

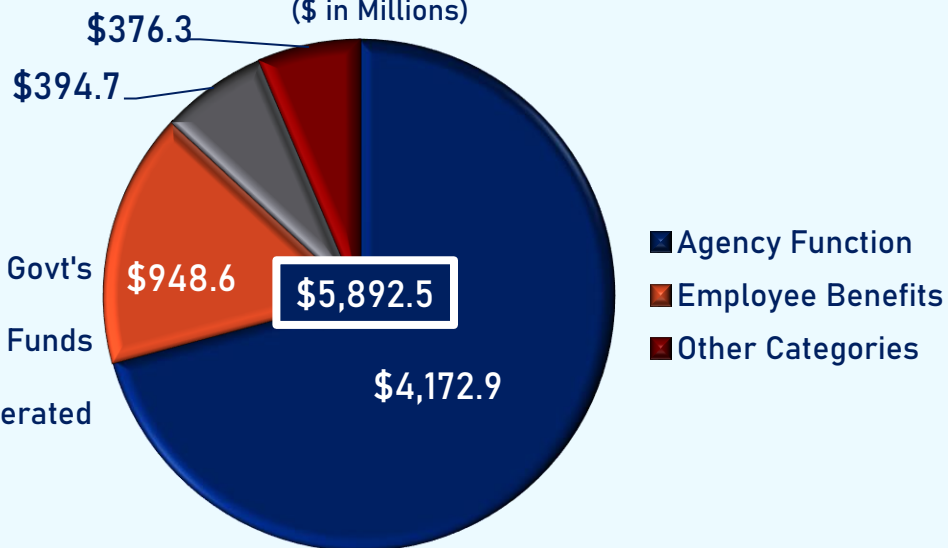


PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY
Staff Report on the City of Philadelphia's
Quarterly City Managers Report
For the Period Ending March 31, 2023

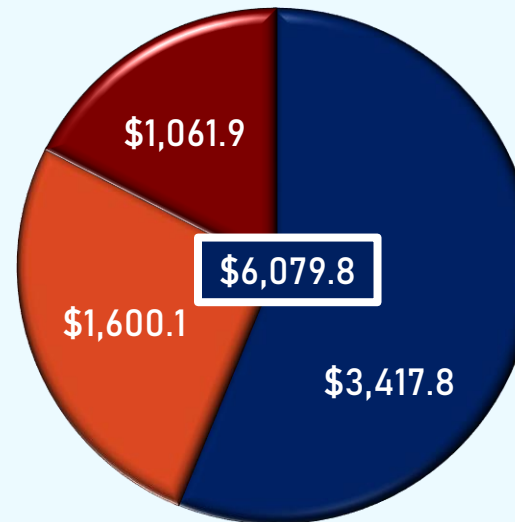


Executive Summary

Projected Revenues in Third Quarter
(\$ in Millions)



Projected Obligations in Third Quarter
(\$ in Millions)



Third Quarter Projections



Projected Fund Balance: \$614.9 million, is \$242.7 million higher than the Five-Year Plan approved in July 2022, representing 10.1% of obligations



Projected Revenues: \$5.893 billion, is \$189.7 million higher than the Five-Year Plan



Projected Obligations: \$6.080 billion, is \$237.3 million higher than the Five-Year Plan



Staffing

Total staffing through the third quarter of FY2023 is 20,528, a decrease of 178 full-time employees, or 0.9% since the third quarter of last year; overall, staffing has decreased by 1,642, or 7.4% compared to the pre-Pandemic total



Overtime

Preliminary overtime costs through FY2023 third quarter were \$193.1 million—or 13.6% of total wage costs—\$40.3 million more than in the third quarter of FY2022, an increase of 26.4%



Police Department

Homicides decreased by 16 through the third quarter compared to last year, while shooting victims decreased by 91, or 18.1%; the third quarter Homicide Clearance Rate was 63.8%, a 29.7% increase over of last year while Part I Violent Crime decreased by 4.2%



Prisons

Inmates in Educational or Treatment Programs in the third quarter decreased to 72.0% compared to last year, or by 12 percentage points; additionally, the reincarceration rate increased by 5.9 percentage points to 32.9%

FY2023 THIRD QUARTER: FINANCIALS





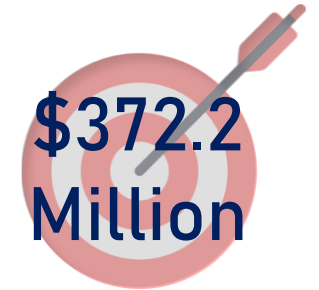
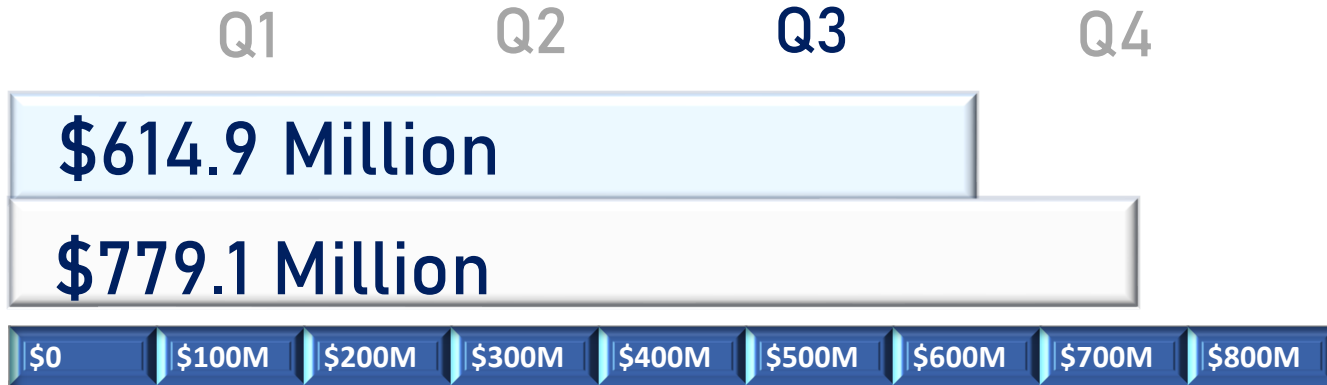
The Numbers

