



**PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY**

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

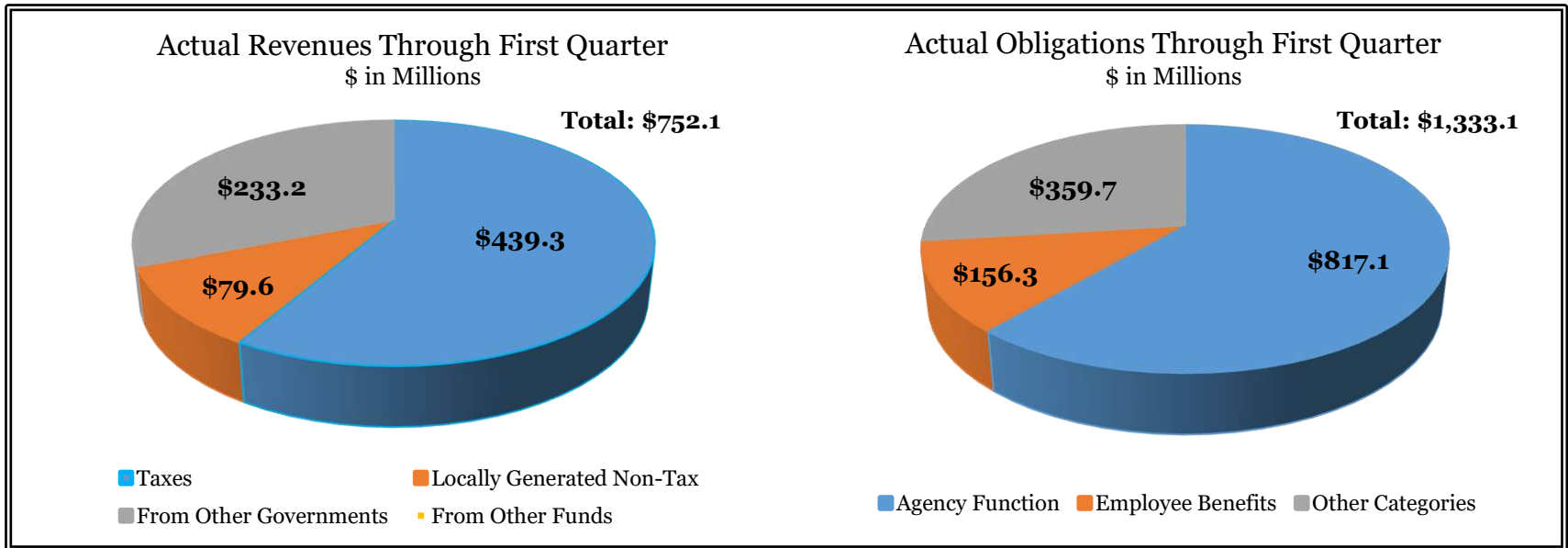
**For the Period Ending September 30, 2018**

## Executive Summary

The *Quarterly City Managers Report* (the “QCMR”) for the first quarter of Fiscal Year 2019 (July 1, 2018 – September 30, 2018) was submitted to PICA on November 15, 2018. It contains estimated figures that are subject to change in subsequent QCMRs. The most significant elements of the report include:

### *FY2019 First Quarter Financial Analysis:*

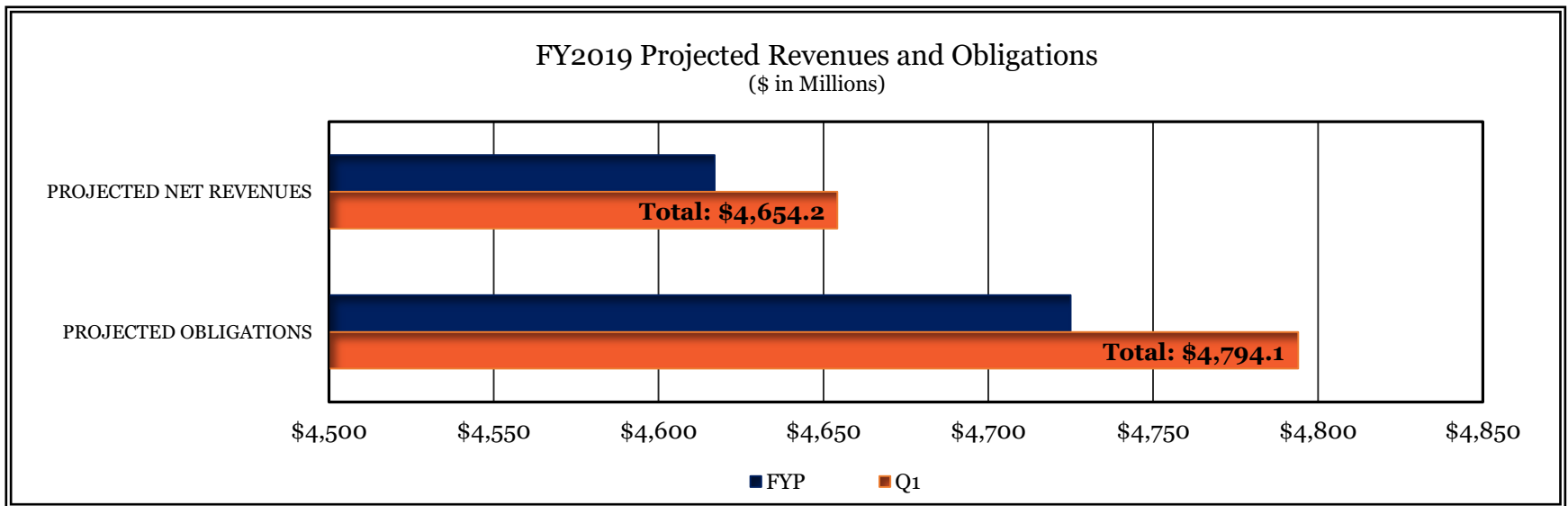
- ▶ **Revenues.** In the first quarter, estimated actual General Fund Revenues totaled \$752.0 million, representing 16.3 percent of the projection in the *FY2019-FY2023 Five Year Plan* (the “Plan”). It should be noted that many of the major tax collections occur in the spring.
- ▶ **Obligations.** In the first quarter, estimated actual General Fund Obligations totaled \$1,333.1 million, representing 28.2 percent of the Plan projection.



## Executive Summary

### ► *FY2019 Financial Projections Analysis:*

- *Fund Balance.* The current General Fund FY2019 year-end fund balance estimate is \$248.4 million, \$108.9 million higher than projected in the Plan.
- *Revenue.* The current net revenue estimate is \$4,654.2 million, \$37.3 million above the Plan projection. Tax revenue for FY2019 General Fund is estimated at \$3,490.4 million, \$44.7 million higher than projected in the Plan.
- *Obligations.* FY2019 General Fund obligations are projected at \$4,794.1 million, an increase of \$68.6 million from the Plan.



## Executive Summary

### ▶ *Key Management Issues:*

- ▶ *Labor.* Presently, all of the City's unions have contracts through FY2020. During the first quarter, District Council 33 ("DC33") had a healthcare reopener that requires the City to pay two lump sum payments in the next two fiscal years, amounting to \$17 million and \$11 million, respectively.
- ▶ *Overtime.* Actual overtime costs in the first quarter of FY2019 totaled \$47.6 million, a total similar to last year's first quarter overtime costs. Overtime spending has traditionally spiked in the first quarter, which includes the summer months when special events take place and crime rates increase.

### ▶ *Departmental Performance:*

- ▶ *Police.* Part 1 violent crimes decreased by 168, or 4.2 percent in the first quarter of FY2019, as compared to same period last year, while homicides have increased by 25 (33%). The homicide clearance rate (homicide cases in which an arrest is made) decreased to 39 percent, falling below 40 percent for the first time since FY2017.
- ▶ *Licenses and Inspections.* L&I issued slightly more permits in the first quarter of FY2019, as compared to the previous year. Unfortunately, the department performed fewer demolitions due to resources being directed to single costly, large-scale demolition. The rate of nuisance properties inspected within twenty days also decreased—despite a new service level agreement expanding the inspection period from seven to twenty days.
- ▶ *Human Services.* Child Protective Services ("CPS") investigations were determined within 60 days at a rate of 99.6 percent through the fourth quarter of FY2018 (data lags by one quarter), above the City's FY2018 target rate of 98 percent. The dependent placement population decreased by nearly 200 dependents as of the first quarter, compared to the same point last year.

# Introduction

- ▶ This PICA Staff Report analyzes the City of Philadelphia’s *Quarterly City Managers Report* (“QCMR”) for the first quarter of Fiscal Year 2019, the period ending September 30, 2018. The QCMR contains information on first quarter revenues and obligations totals, projected FY2019 General Fund revenues and expenditures, agency performance, personnel levels, leave usage, and cash flow.
- ▶ The focus of this report is to analyze first quarter revenues and obligations, current projections of FY2019 General Fund revenues and expenditures, and key management issues such as labor contracts, pension benefits, staffing, overtime, and departmental performance. The report is organized as follows:
  - ▶ Background
  - ▶ FY2019 First Quarter Financial Analysis
    - ▶ Overview
    - ▶ Revenues
    - ▶ Obligations
  - ▶ FY2019 Financial Projections Analysis
    - ▶ Overview
    - ▶ Revenues
    - ▶ 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 compare 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 first quarter of FY2019.<sup>1</sup> It compares the first quarter QCMR estimates of FY2019 revenues and expenditures with estimates in the approved *FY2019-FY2023 Five Year Financial Plan* (the “Plan”).<sup>2</sup> The report also highlights agency performance and key management issues.
- ▶ Unless otherwise noted, information in this report is drawn from City reports, including the Plan and QCMRs.

