

City of Philadelphia



Five Year Financial and Strategic Plan for Fiscal Years 2015-2019

**Twenty-Second Five Year Plan for the City of
Philadelphia Pursuant to the Pennsylvania
Intergovernmental Cooperation Authority Act**

Presented to City Council March 6, 2014

Michael A. Nutter, Mayor

This report is available online at www.phila.gov



GOVERNMENT FINANCE OFFICERS ASSOCIATION

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July 1, 2013

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **City of Philadelphia, Pennsylvania** for its annual budget for the fiscal year beginning **July 1, 2013**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

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My Fellow Philadelphians:

When I took the oath of office more than six years ago, I pledged that I would lower crime, increase high school and college graduations rates, make Philadelphia the greenest city in America, attract new businesses and residents and lead an ethical City government that is a good steward of tax payer dollars. I am proud of the City's accomplishments to date across all of these fronts. But our work is not done yet. As Mayor I am focused on investing in the future of our great City. This budget reflects my goal of leaving the City a better place to live, work, go to school, and play. It also reflects my goal of leaving the City fiscally sound and more efficient and effective.



After weathering the recession and the fiscal impact that had on our City, Philadelphia has begun its course to recovery. While we still face significant fiscal challenges, our tax receipts are growing moderately, new residents are moving into the city and businesses continue to invest and create jobs in Philadelphia. We must keep this progress going. In a time of continuing limited resources, as tax revenues increase modestly and savings from efficiencies are realized, the Administration is faced with important choices about how to invest taxpayer dollars. This Five-Year Plan makes clear our priorities. It advocates for increased funding for education through the introduction of a cigarette tax. It includes modest funding increases for investments in our neighborhood libraries and recreation centers and reduces wage and business taxes to spur job growth. It sets aside significant funding for the recently agreed upon contract with AFSCME District Council 47 and future labor agreements that are fair to both employees and taxpayers by pairing pay raises with essential reforms that will strengthen the health of the City's pension system, common sense changes to overtime rules and the ability to use temporary layoffs instead of laying off employees permanently should we face future financial distress. It proposes a substantial investment in the City's pension fund by dedicating the proceeds of the anticipated sale of Philadelphia Gas Works to the pension fund. At the same time, my Administration will continue to invest in public safety and higher education, both essential to the growth of the City.

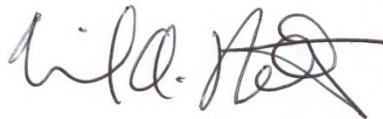
While crime statistics have reached record lows in recent history, there is still much to do to bring the level of violence down even further and make Philadelphia safe. This Plan allocates funding to maintain a sworn strength of 6,525 police officers. This Plan also provides funding to hire additional inspectors to strengthen demolition controls to ensure safe public and private demolitions.

We can also have a hand in accelerating our economic recovery by making the City more business friendly and supporting small businesses so that more jobs are created. This Plan continues the wage tax cuts that had been reinstated last year after the recession had forced us to suspend them. This plan supports continued business growth by improving streetscapes along commercial corridors and

providing support to build a tunnel connecting the new Comcast Center to Suburban Station. This plan provides start up funds for the creation of the Land Bank, which will facilitate the redevelopment of vacant land and properties. We will also invest in the revitalization of neighborhoods by renovating police stations and firehouses, rebuilding recreation centers and libraries, creating new park spaces along the Delaware and Schuylkill rivers, and carrying out major projects such as the new police headquarters, morgue, and health offices to be co-located at 4601 Market Street.

Finally, we must invest in our children. This Plan advocates for increased spending for education by recommending the introduction of a cigarette tax to provide increased revenues for the School District. It recommends maintaining the sales tax at 2% and splitting the proceeds from the 1% increase between the School District and the City's pension fund. The budget reflects the current state legislation which proposes \$120 million of the incremental sales tax to go to the School District. Should the General Assembly change the allocation to the 50-50 split, for which I and the Council President are advocating, I would make the appropriate changes to the budget. This plan strengthens tax collection efforts in order to deliver additional revenues to the School District. It provides additional funding for the Community College in order to ensure that tuition remains affordable and expands service at all branch libraries to 6-days per week.

Join me in making these investments in the future of Philadelphians and our great city. There is still much work to do, and there is nothing that we cannot achieve for our city.

A handwritten signature in dark ink, appearing to read "M. A. Nutter", with a stylized flourish at the end.

Mayor Michael A. Nutter

EXECUTIVE SUMMARY

Mayor Michael A. Nutter has laid out a vision for Philadelphia, focusing his Administration around five key goals designed to make the city healthier, greener and more competitive. Philadelphia's economy has a direct effect on the City's budget, as local tax revenues account for the majority of the City's general fund revenue. The economic recovery after the recession and related fiscal crisis has been slower than economists had expected, which has caused wage tax revenues to come in below projections to date this year. These lower than expected revenues, combined with increasing employee costs, make FY15 a tight budget year. This Five-Year Plan invests \$376 million in future labor costs to pay for the provisions in the recent agreement with AFSCME District Council 47 as well as other future labor awards. Pension costs have increased from 8% of General Fund expenditures in FY00 to 17% of expenditures in FY14, and the FY15 proposed budget allocates 100% of proceeds of the anticipated sale of Philadelphia Gas Workds to the pension fund. In addition, this Five-Year Plan makes critical investments to further each of the Mayor's Five Goals. Some of the most significant investments are as follows:

Goal 1: Philadelphia becomes one of the safest cities in America

- Hire additional officers to maintain a sworn strength of 6,525 officers in the Police Department.
- Renovate facilities in several police districts, complete the former Woodhaven U.S. Army facility for police use, and break ground on a state-of-the-art police headquarters in West Philadelphia.
- Pay firefighters according to the new contract and conduct renovations at fire facilities throughout the city.
- Hire additional inspectors in the Department of Licenses and Inspections in order to ensure safe public and private demolitions.
- Replace the message switch system, which serves as the backbone for the exchange of public safety information between the City and State.

Goal 2: The education and health of Philadelphians improves

- Support the financial stability of the School District of Philadelphia by advocating for state approval of a cigarette tax in order to increase funding for education in the City.
- Provide 6-day service at all library branches throughout the City and redefine the role of libraries in our community by renovating various library facilities.
- Sustain KEYSPTS locations that provide access to broadband internet for low income communities and provide online learning opportunities for adult literacy and career education.
- Contribute additional funding to the Community College of Philadelphia to ensure that tuition remains affordable.
- Continue the City's successful anti-tobacco and anti-obesity efforts through the City's Get Healthy Philly program.
- Sustain housing and services provided to the homeless population by the Office of Supportive Housing by compensating for federal sequestration cuts and renovating various homeless shelter facilities.

Goal 3: Philadelphia is a place of choice

- Reduce tax rates to make Philadelphia more competitive and promote job growth.
- Expand the capacity of the Philadelphia International Airport.
- Implement a new zoning code to promote more livable, walk-able communities.
- Improve streetscapes along and invest in neighborhood commercial corridors.
- Reduce blight and redevelop vacant land and properties through the creation of the Land Bank.
- Attract and support small businesses to establish Philadelphia as a hub for startups, entrepreneurship and investment.
- Continue to support and promote Philadelphia's national appeal as a destination for art.
- Complete Dilworth Plaza – a new iconic central square for Philadelphia.
- Support the Mann Music Center to continue this important cultural institution.
- Provide funding for an underground concourse extension beneath 18th Street that will link the existing underground markets to the new Comcast Tower to be completed in 2017.

Goal 4: Philadelphia becomes the greenest and most sustainable city in America

- Invest in energy efficiency projects to reduce the environmental impact of City facilities
- Expand the City's tree canopy.
- Create newly designed green spaces such as Benjamin Franklin Parkway and along the Schuylkill and Delaware Rivers.
- Invest in green infrastructure to better manage storm water and prevent pollution.
- Expand programming and conduct renovations at recreation centers in neighborhoods throughout the City.

Goal 5: Philadelphia government works efficiently and effectively, with integrity and responsiveness.

- Improve the health of the pension fund by achieving benefit changes in labor contracts, depositing proceeds from the anticipated sale of Philadelphia Gas Works in the pension fund and directing a portion of sales tax revenues into the pension fund.
- Implement a number of initiatives to more effectively collect taxes owed to the City.
- Invest in critical information technology infrastructure and new business applications and make process changes necessary to modernize how the City operates.
- Prepare for and recruit the next generation of City government leaders as many of City employees become eligible to retire.
- Achieve future labor agreements that are fair to employees and all taxpayers.
- Invest adequate resources to replace the City's aging fleet.
- Implement program-based budgeting to identify the cost and effectiveness of City services.
- Continue to implement a citywide open data program by releasing data sets.

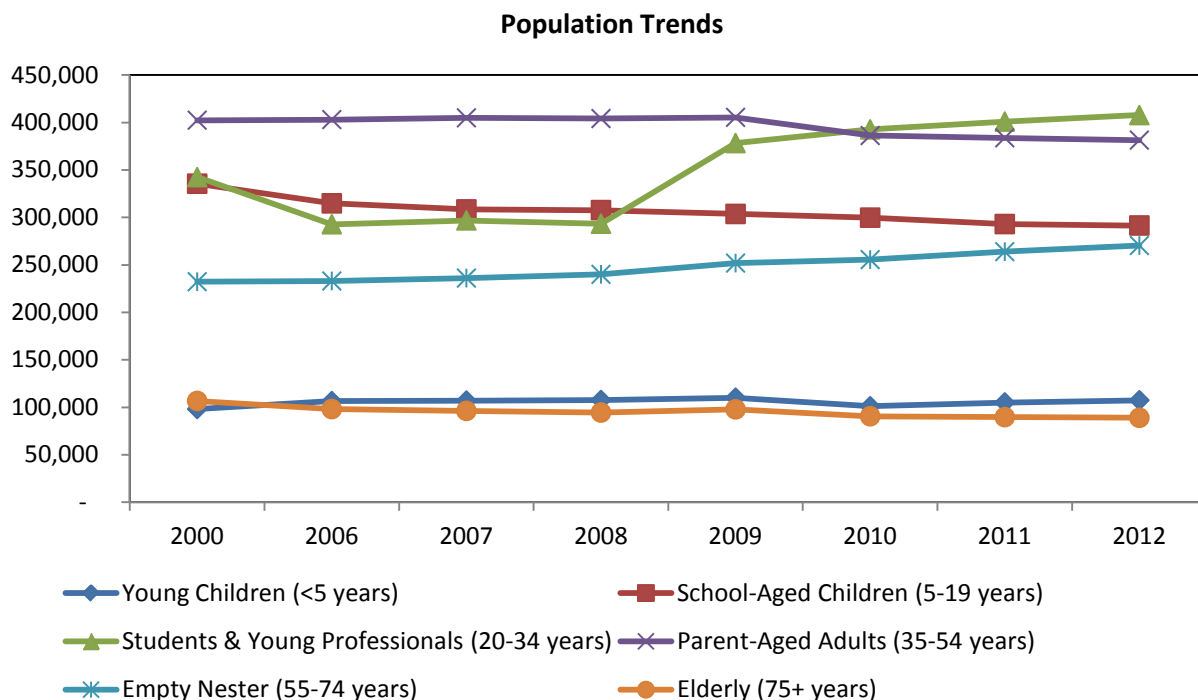
The Plan describes the current state of the city in terms of its demographics and economy and the Administration's proposed Fiscal Years 2015-2019 revenues and expenditures and six-year Capital program. This Plan describes budget and performance trends and key accomplishments and initiatives

for each department in alignment with the Mayor’s five goals listed above. As part of an effort to better inform the City’s budgetary decisions and align budget and performance data, this Plan reports on the pilots conducted on program based budgeting and return on investment analysis for capital projects. In addition, this Five-Year Plan includes in depth discussions of the City’s debt management and fund balance trends and projections.

REVENUE OUTLOOK

PHILADELPHIA DEMOGRAPHICS

Population: 2012 marked the sixth year in a row that Philadelphia has seen an increase in population, after decades of decline. The growth in population shows that Philadelphia is becoming an increasingly attractive place to live. According to the American Community Survey (ACS) 1-Year estimate for 2012, the population in Philadelphia is 1,547,607, a 0.7% increase over the ACS 1-Year estimate for 2011, and a 1.4% increase over the 2010 census estimate of 1,526,006.



As shown in the chart above, most of this growth is due to the influx of students and young professionals, families with children under the age of five, and empty nesters. Of the 21,601 people Philadelphia gained between 2010 and 2012, the number of children less than five years old grew by 6,341 (6.3%), the number of students and young professionals (20-34 years) grew by 15,089 (3.8%), and the number of empty nesters (55-74 years) grew by 14,853 (5.8%).^{1,2} Meanwhile the number of children aged 5-19 years dropped by 8,253 (2.8%), the number of adults aged 35-55 years declined by 4,788 (1.2%), and the number of elderly 75 years and older declined by 1,641 (1.8%).^{3,4} This suggests that the city is a compelling place for people to start their careers, their families and their retirements, but that the city struggles to retain families when their children become school-aged. Population growth has an impact on the City's budget in terms of both revenue and expenditures: the more people there are, the more demand there is for real estate, more wages earned, and higher consumer spending. In addition, there is also potentially more demand for City services.

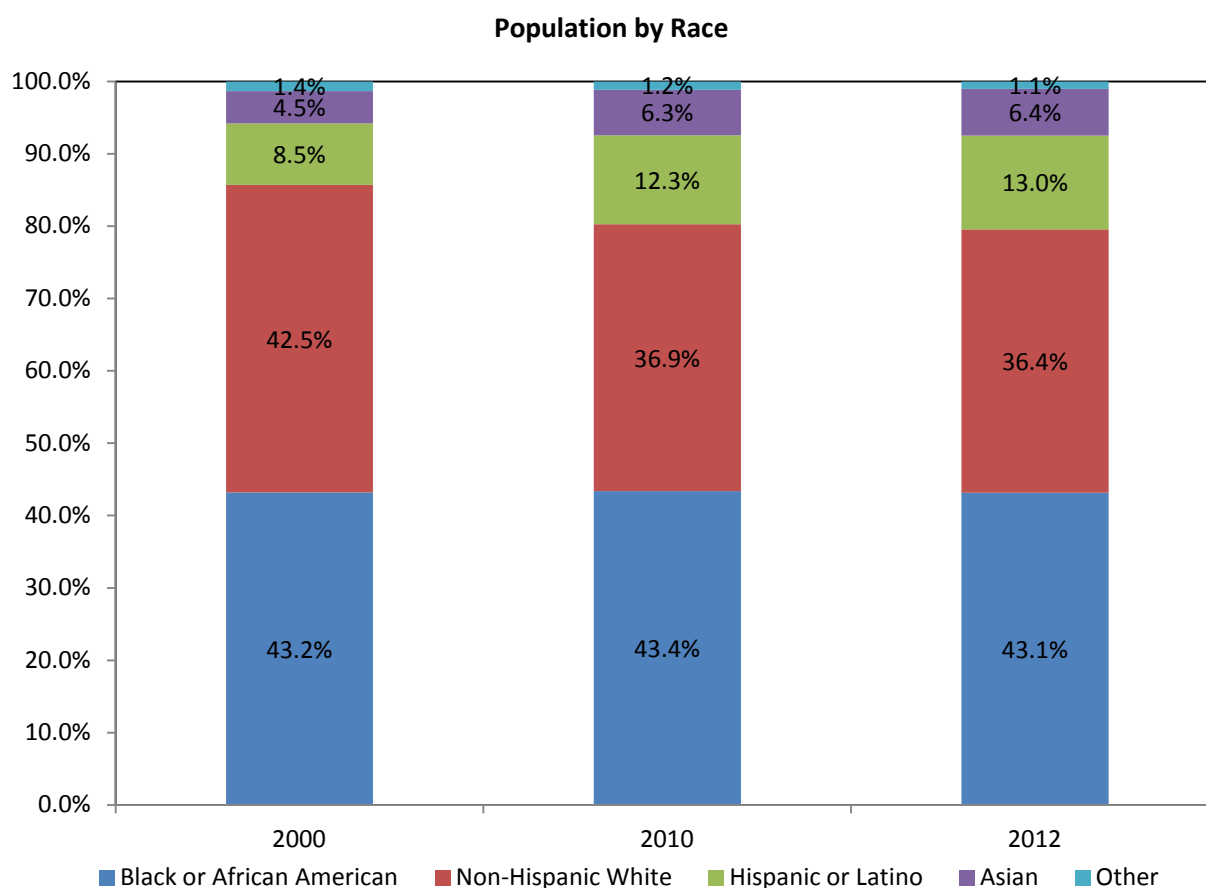
¹ American Community Survey, 1-Year Estimate, 2010

² American Community Survey, 1-Year Estimate, 2012

³ American Community Survey, 1-Year Estimate, 2010

⁴ American Community Survey, 1-Year Estimate, 2012

The population in Philadelphia is becoming increasingly diverse. The percentage of residents who are foreign-born has increased from 11.6% in 2010 to 12.0% in 2012.^{5,6} In 2012, 185,321 residents were foreign-born; 39% were from Asia, 32% were from Latin America, 18% were from Europe, 10% were from Africa, and 1% was from Oceania or North America.⁷ In 2013, the Mayor created the Office of Immigrant and Multi-Cultural Affairs to help provide access to City services without barriers to all residents of the city. According to the Metropolitan Policy Program at the Brookings Institution, "Among its peer regions, Metropolitan Philadelphia has the largest and fastest growing immigrant population, which now stands at over 500,000, comprising 9% of the total population."⁸ Hispanic and Asian groups are the fastest growing racial groups in the city, having increased in size by 13,390 people (7.1%) and 2,914 people (3.0%) respectively between 2010 and 2012.^{9,10} In 2012, the city's population was 43.1% Black or African American, 36.4% Non-Hispanic White, 13.0% Hispanic, 6.4% Asian and 1.1% other.¹¹



⁵ American Community Survey, 1-Year Estimate, 2010

⁶ American Community Survey, 1-Year Estimate, 2012

⁷ American Community Survey, 1-Year Estimate, 2012

⁸ Singer, A., Vitiello, D., Katz, M., Park, D., (2008). Recent Immigration to Philadelphia: Regional Change in a Re-Emerging Gateway. Retrieved February 24, 2013 from http://www.brookings.edu/~media/research/files/reports/2008/11/13%20immigration%20singer/1113_immigration_singer.pdf

⁹ US Census Bureau, 2010 US Census

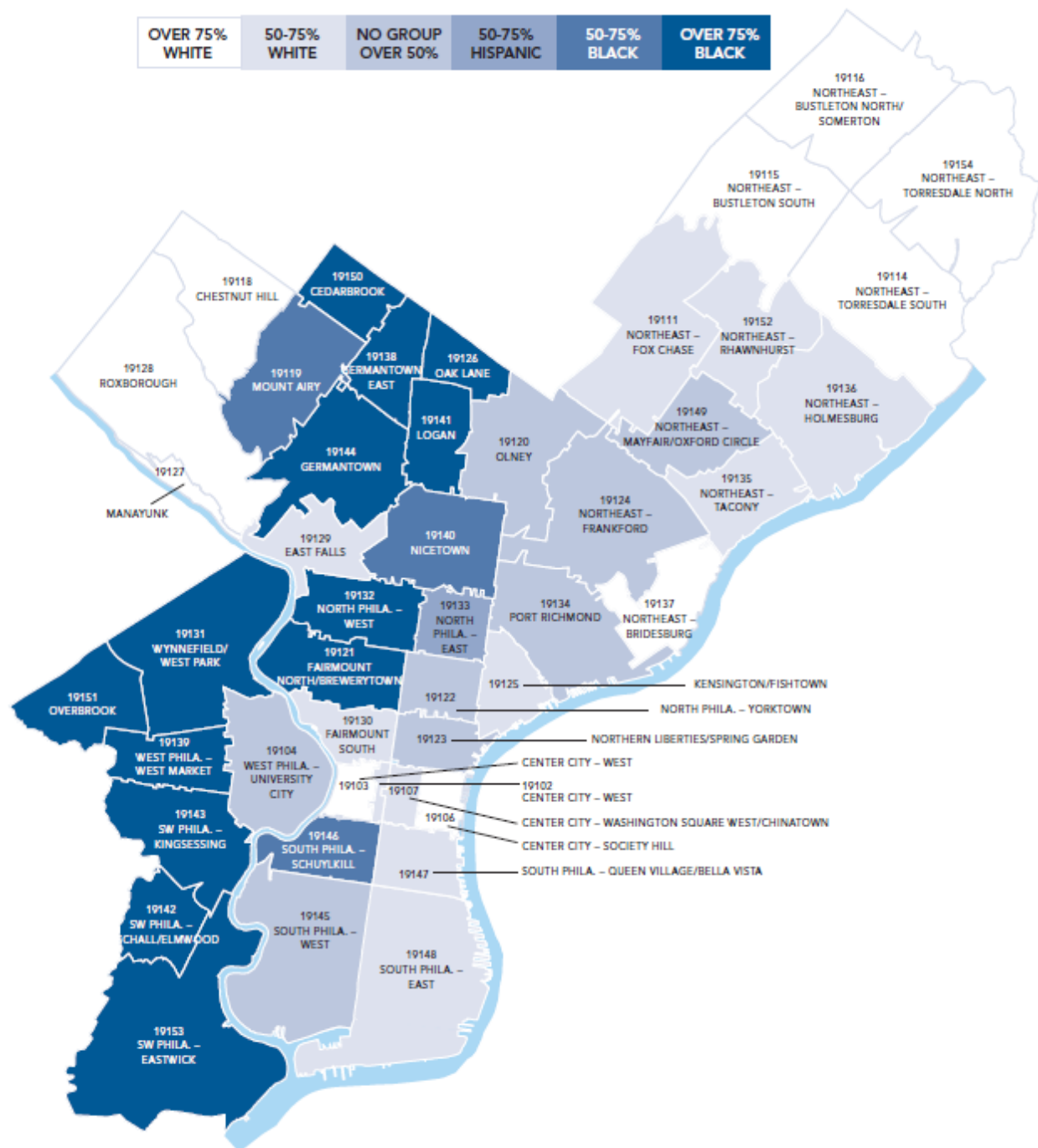
¹⁰ American Community Survey, 1-Year Estimate, 2012

¹¹ American Community Survey, 1-Year Estimate, 2012

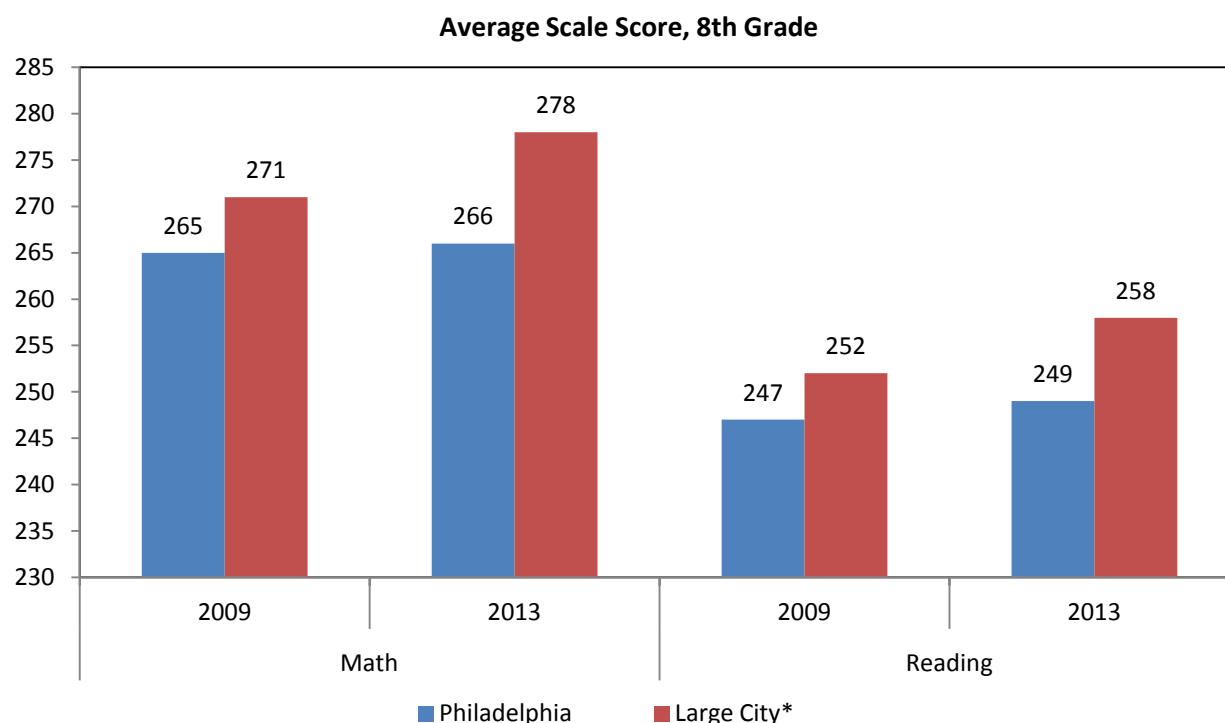
Although Philadelphia's population in aggregate is increasingly diverse, as shown in the map below, most parts of the City are overwhelmingly homogenous in ethnic makeup. Either blacks or whites represent more than 75% of the population in half of the City's zip codes. Only eight zip codes have no majority group, and one zip code, 19149 for the Mayfair and Oxford Circle area in Lower Northeast, has at least 10% representation from blacks, whites, Hispanics, and Asians.

Ethnic Diversity by Zip Code

(Source: PEW State of the City 2013)



Education: Philadelphia faces challenges in realizing gains in educational attainment among its school aged population. The four-year high school graduation rate has increased from 57% in 2008 when Mayor Nutter came into office to 64% but remains low compared to the State (71% as of 2012) and the Nation (78% as of 2010). As shown in the chart below, Philadelphia has made minor gains in math and reading scores among 8th graders between 2009 and 2013, but still lags behind school districts in other large city districts.



* Large city includes public schools located in the urbanized areas of cities with populations of 250,000 or more including the participating districts. Source: National Source for Education Statistics.

The young adults who have come to, or stayed in, Philadelphia in the last six years are well educated and are raising the educational levels of the city. Between 2008 and 2012 the percent of the population over the age of 25 with a Bachelor's Degree or higher increased from 21.0% to 24.3% due to the growth in adults aged 25-34.^{12,13} Among individuals aged 25-34, 37.4% have a bachelor's degree, compared to 25.4% among 35-44 year olds, 18.7% of 45-64 year olds, and 15.8% of adults over 65 years old.¹⁴ Despite this significant positive progress, Philadelphia remains below the Pennsylvania state average of 27.8% and the national average of 29.1% of residents over the age of 25 with a Bachelor's degree or higher, and Philadelphia still ranks as the fourth lowest city with a percentage of population over the age of 25

¹² American Community Survey, 1-Year estimate, 2008

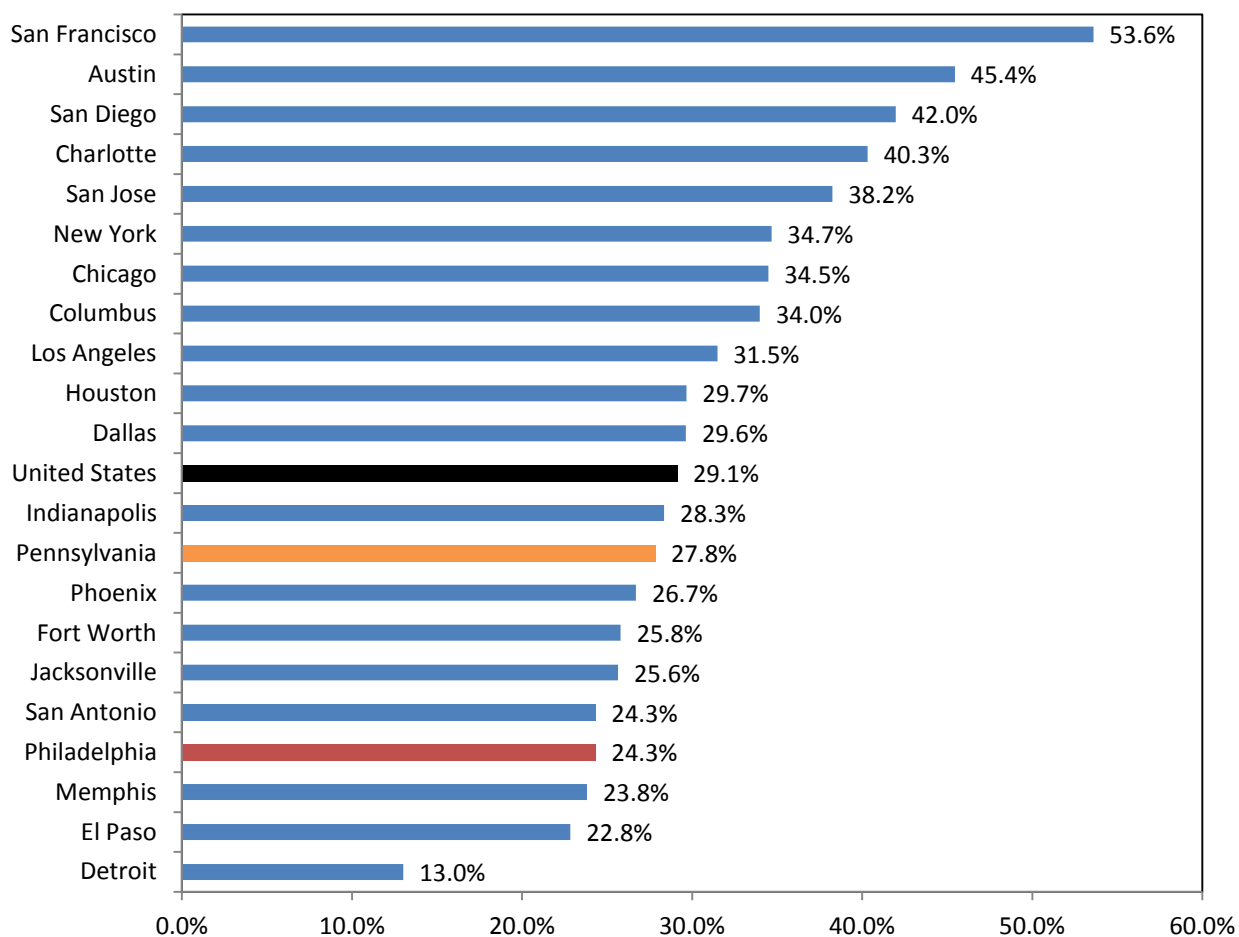
¹³ American Community Survey, 1-Year estimate, 2012

¹⁴ American Community Survey, 1- Year estimate, 2012

with a Bachelor's degree or higher among the top 20 cities.¹⁵ In terms of the percent of population over 25 years with a Graduate degree, Philadelphia ranks 12th out of the top 20 most populous cities.

The educational outcomes of Philadelphia youth and the quality of schools are relevant for the City in so far as they determine the future earning power and employment of Philadelphians and influence families and businesses as to where to locate. The presence of good public schools within the city makes Philadelphia a more appealing and more affordable place to live. Businesses want to locate where they can find talent and where employees want to live. As such, raising the educational outcomes of Philadelphians creates a virtuous cycle by attracting families and jobs to Philadelphia, which in turn create more opportunities for future graduates. The Mayor has made a major commitment to improving the educational outcomes of children in this City, including by increasing the City's annual funding to public education by \$155 million between FY08 and FY14. The Goal 2 chapter describes these efforts in more detail.

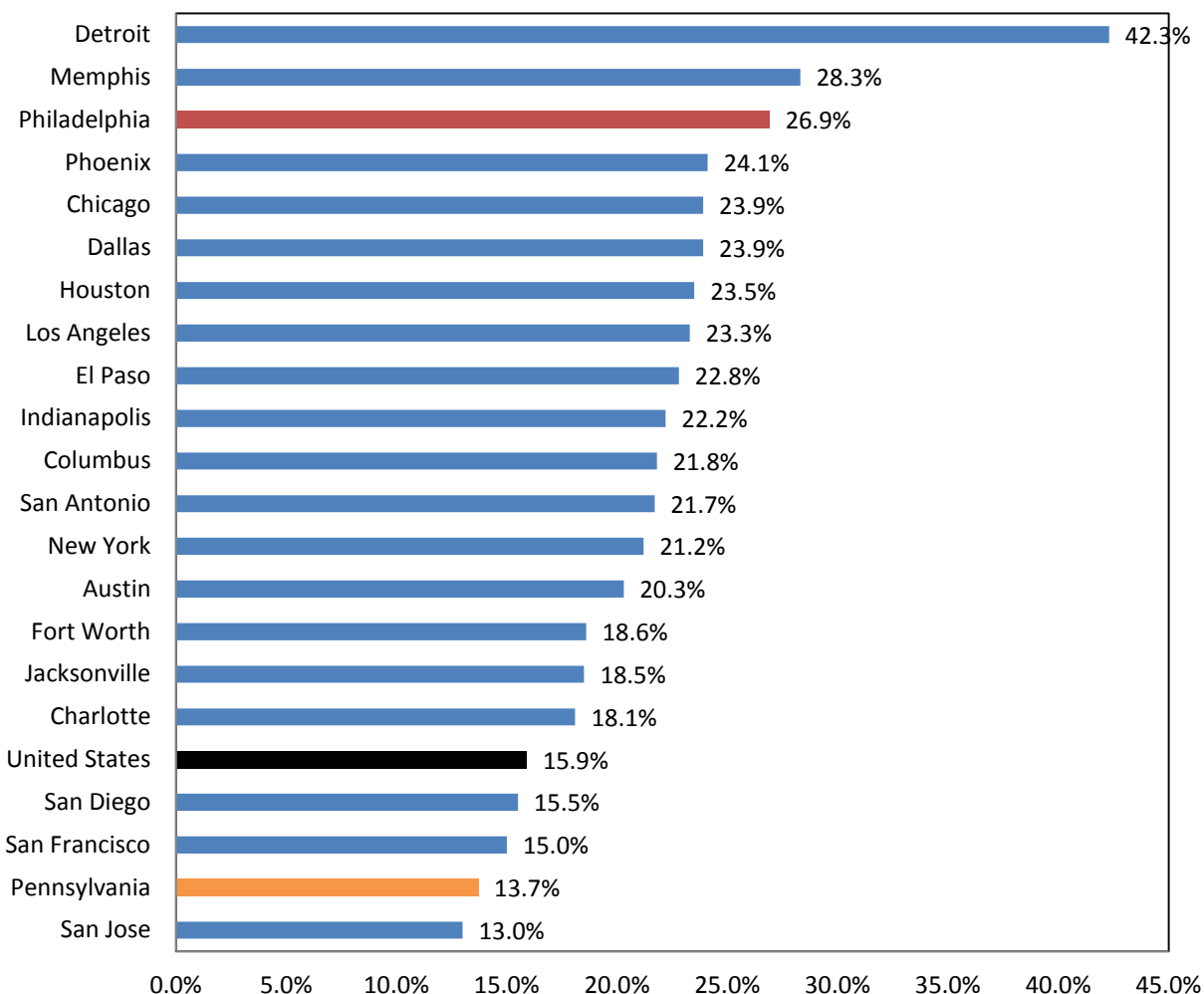
Population over 25 with a Bachelor's Degree or higher (percentage), 20 Most Populous US Cities , Pennsylvania, & National Average



¹⁵ American Community Survey, 1-Year Estimate, 2012

Poverty: The national poverty threshold represents the percent of people living below a certain annual amount of income, which varies by family size (\$23,283 for a family of four).¹⁶ Philadelphia has the third highest rate of poverty among the top twenty most populous U.S. cities, and continues to be the poorest of the top ten most populous U.S. cities at a rate of 26.9%, compared to 15.9% nationally.¹⁷ Moreover, of almost half of the 440,000 people living below the poverty line, approximately 13% of the total population, live in what is deemed “deep poverty”, earning less than half the federal poverty level or \$11,700 annually for a family of four.¹⁸ Over the last year, however, Philadelphia’s poverty rate has decreased from 28.4% in 2011 to 26.9% in 2012.

Poverty Rates, 20 Most Populous US Cities, Pennsylvania, & National Average



¹⁶ According to the US Census Bureau, the weighted average poverty thresholds for 2012, measured in annual income, are: \$11,945 for a person under 65 years; \$15,825 for two people with one child; and \$23,283 for a family of four including two children. More information on poverty thresholds can be found at:

<http://www.census.gov/hhes/www/poverty/about/overview/measure.html>

¹⁷ American Community Survey, 1-Year Estimate, 2012

¹⁸ Shared Prosperity Philadelphia, 2013

Philadelphia's relatively high unemployment rate, currently 9.6% compared to 6.6% nationally, is largely due to the loss of manufacturing jobs that used to dominate the region's economy; manufacturing jobs have decreased by nearly two-thirds since the 1960s and 38% in the past 10 years alone. With recommendations from the Manufacturing Task Force, which the Mayor established by Executive Order in January 2013, the Administration is pursuing a number of initiatives to position Philadelphia to become a hub for manufacturing. Nonetheless, Philadelphia's largest and fastest growing sectors are now the education and health sectors, and many Philadelphians lack the higher education or post-secondary training necessary to compete for jobs in those sectors. It is estimated that by 2030, about 600,000 Philadelphians, nearly 39% of the current total population, will not have the skills to secure the types of jobs that will be available in Philadelphia.¹⁹ As will be described in Goal 2, the Mayor has put forth a plan, "Shared Prosperity", to address these job readiness issues.

Poverty in Philadelphia disproportionately afflicts the city's youth, the Latino community, female-headed households, and individuals living with a disability. According to Philadelphia's 2013 anti-poverty plan, [Shared Prosperity](#), approximately 39% (135,000) of the city's children live below the poverty line, compared to 27% (265,000) of working age adults and 17% (32,000) of seniors. Additionally, 42% (80,000) of Hispanic or Latino residents live below the poverty line compared to 17% (92,000) of White residents, 34% (214,000) of Black or African American residents, and 30% (28,000) of Asian residents. Approximately 42% (193,000) of female-headed households and 40% (93,000) disabled residents live below the poverty line. Some 1,500 families become homeless every year, including over 3,000 children.²⁰

Philadelphia also has the third lowest median household income of the top 20 most populous U.S. cities.²¹ The median household income in Philadelphia is \$35,386, 31.1% lower than the national average of \$51,371. Furthermore, 49.6% of residents make \$35,000 or less annually in Philadelphia compared to 34.8% nationally.²² The city's high poverty rate coupled with low income indicates that many residents are dependent on City services and that the City's tax base is relatively weak.

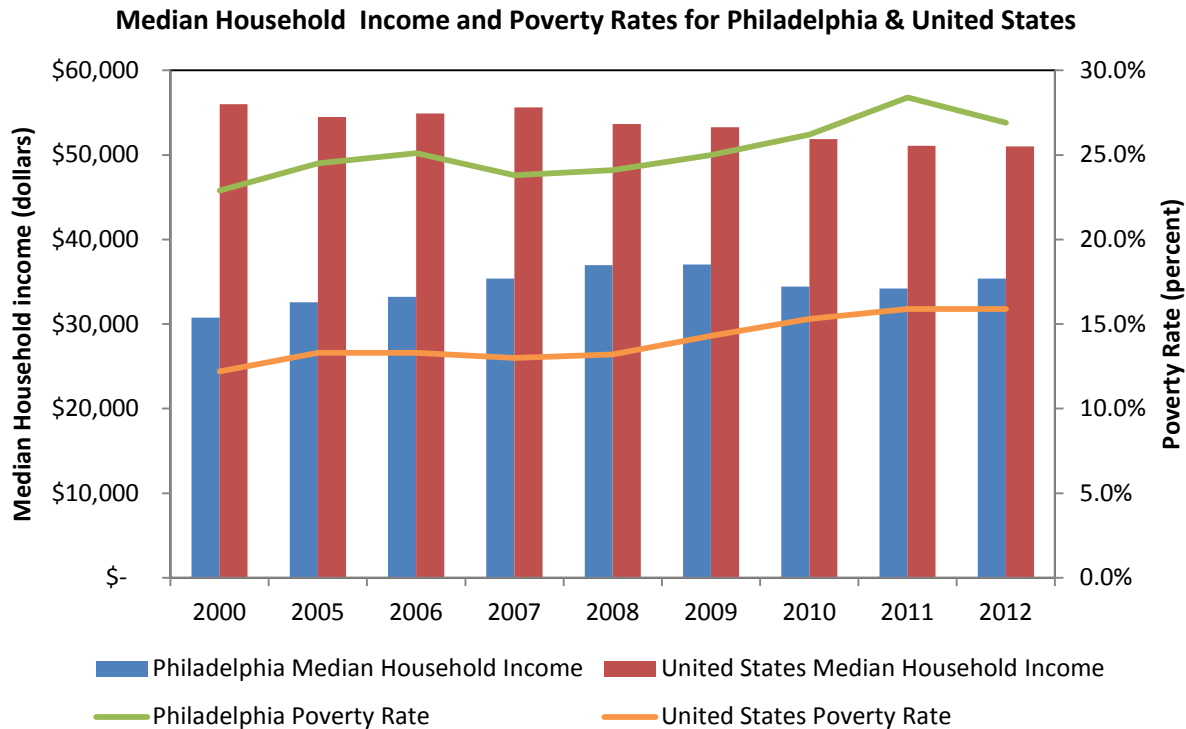
Despite the high rates of poverty and relatively low median household income, as indicated in the chart on the next page, Philadelphia has recently seen some positive trends. After 2011 marked the high water mark in terms of poverty for Philadelphia and the Nation, poverty rates and median household incomes have now stabilized nationally and improved in Philadelphia. Philadelphia has actually seen a slight decrease in poverty from 28.4% in 2011 to 26.9% in 2012, and a slight increase in median household income from \$34,207 in 2011 to \$35,386 in 2012.