FY2023
Adopted
Five-Year Plan

Fund
Balance



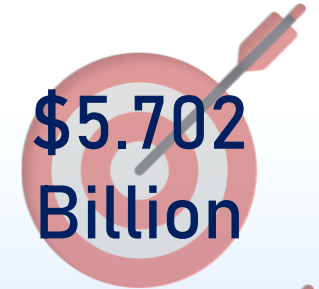
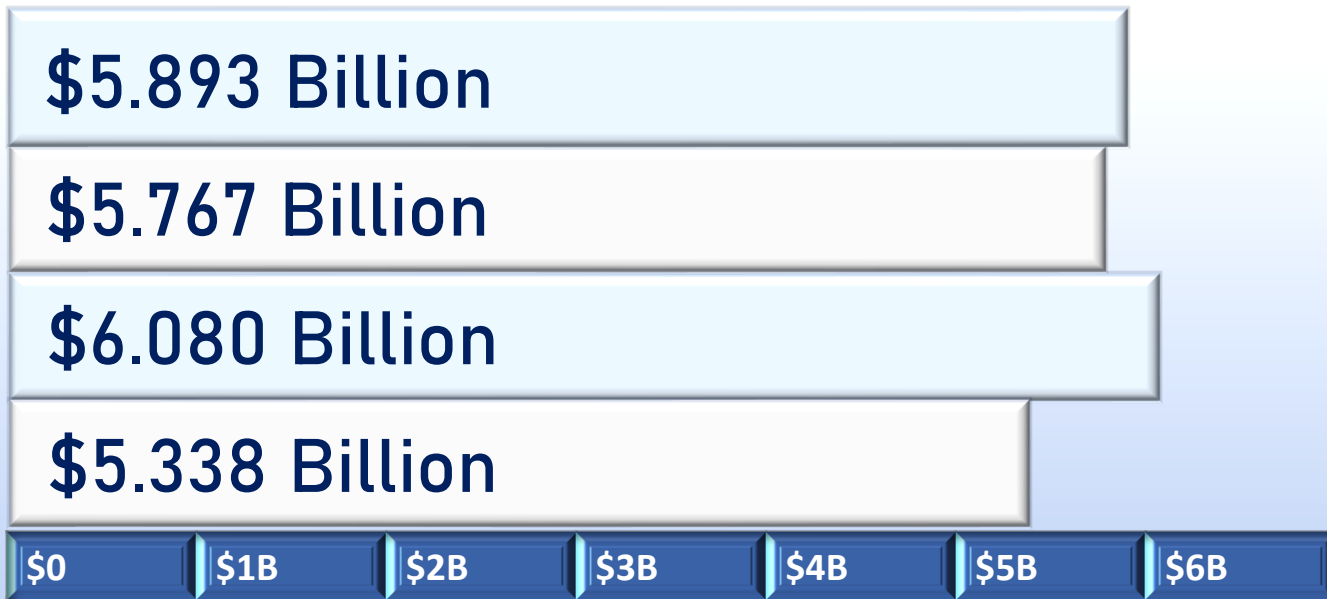
FY23
Projection
FY22
Actual



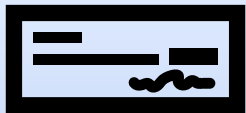
Revenues



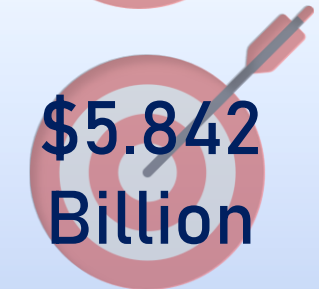
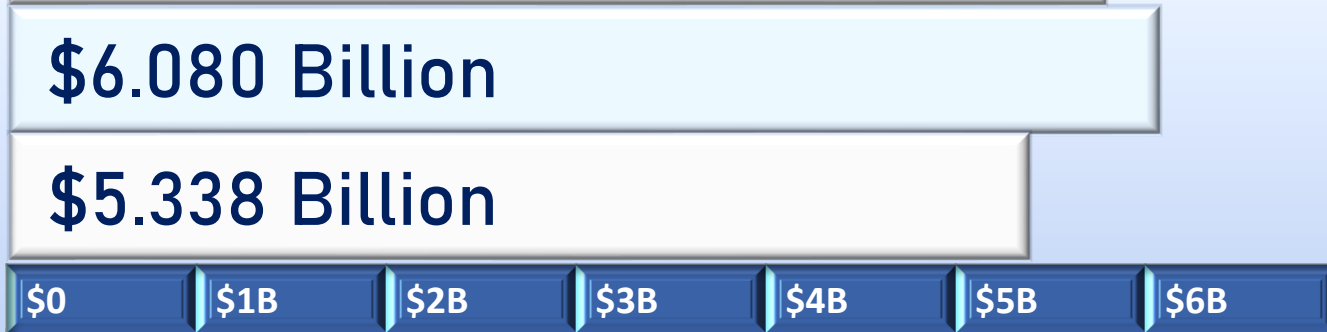
FY23
Projection
FY22
Actual