### Notes:

<sup>1</sup> Please visit the [PICA website](#) to view this and previous quarter QCMRs.

<sup>2</sup> The *FY2019-FY2023 Five Year Financial Plan* was approved by PICA on July 25, 2018. Please visit the [PICA website](#) to view this and previous five year plans.

# FY2019 First Quarter Financial Analysis



- ▶ Overview
- ▶ Revenues
- ▶ Obligations

## FY2019 First Quarter Financial Analysis: Revenues

- ▶ The Plan projects FY2019 General Fund revenue at \$4,616.9 million.
- ▶ Through the first quarter, General Fund revenues amounted to \$752.0 million, or approximately 16.3 percent of the revenues projected in the Plan. It should be noted that many of the major tax collections occur in the spring.
- ▶ Locally Generated Non-Tax revenues totaled \$79.6 million through the first quarter, 27.3 percent of the projected \$291.7 million for FY2019.
- ▶ Revenue from Other Governments shows actuals related to the PICA City Account coming in higher than anticipated in the first quarter, due to wage tax performance. The timing of Public Health federal and state grants also serves to increase actuals in the first quarter.

FY2019 General Fund Revenue Projections (\$ in Millions)				
<u>Category</u>	<u>FY2019-23 Plan</u>	<u>Actual Through First Quarter FY2018</u>	<u>Actual Through First Quarter FY2019</u>	<u>Percentage Through First Quarter FY2019</u>
Taxes	\$3,445.7	\$448.6	\$439.3	12.7%
Locally Generated Non-Tax	291.7	74.9	79.6	27.3
Revenue from Other Governments	806.4	218.4	233.2	28.9
Revenue from Other Funds	73.1	--	--	--
<b>Total</b>	<b>\$4,616.9</b>	<b>\$741.9</b>	<b>\$752.0</b>	<b>16.3%</b>

## FY2019 First Quarter Financial Analysis: Obligations

- ▶ The Plan projects FY2019 obligations at \$4,725.5 million, of which \$1,333.1 million, or 28.2 percent, has already been obligated through the first quarter. Seasonal demands can impact departmental obligations on a quarterly basis.
- ▶ The Office of Education has obligated 83.8 percent of its annual projected obligations through the first quarter, while the Prison System and Sinking Fund have obligated 49.1 and 49.2 percent, respectively.

<b>FY2019 General Fund Obligations Projections by Department/Line Item (\$ in Millions)</b>				
<b><u>Department/Line Item</u></b>	<b><u>FY2019-23 Plan</u></b>	<b><u>Actual Through First Quarter FY2018</u></b>	<b><u>Actual Through First Quarter FY2019</u></b>	<b><u>Percentage Through First Quarter FY2019</u></b>
Employee Benefits	\$1,360.2	\$155.1	\$156.3	11.5%
Police	709.5	166.3	166.5	23.5
Debt Service	295.0	126.4	145.3	49.2
Fire	277.6	60.8	73.3	26.4
Prisons	249.4	132.7	122.4	49.1
Streets	142.0	60.3	59.7	42.0
Indemnities	48.8	9.4	11.0	22.5
Licenses & Inspections	37.5	7.9	9.5	25.4
Sheriff	26.2	6.7	7.0	26.9
Office of Education	24.9	20.8	20.9	83.8
Other	1,554.4	504.4	561.2	36.1
<b>Total</b>	<b>\$4,725.5</b>	<b>\$1,250.6</b>	<b>\$1,333.1</b>	<b>28.2%</b>

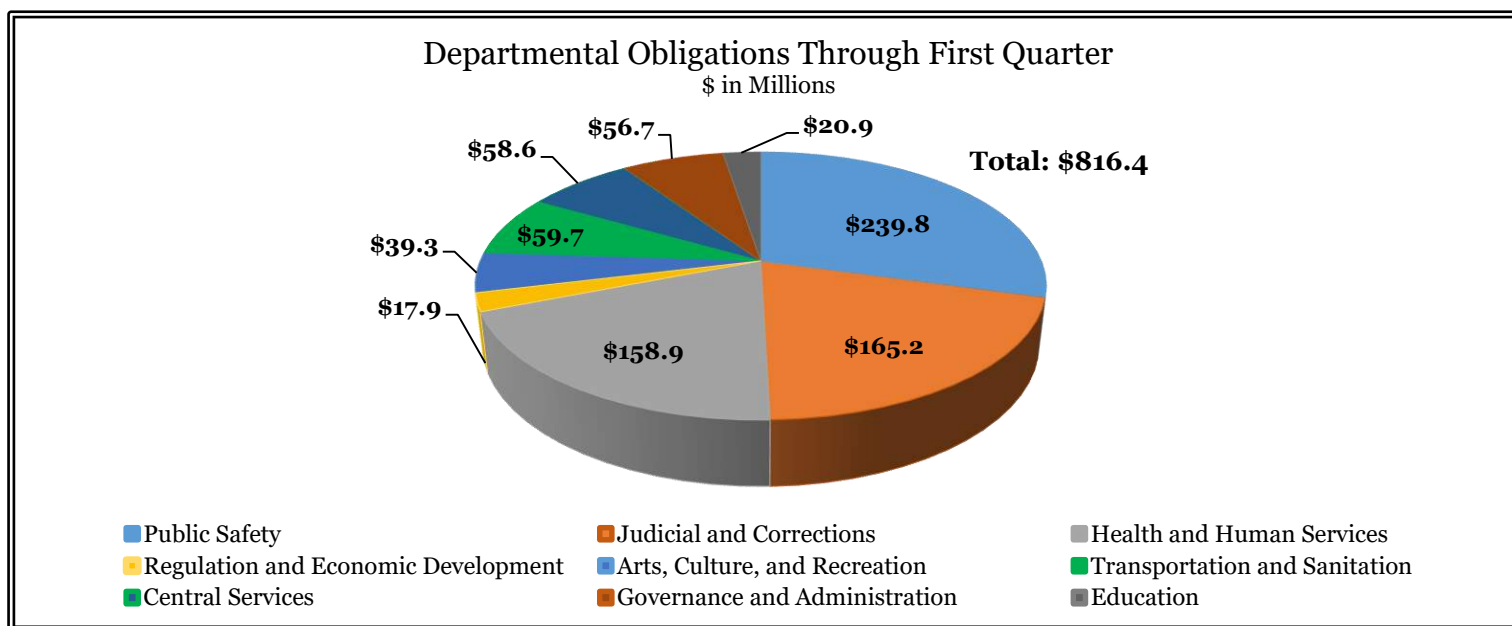
## FY2019 First Quarter Financial Analysis: Obligations

- ▶ The Plan projects FY2019 obligations at \$4,725.5 million, of which \$1,333.1 million, or 28.2 percent, has already been obligated through the first quarter.
- ▶ Purchase of services (contracts and leases) obligations were projected at \$951.7 million, of which 55.0 percent has already been obligated.
- ▶ The City obligated \$111.7 million for debt service through the first quarter, 65.9 percent of the \$169.5 million projected for FY2019 in the Plan.
- ▶ Contributions and indemnities, projected at \$282.2 million, have so far cost the City \$97.7 million, or 34.6 percent of the total allocation for this category.

FY2019 General Fund Actual Obligations by Class (\$ in Millions)				
<u>Obligation Class</u>	<u>FY2019-23 Plan</u>	<u>Actual Through First Quarter FY2018</u>	<u>Actual Through First Quarter FY2019</u>	<u>Percentage Through First Quarter FY2019</u>
Wages	\$1,738.4	\$375.4	\$398.5	22.9%
Employee Benefits	1,360.2	155.1	156.3	11.5
Purchase of Services	951.7	538.6	523.2	55.0
Materials, Supplies & Equipment	114.4	39.4	42.0	36.8
Contributions & Indemnities	282.2	45.0	97.7	34.6
Debt Service	169.5	96.8	111.7	65.9
Payments to Other Funds	38.1	0.4	3.8	9.9
Advances & Miscellaneous	71.0	--	--	--
<b>Total</b>	<b>\$4,725.5</b>	<b>\$1,250.6</b>	<b>\$1,333.1</b>	<b>28.2%</b>

## FY2019 First Quarter Financial Analysis: Obligations

- ▶ In PICA's staff report on the City's FY2019-23 Five Year Plan, certain departments and agencies are categorized into essential functions. These categories, and the departments and agencies that comprise them, are shown on the next page.<sup>1</sup>
- ▶ Public Safety obligations, comprised of the Police and Fire Departments, totaled \$239.8 million through the first quarter, making this the highest category of City spending.
- ▶ Judicial and Corrections obligations totaled \$165.2 million through the first quarter.
- ▶ Health and Human Services obligations amounted to \$158.9 million through the first quarter.
- ▶ Actual obligations in the first quarter of FY2019 increased over the same quarter of FY2018 by \$82.5 million, mostly due to increases in non-agency spending, including a \$45 million School District contribution and \$18.9 million in additional Debt Service spending.



Note:

<sup>1</sup> These categories have been developed by PICA for purposes of obligations analysis, and do not correspond with the City's categorization of agencies for departmental performance analysis, shown later in this report.