¹⁹ Shared Prosperity Philadelphia, 2013

²⁰ Shared Prosperity Philadelphia, 2013

²¹ American Community Survey, 1-Year Estimate, 2012

²² American Community Survey, 1-Year Estimate, 2012



A growing population and particularly the influx of educated young adults help stimulate the local economy and make Philadelphia an attractive city for businesses to start, stay and grow. Nonetheless, the high poverty rates in Philadelphia underscore the importance of maintaining City services to the city's neediest populations. As described in more detail in the Goal 2 Chapter, the Administration has put a strong focus on poverty by establishing the Mayor's Office of Community Empowerment and Opportunity and releasing a plan "Shared Prosperity" to coordinate the City's efforts to alleviate and prevent poverty.

THE NATIONAL AND LOCAL ECONOMIC FORECAST

In order to forecast tax revenues throughout FY15-FY19, the Office of Budget and Program Evaluation analyzed national, regional, and local economic trends to estimate growth rates for each tax. This chapter provides an overview of the current state of the national and city economy which serve as the foundation for tax revenue estimates.

National Economic Forecast

Philadelphia's economy has a direct effect on the City's budget, as local tax revenues account for about 83% of the City's General Fund revenue. During the recession, the downturn in the economy had a quick and profound impact on the City's revenues, causing significant cuts to departmental spending, as well as increases in tax rates to ensure that the City was able to provide essential services to residents while maintaining fiscal stability. The national economic recovery has shown signs of picking up after the recession and related fiscal crisis, albeit slower and more unevenly than economists had expected. The Blue Chip Consensus forecast for U.S. Real Gross Domestic Product (GDP), which provides a forecast based on combining multiple leading separate economic forecasts, shows projected growth of 2.9% for 2014 and 3.0% for 2015, up from 1.9% in 2013, due to stronger consumer spending, an improved housing market, and stronger export growth (resulting from growth in oil and gas production).²³ Nationally, unemployment is expected to drop from 7.4% in 2013 to 6.6% in 2014 and 6.1% in 2015. The consensus forecast projects pre-tax corporate profits to grow by 5.5% in 2014 and 5.1% in 2015.

Households are expected to show more confidence through spending; real personal consumption expenditures are estimated to grow by 2.7% in 2014 and 2.8% in 2015, compared to 2.0% in 2013. These growth rates would be the highest since 2006, supported by growth in both personal income as well as the growth in household assets as real estate markets rebound. With 21% more housing starts expected in 2014 (1.11 million) than in 2013 (920,000), and 18% growth expected in 2015 (1.31 million), real estate development is strong. Nationally, house prices were up 7.6% in November 2013 compared to November of 2012.²⁴ The economic forecasting firm that the City uses to help project tax growth rates, IHS Global Insight (IHS), projects an increase of 1.5% in house prices in 2014 nationally.

Although the Bipartisan Budget Act and the recent agreement to raise the federal debt limit virtually removed any risk of a future government shutdown, economic conditions in 2014 will be affected by various government programs and actions, including the repeal of extended unemployment insurance benefits, the continued roll out of the Affordable Care Act's insurance exchanges, and the Federal Reserve Bank's ongoing decisions to taper its monthly asset purchasing program, which is expected to lead to an increase in interest rates.²⁵ The sequester of \$1.2 billion over 10 years that took place on

²³ Blue Chip Economic Indicators. Volume 39, Number 2, February 10, 2014.

²⁴ Federal Housing Finance Agency House Price Index, January 23, 2014 Release.

²⁵ In late 2008 the Federal Reserve began a series of large-scale asset purchases (LSAPs) of longer-term securities issued by the U.S. government and longer-term securities issued or guaranteed by government-sponsored agencies such as Fannie Mae or Freddie Mac. The Federal Reserve purchases the securities in the private market in order to reduce the available supply of securities in the market, leading to an increase in the prices of those securities and a reduction in their yields. Lower yields on mortgage-backed securities mean lower mortgage rates as well. The overall effect of the Federal Reserve's LSAPs is to put

March 1, 2013 was expected to result in cuts to Pennsylvania funding totaling \$85 billion in 2013 alone. The Bipartisan Budget Act itself provides for \$63.3 billion in sequester relief over two years, split evenly between defense and non-defense programs, potentially resulting in some restoration of federal and state grant funding.

Philadelphia Employment Market

Philadelphia's economic recovery has been slower than the nation's. Gross county product in Philadelphia grew by 1.4% in 2012 and 0.8% in 2013 compared to GDP growth of 2.8% in 2012 and 1.9% in 2013 for the nation. City unemployment as of November 2013 is 9.6%, down from 10.4% in November 2012, but still significantly higher than the national average of 6.6% and pre-recession levels in Philadelphia of roughly 6.0% in November of 2007.

Employment levels and wage growth bear heavily on the financial outlook of the City because wage tax receipts represent over 40% of the City's General Fund revenue. Employment growth in Philadelphia remained weak in 2013, adding only 6,000 jobs with increases in the healthcare, construction, transportation and utilities industries largely offset by declines in government jobs.²⁶ The announcement of the new Comcast Technology and Innovation Center is expected to generate economic returns for the City in terms of construction jobs, permanent jobs and real estate growth. IHS projects total wage and salary growth in Philadelphia of 4.9% in FY14 and 5.2% in FY15.

Philadelphia Housing Market

The real estate market is rebounding more slowly within Philadelphia than in other cities, but it was not hit nearly as hard as others by the recession. Philadelphia's housing market values declined 21% from peak prices in 2007 to the trough in 2011, compared to roughly 27% in New York, 34% in Washington, DC, 39% in Chicago, and over 40% in San Diego, Los Angeles, and San Francisco.²⁷ Thus far, housing market prices have recovered five percentage points in Philadelphia, implying that they have another 16 percentage points to increase before they return to pre-recession levels.²⁷ Most cities have recovered more than half of the loss in value experienced.

The total number of properties in the housing stock declined slightly from 670,265 units in 2011 to 668,247 units in 2012. Home prices in Philadelphia declined by 2.4% in FY12 and 2.1% in FY13, but the number of home sales increased by 9.2% in FY12 and 11.1% in FY13. The picture is quite different at the neighborhood level, as significant price growth is occurring in Center City, University City, Lower North Philadelphia, and the River Wards, while other neighborhoods are still stagnant or declining.²⁸ IHS projects house price growth of 3.5% in FY14 and 4.0% in FY15 and continued sales growth of 11.7% in FY14 and 13.4% in FY15. Housing market trends are important for Philadelphia's and the School District's

downward pressure on yields of a wide range of longer-term securities, support mortgage markets, and promote a stronger economic recovery.

²⁶ City of Philadelphia Budget Outlook, January 2014. IHS Global Insight.

²⁷ Philadelphia House Price Indices, January 21, 2014. Retrieved on February 28, 2013 from: http://www.fels.upenn.edu/sites/www.fels.upenn.edu/files/fels_phpi_2013q4.pdf

²⁸ Philadelphia Housing Index 2013 Q4. Econsult Solutions, Inc. Accessed on February 14, 2014 at: <http://www.econsultsolutions.com/wp-content/uploads/ESI-PHI-2013-Q4-JAN-2014.pdf>

budget because they help determine real estate tax and the real estate transfer tax receipts, which combined represent roughly 16% of the City's General Fund revenue. The City has completed the Actual Value Initiative (AVI), which involved a comprehensive reassessment of all properties in the city to correct outdated and unfair assessments. Going forward the City anticipates reassessing real estate values on a regular basis, such that real estate tax receipts will more accurately reflect changes in the real estate market. AVI will be discussed in greater detail in the Goal 5 chapter.

THE CITY'S FY15 REVENUES

Revenues for the City from all sources of funding for all funds are budgeted to total \$8.247 billion for FY15. As shown in the following chart, the annual operating funds for all City departments, boards and commissions consist of the following funds:

The General Fund: The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in other funds. The General Fund represents slightly over half of the funding for total City operations. As shown in Appendix II, roughly half of the City's departments are funded exclusively out of the General Fund. The other half relies on funding from a variety of sources. The sources of revenue for the General Fund are described in detail below.

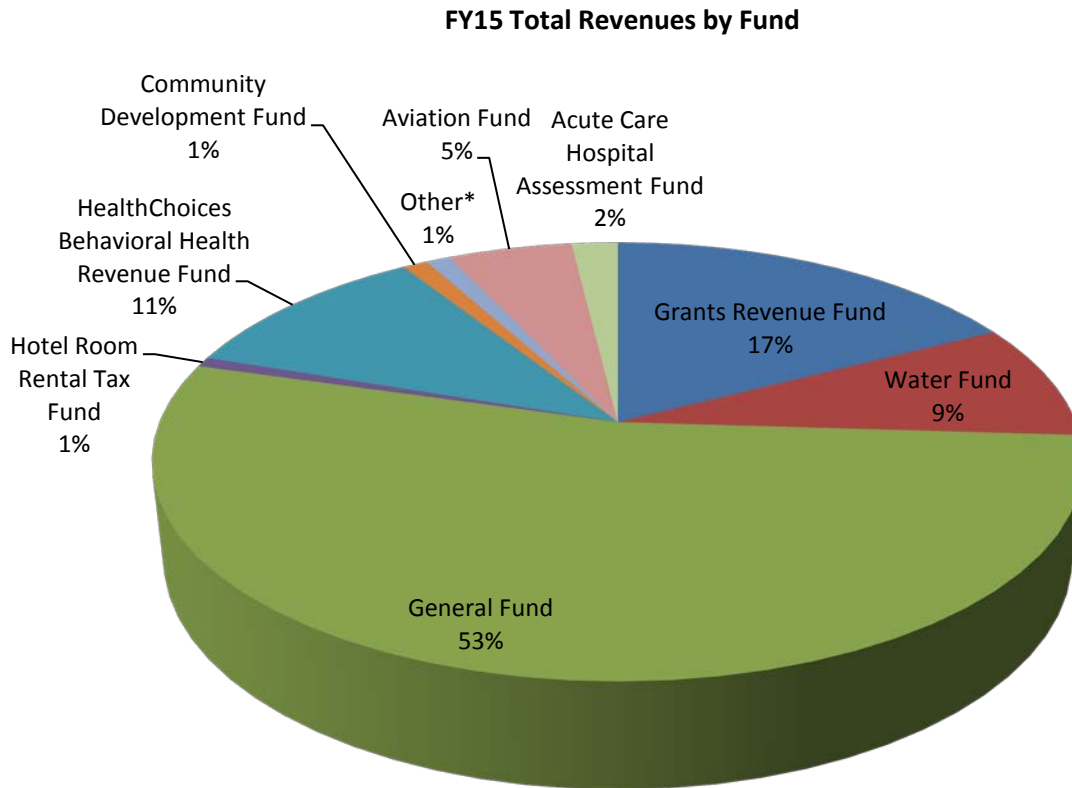
Special Revenue Funds: Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

- **Health Choices Behavioral Health Fund:** This fund accounts for resources received from the Commonwealth of Pennsylvania. These resources are restricted to providing managed behavioral health care to Philadelphia residents and exclusively fund the Office of Behavioral Health and Intellectual disAbilities. The Health Choices Behavioral Health Fund is entirely State funded and represents roughly 11% of total City revenue.
- **Grants Revenue Fund:** This fund accounts for the resources received from various federal, state and private grantor agencies and are restricted to accomplishing the various objectives of the grantor agencies. The Grants Revenue Fund is a major source of funding for Departments and is comprised of state funding (45%), federal funding (33%) and local and other grants (21%) for a total of 17% of total revenue.
- **County Liquid Fuels Tax Fund:** This fund accounts for funds received by the Commonwealth of Pennsylvania from the Liquid Fuels Tax and distributed to the City of Philadelphia based on the ratio of the City's to the total statewide consumption for the preceding three years. Revenues must be used to pay for construction, maintenance, and repair of county roads and bridges.
- **Special Gasoline Tax Fund:** This fund accounts for funds received by the Commonwealth of Pennsylvania from the Liquid Fuels and Fuels Tax and the Oil Company Franchise Tax and distributed to the City of Philadelphia based on the ratios of mileage and population of the municipality to the state totals. That is, 50% of the funds are distributed based on a municipality's proportion of local road mileage to the total local road mileage in the state, and 50% on the proportion of a municipality's population to the total population of the state. Revenues must be used to pay for construction, maintenance and repair of roads and streets for which the municipalities are legally responsible.
- **Hotel Room Rental Tax Fund:** This fund accounts for the revenues generated by the tax levied on hotel rooms which are distributed to marketing and tourism agencies to promote tourism.

- **Community Development Fund:** This fund accounts for revenues received from the Department of Housing and Urban Development, restricted to accomplishing the objectives of the Community Development Block Grant Program, within specific target areas. It is almost entirely funded by the Federal Government and represents 1% of total City revenue.
- **Car Rental Tax Fund:** This fund accounts for revenues generated by the Vehicle Rental tax levied on rental vehicles to pay for debt service on capital projects.
- **Acute Care Hospital Assessment Fund:** This fund accounts for revenues generated by an assessment on the net operating revenues of certain General Acute Care Hospitals and High Volume Medicaid Hospitals within the City, which the City remits to the Commonwealth of Pennsylvania to provide medical assistance payments to hospitals within the City for emergency department services.
- **Housing Trust Fund:** This fund accounts for revenues generated by fees collected by the City for recording deeds and mortgages and notary public commissions to be used to fund programs to assist low income homeowners, prevent homelessness and preserve and increase affordable housing.

Enterprise Funds: Enterprise funds are used to account for the financial activity of the city's operations for which customers are charged a user fee.

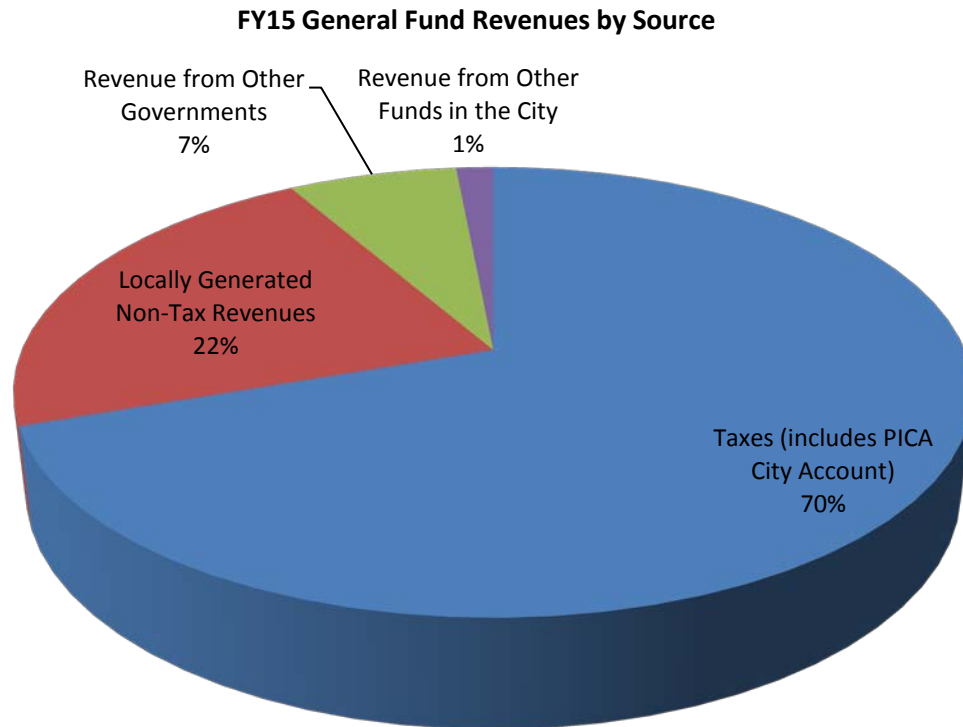
- **Water Fund:** This fund accounts for the activities related to the operation of the City's water delivery and sewage systems. Included with the Water Fund is the Water Residual Fund. The principal operating revenues of the Water Fund are charges for water and sewer services. The Water Fund represents roughly 9% of total City revenue and primarily funds the Philadelphia Water Department (PWD) but also internal services departments that support PWD, such as the Office of Fleet Management, the Law Department, the Procurement Department, and the Office of Innovation and Technology.
- **Aviation Fun:** This fund accounts for the activities of the City's airports. The principal operating revenue of the Aviation fund is charges for the use of the airport. The Aviation Fund represents roughly 5% of total City revenue and primarily funds the Aviation Division within the Commerce Department but also internal services departments that support the Aviation Division.



* Other includes the Special Gasoline Fund (0.4%), the Housing Trust Fund (0.1%), Car Rental Tax Fund (0.1%), the County Liquid Fuels Tax Fund (0.1%), and the Water Residual Fund (0.4%).

General Fund

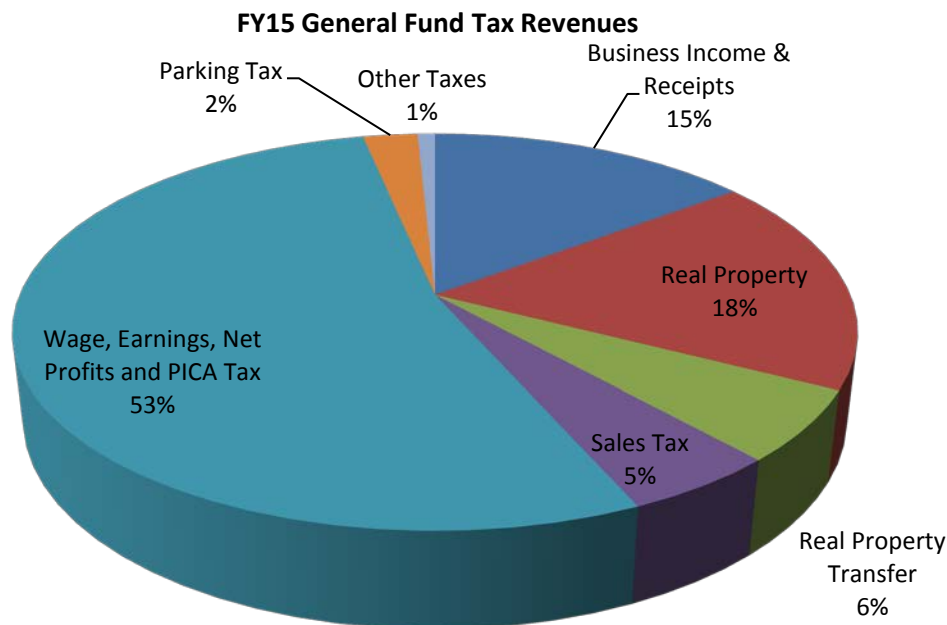
The City's General Fund revenues for FY15 total \$4.413 billion, which is \$587 million higher than the FY14 current estimate due, in large part, to the budgeting of \$700 million to allow sufficient appropriations to deposit proceeds from the planned sale of Philadelphia Gas Works into the pension fund and a reduction in sales tax revenues to reflect the expiration of the additional one percent sales tax, which was passed in FY10 during the fiscal crisis. While the additional one percent sales tax was renewed by the Commonwealth, most of the proceeds of the tax would go to the School District. Revenue from other governments is budgeted to decline by \$49 million in FY15 due to the elimination of a one-time \$45 million pass-through payment from the State to the School District in FY14. For FY15, the Administration projects that 70% of its revenues will be generated from tax revenues paid by residents, workers and visitors to Philadelphia; 7% from other governments, largely state and federal funding; 22% of the City's budget is projected to come from locally generated non-tax revenues; and the remaining 1% will come from revenue from other funds. The following chart shows the breakdown of these revenue sources.



As was the case in municipalities across the country, the City experienced significant revenue declines during the deep recession of 2007-2009. While tax revenues have rebounded somewhat, some tax revenue receipts have not yet returned to their pre-recession levels. Each major tax is described below.

Major Taxes

The following chart shows the breakdown of the tax revenue sources for FY15. At 53% of overall tax revenue, Wages and Earnings and Net Profits taxes (including the Pennsylvania Intergovernmental Cooperation Authority portion of Wage Tax, which is technically shown as a revenue from other governments) make up the majority of tax revenues received by the City. The second largest source of tax revenue is the Real Property Tax (18%). The Business Income and Receipts Tax revenue is the third largest source of tax revenue at 15% of the total. Sales Tax revenue consists of 5% of the total tax revenue received by the City, 6% is from the Real Property Transfer Tax, and 3% is from Parking Tax.



Tax revenues in FY14 are projected to perform better than budgeted due to a significant positive adjustment to the Business Income and Receipts Tax (BIRT). Both IHS Global Insight and other economists thought it was reasonable to project continued growth in the BIRT rather than the decrease that had been projected in the FY14-FY18 Plan. This is largely offset however by lower than expected collections of Wage Earnings and Net Profits Tax year-to-date. Total tax revenues in FY15 are estimated at \$2.74 billion, a decrease of \$41 million or 1.5% over FY14's projections. The decrease is due to the expiration of the temporary 1% sales tax that was enacted during the recession for a five year period. The expiring 1% sales tax authority had been targeted to assist the city with the fiscal downturn and to fully fund the deferral of \$230 million of pension payments split between FY13 and FY14. General Fund expense related to the repayment was \$108 million in FY14 and will not recur. The 1% sales tax revenue is estimated to equal \$133 million in FY14. While the Commonwealth renewed the tax, it dedicated most of the revenue to the School District of Philadelphia. The FY15 revenues also reflect an estimated \$25 million reduction in Business Income and Receipts Tax due to the tax reform legislation passed in FY12. In FY15, base growth is projected for all major taxes consistent with consensus forecasts for the U.S. The Five-Year Plan's growth projections for the Wage Tax and the Net Profits were decreased in FY14 but then increased starting in FY15. Projections for the Sales Tax and Real Estate Transfer Tax have been slightly tempered.

The City's tax base growth projections were developed in conjunction with a revenue forecasting consultant, IHS Global Insight, and further refined after discussions with leading economists at a meeting at the Federal Reserve Bank of Philadelphia hosted by the Pennsylvania Intergovernmental Cooperation Authority. These forecasts, and the revenue estimates that they inform, are subject to revision given the uncertainty and volatility that continue to characterize the economic situation in the United States and globally. The proposed FY15 budget includes the continuation of wage tax cuts which

were started in FY14 after being halted during the recession. Multiple studies and two tax reform commissions have concluded that wage tax reductions encourage businesses to locate and expand in Philadelphia, increasing jobs over time. The tax rates and revenue growth rate projections for the major taxes are detailed below. In addition the tax revenue estimates from FY15 to FY19 are shown in Appendix II, along with the percentage change from the prior year.

Wage Tax: As the City's largest source of tax revenue, the Wage and Earnings Tax is collected from all employees working within city limits and all city residents regardless of work location. Currently, the Wage Tax rate is 3.9240% for residents and 3.4950% for non-residents. The resident rate includes 1.5% that is reserved for the Pennsylvania Intergovernmental Cooperation Authority and is counted as revenue from other governments. PICA has overseen the City's finances since 1992, when the State oversight board was first established. The PICA statute permits the Authority to a "first dollar" claim on its portion of Wage Tax proceeds, which are used to pay debt service on bonds issued by PICA for the benefit of the City. Excluding the PICA portion, the Wage Tax is projected to bring in \$1.284 billion in FY15. This Plan includes continued reductions in the Wage Tax rate that were resumed in FY14 after being suspended during the economic downturn. These Wage Tax cuts are intended make the City more competitive and lead to job growth. The proposed Wage Tax rates for FY15 are 3.9200% for residents and 3.4915% for nonresidents. The level of cuts to the Wage Tax rates increase over the course of the plan as the economy is projected to continue to recover. By FY19, the rates will be 3.7460% for residents and 3.3365% for non-residents. Although the Wage Tax cuts have been reduced relative to the FY14-FY18 plan due to challenges faced in balancing the Plan, the value of the Wage Tax cuts total \$166 million over the course of the plan, on par with the cuts in last year's Plan.²⁹

Wage Tax receipts for FY13 were 3.57% above FY12 (compared to a projection of 4.5%) and year-to-date receipts for FY14 through January were up 1.92% compared with the same period in FY13. Wage and Earnings Tax revenue was originally projected to grow at a rate of 3.59% in FY14 and is now projected to grow at 1.75% in FY14 to better reflect receipts to date as well as input from IHS and economists convened at the Federal Reserve Bank. That slower than anticipated growth in wage tax revenues presents a major challenge for the City as it means that collections for FY14 and FY15 are now projected to be a combined more than \$60 million below the amount projected in the FY14-FY18 Five-Year Plan. Growth levels above 3% are projected for FY15 through FY19, as economists project that the economy will continue to strengthen.

²⁹ The FY14 Five-Year Plan had projected wage tax rates to reduce to 3.8140% for residents and 3.3460% by FY18 compared to 3.8224% and 3.4046% respectively in the current plan.

Wage and Earnings Tax			
Fiscal Year	Resident Tax Rate	Non-Resident Tax Rate	Proposed Estimated Growth in Tax Revenue
2014	3.9240%	3.4950%	1.75%
2015	3.9200%	3.4915%	3.68%
2016	3.9102%	3.4828%	3.74%
2017	3.9004%	3.4741%	3.56%
2018	3.8224%	3.4046%	3.27%
2019	3.7460%	3.3365%	3.11%

Real Property Tax: The Property Tax is the City's second largest source of tax revenue, estimated to contribute 18% (or \$547.4 million) of total FY15 tax revenues. This tax is levied on the assessed value of residential and commercial property in the city.

As described in the previous chapter, the City has recently completed the Actual Value Initiative (AVI), which entailed reassessing every property in the City to ensure fair and accurate assessments. As properties were previously assessed at only a fraction of their actual value, and assessments had often not kept up with changes in value, this process resulted in a substantial increase in citywide property assessed value. The FY14 City and School District combined Property Tax rate was reduced from 9.771% to 1.34% in order to generate the same amount of current year revenue in FY13 and FY14, while allowing for a \$30,000 homestead exemption and relief measures equal to \$20 million to lessen the hardship experienced by homeowners who saw increases in their tax assessments because their properties had been undervalued relative to other properties prior to the reassessment.

The estimated current Property Tax revenue for the City is projected to be \$503.2 million in FY15. This reflects the net effect of the Property Tax rate set at 1.34%, relief measures, increased collections efforts (further described in Goal 5 chapter), as well as the impact of outstanding appeals on property tax assessments. In 2013 Council passed an ordinance allowing property owners not to have to pay an increase in their FY14 property taxes so long as they had an appeal outstanding. There are roughly \$48 million of appeals outstanding (\$26 million for the School District and \$22 million worth for the City), which represents the dollar value of the difference between the 2013 and the 2014 taxes on the property assessment for all properties with an outstanding appeal. The Board of Revision of Taxes anticipates completing its review of these appeals over the course of the next 18 months. The current FY14 estimate was revised downward based on the level of appeals. The estimated current property tax revenue for FY15 reflects potential losses associated with those claims as well as a percentage of increased value due to appeal wins. Adjusting for the impact of appeals, the real estate tax is projected to grow 2.9% in FY15. Due to the volume of claims, the first reassessment of properties since the reassessment under AVI will occur in FY15 and apply to tax revenues due in FY16.

Property Tax				
Fiscal Year	City Tax Rates	School District Tax Rate	Total Tax Rate	Proposed Estimated Growth in Tax Base
2014	0.6018%	0.7382%	1.34%	0.00%
2015	0.6018%	0.7382%	1.34%	1.25%
2016	0.6018%	0.7382%	1.34%	3.00%
2017	0.6018%	0.7382%	1.34%	3.00%
2018	0.6018%	0.7382%	1.34%	3.00%
2019	0.6018%	0.7382%	1.34%	3.00%

Business Income and Receipts Tax (formerly the Business Privilege Tax): The Business Income and Receipts Tax (BIRT) is expected to produce 15% (or \$453.2 million) of total tax revenue in FY15. Although this Five-Year Plan projects FY15 BIRT revenue to be higher than pre-recession collections of \$436.4 million in FY07, BIRT revenue is expected to decline in FY16 to \$444.6 due to tax changes described below before showing steady growth to \$480.0 million by FY19. Under current rates businesses pay 6.43% of net income and 0.1415% on gross receipts. There are modified rates for financial institutions, public utilities, some manufacturers, wholesalers, and retailers. The City reduced BIRT rates each year from FY96 through FY09 until the economic collapse forced it to freeze those rates. In FY12, BIRT reform legislation was passed by City Council and signed by the Mayor, which incorporated several changes intended to help businesses grow in Philadelphia. These tax changes are intended to help businesses in Philadelphia by eliminating disincentives to locate in Philadelphia, and by lowering costs associated with starting a new business in the city. The tax changes total more than \$240 million of foregone revenue under the Five-Year Plan. Under Bill 110548, the business privilege license fee for all businesses was eliminated in FY14. In addition, business taxes were eliminated beginning in FY13 for the first two years of operations for all new businesses that employ at least three employees in their first year and six in their second. Bill 110554 provides for across the board exclusions on the gross receipts portion for all businesses scaled in over a three year period beginning in FY15 and reductions in the net income portion of the BIRT. The first reduction of the net income portion of the BIRT occurred in FY14 when the rate was reduced from to 6.43% from 6.45% in FY13. By FY19, the rate will be reduced to 6.25%. When the exclusions are fully phased in, the first \$100,000 of receipts will be excluded. Lastly, the bill calls for implementation of single sales factor apportionment. This enables businesses to pay BIRT based solely on sales, not on property or payroll. By taxing property and payroll, the BIRT previously had provided disincentives to firms to locate in the city. BIRT tax revenues grew by 15.8% in FY13, far exceeding the projection of 3.0% and are anticipated to increase 3.0% annually.

Business Income and Receipts Tax			
Fiscal Year	Net Income Tax Rate	Gross Receipts Rate	Proposed Estimated Growth in Tax Revenue
2014	6.43%	0.1415%	3.00%
2015	6.41%	0.1415%	3.00%
2016	6.39%	0.1415%	3.00%
2017	6.35%	0.1415%	3.00%
2018	6.30%	0.1415%	3.00%
2019	6.25%	0.1415%	3.00%

Sales Tax: For FY15, the Sales Tax is expected to produce 5% or \$275.7 million of total tax revenue, of which \$155.7 million will go to the City and \$120.0 million will, per State legislation, be allocated to the School District. In October 2009, a temporary increase raising the local share of the Sales Tax from 1% to 2% was passed by the Commonwealth, which was scheduled to sunset on June 30, 2014. Per state legislation in 2013, the Sales Tax rate will remain at 2% starting in FY15, and \$120 million of Sales Tax revenue must be transferred to the School District of Philadelphia. The remainder must be directed to debt service on deficit borrowing (\$15 million annually) for the School District and the City's pension fund. However City Council President Clarke and the Mayor are advocating that the new Sales Tax revenues be divided evenly between the School District and the City, with the City portion being dedicated to the pension fund. They are also advocating for the State to authorize the cigarette tax legislation passed by City Council and signed by the Mayor last year. Any change to the application of the new one percentage point increase from that described in State legislation would again require a legislative change in the General Assembly of the Commonwealth. The Five-Year Plan reflects the current State legislation to allocate \$120 million of incremental revenue from the one percentage point increase in the sales tax to the School District and allocate the remainder to fund a 4-year deficit borrowing for the School District after which remaining funds go to the City's pension fund. Should the General Assembly change the allocation to the 50-50 split, discussed above, the budget will be changed accordingly.

The Sales Tax grew by 1.59% in FY13 compared to a forecast of 2.26%. Year-to-date receipts through January, 2014 show 2.92% growth over the same period in FY13. The Sales Tax forecast for FY14 was revised downward from 5.03% to 3.25% based on receipts to date, forecasts from the revenue consultant, and conversations with experts convened by Pennsylvania Intergovernmental Cooperation Authority at the Federal Reserve Bank of Philadelphia. Sales Tax growth is projected to grow steadily by over 3% for FY15 through FY19.

Sales Tax		
Fiscal Year	Local Tax Rate	Proposed Estimated Growth in Tax Revenue
2014	2.00%	3.25%
2015	2.00%	3.67%
2016	2.00%	3.57%
2017	2.00%	3.78%
2018	2.00%	3.70%
2019	2.00%	3.43%

Real Estate Transfer Tax (RTT): The City imposes a 3% tax on real property sales, and an additional 1% is charged by the Commonwealth of Pennsylvania, for a 4% total Real Estate Transfer Tax (RTT). The RTT is estimated to provide 18% of total revenue for a total of \$176.6 million in FY15, down from a high of \$236 million in FY06.

Reflecting the recent turnaround in the housing market, the RTT grew by 24.0% in FY13 compared to a projected growth of 10%. Year-to-date receipts through January for FY14 show 8.3% growth over the same period in FY13. The RTT was originally projected to grow at 10.0% and is now projected to grow at 8.5%. Real Estate Transfer Tax is expected to have growth rates of 10.0% through FY15 and ramp down to 3% by FY18. This level of growth results in a projection of Real Estate Transfer Tax revenues of \$204.5 million by FY19, still well below the \$236 million in transfer tax revenues collected in FY06.

Real Estate Transfer Tax		
Fiscal Year	Tax Rate	Proposed Estimated Growth in Tax Revenue
2014	3.00%	8.50%
2015	3.00%	10.00%
2016	3.00%	6.00%
2017	3.00%	3.00%
2018	3.00%	3.00%
2019	3.00%	3.00%

Net Profits Tax: The City imposes a tax on the net profits of non-incorporated businesses. These include businesses that are organized as individuals, partnerships, associations, or estates and trusts. The Net Profits Tax represents 0.7% of total revenue for a projected total of \$20.5 million in FY15. Similar to the Net Income portion of the BIRT, the Net Profits tax rate is scheduled to decrease from 3.9240% for residents and 3.4950% for non residents in FY14 to 3.7460% for residents and 3.3365% for non residents by FY19. Net profits Tax revenue grew by 65.1% in FY13. Year to date receipts are not yet indicative since the majority of Net Profits Tax is collected in the fourth quarter of the fiscal year. Growth in the Net Profits Tax is projected at 6.27% in FY15, tapering down to 4.03% by FY19.

Net Profits Tax			
Fiscal Year	Resident Tax Rate	Non-Resident Tax Rate	Proposed Estimated Growth in Tax Revenue
2014	3.9240%	3.4950%	6.02%
2015	3.9200%	3.4915%	6.27%
2016	3.9102%	3.4828%	6.10%
2017	3.9004%	3.4741%	4.33%
2018	3.8224%	3.4046%	4.17%
2019	3.7460%	3.3365%	4.03%

Parking Tax: The Parking Tax is levied on the gross receipts from all parking transactions. Parking Tax revenue is projected to total \$76.9 million in FY15.

Locally Generated Non-Tax Revenues

After taxes the second largest portion of the City's General Fund revenues comes from locally generated non-tax revenue which represents 22% of General Fund revenues. Locally generated non-tax revenues are projected to generate 22% of the FY15 budget. Locally generated revenues include various fees, fines, permits and other charges assessed by the City. In FY15 the City is projecting to collect \$972.5 million compared to a current estimate of \$309.0 million in FY14 and \$266.2 in FY13. The large increase in non-tax revenue is due to the inclusion of \$700 million from the sale of Philadelphia Gas Works (PGW) to allow sufficient appropriations to make a deposit to the City's pension fund after defeasing PGW's debt, putting aside funds for other liabilities, and reserves for residual risks.

Revenues from Other Governments

State and Federal governments represent 7% of total General Fund revenues. Excluding the wage tax revenue received from PICA (\$320 million in FY14 and \$335 million in FY15) and transferred to the City, which is reflected in the chart as tax revenue but technically considered revenue from other governments, the FY15 budget projects that revenue from other governments will total \$300.1 million compared to current estimate of \$349.3 million in FY14 and \$337.5 million in FY13. This decrease in revenues from other governments between FY14 and FY15 is due to the elimination of a one-time \$45 million pass-through payment from the State to the School District in FY14. The FY15 contributions include \$211.6 million from the Commonwealth of Pennsylvania and \$32.2 million from the Federal government. Most of the funding from the Commonwealth is Wage Tax Relief (\$86.3 million) and Pension Aid (\$67.5 million), as well as reimbursement for programs in the Department of Public Health. The largest source of Federal funding in the General Fund is reimbursements for the Philadelphia Nursing Home which totals \$20.5 million in FY15.

Revenue from Other Funds

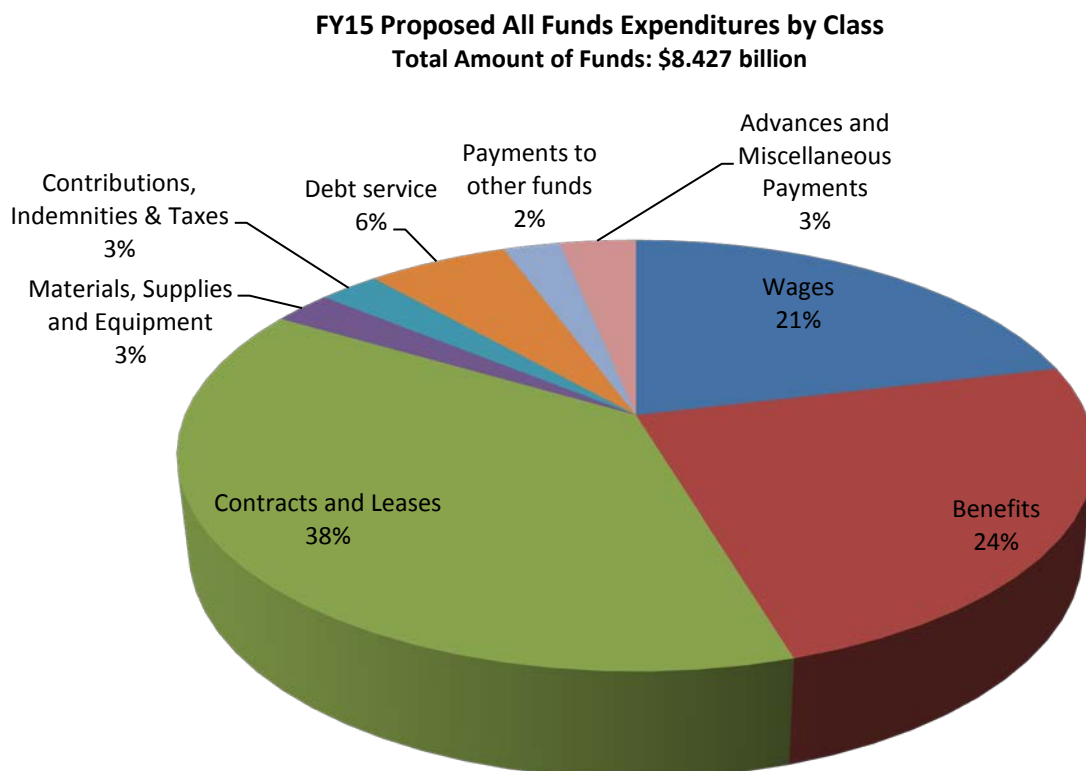
Revenues from other funds primarily consists of payments to the General Fund by the Grants Fund (911 Surcharge) and Enterprise funds (Water and Aviation Funds) for services performed by other City agencies. This makes up a small percentage of the revenues at 1% and is projected to be \$66.1 million in FY15 compared to \$66.9 million in FY14 and \$46.8 million in FY13.

EXPENDITURE OUTLOOK

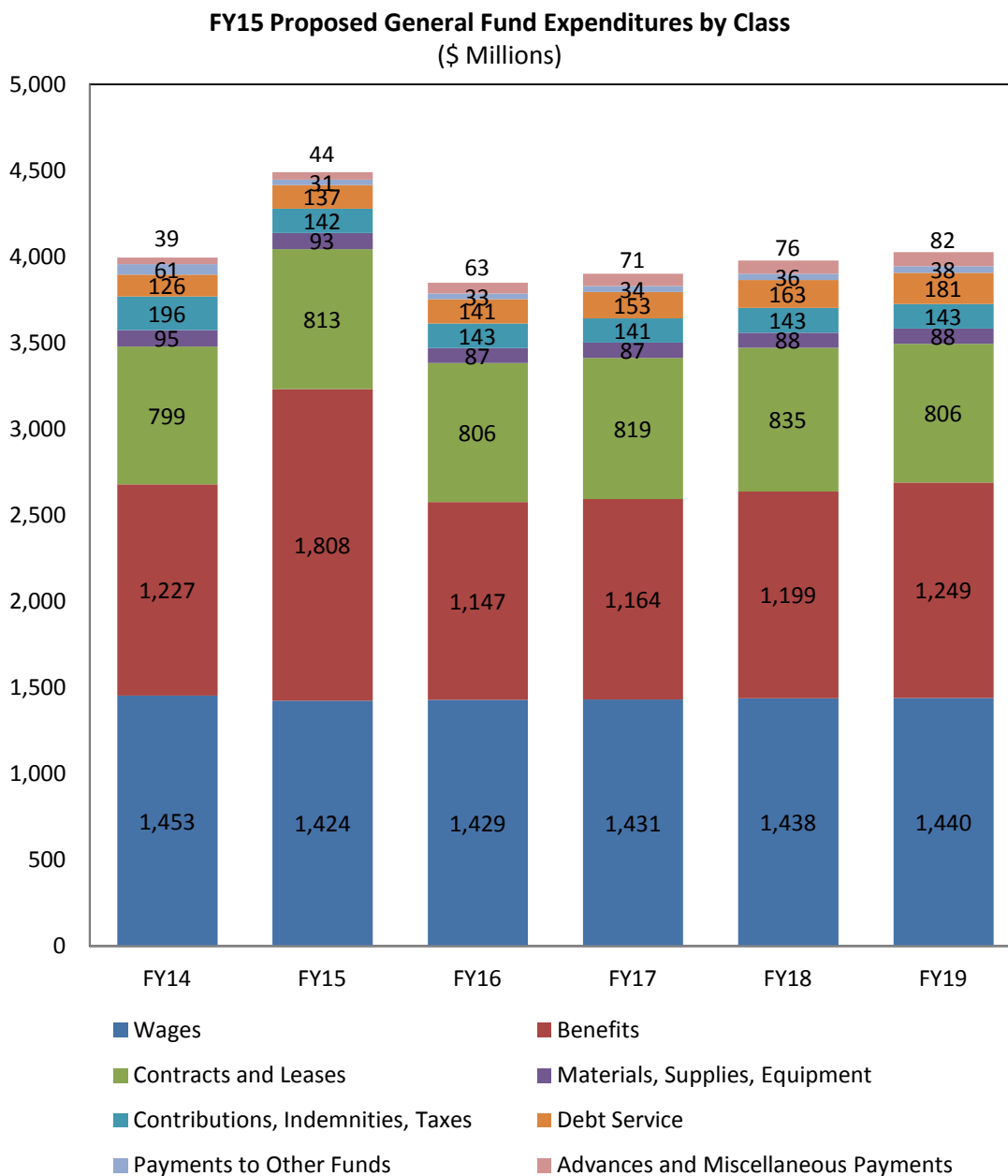
THE CITY'S FY15 EXPENDITURES

The proposed FY15 expenditures for all operating funds total \$8.247 billion, up from \$7.246 billion in FY14. The proposed FY15 General Fund expenditures total \$4.49 billion, a \$496 million increase (12.4%) from FY14 estimates primarily as a result of the expected one-time payment of \$700 million to the Pension Fund from the proceeds of the sale of Philadelphia Gas Works (PGW) somewhat offset by the completion of the \$108 million pension payment deferral debt service in FY14, the elimination of over \$69 million in one-time back wage and health care costs in FY14 associated with the withdrawal of the appeal against the 2009 International Association of Firefighters Local 22 award, and the elimination of the one-time \$29.2 million of sale proceeds anticipated from the sale of Love Park Garage, and the elimination of the one-time \$45 million pass-through payment from the State to the School District in FY14. Excluding those large one-time items, expenditures are budgeted to increase by \$47 million, \$29 million of which is due to rising pension and debt service costs. The remaining \$18 million represents an increase of only 0.5%. Proposed expenditures in FY16 are \$3.849 billion increasing to \$4.026 billion in FY19.