Obligations



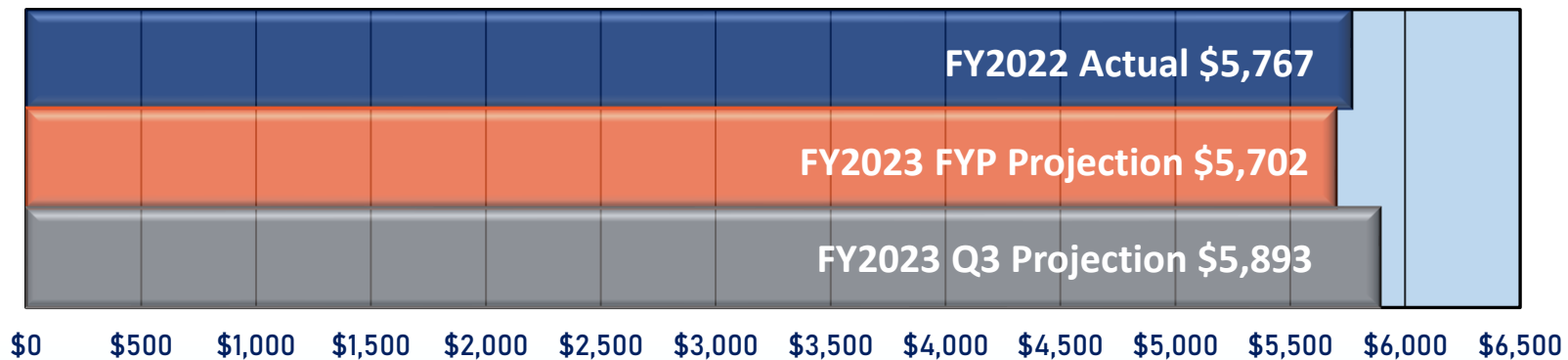
FY23
Projection
FY22
Actual






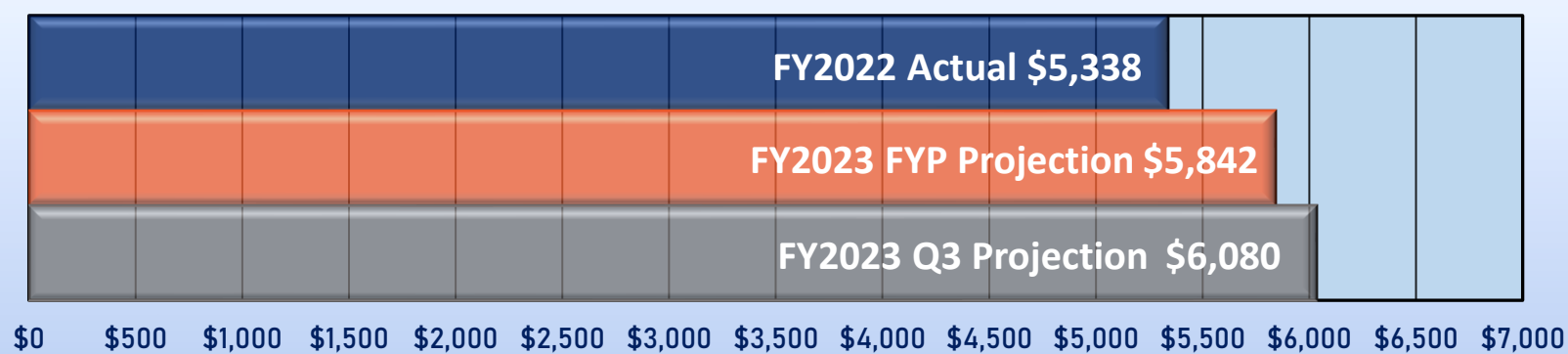
Projected Revenues & Obligations


FY2023 Projected Revenues
(\$ in Millions)



 **Revenue.** The current net revenue projection for FY2023 is \$5.893 billion, an increase of \$189.7 million above the approved Five-Year Plan. Primarily due to increased Wage, BIRT, and Sales Tax projections

FY2023 Projected Obligations
(\$ in Millions)



 **Obligations.** FY2023 General Fund obligations are projected at \$6.080 billion, an increase of \$237.3 million above the approved Five-Year Plan. Primarily due to increased contributions to the Budget Stabilization Reserve Fund, Capital Fund, Recession, Reopening, and Inflation Reserve, and increases in wage, contract, and material costs



General Fund Summary



Revenues are projected to increase by \$189.7 million above the Five-Year Plan



Obligations are projected to increase by \$237.3 million from the Five-Year Plan



Fund Balance is projected to increase by \$242.7 million from the Five-Year Plan

Fund Balance. The FY2023 Fund Balance is projected to increase by \$242.7 million over the Five-Year Plan projection, to \$614.9 million, representing 10% of obligations. Although this exceeds the City's Target of 6-8%, it is far below the GFOA recommended level of 17%, or approximately \$1.0 billion

FY2023 General Fund Summary
(\$ in Millions)

