, an increase of \$9.0 million from the Plan.
- ▶ PICA City Account revenue is projected at \$393.1 million, accounting in large part for the above mentioned increase.

FY2017 General Fund Revenue From Other Governments Projections (\$ in Millions)				
<u>Agency Source</u>	<u>FY2017-21 Plan</u>	<u>Q1 QCMR</u>	<u>Q2 QCMR</u>	<u>Change from Plan to Q2 QCMR</u>
Finance	\$162.5	\$162.5	\$162.6	\$0.1
PICA City Account	384.7	387.3	393.1	8.4
Revenue	39.6	39.6	38.1	(1.5)
Other	110.2	110.6	112.2	1.9
Total	\$697.0	\$699.9	\$706.0	\$9.0

FY2017 Financial Projections: Obligations

- ▶ The second quarter QCMR projects FY2017 obligations at \$4,228.0 million, an increase of \$40.9 million from the Plan.

FY2017 General Fund Obligations Projections (\$ in Millions)				
<u>Agency or Cost Center</u>	<u>FY2017-21 Plan</u>	<u>Q1 QCMR</u>	<u>Q2 QCMR</u>	<u>Change from Plan to Q2 QCMR</u>
Community Schools/Pre-K	\$27.5	\$27.5	\$27.1	(\$0.3)
Debt Service	275.3	275.3	275.3	--
Employee Benefits	1,229.8	1,250.8	1,258.6	28.8
Fire	221.8	233.9	235.5	13.7
Police	650.2	650.7	650.8	0.7
Indemnities	40.7	40.7	40.7	--
Streets	125.6	127.4	128.4	2.8
Prisons	258.8	261.5	262.5	3.7
Sheriff	20.1	20.2	22.2	2.0
Licenses & Inspections	33.6	33.8	34.8	1.2
Other	1,303.7	1,302.4	1,292.0	(11.6)
Total	\$4,187.1	\$4,224.1	\$4,228.0	\$40.9

Key Management Issues



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

Key Management Issues: Labor Contracts

- ▶ 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 FY2015 through FY2017. The award provides for wage increases of 3 percent in FY2015, 3.25 percent in FY2016, and 3.25 percent in FY2017, 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 FY2017.
 - ▶ **International Association of Firefighters (“IAFF”)**: The current IAFF arbitration award was announced in January 2015, covering the period FY2014 through FY2017. The award included retroactive wage increases of 3 percent in FY2014 and 3 percent in FY2015, and a 3.25 percent increase in FY2016. The award implemented self-insurance for the IAFF health fund effective February 1, 2015. Wages for FY2017 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 FY2017.

Key Management Issues: 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 FY2017 through FY2020. The agreement includes wage increases of 3 percent for the first, second, and fourth years of the contract, and a 2.5 percent increase in the third year. The contract also included 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 FY2020.
 - ▶ **District Council 47 (“DC47”):** In February 2014, the City executed a contract with DC47 covering FY2010 through FY2017. The contract provides for a 3.5 percent wage increase after ratification by the union, a 2.5 percent wage increase in FY2016 and a 3 percent wage increase in FY2017. 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 FY2017. Like DC33, DC 47 members will also be subject to the new employee interest rate for DROP for non-vested members, as a result of an agreement with the union.
- ▶ 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 FY2017-FY2021 Plan approved by PICA in August 2016.

Key Management Issues: 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. For newly-hired Register of Wills employees and Deputy Sheriffs, Plan 10 is still mandatory. 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 in Plan 87. 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 for employees earning above \$50,000 annually.

Key Management Issues: 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.

Key Management Issues: Pension Benefits

- ▶ The table on the next page 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 defined contribution 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. Plan 16 is awaiting enactment by City Council. Currently, a hearing related to the legislation was postponed and remains to be re-scheduled.
- ▶ 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.