# FY2019 First Quarter Financial Analysis: Obligations

FY2019 General Fund Obligations Categories & Descriptions	
<u>Agency Function/Category</u>	<u>Category Description</u>
<b>Public Safety</b>	Police Department, Fire Department
<b>Judicial and Corrections</b>	First Judicial District, Prisons Department, Office of the District Attorney, Register of Wills, Office of the Sheriff
<b>Health and Human Services</b>	Department of Human Services, Office of Homeless Services, Department of Public Health, Department of Behavioral Health and Intellectual disAbility Services, Commission on Human Relations
<b>Central Services</b>	Department of Public Property, Office of Innovation and Technology (includes 911 Call Center), Office of Fleet Management
<b>Transportation and Sanitation</b>	Streets Department
<b>Governance and Administration</b>	Office of the Mayor, Office of the Managing Director, Office of the Director of Finance, City Council, Board of Ethics, Office of Labor Relations, Office of Property Assessment, Board of Revision of Taxes, Office of the City Commissioners, Office of the City Treasurer, Office of Human Resources, Civil Service Commission, Office of the Inspector General, Department of Records, Department of Revenue, Office of the Chief Administrative Officer, Law Department, Office of the City Controller
<b>Arts, Culture, and Recreation</b>	Free Library of Philadelphia, Department of Parks and Recreation, Office of Arts, Culture, and the Creative Economy, Mural Arts Program, Atwater Kent Museum
<b>Education</b>	Office of Community Schools and Pre-K
<b>Regulation and Economic Development</b>	Department of Commerce (includes economic stimulus), Office of the City Representative, Department of Licenses and Inspections, Licenses and Inspections Boards of Building Standards, Review, and Adjustment, Office of Sustainability, Office of Community Empowerment and Opportunity, Department of Planning and Development, Board of Licenses and Inspections Review
<b>Employee Benefits</b>	Unemployment Compensation, Employee Disability, Pensions (including Pension Obligations Bonds and additional pension payments from the City sales tax), Social Security, Flex Cash, Health and Medical, Group Life, Group Legal, Tool Allowance
<b>Other Categories</b>	Debt Service, Legal Services (Defender Association), Indemnities, Refunds, Witness Fees, Hero Awards, Mayor's Scholarships, PA Convention Center Subsidy, Art Museum Subsidy, SEPTA Subsidy, Space Rentals, Utilities, Federal Grant Reduction Reserve, Budget Stabilization Reserve, School District Contribution, Community College Subsidy

# FY2019 First Quarter Financial Analysis: Obligations

FY2019 General Fund Obligations by Category (\$ in Millions)				
<u>Agency Function/Category</u>	<u>Actual Through First Quarter 2018</u>	<u>Actual Through First Quarter 2019</u>	<u>Percent Change</u>	<u>Amount Change</u>
Public Safety	\$227.1	\$239.8	5.6%	\$12.7
Judicial and Corrections	173.9	165.2	(5.0)	(8.7)
Health and Human Services	167.8	158.9	(5.3)	(8.9)
Central Services	60.5	58.6	(3.1)	(1.9)
Transportation and Sanitation	60.3	59.7	(1.1)	(0.6)
Governance and Administration	52.8	56.7	7.5	4.0
Arts, Culture, and Recreation	35.1	39.3	12.3	4.3
Education	20.8	20.9	0.7	0.1
Regulation and Economic Development	18.2	17.9	(1.7)	(0.3)
Agency Function Total	<b>\$816.4</b>	<b>\$817.1</b>	<b>0.1%</b>	<b>\$0.7</b>
Employee Benefits	<b>155.1</b>	<b>156.3</b>	<b>0.8</b>	<b>1.2</b>
Other Categories	<b>279.2</b>	<b>359.7</b>	<b>28.8</b>	<b>80.5</b>
<b>Total</b>	<b>\$1,250.6</b>	<b>\$1,333.1</b>	<b>6.6%</b>	<b>\$82.5</b>

See page 13 for agency functions/category descriptions

# FY2019 Financial Projections Analysis



- ▶ **Overview**

- ▶ **Revenue**

- ▶ **Tax Revenues**

- ▶ **Locally-Generated Non-Tax**

- ▶ **From Other Governments**

- ▶ **Obligations**

## FY2019 Financial Projections Analysis: Overview

- ▶ The first quarter QCMR projects FY2019 General Fund revenues at \$4,654.2 million, an increase of \$37.3 million from the Plan. Obligations are projected at \$4,794.1 million, an increase of \$68.6 million from the Plan. The FY2019 operating deficit is projected at \$139.9 million, an increase from the \$108.6 million deficit projected in the Plan. The Plan projected the FY2018 year-end fund balance at \$228.5 million, while the actual unaudited FY2018 fund balance is \$368.8 million.
- ▶ The sum of the projected operating deficit, prior year adjustments, and FY2018 fund balance is the projected FY2019 fund balance of \$248.4 million. This projection is \$108.9 million higher than the Plan.

<b>FY2019 General Fund Projections Summary (\$ in Millions)</b>			
<b><u>Category</u></b>	<b><u>FY2019-23 Plan</u></b>	<b><u>First Quarter QCMR</u></b>	<b><u>Change from Plan to First Quarter QCMR</u></b>
Revenues	\$4,616.9	\$4,654.2	\$37.3
Obligations	4,725.5	4,794.1	68.6
Operating Surplus/(Deficit)	(108.6)	(139.9)	(31.3)
Prior Year Net Adjustments	19.5	19.5	--
Prior Year Fund Balance/(Deficit)	228.5	368.8	140.2
<b>Year-End Fund Balance</b>	<b>\$139.5</b>	<b>\$248.4</b>	<b>\$108.9</b>

## FY2019 Financial Projections Analysis: Revenues

- ▶ The first quarter QCMR projects FY2019 General Fund revenue at \$4,654.2 million, an increase of \$37.3 million from the Plan.
- ▶ The increase is mostly attributable to higher than projected tax revenue of \$44.7 million, offset by lower than projected revenue from other governments of \$11.9 million.

FY2019 General Fund Revenue Projections (\$ in Millions)			
<u>Category</u>	<u>FY2019-23 Plan</u>	<u>First Quarter QCMR</u>	<u>Change from Plan to First Quarter QCMR</u>
Taxes	\$3,445.7	\$3,490.4	\$44.7
Locally-Generated Non-Tax	291.7	296.1	4.4
Revenue from Other Governments	806.4	794.6	(11.9)
Revenue from Other Funds	73.1	73.1	--
<b>Total</b>	<b>\$4,616.9</b>	<b>\$4,654.2</b>	<b>\$37.3</b>

## FY2019 Financial Projections Analysis: Tax Revenues

- ▶ FY2019 General Fund tax revenue is currently projected at \$3,490.4 million, an increase of \$44.7 million from the Plan.
- ▶ The overall increase is mainly attributable to increases in the following taxes: business income and receipts (\$41.6 million) and real estate transfer (\$22.9 million).
- ▶ These increases were partially offset by decreases in the following taxes: wage and earnings (\$16.0 million) and sales (\$6.0 million).

<b>FY2019 General Fund Tax Revenue Projections (\$ in Millions)</b>			
<b><u>Tax</u></b>	<b><u>FY2019-23 Plan</u></b>	<b><u>First Quarter QCMR</u></b>	<b><u>Change from Plan to First Quarter QCMR</u></b>
Wage and Earnings	\$1,588.6	\$1,572.6	(\$16.0)
Real Estate	669.1	669.1	--
Business Income and Receipts	425.2	466.8	41.6
Sales	216.5	210.5	(6.0)
Real Estate Transfer	310.5	333.4	22.9
Net Profits	31.2	35.1	3.9
Parking	100.7	98.4	(2.3)
Amusement	22.2	24.0	1.8
Beverage	78.0	76.6	(1.4)
Other	3.7	3.9	0.2
<b>Total</b>	<b>\$3,445.7</b>	<b>\$3,490.4</b>	<b>\$44.7</b>

## FY2019 Financial Projections Analysis: Locally Generated Non-Tax Revenues

- ▶ FY2019 General Fund locally generated non-tax revenue is currently projected at \$296.1 million, an increase of \$4.4 million from the Plan.
- ▶ Changes from the Plan thus far include: an increase in Finance revenues of \$4.0 million, and an increase in Public Health revenues of \$600,000.

<b>FY2019 General Fund Locally-Generated Non-Tax Revenue Projections (\$ in Millions)</b>			
<b><u>Agency Source</u></b>	<b><u>FY2019-23 Plan</u></b>	<b><u>First Quarter QCMR</u></b>	<b><u>Change from Plan to First Quarter QCMR</u></b>
Innovation & Technology	\$24.6	\$24.6	--
Streets	28.2	28.2	--
Fire	41.0	41.0	--
Public Health	23.8	24.4	0.6
Public Property	6.4	6.4	--
Fleet	4.1	4.1	--
Licenses & Inspections	59.7	59.7	--
Finance	7.6	11.6	4.0
Revenue	4.3	4.3	--
Chief Administrative Officer	10.3	10.3	--
Sheriff	11.3	11.3	--
FJD	29.7	29.7	--
Other	40.9	40.7	0.2
<b>Total</b>	<b>\$291.7</b>	<b>\$296.1</b>	<b>\$4.4</b>

## FY2019 Financial Projections Analysis: Revenues from Other Governments

- ▶ The first quarter QCMR projection of FY2019 General Fund revenue from other governments is \$794.6 million, a decrease of \$11.9 million from the Plan.
- ▶ The overall decrease is attributable to a decrease in Public Health revenue (\$22.5 million), offset by increases in PICA City Account revenue (\$6.7 million) and Finance revenue (\$4.3 million).