Category	FY2023-27 Five-Year Plan	Projection in Third Quarter FY2023	Change From Five-Year Plan to Third Quarter FY2023 Projection
Revenues	\$5,702.5	\$5,892.5	\$189.7
Obligations	5,842.5	6,079.8	237.3
Fund Balance	\$372.2	\$614.9	\$242.7

✓ **Fast Fact:**
The Projected Fund Balance of \$614.9 million, is made possible in part by revenue support of \$335.0 million in American Rescue Plan Act Funds



Projected Revenues

- ↑ Taxes are projected to increase by \$157.3 million from the Five-Year Plan, primarily due to better than anticipated collections from the Wage & Earnings, BIRT, Sales, Parking, and Amusement Taxes, offset by decreases in Net Profits, Real Estate Transfer, Beverage, and Other Taxes.
- ↑ Locally Generated Non-Tax Revenue is projected to increase by \$3.5 million from the Five-Year Plan, primarily due to increases in collections by the City Treasurer (\$41.5 million) and Police (\$3.9 million), offset by decreases in Public Health (\$16.7 million), Public Property (\$13 million) and Sheriff (\$11.3 million).
- ↑ Revenue from Other Governments is projected to increase by \$35.3 million from the Five-Year Plan, primarily due to increased revenues from PICA and the Commonwealth.

Projected Decreases

Sheriff: According to the City, the decreased projection is due to the continued pause of Sheriff sale operations in FY2023.

Public Health: The decreased projection is due to the closing of the Philadelphia Nursing Home in FY2023.

FY2023 General Fund Revenues (\$ in Millions)			
Category	FY2023-27 Five-Year Plan	Projection in Third Quarter FY2023	Change From Five-Year Plan to Third Quarter FY2023 Projection
Taxes	\$4,015.7	\$4,172.9	\$157.3
Locally Generated Non-Tax	372.8	376.2	3.5
Revenue from Other Governments	913.4	948.6	35.3
Revenue from Other Funds	401.0	394.7	(6.3)
Total	\$5,702.8	\$5,892.5	\$189.7



Projected Tax Revenues by Type

↑ Wage & Earnings Tax is projected to increase by \$83.6 million, BIRT is projected to increase by \$97.9 million, Sales Tax is projected to increase by \$2.9 million, and Amusement Tax is projected to increase by \$10.4 million from the Five-Year Plan.

FY2023 General Fund Tax Revenues by Type (\$ in Millions)			
Category	FY2023-27 Five-Year Plan	Projection in Third Quarter FY2023	Change From Five-Year Plan to Third Quarter FY2022 Projection
Wage & Earnings	\$1,625.2	\$1,708.8	\$83.6
Real Estate	813.4	814.0	.6
Business Income & Receipts	631.5	729.5	97.9
Sales	277.6	280.6	2.9
Real Estate Transfer	418.3	398.8	(19.5)
Net Profits	36.4	34.6	(1.8)
Parking	93.1	97.2	4.0
Amusement	22.7	33.1	10.4
Beverage	77.9	68.1	(9.8)
Other	19.4	8.3	(11.1)
Total	\$4,015.7	\$4,172.9	\$157.3

! *Wage & Earnings Tax:* The projection was increased due to better than anticipated collections through the prior year and the first quarter of FY2023

! *Amusement Tax:* The increased projection was due to the post-season performance of both the Phillies and the Eagles.

! *BIRT Tax:* The increased projection is due to a higher than anticipated growth rate in FY2023.



Projected Obligations by Class

↑ Wages are projected to increase by \$32.5 million, Purchases of Services are projected to increase by \$32.7 million, Materials & Supplies are projected to increase by \$43.0 million, while Contributions are projected to increase by \$62.6 million from the Five-Year Plan.

↑ Payments to Other Funds are projected to increase by \$156.0 million from the Five-Year Plan, due to increased Budget Stabilization Reserve and Capital Fund contributions.


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

FY2023 General Fund Obligations by Class (\$ in Millions)			
Obligation Class	FY2023-27 Five-Year Plan	Projection in Third Quarter FY2023	Change From Five-Year Plan to Third Quarter FY2023 Projection
Wages	\$2,057.0	\$2,089.5	\$32.5
Employee Benefits	1,603.5	1,600.0	(3.5)
Purchase of Services	1,236.0	1,268.7	32.7
Materials, Supplies & Equipment	143.5	186.6	43.0
Contributions & Indemnities	408.2	470.7	62.6
Debt Service	193.7	193.7	-
Payments to Other Funds	114.5	270.5	156.0
Advances & Miscellaneous	86.0	-	(86.0)
Total	\$5,842.5	\$6,079.8	\$237.3



Projected Obligations – by Department/Use

 Prisons obligations are projected to increase by \$32.8 million, primarily due to COVID mitigation costs, wage and overtime costs, and recruitment and retention bonuses.