The chart below shows a breakdown of total FY15 expenditures for all funds by class. Wages and benefits combined represent 45% of expenditures, followed by contracts and leases (38%), and debt service (6%). In FY15 24% of the total budget is for employee benefits, compared to 18% in the proposed FY14 budget. This large increase is due to the one-time pension contribution appropriation of \$700 million resulting from the anticipated sale of PGW.



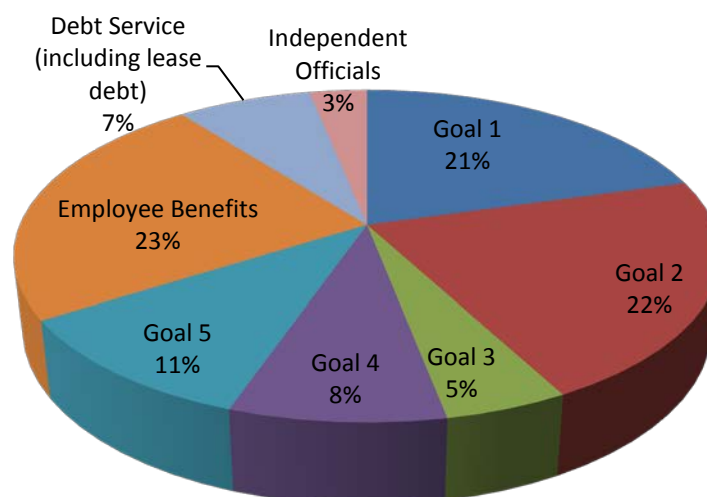
The chart below shows the breakdown of FY15 General Fund expenditures by class for FY14 through FY19. As with prior years, the largest costs to the City's budget pay for City employees, who design, manage, and implement the programs and services upon which residents depend. The combined personal services and employee benefits categories account for \$3.232 billion, or 72% of the total budget in FY15. The chart below demonstrates the impact of the one-time \$700 million pension payment appropriation in FY15 on both the total and the distribution of General Fund expenditures compared to other years. In FY15, employee benefits, including pensions, represent 40% of General Fund expenditures, compared to 30-31% in other years resulting in over \$1.8 billion spent on employee benefits compared to typical values of \$1.2 billion.



The next chart shows total expenditures for all funds broken down by Goal rather than class. The lion share of the City's total budget, including all funds, is spent on achieving the Mayor's goals as follows:

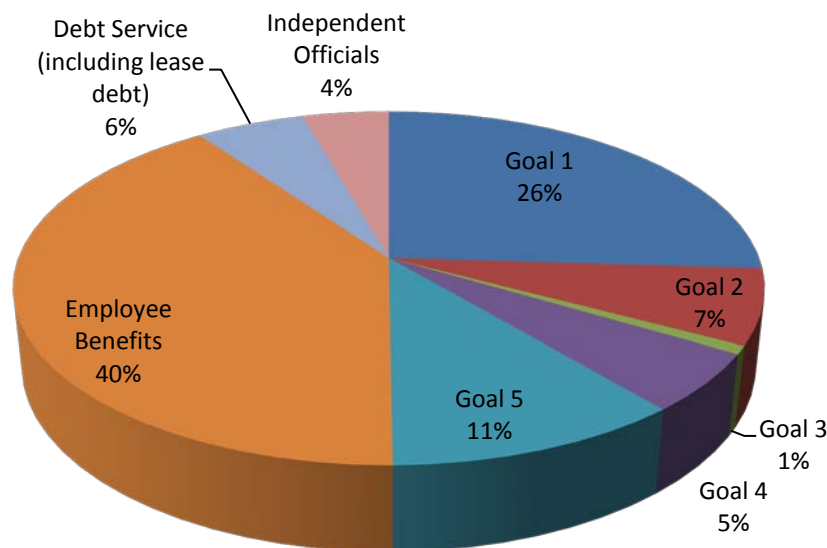
- **Goal 1: Philadelphia becomes one of the safest Cities in America** – 21% of total expenditures, including \$633 million for the Philadelphia Police Department, \$591 million for the Department of Human Services, \$240 million for the Philadelphia Prison System, \$229 million for the Fire Department, and \$33 million for the Department of Licenses and Inspection.
- **Goal 2: The education and health of Philadelphians improves** – 22% of total expenditures, including \$1.201 billion for the Office of Behavioral health and Intellectual disabilities, of which over \$900 million comes from the Health-Choices Behavioral Health Revenue Fund; \$356 million for the Department of Public Health; \$92 million for the Office of Supportive Housing; and \$46 million for the Free Library.
- **Goal 3: Philadelphia is a place of choice** – 5% of total expenditures, including \$168 million for the Airports funded entirely out of the Aviation Fund; \$166 million for the Office of Housing and Community Development all but \$3 million of which is funded by the Community Development Fund and the Grants Revenue Fund; and \$84 million for the Department of Commerce.
- **Goal 4: Philadelphia becomes the greenest and most sustainable city in America** – 8% of total expenditures, including \$384 million for the Water Department funded entirely by the Water Fund and the Water Residual Fund, \$180 million for the Streets Department, the City's \$70 million subsidy payment to SEPTA, \$62 million for the Department of Parks and Recreation, and \$2.4 million for the Mayor's Office of Transportation and Utilities.
- **Goal 5: Philadelphia government work efficiently and effectively, with integrity and responsiveness** – 11% of total expenditures, including \$154 million for the Office of Innovation and Technology, \$139 million for the Department of Public Property; \$81 million for the Managing Directors office, \$76 million for the Fleet Department, \$59 million for the Revenue Department, and \$21 million for the operating costs of the Office of the Director of Finance.

FY15 Proposed All Funds Expenditures by Goal
Total Amount of Funds: \$8.427 billion



The chart below shows the \$4.491 million General Fund broken down by goal. In FY15, given the large pension payment, 40% of proposed expenditures will go towards employee benefits; 6% will be spent on debt service; and 4% on independent officials. The remaining 50% of the budget, the spending over which the Administration has primary control, will be spent on core City services in pursuit of the Mayor's five key goals as described further below.

FY15 Proposed General Fund Expenditures by Goal
Total Amount of Funds: \$4.491 billion



Employee Benefits: Employee benefits have grown much more quickly than the City's revenues and other expenditures, which means that more and more of the City's budget is not available to pay for services. The rapidly escalating costs of pensions, combined with the Pension Fund's declining health – it is now less than 50 percent funded – make pensions perhaps the most significant financial challenge facing the City.

For this reason, it is crucial that the City's collective bargaining agreements address this issue. In designing proposals for collective bargaining agreements, the City has balanced providing fair contracts to employees with the need to have labor costs that are fair to the taxpayers of the City and to ensure that the City is able to provide quality services. A key to those proposals is slowing the rising costs of benefits.

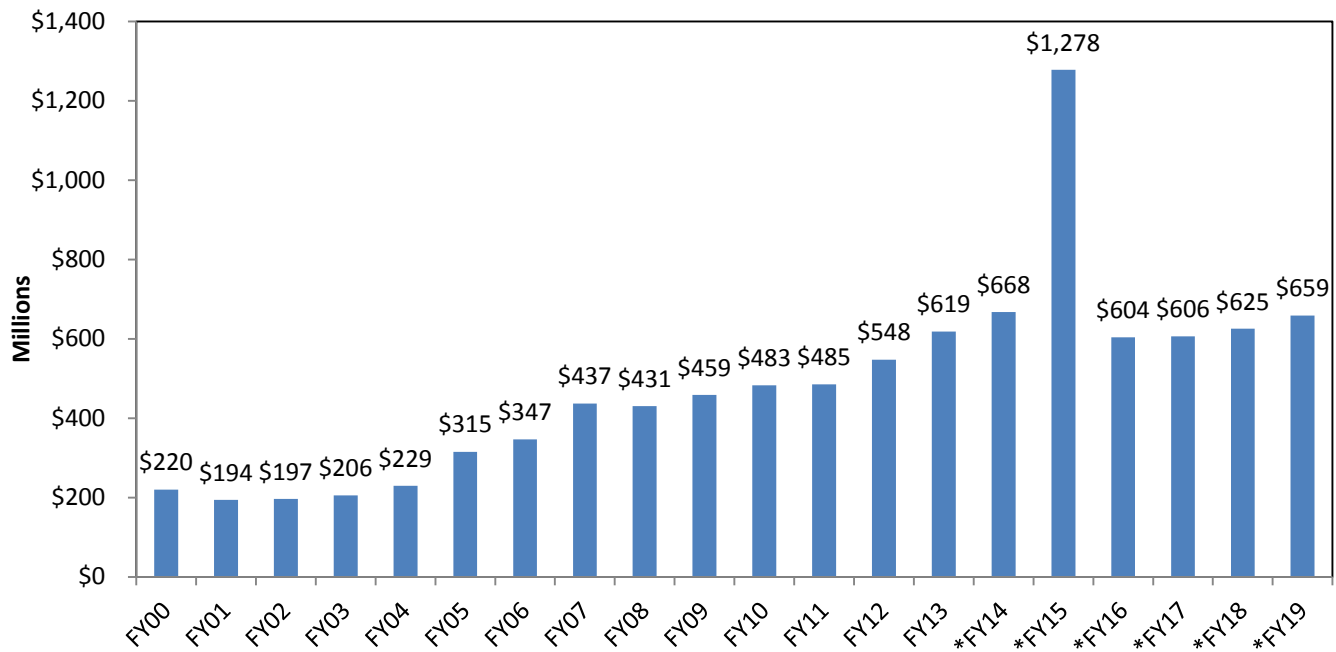
Pension changes were made under the recently negotiated contract with AFSCME District Council 47, which allows new employees to choose Plan 10 – the City's hybrid plan that has both a traditional defined benefit pension and a 401(k)-style element – or remain in the current pension plan and increase their contribution to the plan from 2% to 4% of total pay. The interest arbitration awards with the Fraternal Order of Police, Lodge 5 and the International Association of Firefighters, Local 22 also give

new employees the option to participate in the current defined benefit pension plan with an increase to their contribution from 5% to 6% or to participate in a hybrid plan which comprises both a defined benefit plan and a voluntary defined contribution plan. An additional award gave the same pension provision for new Deputy Sheriffs and required that all new employees of the Register of Wills enter a hybrid plan. Awards for Correctional Officers and Probation Officers required that all new employees go into the hybrid plan. The Correctional Officer award also required all employees to increase their contribution to the Pension Fund. See the “Labor” chapter for a further discussion of the collective bargaining agreements.

In addition, the City is taking multiple other steps to restore the health of the Pension Fund. As shown in the following chart, this Five-Year Plan reflects major investments in the pension. Pension payments in FY15 total \$1.278 billion compared to \$668 million in FY14. This increase is the result of the following significant changes in FY15:

- As mentioned above, 100% of the proceeds from the sale of PGW, after paying off PGW debt and other obligations and setting up appropriate reserves, will be allocated as a one-time payment to the pension fund in FY15.
- The Pension Board has lowered the assumed rate of return to 7.85% from 7.95% in FY14 and 8.75% since the beginning of the Nutter Administration. Partially as a result of this change in assumed rate of return, the minimum municipal obligation (MMO) of the City to the pension fund for all funds increased from \$533.4 million in FY14 to \$556.1 million in FY15, which is reflected in this Five-Year Plan. The reductions in earnings assumptions allow funds to moderate risk of the investments, which can also reduce the likelihood of losses.
- The City is proposing to use incremental sales tax revenue to pay for pensions. The City has received authorization from the State to maintain the sales tax at 2% in FY15. Under state legislation, the rate was to return from 2% to 1% in FY15. Per the State legislation, the School District would receive an additional \$120 million worth of sale tax revenue revenues beginning in FY15. For FY15 through FY18, the next \$15 million in revenue from the sales tax would go to pay debt service on a borrowing to provide the School District \$50 million in FY14. Any funds beyond that \$135 million would go to the City’s pension system. This accounts for an increase in the City’s contribution to the pension fund of \$2.8 million in FY15 rising to \$38.9 million by FY19. Mayor Nutter and City Council President Clarke recently announced that they would support an alternative plan under which the new sales tax revenues would be divided evenly between the School District and the City, with the City portion being dedicated to the pension fund, and revenue from a new cigarette tax, which has been enacted locally but requires state approval, would be dedicated to the School District. This Five-Year Plan reflects the allocation of the additional sales tax revenue per the State legislation, as any change to the application of the new 1% increase requires legislation in the General Assembly of the Commonwealth.

General Fund Pension Costs - Actuals and Projected



* FY14-FY19 data are projected pension costs.

Note: this includes the repayment of the deferred payments to the Pension Fund in FY13 and FY14.

Debt Service: Debt service represents 6% of the total FY15 General Fund proposed budget. This includes debt service on General Obligation bonds, tax and revenue anticipation notes and long term contracts and leases. See the Debt Management chapter for a further discussion on the City's debt.

Independent Officials: The FY15 proposed budget for Independent Officials is \$248 million representing 4% of General Fund expenditures. This includes \$106.1 million for the First Judicial District; \$33.2 million for the District Attorney's office; \$18.5 million for the Sheriff's Office, which reflects \$1.2 million in additional funding to hire 30 additional Deputy Sheriffs needed for the new Family Court Building; \$15.8 million for City Council; \$9.4 million for City Commissioners; and \$7.7 million for the office of the Controller.

Goals: The remaining 50% of the FY15 proposed General Fund budget, including \$22 million in new key investments, is spent on the Mayor's five goals as follows:

- **Goal 1: Philadelphia becomes one of the safest Cities in America** – 26% of General Fund expenditures. This includes investments to maintain a police force of 6,525, adequately staff the Philadelphia Prison System assuming a census of 8,700 inmates, and pay firefighters according to the new contract. This also includes \$2.0 million in new funding for the Licenses and Inspection to hire additional inspectors to strengthen demolition controls to ensure safe public and private demolitions.
- **Goal 2: The education and health of Philadelphians improves** – 7% of General Fund expenditures, including \$2.5 million for the Free Library to provide 6-day service at all branches

throughout the City and to increase funding for materials; \$500,000 in additional funding for Community College of Philadelphia to help offset tuition increases; \$1.0 million to the Office of Supportive Housing to continue compensating for federal sequestration cuts.

- **Goal 3: Philadelphia is a place of choice** – 1% General Fund expenditures, including \$3 million for the Office of Housing and Community Development, \$2.7 million for the Department of Commerce, \$2.23 million for the City Planning Commission, and over \$8 million for arts and culture related spending, such as \$500,000 in new funding to the Mann Music Center to fund continued operations at this important cultural institution in the City.
- **Goal 4: Philadelphia becomes the greenest and most sustainable city in America** – 5% of General Fund expenditures, including \$117 million for the Streets Department, a \$70 million contribution to the South East Pennsylvania Transportation Authority (SEPTA), and \$52 million for the Department of Parks and Recreation. The FY15 proposed budget allocates \$500,000 in new funding to Parks and Recreation to fund expanded programs at recreation centers in neighborhoods throughout the City.
- **Goal 5: Philadelphia government work efficiently and effectively, with integrity and responsiveness** – 11% of General Fund expenditures, which covers the cost of all of the City's administrative functions. New investments in the proposed FY15 General Fund budget related to this goal include \$2.0 million for the Fleet Department to replace aged vehicles in the Police Department and other operating departments; \$3.3 million for the Office of Innovation and Technology to fund operating costs associated with significant technology upgrades occurring at the City and to fund the one-time \$1.5 million Data Center Cooling System upgrade; \$1.9 million for the Office of Property Assessment to fully fund the property assessment function; and \$500,000 to the newly created Land Bank for one-time start up costs.

Taken together with the City's revenue and obligation projections, these investments result in a projected General Fund balance level of \$50 million in FY15, which decreases to a low of \$24 million in FY16 and increases to \$72 million by FY19. As discussed in the Fund Balance Trends and Projections chapter, this is well below the City's target of having an unreserved fund balance of roughly 6-8% of General Fund expenditures, which in FY15 would represent \$270-\$359 million or \$227-\$303 million excluding the \$700 million one-time pension payment.

LABOR

The City is committed to reaching collective bargaining agreements with each of its unions that are fair to both employees and other taxpayers. Those agreements need to balance pay increases for employees with essential reforms that will allow the City to bolster its Pension Fund, make common sense changes to overtime and provide the City with the flexibility to manage the size of the workforce during times of economic distress through furloughs (days off without pay) or temporary layoffs, rather than having large numbers of employees lose their jobs. Pension reforms are essential, as pension costs have increased from 7% of the budget in FY04 to 17% in FY14, diverting funds from key services to pension costs. At the same time, the Fund's health weakened, with its funding percent dropping from 55% FY08 to just over 48% in FY13. The City's proposed overtime changes are also essential, as they would bring common sense to the City's work rules, as the City has done for its non-represented employees and other employee groups. For example, time spent on sick leave would not count towards overtime hours. In this Five-Year Plan, \$375.6 million is being set aside over five years to fund the recently negotiated agreement with American Federation of State, County and Municipal Employees (AFSCME) District Council 47 (DC 47) and future labor agreements for American Federation of State, County and Municipal Employees (AFSCME) District Council 33 (DC 33), International Association of Fire Fighters Local 22 (IAFF), and the Fraternal Order of Police Lodge No. 5 (FOP), as well as wage increases for non-represented employees. In comparison, the FY14-FY19 Five-Year Plan included \$95 million to fund future labor agreements. These agreements need to include the Administration's proposed reforms and need to be fair to employees and other taxpayers.

As of December 2013, the City employed 27,819 employees, of whom 23,149 were represented by one of the City's five municipal unions as follows: 6,480 uniformed police officers, 227 employees of the Sheriff's Office, and 60 employees in the Register of Wills are represented by the FOP in two separate bargaining units; 2,174 fire fighters and paramedics are represented by the IAFF; 10,249 employees, including 866 Crossing Guards, 2,244 Correctional Officers and 21 Office of Housing and Community Development employees, are represented by DC 33; and 3,959 employees, including 583 Court employees, are represented by DC 47 under three separate bargaining units. Non-uniformed employees bargain under Act 195 of 1972, which allows for the right to strike over collective bargaining impasses. Certain employees, including employees of the Sheriff's Office and the Register of Wills, corrections officers who are represented by DC 33, and employees of the First Judicial District represented by DC 47, are not permitted to strike, but may proceed to interest arbitration under Act 195. Uniformed employees bargain under Pennsylvania Act 111 of 1968, which provides for final and binding interest arbitration to resolve collective bargaining impasses; they are not permitted to strike.

Labor costs are critical to the fiscal health of the City as employee health and pension benefits are the largest and fastest growing expenditures in the City's budget. In FY15, employee benefits (including pensions) will comprise 40% of the proposed budget expenditures. This figure is inflated by the \$700 million pension payment appropriation using the proceeds of the anticipated sale of PGW. Excluding this

payment, employee benefits would represent 29% of expenditures. As spending on employee benefits grows, spending on City services continues to be squeezed. In order to address the challenges these long-term structural costs present, the City has made cost-saving changes in the City-administered health benefit programs and sought changes to its labor contracts in the areas of health and pension benefits to reduce costs and risk to the General Fund. These changes include introducing hybrid pension plans with defined benefit and defined contribution components, increasing employee contributions to pensions, moving to self-insurance for health benefits and increasing co-pays. In order to reduce or eliminate the need for permanent layoffs in future economic downturns, the City has also sought increased flexibility in its personnel rules to make furloughs, or temporary layoffs, a viable alternative.

The City's labor agreements with its four major unions – FOP, IAFF, DC 33, and DC 47 – expired on June 30, 2009. An interest arbitration award to the FOP for police was made in FY10 covering the period FY10 through FY14 with a re-opener award issued in FY13. On February 25, 2014 the City came to an agreement with DC 47 for a contract term FY10 through FY17. The contract with DC 33 remains outstanding, and an interest arbitration is on-going for a new contract with Local 22 to be effective July 1, 2013. Interest arbitration awards covering employees of the Sheriff's Office and Register of Wills, corrections officers and youth detention counselors and court employees through FY14 were issued in 2011 and 2012. Negotiations for successor agreements to begin July 1, 2014 have begun for police, employees of the Sheriff's Office and Register of Wills and corrections officers and youth detention counselors and the City is in the arbitration process with the IAFF. The information below summarizes the reforms achieved and provides an update on the status of negotiations.

Fraternal Order of Police (FOP) Lodge No. 5

The 2009 FOP interest arbitration award introduced a new hybrid pension plan with defined benefit and defined contribution components for police officers and gave new hires the option of participating in this new plan or paying an additional 1% of pay to enter the existing plan. FOP members now choose between either increasing their pension contribution from 5% to 6% of pay or enrolling in the new hybrid pension plan. The hybrid pension plan combines a traditional defined benefit plan with a more sustainable level of benefits, and a voluntary 401(k)-like defined contribution plan. The plan reduces the risk to the City's Pension Fund of poor market returns and is unprecedented for uniformed employees in any major city in the country. Meanwhile, increased employee pension contributions provide General Fund savings for the City. The FOP's health plan moved to self-insurance in FY11. Under self-insurance, the health fund pays for the actual cost of services provided to members, instead of paying a premium to an insurance carrier based on expected claims. The FOP's change is similar to the change the City made in FY10 with the City-administered health insurance plan. The award also ordered increases in co-pays for doctor's visits and prescription drugs. Changes in the health care provisions in 2008 and 2009 awards have resulted in savings to the City in excess of \$50 million. The City gained the right to furlough (a day off without pay) employees up to 30 days each fiscal year. Because the contract expires on June 30, 2014, the parties have exchanged proposals for a successor collective bargaining agreement to take effect July 1, 2014.

FOP Deputy Sheriff and Register of Wills

A five year interest arbitration award with the FOP covering the unionized employees of the Sheriff's Office and Register of Wills was issued on June 21, 2011, covering FY10 through FY14. This award introduced a new hybrid pension plan with defined benefit and defined contribution components for new hires as well. New employees of the Sheriff's Office have to choose between entering into the existing municipal pension Plan 87 and increasing their contribution to 50% of normal cost from 30% of normal cost, or going into a new hybrid plan, which is similar to the new hybrid plan put in place for police employees under that award. Register of Wills employees hired after the date of the award must enter the hybrid plan. The award was the first that required City employees to enter the hybrid plan. Employees of the Sheriff's Office participate in the FOP's health plan. This award continued that arrangement, along with the same funding terms and benefit plan changes as the police award. Register of Wills employees will continue to participate in the City-administered health plan. Because the contract expires on June 30, 2014, the FOP has submitted proposals for a successor collective bargaining agreement to take effect July 1, 2014.

International Association of Fire Fighters (IAFF), Local 22

On July 2, 2012, a four year interest arbitration award with the IAFF was issued to cover FY10 through FY13. This award cost more than \$200 million over the Five-Year Plan at the time and would have resulted in negative fund balances. As a result, the City appealed the award on the basis of the lack of the ability to pay. Because of ongoing economic recovery, the City determined that it was able to cover the cost of the award so withdrew its appeal and implemented the terms of the award. Similar to the pension changes made in the arbitration award with the FOP, new IAFF members as of October 15, 2010, must choose between increasing their pension contribution from 5% to 6% of pay or enrolling in a new hybrid pension plan. The City was also given the option to change the health plan funding arrangement to self-insurance similar to the FOP arrangement. Because the contract for which the City withdrew its appeal expired on June 30, 2013, negotiations are underway for a new contract to begin on July 1, 2013. A new interest arbitration panel has been established and hearings have been conducted.

AFSCME District Council 33 (DC 33)

After having spent nearly five years in negotiations, the City has been unable to reach an agreement with DC 33. On January 16, 2013, the City made a final offer to DC 33 for a contract to run July 1, 2009 through June 30, 2014. The City's offer included wage increases of 2.5% following ratification and an additional 2% effective in January 2014 and restoration of step and longevity increments prospectively following ratification, along with \$25 million in additional payments to the union managed health fund. Under the City's proposal, the City's per employee per month contribution to the union's health fund would remain at \$975.76 for the term of the contract with the health fund using the lump sum payments to offset any cost increases it has experienced. The City also proposed two pension changes: (1) to require all new employees to enter Plan 10; and (2) increased pension contributions from current

employees as was ordered for corrections officers represented by DC 33. Additionally, the City proposed changes in overtime rules based on the changes made in FY13 for non-represented employees and those represented by Local 2186 of DC 47 and the right to furlough employees when economic circumstances warrant, similar to the FOP award. The City estimates the Five-Year Plan cost of its final offer at more than \$36 million. When DC 33 rejected this offer, the Mayor gave DC 33 two weeks to reconsider its refusal, but subsequent discussions were unproductive.

On February 1, 2013, the City filed an action in the Court of Common Pleas of Philadelphia County, asking the court for a declaration that the City has the right to implement its final offer for the currently-expired contract. The case continues in the Court of Common Pleas with the case expected to go to trial in spring 2014. During the period of litigation, the City is maintaining the status quo on the issues that separate the parties. The FY15-FY19 Five-Year Plan includes the cost to implement the final offer to DC 33. The forecasted statements do not include any additional potential changes above the estimated \$36 million final offer referred to above because management expects to prevail in the City's filed action in the Court of Common Pleas. The Administration is committed to having reasonable collective bargaining agreements that are fair to both taxpayers and the City's employees in place as early as possible. Those contracts must, however, be affordable in the short-term and provide long-term reform.

District Council 33 Corrections' Officers and Youth Detention Counselors

On March 16, 2012, an arbitration panel issued an award for FY09 through FY14 covering approximately 2,100 prison guards and related employees of the City who are part of DC 33 which provided the City with significant savings opportunities similar to those the City is seeking in its negotiations with DC 33. All new hires are required to enter into the new hybrid pension plan. Additionally, current employees will be required to make increased contributions for their pension plans. It is estimated that employees covered under Plan 87 (further described under "Municipal Pension Fund") will see an increase from 30% of normal cost to 50% of normal cost, which will increase the employee contribution by over 1% of salary. Employees in Plan 67 (further described under "Municipal Pension Fund") will also pay 50% of normal cost, but will no longer receive an offset while contributing toward FICA, which will increase the employee contribution by 2% of salary. Implementation of these changes awaits City Council action. Paid leave hours other than vacation no longer count as hours worked when determining when overtime is due. The union has filed a petition to vacate a portion of the award, which is still pending. Because the contract expires on June 30, 2014, the parties have exchanged proposals for a successor collective bargaining agreement to take effect July 1, 2014.

AFSCME District Council 47 (DC 47)

The City reached an agreement with DC 47 on February 25, 2014 for a contract term from July 1, 2009 through June 30, 2017. The new contract provides no retroactive pay increases. Members will receive a ratification bonus of \$2,000 per person as well as wage increases of 3.5% 30 days after ratification and across the board wage increases of 2.5% effective July 1, 2015 and 3% effective July 1, 2016. In terms of

pensions, current employees will see their employee contributions rise by 1% of pay by January 1, 2016. Employees hired after the ratification of the contract can choose Plan 10 – the City’s hybrid plan that has both a traditional defined benefit pension and a 401(k)-style element – or they can remain in the current pension plan and pay 1% more than current employees toward their pensions. By Jan. 1, 2016, new employee contributions for employees who choose the current plan over Plan 10 will be 2% of pay more than employees currently contribute for a total of about 4% of pay. Under the agreement, starting in 2015, sick time will no longer be counted as hours worked when determining when overtime is due on a weekly basis. On health, through December 31, 2014, the City’s contribution to the health fund will be \$1,100 per member per month, up from the current \$975 per member per month, and the City will make a one-time lump sum payment to the health fund of \$5 million. Effective January 1, 2015, however, the health fund will move to a self-insured arrangement, similar to the contract with the FOP, and the City will pay only the cost of benefits and administration. DC 47 will manage the plan and use an aggressive wellness program with monetary incentives to help employees and their families stay healthier and control costs. Employees will contribute 9% of the health plan’s costs. In lieu of creating a separate mechanism for furloughs or temporary layoffs, the Union agreed to support the change to civil service regulations to allow the City to streamline the layoff process through a change in calculation of the layoff score and to change the pension ordinance to provide that a layoff of fewer than 15 consecutive days will not be considered a separation for purposes of the Deferred Retirement Option Plan to prevent employees who are in the DROP from experiencing a permanent separation as a result of a temporary layoff. This contract is estimated to cost \$122 million over the Five Year Plan.

District Council 47 Court Employees

On July 11, 2012, an interest arbitration was issued governing economic terms of employment for a bargaining unit comprised of 532 professional employees of the First Judicial District, primarily in the job series of Probation Officer for the period from July 1, 2009 through June 30, 2014. The award ordered general wage increases of 2.5% on July 1, 2012 and July 1, 2013. Wage increases for FY10-FY12, if any, are based on any wage increases negotiated by District Council 47 for that period. Additionally, employees in the classification of Probation Officer 2 were awarded a one-range increase within the First Judicial District pay schedule. Under the award, new hires are required to enter the City’s new municipal pension plan, Plan 10. Implementation of the pension provision is awaiting City Council approval.

Employee Wage Increases FY06-FY17

The following table presents employee wage increases for FY06 through FY15 for each bargaining unit.

Employee Wage Increases Fiscal Years 2006-2017

Fiscal Year	AFSCME District Council 33	AFSCME District Council 47	Fraternal Order of Police Lodge No. 5 (Police)	IAFF Local 22	AFSCME District Council 33 Correctional Officers	AFSCME District 47 Local 810 Court Employees	AFSCME District Council 47 Local 2186	Fraternal Order of Police Lodge No. 5 (Sheriff's Office and Register of Wills)
2006	2.0%	2.0%	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%
2007	3.0% ⁽¹⁾	3.0% ⁽¹⁾	3.0%	3.0%	3.0% ⁽¹⁾	3.0% ⁽¹⁾	3.0% ⁽¹⁾	3.0% ⁽¹⁾
2008	4.0% ⁽²⁾	4.0% ⁽²⁾	4.0%	4.0%	4.0% ⁽²⁾	4.0% ⁽²⁾	4.0% ⁽²⁾	4.0% ⁽²⁾
2009	No increase ⁽³⁾	No increase ⁽³⁾	4.0% ⁽⁴⁾	4.0% ⁽⁴⁾	No increase	No increase ⁽³⁾	No increase ⁽³⁾	3.0% ⁽¹⁰⁾
2010	⁽⁵⁾	⁽⁶⁾	0.0% ⁽⁷⁾	0.0% ⁽⁸⁾	⁽⁹⁾	⁽¹⁰⁾	⁽¹²⁾	0.00% ⁽¹³⁾
2011	⁽⁵⁾	⁽⁶⁾	3.0% ⁽⁷⁾	3.0% ⁽⁸⁾	⁽⁹⁾	⁽¹⁰⁾	⁽¹²⁾	2.5% ⁽¹³⁾
2012	⁽⁵⁾	⁽⁶⁾	3.0% ⁽⁷⁾	3.0% ⁽⁸⁾	⁽³⁾ ⁽⁹⁾	⁽¹⁰⁾	⁽¹²⁾	2.5% ⁽¹³⁾
2013	⁽⁵⁾	⁽⁶⁾	3.0% ⁽⁷⁾	3.0% ⁽⁸⁾	2.5% ⁽⁹⁾	2.5% ⁽¹⁰⁾	2.5% ⁽¹²⁾	3.0% ⁽¹³⁾
2014	⁽⁵⁾	3.5% ⁽⁶⁾	3.0% ⁽⁷⁾	⁽⁸⁾	2.5% ⁽⁹⁾	2.5% ⁽¹⁰⁾	3.5%	3.0% ⁽¹³⁾
2015	⁽⁵⁾	No increase ⁽⁶⁾	⁽⁷⁾	⁽⁸⁾	⁽⁹⁾	⁽¹⁰⁾	No increase ⁽¹²⁾	⁽¹³⁾
2016	⁽⁵⁾	2.5% ⁽⁶⁾	⁽⁷⁾	⁽⁸⁾	⁽⁹⁾	⁽¹⁰⁾	2.5% ⁽¹²⁾	⁽¹³⁾
2017	⁽⁵⁾	3.0% ⁽⁶⁾	⁽⁷⁾	⁽⁸⁾	⁽⁹⁾	⁽¹⁰⁾	3.0% ⁽¹²⁾	⁽¹³⁾

(1) Third year of a four year contract: 3% effective July 1, 2006.

(2) Fourth year of a four year contract: 4% effective July 1, 2007.

(3) Cash bonus of \$1,100 paid 15 days after ratification.

(4) One year contract: 2% effective July 1, 2008 and 2% effective January 1, 2009.

(5) Contract expired on June 30, 2009, and negotiations are currently underway.

(6) Eight year contract effective July 1, 2009 – June 30, 2017: Employees will receive a ratification bonus of \$2000. Wage increase of 3.5% will be effective 30 days after ratification of the labor award agreement reached on February 25, 2014, followed by a 2.5% increase on July 1, 2015 and 3% increase on July 1, 2016.

(7) Five year contract: 0% effective July 1, 2009, 3% effective July 1, 2010, 3% effective July 1, 2011, 3% effective July 1, 2012, 3% effective July 1, 2013. Negotiations are underway for a contract beginning July 1, 2014.

(8) Four year contract: 0% effective July 1, 2009, 3% effective July 1, 2010, 3% effective July 1, 2011, 3% effective July 1, 2012. Negotiations for a contract beginning July 1, 2013 are underway.

(9) Five year contract: For Fiscal Years 2010, 2011 and 2012, covered employees will receive the same wage increases, if any, negotiated by DC33 for that time period; 2.5% effective July 1, 2012; 2.5% effective July 1, 2013. Negotiations are underway for a contract beginning July 1, 2014.

(10) Five year contract: For Fiscal Years 2010, 2011 and 2012, covered employees will receive the same wage increases, if any, negotiated by DC47 for that time period; ; 2.5% effective July 1, 2012; 2.5% effective July 1, 2013.

(11) One year contract: 3% effective July 1, 2008.

(12) Covered employees will receive the same wage increases as those negotiated by DC 47 under the new contract for FY09 – FY17.

(13) Five year contract: 0% effective July 1, 2009, 2.5% effective July 1, 2010, 2.5% effective July 1, 2011, 3.0% effective July 1, 2012 and 3.0% effective July 1, 2013. Negotiations are underway for a contract beginning July 1, 2014.

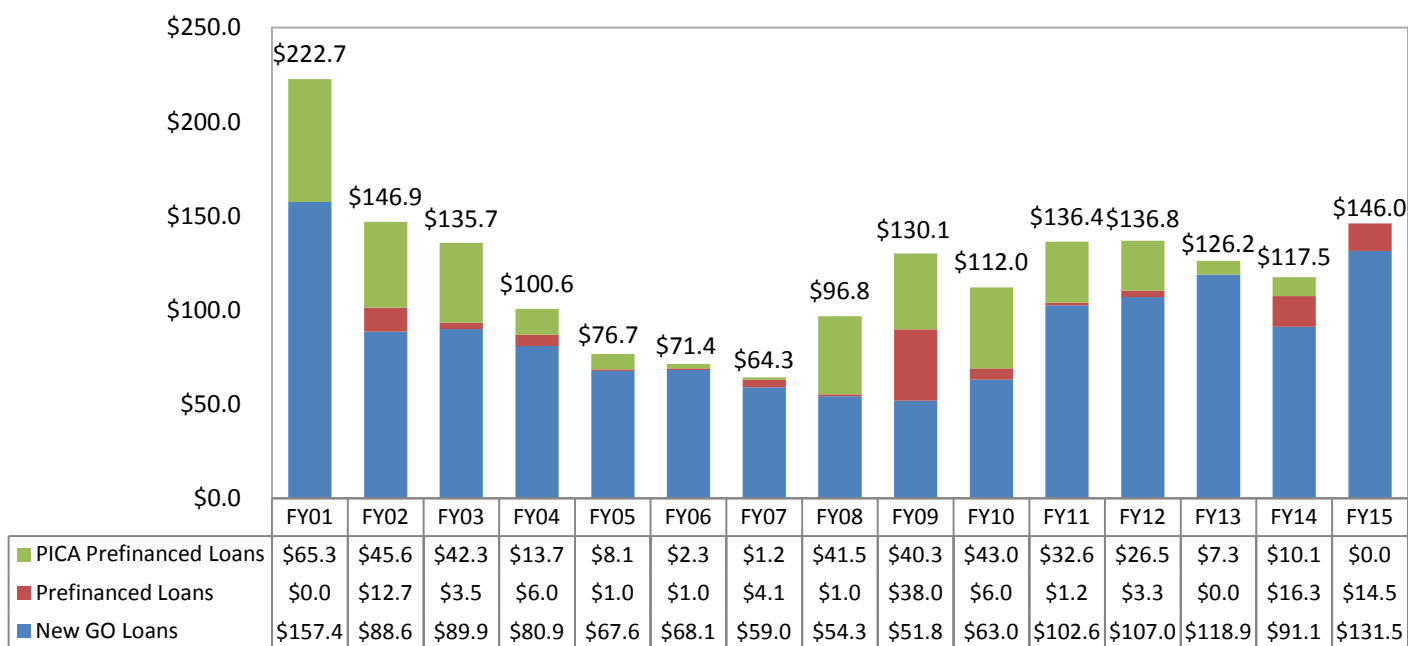
THE CITY'S CAPITAL BUDGET

The Capital Program is the City of Philadelphia's six-year plan for investing in its physical and technology infrastructure, community facilities and public buildings. The Capital Program supports the overall goals of the City: to become one of the safest cities in America; to improve the education and health of Philadelphians; to make Philadelphia a place of choice; to become the greenest city and most sustainable city in America; and for City government to work efficiently and effectively, with integrity and responsiveness. The Recommended FY15-FY20 Capital Program allocates over \$9.4 billion over this six-year period to advance these initiatives and address critically needed public improvements.

City-Supported Capital Funding

The Administration is committed to a continued investment in the City's infrastructure. To support this infrastructure investment, the City has pledged in FY15 to spend \$131.5 million of City-supported capital funding through new General Obligation (GO) bonds issued by the City, and \$14.5 million of prefinanced GO loans.³⁰ The chart below shows City support of the Capital Budget in FY15, compared to prior years. FY15 includes the highest level of City supported capital funding since FY02.

Capital Funding, FY01-FY15 (\$ millions)



While the FY15 budgeted amount is high compared to the previous years, the recommended program still falls below the City Planning Commission recommendation of \$185 million per year for investment

³⁰ Prefinanced loans are loans that the electorate and City Council have already authorized, but the capital dollars remain unspent.

in streets, recreation centers, police and fire stations, health centers, and other city facilities. Since the availability of new General Obligation funding for capital projects is set by two inter-related factors (the City debt limit and the borrowing capacity) the City is constrained to meet the recommendation from the City Planning Commission.

The City's ability to invest in its infrastructure is restricted by both the State Constitutional debt capacity and the City's financial capacity. Under the Pennsylvania Constitution, the City's total debt capacity is limited to 13.5% of the ten-year average of the annual assessed valuations of taxable realty in the City. The Actual Value Initiative resulted in a total assessment value of \$99.942 billion in FY14 compared to \$12.416 billion in FY13; this allows the constitutional debt limit to increase. Nevertheless, the City's ratio of debt service to total expenses will continue to restrict its ability to issue General Obligation debt. A relatively high ratio of debt service to obligations will not only crowd out other operating expenditures, but if the ratio gets too high, it could also result in a reduction of the City's bond rating, thereby increasing the costs of borrowing. Rating agencies have consistently cited the City's high level of fixed costs as a reason for its relatively low bond rating compared with other cities.

While the City has limits on the amount that it can borrow, it also has noticeable infrastructure needs. By committing \$761.7 million in new City-backed borrowing over the next six years, this Capital Program will help to address those needs.

