



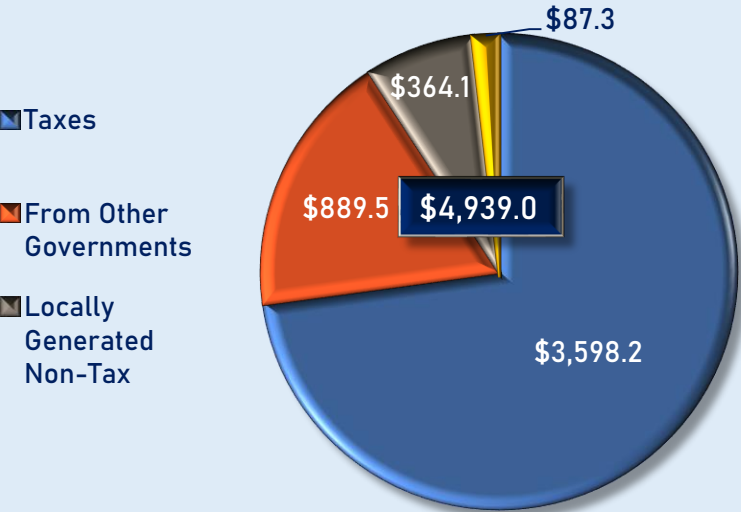
**PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY**  
**Staff Report on the City of Philadelphia's**  
**Quarterly City Managers Report**  
**For the Period Ending March 31, 2020**



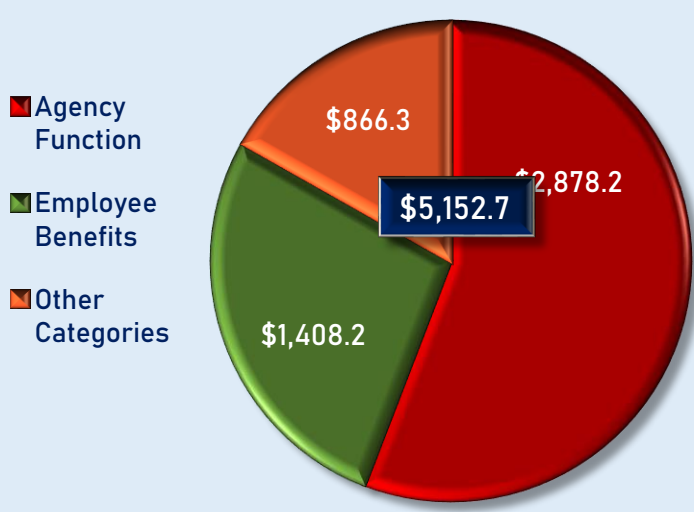


# Executive Summary

Projected Revenues in Third Quarter  
(\$ in Millions)



Projected Obligations in Third Quarter  
(\$ in Millions)



## Third Quarter Projections



Projected Fund Balance:  
\$268.0 Million, \$58.1  
Million Higher than Five  
Year Plan



Projected Revenues:  
\$4.939 Billion, \$21.0 Million  
Higher than Five Year Plan



Projected Obligations:  
\$5.152 Billion, \$127.4  
Million Higher than Five  
Year Plan



The Q3 revenue projection decreased by \$70.4 million, while obligations increased by \$37.1 million, from Q2 projections, which may be due to the impact of the COVID-19 pandemic.

NOTE: As a result of limitations in the Office of the Director of Finance due to the COVID-19 Pandemic, the City issued an abridged version of the *Quarterly City Managers Report for the Period Ending March 30, 2020*. As such, the report omitted several sections that are usually included, instead focusing on the statutory financial reporting requirements included in the PICA Act. The omissions include sections on Management and Performance, and provide quarterly statistics on Staffing, Leave Usage, and City Department Performance. PICA staff normally includes analysis of those statistics in this report. While PICA commends the City for issuing the QCMR in a timely fashion during the Pandemic, PICA urges the City to again include those sections in future Quarterly City Managers Reports, as reporting on such statistics—especially City Department performance—is vital during a crisis, so that stakeholders remain informed on the effectiveness of City Departments during a crisis.