FY2023 General Fund Obligations by Department
(\$ in Millions)

Department	FY2023-27 Five-Year Plan	Projection in Third Quarter FY2023	Change From Five-Year Plan to Third Quarter FY2023 Projection
Finance – Employee Benefits	\$1,603.5	\$1,600.0	\$(3.5)
Police	788.0	800.0	11.9
Fire	380.9	395.5	14.6
Sinking Fund (Debt Service)	308.8	308.8	-
School District Contribution	270.0	270.0	-
Prisons	246.1	279.0	32.8
Human Services	189.2	189.8	0.6
Public Health	161.2	160.6	(0.6)
Streets	217.8	217.3	(0.6)
First Judicial District	122.0	123.7	1.7
Sub-Total	4,287.6	4,344.6	57.0
Other Department/Uses	1,554.8	1,735.2	180.4
Total	\$5,842.5	\$6,079.8	\$237.3

Projected Obligations:

Total Obligations are projected to increase by \$237.3 million over the FY2023-27 Five-Year Plan. The increase is primarily attributed to:

1. Increased collective bargaining costs (\$20.6 million)
2. Increased contributions to cultural institutions (\$20.0 million), Poverty Action Fund (\$10.0 million), and capital fund (\$60.0 million)
3. Inflation related increases (\$25.0 million)
4. Increased payment to Budget Stabilization Reserve Fund (\$25.0 million)

Note: Rounded figures may not sum neatly



Projected Obligations by Function

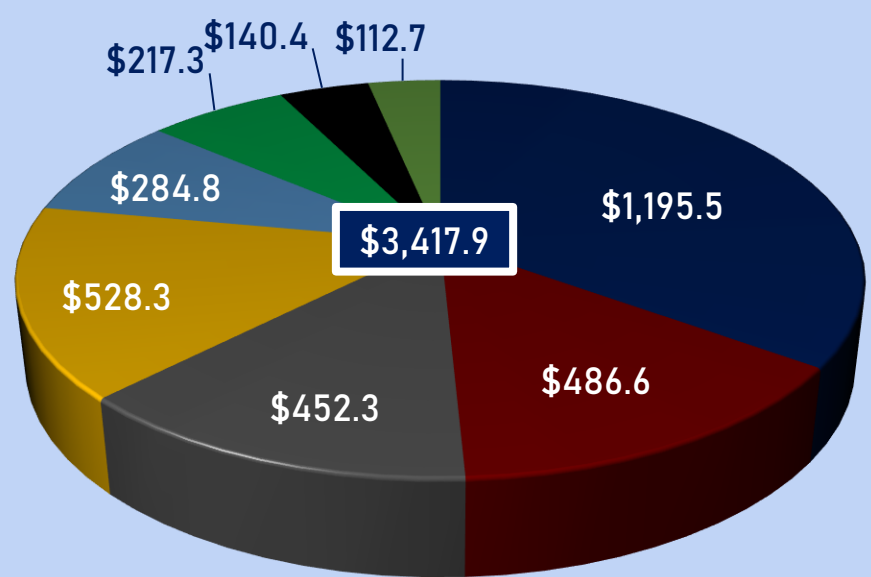
- ✓ Public Safety accounts for 35.0% of Agency Obligations
- ✓ Judicial and Corrections accounts for 14.2% of Agency Obligations
- ✓ Health and Human Services accounts for 13.2% of Agency Obligations

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, L&I, Planning & Development, Sustainability

Projected Departmental Obligations in Third Quarter
(\$ 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





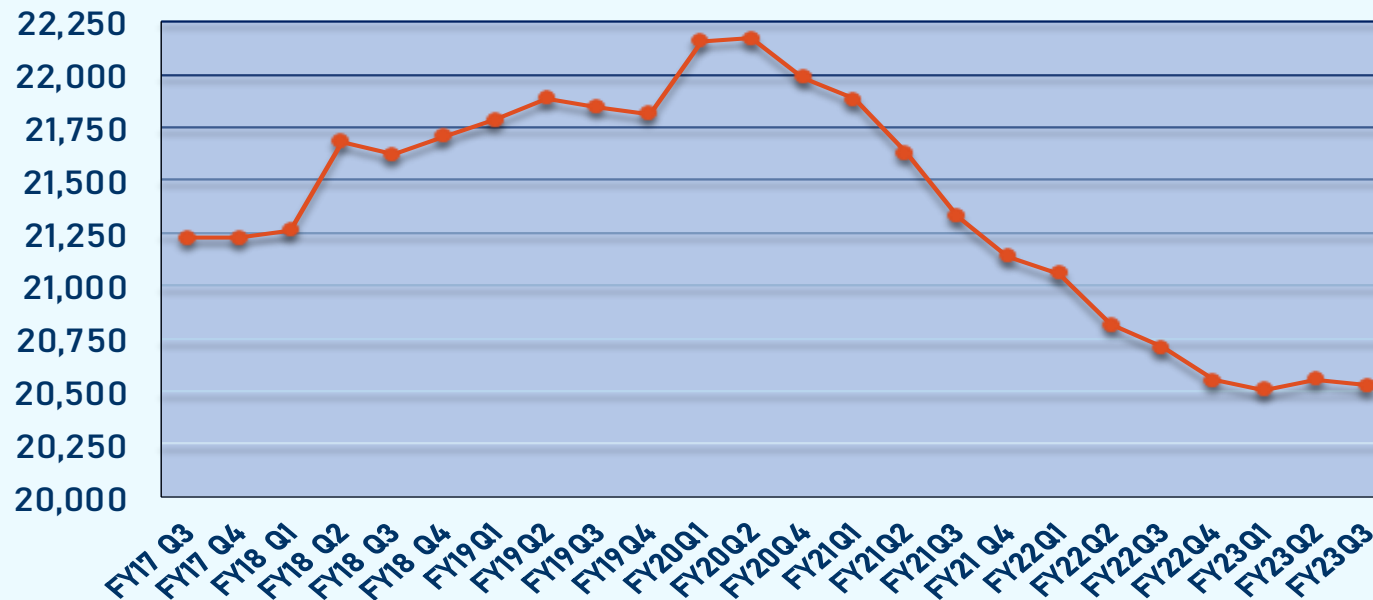
FY2023 THIRD QUARTER: MANAGEMENT

- STAFFING
- OVERTIME
- LEAVE USAGE



Staffing

General Fund Filled Full-Time Positions*
FY2017 - FY2023



*DHS employees not included in total

Note: Data not available for FY2020 Q3 due to staffing and reporting issues as a result of the onset of the COVID-19 pandemic