Key Management Issues: 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

Key Management Issues: 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)

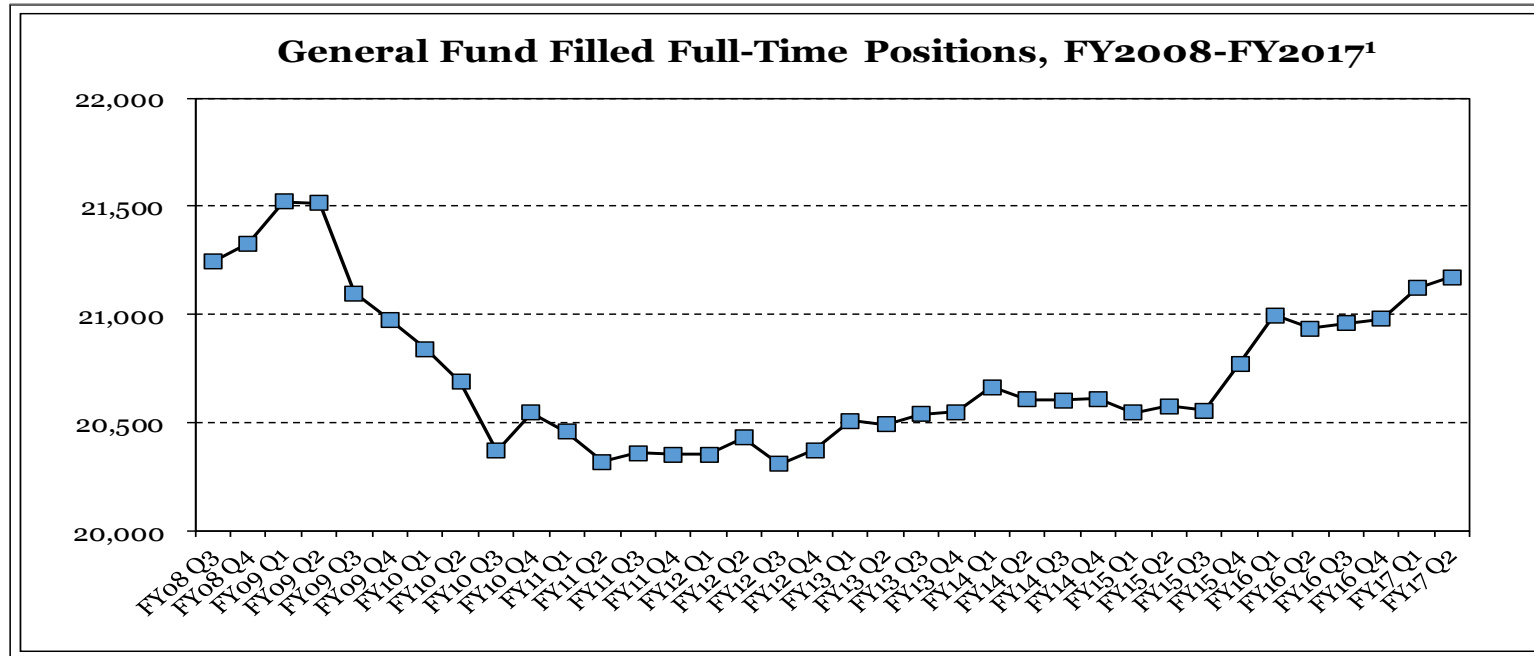
Notes:

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.

Key Management Issues: Staffing

General Fund employment increased by 51 employees this quarter, continuing a rise in full-time positions beginning in the third quarter of FY2012.