FY15 Significant Investments

The City's investments in capital projects financed by General Obligation bonds has steadily increased from FY09 through FY13. Limited by the debt capacity of the City, the FY14 capital investment financed through General Obligation bonds fell below \$100 million for the first time since FY11. Since the Actual Value Initiative (AVI) has taken effect, the preceding 10-year average of assessed value of taxable real property increased. This is the first fiscal year that AVI takes effect, allowing the debt limit to increase significantly; however, borrowing on City tax-supported, General Obligation bond funding for the capital budget, and the City's financial capacity to pay debt service on a higher amount of debt with these borrowed funds, is still a constraint on the operating budget.

Key projects in the FY15 recommended capital budget for neighborhood investments total \$48.3 million and include:

- \$14.7 million for the Departments of Parks and Recreation capital projects which fund capital improvements to Parks and Recreation trails, parks, pools, recreation centers, cultural facilities and infrastructure across City neighborhoods.
- \$16 million for the Streets Department for Reconstruction/Resurfacing and Americans with Disabilities Act (ADA) Ramp Reconstruction on neighborhood streets throughout the city.
- \$5 million for improvements at Neighborhood Commercial Centers. The improvements include upgrade for curbs, sidewalks, lighting, landscaping and parking in commercial corridors to complement public and private reinvestment.

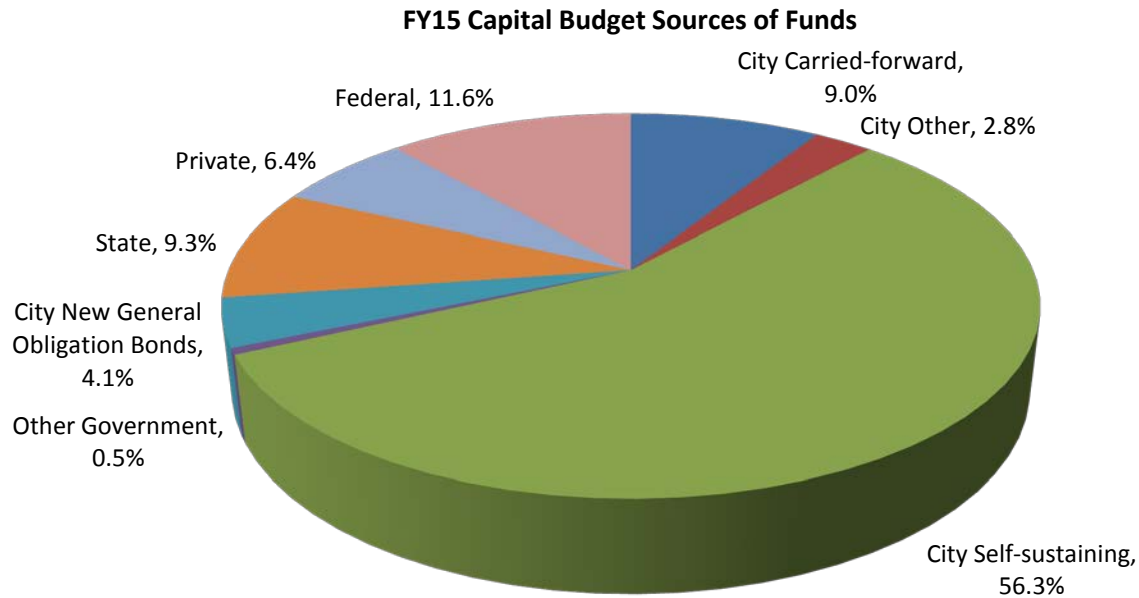
- \$3.9 million for improvements and structural site work renovations at Fire facilities throughout the city.
- \$3 million Police facility renovations in several police districts and completion of the former Woodhaven U.S. Army facility for police use.
- \$2.5 million to construct an underground concourse extension beneath 18th Street that will link the existing underground markets to the new Comcast Tower to be completed in 2017.
- \$2.2 million for improvements to several library facilities for HVAC, infrastructure and interior and exterior renovations.
- \$1 million for Bartram's Mile in addition to the \$1 million provided in FY14. As part of the Green2015 Plan, this project will provide over 1.5 miles of publically accessible riverfront access connecting the Gray's Ferry Crescent south to 68th Street. The City will contribute \$2 million total in City capital dollars to this project, which will be matched by \$3 million in private and state funding.

Other key projects in the FY15 recommended capital budget include:

- \$24 million for the Office of Innovation and Technology for citywide technology improvements. This is part of a \$120 million multiyear commitment to improve the City's technology, and increase the efficiency of the City's operations.
- \$10 million for the Office of Fleet Management for the purchase of large vehicles, such as medic units, pumpers, tiller ladders, compactors, backhoes, tractors, sweepers, wheel loaders, and paving machines.
- \$5 million for the Office of Innovation and Technology for a message switch system, which will improve public safety information exchange between the City and State. An additional \$5 million has been programmed in FY16.
- \$5.8 million for security system improvements, infrastructure and other renovations at the various Prison facilities.

Total FY15 Recommended Capital Budget

The total budget for the 69 projects included for FY15 is more than \$3.2 billion. These 69 projects include several hundred "subprojects" that are either new for FY15 or carried forward from previous years' budgets.



Of the total budget amount, \$131.5 million is recommended to be funded by new General Obligation bonds issued by the City as detailed in Appendix VIII of this Plan. These bonds are tax supported (i.e., repaid from the City's general tax revenues). An additional \$290.8 million will come from carried-forward City tax-supported loan funds. Other City sources, which include the prefunded and PICA loans, operating revenue, and revolving funds, total \$89.5 million. City self-sustaining operating funds and revenue bonds account for more than \$1.8 billion of total budget-year funds. Funding from other levels of government, including federal, Commonwealth of Pennsylvania, and regional sources, totals \$692.1 million in the budget year. Finally, \$206.2 million of FY15 funding will be provided by private sources.

Key airport projects include improvements to the Philadelphia International Airport to better service for air traffic and travel to and from Philadelphia, through capacity enhancement, airfield and facilities improvements, and safety and security projects.

Significant Water projects include improvements to the City's water system such as a strategic replacement of infrastructure to strengthen our water and sewer infrastructure, a Contamination Warning System, and other improvements to collector systems and conveyance systems.

Pilot of Return on Investment (ROI) Analysis for Capital Projects:

In FY14, the Office of Budget and Program Evaluation (OBPE) piloted a return on investment analysis for a wide range of capital projects in several departments. For each capital project, the pilot sought to identify the incremental General Obligation capital and operating costs associated with the project as well as any operational savings, incremental revenue or outside capital funding the project would

generate. OBPE, in collaboration with the participating departments, calculated three measures to quantify the return on investment of the capital project:

1. **Net Present Value (NPV):** This represents the future financial impact of the investment discounted to present value by the cost of capital, which was assumed to be roughly 5.5% based on the estimated interest rate on General Obligation bonds over the Five Year Plan. NPV provides a measure of the return on investment in absolute terms. The investment is financially attractive if it generates a positive net present value.
2. **Internal Rate of Return (IRR):** This represents the discount rate at which the investment's Net Present Value equals zero. The IRR is a measure of the rate at which money invested in the project grows. In order for the investment to be worthwhile financially, the IRR should be greater than the cost of capital, which in this case is again assumed to be 5.5%.
3. **Payback Period:** The payback period indicates the year in which the cumulative cash flow turns positive, or, rather, how long the City will have to wait to recoup its original investment.

Project	FY15 General Obligation Bond Allocation	Internal Rate of Return*	Net Present Value of the Investment**	Payback Period	Rationale for moving forward with the project
Public Property: Market Street Sidewalk Grates	1,700,000	14.5%	\$1,190,531	Year 0	The sidewalks could pose potential danger to pedestrians if the sidewalk grates and their structural supports are not replaced. The alternative to replacing the Market Street side walk grates is to put barriers around them, which would be cost prohibitive to maintain, result in loss of parking revenue, and an inconvenience to the public.
Mayor's Office of Sustainability: Energy Efficiency and Sustainability Improvements	500,000	16.1%	\$250,814	Year 6	City facilities have ample opportunity for energy efficiency investments that will reduce the City's environmental impact and reduce costs associated with energy.
Parks and Recreation: Horticultural Center – Building and Site Improvements	140,000	Negative	-\$2,903,235	Never	The Horticultural Center cannot be used by the staff or public without investments in new heating, cooling and ventilation systems, which are failing. If this investment is not made, this important recreational and cultural asset would have to be closed down to the public.
Commerce: Neighborhood Commercial Centers***	5,000,000	7.2%	\$596,920	Year 11	Physical improvements are intended to stabilize or revitalize neighborhood commercial centers. The investments in commercial corridor streetscapes contribute to the economic development of the neighborhood by reducing vacancy rates, increasing property values and generating additional business activity. Without City funding, opportunities to revitalize commercial corridors and leverage state funding will be lost.
		13.4%***	\$3,379,803***	Year 8 ***	

* If the IRR exceeds 5.5% (the assumed cost of capital) the project generates a positive return.

** Net Present Value calculations assume a discount rate of 5.5%.

*** Neighborhood commercial centers are expected to cause real estate values to appreciate, which generates additional tax revenue for both the City and the School District. Therefore the ROI was estimated both with and without revenues to the School District. Asterisked values represent ROI estimates including revenues accruing to the School District.

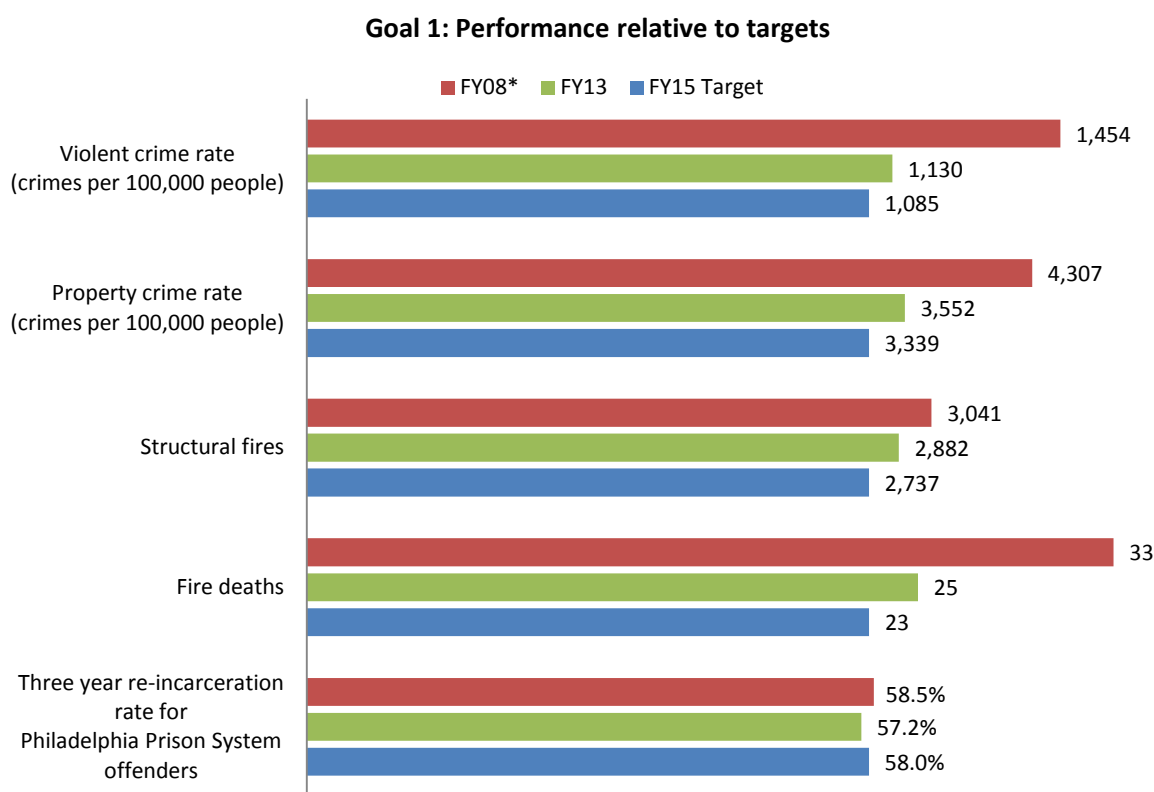
The results of a sample of the projects are presented in the chart above. Three of the four projects generated a positive return:

1. Public Property's project to replace the sidewalk grates and their structural supports on Market Street generates a return of 14.5% and pays for itself almost immediately because the cost of putting up and maintaining barriers to prevent residents from walking on the grates would be so cost prohibitive.
2. The Mayor's Office of Sustainability estimated the return on a \$500,000 investment in energy efficiency projects. Based on the results of projects to date, this investment generates a return of 16.2% and pays for itself in Year 6.
3. As demonstrated by the Parks and Recreation investment in improving the Horticultural Center, some investments are worthwhile even if they do not yield a positive financial return. If the proposed repairs are not made, this important City asset would have to be closed to the public. The City would no longer have to pay staff and other costs to operate this facility and would also not collect entrance fees and event-related revenues. This investment generates a negative return because the additional revenue does not fully cover the investment and ongoing operating costs. However, this would be a loss for the public.
4. Finally, the Department of Commerce makes an annual investment of roughly \$5 million to beautify commercial corridors and revitalize the surrounding neighborhoods. These investments are estimated to generate a positive return in that they not only leverage an estimated \$1.5 million in federal funding for street improvements that would otherwise not be available, but they also generate incremental tax revenues for the City and the School District. Specifically these investments are expected to generate increased wage taxes from new businesses filling vacant commercial space; increased sales taxes from existing and new businesses along the commercial corridor; and increased real estate taxes from appreciation in both commercial and residential properties along the corridor and in the immediately adjacent neighborhoods.

The pilot was instrumental in refining the approach for ROI analysis and preparing the City for full implementation in the near future. Starting in FY16 the City plans to conduct an ROI analysis for all new capital projects, and the ROI will become one of a number of cost/benefit analyses and other factors that influence capital budget allocation decisions. In addition, the pilot helped Departments think through the ongoing operating cost impacts associated with each proposed capital project. Budgeting for these ongoing operating costs is considered a best practice, which the City aims to adopt through the implementation of the ROI approach.

GOAL 1: PHILADELPHIA BECOMES ONE OF THE SAFEST CITIES IN AMERICA: OVERVIEW OF INITIATIVES AND KEY ACCOMPLISHMENTS

Mayor Nutter has made it a central priority of his administration to make Philadelphia a safer city, and since 2008, Philadelphia has become safer in both absolute and relative terms compared to other US cities. In 2013, the number of murders fell from 391 in 2007 before the Mayor to office to 247, the lowest number since 1967. The violent crime rate dropped by 22% from 1,454 per 100,000 people in FY08 to 1,130 in FY13, the lowest levels since 1985, and the property crime rate decreased by 18% from 4,307 per 100,000 people in FY08 to 3,552 in FY13.³¹ Philadelphia's ranking among the top 20 largest cities improved between 2011 and 2012 from 2nd highest to 5th highest in the violent crime rate.³²



* Baseline refers to FY08 for all metrics except for the Property crime rate which reflects calendar year 2007

Goal 1 is not just about crime rates, however. Becoming one of the safest cities in America means more than the day-to-day data. The Administration is focused on achieving three main outcomes: adults and children are safer; people feel safer; and residents feel a greater responsibility to keep their neighborhoods safe. The chart above provides a snapshot of how the city is performing relative to its target performance on select targets. The three year re-incarceration rate at the Philadelphia Prisons

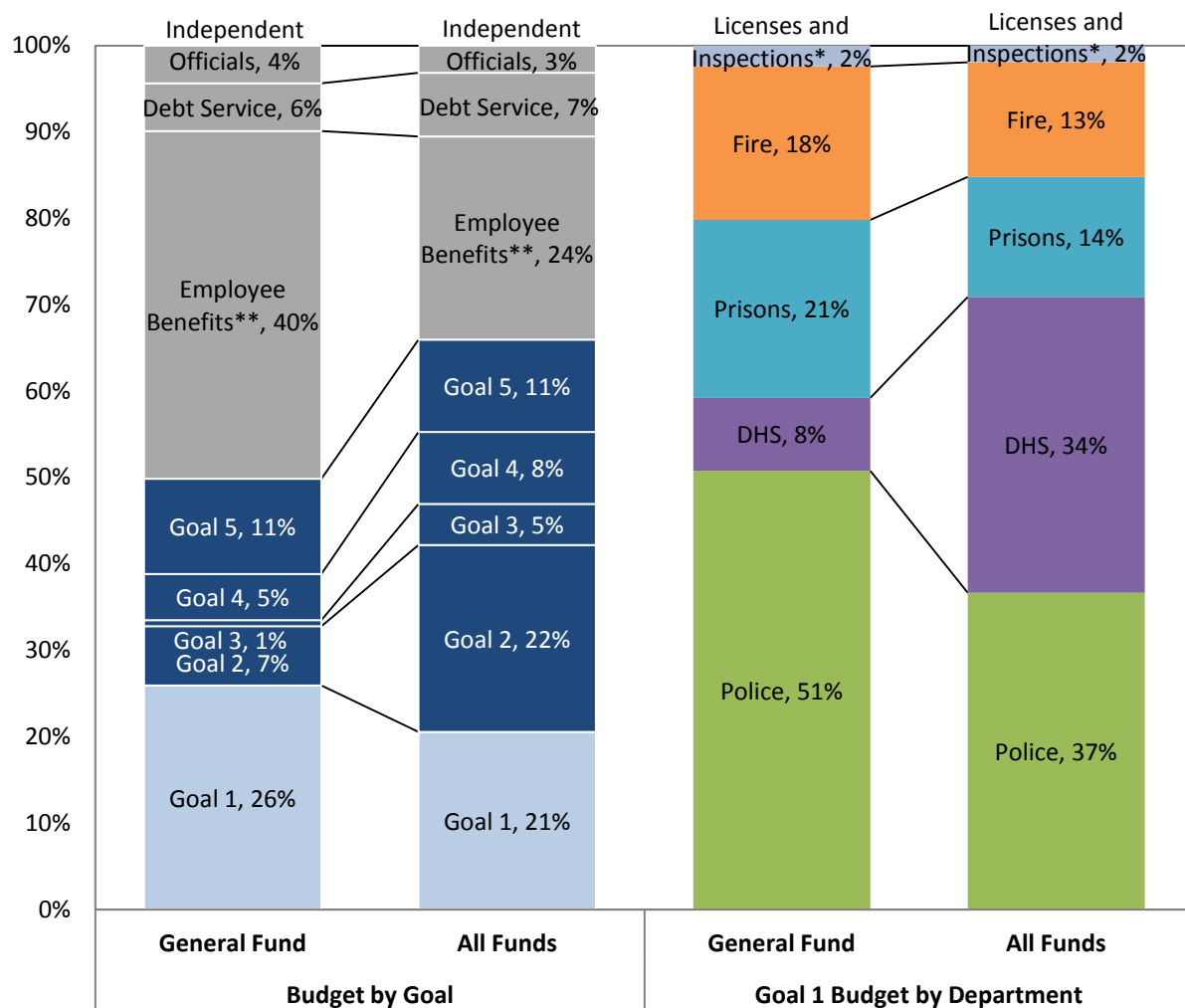
³¹ Philadelphia Police Department, 2013.

³² Data comes from Uniform Crime Reports FBI available at: <http://www.fbi.gov/about-us/cjis/ucr/crime-in-the-u.s>. 2012 and 2011 rankings exclude Chicago due to incomparability of data measures. The FBI cautions against comparing statistical crime data from cities solely on the basis of their population without examining all the variables that affect crime in city.

System is lower. In terms of fire related outcomes, structural fires have increased relative to the baseline year of 51 in 2007, but in 2013², Philadelphia reached a record low number of fire deaths of 24.

As shown in the next chart, Public Safety, which has been one of the Mayor's primary areas of focus, comprises 26% (\$1.2 billion) of the General Fund budget and 20% (\$1.7 billion) of the City's total operating budget. It is by far the largest area of spending in the budget over which the Mayor has complete control. The departments and agencies that are primarily focused on achieving the outcomes under this goal are the Police Department (37% of total Goal 1 spending), the Department of Human Services (34%), the Prisons System (14%), the Fire Department (13%), and the Department of Licenses and Inspections (2%).

FY15 Proposed Goal 1 Spending



* Licenses and Inspections is comprised of the Board of Building Standards, the Board of L&I Review, the Zoning Board of Adjustment, and the Department of Licenses and Inspections.

** Employee Benefits represent an unusually high proportion of FY15 expenditures due to the \$700 million pension payment appropriation using the proceeds of the sale of Philadelphia Gas Works. Excluding this payment, employee benefits would represent 29% of expenditures.

POLICE DEPARTMENT

The mission of the Philadelphia Police Department (PPD) is to demonstrate excellence in policing by working in partnership with the community and others to fight and prevent crime, the fear of crime, and terrorism; enforce laws while safeguarding the constitutional rights of all people; provide quality service to all residents and visitors; and create a work environment in which the PPD recruit, train and develop an exceptional team of employees.

Budget Trends: The Philadelphia Police Department has seen a \$71.6 million increase from FY08 to the FY14 Current Projection. The funding increase was largely due to the arbitration awards, which granted wage increases of 4% in FY09 and 3% in FY11, FY12, FY13, and FY14, a 1% increase in salary for stress pay in FY14. Investments were also made in the PPD budget to but continue funding the ARRA funded officers, to fund a required match for the 25 COPS grant funded officers, and to allow PPD to hire additional police classes to bring the uniform officers to a level of 6,525. The FY15 General Fund allocation fully funds the Police Department at this level. In terms of other operating funds, the PPD has seen a significant increase in other operating funds largely due to growth of federal funding from the Department of Homeland Security for large equipment purchases and from the Department of Justice for forensic sciences. The FY14 and FY15 proposed budget for other operating funds provide allowances for uncertainty in grant funding. Actual grant funding in FY15 is not expected to be significantly higher than FY14.

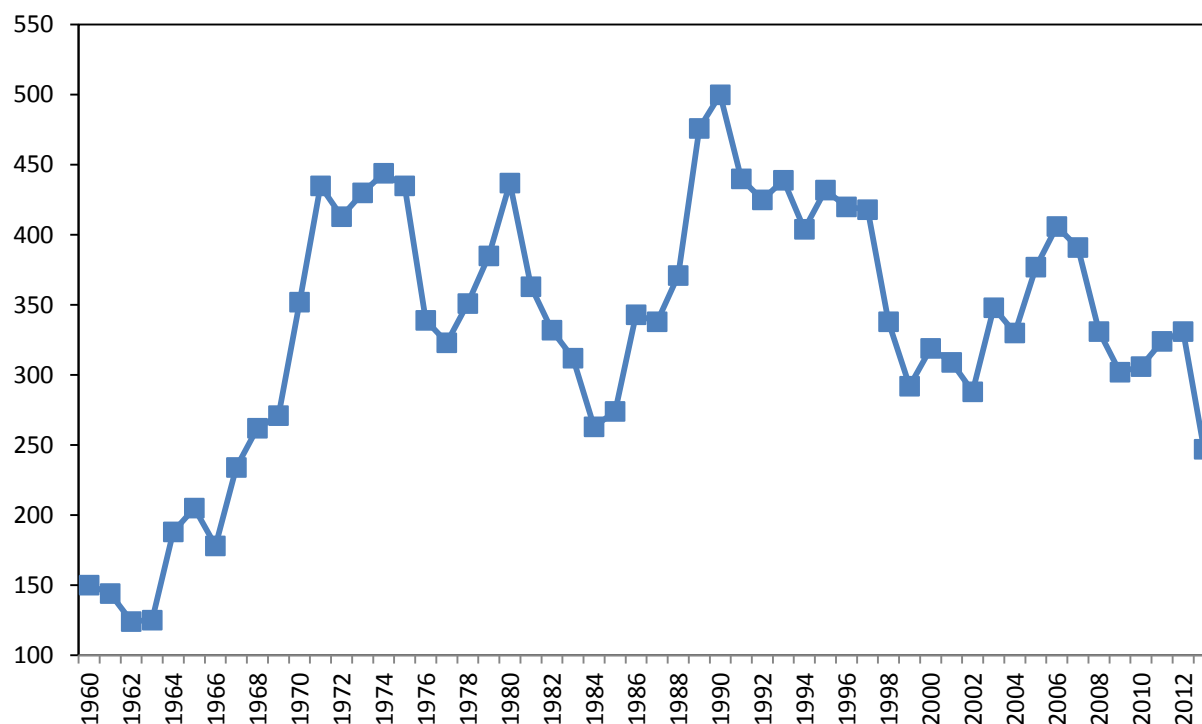
	FY08 Actual	FY13 Actual	FY14 Adopted Budget	FY14 Current Projection	FY14-FY08 Change	FY15 Proposed Budget	FY15-FY14 Change
General Fund	523,965,930	571,887,880	595,593,755	590,593,755	66,627,825 12.7%	592,069,804	1,476,049 0.2%
Other Operating Funds	21,884,011	29,694,159	50,712,151	32,545,433	10,661,422 48.7%	40,801,438	8,256,005 25.4%
Total Operating Budget	545,849,941	601,582,039	646,305,906	623,139,188	77,289,247 14.2%	632,871,242	9,732,054 1.6%

Performance Trends: Guided by its principles of smart policing, prevention, collaboration and continuous improvement, the Police Department has achieved the lowest crime rates in recent history. Across the board, performance measures improved, and crime statistics saw dramatic declines in FY13 which are persisting in the first half of FY14. Crime fighting measures initiated in FY13 and carried over in the first half of FY14 continue to be effective. These include increased manpower during the summer to improve coverage particularly in high crime areas and tougher gun enforcement and bail requirements in conjunction with the courts.

Homicides decreased by 24.9% in FY13 and continue to decline by 10.2% in the first half of FY14 relative to the first half of FY13. As shown in the chart below, these dramatic declines produced the lowest total

of murders in calendar year 2013 the City of Philadelphia has seen since 1967 (247) and less than half the number of murders that occurred in 1990.

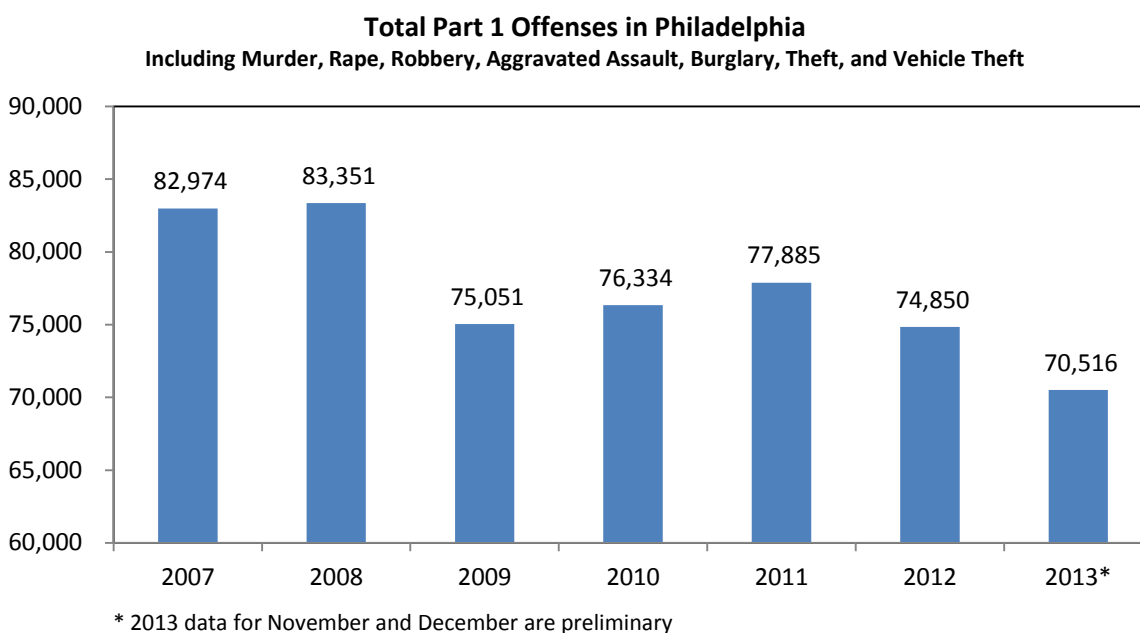
Total Homicides in Philadelphia



Equally encouraging, shooting victim levels are at their lowest point since the Police Department began collecting that data in 2001. In 2013, Philadelphia had 1,128 shooting victims, a 29.4% decline from 2007 and a 39.3% decline from 2006 – the year Philadelphia recorded its highest number of shooting victims. On a fiscal year basis, there were 20.6% fewer shooting victims in FY13 than in FY12 and still 5.2% fewer in the first half of FY14 compared to the same period in FY13. Burglaries, which were down 6% in FY13, decreased by 17.3% in the first half of FY14 as compared to the same period in FY13. As shown in the chart below, total Part I crimes, which include violent crimes and property crimes, have declined more than 15% since Mayor Nutter took office. The homicide clearance rate, the rate at which homicide cases are resolved, dropped from 68.1% in the 1st half of FY13 to 62.1% in the same period in FY14. Although several factors pose limitations on the clearance rate, such as the unwillingness of shooting victims and witnesses to cooperate with investigations, the PPD continually strives to improve the homicide clearance rate and considers 80% to be a stretch goal. Meanwhile the clearance rate on other violent crimes has been increasing slightly from 48.5% in FY12 to 50.4% in FY13 towards a goal of 53%.

Performance Measure	FY08	FY12	FY13	FY13- FY12 Change	FY13 Q1-Q2	FY14 Q1-Q2	FY14- FY13 Q1-Q2 Change	FY14 Goal	FY15 Goal
Shooting Victims	1,426	1,463	1,161	-20.6%	632	599	-5.2%	950	950
Homicides	351	350	263	-24.9%	147	132	-10.2%	225	205
Part 1 Violent Crime	20,597	18,224	17,384	-4.6%	9,182	8,824	-3.9%	16,500	16,300
Burglaries	12,019	12,241	11,501	-6.0%	6,425	5,314	-17.3%	10,000	10,000
Homicide Clearance Rate	65.8%	64.0%	73.0%	14.1%	68.1%	62.1%	-8.7%	80.0%	80.0%
Other Violent Crime Clearance Rate	N/A	48.5%	50.4%	3.9%	47.1%	49.4%	4.9%	53.0%	53.0%

Part I violent crimes, which include homicides, sexual assault, robbery and aggravated assault, have steadily declined since FY08 and it appears that trend will continue based on the decrease of 3.9% of FY14 as compared to the same time frame in FY13. There were fewer violent crimes in 2013 than at any time since 1985.



Key Accomplishments

Reducing crime: The success in fighting crime in 2013 is the result of concerted efforts on the part of many people and organizations. First and foremost, the Philadelphia Police laid out a plan that was data driven, mission focused, and collaborative. PPD used data and analysis to assign police officers to high crime areas during high crime times. This data-driven allocation of resource allocation contributed significantly to this year's reduction in crime not in only high crime locations, but also during the high crime times and days. Other programs focused on high-risk offenders (like GunStat, Focused Deterrence, Youth Violence Reduction Partnership, and Cure the Violence) also contributed to 2013's crime reductions. These programs created partnerships that concentrated services on high risk

offenders in high-risk areas. Finally, community members and organizations worked alongside police officers, PhillyRising employees and other city workers to make sure the progress made will continue and be maintained. PPD will continue to use data and analysis and work with partners to make Philadelphia one of the safest big cities in the U.S.

Public Safety Infrastructure: The Delaware Valley Intelligence Center (DVIC) opened in 2013. This center co-locates PPD's Real Time Crime Center (RTCC), Homeland Security, and Criminal Intelligence units and has already created synergy between these functions and improved police services. The DVIC also performs a key regional informational sharing function. In January of 2014, a Mass Transit desk was established within the DVIC. It is staffed by the regional transportation authorities and monitors tips and threats concerning mass transit. In the coming years, the DVIC will continue to expand its regional focus and reach.

The PPD has expanded and enhanced its automated systems and analytical capability. The RTCC provides 24-7 support to responding officers and detectives and monitors the City's system of over 1,600 closed circuit televisions. It also receives tips and data from automated license plate readers. A gunshot detection system will be operational in FY15. In addition, PPD, in conjunction with the Office of Information Technology, expects to make significant IT investments that will allow officers to complete routine reports from their cars and support the investigation of crime and the arrest and booking of offenders.

As described in the Capital Budget section below, PPD is working with the Department of Public Property to improve the physical conditions of its facilities. There are plans to move the Training Academy and a few other units into Woodhaven Base Realignment and Closure (BRAC) program facility and renovate several police district facilities.

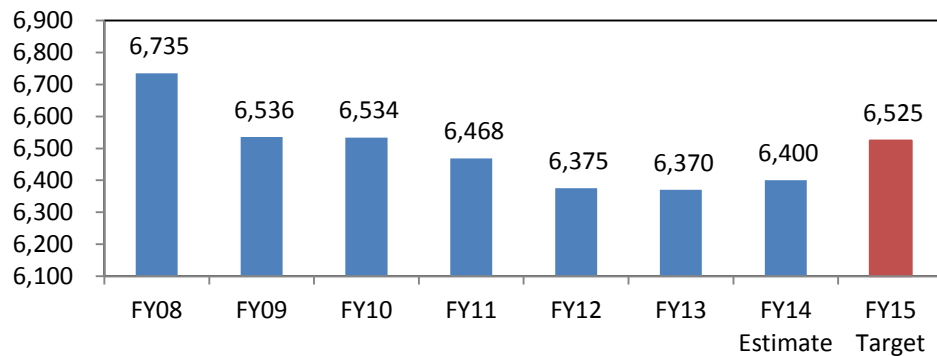
Employee Recruitment: Staffing is, and will be, the biggest challenge facing the PPD. Funds have been added to the Police Department's budget to hire officers to reach and maintain headcount at the target level of 6,525. This requires ongoing hiring, since between FY13 and FY15, the Department will lose 495 sworn members to retirement as a result of Deferred Retirement Option Plan (DROP), which allows employees to choose a mandatory retirement date four years in the future



and accumulate monthly service retirement benefit in an interest bearing account at the Board of Pensions for up to four years and continue to be employed by the City. The PPD is working with the Office of Human Resources to match hiring with attrition. To date in FY14, the PPD has hired 84 officers and expects to bring on an additional 150 to bring the force up to 6,400 by the end of FY14 from 6,370

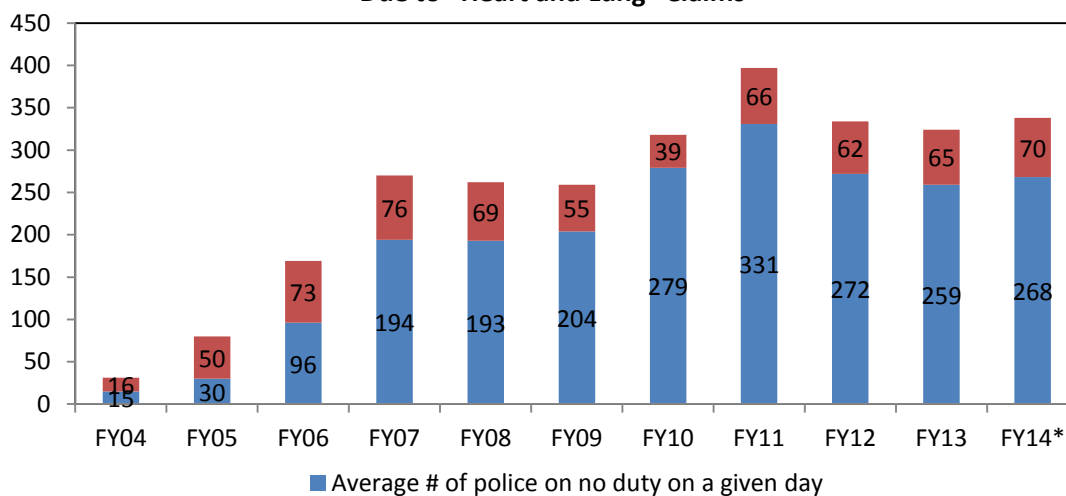
at the end of FY13. To compensate for retirements and attrition in FY15, the PPD expects to hire an additional 400 officers to bring the force up to the target level of 6,525 by the end of FY15.

Year End Sworn Headcount



In addition to losing experienced officers, the number of officers unavailable for full-duty remains a challenge. On average, 454 officers a month are unavailable for duty because of illness or injury, the equivalent of the entire South Division which consists of three police districts and divisional detectives. This is due in large part to claims resulting from the Enforcement Officers Disability Benefit Act (also known as the Heart and Lung Act). This Act requires that public safety personnel who are temporarily disabled from an injury that occurs during the performance of duty be fully compensated and continue to receive their employee salary and benefits without paying taxes. The average number of police officers unavailable for full duty on any given day due to "Heart and Lung" claims dropped by 22% from 331 in FY11 to 259 in FY13. The total number of police officers unavailable for full-duty currently is 268 year to date in FY14. The Department and the Fraternal Order of Police continue to work to identify and rectify problems as they arise.

Average Number of Police Officers Unavailable for Full-Duty Each Day Due to "Heart and Lung" Claims



*FY14 estimates as of December 31, 2013

Employee development: On top of recruiting additional staff, the PPD took a number of steps to develop current staff. With the support from a Federal Department of Justice grant and collaboration with Temple University, the PPD will have trained crime analysts in each of the 21 police districts. These analysts will play an important role in moving the department forward in fighting crime. The Department continues to work with Northwestern University and Penn State in providing advanced classes to our members on supervision and management.

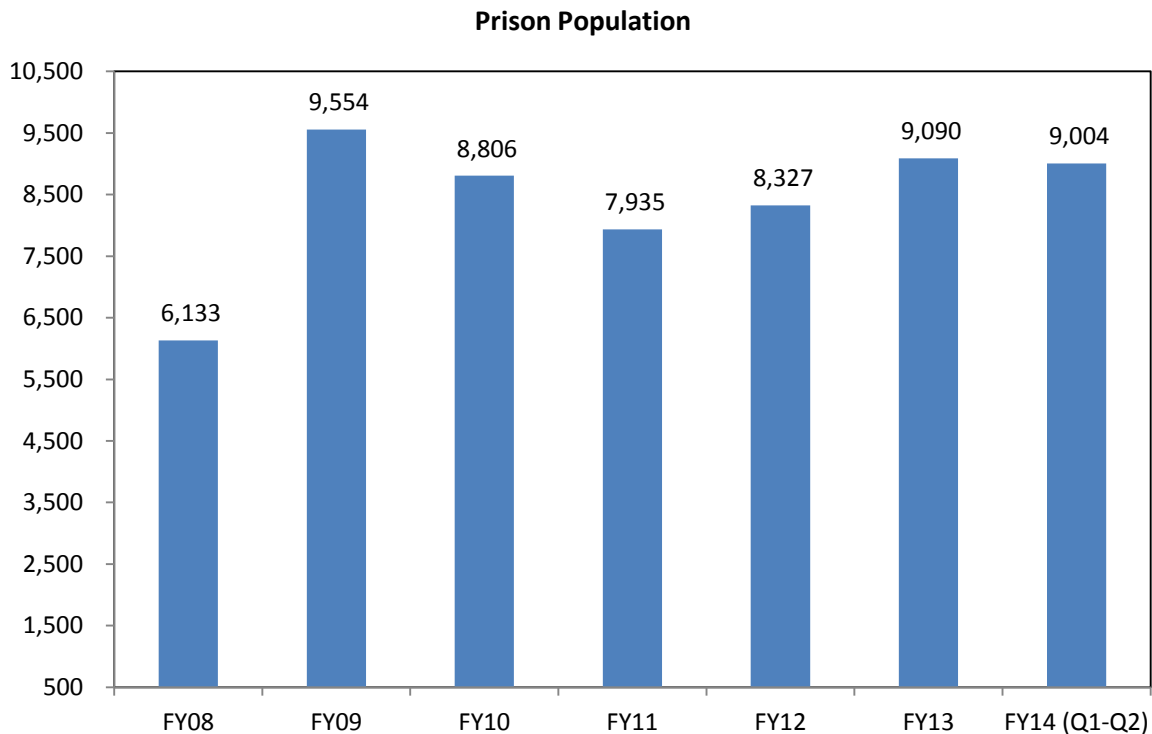
The PPD also worked to improve the quality of investigations. In 2014, significant changes to the investigative process will occur with the aim of better protecting the constitutional rights of individuals and increasing the integrity of the arrest process. Specifically, in February 2014 PPD began videotaping all homicide custodial interrogations to further improve the integrity of the investigative process. Videotaping is an excellent tool to refute allegations of any improprieties during the interrogation process and are extremely useful in securing convictions. To improve the eyewitness identification processes, the PPD will shift its procedures towards the Double Blind Sequential method, whereby neither the witness nor the person presenting the photos to the witness have any idea who the possible suspect is. In addition the pictures are presented to the witness one at a time rather than 6 or 9 pictures at time. This sequential presentation allows witnesses to rely on “absolute judgment” based only on their memory, rather than engaging in “relative judgment” during simultaneous photo spreads where witnesses often pick the person who most closely resembles the culprit relative to others. There are a great number of factors that can inadvertently influence an eyewitness' identification that can lead to wrongful convictions. The Double-Blind Sequential method, while not foolproof, is recognized as a best-practice that helps mitigate these factors. It is anticipated that by March 31, 2014, the PPD will have the policy and training completed to begin using this eyewitness identification method on a citywide basis.

PHILADELPHIA PRISON SYSTEM

Established in 1683, the Philadelphia Prison System (PPS) has evolved into a penal system in which prisoners serve their sentences for crimes committed while being rehabilitated to increase successful re-entry into society. As the City's plans to reduce crime have intensified, the population in custody has increased. The average daily population in the Prisons stood at 8,327 in FY12, rose to 9,090 in FY13 and is 9,004 for the first half of FY14. The Census increase resulted primarily from an initiative to reduce the number of defendants failing to appear in court—a problem that had plagued the courts for years—by increasing bail amounts and giving defendants contempt of court sentences. In addition defendants charged with firearms offenses, violent crimes and repeat offenses have been issued higher bails, increasing the pre-trial population who remained custody. In FY13, the percentage of pre-trial defendants rose from 70% to nearly 80% of those in custody. Recent releases and reductions in crime have caused the prison census to drop to 8,663 as of January of 2014.