Staffing Trends



Total staffing through Q3 of FY2023 is 20,528, a decrease of 178 full-time employees, or 0.9% since Q3 of last year



Overall, staffing has decreased by 1,642, or 7.4% compared to the pre-Pandemic total recorded in Q2 of FY2020



The City's adopted budget for FY2023 approved a total of 25,489 full-time General Fund employees, though City departments rarely reach approved staffing levels

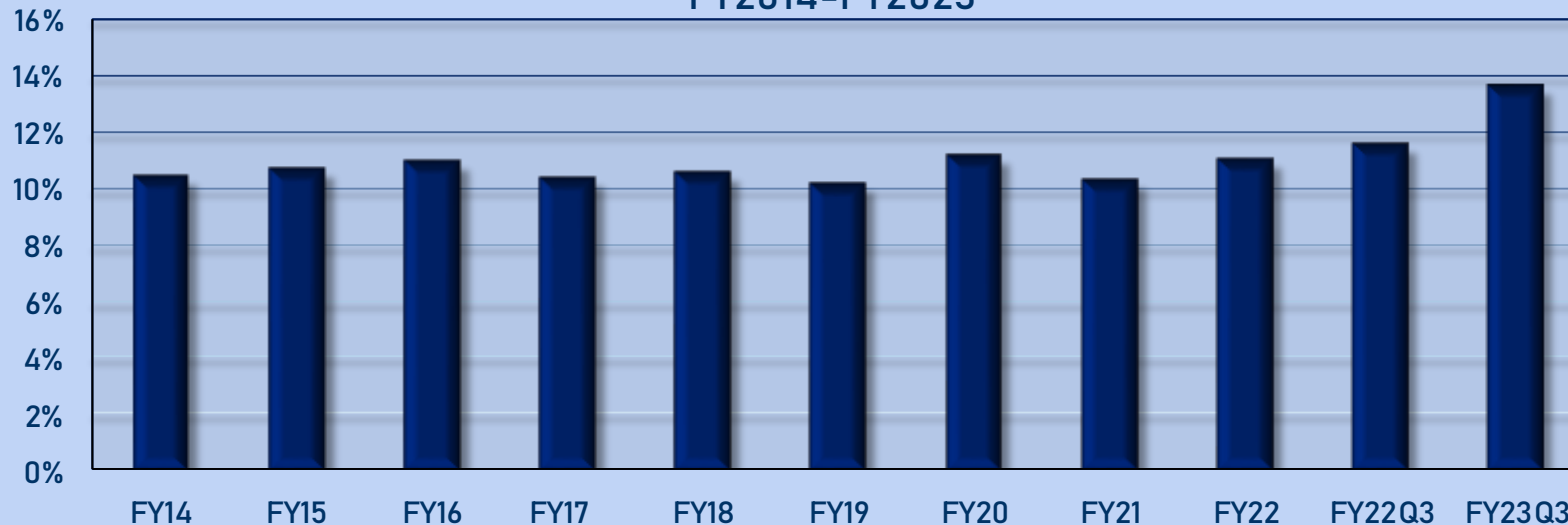


Overtime

↑ FY2023 preliminary overtime costs through the third quarter were \$193.1 million, or 13.6% of total wages, 2.2 percentage points higher than last year, as shown below. In some departments, this is due to staffing shortages.

↑ City Departments spent \$40.3 million more on overtime through the third quarter of FY2023 than over the same period last year, an increase of 26.4%*

General Fund Overtime as a Percent of Total Wage Costs
FY2014-FY2023



*Year-over-year totals are not adjusted for contractually-negotiated wage increases

Fast Facts

↑ FY 2023 overtime spending through the third quarter has increased by \$44.1 million, or 29.6 percent compared to the FY2020 Q3 total, recorded at the start of the Pandemic

FY2023 Overtime Watch Year-to Date



Police: \$85.1 million
(6,436 employees)



Fire: \$51.5 million
(2,740 employees)



Streets: \$12.1 million
(2,001 employees)



Leave Usage

Note for FY 2023 Quarter 3:

Leave Usage data has been omitted from the FY 2023 Q3 QCMR, due to the City identifying data issues prior to publication.

Following resolution of data issues, the FY23 Q3 data will be provided in a separate future report.