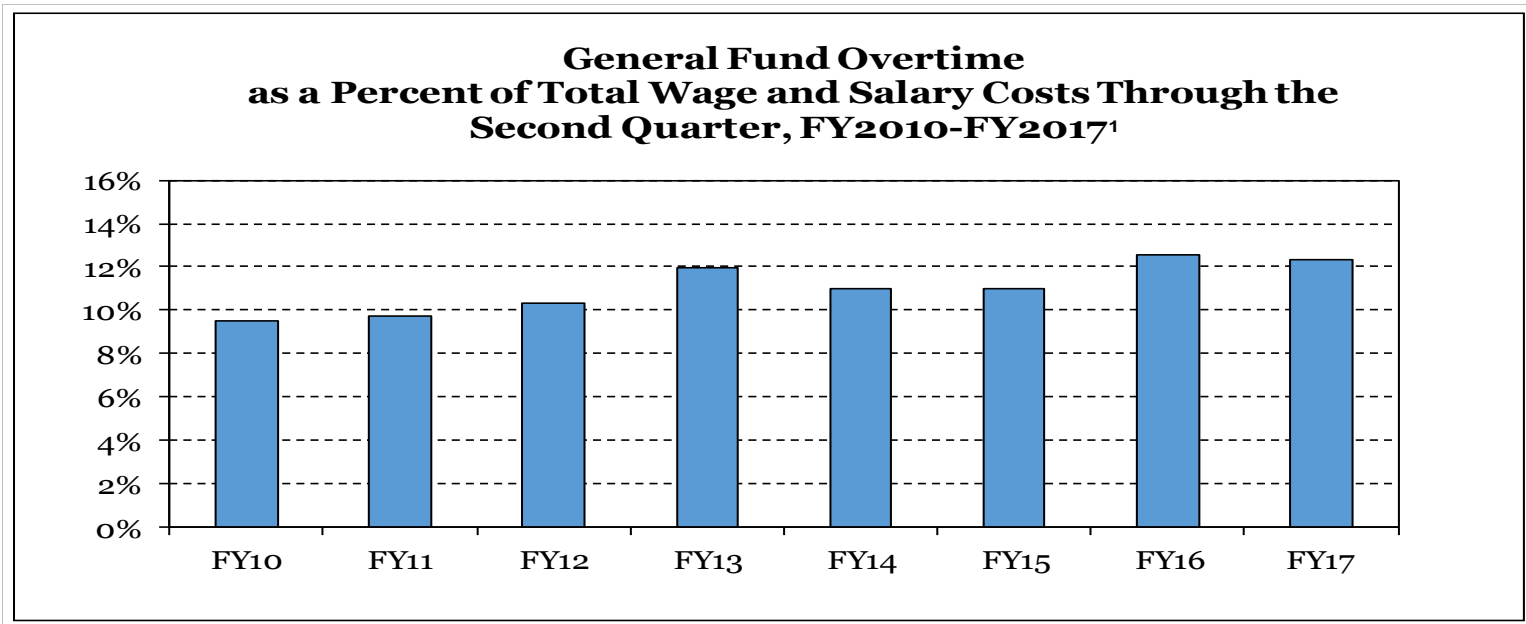


Note:

¹ Department of Human Service (DHS) personnel are excluded to allow comparability. DHS personnel are primarily reported in the Grants Revenue Fund beginning in FY2012, due to an accounting change.

Key Management Issues: Overtime

Overtime costs represented 12.4 percent of wages and salaries through the second quarter of FY2017, slightly lower than FY2016 figure of 12.5 percent over the same period, but higher than any other fiscal year since FY2010. Previously, this figure increased every year through FY2013 before decreasing slightly in FY2014 and remaining flat in FY2015. However, overtime as a percentage of Class 100 obligations is likely to be highest in the first and second quarters of the fiscal year, as overtime costs are yet to be transferred to other funds or reimbursed by State or Federal funds.