<b>FY2019 General Fund Revenue From Other Governments Projections (\$ in Millions)</b>			
<b><u>Agency Source</u></b>	<b><u>FY2019-23 Plan</u></b>	<b><u>First Quarter QCMR</u></b>	<b><u>Change from Plan to First Quarter QCMR</u></b>
PICA City Account	\$469.0	\$475.7	\$6.7
Finance	164.2	168.5	4.3
Revenue	42.8	42.8	--
Public Health	82.9	60.4	(22.5)
Other	47.6	47.3	(0.4)
<b>Total</b>	<b>\$806.4</b>	<b>\$794.6</b>	<b>(\$11.9)</b>

## FY2019 Financial Projections Analysis: Obligations

- ▶ The first quarter QCMR projects FY2019 obligations at \$4,794.1 million, an increase of \$68.6 million from the Plan. This increase is largely attributable to a increase in the employee benefits category (\$18.4 million), Fire Department costs, (\$16.4 million), and Other Obligations (\$22.5 million).

<b>FY2019 General Fund Obligations Projections by Department/Line Item (\$ in Millions)</b>			
<b><u>Department/Line Item</u></b>	<b><u>FY2019-23 Plan</u></b>	<b><u>First Quarter QCMR</u></b>	<b><u>Change from Plan to First Quarter QCMR</u></b>
Employee Benefits	\$1,360.2	\$1,378.6	\$18.4
Debt Service	295.0	295.0	--
Police	709.5	710.2	0.7
Prisons	249.4	250.2	0.7
Fire	277.6	294.0	16.4
Streets	142.0	146.7	4.7
Indemnities	48.8	48.8	--
Office of Education	24.9	29.5	4.6
Licenses & Inspections	37.5	38.0	0.4
Sheriff	26.2	26.2	0.1
Other	1,554.4	1,576.8	22.5
<b>Total</b>	<b>\$4,725.5</b>	<b>\$4,794.1</b>	<b>\$68.6</b>

## FY2019 Financial Projections Analysis: Obligations

- ▶ The first quarter QCMR projects FY2019 wage obligations at \$1,759.2 million, an increase of \$20.8 million from the Plan due to increased wage costs.
- ▶ The first quarter QCMR projects an increase in employee benefits costs of \$18.4 million compared to the Plan projections.
- ▶ Payments to other funds are also expected to come in significantly above Plan projections, by \$48.8 million.

<b>FY2019 General Fund Obligations Projections by Class (\$ in Millions)</b>			
<b><u>Obligation Class</u></b>	<b><u>Revised FY2019-23 Plan</u></b>	<b><u>First Quarter QCMR</u></b>	<b><u>Change from Plan to First Quarter QCMR</u></b>
Wages	\$1,738.4	\$1,759.2	\$20.8
Employee Benefits	1,360.2	1,378.6	18.4
Purchase of Services	951.7	946.7	(5.0)
Materials, Supplies & Equipment	114.4	117.5	3.1
Contributions & Indemnities	282.2	282.1	(0.1)
Debt Service	169.5	169.5	--
Payments to Other Funds	38.1	86.9	48.8
Advances & Miscellaneous	71.0	53.6	(17.4)
<b>Total</b>	<b>\$4,725.5</b>	<b>\$4,794.1</b>	<b>\$68.6</b>

# Key Management Issues

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



## Key Management Issues: Labor Contracts

The following is a description of the status of contracts with the City's unions:

- ▶ **Fraternal Order of Police (“FOP”)**: In August 2017, an arbitration panel issued an award for the FOP covering the period FY2019 through FY2020. The award provides for wage increases of 3.25 percent in FY2019, 3.5 percent in FY2019, and 3.75 percent in FY2020. The City is also required to make a \$4.5 million lump sum payment to the Retiree Joint Trust Fund in each of the upcoming three years. The award also provides increases in life insurance coverage and one-time cash payments for all FOP members to compensate them for issues with electronic court notices. The award additionally provides for pension reforms, in the form of increased employee contributions, which are detailed in the pension section of this report.
- ▶ **Deputy Sheriffs & Register of Wills**: An interest arbitration award was issued for Deputy Sheriffs and Register of Wills employees, covering the period from FY2019 through FY2020. For Deputy Sheriffs, the award provides for wage increases of 3 percent in FY2019 and 3.25 percent in FY2019 and FY2020. For Register of Wills employees, the award provides for wage increases of 3 percent in FY2019, 2.5 percent in FY2019, and 3 percent in FY2020. Both categories of employees are subject to the new pension Plan 16 and increased contributions, similar to the requirements previously established for District Council (“DC33”) employees.
- ▶ **International Association of Fire Fighters (“IAFF”)**: In May 2018, a new IAFF arbitration award was issued covering the period FY2019 through FY2020. The award includes wage increases of 3.25 percent in FY2019, 3.5 percent in FY2019, and 3.75 percent in FY2020. Employees will also receive a one-time cash payment related to an increase in IAFF health fund assets. The City will provide \$2.65 million lump sum payments into the union's Retiree Trust Fund in FY2019 and in FY2020. Additionally, the City's life insurance contribution will increase by \$4.00 per employee per month. The award also includes pension reforms similar to those pertaining to the FOP, which are discussed in the following section.

## Key Management Issues: Labor Contracts

- ▶ **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,<sup>1</sup> 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, down from 4.5 percent. A reopener in November 2018 resulted in the City’s commitment to two lump sum payments to the union’s health fund of \$17 million in FY2019 and \$11 million in FY2020.
  - ▶ **Local 159 & Local 1637**: An interest arbitration award was issued for Correctional Officers covering the period from FY2019 through FY2020. The award provides for wage increases of 3 percent in FY2019 and 3.25 percent in FY2019 and FY2020. These employees are subject to the new pension Plan 16 and increased contributions.
- ▶ **District Council 47 - Local 2187, 2186, & 810 (“DC47”)**: In June 2018, the City executed a contract with DC47 covering FY2019 through FY2020. The contract provides for wage increases for each step of each pay range in the DC47 pay plan of 3 percent in FY2019, 2.5 percent in FY2019, and a 3 percent in FY2020. The City will make three one-time lump sum payments to the union’s Health Fund, totaling \$4 million. Pension reforms, including mandatory Plan 16 participation for new employees starting January 1, 2019, are also outlined in the contract.
- ▶ If the actual costs of any contracts between the City and municipal unions deviate from the projections in the 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.

Note:

<sup>1</sup> Plan design refers to the elements of a pension plan that define its structure, for example: hybrid, stacked hybrid, and defined contribution pension plans.

## Key Management Issues: Pension Benefits

- ▶ The City has achieved changes to its pension system to reduce costs and promote fiscal sustainability. Reforms have been implemented for the City's union and non-union employees, which will take effect on January 1, 2019 – they include increased employee contributions and the creation of a stacked hybrid plan, referred to as Plan 16. Plan 16 is now mandatory for all newly-hired exempt and non-represented employees (except elected officials) and members of DC33, DC47, Deputy Sheriffs, and Register of Wills. Furthermore, all current union, exempt employees, non-represented employees, and elected officials are required to make increased contributions. The status of recent pension changes for each bargaining unit is as follows:
  - ▶ **FOP.** The most recent arbitration award stipulates that new and existing members will pay increased pension contributions, although the FOP will not be subject to Plan 16. Contributions for current employees will be increased by 0.92 percent in FY2019 and FY2019, for a total increase of 1.84 percent. Contributions for new hires will be increased by 2.5 percent above the FY2019 contribution rate. Members of Plan 67 will be exempted from those increases. Newly-hired employees continue to have the option to participate in Plan 10 or make an additional contribution to participate in Plan 87.
  - ▶ **IAFF.** New and existing members will pay increased pension contributions in line with the increases described for the FOP above. Members of Plan 67 will be exempted from those increases. Like the FOP, the IAFF will also not be subject to Plan 16. Newly-hired employees continue to have the option to participate in Plan 10 or make an additional contribution to participate in Plan 87.

## Key Management Issues: Pension Benefits

- ▶ **DC33 (including Correctional Officers – Local 159).** Current DC33 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 2.75%, based on salary. New hires are required to participate in Plan 16, which caps the salary for the defined benefit pension at \$65,000 and offers a defined contribution component for voluntary contributions for employees earning above \$65,000 annually.
- ▶ **DC47.** Current employees have a tiered contribution system, as described above for DC33 members. New hires are required to participate in Plan 16, which caps the defined benefit pension at \$65,000 and offers a defined contribution component for voluntary contributions for employees earning above \$65,000 annually.
- ▶ **Non-Union Employees and Elected Officials.** Current employees are subject to the new tiered contribution system. For elected officials, the tiered contributions will be effective as of the beginning of the next term of office. Newly-hired non-union employees, are required to participate in Plan 16, as of January 1, 2019. Employees who are currently enrolled in Plan 10 will have a one-time irrevocable option to enter Plan 16. Newly-elected officials are required to participate in Plan 10 or in Plan 87. If they choose Plan 87, required employee contributions are one percent higher than current employees or officials.
- ▶ **Register of Wills & Deputy Sheriffs (“FOP”).** Current employees have a tiered contribution system, as described above for DC33 members. Newly-hired employees are required to participate in Plan 16. Employees who are currently enrolled in Plan 10 will have a one-time irrevocable option to enter Plan 16.
- ▶ Current pension benefits, eligibility and participant contribution requirements are summarized on the next three pages.