Leave Usage Includes:

- ✓ Sick
- ✓ Injured-on-Duty
- ✓ Vacation
- ✓ Comp/Holiday Comp Funeral
- ✓ Military
- ✓ Excused
- ✓ AWOL
- ✓ Suspension
- ✓ Administrative/Other
- ✓ Unpaid Family Medical
- ✓ Paid Parental
- ✓ Paid Family Medical Parental
- ✓ Unpaid Military Caretaker
- ✓ Training
- ✓ Union Paid/Unpaid

*Red = Captured under new OnePhilly system

FY2023 THIRD QUARTER: PERFORMANCE





Police Department

To view PPD's Crime Prevention & Violence Reduction Action Plan please visit:
<https://tinyurl.com/tra99e5m>




Homicides


Part 1 Violent Crime


Shooting Victims


Homicide Clearance Rate

	FY2023 Target	Less Than FY2022	Less Than FY2022	Less Than FY2022	Higher Than 65.0%
FY2023 Q3		106	3,466	413	63.8%
FY2022 Q3		122	3,617	504	49.2%
FY2021 Q3		120	3,365	494	50.1%

✓ Fast Fact: PPD has created the Non-Fatal Shooting Investigations Group to centralize investigations of all non-fatal shootings within the city

Trends

- ↓ Shooting victims decreased by 91, or 18.1%, through Q3 compared to last year, while Homicides decreased by 16
- ↓ Part I Violent Crime decreased by 4.2% over Q3 of last year
- ↑ The Q3 Homicide Clearance Rate was 63.8%; an increase of 14.6 percentage points over Q3 of last year and 13.7 percentage points over Q3 of FY2021



Fire Department











Fire Deaths
Structure Fires
Fire Response Time
EMS Response

FY2023 Target	Less Than FY2022	Less Than FY2022	Less than 6:39	Better Than 90% within 9 Minutes
FY2023 Q3	9	806	6:45	35.5%
FY2022 Q3	17	847	6:47	38.4%
FY2021 Q3	10	898	6:39	31.0%

✓ Fast Fact: The Philadelphia Fire Department is the largest fire department in Pennsylvania and has one of the busiest EMS divisions in the country

Trends

- 
Fire deaths have decreased by 8 compared to last year and by 1 compared to FY2021
- 
Third quarter Structure Fires have decreased by 41 compared to last year and 92 compared to FY2021
- 
Fire response time decreased by 2 seconds in Q3 compared to last year but was 6 seconds longer compared FY2021




Prisons Department




Inmates in
Educational /
Treatment Programs


Reincarceration
Rate (1 year)


24-Hour
Processing

FY2023 Target	75.0%	30.0%	100%
FY2023 Q3	72.0%	32.9%	100%
FY2022 Q3	84.0%	27.0%	100%
FY2021 Q3	74.1%	24.6%	100%

- ✓ Fast Fact: Prisons offers the following programs and services to incarcerated persons: job training, educational services, parenting classes, substance abuse services, behavioral health therapy, counseling, individual, and group therapy

Trends



Inmates in Educational or Treatment Programs in Q3 decreased by 12 percentage points as compared to Q3 of FY2022



The reincarceration rate increased by 5.9 percentage points as compared to Q3 of FY2022



The performance target for reincarceration rate was lowered by 8.0 percentage points from the FY2022 target



Department of Licenses & Inspections



Demolitions



Permits Issued



Nuisance Properties
Inspected Within
20 Days



Imminently Dangerous
Properties

FY2023 Target	525	50,000	80.0%	Less Than FY2022
FY2023 Q3	118	11,182	94.0%	132
FY2022 Q3	56	12,322	90.0%	180
FY2021 Q3	85	12,206	77.0%	285

- ✓ Fast Fact: The median timeframe for commercial permit issuance in the third quarter was 27 days

Trends



Permits Issued in Q3 decreased by 1,140 or 9.3%, compared to last year and by 1,024, or 8.4%, compared to FY2021



The percentage of Nuisance Properties Inspected within 20 days increased by 4 percentage points compared to FY2022 and by 17 percentage points compared to FY2021



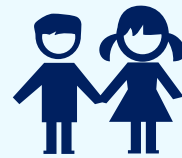
Imminently Dangerous Properties decreased by 48, or 26.7%, compared to last year



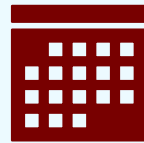
Department of Human Services

✓ Fast Figure:

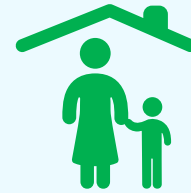
The average daily number of youth in detention at the Philadelphia Juvenile Justice Services Center in Q3 is 193.0, a 30.3% increase over last year



Dependent Population



% in Care More Than 2 Years



% of Children in Kinship care



CPS investigations Determined Within 60 Days
(FY2023 Q2 Data Shown*)



FY2023 Target	Less Than 4,200	Less Than 40%	More Than 50%	More Than 90.0%
FY2023 Q3	3,438	55.9%	51.0%	99.4%*
FY2022 Q3	4,015	53.6%	51.5%	99.8%
FY2021 Q3	4,529	52.2%	51.2%	99.2%

✓ Fast Fact: Through continued efforts like secondary screening of low response priority reports and increasing use of diversionary programs, DHS' dependent placement number is continuing to decline

Trends



The Dependent Population continues to decline to 3,438, a decrease of 577, or 14.4%, compared to last year



The Percent of Dependents in Care More Than 2 Years increased by 2.3 percentage points compared to last year's Q3 figure



The Percent of Children in Kinship Care (the ideal out-of-home care situation) decreased slightly



Department of Public Health

✓ Fast Figure:
Number of months between
food establishment
inspections for FY2023 Q3: 11

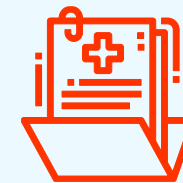


Uninsured
Visits



Children With Complete
Immunizations

HIV
New HIV
Diagnoses



Autopsy Reports
Issued Within 90 Days

FY2023 Target	42.0%	70.0%	390	More than 90.0%
FY2023 Q3	37.3%	66.7%	82	90.1%
FY2022 Q3	39.1%	64.1%	101	73.3%
FY2021 Q3	37.8%	67.8%	101	97.2%