# FY2020 THIRD QUARTER: FINANCIALS

- 
- **THE NUMBERS**
  - **OVERVIEW**
  - **REVENUES**
  - **OBLIGATIONS**



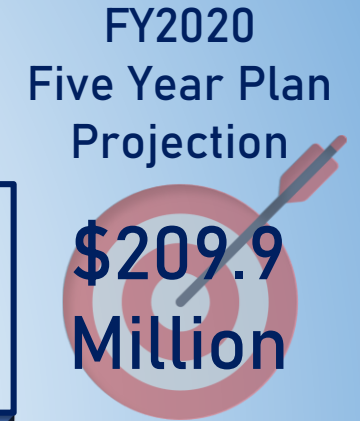
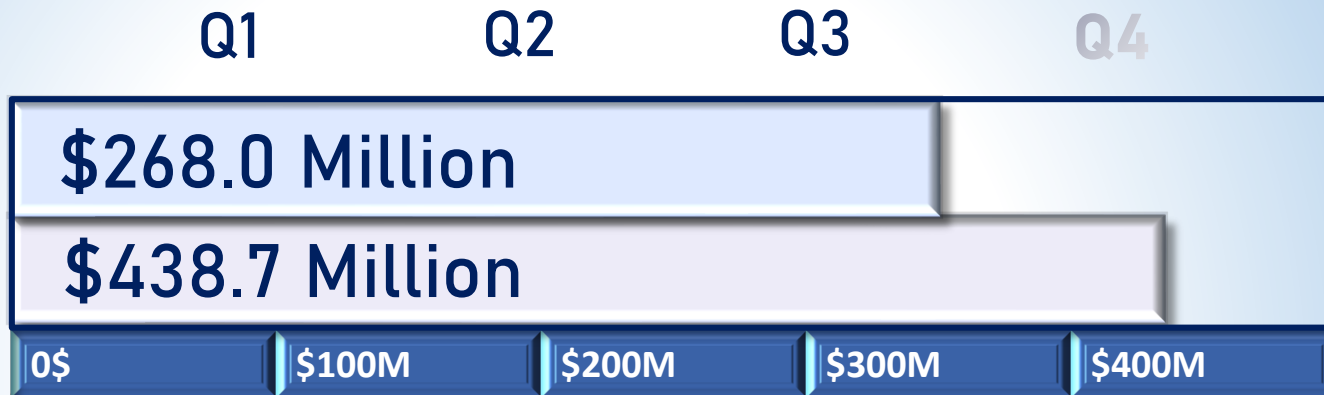