## Key Management Issues: Pension Benefits

- ▶ Plan 67 and Plan 87 are defined benefit plans. Plan 10 is a hybrid defined benefit-defined contribution plan. Plan 16 is a stacked hybrid plan that was established most recently, as passed by City Council and signed into law by the Mayor in 2016. Presently, new hires who are exempt, non-represented, or are members of DC33, DC47, Register of Wills, or Deputy Sheriffs, starting January 1, 2019, are subject to Plan 16. Employees belonging to the aforementioned unions are also required to make tiered contributions to the pension fund, based on salary. Elected officials would also pay the tiered contributions but would not be subject to Plan 16. FOP and IAFF members are also not subject to Plan 16, but they will have increased contributions for current and new members.
- ▶ The formula for determining the defined benefit under each pension plan is shown on the following page. 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 for pensionable earnings, up to a certain salary threshold annually. Employees may also voluntarily participate in a defined contribution plan. For new hires with pensionable earnings exceeding the aforementioned threshold, which may differ by employee classification, 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.
- ▶ The below tables are a summary of the provisions of City offered pension plans:

## 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 \$65,000
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

<b>City Pension Plans Eligibility and Participant Contribution Requirements</b>		
Bargaining Unit/ Category	Previously-Hired Employees	Newly-Hired Employees <sup>1</sup>
Police (FOP) and Firefighters (IAFF) <sup>3</sup>	Plan 67 (6%) or Plan 87 (5%, but not less than 30% or greater than 50% of normal cost) or Plan 10 (5.5% for second 20 years of service); Plan 87 and Plan 10 members will contribute an additional 0.92% effective July 2017, and another 0.92% effective July 2018	Plan 87 (6% or 30% of normal cost, whichever is greater) or Plan 10 (5.5% for second 20 years of service); all members hired beginning in FY2019 will contribute an additional 2.5%
DC33 (including Correctional Officers) <sup>2</sup>	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%-2.75%) or Plan 10 (50% of normal cost)	Plan 16 (up to \$45,000 salary, same as Plan 87; an additional contribution for earnings above \$45,000 <sup>4</sup> ; City to match 50% of contributions, capped at 1.5% of annual compensation)
DC47 and Non-Union <sup>2</sup>	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 between 2014 and after (dates vary by employee group) who elect Plan 87 over Plan 10 pay an additional 1% above this total, tiered increases based on salary above \$45,000, ranging from an additional 0.5%-2.75%	Plan 16 (up to \$45,000 salary, same as Plan 87; an additional contribution for earnings above \$45,000 <sup>4</sup> ; City to match 50% of contributions, capped at 1.5% of annual compensation)

**Notes:**

<sup>1</sup> Newly-hired employees are those hired on or after January 1, 2019. Plan 10 and Plan 16 contributions do not include voluntary DC plan contributions.

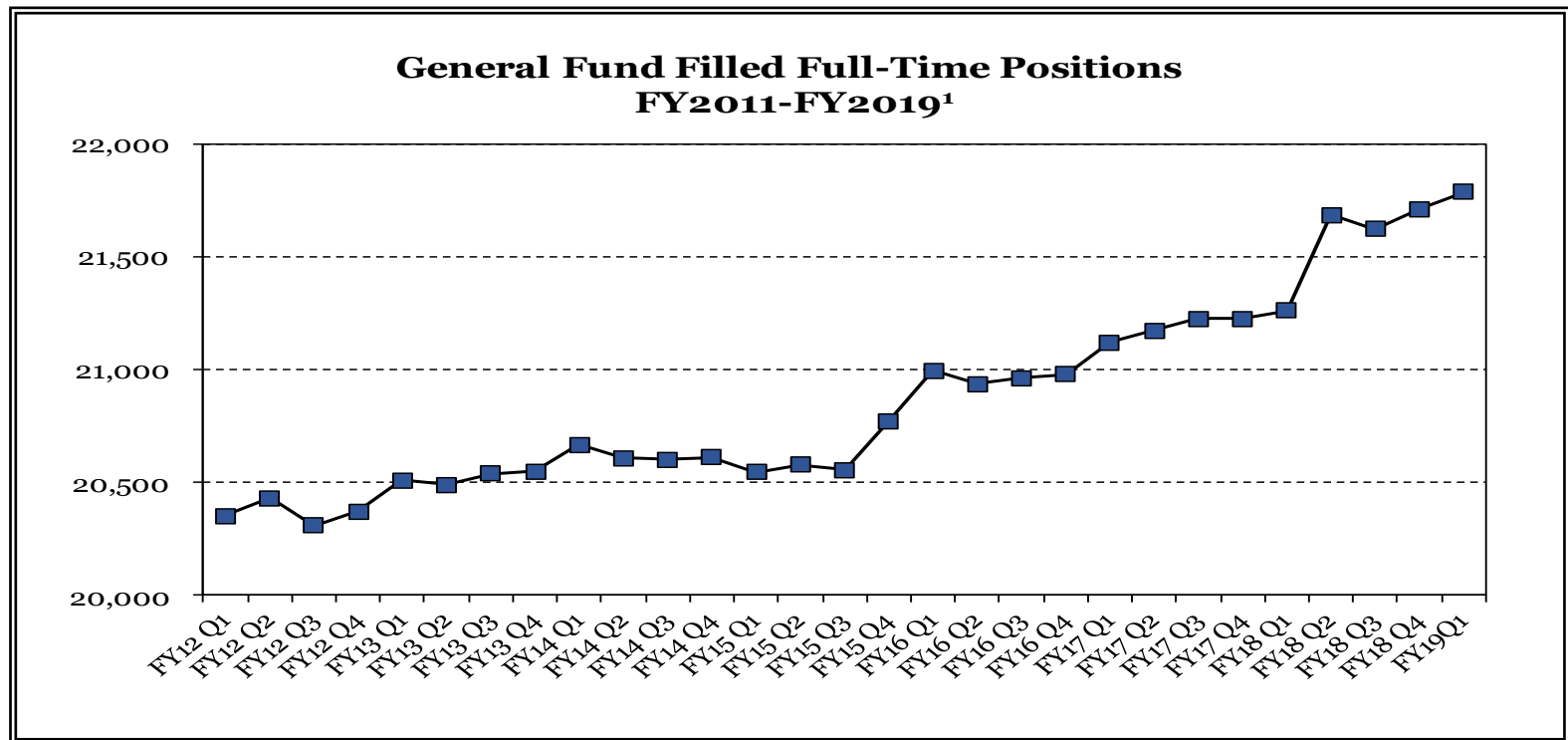
<sup>2</sup> Assumes employees are covered by Social Security.

<sup>3</sup> This description does not apply to Register of Wills and Deputy Sheriffs employees, who are FOP members, but whose pension benefits mirror those of DC33 employees for the purposes of Plan 16 and the tiered contribution system outlined in Philadelphia Code Sec. 22-902.

<sup>4</sup> Additional pension contribution tiers: an increase of 0.5% for salary between \$45,001 to \$55,000; an increase of 1.5% for salary between \$55,001 to \$75,000; an increase of 2.0% for salary between \$75,001 to \$100,000; an increase of 2.75% for salary above \$100,001.

## Key Management Issues: Staffing

- General Fund filled full-time positions increased by 523 employees since the first quarter of FY2018 for a total of 21,784, representing an increase of 263 employees since the first quarter of FY2009 (the previous peak for pre-recession City staffing levels). Thus, City staffing has reached the highest level in recent history.

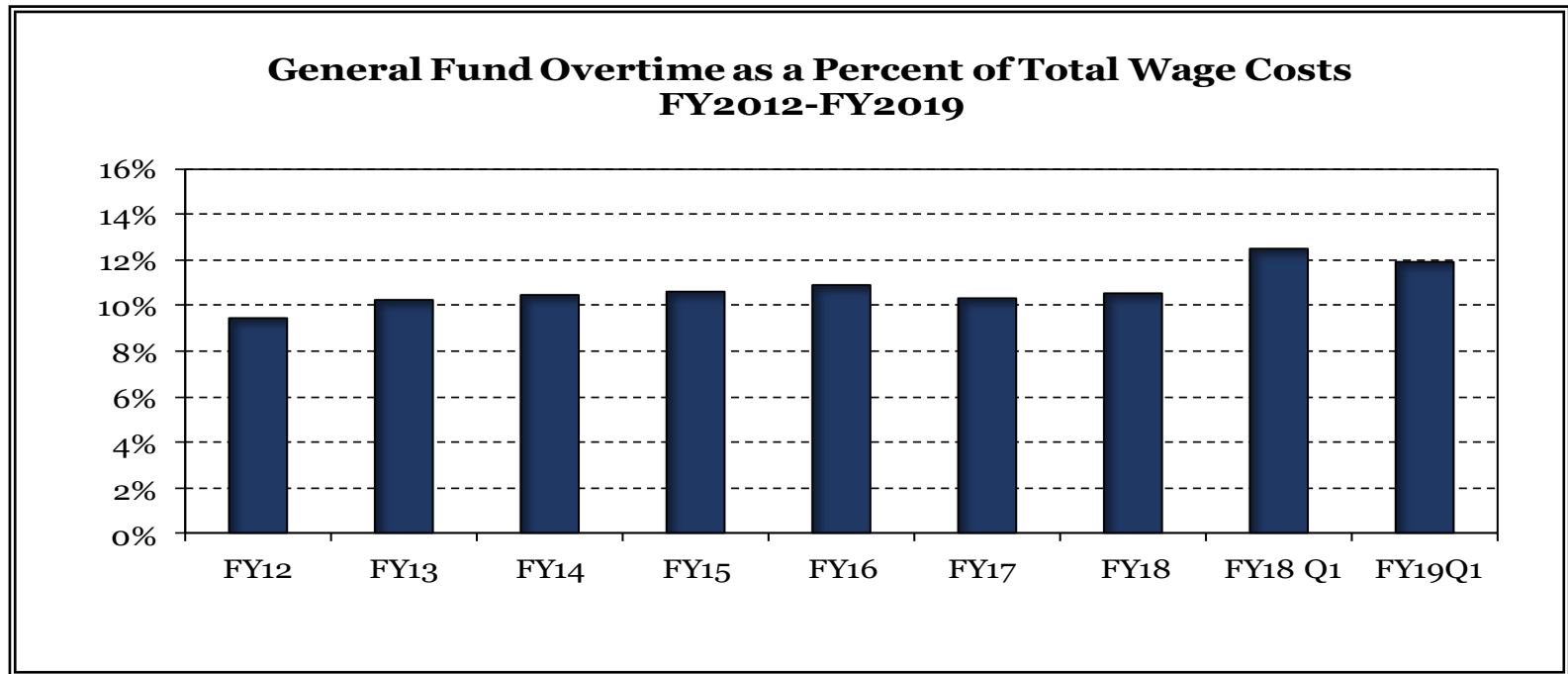


Note:

<sup>1</sup> 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.