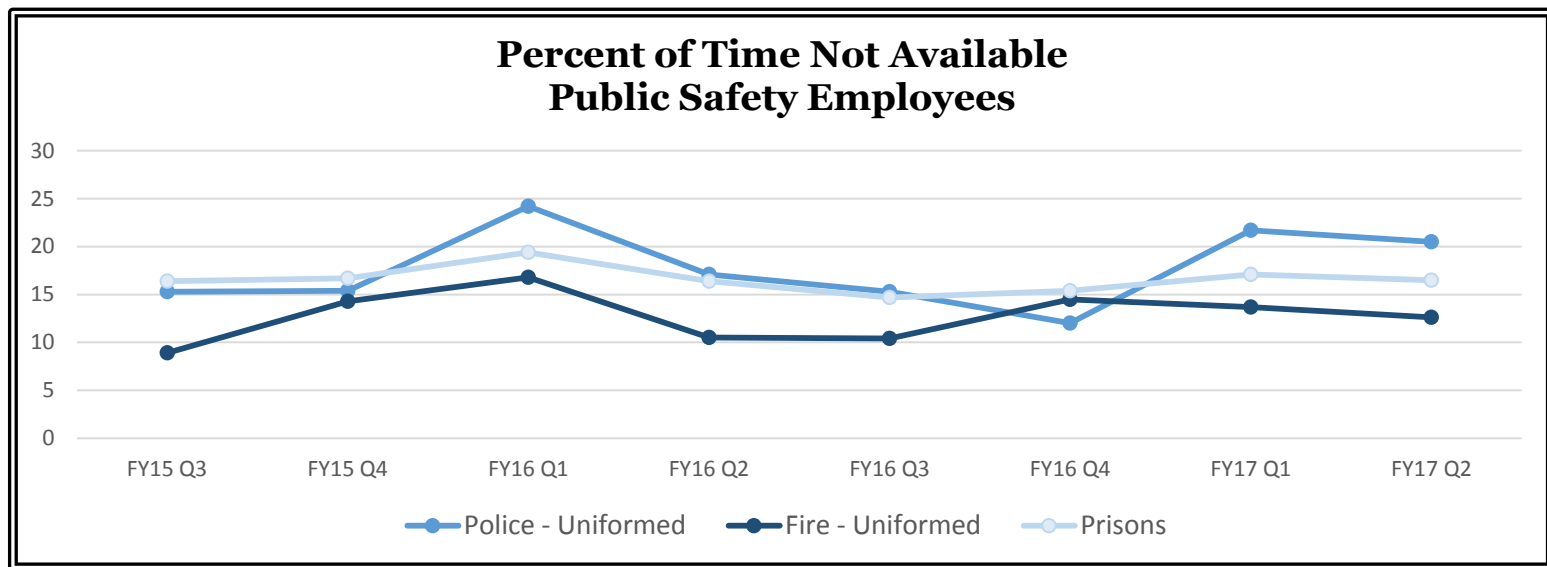


Note:

¹The FY2011 amount excludes \$3.8 million in Fire Department overtime due to a one-time legal settlement related to overtime for emergency medical services personnel.

Key Management Issues: Leave Usage

Leave usage in the second quarter of FY2017 increased across all public safety departments as compared to the same quarter in FY2016. In Q2 of FY2017, time not available due to leave usage varied from a high of 26.9 percent of work days for non-uniformed police employees, to a low of 8.6 percent for employees in the Mayor's Office. The median rate among all City agencies was 15.1 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.

Departmental Performance



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

Departmental Performance: Public Safety

Police Department

Homicide totals decreased through the second quarter of FY2017 compared to the same period last year, yet the homicide clearance rate (homicide cases in which an arrest is made) continues to decline from a high of 73 percent in FY2013 to a low of 35.8 percent through the second quarter of FY2017. Part 1 violent crime declined through the second quarter of FY2017 as compared to the same period last fiscal year.

Police Department								
<u>Measure</u>	<u>Totals</u>					<u>Through Q2</u>		<u>FY2017 Target</u>
	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY2016</u>	<u>FY2017</u>	
Homicides	350	263	246	248	287	165	151	<FY2016 ¹
Part 1 violent crime ²	18,224	17,384	16,533	15,912	15,859	8,485	8,011	<FY2016 ¹
Homicide clearance rate ³ (%)	64.0	73.0	56.5	62.1	49.8	44.1	35.8	60

Note:

¹ Less than FY2016 totals.

² Includes forcible rape, murder, and robbery.

³ Homicide cases in which an arrest is made.