Although the number of adult men and women in custody has increased, the number of juveniles charged and held for trial as adults has declined. After reaching a high of over 150 juvenile inmates in custody in calendar year 2009, the number of juvenile inmates in PPS custody averaged 41 for FY13.

In calendar 2013 the City experienced a significant reduction in violent crime and homicides. If crime continues to drop there will be a resulting decline in the Prison census. Indeed, admissions to the Prisons in FY14 are beginning to show evidence of this trend: monthly admissions to the jails reached a high of 3,241 in August and declined to 2,469 in December of 2013.



Budget Trends: The Philadelphia Prisons System has seen a \$21.5 million increase in funding from FY08 to the FY14 Current Projection. These new dollars were used to pay for Correctional Officer wage increases of 2.5% in FY12 and FY14 and increased staff overtime and outside inmate housing needs resulting from the significant increase in the Prisons census. Since the peak of the census shown above, the census declined during the winter months to 8,663 in January. The FY15 Proposed Budget allocates \$3.4 million less than the FY14 current estimate, which fully funds the prison at a projected census of 8,700. If the census rises to higher levels during FY15, it could stress the Prisons budget. Other operating funds in FY15 are roughly on par with FY14 levels.

	FY08 Actual	FY13 Actual	FY14 Adopted Budget	FY14 Current Projection	FY14-FY08 Change	FY15 Proposed Budget	FY15-FY14 Change
General Fund	222,013,102	241,451,094	238,804,784	243,546,784	21,533,682 9.7%	240,163,028	(3,383,756) -1.4%
Other Operating Funds	75,025	262,221	650,000	30,000	(45,025) -60.0%	30,000	- 0.0%
Total Operating Budget	222,088,127	241,713,315	239,454,784	243,576,784	21,488,657 9.7%	240,193,028	(3,383,756) -1.4%

Performance Trends: Since FY08, the Department has significantly increased the percent of sentenced inmates provided with an opportunity to participate in a vocational, training, educational and vocational and/or treatments program during confinement. Nonetheless, the PPS has flattened out in its performance on this measure, showing slight declines between FY12 and FY13 and in the first half of FY14. The increase in the prison population has filled bed space normally reserved for general population inmates, resulting in a larger population of inmates who do not participate, such as individuals who are in special management programs (for example, disciplinary, administrative segregation, protective custody or are severely mentally unstable) or are waiting to be placed or transferred to an appropriate facility. In addition the PPS is in the process of reallocating program staff to make additional program slots available. The Department has continued to process 100% of newly admitted inmates within 24 hours of admission and aims to maintain this performance in FY13 and FY14. Re-incarceration rates have improved slightly since 2008. It is important to note that there is a significant lag in the data; the one year re-incarceration in FY13 is the percentage of inmates released in FY12 who returned to prison within one year of release. The three year re-incarceration rate for FY12 reflects the outcomes of inmates released in FY09. The three year re-incarceration rate has fallen slightly from a baseline of 58.5% in FY08 to 58.2% in FY12. The one-year re-incarceration rate was 40.6% in FY08 and improved very slightly to 39.9% in FY12. Although it rose to 41.6% in FY13, it has dropped significantly to 35.4% for the first half of FY14.

Performance Measure	FY08	FY12	FY13	FY13- FY12 Change	FY13 Q1-Q2	FY14 Q1-Q2	FY14- FY13 Q1-Q2 Change	FY14 Goal	FY15 Goal
Percent of sentenced inmates provided with the opportunity to participate in a vocational, training, educational and/or treatment program during confinement	57.0%	75.0%	73.0%	-2.7%	74.0%	74.7%	0.9%	80.0%	80.0%
Percent of newly admitted inmates that are processed and housed within 24 hours of admission	100.0%	100.0%	100.0%	0.0%	100.0%	100.0%	0.0%	100.0%	100.0%
Re-incarceration Rate - 1 year**	40.1%	39.9%	41.6%	4.3%	41.4%	35.4%	-14.5%	40.0%	40.0%
Re-incarceration Rate - 2 year**	52.7%	51.8%	51.6%	-0.4%	51.3%	N/A	N/A	52.0%	52.0%
Re-incarceration Rate - 3 year**	58.5%	57.2%	N/A	N/A	N/A	N/A	N/A	58.0%	58.0%

** Re-incarceration rates are calculated based on the release date of an inmate. For example, the 1 year recidivism rate in FY12 is based on inmates released in 2011.

Accomplishments

Maintaining a strong workforce: As a result of the prison census increase, vacancies particularly at the Correctional Officer rank created the need for increased overtime funding. To fill the vacancies Prisons hired over 250 Correctional Officers in FY13, and new classes are held every twelve weeks to meet attrition. The hiring program will reduce overtime costs and will have a significant effect on reducing mandatory overtime which positively impacts staff morale. Should there be a substantial decline in the Prison population the hiring schedule can be moderated to contain personnel costs.

In addition, roughly half of the critical staff enrolled in DROP has retired through December 2013. However vacancies from DROP will result in openings for the Prisons Contracts Manager as well as two Deputy Commissioners before late 2015. Qualified staff at the Warden, Deputy Warden and Program Administrator levels can fill this void. Over the last two years a majority of supervisors at the rank of Captain and above have earned professional certifications commensurate with their positions by the American Correctional Association. However many of their subordinates, who are first line supervisors, do not have extensive managerial experience. In order to improve their skills and opportunities to advance, managerial training classes will be offered for employees at the rank of Sergeant and Lieutenant beginning later this year.

Inmate enrichment programming: While custody is the primary role of the jails, program services and continuing efforts to reduce recidivism are equally important. Combating the causes of recidivism such as truancy, poverty, unemployment and addiction can begin while in custody, with educational and pro-

social programming. In the last year PPS has undertaken a number of steps to expand and improve this programming for inmates, including:

- Tests for Adult Basic Education (TABE) are now being administered for inmates whose high school graduation or GED attainment cannot be verified, as self reporting by inmates, used in the past to guide educational program placement, was inaccurate.
- The Community College of Philadelphia's ReEntry support Program, which offers credit courses for male inmates at the Cambria Community Center will be extended to female inmates at the Riverside Correctional facility in 2014
- To extend outreach to the men and women in custody, Prisons has contracted with the Pennsylvania Prison Society to hold four resource fairs throughout the system in 2014. The fairs will recruit community service providers to meet directly with inmates on site.
- With the assistance of the Office of Innovation and Technology and Risk Management, Prisons will introduce secure, restricted internet access to the inmate local area network in calendar 2014. The access will be used to reach community services such as the Pennsylvania Prison Society's Re-Entry Network, employment and community services. Long term plans include the use of web based education and training programs.
- In conjunction with the Department of Parks and Recreation, beginning in the spring of 2014 land in the Prisons State Road complex will be set aside to be cultivated as fruit orchards. The fruit orchards will be used to supplement the existing horticulture program at PPS, which is administered by the Pennsylvania Horticultural Society and produces vegetables for community food banks and trains inmates in landscaping and horticulture. The fruit orchards will also support the Parks and Recreation Department's goal of planting new trees throughout the City.

Enhancing medical and behavioral Health Services: In FY14, select nursing staff were trained as Sexual Assault Nurse Examiners (SANE). The training qualifies them to provide trauma care and collect physical evidence for criminal sexual assault investigations. SANE nurses are now available at all times, which allows inmate victims to be treated on site rather than at an area hospital and avoids additional victim trauma and security risks associated with community transport. During FY14 annual TB testing of employees was initiated. The Buddy System which uses specially trained inmates to provide supportive services to disabled inmates was expanded, and a weight reduction program was introduced at the Riverside Correctional Facility.

The behavioral health caseload at the Prisons consists of one-third of all inmates. The mentally ill frequently fail to seek treatment upon release. To assist Prisons in addressing the problem, the Department of Behavioral Health and Intellectual Disability Services, completed a review of the Prison case loads and discovered that 26% of inmates on the Behavioral Health caseload were not known to DBHIDS. In order to provide services to this underserved group, PPS is re-evaluating discharge planning for behavioral health inmates.

Facilities maintenance and planning: The Philadelphia Prison System 10-Year Master Plan to manage housing and services for the City's inmate population was completed in November 2013 and is currently

under consideration by the Administration. The primary recommendations are: first, to close the oldest prison facility (House of Correction) and two temporary structures (Central Unit and Modular 3 of the Alternative and Special Detention) as soon as feasible as they are beyond their useful life, and the cost of maintaining them exceeds the cost of replacement; second, to undertake a series of measures to aggressively manage the prison population and reduce the demand for jail bed construction, such as increasing the use of contracted bed space and enable video visitation in PPS jails (described below); and third, to construct a new 3,000-bed multi-purpose facility in order to replace capacity in the three facilities proposed for closure and address current over-crowding and future projected census growth. Implementing these recommendations, would require a substantial investment in a new facility, with site acquisition, design development, and the appointment of a new facility transition team within the next two years.

PPS continues to maintain and enhance existing facilities. The Classification, Movement and Registration offices (CMR) at Curran Fromhold were renovated during the summer of 2013 to replace and relocate inmate files increasing hardcopy records storage fivefold. Staff workstations, which had been used for the eighteen year life of the facility, were replaced with open cubicles improving communication and efficiency. New mechanized clothing racks are being installed in the Intake area at Curran Fromhold. The existing system was originally designed to meet the needs of inmate clothing storage before renovations increased housing capacity by 25%. Finally, with support and funding from the Mayor's Office of Sustainability, lighting in both gymnasiums, CMR, and the Intake clothing area at Curran Fromhold was upgraded with high intensity fixtures that provide more light while using energy at two thirds the rate of the original equipment.

Modernizing systems and equipment: In FY14 PPS, in conjunction with the Office of Innovation and Technology, initiated a consultant project to replace the inmate and jail management system. The current system known as Lock and Track is 20 years old and lacks the analytical capabilities needed to measure operational trends and inmate progress in treatment. A request for proposals is to be issued and vendor selection is expected by the end of FY15. In addition, Electronic Medical Records for inmates has been implemented at female housing sites Riverside Correctional Facility and the Cannery. PPS expects to complete implementation in the male facilities by the end of FY15.

The project to upgrade the two way radio communications system at PPS was completed in FY14. Six hundred handheld radio units as well as twelve base stations were deployed and all vehicle mobile radios were replaced. The new system enables all PPS facilities and support units formerly using two separate and independent frequencies, to communicate directly via radio.

Pennsylvania's sex offender registration law was enhanced in 2013 requiring offender enrollment and fingerprinting by paroling authorities prior to release from custody. To assist with the process the Philadelphia Department of Adult Probation and Parole acquired Live Scan fingerprinting machines and sought the assistance of the Prisons with the lengthy enrollment interviews. The machines will be deployed in the Prisons to ensure that the task is completed prior to release. The units will be placed at the primary adult male, female and juvenile housing sites and the Prisons Training Academy. PPS will

also gain the ability to automate the current manual fingerprinting performed during the security screening of new employees and volunteers using the devices.

Finally, PPS is exploring the use of video visitation for inmates, which was recommended by the PPS 10-Year Master Plan as an immediate step PPS can take to reduce overcrowding. Video visitation is a secure and convenient way for families and friends to interact with those confined. Video visits are not subject to weather restrictions and provide access to the aged or disabled who would not normally be able to visit. Video visits can be delivered on site at the prison, at a remote community site dedicated to the service or to home computers and smart phones via internet providers. Moving to video visitation throughout PPS would not only significantly increase visiting capability but also reduces visitation space and parking needs, staffing costs and the introduction of contraband.

Improving food services: PPS awarded a new contract for inmate food services to ARAMARK Correctional Services in FY13 to provide major changes in inmate food service operations. The diet cycle will be modified to reduce the overall calorie count from 2,850 to 2,600 calories. This healthier level will be achieved by reducing animal fats and starches and adding more vegetable products. In addition, the use of recyclable meal trays as opposed to plastic trays, piloted in FY14, will become permanent. Recyclable trays are disposable and do not require washing. Their use will reduce the use of commercial dishwashers and cut the cost of water, detergents and equipment maintenance.

Composting of food waste initiated at the Riverside Correctional Facility in FY12 has been expanded to the Alternative and Special Detention Division in FY14. The ultimate goal of the program is to recycle or compost the entire solid food waste stream from Prisons facilities.

PHILADELPHIA FIRE DEPARTMENT

The Philadelphia Fire Department (PFD) is the oldest serving fire department in the nation. Its mission is to provide efficient and effective fire protection, emergency rescue and emergency medical services to the citizens and visitors of Philadelphia. The Department strives to fulfill its mission by employing strategies conducted such as fire abatement and extinguishment; comprehensive fire prevention programs throughout the community; fire investigation services to determine the origin and cause of fire; and the delivery of high quality, pre-hospital emergency medical care and transportation in a timely and professional manner.

Budget Trends: In FY14 the Current Projection is more than \$55.5 million over the FY14 Adopted Budget to account for the \$47.5 million to pay for the IAFF award. The FY15 Proposed Budget shows a \$38 million decrease from FY14, largely the result of the elimination of a one-time payment for retroactive wages made in FY14 due to the City's withdrawal of its appeal against the labor award (\$31 million) and the receipt of grant funds for payroll during FY15 which lower general fund costs. The \$1.97 million increase in other operating funds in FY15 reflects over appropriation in the Grants fund to allow for uncertainty in State and Federal grants.

	FY08 Actual	FY13 Actual	FY14 Adopted Budget	FY14 Current Projection	FY14-FY08 Change	FY15 Proposed Budget	FY15-FY14 Change
General Fund	189,179,212	200,016,007	197,180,578	244,669,197	55,489,985 29.3%	206,719,308	(37,949,889) -15.5%
Other Operating Funds	5,789,962	8,916,797	21,971,780	24,160,993	18,371,031 317.3%	22,190,659	(1,970,334) -8.2%
Total Operating Budget	194,969,174	208,932,804	219,152,358	268,830,190	73,861,016 37.9%	228,909,967	(39,920,223) -14.8%

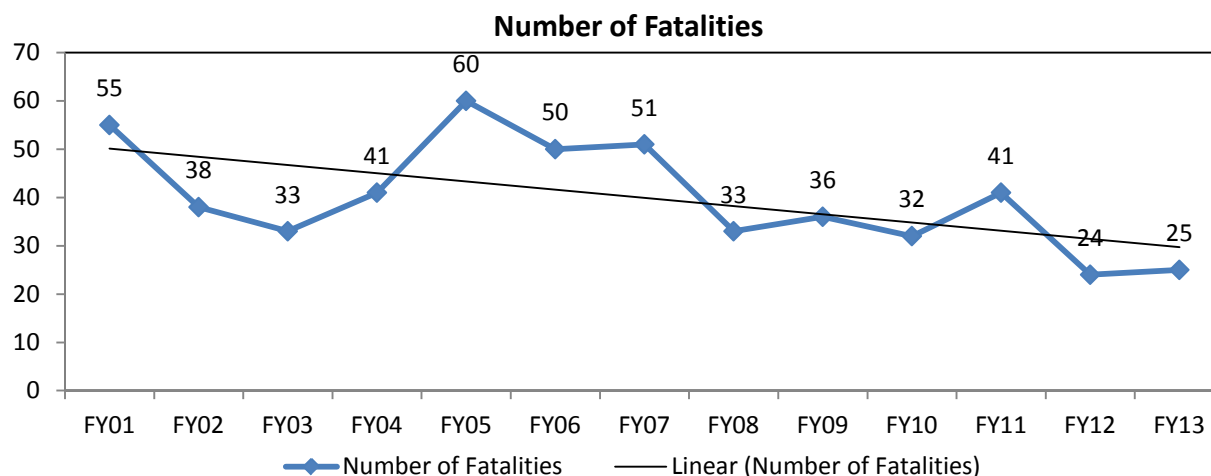
Performance Trends: The Department continues to handle an increase in Emergency Medical Service (EMS) related calls with 232,481 EMS incidents in 2013, an increase of 1.2% over 2012 and an almost 8% increase over FY08. According to the National Fire Protection Association, the industry standard is that EMS response times are recommended to be within 9 minutes 90% of the time. In FY13, the response times occurred within 9 minutes 66% of the time, compared to 74% in FY08 and are still below the target of 90%. As of the second quarter of FY14, EMS response times are occurring within 9 minutes 65% of the time. This increase in response times is related to the overall increase in the number of EMS calls. The Department is working to develop an EMS prevention plan that involves increased public education on the proper use of the 911 system and finding other better suited health care resources to handle non emergency calls. In addition, the Department has created its first Deputy Commissioner for Emergency Medical Services position. This position will assist in implementing the new priority dispatch system, to ensure that the proper response units can respond faster to the most serious calls.

Since FY08, the Department has experienced a 22 second increase in average fire response times. As of the second quarter of FY14, the Department has responded within 4 minutes and 52 seconds, with a goal to stay below 5 minutes and 20 seconds. The number of structural fires decreased 7.3% from 3,108 in FY12 to 2,882 in FY13, but structural fires have increased by 8.3% between the first halves of FY13 and FY14. Despite the increase in structural fires, FY13 closed marking Philadelphia's history with the second lowest recorded fire fatality rate of 25 fire fatalities, a 39% drop from 2011, with a long term trend to significantly reduce the number of structural fires in the City. As of the second quarter of FY14, there were 7 fire deaths. Civilian fire-related injuries increased between FY12 and FY13 by 17%, but the measure has decreased by 10.7% between the first halves of FY13 and FY14.

Performance Measure	FY08	FY12	FY13	FY13- FY12 Change	FY13 Q1-Q2	FY14 Q1-Q2	FY14- FY13 Q1-Q2 Change	FY14 Goal	FY15 Goal
EMS Response Time (within 9 minutes)	74.0%	68.0%	66.0%	-2.9%	66.0%	65.5%	-0.8%	90.0%	90.0%
EMS Incidents	215,305	229,813	232,481	1.2%	117,023	118,698	1.4%	207,406	205,000
EMS Response Time - Dispatch to On Scene (Average)	7:05	7:48	8:02	3.0%	8:00	8:03	0.6%	< 7:00	< 7:00
Fire Response Time (minutes:seconds)	4:32	4:57	4:54	-1.0%	4:57	4:52	-1.7%	5:20	5:20
Number of Structural Fires	1,791	3,108	2,882	-7.3%	1,425	1,542	8.2%	2,800	2,750
Fire Deaths	33	24	25	4.2%	8	7	-12.5%	24	22
Civilian Fire-Related Injuries (in numbers)	227	159	186	17.0%	84	75	-10.7%	218	200

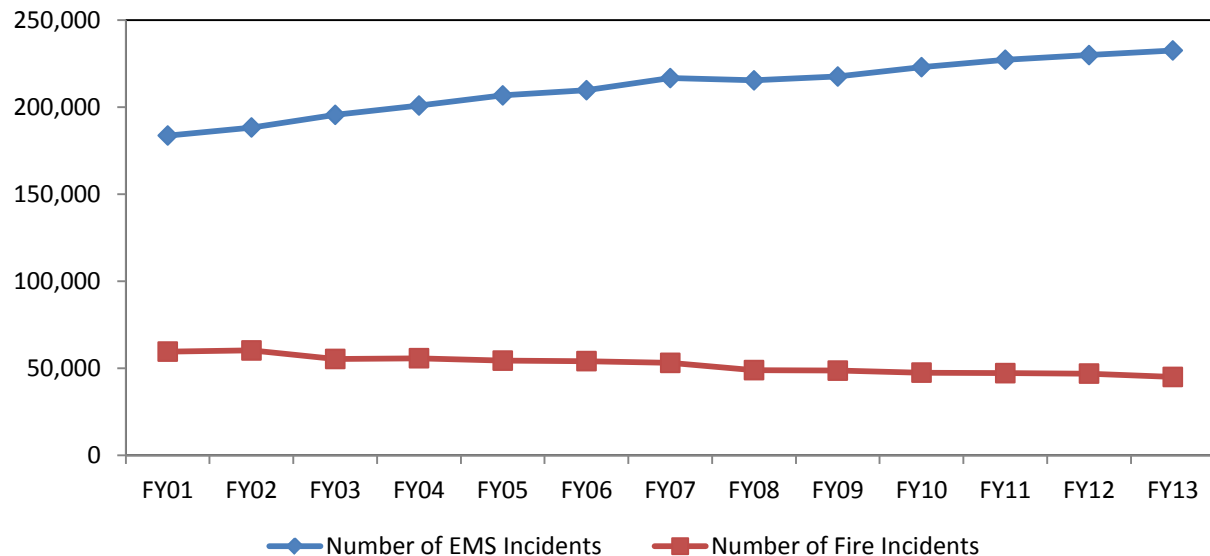
Accomplishments

Historic low in fire deaths: For another year, the PFD worked tirelessly and consistently towards achieving the goal of zero fire fatalities. The PFD has seen yearly fire fatalities decrease over the years from 60 in FY05 to 25 in FY13. In fact, calendar year 2013 recorded only 24 fire fatalities, which is the lowest number of yearly fire fatalities in Philadelphia's recorded history. Having the lowest number of fire fatalities ever recorded is due in large part to increased resident education and deployment of working smoke alarms. The Department continues to implement its Community Risk Reduction programs under the "Freedom from Fire" theme. The theme made its debut in 2008 and remains one of the most effective tools for disseminating information about fire safety. This program allows the Fire Department a means to identify residents who are in need of a smoke alarm but lack the resources to purchase one. The Fire Department's field forces continue to complete the entire smoke alarm installation process for home residents. In 2013 the PFD installed 7,417 ten year lithium battery powered smoke alarms into the homes of 4,628 residences. Working smoke alarms continue to be the most effective way of preventing fire fatalities. As the Department has been able to invest in smoke alarm and fire prevention activities, fire fatalities have decreased.



Responding to growing EMS needs: EMS incidents have grown by 26.8% from FY01 to FY13 while total fire related incidents have decreased by 24.5% during this same time period. As a percentage of services requested from the department, 83.8% of the services requested are EMS related. The PFD is working at reducing and preventing EMS calls through prioritization of calls and public education on how to use the system properly. In addition, the Community Risk Reduction program in the PFD works with communities to reduce the risk of fire, injuries and fatalities by informing communities about hazards in and around their homes.

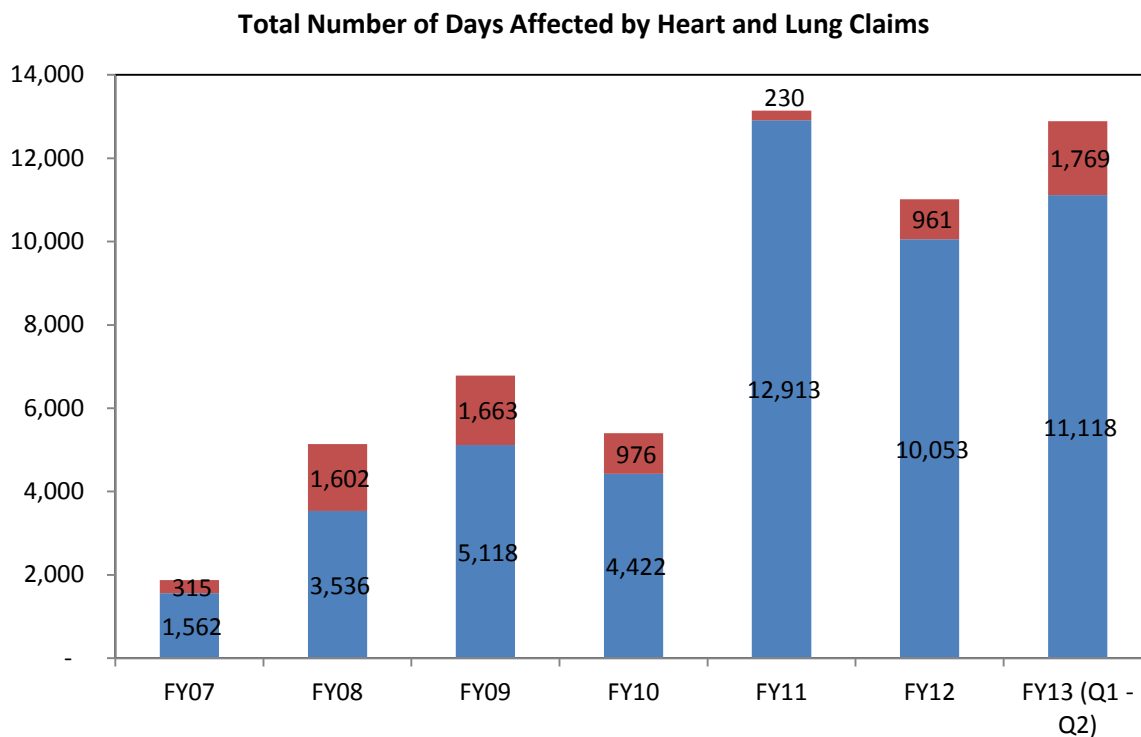
EMS vs. Fire Incidents



The Department is working to find the most effective and efficient means to meet the growing need for EMS services while working with partners to develop alternatives for health care services and balancing fire protection services in the field units. Specifically, the PFD has created an EMS Deputy Commissioner position to assist in developing the most effective and efficient service delivery model for EMS and Fire Service. The new Deputy Commissioner is scheduled to start in February 2014 and will work with various groups and organizations to reduce EMS call/transport volume. The PFD implemented a 12 hour work schedule for firefighters to align their schedule with the FLSA compliant paramedic work schedule. This shift addressed several administrative, management and supervisory concerns. The PFD is using 911 funding to implement an EMS priority dispatch system to prioritize by need the calls coming into the Communication Center and determine the types of calls that may be better served through alternative service models. The PFD is also using 911 funding to implement a Geographical Information System (GIS) deployment software program that will assist with operational management in real time and simulations of potential future operational models.

Maintaining a strong well trained workforce: The Department has incurred high overtime costs over the past few years. As with the Police Department, one contributing factor to overtime is the large number of firefighters unavailable for duty because of “Heart and Lung” claims. The FDP is working on

reducing injuries and accidents that lead to serious medical conditions through training exercises and risk reduction plans that stations are required to comprise and practice.



Another contributor to those overtime costs, besides members out sick or injured, was the large number of vacancies due to retirement of members and normal turnover. In June 2013 the Department lost approximately 95 members to retirement under the DROP program. To mitigate overtime costs and maintain a strong workforce, the Department hired and trained 174 new firefighters in FY13 and an additional 185 firefighters to date in FY14. The PFD is using a \$16.3 million grant Federal Emergency Management Agency (FEMA) to fund the salaries and benefits of 128 of those newly hired firefighters. The Department was also awarded \$2.1 million from FEMA through the Assistance to Firefighters grant, matched by \$532,000 of City funding, to assist with the training, education and certification of all PFD officers.

In FY14 the PFD plans to use the Deccan System, which is a strategic planning software tool, to accurately assess various scenarios and decisions regarding station relocation, consolidation, disaster planning and Homeland Security directives and measures. In addition, the PFD will also use the Balanced Scorecard management program to align employee activities with the department's goals. In the face of increased demand for service, the Philadelphia Fire Department has and will continue to provide professional high quality services to the citizens and visitors of the City of Philadelphia.

DEPARTMENT OF HUMAN SERVICES

The Department of Human Services' (DHS) mission is to provide and promote safety, permanency, and well-being for children and youth at risk of abuse, neglect and delinquency.

Budget Trends: A large portion of the Department of Human Services' budget was transferred from the General Fund to the Grants Revenue Fund in FY12 resulting in a significant reduction in DHS's General Fund budget since FY08. The FY15 General Fund allocation is on par with FY14 current estimate. The \$5 million increase in the FY15 Other Funds allocation relative to FY14 is a result of higher reimbursement from the State for pension benefits.

	FY08 Actual	FY13 Actual	FY14 Adopted Budget	FY14 Current Projection	FY14-FY08 Change	FY15 Proposed Budget	FY15-FY14 Change
General Fund	614,779,975	90,394,071	98,338,951	98,338,951	(516,441,024) -84.0%	98,338,951	- 0.0%
Other Operating Funds	10,902,987	471,053,020	552,239,129	487,179,606	476,276,619 4368.3%	492,227,040	5,047,434 1.0%
Total Operating Budget	625,682,962	561,447,091	650,578,080	585,518,557	(40,164,405) -6.4%	590,565,991	5,047,434 0.9%

Performance Trends: DHS surpassed its goals for the delinquent placement population and juvenile detention. Fewer than 1,000 (983) youths were in delinquent placement on the last day of Q2 FY14, with no youth in out-of-state placement. This indicates that delinquent residential programs that meet the needs of youth were available within the Commonwealth. Detention at the Juvenile Justice Services Center (JJSC) is court-ordered. At 97, the average daily population at the JJSC for Q2 FY14 remained below the benchmark of 105. By taking care to hold only those youths who posed threats to public safety, a smaller number of youth were held in secure confinement.

The dependent placement population on the last day of Q2 FY14 showed an increase when compared to the same point in time for Q2 FY13. This increase was due to a significant increase in the number of general protective service reports called into the DHS Hotline. DHS anticipates the number of calls to the DHS Hotline will continue to increase due to changes in the State laws that expand the definitions of child abuse and perpetrator. DHS is hopeful that it will be able to keep the number of children in dependent placement stable through the work of the Improving Outcomes for Children initiative. Of the children in out-of-state dependent placement on the last day of Q2 FY14, 76% were in care with extended family through kinship care. This is a positive trend, in that more children are able to maintain familial connections instead of residing in out-of-state congregate care. The number of children in dependent placement for more than two years has declined from 5,283 in FY08 to 1,376 for FY13. This comparison highlights a reduction of 74%, and it suggests a commitment to achieving timely permanent outcomes for children.

Although the number of permanency discharges per fiscal year has declined, DHS has set a goal of increasing permanency discharges by approximately 10% over FY13. At the end of Q2 FY14, DHS has achieved 48% of its goal. Of the 649 permanency discharges, 30% were adoptions while more than twice that percentage, 61%, were reunifications. This would indicate that factors adversely affecting the overall safety and well-being of children with their families were ameliorated with appropriate interventions.

Performance Measure	FY08	FY12	FY13	FY13- FY12 Change	FY13 Q1-Q2	FY14 Q1-Q2	FY14- FY13 Q1-Q2 Change	FY14 Goal	FY15 Goal
Permanency discharges (all types)	2,140	1,633	1,229	-24.7%	612	649	6.0%	1,350	1,400
Adoptions (subset of permanency discharges)	356	480	352	-26.7%	176	194	10.2%	400	400
Average daily Youth Studies Center population	133	119	105	-11.8%	104	97	-6.3%	Total population less than 105	100
Dependent children in care more than two years	5,283	1,843	1,376	-25.3%	N/A	1,581	#VALUE!	1,300	1,325

Performance Measure	End of FY08	End of FY12	End of FY13	FY13- FY12 Change	End of FY13 Q2**	End of FY14 Q2**	FY14- FY13 Q2 Change	FY14 Goal	FY15 Goal
Dependent placement population	5,740	4,030	4,179	3.7%	4,115	4,375	6.3%	4,000	4,300
Delinquent placement population	1,657	1,198	1,155	-3.6%	1,181	1,023	-13.4%	1,000	1,000
Dependent out-of-state population	143	45	48	6.7%	44.5	44	-1.1%	40	40
Delinquent out-of-state population	101	6	3	-50.0%	4	1	-75.0%	4	4
Total out-of-state population	244	51	51	0.0%	49	45	-7.2%	44	44

* The numbers for these performance measures represent a point in time: last day of fiscal year (June 30th)

** The numbers for these performance measures represent a point in time: last day of Q2 (December 31st)

Key Accomplishments

Progress towards Full Implementation of Improving Outcomes for Children: During FY13 and FY14, the Department of Human Services (DHS) has made great strides towards full implementation of the Improving Outcomes for Children Initiative (IOC). IOC aims to decentralize the provision of direct case management services through a network of Community Umbrella Agencies (CUAs) that demonstrate the capacity and ability to provide child protection and child welfare services based within the community. To date, all ten CUAs have been selected through a competitive request for proposal process. Two CUAs, Northeast Treatment Centers and Asociación Puertorriqueños en Marcha, are currently operational. Catholic Social Services and Turning Points for Children are scheduled to receive their first cases from DHS in January 2014.

As DHS transfers the responsibility of ongoing service delivery to the CUAs, DHS has been working to strengthen its Hotline and Investigation Services. In addition, DHS has designed and implemented a comprehensive family teaming process that focuses on affording the family a voice in planning for the children and family. Finally, DHS is continuing to enhance its ability to provide monitoring, oversight and technical assistance to its contracted providers.

Reduction of Congregate Care: During FY13 and FY14, with the assistance of the Annie E. Casey Foundation, DHS has focused on reducing the number of youth who are placed in congregate care (group home and institution settings). In an attempt to provide better outcomes for children, DHS is moving towards using congregate care settings for short term therapeutic services that cannot be provided in a child's home or community. In order to reduce reliance on congregate care placements, DHS has used a variety of strategies. First, DHS has increased the use of youth driven teamings, whereby the youth has a strong voice in the meeting of key parties in a case including the family and professionals and can select support people to attend the meeting. Other strategies include deploying a Commissioner approval process, which requires the Commissioner to sanction the use of a congregate care placement, and an increased focus on decreasing shelter placements. In November 2012, 22.5% of dependent youth in placement were in congregate care. By November 2013, 20.1% of the dependent youth in placement in Philadelphia were in congregate care.

Increased focused on Older Youth: In November of 2013, DHS opened its new Achieving Independent Center at the Leon H. Sullivan Human Services Center at 1415 N. Broad Street. The AIC is a one-stop shop for youth in foster care, ages 14-21, to receive services to improve outcomes during their transition to adulthood. The move to the new center has allowed DHS to expand its services to youth age 14 and up. In addition, the new location allows for an increased partnership with Temple University.

In an effort to improve outcomes for older youth exiting the foster care system, DHS applied for and received a two-year discretionary grant from the Administration for Children Youth and Families Children's Bureau for Pipeline Up to Stable Housing (PUSH), a strategic intervention to prevent homelessness for youth aging out of the foster care system. PUSH will be an opportunity to create a canopy under which current citywide homelessness initiatives can work together to allow service providers to access resources in a systematic fashion. DHS will work with partners at Office of Supportive Housing, Department of Behavioral Health and Intellectual disability Services and other non-profit agencies to develop a protocol for assessing risk and protective factors that impact youth and young adults at-risk for homelessness. The project will also implement a Natural Mentoring program, Caring People 'R' Everyone (CARE), a promising practice that may be effective in helping older youth prevent homelessness. PUSH is expected to impact approximately 1,800 youth who represent 47% of our foster care population. The award amount is \$345,000 for the first year starting September 30, 2013, and \$360,000 is anticipated for the second year starting September 30, 2014.

Juvenile Justice: In November of 2013, DHS, in partnership with the Juvenile Probation Department, celebrated the opening of two Evening Reporting Centers (ERCs), which are entities that serve as

community based alternatives to secure detention. Use of the ERC's is a strategy to reduce overrepresentation of minority youth in detention, prevent the disruption in education which occurs when youth are placed and ensure that youth appear for their court hearings as ordered.

MANAGING DIRECTOR – PUBLIC SAFETY

The Managing Director's Office's (MDO) mission is to be the City of Philadelphia's standard bearer for innovation and the catalyst for change; to engage and service Philadelphia's citizens with focus, dedication, efficiency and flexibility; and to lead while developing staff, coordinating stakeholders and maintaining the people's trust. While most of MDO activities relate to Goal 5 and will be discussed in the Goal 5 chapter, the MDO does oversee some important programs that help meet the City's goal of making Philadelphia safer. Specifically the MDO oversees the PhillyRising program, the Office of Emergency Management, the Criminal Justice Coordination Office, and, as of FY13, the Legal Services fund. The MDO's budget trends are described in the Goal 5 chapter.

Accomplishments

PhillyRising: PhillyRising focuses on neighborhoods throughout Philadelphia that are plagued by chronic crime and quality of life concerns and establishes partnerships with community members to address these issues. The PhillyRising Team coordinates the actions of City agencies to help neighbors realize their vision for their community through sustainable, responsive and cost-effective solutions. Since beginning as a pilot in February 2010, PhillyRising has expanded to 15 neighborhoods and all six Police Divisions. PhillyRising has had a major positive impact on quality of life in target neighborhoods and has been responsible for the following:

- Aided in the creation of 6 public computer labs (Point Breeze, Swampoodle, Hartranft, Kensington, St. Hugh's and Frankford);
- Held 6 Citizens' Engagement Academies (Hartranft, Swampoodle/Strawberry Mansion, Southeast/Point Breeze, Kensington, Frankford, and Kingsessing) graduating a total of 132 residents;
- Held 5 "Career Boot Camps" (Swampoodle, Elmwood, Haddington, Kingsessing, and Frankford) training residents in the skills needed to perform a successful job search and obtain employment;
- Held the first city-wide PhillyRising Conference, attended by 253 guests, to share best practices were with residents and recognize 22 residents with a PhillyRising Neighborhood Champion award, 12 City employees with a PhillyRising Outstanding Partner Award and 2 residents with a PhillyRising Community Hero Award;
- Held focus groups with residents to discover strengths and weaknesses of the PhillyRising Collaborative;
- Completed 7 Successful Service Projects in Honor of Martin Luther King, Jr. in January of 2013, engaging approximately 300 volunteers in service projects throughout the city;

- Hosted 3 mural painting days in partnership with the Mural Arts Program and the Mayor's Office of Civic Engagement and Volunteer Services through the PhillyRising CREATES grant. PhillyRising engaged 340 volunteers and cleaned/revitalized 76,100 feet of space through these projects;
- Supported 4 different events celebrating Comcast Cares Day throughout the city. These events involved painting a mural with the Mural Arts' Program in Southeast, a cleanup project in St. Hugh's, building a community garden in Lawncrest, and celebrating community efforts to keep Strawberry Mansion high school open and begin working on its community garden;
- Held 2 Summer Crush Clean up events in the Southwest Division engaging over 200 volunteers to clean up over a 5 block radius;
- Launched the MyPhillyRising mobile application; to support engagement with neighborhood residents and other participants in the PhillyRising process; and
- Supported operations of other City departments including the Streets Department, Department of Licenses and Inspections, and Department of Parks and Recreation in PhillyRising neighborhoods by reporting graffiti, aiding in the cleaning of lots and alleys, reporting abandoned and imminently dangerous buildings to be demolished or cleaned and sealed, hosting clean ups of Parks & Recreation facilities, facilitating trainings for new Philly311 Neighborhood Liaisons, establishing and recruited new members for 'Friends Of' groups, New Town Watch groups and PBMC Block Captains and leveraging volunteers for community projects.

In January of 2014, the PhillyRising Team worked with the Mayor's Office of Community Empowerment and Opportunity (CEO) to transition five of their front line outreach staff to PhillyRising so that they could assist in community engagement activities, including outreach, information distribution and support services at meetings. In 2014 and beyond, PhillyRising intends to codify, expand and ensure sustainability and permanence of its impact. First, it aims to identify and replicate programs that have been successful in one PhillyRising neighborhood throughout other PhillyRising neighborhoods. Second, PhillyRising will expand to include PhillyRising 2.0 neighborhoods. PhillyRising 2.0 goes beyond providing service to the most distressed neighborhood including neighborhoods that are having some struggle, but also have enough social infrastructures in place that they may be moved in a positive direction without intensive intervention. The PhillyRising team will work with these neighborhoods in a more limited manner than traditional PhillyRising areas but hope to achieve similar goals of crime reduction and improvement to quality of life.

Youth Violence Reduction Partnership: The Youth Violence Reduction Partnership (YVRP) currently serves roughly 1,050 youth per month between the ages of 14 and 24 years old. Youth are referred into YVRP through the juvenile and adult probation programs and in most cases have been previously identified as high risk for committing and/or being the victim of violence. YVRP operates by having probation officers and street workers from the Philadelphia Anti-Drug/Anti-Violence Network (PAAN) contact the youth on a regular basis to provide evaluation, guidance and social services support. Additionally YVRP offer participants with comprehensive life and job readiness skills, coupled with hands on paid internships in the communities in which they reside. The program has successfully served 170

Youth Partners, with 85% receiving employment, 58 full time positions, 67 part time positions and 19 receiving seasonal work. On average, the number of homicides fell 8% across the Six YVRP Police Districts (12th, 19th, 22nd, 39th, 24th and 25th).

Criminal Justice Prison Population Management Unit: This Unit monitors the Philadelphia Prison System population on a daily basis and determines whether or not the number of persons confined exceeds or will exceed the capacity of the Prisons. The Unit identifies candidates for special release according to the policies approved by the Population Management Policy Board in 1995 and, by signature of the Director of the Criminal Justice Population Management Unit, will certify the confined person's eligibility for special release. This report is run twice weekly and staff attends hearings to authorize special release. Such controls have led to effective monitoring of the prison population and a subsequent decrease in the prison population from approximately 9,200 in January 2013 to 8,663 in January 2014.