## Key Management Issues: Overtime

Actual overtime costs in the first quarter of FY2019 totaled \$47.6 million, a total similar to last year's first quarter overtime costs. However, this year's overtime costs represent 11.9 percent of wages and salaries, while at this point last year overtime represented 12.5 percent of wages and salaries. Overtime spending has traditionally spiked in the first quarter, which includes the summer months, when special events take place and crime rates increase.<sup>1</sup>



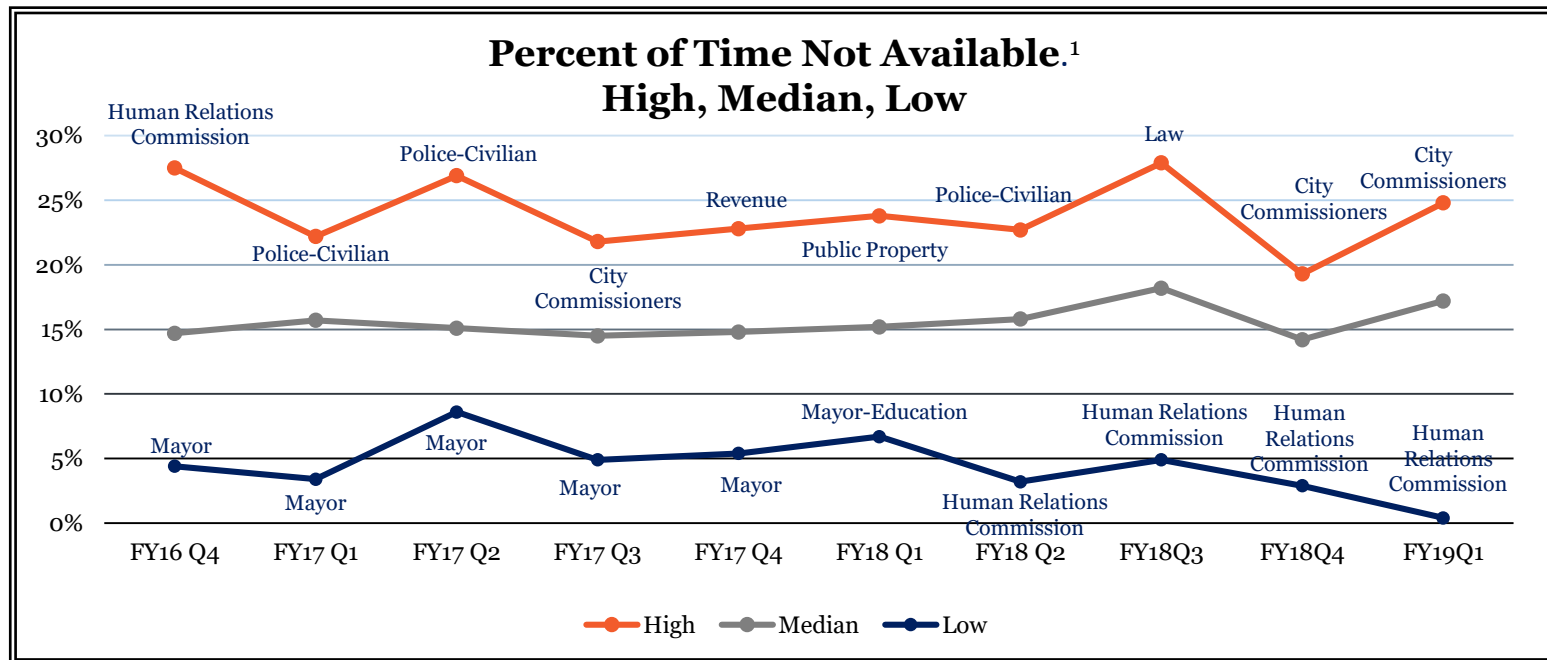
**Notes:**

<sup>1</sup> For further analysis on the City's overtime spending by quarter, see PICA's Annual Report on City of Philadelphia Overtime: <http://www.picapa.org/wp-content/uploads/2018/11/Annual-Overtime-Report-FY2018-FINAL-.pdf>.

## Key Management Issues: Leave Usage

### All Departments

The median rate of leave usage across all City agencies in the first quarter was 17.2 percent, a substantial increase of two percentage points compared to the same quarter last year and a high median rate of leave usage compared to other quarters. Employees of the Office of the City Commissioners recorded the high leave usage rate for the second straight quarter with the rate of 24.8 percent, while Human Relations Commission employees recorded the low rate for the fourth consecutive quarter, at 4.0 percent.



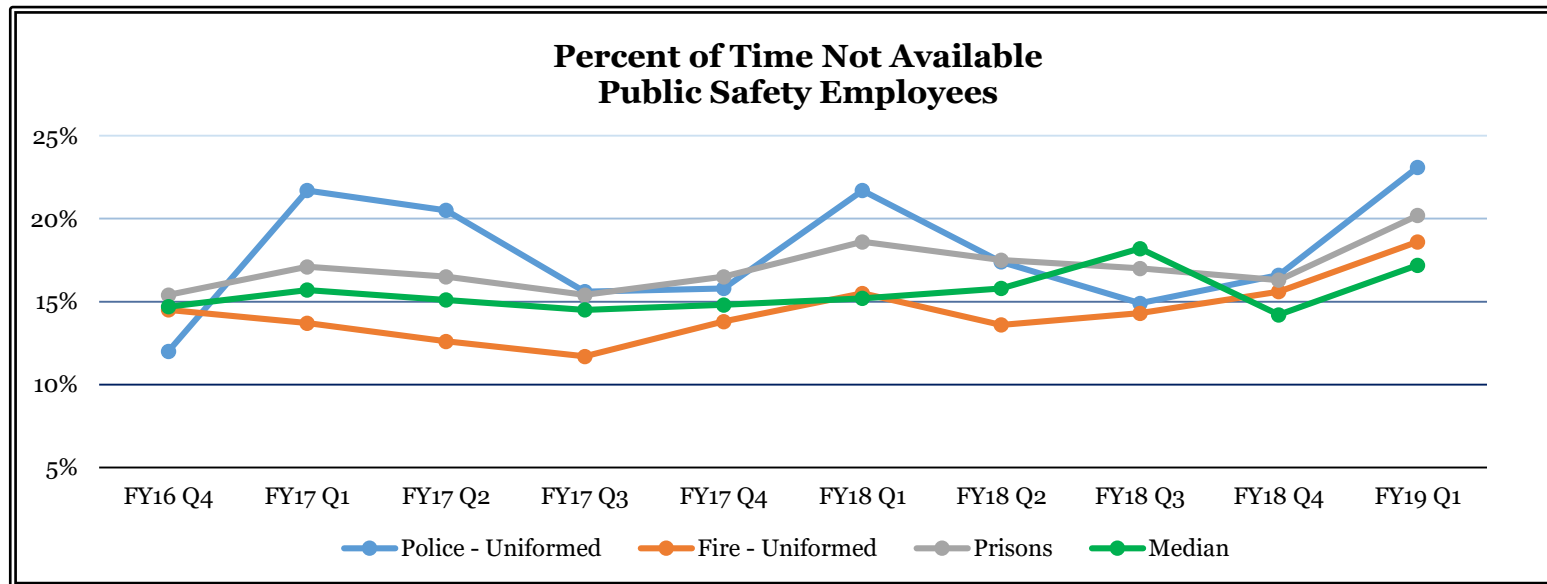
Note:

<sup>1</sup> 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. Leave usage data is sourced from the most recent Quarterly City Managers Report in which the data is reported, and may be revised from previous reports.

## Key Management Issues: Leave Usage

### Public Safety

The percent of time not available due to leave usage in the first quarter of FY2019 increased for uniformed employees of the Police Department (23.1 percent), the Fire Department (18.6 percent), and all employees of the Prison System (20.2 percent) as compared to the first quarter of last year.<sup>1</sup> FY2019 first quarter leave usage rates for all three public safety departments were above the median rate of 17.2 percent for all City agencies (see previous page).



Note:

<sup>1</sup> 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. Leave usage data is sourced from the most recent Quarterly City Managers Report in which the data is reported, and may be revised from previous reports.

# Departmental Performance

- ▶ **Public Safety**
- ▶ **Health and Human Services**
- ▶ **Community and Culture**
- ▶ **Planning and Development**
- ▶ **Transportation and Infrastructure**



# Departmental Performance: Public Safety

## Police Department

Part 1 violent crimes decreased by 168, or 4.2 percent, however, homicides have increased by 25 (33%) percent in the first quarter of FY2019, as compared to same period last year. The decrease in part 1 violent crime continues the overall decrease in violent crime in Philadelphia since FY2012. The homicide clearance rate (homicide cases in which an arrest is made) decreased to 39 percent, falling below 40 percent for the first time since FY2017.