✓ Fast Fact: DPH continues to invest in benefits enrollment activities with the goal of reducing the number of uninsured visits to district health centers

Trends



Uninsured Visits to District Health Centers continue to decrease in Q3



The rate of Children With Complete Immunizations increased by 2.6 percentage points



New HIV diagnoses decreased by 19 in Q3, or 18.8%



Autopsy Reports Issued Within 90 Days increased by 16.8 percentage points, or 22.9%, compared to Q3 of last year



Office of Homeless Services





Homelessness Prevention Assistance



Rapid Rehousing



Exits to Permanent Housing

FY2023 Target	1,400	500	40.0%
FY2023 Q3	442	173	35.0%
FY2022 Q3	375	146	37.0%
FY2021 Q3	824	139	41.0%

- ✓ Fast Fact: OHS' Citywide landlord education and recruitment efforts are designed to increase the number of landlords who work with the city's rental assistance programs

Trends



Assistance to Prevent Homelessness increased by 67 households in Q3, or 17.9%, compared to last year; the target for this metric remains 1,400, the same as last year



Rapid Rehousing Assistance—which targets residents of emergency or transitional housing for quick permanent rehousing—increased by 27



Exits to Permanent Housing from Shelters or Transitional Housing decreased by 2.0 percentage points compared to last year



Free Library of Philadelphia

✓ **Fast Figure:**
% of Philadelphians with
Library Cards in Q3: 40.3%



In-Person Visits



Website Visits



Digital Access



Program
Attendance

FY2023 Target	N/A	4.9 Million	3.5 Million	476,000
FY2023 Q3	N/A	1.3 Million	1,347,566	117,879
FY2022 Q3	292,314	1.3 Million	816,957	90,192
FY2021 Q3	50,103	1.0 Million	762,886	156,806

✓ **Fast Fact:** The COVID-19 Pandemic continues to affect program attendance, with unpredictable preschool programming no longer included in the metric as of FY2023

Trends

|| FLP has paused reporting In-Person Visits due to equipment issues with collecting data. FLP will complete an assessment in FY2023 to assess how to better collect data moving forward

↑ Website Visits increased by 14,575, or 1.1%, in Q3 FY2023 compared to last year

↑ Digital Access also increased, by 530,609, or 64.9%, in Q3



Department of Parks & Recreation

✓ **Fast Figure:**
More than 300 streets take part in Parks & Rec's Summer Playstreets Program



Programs Offered



Unique Program Attendees



Visits to Facilities and Sites



Trees Planted

	FY2023 Target	2,500	115,000	7.0 Million	3,000
FY2023 Q3		456	22,871	0.7 Million	N/A
FY2022 Q3		538	27,917	1.7 Million	N/A
FY2021 Q3		317	12,957	0.2 Million	N/A

✓ **Fast Fact:** Parks & Recreation Programs offered run for, on average, 19 weeks

Trends

↓ Programs Offered in Q3 decreased compared to last year

↓ The number of Unique Program Attendees decreased by 5,046, or 18.1%

↓ Visits to Facilities and Sites decreased by more than 1.0 million, or 61.0%

→ Trees are only planted in the spring and fall, and therefore only reported in the second and fourth quarters



Planning and Development



Mortgage
Foreclosures Diverted



Home Repairs &
Emergency Assistance



City Lots
Cleaned & Greened



Clients Receiving
Housing Counseling

FY2023 Target	1,100	5,400	12,500	250
FY2023 Q3	58	1,720	12,931	7
FY2022 Q3	1,262	1,642	12,237	23
FY2021 Q3	44	1,443	12,920	0

- ✓ Fast Fact: The Art Commission, a component of DPD, reviews the designs of all construction projects located on City property or funded with City money, anything constructed or installed on or over the public right-of-way, and all public art to be acquired by the City or placed on public property

Trends



Mortgage Foreclosures
Diverted decreased due to
the introduction of a PHFA
fund that assists delinquent
homeowners



Home Repairs and
Emergency Assistance
increased by 78, or 4.8%



Clients Receiving Counseling
decreased from 23 to 7 in
the third quarter due to
limited court activity



Streets Department

✓ **Fast Figure:**
Tons of Refuse Collected in Q3 FY2023: 152,343 tons
Tons of Recycling Collected: 19,861 tons



FY2023 Target	12.0%	80.0%	85.0%	3 Days	90.0%	55
FY2023 Q3	11.2%	89.0%	99.0%	1.2 Days	92.0%	0
FY2022 Q3	8.9%	94.0%	89.0%	0.8 Days	95.0%	0
FY2021 Q3	8.5%	98.0%	56.0%	0.8 Days	97.0%	0

✓ **Fast Fact:** The Streets Department's roadway resurfacing crews are currently significantly understaffed; Streets is actively attempting to hire more staff to address this issue. Due to inclement weather, resurfacing work does not take place in the third quarter.

Trends

↓ The On-Time Recycling Collection Rate decreased by 5 percentage points in Q3 compared to the same period last year

↑ The On-Time Trash Collection Rate increased by 10 percentage points, returning to pre-Pandemic rates

↕ Pothole Response Time increased by 0.4 days, while the Percentage Potholes Repaired Within 3 Days decreased by 3.0 percentage points

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