Departmental Performance: Public Safety

Fire Department

All Fire Department performance measures are under review as the City moves to comply with National Fire Protection Association standards (“NFPA”), especially in relation to Fire and EMS response times—making year-over-year comparison difficult. Prior to FY2017, these measures did not reflect the call processing time from the Primary Public Safety Answering Point (“PSAP”) to Fire Communications, as recommended by the NFPA. Thus prior year data was calculated differently. Fire engine and EMS response times calculated under the new method are shown below the previous metrics beginning in FY2017.

Seven fire deaths were recorded in the second quarter of FY2017, raising the total to eight deaths through the second quarter. Structure fires decreased through the second quarter of FY2017 compared to the same period last year.

Fire Department ¹								
<u>Measure</u>	<u>Totals</u>					<u>Through Q2</u>		<u>FY2017 Target</u>
	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY2016</u>	<u>FY2017</u>	
Fire engine average response time	4:57	4:54	4:57	4:54	4:53	4:48	--	
Fire engine average response time	--	--	--	--	--	--	5:33	≤5:20 ²
Structure fires ³	3,108	2,882	3,019	2,880	2,680	1,336	--	
Structure fires ⁴	--	--	--	--	--	--	1,249	<FY2016 ⁵
Fire deaths	24	25	23	24	17 ⁶	4	8	<FY2016 ⁵
EMS response time (% within 9 minutes)	68.0	66.0	64.0	68.5	69.8	69.0	--	
EMS response time (% within 9 minutes)	--	--	--	--	--	--	64.0	≥90 ⁷

Notes:

¹ All Fire Department measures under review.

² Less than or equal to five minutes, twenty seconds.

³ Prior to FY2017, this measure was calculated differently as a result of classifying certain types of fires as “structure fires” that do not meet the structure fire definition.

⁴ As measured in FY2017.

⁵ Less than FY2016 total.

⁶ Adjusted from the previously reported number of 18 per updated reporting from the Fire Marshall’s Office.

⁷ Greater than or equal to 90 percent.

Departmental Performance: Health and Human Services

Department of Human Services

Department of Human Services (“DHS”) has introduced a series of new performance metrics for FY2017 without the ability to update prior totals to account for these changes, making year-over-year and quarter-over-quarter comparison impossible. In the second quarter of FY2017, the number of dependent placements declined for the fourth consecutive quarter, while the total dependent population continues to increase. Due to data entry delays, DHS has adjusted FY2016 totals upward, affecting the FY2017 target, which is below the FY2016 total.

Department of Human Services								
<u>Measure</u>	<u>Totals</u>					<u>Through Q2</u>		<u>FY2017 Target</u>
	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY2016</u>	<u>FY2017</u>	
Percent of CPS investigations determined within 60 days ¹ (%)	--	--	--	--	--	--	97.5	≥95
Percent of children in Kinship Care ² (%)	--	--	--	--	--	--	46.2	48
Dependent placement population as of last day of quarter	4,030	4,179	4,473	5,184	5,948	5,907	5,962	<FY2016 ³
Percent of dependent placement population in care more than two years ⁴ (%)	--	--	--	--	--	--	34.7	28

Notes:

¹ New measure for FY2017.

² New measure for FY2017; represents percent of children placed with kin when children have to be removed from their homes.

³ Less than FY2016 total.

⁴ New measure for FY2017; percentage measured as of the last day of the quarter.

Departmental Performance: Health and Human Services

Department of Public Health

The percent of District Health Center visits by uninsured patients continued to decline through the second quarter of FY2017, continuing a downward trend begun in FY2014 corresponding with the rollout of the Affordable Care Act. Through the second quarter of FY2017, new HIV diagnoses decreased by 35 cases compared to the same period in FY2016, a statistic on pace to decrease substantially from FY2016 to FY2017. The percentage of children with complete immunizations rose to 80.8 percent through the second quarter of FY2017, compared to 77.8 percent over the same period last year.