Town Watch Integrated Services: Operation Town Watch Integrated Services (TWIS) promotes neighborhood safety by training neighborhood residents in the concepts of Community Policing and on how to form and operate a neighborhood Town Watch group and by engaging institutions, community-based organizations, and local leaders in the process of Community Policing. Overall, there are 830 Town Watch groups currently active in Philadelphia. In 2013 TWIS staff trained and organized 130 new Town Watch groups and facilitated 315 training sessions in which a total of 1,017 residents received instruction in Community Policing. In addition, Town Watch in partnership with the School District of Philadelphia undertook WalkSafePHL, as an expansion of its existing Safe Corridors program at the start of the 2013-2014 School Year. WalkSafePHL was created in response to safety concerns of families and communities as students prepare to attend schools that are outside of their neighborhoods following the closing of 24 public schools in June 2013. This effort was spearheaded by TWIS which trained and certified volunteers to provide a safe corridor for students as they travel to and from school. This program was designed in collaboration with the Mayor's Office of Civic Engagement and Volunteer Service, the Mayor's Office of Education, the Philadelphia Police Department, the PhillyRising Collaborative, the Office of Public Safety, the School District of Philadelphia and SEPTA Police. Throughout the first half of the school year, 50-100 volunteers staffed 28 routes twice daily, creating a safe pathway for children to travel to and from school.

Office of Emergency Management: The Managing Director's Office of Emergency Management (OEM) is responsible for ensuring the readiness of the City of Philadelphia for emergencies of any kind. OEM educates the public on how to prepare for emergencies, leads citywide planning and policy development related to emergency management and coordination, mitigates the impact of emergencies, conducts training and exercises and coordinates on-scene response and recovery operations.

Preparedness Workshops: OEM offers a comprehensive public education program to engage Philadelphians and help them prepare for emergencies, both natural and human-caused. In 2013 OEM lead or participated in 65 preparedness events ranging from workshops with community group, trainings with business and nonprofit organizations, or community outreach events. New in 2013, OEM

developed and launched a unique training program targeting personal care home owners and operators that focused on improving resilience among some of Philadelphia's most vulnerable individuals. As part of its public outreach efforts, OEM has preparedness brochures available in English and six other languages, and has developed materials in large print and Braille and audio CDs for the visually impaired. More than 27,000 pieces of educational literature were distributed in 2013.

Social Media and Emergency Alert: In April 2008 the Southeast Pennsylvania region launched ReadyNotifyPA, an emergency text and email alert messaging service that keeps the public informed during large-scale emergencies. In 2013 there was a 9.4% percent increase in new subscribers registered on ReadyNotifyPA, bringing the total enrollment on the system to 33,218. On average OEM saw a 10.4% increase across the various social media tools it uses. One of OEM's goals for 2014 is to improve the design and utility of the OEM website and develop a mobile application.

Planning: In 2013 OEM completed four citywide response plans including an Energy Assurance Plan, Excessive Heat Response Plan, Severe Weather Plan and Winter Weather Emergency Plan. In addition to finalizing these plans, OEM continued to make progress on its emergency shelter program, citywide logistics management program and is actively working on comprehensive revisions to the city's Hazardous Materials Response Plan, Mass Casualty Plan and Mass Fatality Plan. In addition to finalizing these revisions, OEM will newly release the city's Damage Assessment Plan, Debris Removal Plan and Family Assistance Center Plan in 2014.

Training and Exercises: OEM continues to exercise and train various systems and response plans, such as Philadelphia's evacuation plans, mass care and sheltering capabilities, mass casualty response, the city's ability to move lifesaving medications to local hospitals and its ability to receive medical evacuees as a participant in the National Disaster Medical System. In 2013 OEM shifted directions to include focus on public works and infrastructure initiatives. Through the support of a Department of Energy grant, OEM developed and tested an energy assurance/utility disruption plan and led a series of exercises on disruption of key utilities such as electricity, natural gas and petroleum. In May 2013, OEM, in conjunction with the Philadelphia Police Department, Philadelphia Fire Department and SEPTA, conducted Operation Edge II, a full-scale exercise which simulated an improvised explosive device on SEPTA's Broad/Ridge subway spur and tested the capabilities of first responders from the Police Department and Fire Department to respond to an event similar in scope to those experienced by London, Madrid, Moscow, and other metropolitan areas. Operation Edge II was a repeat of a similar exercise conducted in 2012, but augmented to further test first responders. OEM continues to coordinate training on the Incident Command System which is a requirement for the City to maintain its compliance with the federally mandated National Incident Management System.

Emergency Response, Incident Management, and Special Event Coordination: OEM serves an important role in managing and operating the City's Emergency Operations Center (EOC) and coordinating emergency response activities. Much of OEM's focus in 2013 was implementing lessons learned captured during the city's response to Hurricane Sandy in 2012. A significant component of that includes improving the utility of the EOC and better managing incident-specific data to inform efficient

response and resource prioritization. Furthermore, the Regional Integration Center (RIC), OEM's 24/7 Watch Command unit, monitored nearly 400 incidents in 2013. Thirty-three of those incidents escalated to a level which required the deployment of OEM's on call field response teams. The ability of the RIC to analyze emergency situations and coordinate with agencies has enabled OEM to deploy smarter, faster, and more appropriately. Finally, OEM continues to serve as the lead agency for coordinating public safety for major special events. In 2013, OEM stood up a Joint Operations Center for the July 4th Welcome America celebration and Labor Day concert, Made in America. Additionally OEM's mobile command post (CP-1) was deployed to support major events such as the Broad Street Run, Gore-Tex Marathon and Army/Navy Game. OEM and public safety agencies have historically been involved in major special events but have quickly adapted processes in response to the bombings at the Boston Marathon. This coordination supports the city in its pursuit to be the best city in the nation for major special events.

DEPARTMENT OF LICENSES AND INSPECTIONS

The Department of Licenses and Inspections (L&I) is in charge of enforcing the Philadelphia code and educating residents about the code's requirements. The core services of L&I are to inspect properties and businesses for compliance to fire and property maintenance, trades and profession codes; inspect/clean and seal vacant properties and conduct demolition program for imminently dangerous buildings; review plans, inspect and issue permits according to building, zoning, plumbing and electrical codes; and issue licenses for various trades and business activities and locations.

Budget Trends: The Department of Licenses and Inspections General Fund allocation increased in FY14 and increases again in the proposed FY15 budget. The FY15 proposed budget allocates an additional \$2.0 million from the General Fund to hire additional inspectors to strengthen demolition controls to ensure safe public and private demolitions. As a result of budget cuts in FY09, FY10, and FY11 during the economic recession, funding decreased \$4.7 million from FY08 to FY14. Some funding was restored (from a low of \$18 million) to \$21.2 million in FY12 and has increased since then. L&I's General Fund allocation in FY14 has been increased by over \$4 million relative to FY13 to pay for additional demolitions (\$3 million) to address the list of imminently dangerous properties (see performance trends for a more detailed discussion) and for 20 new code enforcement inspectors and building inspectors who are anticipated to generate revenue for the City. Grant funding has fluctuated significantly from FY08 to FY13 as a result of the Neighborhood Transformation Initiative funding from the Redevelopment Authority (\$3.5 million) in FY08 becoming available again in FY13 (\$6.6 million). Starting in FY11 L&I received a significant increase in ARRA-related grant funding from the Neighborhood Stabilization Program II (NSP2) program, which provides funds to restore foreclosed properties into productive use through selected demolitions as well as rehabilitation and new construction. NSP2 funding ends in FY13. Other operating funds in FY14 are higher due to over appropriation to account for uncertainty.

	FY08 Actual	FY13 Actual	FY14 Adopted Budget	FY14 Current Projection	FY14-FY08 Change	FY15 Proposed Budget	FY15-FY14 Change
General Fund	30,254,839	21,473,909	22,588,074	25,588,074	(4,666,765) -15.4%	27,564,573	1,976,499 7.7%
Other Operating Funds	4,347,491	2,224,446	5,017,647	5,017,647	670,156 15.4%	5,014,818	(2,829) -0.1%
Total Operating Budget	34,602,330	23,698,355	27,605,721	30,605,721	(3,996,609) -11.6%	32,579,391	1,973,670 6.4%

Performance Trends: Between FY12 and FY13 the Department increased the number of building permits issued (3.6%) and also improved most service delivery times for over the counter services and plan review. The number of residential buildings demolished declined by 4.1% in FY13 compared to FY12 due to decreases in demolition grant funding. This figure also showed a decline (31%) between the first halves of FY13 and FY14 due to the high volume of NSP2 ARRA funded demolitions which had to be fully expended by the end of January 2013. Following the demolition accident in June 2013 at 2138 Market Street, L&I received an overwhelming influx of complaints that resulted in the need for immediate demolition action. With 251 demolitions already completed for the year, L&I is trending similarly to last year's numbers for demolitions and currently has a list of over 600 properties that have been designated imminently dangerous. With approximately \$1.2m less to spend on demolitions due to the end of NSP2 funding, L&I received an additional \$3 million in FY14 and FY15 to address the list of imminently dangerous properties in the City. As a result of this additional funding, L&I projects to demolish a total of 650 properties in FY15. Operations inspections decreased by 11.3% between FY12 and FY13 and are down by 9.5% in the first half of FY14 due to fluctuations in service requests as well as increased compliance.

L&I has improved its service delivery to customers almost across the board. Notable improvements have been the servicing times for over-the-counter services to license, zoning and building customers and to process zoning and building applications, which all improved in FY13. Service improvements for more time consuming activities such as reviewing commercial and residential building plans and zoning plans have generally trended upwards. L&I is now delivering all of these services within the target service time more than 95% of the time.

Key Accomplishments

Increasing demolition and construction safety: Following the building accident that occurred at 2138 Market Street in early June 2013, the Department of Licenses and Inspections (L&I) responded with alacrity to increase the safety of demolition and construction practices. L&I attended City Council's Special Committee on Demolitions hearings, participated in conversations regarding legislation on construction and demolition and cooperated with the Inspector General's Office, the Law Department and the Grand Jury, the Controller's Office, and the Mayor's Blue Panel Commission. While City

Council's recommendations for policy and procedure changes (which are ultimately Building and Administrative Code changes) have been published, recommendations from the Blue Ribbon Panel recommendations are due on July 1, 2014, and the Grand Jury will undoubtedly have implications for the Department's operations. In the meantime L&I is making changes to its policies and procedures such as issuing new standards for contractors to follow for demolitions, revamping the Construction Site Taskforce, which is the unit that checks active construction sites for proper paperwork (i.e. permits, insurance, etc.) and, most recently, started requiring contractors applying for permits and licenses to supply specific insurance and a current Tax Clearance documentation. These have not only created a stronger sense of safety but also been well received by the public.

Additionally, L&I is undertaking organizational changes that will strengthen its ability to monitor construction practices and respond to emergencies. First, L&I will create a Compliance Unit in March 2014 to strengthen contractor compliance, which will review all insurance, surety and bonding documents to ensure minimum acceptable standards are met; audit and review permit applications to ensure accuracy; review third party applications from architects, engineers and expeditors; and manage Occupational Safety and Health Administration trainings to employees and the outside.

Second, a new Emergency Services Division (ESD) will be created, which will combine the Contractual Service Unit (CSU), the recently created Construction Site Task Force (CSTF), the Department's Clean & Seal Unit and the new Compliance Unit mentioned above into one comprehensive multi disciplined unit that will address and respond to unsafe building conditions 24 hours per day 7 days per week. CSU is responsible for all emergencies related to unsafe and imminently dangerous structures and for coordinating all public demolitions. The Construction Site Task Force was created in September 2012 to enforce all contractor licensing requirements, monitor construction sites for clean and safe construction conditions and issue Streets Department Right of Way (ROW) permits and licenses for all contractors working on the sites. The ESD would be headed by a Director with a direct report to the L&I Commissioner. The EST would result in expanded oversight of L&I's public demolition program and improved response times for emergencies by merging responsibilities among the CSU and CSTF inspectors. In addition, the Division would have the ability to conduct proactive inspections of safety conditions in highly developed areas and expand the investigative capability for contractor compliance. The ESU will consist of 16 inspectors that will be assigned and work alongside L & I construction Units in the North, South, East, Central and West Districts. Approximately 3-4 inspectors will be assigned to each district. ESU inspectors permanently assigned to districts will improve communications within the Department and improve the productivity if inspectors performing these functions.

New L&I Mission, Vision & Values: To help strengthen the identity of the department, L&I undertook an effort to create a new vision, mission and values statement. Thirty employees representing each unit within the three divisions of the department (development, operation and administration), participated in the creation of the following statements:

- **Vision statement:** The Department of Licenses and Inspections is your partner in building safety.
- **Mission Statement:** The Department of Licenses and Inspections is committed to making Philadelphia the Nation's leader in building safety. We support investment, growth, and

development through education, code enforcement, and the delivery of outstanding customer service.

- **Values:** Integrity, Customer (diversity & tolerance), Quality, Committed, Accountability

Receipt of IAS Accreditation: After over a year of comprehensive review of L&I's technical procedures and practices of the Department's development division and multiple field visits, L&I received IAS Accreditation in September 2013. International Accreditation Services (IAS) is a subsidiary of the International Code Council (ICC), and IAS accreditation provides objective evidence that an organization operates at the highest level of ethical, legal, and technical standards. L&I's IAS accreditation was recognized at the annual ICC conference in October 2013, and Philadelphia is now the largest city in the nation to hold this honor. In order to maintain this prestigious distinction, IAS will return in three years to once again review our policies and procedures and make a determination on whether we have upheld best practices. This will keep L&I current with industry standards.

Resolving minor code violations more quickly: In FY14 L&I began an effort to reduce the volume of property maintenance cases that end up in court by issuing Code Violation Notices rather than Notices of Violation in the case of minor code violations, such as high weeds, inoperable cars in the exterior lot or exterior paint needed. Previously L&I only issued Notices of Violation, which, if the violation is not addressed, end up in court and thereby result in more inspections. A Code Violation, on the other hand, allows the recipient to correct the violation by addressing the issue and paying a fine. Addressing these minor violations with a Code Violation Notice rather than a Notice of Violation has started to decrease the number of cases processed in court and lead to more rapid resolution.

Complete roll out of the Vacant Property Strategy Citywide: L&I began the Vacant Property Strategy in April 2011 to address how the 25,000 City- and privately-owned vacant properties are bought, sold, and maintained. The initiative, run by the Department's Vacant Strategy Unit (VSU), seeks to hold private owners accountable for the maintenance of their vacant property and thereby improve the surrounding neighborhood in accordance with the vision of residents and community groups. The initiative consists of multiple steps – from research to court cases – and, as of December 2013, these steps have been rolled out into every neighborhood in the City.

- **Inspections and Enforcement:** In addition to inspecting all suspected vacant properties identified by the VSU, inspectors also inspect and cite other vacant properties they encounter in their census tracts and those that are reported through 311. As of December 2013, 12,664 properties have been inspected, and 8,532 citations have been issued for various property maintenance violations. This effort has brought the compliance rate of vacant building violations from 4.5% to almost 33%. It also generated more than \$1.1 million in permit and license revenue in 2013 alone as a direct result of property owners taking steps to bring their properties into compliance after receiving code enforcement citations from the Department.
- **Utilizing New Enforcement Measures:** At the heart of the Department's effort is the aggressive enforcement of the City's "Doors and Windows" ordinance, which requires that vacant and partially-occupied mixed-use buildings have operable doors and windows in all openings with a

fine of up to \$300 per day per non-compliant opening. Inspectors have cited 2,741 properties for a doors and windows violation. More than 900 properties – totaling 36% of the privately-owned properties cited for doors and windows – have been rehabilitated, occupied or sold.

- **Dedicated Court Time:** L&I continues to work alongside the Law Department and Court of Common Pleas Judge Bradley Moss on “Blight Court,” a monthly court date dedicated exclusively to the prosecution of non-complied “Doors and Windows” cases and imposition of the \$300 per day fines on property owners who fail to comply with the “Doors and Windows” ordinance. More than 320 vacant properties have been returned to productive use. A total of 506 properties have entered the court process, with a 63% compliance rate of those that exit the process. The Department’s efforts have also resulted in the imposition of nearly \$1 million in absolute fines and default judgments against property owners, which can be executed upon and collected with the sale of the subject properties at Sheriff Sale.

The VSU continues to expand its multi-pronged blight reduction effort through the continued roll out of initial inspections in all Districts, a strong focus on vacant properties reported through 311, targeted inspections of large-scale owners of blight, and partnerships with community groups to identify blighted properties that are having a negative impact on surrounding neighborhoods. These community partnerships will continue to expand in 2014 when L&I begins commercial corridor sweeps to enforce a new provision of the “Doors and Windows” ordinance that requires partially-occupied mixed-use buildings to have operable windows and doors. L&I has partnered with community groups and other City agencies on education and outreach around this issue, and will continue to work with community partners to tackle these blighted buildings on the City’s key commercial corridors.

The VSU continues to partner with other City agencies on various other policies designed to reduce blight throughout the City. Through a partnership with Revenue and Law, the VSU has recommended hundreds of blighted, tax-delinquent properties for Sheriff Sale and hundreds of properties with unpaid liens for abatement work performed by L&I and created a new system for taking these properties to Sheriff Sale. Both of these efforts have not only put vacant properties into the hands of new owners, but also resulted in new revenue streams for the City. The VSU has also expanded its partnership with 311 to ensure that residents can easily and efficiently report vacant and blighted buildings and has worked with community groups to increase awareness of both 311 and L&I’s website.

Positioning the Department for Project eCLIPSE Implementation: Project eCLIPSE (electronic Commercial Inspection Permit Services Enterprise) is the replacement of L&I’s current database system, Hansen. The main objective of this project is to enable online application, payment, processing, status-checking and printing of relevant documents for all department activities, including business licensing, permitting, inspections, Electronic Plan Review and code enforcement. Contract negotiations were completed in December 2013, and L&I is positioned to begin the implementation of Project eCLIPSE in 2014, which will be completed in 2016. This department-wide effort will involve participation from several other City Departments, such as Revenue, Streets and Water, and will allow L&I to work more efficiently and effectively than in the past.

Adoption of the Philadelphia Property Maintenance Code: For the purposes of simplifying Philadelphia's Property Maintenance Code, L&I has worked diligently in cooperation with City Council to adopt the International Code Council's (ICC) Property Maintenance Code to replace Philadelphia's current code on property maintenance. Pending final adoption by City Council, the ICC Code has several advantages: it is easier to read and follow, takes a proactive rather than a reactive approach to property maintenance and maintains the viability of aging building and housing stock and current code provisions which are unique to our city. Since the City already recognizes ICC's Building Code for construction of new buildings, adopting the ICC property maintenance code will bring all of the code under the nation's best practice, which has been adopted by 36 other states across the country.

CAPITAL BUDGET TRENDS AND HIGHLIGHTS

Capital budget trends: Capital investment in Goal 1 related departments consists of the Police Department, the Philadelphia Prisons System, the Fire Department, and the Department of Human Services. The total FY15 Capital budget allocates \$12.8 million in City funding consisting of General Obligation bonds and prefinanced loans for capital improvements to these Departments and \$85.2 million over the six year capital program.³³ The Police Department's capital budget is budgeted to decrease by 69.9% (\$7.1 million) in new General Obligation supported funding in FY15; this decrease is attributable to significant carryforward from previous years that can be used to complete various police renovation projects. Additionally, the Woodhaven Base Realignment and Closure facility received \$6 million in FY14 and only \$2 million in FY15 since sufficient funding had been received in previous fiscal years (\$9.6 million from FY11 to FY13). However, the six year capital program for the Police Department is 45% higher over FY15-FY20 versus FY14-FY19 due to increased funding to support large scale police facility projects. The Prisons System's capital budget is budgeted to decrease 18.9% (\$1.4 million) in City funding. This decrease is largely attributable to the elimination of a one-time funding of \$2.35 million that had been included in the FY14 budget for land acquisition. The Fire Department's capital budget is budgeted for an increase of 57.3% (\$1.4 million) of City funding, which is largely attributable to additional funding recommended for interior, structural, roof and elevator improvements for various fire facilities. The Department of Human Services was removed from the capital program in FY15 because no additional new funding was requested. Additionally, the Philadelphia Juvenile Justice Services Center, the sole capital project under the Department of Human Services, was completed.

³³ Prefinanced loans are loans that the electorate or City Council has already authorized.

Department	Source of funding*	FY14 Budget \$ Thousand	FY14-FY19 Budget \$ Thousand	FY15 Proposed Budget \$ Thousand	FY15-FY20 Proposed Budget \$ Thousand	FY15-FY14 change** \$ Thousand
Police	City funding	10,143	31,623	3,050	45,730	-7,093
	Total	48,042	69,522	32,358	75,038	-15,684
Prisons	City funding	7,150	21,100	5,800	17,100	-1,350
	Total	32,513	46,463	26,527	37,827	-5,986
Fire	City funding	2,480	18,150	3,900	22,320	1,420
	Total	12,399	28,069	12,283	30,703	-116
Human Services	City funding	0	0	0	0	0
	Total	4,129	4,129	0	0	-4,129
Total	City funding	19,773	70,873	12,750	85,150	-7,023
	Total	97,083	148,183	71,168	143,568	-25,915

* City funding consists of General Obligation bonds, prefinanced funds, and new PICA funds. Total funding includes various funding sources such as new General Obligation bonds; prefinanced funds; PICA funds; federal, state and private funds; carryforward funds; other government funds; City self-sustaining funds; and other City sources.

** Change in total capital funds could reflect a change in spending of carryforward from all sources as well as a change in receipt of new funding from all sources.

Key Projects

Police

4601 Market Street: The City will acquire the former Provident Mutual Life Insurance Company's headquarters located at 4601 Market Street in West Philadelphia, and rehabilitating it into a new police headquarters, city morgue, and health offices. The renovation is anticipated to cost \$250 million and will be funded through a bond financing. This is a consolidation which could provide needed upgrades to City facilities and allow the City to potentially sell existing assets (e.g. the existing Police Administration Building, Health Administration Building, and the Medical Examiner's Office).³⁴ In addition, this project will repurpose a vacant building and help revitalize a part of West Philadelphia in need of investment. The funding for debt service for project is included in the operating budget.

Woodhaven BRAC Facility / Philadelphia Police Training Center: In 2011, the U.S. Department of Defense, as part of its Base Realignment and Closure (BRAC) program, closed the Philadelphia Memorial Armed Forces Reserve Center located on Woodhaven Road. The Woodhaven facility is being renovated as a multipurpose site to house the Police Training Academy, the Philadelphia Crime Information Center, Advanced Training, Standards and Accountability, Audits and Inspections, Overtime Management, 911 training, and the storage of homeland security vehicles. This facility has been designed to be LEED Certified, and will include a new main access roadway. A total of \$15.5 was allocated in FY11 through FY14, and \$2 million has been recommended for FY15 for the completion of the project. The main

³⁴ Proceeds from the future potential sales these of assets are not reflected in this Five Year Plan.

facility and site design for this project were completed in 2013, and capital improvements for this project are expected to begin in June 2014 with an expected completion date of summer 2015.

Police Facility Renovations: In FY15 \$1.05 million is recommended for improvements at Police facilities throughout the city. These improvements include interior renovations as well as mechanical, electrical, plumbing and safety systems. These facilities house community based emergency operations that strive to provide premium life safety protection to city residents. Funds will also be used for the interior and exterior renovations at the Police Academy Valor Hall which is expected to cost \$350,000. The Police Department also has \$14.7 million in carryforward consisting of General Obligation and PICA funds available for other Police Department projects.

Philadelphia Prison System

Security System Improvements: In FY15, \$3 million is recommended for Security Systems Improvements at various prison facilities. These funds will be used to continue Phase 4 of Security Systems Improvements at Philadelphia Industrial Correctional Center (PICC). Work includes upgrades in telecommunication, video surveillance and improvements to general control systems. Other security improvements of \$1 million are for design and construction of an electronic replacement system and door replacement system as required in the Health Services Wing of the Detention Center.

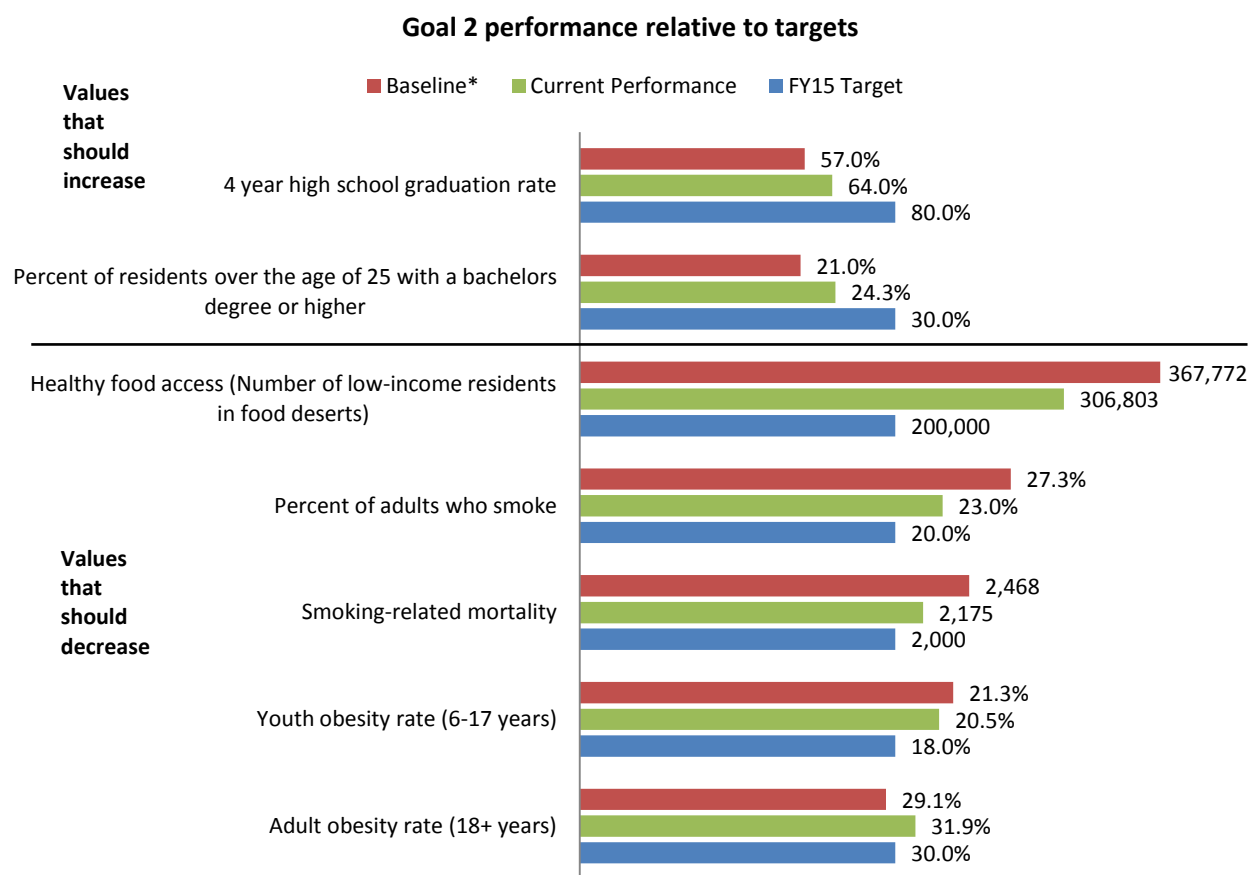
Prison System Renovations: In FY15 \$2.8 million is recommended for improvements at various Prison facilities. Included in these improvements are providing emergency power generation at the Curran-Fromhold Correctional Facility (CFCF) and the House of Corrections as well as implementing heating improvements at the Philadelphia Industrial Correction Center (PICC), Detention Center, Women's Detention Center and Curran Fromhold Correctional Facility (CFCF). Funds will also be used for interior renovations at the Holmesburg Prisons Training Academy, the primary training facility for the Philadelphia Prisons System.

Fire Department

Fire Facilities: Fire facilities provide critical emergency response for the residents and businesses within Philadelphia. In FY15 \$3.9 million is recommended for interior and exterior improvements at various fire facilities throughout the City. \$2.1 million will be used for exterior improvements which include structural improvements, roof replacements, ramps, sidewalks and paving improvements and structural assessments, design work, and implementation. The remaining \$1.8 million will be used for interior improvements at various Fire facilities including mechanical, electrical and plumbing improvements at various Fire facilities and elevator renovations at the Fire Administration Building.

GOAL 2: THE EDUCATION AND HEALTH OF PHILADELPHIANS IMPROVES: OVERVIEW OF INITIATIVES AND KEY ACCOMPLISHMENTS

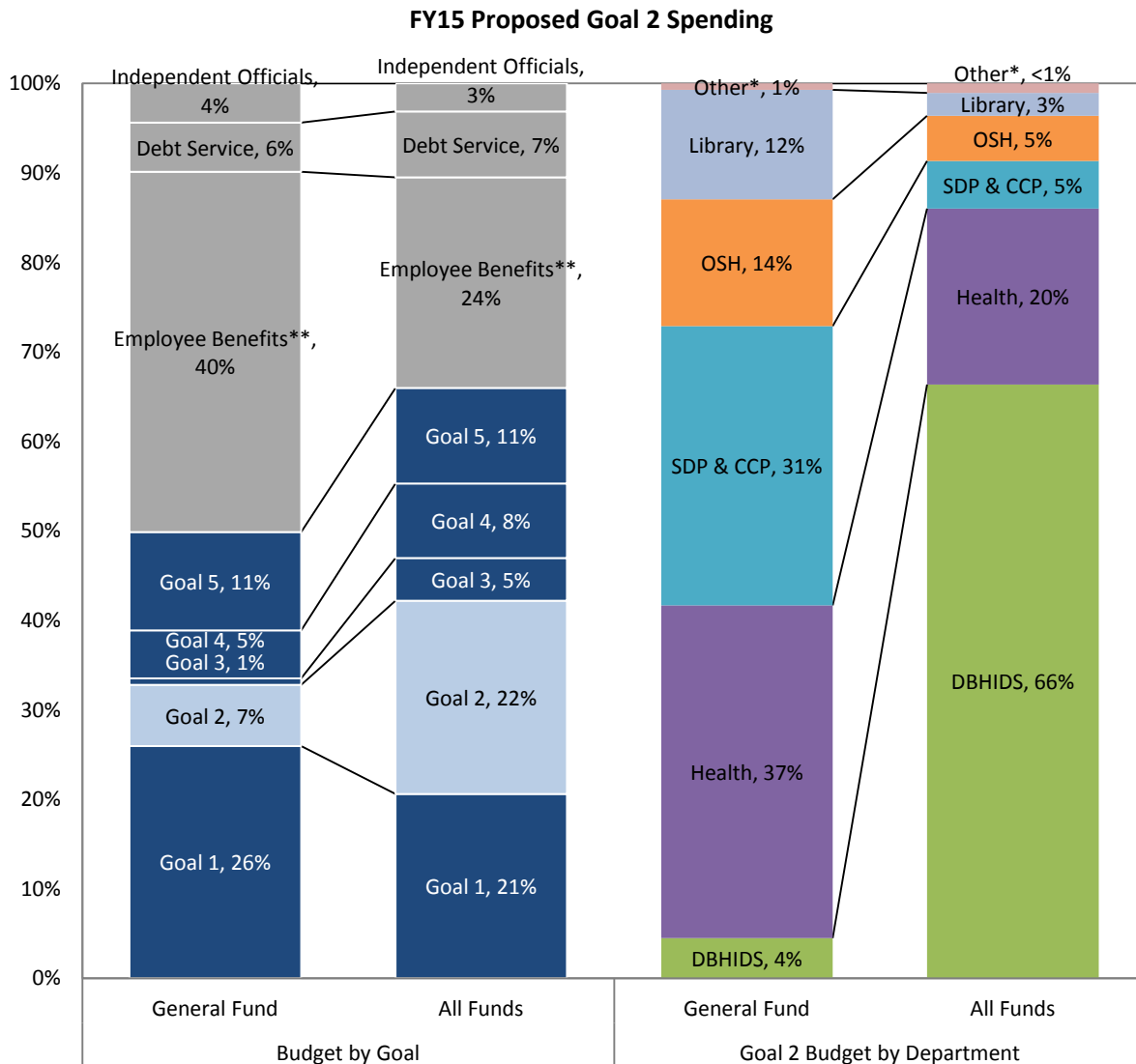
The Mayor's second goal focuses on two main outcomes: first, to improve educational results and opportunities for Philadelphians, and, second, to advance the health and wellbeing of Philadelphians. With Philadelphia having only 24.3% of people over the age of 25 with at least a Bachelor's degree compared to 27.8% in Pennsylvania and 29.1% in the nation, and ranking middle of the pack (82nd out of 189 metro areas) in the 2012 Gallup-Healthways Well-Being Index, the Mayor has taken a number of steps to invest in the health and education of Philadelphia's next generation.³⁵ Mayor Nutter established an aggressive set of targets to improve these outcomes by the end of his term, and these efforts are already showing positive results.



* Baseline refers to calendar year 2007 for smoking-related mortality; Academic Year 2007-2008 for youth obesity rate; FY08 for 4-year high school graduation rate; 2008 for percent of residents over 25 with a bachelors degree;

³⁵ Number of people over age 25 with at least a Bachelor's degree is based on the American Community Survey, 1 year estimate, 2012. The Gallup-Healthways Well-Being Index is a composite of respondents' self evaluation of their physical health, life evaluation, emotional health, healthy behaviors, work environment and basic access to food, shelter and health. Philadelphia metro area 82nd out of 189 metro areas surveyed, up from 130th in 2011. Source: [2012 State of Well-being: Pennsylvania](#). Accessed on January 26, 2014.

The previous chart displays the outcome metrics tracked by the City against Goal 2. Specifically, education outcomes are measured by the 4-year high school graduation rate and the percent of residents over the age of 25 with a Bachelor's degree or higher; and health outcomes are measured by smoking rates among adults and youth and smoking-related mortality, obesity rates among adults and youth and access to healthy food. As shown in the chart, significant progress has been made on all indicators towards the stated goals, particularly in the areas of smoking reduction and improving access to healthy food.



* Other departments include the Human Relations Commission, the Mayor's Office of Community Services, and the Youth Commission.

** Employee Benefits represent an unusually high proportion of FY15 expenditures due to the \$700 million pension payment appropriation using the proceeds of the sale of Philadelphia Gas Works. Excluding this

As shown in the previous chart, Goal 2 spending on education and health comprises roughly 7% (\$308 million) of the City's general fund budget and 21% (\$1.8 billion) of the City's total operating funds. The departments and agencies that are primarily focused on achieving the outcomes under this goal are the Department of Behavioral Health/Intellectual disAbility (67% of total Goal 2 spending in all funds), the Department of Public Health (20%), the Office of Supportive Housing (5%), contributions to the School District of Philadelphia and the Community College of Philadelphia (5%), the Free Library (3%), the Human Relations Commission (<1%), the Mayor's Office of Community Services (<1%), and the Youth Commission (<1%).

OUTCOME 1: IMPROVE EDUCATIONAL OPPORTUNITIES AND OUTCOMES FOR PHILADELPHIANS

THE MAYOR'S OFFICE OF EDUCATION

In 2008 Mayor Nutter established the Mayor's Office of Education (MOE) to work on the related goals of increasing the high school graduation rate to 80% by 2015 and raising the rate of Philadelphia residents with a college degree to 36% by 2018. Currently, the on-time high school graduation rate is 64%, up from 57% in 2007, and the percentage of residents with a 4-year college degree or higher is 24.3%, up from 21% in 2007. The MOE has built networks for communication and collaboration and identified common ground on which all stakeholders, including K-12 schools, the business community, higher education and the non-profit sector can achieve the following key outcomes: to help the School District of Philadelphia (the District) establish financial stability and increase educational outcomes, improve parent and community engagement efforts, provide all Philadelphians access to high-quality educational options and increase the number of youth who graduate from high school ready for post-secondary success. The MOE also works with K-12 schools and area higher education institutions to strengthen the educational pipeline from high school through college completion and to increase the number of Philadelphians with a college degree.

Budget Trends: The City has increased its annual funding to public education by \$155 million between FY08 and FY14. Several of the increases resulted from legislation, including increases in the District portion of the property tax (FY12), Parking Authority fines (FY12), Use and Occupancy tax (FY13), and the City Contribution (FY12 and FY13). This extraordinary amount of funding has been borne by Philadelphia taxpayers, home owners, and local businesses. These increased dollars were necessary, but not sufficient, to help the schools provide for the safe school environments and necessary curricular and extracurricular activities for Philadelphia youth.

In FY14, in response to the District's budget crisis, the City committed \$69 million out of the General Fund and an additional \$28 million through enhanced tax collections efforts. In addition, the City had received authorization from the State to maintain the sales tax at 2% in FY15 and beyond, which, under state legislation, was to return from 2% to 1% in FY15, and to provide \$50 million worth of FY15 revenues to the District in FY14 through a borrowing. Per the State legislation, the District would receive an additional \$120 million worth of sale tax revenue revenues beginning in FY15. For FY15 through

FY18, the next \$15 million in revenue from the sales tax would go to pay debt service on the borrowing. Any funds beyond that \$135 million would go to the City's pension system. After the debt service on the borrowing is repaid, any revenue above \$120 million would go to the City's pension system.

City Council President Darrell L. Clarke had proposed an alternative to the Commonwealth legislation which provided that the City instead purchase \$50 million worth of unused buildings from the District, which would then be sold by the City. The purchase would be funded with an appropriation of funds from the General Fund. City Council President Clarke had further proposed that the new sales tax revenues be divided evenly between the District and the City, with the City portion being dedicated to the pension fund. Any change to the application of the new 1% increase from that described in the preceding paragraph would require legislation in the General Assembly of the Commonwealth.

At the end of calendar 2013, Mayor Nutter and City Council President Clarke announced that they would support an alternative plan under which the District itself would attempt to sell its unused buildings to raise \$50 million in addition to the \$11 million already in the District's FY14 Budget. The District received proposals and expressions of interests for buildings in December and, together with the City's Commerce Department and the Pennsylvania Industrial Development Corporation, is analyzing those proposals and expressions of interest. It is too soon to determine if a sale of buildings can generate \$50 million in the District's current fiscal year. The final form of additional assistance for the District has yet to be determined. In order to provide liquidity to the District while a final plan is adopted, the City has paid in advance (in November and December of 2013), its normal annual grant to the District of approximately \$69 million which would otherwise have been paid in June of 2014, at the end of the City's fiscal year.

For FY15, the District of Philadelphia requested an additional \$320 million in recurring funding, including \$75 million on a recurring basis from the City. The additional request is above the expected revenues to be generated from the extension of the Sales Tax increase, which is pending City Council approval.

In the District's Financial Supplement to their Action Plan v2.0 published on February 20, 2014, the District split the \$320 million request into two distinct areas. Approximately \$80 million of this recurring funding would go to closing a newly anticipated budget gap (due primarily to increased expenses for pensions and charter school growth) to maintain the current level of service for students. This level of service, however, is not sufficient to provide quality educational options for students. As a result, the District would use the remaining approximately \$240 million to provide additional essential supports, listed in the table below.³⁶

³⁶ [Action Plan v2.0 Financial Supplement: Getting to Great](#), February 20, 2014

Action Plan Strategies	Activities
Strategy 1: Improve Student Learning	<ul style="list-style-type: none"> • Robust early literacy program • School climate programs • Limited credit recovery program for high school students • Additional supports to English Language learners and students with IEPs • Additional counseling, mental, and behavioral health support to schools and students • Additional support to students for Keystone exams • Updated curricular materials • College and career readiness assessments and programs for most schools (e.g., PSAT, SAT, AP, IB, and dual enrollment) • Modest increase in discretionary spend for schools
Strategy 2: Develop a System of Excellent Schools	<ul style="list-style-type: none"> • More expansions, replications, and creation of new schools • Strengthened and expanded career academies operating in the District • Expanded CTE programming • Improved safety and physical infrastructure for a select number of schools • 1-5 Renaissance Charter conversions • Expansion of top charter performers
Strategy 3: Identify and Develop Exceptional, Committed People	<ul style="list-style-type: none"> • Additional instructional activities • Strengthened teacher and principal PD • Principal residency program • Development of internal leadership pipeline • Additional non-instructional supports for schools
Strategy 4: Become a Parent- and Family-Centered Organization	<ul style="list-style-type: none"> • Improved student enrollment process • Improved customer service and training for parents
Strategy 5: Become and Innovative and Accountable Organization	<ul style="list-style-type: none"> • Upgraded student information system • Improved data processing and reporting
Strategy 6: Achieve and Sustain Financial Balance	<ul style="list-style-type: none"> • Increased capacity to leverage partnership support

This Five-Year Plan proposes to meet the revenue requests of the District through a tax on cigarettes of \$2.00 per pack, which requires approval from the Commonwealth of Pennsylvania, and would generate approximately \$80 million for the District in FY15, assuming a July 1, 2014 implementation date. Due to expected reduction in smoking, the City estimates that the amount generated would decline each year, but by FY19, it would still generate approximately \$75 million annually. The tobacco tax was already passed by City Council in FY13.

The Plan includes both the cigarette tax, as enacted by City Council, and the 1% sales tax extension because each of those taxes has been approved by one level of government. The Administration will continue, however, to advocate for a change in state legislation to move to an even split of sales tax revenues between the School District and the pension fund and for the enactment by the Commonwealth of the tobacco tax.

The table below shows the contributions made out of the General Fund to the District and the Community College. In FY14 the Commonwealth of Pennsylvania also contributed an additional \$45 million to the District, which was disbursed as a pass through from the General Fund. This accounts for the \$45 million increase between the FY14 Current Projection and the FY14 Adopted Budget. Since this

additional State funding is not recurring it is not reflected in the proposed FY15 budget. Funding for the Community College in FY14 was almost \$1 million higher than FY08's level. The FY14 budget included an additional \$1 million to help offset tuition increases to keep higher education affordable to citizens of this city, and is proposing an additional \$500,000 in FY15 for the same purpose.