# The Numbers

Fund Balance



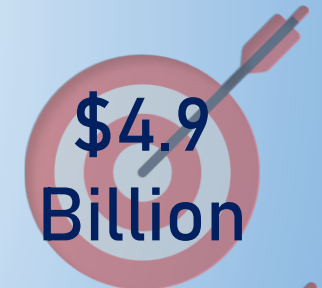
FY20  
Estimated  
FY19  
Actual



Revenues



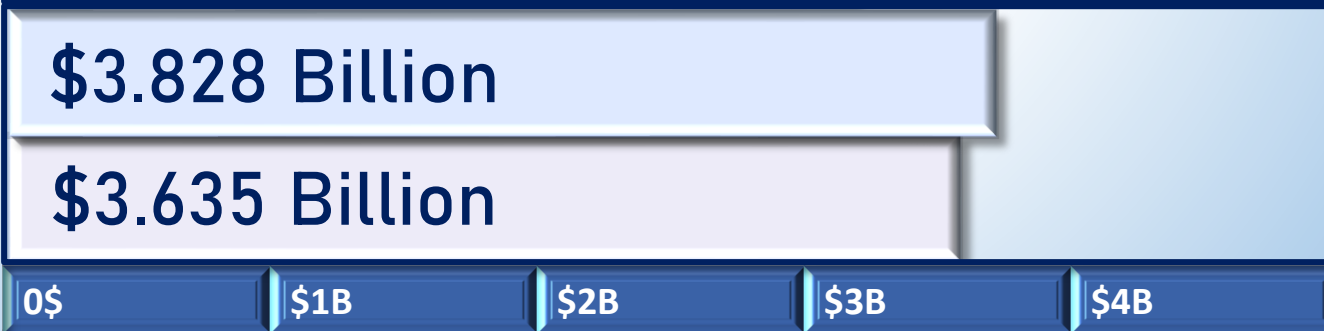
FY20  
Actual  
FY19  
Actual



Obligations

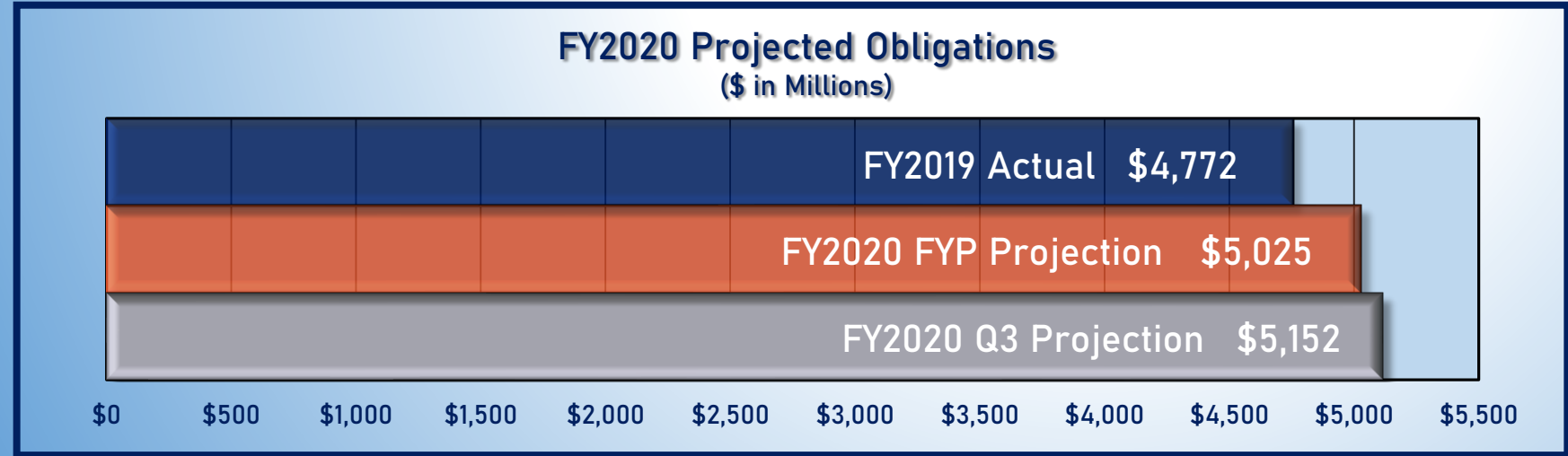
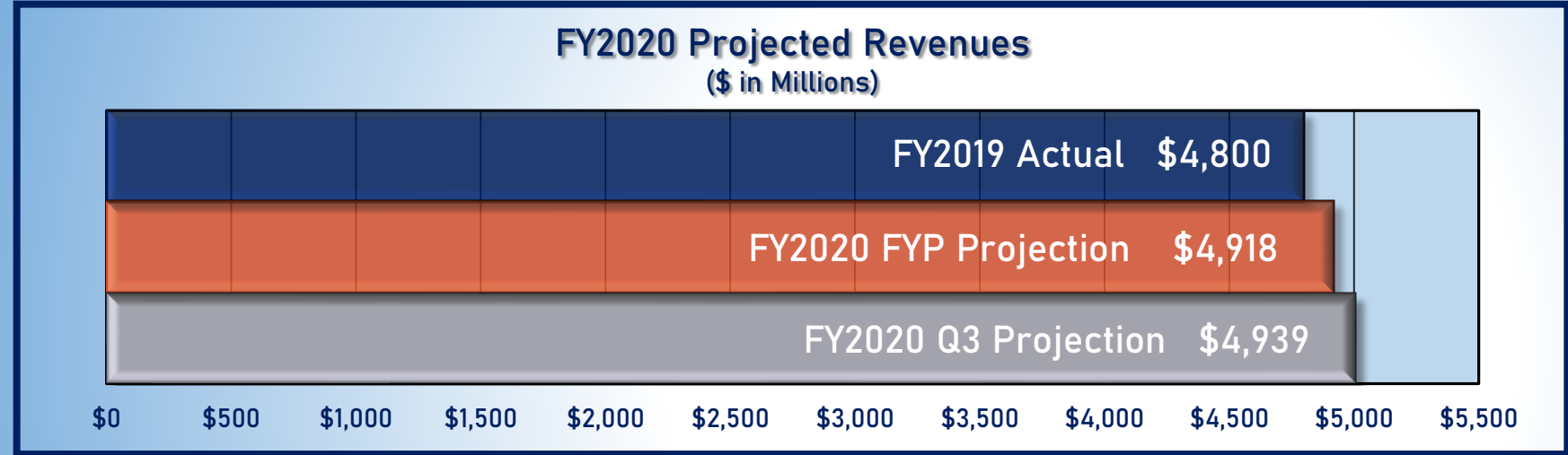