Department of Public Health								
<u>Measure</u>	<u>Totals</u>					<u>Through Q2</u>		<u>FY2017 Target</u>
	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY2016</u>	<u>FY2017</u>	
Uninsured patient visits to District Health Centers (%)	51.1	52.9	49.6	49.0	42.1	43.3	41.6	41.5
New HIV diagnoses	NA	792	704	585	538	257	222	605
Children with complete immunizations ¹ (%)	NA	NA	75	78	85.8	77.9	80.8	78.0

Notes:

¹ Includes children aged 19-35 months.

Departmental Performance: Housing

Office of Homeless Services

Households receiving financial assistance to prevent homelessness increased considerably through the second quarter of FY2017 as compared to the second quarter of FY2016, while assistance to end homelessness decreased slightly. Placements into transitional housing also decreased to 215 through the second quarter, compared to 263 for the same period in FY2016. Data for this new permanent supportive housing units is tabulated on an annual basis and is not available on a quarterly basis; data for this metric will be available at the end of the fiscal year.

Office of Homeless Services								
<u>Measure</u>	<u>Totals</u>					<u>Through Q2</u>		<u>FY2017 Target</u>
	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY2016</u>	<u>FY2017</u>	
Assistance to prevent homelessness (households)	809	610	676	814	824	415	500	593
Assistance to end homelessness (households)	NA	291	135	356	339	123	116	330
New permanent supportive housing units ¹	179	180	59	115	135	NA	NA	150
Transitional housing placements	558	539	509	610	495	263	215	385

Notes:

¹ Excludes Philadelphia Housing Authority units.

Departmental Performance: Housing

Office of Housing and Community Development

The number of mortgage foreclosures diverted increased through the second quarter FY2017 compared to the same period last year, but are on pace to decline in FY2017 as mortgage foreclosures fall in the Philadelphia region. Year-over-year comparisons showed the number of City lots cleaned and greened and the number of clients receiving counseling also increased through the second quarter, while there was a slight decrease in owner-occupied homes repaired.

Office of Housing and Community Development								
<u>Measure</u>	<u>Totals</u>					<u>Through Q2</u>		<u>FY2017 Target</u>
	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY2016</u>	<u>FY2017</u>	
Mortgage foreclosures diverted	1,423	1,754	1,232	1,178	1,502	461	499	1,200
Owner-occupied homes repaired ¹	7,129	5,409	5,689	5,111	6,080	2,658	2,573	5,000
City lots greened and cleaned ²	8,500	9,328	8,766	8,713	9,227	8,898	10,574	8,500
Clients receiving counseling	NA	12,463	12,398	11,495	10,428	4,829	5,463	11,350

Notes:

¹ Includes Basic System Repair Program, Weatherization, and Heater Hotline.

² Calculated as point in time at the end of the quarter. Includes land stabilization and land maintenance.

Departmental Performance: Parks & Recreation

Parks & Recreation

Reporting of programs offered changed in FY2017 to improve accuracy, that is, duplicated programs have been removed and programs active across more than one quarter are now only counted once. The number of programs offered has increased through the second quarter of FY2017, compared to the same period in FY2016. Visits to department facilities and sites also showed a slight increase through the second quarter and are on pace to exceed FY2016 totals.

Parks & Recreation								
<u>Measure</u>	<u>Totals</u>					<u>Through Q2</u>		<u>FY2017 Target</u>
	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY2016</u>	<u>FY2017</u>	
Programs offered ¹	4,050	3,742	3,603	4,695	--	--	--	--
Programs offered	--	--	--	--	3,196	1,814	2,028	3,300
Visits to Department facilities and sites ² (millions)	6.60	7.30	6.24	6.78	--	--	--	--
Visits to Department facilities and sites (millions)	--	--	--	--	9.66	5.43	5.65	9.8
Acres mowed (thousands)	37.5	36.0	40.3	40.3	41.6	24.2	24.2	41.6
Trees planted (thousands)	20.3	26.0	18.3	13.9	7.5	5.0	3.3	5.3

Notes:

¹ Revised measure; beginning in FY2016 reported programs have been adjusted to remove duplications. Prior fiscal year totals do not reflect this change, and are intended for year-over-year comparison through FY2015.