	FY08 Actual	FY13 Actual	FY14 Adopted Budget	FY14 Current Projection	FY14-FY08 Change	FY15 Proposed Budget	FY15-FY14 Change
School District of Philadelphia	37,000,000	68,990,000	69,050,100	114,050,100	77,050,100 208.2%	69,110,300	(44,939,800) -39.4%
Community College of Philadelphia	24,467,924	25,409,207	26,409,207	26,409,207	1,941,283 7.9%	26,909,207	500,000 1.9%

Performance trends: Despite very challenging economic circumstances, the 4-year cohort high school graduation rate has remained the same in FY12 and FY13 at 64%. Also, it is important to note that the 6-year cohort high school graduation rate increased from 61% in FY12 to 64% in FY13. At the same time, the percentage of residents over the age of 25 with a Bachelor's degree increased from 23.6% in FY12 to 24.3% in FY13. While progress is being made, the City is still working to reach its goal of increasing the high school graduation rate to 80% by 2015 and the percentage of residents with 4-year college degree to 30% by 2015.

Performance Measure	FY08	FY12	FY13	FY13- FY12 Change	FY13 Q1-Q2	FY14 Q1-Q2	FY14- FY13 Q1-Q2 Change	FY14 Goal	FY15 Goal
4-year high school graduation rate	57.0%	64.0%	64.0%	0.0%	N/A	N/A	N/A	75.0%	80.0%
Performance Measure	2008	2012	2013	2013- 2012 Change	FY13 Q1-Q2	FY14 Q1-Q2	FY14- FY13 Q1-Q2 Change	2014 Goal	2015 Goal
Percent of residents over the age of 25 with a bachelor's degree or higher	21.0%	23.6%	24.3%	3.0%	N/A	N/A	N/A	27.0%	30.0%

Key Accomplishments

Providing Important Supplies for Students: In September 2013 Mayor Nutter launched the Philadelphia Education Supplies Fund, a new fundraising campaign to provide funds to schools within the City in order to purchase consumable supplemental classroom supplies, including workbooks, paper, pens and pencils. This fund was created to alleviate some of the hardships being experienced by high-poverty schools. Under the stated criteria schools with at least a 50% free and reduced price lunch population were eligible to apply, and those with more than 75% free and reduced price lunches will receive greater amounts, in each case based on enrollment. The City has contributed \$200,000 to the Fund and intends

to do the same for at least five years. Over \$540,000 was raised for the fund and 255 schools will receive funds, including 209 School District of Philadelphia schools, 20 charters, 13 Archdiocesan and 13 independent/private schools.

Strengthening K-12 Educational Systems: The Mayor's Office of Education and the School Reform Commission work closely together and have a shared commitment to the School District of Philadelphia's dual goals of providing a quality education to all Philadelphian students and obtaining fiscal stability in the SDP's finances. The Mayor's Chief Education Officer is included in standing committees on key educational policy issues and is joined by the City's Finance Director for bi-weekly meetings on the District's finances.

Great Schools Compact: In December 2011 the Great Schools Compact was signed by the City, the Commonwealth of Pennsylvania, the School District of Philadelphia, the Pennsylvania Coalition of Public Charter Schools (PCPCS), the Philadelphia Charters for Excellence (PCE) and the Archdiocese to increase cooperation among Philadelphia K-12 education providers, establish and share consistent academic metrics, and expand high-quality educational options available to students. Currently the Great Schools Compact (Compact) is in the process of helping the School Reform Commission to develop a common performance metric for all District and Charter schools and establishing a system of universal enrollment for District-managed, charter and Archdiocese schools. In September 2012 the Compact also established the PhillyPLUS program, an urban leadership residency program. The goal of PhillyPLUS is to produce 20 or more qualified, well prepared urban school leaders annually by 2016-2017. A total of 11 leaders were trained in the first year of the program, 5 were placed in SDP schools, 5 in charters and 1 in a private school. Additionally, the Compact has made progress towards improving teaching and learning. Leveraging a teacher training program at Mastery Charter Schools, the Compact has developed a teacher induction and coaching program that aims to produce dramatic gains in reading and math proficiency and college-going rates. Under this program, Mastery will allow schools to enroll in its "train the trainer" teacher coaching program which aligns teaching strategies with Common Core standards and other innovative methods for teacher induction and training.³⁷ Lastly, the Compact has developed a program to deliver locally designed Common Core assessments and intensive training in data-driven instruction for District, Charter, and Catholic schools. The initial rollout of this program will cover a six-month Phase I ramp-up involving up to 20 schools.

Incentivizing youth: The Mayor's Very Impressive Program (VIP) is in its 6th year of rewarding Philadelphia high school (Archdiocese, Charter, District and Private) students with good attendance records and high Grade Point Averages (GPAs) with tickets to sporting events. Students are selected by their schools on the basis of school attendance and academic performance. Since the program's inception, over 9,078 tickets have been distributed and more than 90 high schools have participated in the program, with 1,385 students receiving tickets in FY12 and 1,519 students in FY13.

³⁷ The Common Core standard is a federal effort to define the knowledge and skills that students receive during their K-12 education careers so that they will graduate high school able to succeed in entry-level jobs, credit bearing academic college courses and in workforce training programs

Each June, the Mayor gives awards to around one thousand high achieving and graduating high school seniors, from public and private schools. The event kicks off with a march up Broad Street and culminates with a ceremony in the City Hall courtyard where the Mayor's \$5,000 Scholarship for Academic Excellence and Civic Engagement is awarded, as well as hundreds of other prizes and awards.

College Access and Success: The MOE convenes the College Completion Committee which includes 10-12 "retention officers" from area colleges and universities and senior leadership from the School District of Philadelphia who meet each month to review institutional data on graduation rates and discuss strategies for increasing the number of Philadelphians graduating from their institutions. Lack of financial resources is one of the primary factors for students not completing on time. Therefore, as part of the Financing College Campaign, colleges and universities have increased outreach efforts to assist families in completing their financial aid packages. Since MOE has been organizing citywide Financing College Campaigns, there has been a 21.7% increase in the number of students who completed the Free Application for Federal Student Aid.

The Mayor's Council for College and Career Success – comprised of leaders from government, K-12 and higher education, employers, foundations and youth-focused community organizations – organizes and leads city-wide efforts to achieve the Mayor's education goals. Major areas of focus for this Council are youth workforce development, dropout prevention, and college readiness.

Community College of Philadelphia: The Nutter administration is focused on increasing the high school and college graduation rates, continuing to strengthen the K-through-16 pipeline and developing a local labor force for the 21st Century. A vital partner in that work is the Community College of Philadelphia (CCP). With 37,658 students, CCP is the largest institution of higher education in Philadelphia and the sixth largest in the state. The Mayor demonstrated his commitment to Community College's success by joining the Board in October 2012. The MOE is working with CCP to ensure that students who enroll into the college complete their educational goals. The completion rates for degree and certificate programs are low compared to community colleges in other large urban areas. Through an initiative of the national organization Complete College America, MOE is leading a team of CCP administrators to develop strategies for increasing persistence and completion. The team decided to focus its attention on providing more guided pathways for students to navigate the institution. Pathways will include prescribed course plans, intrusive advising, accelerated completion of developmental coursework and improved articulation with transfer programs and courses. Also joining this team are four-year institutional partners Temple, Drexel and the Pennsylvania State System of Higher Education.

PhillyGoes2College: In February 2010, the City launched PhillyGoes2College, a program designed to help Philadelphians go to college. The effort includes a one-stop office in City Hall and a companion website that provides comprehensive guidance and referral information to students of any age who are interested in attending or completing college. PhillyGoes2College sponsors programs that pair college students with high school students to help complete college and scholarship applications. Through workshops, school visits and large scale college-promoting events, PhillyGoes2College has reached over 29,000 citizens since it opened in 2010, including 8,160 in FY11, 11,373 in FY12 and 9,343 in FY13. In

addition, the PhillyGoes2College website (<http://www.phillygoes2college.com>) has been accessed more than 200,000 times providing much needed college information to thousands of residents of Philadelphia. PhillyGoes2College is an important strategy to address Mayor Nutter's goal to double the percentage of Philadelphians who attend and complete college in the next five to ten years and has received the Outstanding Achievement Award from the U.S. Conference of Mayors.

The Graduation Coach Campaign: The Graduation Coach Campaign (Campaign) is a grassroots effort to engage adults in taking on a more robust role in helping young people in their lives graduate from high school, get into college, and plan for a career. Originally housed at the Philadelphia Youth Network, the Campaign was brought under the umbrella of PhillyGoes2College in March 2011. Since September 2010 the Campaign has trained over 6,000 Coaches through 496



workshops. In FY13, 986 coaches were trained through 91 workshops. This year the Campaign has changed its approach to training adults in order to effectively use time and resources. The Campaign no longer uses anchor agencies; instead in-person workshops are done by request. The Campaign has also implemented a new video campaign allowing for potential coaches to receive Campaign training on their own time. These videos will be available on smart phones, tablets, laptops, desktops, Comcast On Demand, Philly in Focus, and Mind TV, the GCC website, the YouTube channel, social media and partner networks as well. Five videos have been filmed to date and 35 videos will be completed by the end of 2014. In addition, the Campaign has implemented a neighborhood-focused grassroots campaign in the Kensington area. This approach will allow Campaign staff to interact with a community that has a low college attainment rate and has individuals who are unlikely to attend an in-person workshop or access training videos online. The Campaign is organizing a group of volunteers to canvass the neighborhood and push out important high school and college going resources, information and deadlines. To date, the Campaign has distributed 2,440 bilingual newsletters to five organizations and seven schools, and the newsletter is also shared electronically with six other organizations. The Campaign has established relationships with 10 schools, 3 churches, 7 nonprofits and 6 civic associations in the area. In addition, the Campaign is beginning an evaluation process in partnership with University of Pennsylvania faculty members and undergraduate students. Additionally, the Campaign will begin a city-wide awareness Campaign to increase the Campaign's visibility to residents.

Other partnerships: The Mayor's Returning to Learning Partnership allows City employees to pursue a college education by taking advantage of the tuition discount program offered by 13 area colleges and universities. Employees receive a 25% discount on tuition for each course for which they enroll and in some cases may also receive a full or partial scholarship to attend select institutions. The program is now housed in the City's Center of Excellence within the Managing Director's Office.

The MOE continues to convene education stakeholders to develop strategies to decrease the citywide dropout rate, improve academic and financial preparation for college and increase college matriculation and completion. The MOE is involved with cross-sector collaborations such as the College Prep Roundtable and the Gates Millennium Scholarship Campaign.

The College Prep Roundtable is an organization representing over 100 school-based, non-profit and community-based, and college-based college preparation programs to coordinate citywide events addressing aspects of the college going process. Examples of the programs include Philadelphia Academies, Inc., GEAR UP, Upward Bound and College Access Centers. The two signature campaigns focus on issues related to college affordability, financial aid and FAFSA completion, and has resulted in a 21.7% increase in completed Free Applications for Federal Student Aid (FAFSA) from 2008 through 2012. This is crucial as students who complete the FAFSA are more likely to matriculate into college. In FY13 100 staff were trained in the annual FAFSA train-the-trainer workshop. The individuals who were trained included staff from college prep programs and other non-profit organizations and charter and Archdiocese counselors. A special professional development for counselors was also held, which reached at least 100 school-based counselors.

The MOE partners with the national Gates Millennium Scholarship Program to offer orientation to competitive scholarship programs to high achieving seniors who commit to completing the application (which includes eight essays). In FY11 fewer than 100 students from Philadelphia submitted applications. In FY12, the first year of the campaign, over 400 completed applications were received, the second highest in the country. Out of the 400+ applications, 6 of the 12 Pennsylvania recipients were Philadelphians. Each year, students are offered essay writing support from English teachers, graduate students and college prep program staff on Friday afternoons and Saturday mornings. The 40 students who attended the weekly sessions referred to themselves as “Philly Scholars.” In FY13, there were 14 scholarship recipients in Pennsylvania, 9 were from Philadelphia, four of whom were Philly Scholars.

MOE celebrates Philadelphians who have achieved the Mayor’s college attainment goal by organizing an annual citywide college graduation celebration on the iconic Art Museum Steps. The event, Toss Your Caps, draws at least 300 graduates from 20 areas colleges and universities. May 2014 will be the fifth year anniversary of Toss Your Caps.

MAYOR’S OFFICE OF COMMUNITY EMPOWERMENT AND OPPORTUNITY

The city’s poverty rate now stands at 26.9%, and those in poverty include 39% of the city’s children, and 17% of seniors. The poverty rate for African-Americans, Hispanics, disabled Philadelphians and female-headed households hovers around 40% or greater. Mayor Nutter recognized that the scale of poverty in Philadelphia requires collective action of an equal scale. There is no single cause of poverty, so myriad city agencies and nonprofits working in silos could hope only to have isolated impact on a particular issue or segment of the population affected by poverty. Truly effective solutions require coordinated,

large-scale social change. That is why, in January 2013, the Mayor launched the Mayor's Office of Community Empowerment and Opportunity (CEO). CEO's mission is to align the city's efforts to lift individuals and communities out of poverty and increase opportunities for low income individuals and families. As Philadelphia's Community Action Agency, CEO is well-positioned to be a catalyst and serve as the supportive infrastructure to the city's cross-sector efforts to fight poverty.

Budget Trends: Although the CEO was created in January 2013, it subsumed the budget that was formerly allocated to the Mayor's Office of Community Services. CEO's budget consists primarily of grant funding which has decreased by over \$1 million between FY08 and FY13. Although the CEO will not receive General Fund funding, it was successful leading the City's effort to become a "Promise Zone" (described below). As a result of this designation, Philadelphia will receive technical assistance from federal agencies, preference for future federal funding opportunities, and tax incentives (pending approval from Congress), that will include credits for hiring local residents. To reflect this potential increase in grant funding in FY15, CEO will receive \$16.8 million in grant fund appropriation, a \$2.9 million increase over the FY14 current projection.

	FY08 Actual	FY13 Actual	FY14 Adopted Budget	FY14 Current Projection	FY14-FY08 Change	FY15 Proposed Budget	FY15-FY14 Change
General Fund	3,540,164	-	-	-	(3,540,164) -100.0%	-	-
Other Operating Funds	6,257,676	5,131,523	8,690,533	13,911,372	7,653,696 122.3%	16,810,562	2,899,190 20.8%
Total Operating Budget	9,797,840	5,131,523	8,690,533	13,911,372	4,113,532 42.0%	16,810,562	2,899,190 20.8%

Key Accomplishments

Launch of Shared Prosperity Philadelphia: In July 2013, CEO released [Shared Prosperity Philadelphia](http://sharedprosperityphila.org/wp-content/uploads/2013/07/SharedProsperityPhilaPlan-2013.pdf),³⁸ the City's plan to fight poverty. Persistent poverty is one of the biggest threats to the city's future prosperity. It costs the City tax revenue while increasing the already high demand for City services. Worst of all, it deprives thousands of citizens from realizing their true potential. Shared Prosperity is the first step in creating and implementing a comprehensive strategy to address poverty in Philadelphia. It lays out goals in five key areas:

- Job Creation and Workforce Development – Focus job creation and workforce development efforts on adults facing the greatest barriers to employment;
- Public Benefits – Expand access to public benefits (such as food stamps and health insurance) and essential services;



³⁸ <http://sharedprosperityphila.org/wp-content/uploads/2013/07/SharedProsperityPhilaPlan-2013.pdf>

- Early Childhood Learning – Ensure that children enter school prepared to learn and expand opportunities for year-round learning;
- Housing – Increase housing security and affordability, focusing on homelessness prevention;
- Economic Security – Strengthen economic security and asset building.

Selected as a Promise Zone: CEO, in cooperation the Mayor’s Office of Grants, recently led a successful effort to become one of only three cities selected to receive a federal Promise Zone designation. The Obama Administration created the Promise Zone initiative to address the challenges of areas of deep and persistent poverty. Today, the neighborhood one grows up in impacts one’s odds of graduating high school, facing chronic disease and lifelong economic opportunities. The goal of this effort is to ensure that everyone has equal access to opportunity, and that the place you are born does not determine your destiny. The target area of the Philadelphia Promise Zone is roughly two square miles in West Philadelphia – bounded by the Schuylkill River to the east, Girard Avenue to the north, 48th Street to the west and Sansom Street to the south. It includes 35,315 residents with an overall poverty rate of 50.78%, nearly double the city’s rate of 26.9%. Through this designation, Philadelphia will be able to accelerate the revitalization of this area. It will receive technical assistance from federal agencies, and preference for future federal funding opportunities. The designation will also bring more employers and businesses to West Philadelphia, thanks to tax incentives (pending approval from Congress), that will include credits for hiring local residents.

Reducing Consumer Debt: In March 2013, CEO launched six Financial Empowerment Centers (FECs) throughout the city. These centers offer free, one-on-one financial counseling targeted towards low-income residents. As of December 2013, the FECs had met with over 2,000 clients, and helped to reduce consumer debt by \$1.6 million. By the end of 2015, CEO expects to have served 9,000 clients and help to reduce debt by \$6 million.

Reducing hunger in Philadelphia: CEO also launched the Philadelphia Food Access Collaborative. The goal of the Collaborative is to improve the health and stabilize the lives of meal guests, and reduce hunger in Philadelphia.³⁹ It does this by building effective, partnership-based solutions to address the challenges of reducing hunger in Philadelphia and better serving the needs of vulnerable individuals who seek emergency congregant meals by strengthening connections to key social services. The work of the Collaborative is focused on three key activities:

- Increasing the number of meals available in a safe and dignified setting until current needs are addressed;
- Improving connections to social and health services for meal guests;
- Improving the health and nutrition of meals served.

The Collaborative is comprised of a diverse group of stakeholders. They include representatives from emergency food providers, social services and behavioral health organizations, community members, City government, emergency meal guests and philanthropic organizations.

³⁹ A meal guest is someone who gets an emergency meal from a soup kitchen or other congregant meal setting.

Key Strategies and Goals through 2016: CEO has established the following bold agenda to reduce poverty in Philadelphia:

- *Develop strategies to increase training opportunities for people with barriers to employment* – Identify high quality training opportunities and sources of funding, and develop strategies to enable individuals with barriers to employment (such as limited English proficiency or a criminal background) to participate.
- *Develop a pipeline to municipal job opportunities for low-income residents* – Work with City departments and community organizations to increase awareness among low-income residents about career opportunities with the City government.
- *Launch four benefits access centers and increase awareness of public benefits* – Establish neighborhood-based centers where low-income residents can receive assistance in being screened and enrolled in public benefits, such as food stamps or Medicaid. In conjunction with this effort, CEO will launch a citywide campaign to highlight the importance of utilizing these public benefits.
- *Identify a pilot site for providing meals and social services* – Increase the number of emergency meals and key social services available in a safe and dignified setting by opening a new meal site with connections to social services.
- *Develop a citywide early learning plan* – Develop a citywide plan to aid children in moving successfully from pre-kindergarten into elementary school, and ensure that every parent and child can access high quality childcare.
- *Increase financial empowerment* – Serve 4,500 clients at Financial Empowerment Centers and reduce consumer debt by \$6 million.

THE PHILADELPHIA YOUTH COMMISSION

The Philadelphia Youth Commission represents Philadelphia's youth in public hearings and gives testimony that reflects the youth perspective. Commissioners represent a diversity of ethnicities, race, gender and sexual orientation and serve as a representative voice of all youth in the Philadelphia community. The proposed FY15 budget does not ask for an increase or decrease as it related to the Commission's \$140,080 operating budget.

The Youth Commission's key goals are to, first, increase the effectiveness of the Youth Commission and to have an increased impact both in policy change and community outreach to members of the community; second, increase public awareness of the Philadelphia Youth Commission; and, third, expand internal capacity. Over the course of the past year, the Youth Commission has made an effort to continue to play an active role in being a part of decisions that affect the youth of Philadelphia, as well as creating a solid foundation and image for the Youth Commission. Accomplishments throughout the year include:

- Increased Commissioners' testimony in City Council,
- Advocated for school funding in collaboration with a number of youth organizations,
- Hosted a half-dozen youth town halls, including one on the Affordable Care Act,

- Led the youth engagement efforts for two of Mayor Michael Nutter national initiatives - the National Forum on Youth Violence and the Cities United Initiative, and
- Collaborated with other youth commissions and national youth organizations.

The Commission completed the creation of a three-year Strategic Plan and began implementing it in September 2011. As a result of the strategic plan implementation, the Youth Commission has reevaluated it to better inform the Commission's work in 2014 and beyond. This can be seen by the Commission's efforts to fill all five available Commission seats over the next few months, as well as an extensive plan to not only recreate and update the Youth Commission's website but the organization's image as well. Having the public address issues about the youth directly to the Commission has always been a priority for the Commission. To allow this to happen, the Youth Commission has continued and will continue to have monthly public meetings every second or third Thursday of the month at 4:30PM within Council Chambers. Moving forward, the Youth Commission's main focus will be to continue to build relationships with the communities within Philadelphia, in addition to elevating the voices and concerns of Philadelphia youth.

THE FREE LIBRARY OF PHILADELPHIA

The Free Library of Philadelphia's objectives are to advance literacy, guide learning and inspire curiosity. The Library is a valuable partner in the efforts to improve the educational attainment of Philadelphians. With the Central Library and 56 branches citywide, including three larger regional libraries and the Library for the Blind and Physically Handicapped, the Library serves as a resource to thousands of Philadelphia residents.

Budget Trends: The FY15 proposed budget includes a significant \$2.5 million in additional funding to provide 6-day service at all neighborhood branches and to increase the materials budget. Currently there are 10 branches with 6-day service; this investment in the Library system will allow the remaining 39 branches to go to 6-day service. In the other funds, an additional \$513,390 is being appropriated due to anticipated increases in State funding for materials for the blind and physically handicapped and support to run the library system. The Free Library, like many City departments, saw a decrease in funding since FY08 as a result of budget cuts in FY09 and FY10 during the economic and fiscal crisis. These cuts took place both in the General Fund and in Federal and State funding for local library services, causing reductions in staff, library hours, and library materials. The Free Library's General Fund budget was increased slightly in FY13 and FY14 to restore hours of service to branches throughout the City. However, programs and services have improved from FY08 with the proposed FY15 funding. The branches will be operating at 45 hours per week instead of 37 in FY08 and will close at 6pm from 5pm in FY08.

	FY08 Actual	FY13 Actual	FY14 Adopted Budget	FY14 Current Projection	FY14-FY08 Change	FY15 Proposed Budget	FY15-FY14 Change
General Fund	40,458,971	33,550,653	35,258,328	35,258,328	(5,200,643) -12.9%	37,758,328	2,500,000 7.1%
Other Operating Funds	13,962,896	8,221,171	8,418,657	8,010,071	(5,952,825) -42.6%	8,523,461	513,390 6.4%
Total Operating Budget	54,421,867	41,771,824	43,676,985	43,268,399	(11,153,468) -20.5%	46,281,789	3,013,390 7.0%

Performance Trends: Library books and other materials circulation continues to decline in FY14 and is expected to trend in that direction despite efforts to reduce this trend. The decrease in circulation in the first half of FY14 can still be attributed to the State transferring circulation of audio tapes from the Library for the Blind and Physically Handicapped to Pittsburgh. The Free Library is planning on expanding partnerships with other states in circulating Braille materials and increasing the number of renewals customers are allowed in all of the collections to meet standards set by other urban libraries. Additionally, visits may be down in response to the reduction in library materials since FY08. The Commonwealth of Pennsylvania mandates 12% of the total operating budget be allocated for library collections; the Free Library is presently at 7%. The Free Library of Philadelphia Board has requested a waiver from the State Librarian, and approval is pending. One of the major reasons why people visit the library is to borrow books, followed by access to computers. Both require sufficient resources to support collections and databases to meet customer demand. The Free Library “holds” by customers for books in demand average 20 per title, with some titles with “holds” up to 300. Also, over 50% of the Free Library’s budget for subscriptions for online databases has been reduced since FY08.

Visits to the Library increased by 2.6% between FY12 and FY13 but are down by 4.9% for the first half of FY14. Virtual visits continue to increase each year, having grown by 6% between FY12 and FY13 and again another 4.8% in the first half of FY14 over the same period last year. With the restoration of funding used to hire Library Facility Guards and add Sunday hours, the hours open of library branches increased by 9.7% in the first half of FY14 compared to FY13 and are on target to meet the FY14 goal of 98,000. Hours should continue to increase once the Library reaches 6 day service in select branches. Finally, computer use at the Library’s 54 locations and 4 Hot Spots has increased by 2.4% between FY12 and FY13 and again by 4.7% in the first half of FY14.

Performance Measure	FY08	FY12	FY13	FY13- FY12 Change	FY13 Q1-Q2	FY14 Q1-Q2	FY14- FY13 Q1-Q2 Change	FY14 Goal	FY15 Goal
Circulation of library materials	7,037,694	7,503,031	6,579,053	-12.3%	3,499,494	3,326,677	-4.9%	6,850,000	6,950,000
Visits	6,648,998	5,961,777	5,851,459	-1.9%	2,991,272	2,974,156	-0.6%	6,250,000	6,400,000
Virtual visits via FLP website	4,912,403	6,886,339	7,301,311	6.0%	3,625,234	3,798,705	4.8%	7,660,000	7,800,000
Hours open	110,224	97,804	95,769	-2.1%	46,340	50,853	9.7%	98,000	103,000
Computer use	1,023,577	1,358,890	1,391,347	2.4%	691,517	723,996	4.7%	1,460,000	1,500,000

Key Accomplishments

Expanded services and support for youth: As of July 15 2013, the Library ceased charging fines to children's materials checked out on children's cards. This change in policy will encourage children who, through no fault of their own, were previously unable to access library materials due to outstanding fines. The new policy, while not holding children financially responsible for overdue books, still requires materials to be returned before others can be checked out. This initiative was undertaken to help stem the tide of the decline in the number of children who have library cards, which has decreased from 150,000 in 2008 to just over 75,000 in 2013. Over the next three years, the Library plans to ensure that every public, charter and parochial school student has a library card. The Library has begun this project through a partnership with the School District of Philadelphia and is in the process of producing over 98,000 library cards for public school students who do not presently have a card. The Library plans to partner with Charter Schools in FY15 and with the Archdiocese of Philadelphia in FY16 so that by the end of FY16 all of the approximately 220,000 Philadelphia students in grades K-12 will have library cards.

Free Library volunteers worked to reopen school district libraries that received both students and library materials from closed schools. Adults and teens referred through the Juvenile Justice System unpacked books and cleaned library spaces after school and on weekends. Eight schools with critical need were stocked and are available to students as "reading rooms."

The Library's current Summer Reading program attempts to address learning loss that occurs over the summer. The Library aims to incorporate the "Cities of Learning" model adopted in Chicago to help students maintain academic progress during out-of-school time and gain the higher order, critical thinking skills required in today's knowledge economy. In this model, multi-level badges are awarded to students based on their participation and work, demonstrating real learning over the



summer and into the school year. Leveraging the groundwork established by the Chicago system, the Free Library will work with other City departments, community organizations, museums and other organizations to incorporate this “badging” system into its summer reading program, which will engage children and teens and help combat summer learning loss.

Teen Programming at Parkway Central has seen an increase in programs and attendance in FY13, with more than 120 programs offered to more than 2,400 teens, more than doubling services from FY12. This year also saw the kick-off of the 11th season of The Field Family Teen Author Series. Teens participating in the Field Family series were given the opportunity to hear from Supreme Court Justice Sonia Sotomayor. In addition, in tandem with the Library’s Summer Reading program, more than 100 Teen Literacy Coaches worked with children in 43 neighborhood libraries to help them improve their reading and literacy skills. In addition, college students were hired as Team Leaders to support and mentor the teens and guide them through a system-wide project called Fighting for Literacy in Libraries. Projects ranged from creating community dream catchers and virtual photo journals to student-produced videos about literacy in their neighborhoods; teens also blogged daily about their experiences. In addition to helping improve reading aptitude for children, the teens gained valuable mentoring and leadership skills. Going forward the Library plans to continue the Teen Coach program and incorporate the badging system described in the “Cities of Learning Model.”

A series of college preparation workshops and one-on-one counseling was offered to high school seniors at five neighborhood libraries in the fall of 2013 to guide them in completing their college application essays. In partnership with the Mayor’s Office of Education, the effort attempted to fill the gap created by the loss of guidance counselors in the School District. Additionally, the Library continued its ongoing College Prep program, targeting juniors at 10 public schools and reaching over 300 students. Students achieved an average increase of 40 points from pre-test to official SAT test. More than 200 students in this program have applied to college. Although many students are still waiting for notification, 115 have already received acceptance from at least one college, and 15 students have reported receiving scholarships. The Library aims to build on the success of the College Prep program and expand it to an additional 10 public high schools.

The Free Library currently has 120 computers throughout the system of neighborhood libraries that are exclusively designed for young children. The keyboards are large and colorful, and they come with software that is designed to attract and encourage early literacy skills in the early childhood years. These computers are over four years old, and so the Library aims to replace and upgrade them.

Expanding access and use of library services: In response to the needs and interests of the citizens of Philadelphia, and through the support of Mayor Nutter, the Library expanded hours of service to six days a week, Monday through Saturday, at 10 branches in February 2013. The Library plans to offer six days service at branches in FY15. The Library is working with the Office of Human Resources and the Budget Office to facilitate the hiring necessary to maintain and expand current service hours.

Visitors to Terminal E at the Airport have the option to connect to the Library's wireless internet and access FLP digital offerings for free. One of the first in the country to offer this service, the Library has expanded its user base to travelers and airport businesses and employees, and discussions are underway to expand the Library's presence throughout the airport.

The Free Library is partnering with the departments of Public Health and Parks and Recreation and the Children's Hospital of Philadelphia to build a new campus of services at Broad and Morris Streets. As part of this project, the South Philadelphia neighborhood library will be rebuilt. As a result, this library closed on December 31, 2013, and is not expected to re-open until late 2015. During this time, the Library plans aims to expand services at nearby branches so that customers continue to have access to materials and services. The Library is proposing to offer Sunday service, with a focus on the needs of young people, at the Charles Santore and Fumo Family neighborhood libraries during the time the South Philadelphia library is closed.

This year the Library challenged all citizens across the city to read a collective 20 Million Minutes, and the city did it – exceeding the goal by reading a total of 22.5 million minutes. More than 40,000 children, teens and adults participated in-person and online.

Contributing to Workforce Development through Collective Impact: A recent study by the Philadelphia Research Initiative of the Pew Charitable Trust noted that 29% of people who visit the Free Library of Philadelphia are looking for jobs. Presently, the Library offers programs in a variety of services for the job seeker including workshops on resume writing, time management and interviewing skills, job fairs and one-on-one assistance in conducting online job searches and completing online job applications. As part of the 21st Century Libraries initiative, where neighborhood libraries are being redesigned with input from community organizations to focus services on target populations, the Library has selected the Paschalville Neighborhood Library as a library that will focus services on the job seeker. The neighborhood served by the Paschalville library is an area where 31% of the adults have an income below the poverty level, 28% of the adults have less than a high school education, and 16.7% of the adults are unemployed. The Library has recently received a planning grant from the Institute of Museum and Library services to address the issue of unemployment through a collective impact approach and engaged a number of community partners to develop a comprehensive plan for services and training needed for today's job market. Partners in this planning grant include the Mayor's Commission on Literacy, Philadelphia Works, Philly Rising, and Mayor's Office of Community Empowerment and Opportunity. The goal is to develop a plan for job seeker services that will serve as a national model as well as a model for career services in the City's neighborhood libraries.

Clustering Libraries: In the last two years, the Library has adopted and begun implementing a new strategic plan and organizational structure focused on customer experience and community engagement. One of the key components of the new structure is the reorganization of the City's libraries into clusters that share staff and resources. Particular focus is paid to forging deep relationships with community groups, schools and daycares, civic associations, other city institutions and elected officials in order to access public input and gain a thorough understanding of the services the community needs

and wants. This model also provides the opportunity to reach sectors of the public who have not traditionally been library users, bringing the Library's range of services to a larger population. Over the next several years, each of the 54 libraries in the system will join one of eight clusters which will share staff and services and work to build stronger relationships with the community. Additionally, library services will be realigned to target specific groups, like job seekers, seniors, small businesses, and children, in communities where those services are particularly needed. It is the ongoing goal of the Library to meet the ever-changing, 21st century needs of its customers. The first cluster, up and running since September 2013 as a pilot, is located in north Philadelphia, an area of acute need.

Health and Healthcare initiatives: Recently, the Library has made a particular effort to increase health information services for its customers. More than 30 library employees were trained as Certified Application Counselors and are helping the public enroll for health insurance through the new federal marketplace. The Library has created partnerships with various healthcare institutions such as Penn School of Nursing and Pennsylvania Hospital to provide programming on a variety of topics for healthy living in neighborhoods throughout the city. A Healthcare Advisory Council of more than 30 leaders from local hospitals, universities, and provider organizations has been formed to guide the Library in offering the most accurate, useful, and up-to-date information to the public.

MAYOR'S COMMISSION ON LITERACY

The Mayor's Commission on Literacy's mission is to ensure quality literacy education is available for adult learners and envisions Philadelphia as one of the most literate cities in the United States by 2016. The Mayor's Commission on Literacy has laid the foundations for robust, city-wide workforce literacy, improved the quality of teaching, and created a system for greater efficiency in use of shrinking instructional resources, and consistency and quality of services in the city's neighborhoods by offering professional development services and workforce development systems. The work going forward now marries place-based intake, assessment, case management, enrollment, and tutoring services to online learning, and a system that gives learners a way of tracking their progress toward their career goals. The Commission seeks to improve the job-readiness skills of our workforce, by making opportunities to learn and support for adult learning available on a large scale.

Performance measures: In 2013, with online learning and electronic enrollment in development, the Commission has shifted its focus from establishing literacy services in underserved neighborhoods to increasing accessibility to learning anytime, anywhere, on any device, through the use of online literacy education. The metrics below therefore focus on new items, such as the number of learners enrolled in The Commission's online registration system. FY14 is the baseline year for the three Community Based Organizations (CBOs) partnering with the Commission in electronic registration and online adult literacy education, and reporting will begin in the 3rd quarter of FY14. The current year's work to assess and electronically record the large number of learners will give the Commission data on the levels of literacy in the city that has not been available before. These will be used to note trends in adult literacy for the first time in FY15 and FY16. The goal is to register 500 learners by the end of FY14 and more than 40%

completion of the introductory course. The somewhat low completion rate can be attributed to a variety of reasons that cause adults to drop out of the program, such as difficulty adjusting to the educational requirements and feelings of discouragement.

In addition to providing adult literacy programming online, the Literacy Commission works to help improve the overall quality and standard of adult literacy programs in the City by encouraging individuals and organizations to take active part in the Philadelphia Adult Literacy Alliance and use workforce literacy standards and other best practices taught in the Commission's professional development programs. The number of individuals in the Alliance has increased and is expected to hit targets of 300 by the end of FY14. As shown in the table below, teachers and tutors are increasing their own comfort levels with technology, evidenced by the increasing use of online exchanges for professional development and increased use of instructional software introduced by the Commission to the City's literacy providers, such as IBM Reading Companion and WIN, which the Commission manages on behalf of IBM and the State Department of Education, respectively. Finally, instructors are making use of the Commission's professional development programs, with more than 1,000 people attending in FY13 and similar numbers expected in FY14. This indicates the Commission's leadership in bringing best practices to Philadelphia.

Performance Measure	FY08 ¹	FY12 ¹	FY13	FY13- FY12 Change ¹	FY13 Q1-Q2	FY14 Q1-Q2 ²	FY14- FY13 Q1-Q2 Change ²	FY14 Goal	FY15 Goal
Number of learners enrolled in online registration system	N/A	N/A	27	N/A	0	0	0%	500	2,000
Individual members in Alliance	N/A	N/A	270	N/A	184	91	-51%	300	325
Organizations in Alliance	N/A	N/A	115	N/A	96	N/A	N/A	140	160
Agencies using workforce literacy standards	N/A	N/A	11	N/A	14	N/A	N/A	50	70
Teachers/tutors using online exchanges for PD	N/A	N/A	334	N/A	141	N/A	N/A	300	300
Enrollments in professional development (teachers, tutors, admins.)	N/A	N/A	1,164	N/A	359	173	-52%	1,000	1,500

¹ Data was first reported as of June 2012

² Reflects FY14 Q1 data only

Accomplishments

Piloting online adult learning and career courses: The most important development of FY14 is the design and development of the new intake, assessment, enrollment, and online learning systems, called "myPLACE," or the "Philadelphia Learning & Adult Career Education" project, which is being piloted in January-June, 2014. The Commission is electronically registering all callers and walk-ins to its offices, and three myPLACE partner agencies (Community Learning Center, Congreso de Latinos Unidos, and District 1199C Training and Upgrading Fund) are registering approximately up to 500 walk-in learners at their locations. All new learners are being professionally assessed, using PA Department of Education-

approved assessment instruments, and their scores are being entered in their electronic transcripts. All new learners are being immediately enrolled in a self-paced, guide-on-the-side online course, Introduction to Adult Learning and Careers, in which they will improve their digital skills and learn time management and good adult study skills. Most importantly, they will explore careers and jobs and post their Career Pathway and Learning Plan that shows the educational steps they will be taking to get from their current skill levels and work experience to achieve their career goal. Learners who complete this course will then be placed in their first online or face to face classes taught by career coaches.

The nation's first online, cohort-based, actively facilitated courses began on February 9, 2014, at level C of the *College and Career Readiness Standards in Adult Education* (OVAE, April, 2013), in *Reading and Writing* and *Mathematics*. Every seven weeks classes at the next level up will be added to the online offerings, building up to the Intermediate level by FY15. Each session, as many sections of each course will be offered as needed to accommodate enrolled learners. This program is designed as a national model for quality instruction that is scalable. The pilot has been entirely funded by the City at a cost of \$800,000.

In addition to learners being enrolled via the three myPLACE campuses and by Commission staff, by summer of 2014, Community College of Philadelphia (CCP) staff will be directly enrolling cohorts of online learners applying to enter CCP who score at intermediate levels in reading, writing, or math but cannot be admitted to the College; and Prisons staff will enroll cohorts of inmates who score at these levels so that they can continue their studies seamlessly upon re-entry into the community. The strategy for 2015 and 2016 is to bring the entire literacy-providing community under the umbrella of the adult learner registration system. The goal is to create transcripts of achievement, attendance and completion of programs for all adult learners; assure that all learners create and follow their individual learning and earning plans; assure that all face to face as well as online classes are modeling content on the new College and Career Readiness Standards in Adult Education by making the online curriculum accessible to all teachers, including face to face teachers; demonstrate improved retention in classes online and face to face (currently at 40% for Adult Basic Education); demonstrate improved persistence to the next class; create bridge programs starting in the summer of 2015 that enable learners to prepare for high stakes tests (employer tests; CCP entrance/placement tests; job training tests; and certification program entrance tests). In the case of incarcerated learners, the Commission aims to build its system as a national model for seamless transfer of learning attainment, and to enable returning citizens to be notified immediately of opportunities to continue their learning.

Engaging the City: The Commission launched a campaign for volunteers in the summer of 2013, called "Literacy Match," to significantly increase the numbers of adult literacy tutors and mentors. In 2014, the Commission is reaching out to businesses, faith organizations, and community-based organizations, to encourage employees, congregants, and neighborhood residents to engage in this cause. In synch with a national campaign and in response to the latest international study of [Adult Skills](http://www.oecd.org/site/piaac/surveyofadultskills.htm), the new push will begin in the Spring of 2014 under the heading of "Investing in Adult Education Pays."⁴⁰ The Commission

⁴⁰ Information on the Survey of Adult Skills can be found at: <http://www.oecd.org/site/piaac/surveyofadultskills.htm>

estimates that an investment of \$5,800 per average learner (ten, 6-week, online courses at \$580 per person per course) will take the learner from low intermediate (the equivalent of 4th-grade reading or math) up to the ability to pass an employer, job training, or certification entrance test at the 10th-grade level, entry into CCP if they have the GED or high school diploma, and family-sustaining income. Each adult receiving this investment will start paying this back in tax revenue alone of \$6,750 every year from the first year of employment and thereafter.⁴¹ The marketing campaign will be matched with a signature event, to be developed and piloted in FY15, and grown to larger scale in FY16 and thereafter.

Increasing use of technology: Technology as a basic literacy, and the use of technology as a means of instruction rather than a stand-alone subject of instruction, has significantly increased in the past year. The Commission's tutor training emphasizes that learners must use computers in tutoring sessions to practice their reading and writing skills and gain information literacy as well as keyboarding fluidity. Professional development of all kinds sponsored by the Commission focuses on assuring learners use information technologies as they learn. As a result of the Commission making licenses to learning software readily available city-wide, the number of courses using major software has grown from just a handful to 52 with 241 learners in FY13. In addition, the Commission introduced online learning communities for literacy teachers and tutors, which has resulted in 274 practitioners engaging in online exchanges in FY13. As a result, practitioners are now incorporating instructional technologies into their programs.

In FY14, the Commission undertook oversight of KEYSPOt Network, funded by the City of Philadelphia, to assure that KEYSPOt public computing centers in 24 sites managed by Parks and Recreation and the Free Library of Philadelphia, plus 10 additional community based organization sites managed by Drexel University on behalf of the City, enhance use of the sites by adults to improve their work-readiness. Data are being collected in FY14, with reports to begin in FY15.

Supporting low-skilled workers: In FY13 the Commission was influential in assuring that Philadelphia Works, Inc. (PWI) addressed low-skilled workers, who are the majority of job seekers in the city, as a priority for service in the organization's strategic plan. In FY14, the Commission is working to develop Learn and Earn models for sectors of this population, and, in particular, job seekers with criminal records and uneven work histories who continue to have difficulty attaining steady employment even years after their return to the community. Learn and Earn models are programs that link paid internships or employment with required learning opportunities, sometimes at the workplace, and sometimes at educational institutions. PWI is currently developing a new co-located model for the Employment, Advancement and Retention Network (EARN) and PA CareerLinks® centers, and the Commission is working with them to build education opportunities into the design for these new locations in FY15. The work at EARN and PA CareerLinks® is described further in the Goal 3 chapter.