FY20  
Actual  
FY19  
Actual





# Projected Revenues & Obligations






**Revenue.** The current net revenue projection is \$4,939.0 million, \$21.0 million above the Plan projection.

**Obligations.** FY2020 General Fund obligations are projected at \$5,152.7 million, an increase of \$127.4 million from the Plan.

✓ **Fast Figure:**  
 The Q3 revenue projection decreased by \$70.4 million, while obligations increased by \$37.1 million, from Q2 projections, which may be due to the impact of the COVID-19 pandemic.



## General Fund Summary




-  Revenues are projected to increase by \$21.0 Million from the Five Year Plan
-  Obligations are projected to increase by \$127.4 Million from the Five Year Plan
-  The FY2020 third quarter projected Fund Balance is \$268.0, \$58.1 Million higher than the Plan projection of \$209.9 Million

FY2020 General Fund Summary for the Third Quarter (\$ in Millions)			
Category	FY2020-24 Five Year Plan	Projection in Third Quarter FY2020	Amount Change From Plan to Third Quarter FY2020 Projection
Revenues	\$4,918.0	\$4,939.0	\$21.0
Obligations	5,025.3	5,152.7	127.4
Fund Balance	\$209.9	\$268.0	\$58.1

✓ **Fast Fact:**  
 The Projected Fund Balance of \$268.0 Million Represents 5.2% of Total Obligations, which neither meets the City's Internal Goal of 6-8%, nor the GFOA's Recommendation of 17%



## Projected Revenues by Type

-  Tax revenue is projected to increase by \$38.3 Million from the Five Year Plan
-  Revenue from Other Governments is projected to increase by \$42.3 Million from the Five Year Plan
-  Locally Generated Non-Tax revenue is projected to increase by \$10.8 Million from the Five Year Plan

FY2020 General Fund Revenues (\$ in Millions)			
Category	FY2020-24 Five Year Plan	Projection in Third Quarter FY2020	Amount Change From Plan to Third Quarter FY2020 Projection
Taxes	\$3,636.5	\$3,598.2	\$38.3
Locally Generated Non-Tax	353.3	364.1	10.8
Revenue from Other Governments	847.2	889.5	42.3
Revenue from Other Funds	81.0	87.3	6.3
<b>Total</b>	<b>\$4,918.0</b>	<b>\$4,939.0</b>	<b>\$21.0</b>



## Projected Obligations by Class

↑ Wages are projected to increase by \$58.7 Million from the Five Year Plan projection

↑ Purchase of Services (contracts) are projected to increase by \$42.0 Million from the Five Year Plan projection