² Revised measure; reporting method has changed to include more activities and services. Figures from FY16 and FY17 reflect this change. Prior fiscal year totals do not reflect this change, and are intended for year-over-year comparison through FY2015.

Departmental Performance: Free Library of Philadelphia

Free Library of Philadelphia

All major Free Library metrics showed decreases through the second quarter of FY2017 as compared to the same period last year, due to the closing of four library branches for all of FY2017 and one regional center until the fourth quarter, for updates and repairs. The declines in library visits and program attendance may be attributed to these closures. Digital access and website visits also decreased through the second quarter due to changes in reporting methods.

Free Library of Philadelphia								
<u>Measure</u>	<u>Totals</u>					<u>Through Q2</u>		<u>FY2017 Target</u>
	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY2016</u>	<u>FY2017</u>	
Digital access ¹ (millions)	--	--	--	--	--	1.9	1.6	2.7
In-person visits (millions)	5.96	5.85	5.67	5.90	5.80	3.06	2.52	5.0
Website visits ² (millions)	--	--	8.2	9.9	8.7	5.0	--	--
Website visits (millions)	--	--	--	--	--	NA	2.5	5.0
Program attendance ³ (thousands)	--	--	--	--	--	329.1	274.8	622.5

Notes:

¹ New Measure for FY2017; includes Wi-Fi usage, eBook circulation, electronic resource/database use, and public PC use.

² Beginning in Q4 of FY2016, FLP began using a different definition of what constitutes a virtual visit, thus prior year totals are not comparable and are intended for year-over-year comparison.

³ New Measure for FY2017; includes preschool, children's, teen, adult, and senior program attendance.

Departmental Performance: Streets Department

Streets Department

On time recycling collection through the second quarter of FY2017 was 95.3 percent, consistent with collection through the second quarter of FY2016. On-time trash collection was 80.4 percent, also consistent with the same period last fiscal year. The percentage of total waste recycled has remained steady at 21.2 percent through the second quarter, continuing the trend in recent years with little fluctuation.

Streets Department								
<u>Measure</u>	<u>Totals</u>					<u>Through Q2</u>		<u>FY2017 Target</u>
	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY2016</u>	<u>FY2017</u>	
Recycling rate (%)	19	20	21	19	21	21.5	21.2	21.0
On-time trash collection ¹ (%)	94	96	85	76	84	81.0	80.4	96.0
On-time recycling collection ² (%)	97	97	93	96	96	96.0	95.3	97.0

Notes:

¹ Percentage of collections completed by 3:00 PM.

² Percentage of collections completed by 3:00 PM.

Departmental Performance: Department of Licenses & Inspections

Department of Licenses & Inspections

New measures introduced by the Department of Licenses and Inspections (“L&I”) in FY2017 make year-over-year comparison of performance metrics difficult. “Demolitions performed” now includes all demolitions; previously, only statistics for residential demolitions were included. “Permits Issued” now includes building, electrical, plumbing, and *zoning* permits; previously, only building, electrical, and plumbing permits were included.

Department of Licenses and Inspections								
<u>Measure</u>	<u>Totals</u>					<u>Through Q2</u>		<u>FY 2017</u>
	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY2016</u>	<u>FY2017</u>	<u>Target</u>
Demolitions performed ¹	543	521	522	492	557	252	--	--
Demolitions performed	--	--	--	--	--	NA	244	500
Percent of Nuisance Properties inspected within seven days ² (%)	--	--	--	--	--	--	45.2	75.0
Permits issued ³ (thousands)	--	--	35.7	35.4	39.9	21.4	--	--
Permits issued (thousands)	--	--	--	--	--	NA	26.2	47.0

Notes:

¹ Revised measure for FY2017; prior fiscal year totals limited to residential demolitions, and are thus intended for year-over-year comparison.

² New measure for FY2017.

³ Revised measure for FY2017; includes building, electrical, plumbing and zoning permits. Zoning permit counts have been added in FY2017, thus prior fiscal year totals are not comparable, and are intended for year-over-year comparison.

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