Police Department								
<u>Measure</u>	<u>Totals</u>					<u>Through Q1</u>		<u>FY2019 Target</u>
	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY18</u>	<u>FY19</u>	
Homicides	246	248	288	307	309	75	100	<FY2018 <sup>1</sup>
Part 1 violent crime <sup>2</sup>	16,533	15,912	15,859	15,368	14,719	4,018	3,850	<FY2018 <sup>1</sup>
Homicide clearance rate <sup>3</sup> (%)	56.5	62.1	49.8	36.8	47.0	42.7	39.0	60.0

Notes:

<sup>1</sup> A reduction from FY2018.

<sup>2</sup> Includes rape, murder, and robbery.

<sup>3</sup> Homicide cases in which an arrest is made.

# Departmental Performance: Public Safety

## Fire Department

All Fire Department performance measures have been under review since the fourth quarter of FY2016, as the newly appointed Fire Commissioner moved to comply with National Fire Protection Association (“NFPA”) standards and improve data collection and reporting efforts—especially in relation to Fire and EMS response times. For example, “cold calls” (calls on which emergency lights and sirens are not utilized) to Fire and EMS had been previously omitted from response time reporting, and some structure fires had been previously incorrectly classified. These definitional changes make year-over-year comparisons difficult; thus, Fire engine and EMS response times calculated pursuant to the exact definition recommended by NFPA—beginning in FY2017—are shown separately from prior year data calculated under a different methodology.

Fire Department								
<u>Measure</u>	<u>Totals</u>					<u>Through Q1</u>		<u>FY2019 Target</u>
	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY18</u>	<u>FY19</u>	
Fire engine average response time	4:57	4:54	4:53	--	--	--	--	--
Fire engine average response time <sup>1</sup>	--	--	--	<b>7:12</b>	<b>7:21</b>	<b>7:15</b>	6:47	≤5:20
Structure fires <sup>2</sup>	3,019	2,880	2,680	--	--	--	--	--
Structure fires	--	--	--	2,573	2,525	542	1,195	Baseline <sup>3</sup>
Civilian fire-related deaths	23	24	17 <sup>4</sup>	22	17	0	3	<FY2018 <sup>5</sup>
EMS response time (% within 9 minutes) <sup>1</sup>	64.0	68.5	69.8	--	--	--	--	--
EMS response time (% within 9 minutes)	--	--	--	<b>36.5</b>	<b>33.0</b>	<b>37.0</b>	33.0	≥90

**Notes:**

Emboldened, italicized figures have been revised from figures reported in prior Quarterly Reports.

<sup>1</sup> Prior to the second quarter of FY2017, this measure did not include call processing time as recommended by NFPA; thus, prior year figures are not comparable.

<sup>2</sup> Prior to FY2017, this measure was calculated inaccurately, as a result of classifying certain types of fires as “structure fires” that did not meet the structure fire definition. This problem has been rectified, thus FY2016 figures are not comparable to future years.

<sup>3</sup> City officials hope to have a more accurate idea of the number of structure fires given changes in reporting, thus, FY2019 figures will be used to establish a baseline for future targets.

<sup>4</sup> Adjusted from the previously reported number of 18 per updated reporting from the Fire Marshall’s Office.

<sup>5</sup> Less than FY2018

# Departmental Performance: Public Safety

## Prison System

In light of the City’s commitment to criminal justice reform and the commitment last fiscal year to close the aging House of Correction facility, PICA began including performance measures for the Philadelphia Prison System in FY2018. Through the first quarter of FY2019, 83.4 percent of sentenced inmates were participating in educational or treatment programs, a slight improvement over last year, while the one-year rate of reincarceration continues to hover around the City’s target of 38 percent. The “percent of newly admitted inmates processed and housed within 24 hours” has stood at 100 percent since the City began reporting that measure in FY2009, and is unlikely to change given the current average processing time of 8-10 hours. Therefore, PICA continues to recommend the City introduce expanded performance measures for the Prison System in its Quarterly City Managers Report to better reflect the commitment to criminal justice reform. More meaningful performance metrics are necessary to report the progress being made within the Prison System.

Prison System								
Measure	Totals					Through Q1		FY2019
	FY14	FY15	FY16	FY17	FY18	FY18	FY19	Target
Sentenced inmates participating in educational/treatment program (%)	73.8	78.6	80.5	77.9	81.5	77.9	83.4	80.0
One-year re-incarceration rate (%) <sup>1</sup>	40.3	40.6	38.2	37.1	<b>38.1</b>	<b>38.0</b>	38.0	38.0
Newly admitted inmates processed and housed within 24 hours (%)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Notes:

Emboldened, italicized figures have been revised from figures reported in prior Quarterly Reports.

<sup>1</sup> Based on the number of incarcerated persons who are released from Philadelphia prisons and return to Philadelphia prisons within one year.

# Departmental Performance: Public Safety

## Department of Licenses & Inspections

L&I issued slightly more permits in the first quarter of FY2019, as compared to the previous year. Unfortunately, the department performed fewer demolitions, and the rate of nuisance properties inspected within twenty days decreased—despite a new service level agreement expanding the inspection period from seven to twenty days. City officials increased the FY2019 target for such inspections from 80 percent to 85 percent, while targets for other measures shown here remain unchanged.

Department of Licenses and Inspections								
Measure	Totals					Through Q1		FY2019 Target
	FY14	FY15	FY16	FY17	FY18	FY18	FY19	
Demolitions performed <sup>1</sup>	522	492	557	--	--	--	--	--
Demolitions performed	--	---	--	524	428	122	120	500
Percent of nuisance properties inspected within seven days (%)	--	--	--	55.1	--	--	--	--
Percent of nuisance properties inspected within twenty days <sup>2</sup> (%)	--	--	--	70.0	82.3	87.0	83.0	85.0
Permits issued <sup>3</sup> (thousands)	35.7	35.4	39.9	--	--	--	--	--
Permits issued (thousands)	--	--	--	54.4	57.0	14.2	14.8	55.0

**Notes:**

<sup>1</sup> Revised measure in FY2017; prior fiscal year totals limited to residential demolitions. The Department completed fewer demolitions due to resources being directed to a single costly, large-scale demolition.

<sup>2</sup> Revised measure in FY2018; previously, quarterly reports listed the number of nuisance properties inspected within seven days.

<sup>3</sup> Applies to commercial permits. Revised measure beginning in FY2017 shown below; zoning permit counts have been added in FY2017, thus prior fiscal year totals are not comparable.

# Departmental Performance: Health and Human Services

## Department of Human Services

Child Protective Services (“CPS”) investigations were determined within 60 days at a rate of 99.6 percent through the fourth quarter of FY2018,<sup>1</sup> above the City’s FY2018 target rate of 98 percent. The dependent placement population decreased by nearly 200 dependents as of the first quarter, compared to the same point last year. The percentage of the dependent population in care for more than two years was 39.5 percent—an increase of almost two percentage points over the same point in time last year. DHS introduced new legal staff and Rapid Permanency Reviews in FY2018 to accelerate permanency for children in care for more than two years, and anticipates improvement in this metric over the next two fiscal years.

Department of Human Services								
<u>Measure</u>	<u>Totals</u>					<u>Through Q1</u>		<u>FY2019 Target</u>
	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY18</u>	<u>FY19</u>	
Percent of CPS investigations determined within 60 days <sup>1</sup> (%)	--	--	--	98.2	99.3	99.0	99.6	≥98.0
Percent of children in Kinship Care <sup>2</sup> (%)	--	--	--	46.2	47.0	46.2	46.9	48.0
Dependent placement population (as of last day of quarter)	4,473	5,184	5,948	6,095 <sup>3</sup>	5,927	6,000	5,810	≤5,927
Percent of dependent placement population in care more than two years population (as of last day of quarter) (%)	31.5	30.5	31.2	34.9	37.6	37.6	39.5	≤36.0

Notes:

<sup>1</sup> New measure beginning in FY2017. CPS = Child Protective Services. Due to the 60 day reporting period, FY2019 data shown is *for* the fourth quarter of FY2018.

<sup>2</sup> New measure beginning in FY2017; represents percent of children placed with a relative when children have to be removed from their homes; measured as of the last day of the quarter.

<sup>3</sup> Revised from the previously reported figure of 6,058.

# Departmental Performance: Health and Human Services

## Department of Public Health

The percent of District Health Center visits by uninsured patients in the first quarter increased by one percentage point after a period of steady decline. Figures for the following quarters in FY2019 will reveal whether the downward trend will be reversed, or if the first quarter figure is an outlier. HIV diagnoses increased slightly in FY2018, but not by enough to be statistically significant, and diagnoses decreased again in the first quarter of this fiscal year, as compared to the first quarter last year. The percentage of children with complete immunizations decreased slightly in the first quarter of FY2019.<sup>1</sup> Public Health kept all of their targets relatively constant from FY2018 to FY2019, lowering the target for uninsured patient visits from 41.5 percent to 41.0 percent.

Department of Public Health								
<u>Measure</u>	<u>Totals</u>					<u>Through Q1</u>		<u>FY2019 Target</u>
	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY18</u>	<u>FY19</u>	
Uninsured patient visits to District Health Centers (%)	49.6	49.0	42.1	40.9	40.4	40.2	41.2	41.0
New HIV diagnoses	704	585	538	480	495	131	103	550
Children with complete immunizations (%)	78.0 <sup>2</sup>	85.8	77.9	80.8	80.8	80.8	76.5	78.5

Notes:

<sup>1</sup> Includes children aged 19-35 months.