↓ Miscellaneous spending is projected to decrease by \$36.7 Million from the Five Year Plan projection

FY2020 General Fund Obligations by Class (\$ in Millions)			
Obligation Class	FY2020-24 Plan	Projection in Third Quarter FY2020	Amount Change From Plan to Third Quarter FY2020 Projection
Wages	\$1,820.1	\$1,878.8	\$58.7
Employee Benefits	1,412.0	1,408.2	(3.8)
Purchase of Services	1,001.3	1,043.3	42.0
Materials, Supplies & Equipment	123.7	166.6	42.9
Contributions & Indemnities	322.4	341.7	19.3
Debt Service	187.5	187.5	--
Payments to Other Funds	103.2	108.2	5.0
Advances & Miscellaneous	55.1	18.4	(36.7)
<b>Total</b>	<b>\$5,025.2</b>	<b>\$5,152.7</b>	<b>\$127.4</b>

### Employee Benefits Include:

- ✓ Pensions
- ✓ Health and Medical
- ✓ Employee Disability (Workers' Compensation)
- ✓ Social Security (FICA)
- ✓ Unemployment Compensation
- ✓ Group Life
- ✓ Group Legal
- ✓ Tool Allowance
- ✓ Flex Cash Payments

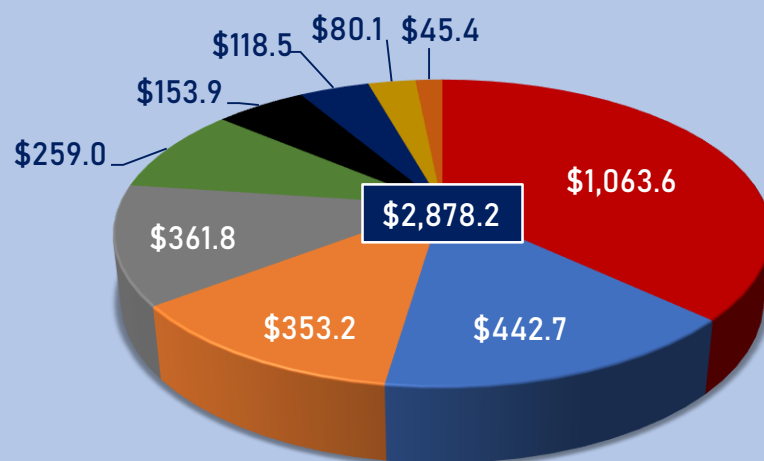




## Obligations

- ✓ Public Safety Accounts for 37% of Agency Obligations
- ✓ Judicial and Corrections accounts for 15% of Agency Obligations

Projected Departmental Obligations in Third Quarter for FY2020  
(\$ in Millions)



- |                               |                                     |                               |
|-------------------------------|-------------------------------------|-------------------------------|
| Public Safety                 | Judicial and Corrections            | Health and Human Services     |
| Governance and Administration | Central Services                    | Transportation and Sanitation |
| Arts, Culture, and Recreation | Regulation and Economic Development | Education                     |

## Category Examples:

- ✓ **Public Safety:** Police, Fire
- ✓ **Judicial & Corrections:** First Judicial District, Prisons, District Attorney, Sheriff
- ✓ **Health & Human Services:** DHS, Homeless Services, Public Health, Behavioral Health/Intellectual disAbility Services
- ✓ **Governance & Administration:** Mayor, Managing Director, Finance, City Council, Labor Relations, Property Assessment
- ✓ **Central Services:** Public Property, Innovation and Technology, 911, Fleet Management
- ✓ **Transportation & Sanitation:** Streets Department
- ✓ **Art, Culture, & Recreation:** Free Library, Parks & Rec, Mural Arts
- ✓ **Regulation & Economic Development:** Commerce, City Rep, L&I, Planning & Development, Sustainability
- ✓ **Education:** Community Schools and Pre-K

# PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY

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Pennsylvania Intergovernmental Cooperation Authority



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