# Departmental Performance: Health and Human Services

## Office of Homeless Services<sup>1</sup>

Households receiving financial assistance to prevent homelessness increased by 128 households over the first quarter of FY2018. The number of households receiving assistance through the Rapid Rehousing program, which targets families and individuals who are currently residents of emergency or transitional housing programs, remained largely constant year over year. The Office of Homeless Services (“OHS”) increased its targets for both programs by 125 and 20 households, respectively. OHS also introduced a new metric in FY2019, “Percent of exits to permanent housing destinations from shelter and transitional housing programs.” OHS began the fiscal year ahead of its target for this metric, due to an expansion of the number of programs participating in their Homeless Management Information System, giving OHS officials a better overall picture of the system.

Office of Homeless Services								
<u>Measure</u>	<u>Totals</u>					<u>Through Q1</u>		<u>FY2019 Target</u>
	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY18</u>	<u>FY19</u>	
Assistance to prevent homelessness (households) <sup>2</sup>	676	814	824	814 <sup>3</sup>	837	206	334	725
Rapid Rehousing assistance to end homelessness (households) <sup>3</sup>	135	356	339	380	447	101	100	400
Exits to permanent housing destinations from shelters/transitional housing (%) <sup>4</sup>	--	--	--	--	35.0	30.0	34.0	30.0

**Notes:**

<sup>1</sup> A 2018 point-in-time count performed by the Office of Homeless Services in February 2018 estimated the City’s homeless population at 5,788.

<sup>2</sup> Measures the number of individuals and/or families provided Homeless Prevention assistance.

<sup>3</sup> Revised from the previously reported figure of 760.

<sup>4</sup> Measures the Office of Homeless Services Rapid Rehousing units.

<sup>4</sup> New measure for FY2019

## Departmental Performance: Community and Culture

### Free Library of Philadelphia

The Free Library of Philadelphia (“FLP”) reported increases in all of the below metrics through the first quarter of FY2019 except in-person visits, which have been declining annually since FY2015. However, FLP increased its target for in-person visits due to the scheduled opening of five new 21<sup>st</sup> Century Libraries in FY2019. Digital access increased by almost 100,000 visits, website visits by almost 200,000, and combined program attendance by almost 17,000. Digital access is the only metric for which FLP’s target remained constant from FY2018. Targets for in-person visits, website visits, and program attendance increased by 100,000, 1.2 million, and 31,500, respectively.

Free Library of Philadelphia								
<u>Measure</u>	<u>Totals</u>					<u>Through Q1</u>		<u>FY2019 Target</u>
	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY18</u>	<u>FY19</u>	
Digital access <sup>1</sup> (millions)	--	--	--	3.34	3.57	0.90	1.02	3.70
In-person visits (millions)	5.67	5.90	5.84	5.13	4.96	1.31	1.21	5.40
Website visits <sup>2</sup> (millions)	8.2	9.9	8.7	--	--			--
Website visits (millions)	--	--	--	5.03	6.36	1.61	1.80	6.50
Program attendance <sup>3</sup> (thousands)	--	--	--	684.9	703.3	148.8	165.7	712.5

**Notes:**

<sup>1</sup> New measure beginning in FY2017; includes Wi-Fi usage, eBook circulation, electronic resource/database use, and public PC use.

<sup>2</sup> 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 not intended for year-over-year comparison.

<sup>3</sup> New measure beginning in FY2017; includes preschool, children’s, teen, adult, and senior program attendance. PICA has aggregated these program attendance categories, which are presented separately in the QCMR. See City of Philadelphia, *Quarterly City Managers Report for the Period Ending September 30, 2018*: page 45, for a full breakdown of the age groups in attendance: <http://www.picapa.org/wp-content/uploads/2018/11/QCMR-ending-9-30-18.pdf>

# Departmental Performance: Community and Culture

## Philadelphia Parks & Recreation

The number of programs offered by Parks and Recreation increased by 64 from the first quarter FY2018 to the same quarter in FY2019, while the Department decreased the target for this metric by 150 programs.<sup>4</sup> Visits to Department facilities and sites decreased by approximately 300,000, and the FY2019 target for this metric increased by 700,000. There are no scheduled tree plantings in the first and third quarters, but the Department decreased the target plantings for this measure by almost half due to a large tree planting project scheduled for FY2020, to which some FY2019 tree planting resources were dedicated. After Parks & Recreation failed to meet any of its targets in FY2018, it appears the Department has adjusted those targets and is on pace to meet all of them, as of the first quarter.

Parks & Recreation								
Measure	Totals					Through Q1		FY2019 Target
	FY14	FY15	FY16	FY17	FY18	FY18	FY19	
Programs offered <sup>1</sup>	3,603	4,695	--	--	--			--
Programs offered	--	--	3,196	3,286	3,291	1,499	1,563	3,300
Visits to Department facilities and sites (millions) <sup>2</sup>	6.24	6.78	--	--	--	--	--	--
Visits to Department facilities and sites (millions) <sup>3</sup>	--	--	9.65	9.65	9.53	3.62	3.31	9.30
Acres mowed (thousands) <sup>4</sup>	40.3	40.3	41.6	41.7	41.7	--	--	--
New trees planted (thousands) <sup>5</sup>	18.3	13.9	7.5	4.9	4.3	NA	NA	2.8

### Notes:

<sup>1</sup> 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 only.

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

<sup>3</sup> Visits is an estimated measure based on the number of visitors and dates that a program runs, including some duplicate visits by the same individuals.

<sup>4</sup> Parks and Recreation is no longer reporting acres mowed as a performance metric.

<sup>5</sup> There are no scheduled tree plantings in the first or third quarters.

# Departmental Performance: Planning and Development

## Division of Housing and Community Development

The number of mortgage foreclosures diverted in the first quarter of FY2019 decreased by 21 from the previous year. City officials have cited available funding levels and market conditions as factors driving the fluctuation of this metric. Owner-occupied homes repaired increased substantially in FY2018, helping to eliminate the waiting list for the Basic System Repair Program (“BSRP”), then stayed flat from first quarter of last year to the first quarter of this year. The number of vacant lots cleaned and greened by the Division decreased by 360 lots, while 1,913 clients received housing counseling. The Division switched case management systems in FY2018, so figures for that fiscal year are, unfortunately, unavailable. The Division lowered their FY2019 targets for mortgage foreclosures diverted and clients receiving counseling by 100 and 3,500, respectively, while it increased the target for homes repaired slightly. The target for vacant lots cleaned and greened stayed level.

Division of Housing and Community Development								
<u>Measure</u>	<u>Totals</u>					<u>Through Q1</u>		<u>FY2019 Target</u>
	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY18</u>	<u>FY19</u>	
Mortgage foreclosures diverted	1,232	1,178	1,502	1,210	1,088	330	309	1,100
Owner-occupied homes repaired <sup>1</sup>	5,689	5,111	6,080	5,621	6,920	1,610	1,609	7,400
City lots greened and cleaned <sup>2</sup>	8,766	8,713	9,227	12,592	12,841	12,841	12,481	12,000
Clients receiving housing counseling	12,398	11,495	10,428	12,191	NA <sup>3</sup>	NA <sup>3</sup>	1,913	8,000

Notes:

<sup>1</sup> Includes Basic System Repair Program, Weatherization, and Heater Hotline.

<sup>2</sup> Includes land stabilization and land maintenance.

<sup>3</sup> DHCD is unable to report FY2018 housing counseling measures due to issues with switching from one case management system to another.

# Departmental Performance: Transportation and Infrastructure

## Streets Department

On-time trash collection rates in the first quarter improved compared to the first quarter of last year, while on-time recycling collection also increased. Streets decreased its FY2019 target for on-time trash collection by six percentage points, while the target for on-time recycling collection stayed level. The percentage of total waste recycled has also decreased, as “significant changes in the global recycling market have drastically reduced demand for recycling products and materials.”<sup>1</sup> Thus the FY2019 first quarter recycling rate has decreased slightly, and the Department has reduced its 2019 target rate by four percentage points. With the addition of a second paving crew at the end of FY2018, Streets resurfaced 9 more miles of City streets in the first quarter compared to last year, and has increased its FY2019 target for miles resurfaced by 20 miles. Streets has also added the percent of potholes repaired by the service level agreement (3 days) as a new measure for FY2019.

Streets Department								
Measure	Totals					Through Q1		FY2019
	FY14	FY15	FY16	FY17	FY18	FY18	FY19	Target
Recycling rate (%)	20.9	19.0	20.5	19.2	17.0	17.0	16.0	17.0
On-time trash collection <sup>1</sup> (%)	85.3	75.5	84.3	85.3	80.8	74.0	86.0	90.0
On-time recycling collection <sup>2</sup> (%)	93.3	96.0	95.8	96.5	95.9	95.6	97.0	97.0
Pothole response time (days) <sup>2</sup>	1.8	2.4	2.0	2.3	3.4	2.7	5.0	3.0
Potholes repaired within 3 days <sup>3</sup> (%)	--	--	--	--	90.0	89.0	89.0	90.0
Miles resurfaced <sup>4</sup>	--	--	--	56	77	21	30	95.0

Notes:

<sup>1</sup> City of Philadelphia, *Quarterly City Managers Report for the Period Ending September 30, 2018*: page 48, : <http://www.picapa.org/wp-content/uploads/2018/11/QCMR-ending-9-30-18.pdf>.

<sup>2</sup> Percentage of collections completed by 3:00 PM.

<sup>3</sup> New measure for FY2019.

<sup>4</sup> New measure for FY2018.

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