⁴¹ Revenue estimate based on *Help Wanted* policy briefs published by the Philadelphia Workforce Investment Board in 2010, and also Education Pays, 2012 Data from the Bureau of Labor Statistics. In addition to generating tax revenue, every newly employed person, even those who are eligible for continuing public support and tax credits, also reduces the draw on public support.

OUTCOME 2: ADVANCE THE HEALTH AND WELLBEING OF PHILADELPHIANS

DEPARTMENT OF PUBLIC HEALTH

The Philadelphia Department of Public Health (PDPH) aims to protect the health of all Philadelphians and to promote an environment that allows residents to lead healthy lives. PDPH is comprised of thirteen divisions that provide the infrastructure and programming for disease prevention, food safety, environmental health and health care services. PDPH also works with a broad network of community, hospital, academic and business partners throughout Philadelphia and the Delaware Valley to make Philadelphia a healthier place to live, work and play.

Budget Trends: PDPH appropriated funding from the General Fund in FY14 exceeded FY08 levels after budget cuts in FY10 and FY11. The FY14 budget provided an additional \$1.9 million in General Fund allocation to bring doctor salaries in line with market rates in order to prevent and fill physician vacancies in health centers. In FY15 the Department will receive \$10,086 in additional funding, which represents the financial savings generated by the Department as part of the energy savings incentive program (described in the Goal 4 chapter).

In terms of other operating funds, PDPH started receiving receipts from the General Acute Care Hospital Assessment in FY09 which totals \$162 million for FY15, a \$3.6 million increase over FY14. All but \$13 million (for operating expenses and electronic health records implementation) of the \$162 million are passed through to the State. Between FY08 and FY14, PDPH's grant funding increased from \$83 million in FY08 to \$95 million in FY12 and has fallen back down to \$80 million in FY15 largely as a result of the influx and now end in American Reinvestment and Recovery Act (ARRA) funding from the Centers for Disease Control for initiatives to reduce tobacco use and obesity. Specifically, between 2010 and 2012, ARRA grants provided \$13.6 million annually for tobacco control and obesity prevention initiatives in Philadelphia, equaling \$9 per capita. With the completion of the ARRA grants, Get Healthy Philly was left with \$4.5 million annually for tobacco control and obesity prevention initiatives, equaling only \$3 per capita. This total includes new competitive grant funding from the federal government, including the Affordable Care Act, and new local support through the City general fund. In addition, the Division of Maternal, Child and Family Health (MCFH) is experiencing unprecedented reductions in its two principal federal funding sources: the Healthy Start infant mortality prevention grant and the Title V state block grant. Both funds are undergoing significant revisions, expected to result in changes in funding focus, increased competitiveness for funding, and significant reductions in the amount of individual awards. Offsetting these trends are slight increases in grant funding appropriations for chronic and infectious disease programs, resulting in a net increase in grant appropriations for grant funding of \$3.8 million between FY14 and FY15.

	FY08 Actual	FY13 Actual	FY14 Adopted Budget	FY14 Current Projection	FY14-FY08 Change	FY15 Proposed Budget	FY15-FY14 Change
General Fund	112,695,423	108,985,533	114,482,597	114,482,597	1,787,174 1.6%	114,492,683	10,086 0.0%
Other Operating Funds	83,034,017	221,795,509	239,701,164	233,797,150	150,763,133 181.6%	241,706,337	7,909,187 3.4%
Total Operating Budget	195,729,440	330,781,042	354,183,761	348,279,747	152,550,307 77.9%	356,199,020	7,919,273 2.3%

Performance Trends: The percentage of uninsured visits at the City's health centers increased 3.5% from FY12 to FY13 but has stayed fairly constant throughout FY13 and early FY14. Patients without insurance visit with a benefits counselor to review medical insurance options, and those counselors process applications to attempt to increase the number of insured individuals visiting the City's health centers. PDPH has focused its efforts in bringing down the inspection interval for risk category 1 food establishments from a high of 17.6 months in FY11 to a recent performance of 11.9 months for the first half of FY14. In prior years, the long hiring cycle for sanitarians contributed to long-term vacancies and difficulty in meeting the goal of inspecting risk category 1 establishments in less than 13 months. Alternative approaches to hiring have recently reduced the number of sanitarian vacancies and the length that those vacancies are open, decreasing the cycle time of hire from 245 days in 2011 to 180 as of the second quarter of FY14.

Since FY12, the Medical Examiner's Office (MEO) has focused on increasing the percentage of completing final reports for homicides within 60 days in order to comply with goals set by the National Association of Medical Examiners. The MEO now consistently meets or exceeds its goal of 95% by instituting a performance system whereby pathologists are reminded of aging homicide reports to ensure they complete the report within the proscribed timeframe.

Finally, the Division of Disease Control continues to monitor the percentage of children receiving the recommended immunization protocol. PDPH is on track to exceed its target of 76% for FY14, leading the Division of Disease Control to increase its goal for FY15 to 78%.

Performance Measure	FY08	FY12	FY13	FY13-FY12 Change	FY13 Q1-Q2	FY14 Q1-Q2	FY14-FY13		
							Q1-Q2 Change	FY14 Goal	FY15 Goal
Percentage of uninsured visits	52.1%	51.1%	52.9%	3.5%	54.0%	54.0%	0.0%	52.8%	52.5%
Inspection interval for food establishments in risk category 1 (measured in months)	N/A	15.0	17.2	14.7%	17.2	11.9	-30.9%	13	13
Total number of newly diagnosed HIV case reports	1,438	792	704	-11.1%	374	315	-15.8%	700	700
Percent of all homicides having final report completed within 60 days	80.0%	65.0%	95.0%	46.2%	93.5%	97.5%	4.3%	95.0%	95.0%
Percent of children 19-35 months with complete immunizations 4:3:1:3:3:1*	N/A	74.0%	75.0%	1.4%	75.0%	78.0%	4.0%	76.0%	78.0%

* The 'Percentage of children 19-35 months with complete immunizations 4:3:1:3:3:1' is children 19-35 months who receive 4 DTaP (Diphtheria, Tetanus, Acellular Pertussis), 3 polio, 1 MMR (Measles, Mumps, Rubella), 3 Hib (Haemophilus influenza type B), 3 HepB (Hepatitis B), 1 Varicella dose.

Key Accomplishments

Reducing obesity and smoking - *Get Healthy Philly*: Based on the efforts of *Get Healthy Philly*, rates of smoking have dropped by nearly 15% over the last four years, and levels of childhood obesity declined by 5% from 2006 to 2010. *Get Healthy Philly's* initiatives have resulted in:

- Reduced smoking by 15% among adults (2008-2012) and by 10% among youth (2009-2011); *Get Healthy Philly* will continue its mass media messaging about the health effects of secondhand smoke and how to quit smoking.
- Made approximately 200 recreation centers, playgrounds and outdoor pools smoke-free, affecting over 3.7 million visits, mostly made by children and adolescents; *Get Healthy Philly* will continue to expand smoke-free policies to additional outdoor municipal spaces, educational settings and public housing communities.
- Reduced the rate of illegal tobacco sales to minors by 36% via compliance checks and merchant education.
- Increased calls to the PA Free Quitline (1-800-QUIT NOW) three-fold with a mass media campaign on the health effects of secondhand smoke on children.
- Assisted over 300 primary care providers to improve their tobacco cessation counseling and treatment strategies, impacting the care of 80,000 patients; *Get Healthy Philly* will begin assisting behavioral health providers in counseling and treating their patients who smoke.
- Achieved a 5% reduction in obesity among Philadelphia school children between 2006 and 2010; and a stabilization in rates of adult obesity in 2012; *Get Healthy Philly* is supporting at least two hospitals in achieving Baby Friendly status in order to promote breastfeeding among infants, which is shown to reduce childhood obesity.
- Provided training and support to over 650 corner stores to sell healthier products. *Get Healthy Philly* is expanding Healthy Corner Store Certification to 50 corner stores, educating retailers

about the new law restricting signs/advertising to 20% of window and transparent door space, and documenting and recognizing supermarkets that have implemented changes in how they price, place and promote healthy and unhealthy foods.

- Provided training and support to over 200 Chinese take-out restaurants to reduce the sodium content in meals by 20%; *Get Healthy Philly* is engaging distributors to facilitate the purchase of low-sodium ingredients for Chinese take-out restaurants and implementing a mass media education initiative on the health risks of excess sodium consumption.
- Maintained 10 new farmers' markets in low-income communities and helped increase SNAP (food stamp) redemption at markets by over 300% through the Philly Food Bucks program.
- Partnered with the Mayor's Office of Transportation and Utilities to implement low-cost safety improvements at over 200 intersections and corridors to reduce pedestrian, bicyclist and motorist injuries.
- Partnered with the City Planning Commission to integrate health-promoting provisions into five district plans.
- Engaged 25 high schools and hundreds of students in developing and implementing plans to promote healthy eating and active living; *Get Healthy Philly* continues to expand easy access to tap water in school cafeterias, will host the first annual healthy recipe challenge for Philadelphia school students — *The Culinary Voice*, and, through the *Get Healthy Philly* Youth Council, will engage and equip eight youth leaders to inspire healthy changes in their families, schools and communities.
- Implemented nutrition standards for 300+ vending machines in City Government buildings, increasing the proportion of healthy snack sales four-fold.
- Demonstrated that menu labeling in full-service Philadelphia restaurants led to customers purchasing 151 fewer calories and 224 mg less sodium per meal.



Disease Control: In April 2011, PDPH launched a sexual health campaign in response to rising numbers of sexually transmitted diseases (STDs) among youth. As a result of the multi-faceted adolescent STD prevention campaign, by 2013 adolescent gonorrhea rates had declined by 39% (from 2,456 cases to 1,488 cases) and *Chlamydia* rates by 17% (from 7,728 cases to 7,580 cases) since the program launch in 2011. The percentage of sexually active youth who have received free condoms from the PDPH campaign increased from 7% to 70% between 2011 and 2013.

The number of deaths from hepatitis C (HCV) in the United States has now surpassed the number of deaths from HIV. Despite the size of the epidemic and the treatability of infection, few public health agencies have the capacity to conduct surveillance for HCV and develop prevention strategies. PDPH conservatively estimates that 50,000 Philadelphia residents have HCV infection, and that up to 75% are unaware that they are infected. PDPH has implemented a comprehensive HCV program through grant support from the Centers for Disease Control and Prevention (CDC). Under the new program, PDPH has

begun to monitor the burden extent and impacts of the disease, identify populations at risk, increase knowledge and awareness, promote testing, increase medical referral and capacity and decrease HCV transmission. HCV case finding increased by 30% from 2012 to 2013 as a result of improved screening and educational activities.

The Division of Disease Control was recently awarded a CDC grant to *“Increase Human Papillomavirus (HPV) Vaccination Coverage Rates among Adolescents.”* HPV is a preventable cause of cervical cancer, and immunization is a safe way to substantially reduce lifetime risk of HPV. Both women and men can receive the vaccine. The objectives of the grant are to: (1) increase HPV vaccine initiation by at least 10% for adolescents 11-18 years; (2) increase HPV vaccine series completion by at least 20% for adolescents 11-18 years; and (3) increase the proportion of HPV vaccine initiators who are 11-12 year of age by 20%. Beginning in January 2014, PDPH will initiate a number of activities to reach these goals including a healthcare provider education program, a mass media campaign, and vaccine reminder calls to parents of eligible adolescents.

The CDC funds the AIDS Activities Coordinating Office (AAO) as one of the 59 project areas (states, territories and some city health departments) to conduct HIV surveillance activities as part of the National HIV surveillance system. In a recent evaluation of the National HIV surveillance system, Philadelphia was one of only four project areas that met all 11 surveillance process and outcome measure targets, demonstrating the high quality of the HIV surveillance activities conducted by PDPH. AAO has been working diligently to reallocate resources to serve populations and areas with the greatest needs better by redirecting funds from individual and group behavioral interventions to a focus on testing and linkage to care. AAO has issued a Request for Proposals (RFPs) to better align federal, state and local resources with need.

The AIDS Activities Coordinating Office is conducting an enhanced surveillance project on all persons with late HIV diagnosis in 2012 (defined as HIV diagnosis within 90 days of an AIDS diagnosis). This project, along with core, incidence and behavioral surveillance activities will better define missed opportunities for prevention, earlier diagnosis, and intervention as well as set direction for effective programming moving forward. AAO is also actively seeking funding from both government and other foundations for enhanced surveillance, assisted retention and re-engagement services for persons living with HIV. Retention in care is the critical gap in achieving suppressed viral load and subsequent interruption of HIV transmission. To ensure the provision of HIV testing in the face of decreased resources, AAO is following the policy directives of the Affordable Care Act by requiring routine HIV testing at healthcare settings that receive funding through AAO.

The Division of Disease Control is also developing a new browser-based data management system to replace the existing DOS-based system, which includes surveillance, case management and medical record components for STDs. The solution will be a customized product that utilizes state-of-the-art technology and best practices, including an interface for receipt of digital laboratory data and provision of required data security. This data system will be based on a master person index shared with the existing PDPH Immunization Information System.

Health Centers (Ambulatory Health Services): During 2013, the City's neighborhood health centers participated in a one-year teledermatology research project with the University of Pennsylvania to provide insight into the utility of teledermatology for underserved communities. Through this project, health center providers used a software application called AccessDerm to submit an electronic dermatology consult request and access a remote dermatologist who reviewed and responded to the consult via the website or a mobile device – thereby avoiding the need to send patients for a secondary off-site visit. Since February 2013, Ambulatory Health Services providers cared for 131 patients who were enrolled and received specialty consultation via this project.

PDPH continues work on building and deploying a new electronic health record (EHR) in the City's health centers (the neighborhood health centers, the sexually-transmitted disease clinic and tuberculosis clinic) as well as its disease registries and the health services sites at the Philadelphia Prison System. The EHR will improve clinical outcomes for patients, integrate health services across the City's clinics and provide a knowledge base for public health policy. PDPH successfully launched the practice management components of the record at three of the eight neighborhood health centers and implemented the clinical module at one. Additionally, EHR project management staff is working with the Division of Disease Control (DDC) to integrate the software into DDC processes to streamline and automate various functions supporting clinical visits and surveillance activities. In the coming months, PDPH will work to deploy successfully the practice management and clinical module installations at all the remaining City health centers as well as the Division of Disease Control. PDPH has implemented the corrections module at one site in the Philadelphia Prisons and will be deploying at the remaining inmate health services locations at the Philadelphia Prison System. PDPH will establish a limited health exchange that links the databases within Ambulatory Health Services, the Philadelphia Prisons System and the Division of Disease Control with other health providers throughout Philadelphia in order to meet federally mandated criteria as well as perform public health data analytics.

Progress continues on the joint venture between the City and The Children's Hospital of Philadelphia (CHOP) to provide health care to South Philadelphia adults and children in a unique arrangement that will allow the City to expand its provision of dental care, mammography, prenatal care and a wide range of other children's and adult health care services. The venture will relocate two existing clinics: one, a pediatric primary care practice in South Philadelphia owned by CHOP, and, the other, a city health center that mainly serves adults. The new facility, being constructed by CHOP, will co-locate the two clinics as well as house a City recreation center and a branch of the Free Library. The new multi-function center will allow the City and CHOP to create a complex that offers clinical care, wellness, prevention, and literacy services to improve health outcomes for children and adults. Construction on the new building is scheduled to begin in the spring of 2014 with an anticipated completion date of December 2015.

Healthy Environments: The Office of Food Protection (Office) continues its work to become more business-friendly. The Office recently released a [guidebook](#) for starting a new stationary food business and has provided customers with the ability to pay plan review and enforcement fees on-line. Although

currently customers can pay only two types of fees on-line, the Office is working to provide online access for submission and payment for all food business-related applications and fees by the end of the year. The Office is developing the infrastructure to ensure routine annual inspections of all food establishments, re-inspections within 30 days, and pre-court inspections of all court cases. This will include upgrades to existing software to include reminders to businesses of upcoming annual inspections and the establishment of policies and procedures that will guide staff to work more efficiently and meet critical deadlines. The Office is also developing and disseminating resources for food vendors on how to prepare for a successful food safety inspection.

The Healthy Homes Healthy Kids Program, an initiative to prevent and correct significant health and safety hazards and improve energy efficiency in homes of pediatric asthma patients seen at St. Christopher's Hospital for Children (SCHC), continues its work. This three-year demonstration program, funded by the U.S. Department of Housing and Urban Development, educates and assists low-income families of pediatric patients from SCHC on how to mitigate indoor environmental hazards. The Healthy Homes Healthy Kids Program integrates clinical, environmental and educational strategies to successfully mitigate and manage a child's asthma. To date, 183 families have been enrolled in the program and 146 homes have been remediated of extant hazards. Additionally, Environmental Health Services will implement annual neighborhood-focused mice, rat and pest management education and awareness to areas that are targeted for lead poisoning prevention or are areas of high risk for asthma and lead poisoning.

Performance Management: In FY13 the performance management team continued to work toward its goal of developing and implementing a department-wide performance management system by 2015. Health Department leadership decided that performance management should be piloted with the administrative divisions, where early successes would not only strengthen internal operations but better support external processes. In 2013 the Health Executive Team began holding quarterly performance review sessions with each of the Administrative Division Directors to discuss performance data and quality improvement. These reviews have led to significant quality improvement of core processes, including, for example, a reduction of nearly 50% in the time to execute contracts as well as a major upgrade of the department's Human Resources System. In FY14 and FY15, the performance management team will continue with its roll out of performance management and quality improvement, expanding these practices to the remaining nine operating divisions.

Accreditation: The Philadelphia Department of Public Health (PDPH) will be seeking Public Health Accreditation by 2015. Accreditation is a new national process by which local, tribal and state public health agencies assess and document their ability to provide the 10 essential public health services. The Public Health Accreditation Board (PHAB), an independent non-governmental agency, has developed a set of 300+ standards to serve as benchmarks for accreditation. Through accreditation, PHAB strives to advance quality and performance within public health departments across the country. While public health accreditation is not currently required, federal agencies, such as the U.S. Centers for Disease Control and Prevention, will likely require accreditation within the next five years as a condition of grant

awards. Over the last nine months, PDPH has taken a series of steps to move toward accreditation, including:

- Developing a [Community Health Assessment](#)
- Convening 15 stakeholder meetings with a range of public health partners to develop a Community Health Improvement Plan
- Launching a Department-wide strategic planning process
- Performing an accreditation self-assessment demonstrating that PDPH is accreditation-ready
- Gathering the first round of documentation for each of the 300+ standards and measures required for accreditation.

DEPARTMENT OF BEHAVIORAL HEALTH AND INTELLECTUAL DISABILITY SERVICES

The Department of Behavioral Health and Intellectual disAbility Services (DBHIDS) supports a vision of recovery, resilience, and self-determination. The Department provides comprehensive behavioral health and intellectual disability services through a provider network made up of four components: the Office of Addiction Services, the Office of Mental Health, Philadelphia's Medicaid managed care behavioral health program, and Community Behavioral Health and Intellectual disAbility Services.

Budget Trends: Ninety-eight percent (98%) of DBHIDS funding comes from State and Federal government, including over \$900 million from the State to provide managed behavioral health care to 120,000 residents of the city receiving medical assistance benefits annually. Thus, the greatest challenges facing this Department involve unknowns concerning State and federal budgets. In FY13 overall State program dollars were reduced by 10%. Locally these cuts were absorbed via a 30% reduction in local mental health, outpatient treatment services for the uninsured. General fund support for DBHIDS is used as a match to receive ten times the investment in state and federal funds and will remain roughly on par in FY15 with FY14 funding levels. The FY15 budget appropriates an additional \$62 million to the DBHIDS primarily through the Health-Choices Behavioral Health Revenue Fund in order to plan for potential changes in the per person allocations received. The FY15 General Fund allocation to DBHIDS is roughly on par with FY14 funding levels.

	FY08 Actual	FY13 Actual	FY14 Adopted Budget	FY14 Current Projection	FY14-FY08 Change	FY15 Proposed Budget	FY15-FY14 Change
General Fund	14,136,399	14,144,736	13,832,747	13,932,747	(203,652) -1.4%	13,832,747	(100,000) -0.7%
Other Operating Funds	1,352,711,949	1,041,322,258	1,157,238,329	1,125,004,913	(227,707,036) -16.8%	1,187,418,618	62,413,705 5.5%
Total Operating Budget	1,366,848,348	1,055,466,994	1,171,071,076	1,138,937,660	(227,910,688) -16.7%	1,201,251,365	62,313,705 5.5%

Performance Trends: The number of children served in out-of-state Residential Treatment Facilities (RTFs) decreased by 17.9% between FY12 and FY13. Further decreases are unlikely due to the fact that

many out-of-state RTF placements involve the purchase of specialty care services that are not available in-state. Congregate residential (3 or more individuals residing in a single dwelling) program capacity reductions, being progressively enacted by the Department of Human Services, are also expected to increase the demand for RTF services. In light of these realities and performance to date this fiscal year, the target goal for FY15 has been increased by 3 to 25 placements per year. The number of new RTF admissions is a new measure for the Department starting in FY14. The target goal for FY14 is not to exceed 950 new admissions. For comparison purposes, DBHIDS has provided prior data (FY13 Q1 and Q2) not previously reported. Performance for this measure is on target with projected goals and shows little variance in the FY14/FY13 comparison. A minimal decrease was observed in the percent of claims paid within 45 days from FY12 to FY13 (0.6%). As of the first quarter of FY14, this measurement has decreased by 1.3% compared to the first quarter of FY13. Efforts will be made to improve performance to insure that all contracted providers receive timely payment in compliance with the Medicaid HealthChoices contract and DBHIDS' standards. The last two performance measures have a reporting window of 120 days. As a result, data are not yet available for FY14 Q1 and FY14 Q2. DBHIDS has steadily increased the percent of follow-up within 30 days of discharge from an inpatient psychiatric facility but, at 69.9% for the first half of FY13, performance remains significantly below the goal of 90% for FY13. Regardless of performance to date, DBHIDS is retaining this target as a worthwhile goal and because it is consistent with a national standard reported broadly for Inpatient providers who serve Medicaid recipients. Nationally, approximately 70% of individuals discharged from inpatient treatment receive behavioral health follow-up within 30 days. DBHIDS has steadily decreased the percent of readmissions within 30 days of discharge from an inpatient psychiatric facility and performance for the first half of FY13 (15.5) is close to the FY13 goal (15%). The goal for this measure has been reset to 13.5% for FY14 and FY15 to prompt further performance improvement.

Performance Measure	FY08	FY12	FY13	FY13- FY12 Change	FY13 Q1-Q2	FY14 Q1-Q2	FY14- FY13 Q1-Q2 Change	FY14 Goal	FY15 Goal
Percent of claims paid within 45 days*	98.7%	99.9%	99.6%	-0.3%	99.6%	98.6%	-1.0%	100.0%	100.0%
Number of clients served in out of state residential treatment facilities**	233	28	23	-17.9%	15	20	33.3%	19	25
Number of new admissions to Residential Treatment Facilities	1,651	678	679	0.1%	338	339	0.3%	700	700
Percent of follow-up within 30 days of discharge from an Inpatient psychiatric facility***	62.4%	68.5%	67.2%	-1.9%	68.5%	N/A	N/A	90.0%	90.0%
Percent of readmission within 30 days to Inpatient Psychiatric facility (SA & Non-SA)***	21.4%	14.9%	16.2%	8.7%	17.6%	N/A	N/A	15.0%	15.0%

* Due to the 45 day payment processing window, FY14 Q2 data is not available for this measure. FY14 Q2 data is an estimate, updated data will be provided in FY14 Q3.

** FY08 statistics for Out of State Clients included duplicated count of individuals. From FY11 forward this measure has been reset to reflect unique individuals.

*** Due to follow-up period (30 days post discharge) and claims lag (i.e. providers have up to 90 days from date of service to submit claims for payment), data for FY14 Q1 are estimates, FY14 Q1 and Q2 data will be updated in Q3.

Key Accomplishments

Investing in Outcomes: In 2013 Intensive Outpatient was added to Pay-for-Performance, bringing the total number of evaluated services to fifteen (15). Performance improvements continued to be observed in key areas including increased timeliness of Wraparound service provision and reduced gaps in Targeted Case Management service provision. With the tightening of standards required to earn a Pay-for-Performance award, 198 out of 436 eligible programs (45%) earned an award in 2013. Looking ahead, plans are in place to evaluate Crisis Response Centers and a trio of family-centered programs for the first time in 2014 (Family-Based service, Family-Focused service, and Functional Family Therapy). As always, the existing metrics will continue to be evaluated and modified to enhance measurement accuracy and provide a comprehensive view of program quality.

Over the last year, DBHIDS has expanded efforts to promote evidence-based and outcomes-oriented practices throughout Philadelphia's behavioral healthcare system. These state-of-the-art approaches are typically under-deployed in publicly funded systems. The Department created the Evidence-based Practice and Innovation Center (EPIC) to coordinate system-wide efforts to increase access to high quality, evidence-based services and enhance monitoring of these interventions. The goal of this effort is to ensure that people have access to services that have demonstrated success in achieving and sustaining recovery and resilience outcomes. Since 2011, Trauma-Focused Cognitive Behavior Therapy or Prolonged Exposure evidence-based treatments have been provided to children and adults, via training 150 therapists from 20 agencies. Recently, trauma training has focused on people experiencing both Post Traumatic Stress Disorder (PTSD) and substance abuse challenges. Since spring 2012, 40 therapists and psychologists at 7 agencies have received expert training and consultation to implement Dialectical Behavior Therapy for people with high-risk and self-injurious behaviors. In 2013, with the help of federal grants, this initiative expanded implementation efforts to provide cognitive therapy for children in school settings and veterans receiving substance abuse treatment.

Homelessness: In 2012, coinciding with the start of the City's Permanent Supportive Housing (PSH) Clearinghouse, DBHIDS began to transition the Mental Health (MH) residential system from largely congregate care to a more recovery focused network based on permanent supportive housing. To date, in partnership with the Office of Supportive Housing and several contract agencies, over the course of the last year, DBHIDS provided permanent supportive housing for 728 people with behavioral health challenges who transitioned from homelessness or congregate care facilities. DBHIDS is currently working with the stakeholder community to develop a comprehensive Strategic Plan for Community and Housing Support Services. Implementation of this plan will begin in FY15 and will focus heavily on the expansion of community based permanent supportive housing.

The State's elimination of General Assistance (GA) cash benefits in FY13 have resulted in 39,000 Philadelphians losing their cash benefits. For many people, the loss of cash assistance has led to severe poverty, homelessness, and increased need for behavioral health care. This situation has been compounded by the fact that many individuals mistakenly believed that they lost their Medicaid eligibility when they lost their General Assistance cash benefits. As a result, many people are now uninsured and dependent upon non-medical assistance, largely State funded safety net services.

Crisis prevention and response: In collaboration with the Mayor's Office, DBHIDS launched the Mental Health First Aid (MHFA) initiative in January 2012. Philadelphia is the largest metropolitan area to undertake a campaign designed to educate and support the general public in responding to behavioral health crisis and non-crisis situations. Since January 2012, DBHIDS has trained 2,509 Philadelphians, including 124 trainers. MHFA is building community partnerships with the American Red Cross, faith-based organizations, the National Constitution Center, the School District of Philadelphia, the Police Department and others. A network of MHFA community hubs is being established throughout the city to increase training access. In partnership with Drexel University School of Public Health, DBHIDS will be evaluating the effectiveness and impact of MHFA.

DBHIDS, in partnership with the Mental Health Association of Southeastern Pennsylvania, introduced the Philadelphia Warmline in FY12 as a resource for Philadelphia residents who are experiencing anxiety, depression, loss, relationship difficulties or other life challenges. In addition to providing a "listening ear", Warmline workers link callers to resources, teach coping skills, instill hope, and help to reduce the unnecessary use of crisis and inpatient services. From November 1, 2012 through November 30, 2013, the Warmline received 877 calls answered by Certified Peer Specialists.

In FY13 DBHIDS established a new Crisis Response Center in Northeast Philadelphia, an area of the city where this service had not previously been available. To date, the Center has served 9,000 individuals. This resource is located at Friends Hospital and is available on a 24/7 basis to persons experiencing serious behavioral health challenges and their families. This Center includes both clinical staff and peer specialists who work closely with individuals and families. Thorough assessments and referrals for follow up services including inpatient and outpatient treatment are provided.

Addressing the needs of persons with intellectual disabilities: Intellectual disAbility Services (IDS) achieved the following accomplishments over the course of the last year:

- 268 individuals were registered for Intellectual disAbility Services, with intakes completed in 20 to 30 days. This represents a substantial improvement over FY12, when the intake process took an average of 30 to 40 days to complete. 23% of applicants completed voter registration forms which were mailed during the intake process.
- 500 calls per month are received requesting early intervention services. 80% of those calls result in completed intakes for the Infant/Toddler Early Intervention Program. In FY13, 6,118 children and their families were served in this program.

- As of December 2013, Philadelphia serves 2,386 individuals via the Consolidated Waiver and 1,421 individuals in the Person/Family Directed Support Waiver. 2,410 people receive (Base) State funded services. This constitutes an increase of 245 individuals from December 2012 and includes waiver services for 142 high-school graduates, 88 individuals who have aging caregivers, 108 requests for critical or emergency waiver supports, and 124 individuals with emergent needs. Pennsylvania must address the needs of people with intellectual disabilities who present a critical need for service who are not enrolled in Waiver services due to capacity limitations. As of October 31, 2013, the PA Waiting List Campaign website identified 2,760 Philadelphians waiting for service. As of December 2013, 3,777 individuals are registered with Philadelphia IDS who are not enrolled in a Medicaid Waiver and, as a result, are receiving minimal service. In FY13, a waiting list initiative was included in the State budget, and 230 individuals have received assistance resulting from this budget increase. However, the growing number of people waiting for community services is evidence that much more needs to be done to reduce the waiting list and address service gaps, especially among graduates and their families who need access to services upon leaving school so that more costly out-of-home residential services are not required. This is a State run and State funded program. DBHIDS can only administer these services to the extent that they are funded by the Commonwealth.

Expanding access to care: To date, the Commonwealth of Pennsylvania has opted to allow the federal government to establish a Federally Facilitated Marketplace (FFM) in Pennsylvania and has opted out of a traditional Medicaid Expansion. Currently an alternative benefit plan (ABP) to expand Medicaid in Pennsylvania is being considered by the federal government. In order to proceed with the ABP, Pennsylvania must submit an 1115 Demonstration Waiver Application to The Department of Health and Human Services (HHS). Challenges in the waiver application include fines for improper use of the emergency room, cost sharing requirements that would require individuals at 50% of the Federal Poverty Level (FPL) to pay premiums, work-search requirements and the shifting of newly medical assistance eligible individuals to private health plans. However, if an ABP is approved by the state and federal government, it is likely that the plan will not be able to take effect until 2015. This will leave hundreds of thousands of individuals without access to health insurance coverage in Pennsylvania for another year. Nonetheless, in 2014, many of the major provisions of the Affordable Care Act (ACA) will become operational including health insurance marketplaces, individual mandates, tax credits, and cost sharing subsidies. DBHIDS has developed a strategic approach to obtain, analyze and disseminate ACA information, as it becomes available, in order to maximize local opportunities related to behavioral healthcare. DBHIDS has also become a Certified Application Counselor (CAC) organization and will continue to offer assistance to community members regarding the completion of applications for health insurance coverage. Trainings will also be conducted as will other outreach efforts designed to raise ACA awareness.

OFFICE OF SUPPORTIVE HOUSING

The Office of Supportive Housing's (OSH) mission is to assist individuals and families in moving towards independent living and self-sufficiency in safe and stable housing through Philadelphia's homeless continuum care and Riverview Home. OSH is also responsible for the policy, planning and coordination of the City's response to homelessness. Major areas of work include the coordination of the Homeless Continuum of Care and the implementation of Philadelphia's recalibrated Ten Year Plan to End Homelessness. OSH offers a wide array of services including emergency, transitional and supportive housing to individuals, couples and families.

Budget Trends: The Office of Supportive Housing funding now well exceeds FY08 levels. In FY13, OSH received an additional \$3 million to create 100 emergency housing beds for victims of domestic violence, and in FY14 OSH received a General Fund increase of \$947,958 to offset federal sequestration cuts to homeless housing funding. The FY14 current estimate reflects additional increases for beds for victims of domestic violence and to expand winter capacity for the homeless. OSH receives almost \$30 million in grant funding from the Department of Housing and Urban Development and the Commonwealth for rental assistance and support services for individuals with disabilities and their families and to provide rent and housing stabilization services to prevent homelessness. The FY15 General Fund proposed allocation is \$1.4 million lower than the FY14 current estimate. This reflects the net effect of one-time expenses of \$1.4 million in FY14 to fund the start up of the Woman Against Abuse shelter and additional capacity to house the homeless during the extreme winter, and a decision to continue to provide a \$1 million offset to the federal sequestration on an ongoing basis, which had been provided in FY14 as a one-time expense. The FY15 proposed budget maintains appropriations for other operating funds roughly on par with FY14 levels.

	FY08 Actual	FY13 Actual	FY14 Adopted Budget	FY14 Current Projection	FY14-FY08 Change	FY15 Proposed Budget	FY15-FY14 Change
General Fund	40,544,073	42,101,436	43,616,630	45,052,630	4,508,557 11.1%	43,613,828	(1,438,802) -3.2%
Other Operating Funds	29,930,902	28,684,573	49,352,513	48,195,173	18,264,271 61.0%	48,224,530	29,357 0.1%
Total Operating Budget	70,474,975	70,786,009	92,969,143	93,247,803	22,772,828 32.3%	91,838,358	(1,409,445) -1.5%

Performance Trends: As a result of the end of the American Recovery and Reinvestment Act (ARRA) funding (over \$23.5 million over a three year period from September 2009 to September 2012), the numbers of households receiving financial assistance to prevent homelessness and to move out of homelessness have dropped dramatically since FY11. The Department of Housing and Urban Development continues to fund these programs but at significantly lower levels (\$2.8 million in FY14

versus \$7 million under the ARRA program) resulting in serving far fewer households. OSH has incorporated the sequestration reduction in its planning goals for FY14 and FY15.

In addition, over the course of the ARRA program, OSH determined the profile of a household likely to be successful under the Rapid Rehousing (RR) Program. Specifically, those households will have a monthly income of at least \$900. However, because of poverty, unemployment and the lack of affordable housing in Philadelphia, the majority of households entering the emergency housing system do not have the requisite monthly income to be able to sustain themselves once RR assistance ends. OSH continues to seek and utilize all available local, state and federal homeless prevention and rapid rehousing funding and continues to encourage providers to diligently work their consumers to connect them to all mainstream benefits for which they qualify and to connect them to resources and opportunities to increase their skills, education and income. The number of permanent supportive housing beds for people experiencing homelessness increased by 49% from 120 in FY11 to 179 beds in FY12 and 180 beds in FY13. In addition, OSH completed 539 transitional housing placements in FY13. Placements for the first and second quarters of FY14 are only slightly lower than those quarters in FY13 (272 in FY13 and 266 in FY14) since time in transitional housing can vary from 12 months to 18 months so the number of vacancies may fluctuate each quarter. However, this does not indicate a lessening of need as there is a current waiting list of about 450 applications as of January 2014.

Performance Measure	FY08	FY12	FY13	FY13- FY12 Change	FY13 Q1-Q2	FY14 Q1-Q2	FY14- FY13 Q1-Q2 Change	FY14 Goal	FY15 Goal
Prevent homelessness by providing financial assistance (HPRP & HTF) to households*	336	809	610	-24.6%	332	69	-79.2%	250	TBD
End homelessness by providing financial assistance (HPRP) to households**	N/A	82	291	254.9%	147	57	-61.2%	172	TBD
New permanent supportive housing units for people experiencing homelessness (Non-PHA)***	76	179	180	0.6%	N/A	N/A	N/A	119	TBD
Number of transitional housing placements	435	558	539	-3.4%	272	265	-2.6%	500	TBD

* ARRA HPRP ended September 30, 2013; in FY13, the funding source for Prevention was ESG & HTF. The FY14 funding source is HTF; numbers represent **new** households receiving financial assistance

** ARRA HPRP ended September 30, 2013; thereafter, the funding sources for Rapid Rehousing (RR) are ESG and HOME; numbers represent **new** households receiving financial assistance

*** This measure is tabulated annually as part of the federal grant process

Key Accomplishments:

Reducing homelessness: Among 25 cities participating in the U.S. Conference of Mayors 2013 Hunger and Homelessness Survey, Philadelphia was one of nine cities in which the total number of homeless persons decreased from the prior year. This is the result of strategic use of scarce resources, implementation of best practices, and improved targeting in the use of intensive resources so that the most vulnerable individuals are prioritized for housing. OSH aims to continue working in close partnership with federal, state and local agencies to drive down the number of chronically homeless individuals and homeless veterans in support of the federal U.S. Interagency Council on Homelessness goal to end chronic and veteran homelessness by the end of 2015.

The system to end homelessness works best when households are able to move rapidly out of emergency housing and into affordable housing. This requires a variety of available housing types and options, including rental assistance, as well as an overall increase in affordable housing opportunities. The overall homeless housing inventory has increased by 50% during the Nutter Administration to more than 4,500 new housing units through construction, rehabilitation, and leased units. The cities participating in the 2013 U.S. Conference of Mayors Hunger and Homelessness Report added, on average, 220 new permanent supportive housing beds in a one-year period. Philadelphia added more than twice that amount, with 462 new permanent supportive housing beds made available in the past year. In FY13, 539 households moved from shelter to transitional housing, and 860 households moved out of homelessness and into permanent housing. Over the next two years, OSH aims to continue to expand the resources of the Permanent Supportive Housing Clearinghouse (established in OSH in FY12) to include the full permanent supportive housing inventory in Philadelphia (about 5,000 units).

The City's partnership with the Philadelphia Housing Authority (PHA) has been a tremendous asset in the overall strategy to reduce and end homelessness. The partnership includes the Blueprint Program, in which PHA committed 500 housing units annually to homeless individuals and families; and, the Department of Housing and Urban Development's (HUD) Veterans Affairs Supportive Housing program, in which PHA administers more than 400 Housing Choice Vouchers (i.e. rental assistance) for homeless veterans and their families. In FY13 and FY14, with PHA's assistance, 250 families moved from emergency and transitional housing to permanent PHA housing and 450 individuals moved into permanent PHA housing in the Blueprint program. Services are provided by the City through nonprofit contractors to support participants in maintaining housing stability and connecting them with services when needed.

The Rapid Rehousing model, initiated by HUD through the American Reinvestment and Recovery Act (ARRA), is a model of housing assistance that rapidly rehouses homeless individuals and families in rental units in the community with short to medium term subsidies to pay rent, along with services focused on maintaining housing. Despite the end of ARRA, OSH was able to continue the program from FY2012 using HUD HOME and Emergency Solutions Grant funding to provide rental assistance to 291 households. OSH will continue to utilize Emergency Solutions Grant funding and HOME funding to rapidly re-house homeless individuals and families.

Demand for emergency housing for families facing housing instability and struggling with poverty is a concern due to limited resources for emergency housing beds. Creation of more entry-level beds only exacerbates the back end problem, which is a need for more affordable housing. In addition to PHA and rapid re-housing opportunities when there are no immediate shelter beds available and when it is safe, OSH has implemented a diversion strategy whereby households are assisted in returning to housing with family or friends. In FY13, more than 1,500 households were diverted (duplicated), a 50% increase over the number diverted in FY12. Of those, just 41% returned to request emergency housing. Over the next two years, OSH aims to increase the emergency resources for families and individuals experiencing domestic violence, including those who are LGBTQ, through Women Against Abuse (100 new emergency housing beds) and Congreso (shelter and community-based activities and services to address Latina and gender minority survivors).

CAPITAL BUDGET TRENDS AND HIGHLIGHTS

Capital budget trends: Capital investment in Goal 2 related departments consists of the Free Library, the Department of Public Health, and the Office of Supportive Housing. The total FY15 Capital budget allocates \$4.5 million in City funding consisting of General Obligation bonds and prefinanced loans for capital improvements to these Departments and \$17.4 million over the six year capital program.⁴² The Free Library's allocation is budgeted to decrease 22.3% (\$628,000) in City funding due to funding requests for Branch Library improvement projects programmed for FY16 versus FY15. The Department of Public Health's allocation is budgeted to decrease 39.6% (\$515,000). The amount of funding required decreased because no new funding was needed for Health Center 2, which received sufficient funding in FY13 and FY14. The Office of Supportive Housing is receiving \$1.6 million in new capital funding for FY15, experiencing a 100% increase in funding since they did not request City funding in FY14 for capital improvements.

Department	Source of funding*	FY14 Budget \$ Thousand	FY14-FY19 Budget \$ Thousand	FY15 Proposed Budget \$ Thousand	FY15-FY20 Proposed Budget \$ Thousand	FY15-FY14 change** \$ Thousand
Free Library	City funding	2,810	10,460	2,182	7,782	-628
	Total	15,061	24,711	16,126	23,726	1,065
Health	City funding	1,300	4,285	785	4,935	-515
	Total	23,008	36,393	29,275	47,825	6,267
Office of Supportive Housing	City funding	0	3,185	1,570	4,677	1,570
	Total	3,568	6,753	4,532	7,639	964
Total	City funding	4,110	17,930	4,537	17,394	427
	Total	41,637	67,857	49,933	79,190	8,296

⁴² Prefinanced loans are loans that the electorate or City Council has already authorized.

* City funding consists of General Obligation bonds, prefinanced funds, and new PICA funds. Total funding includes various funding sources such as new General Obligation bonds; prefinanced funds; PICA funds; federal, state and private funds; carryforward funds; other government funds; City self-sustaining funds; and other City sources.

** Change in total capital funds could reflect a change in spending of carryforward from all sources as well as a change in receipt of new funding from all sources.

Key Projects

Office of Supportive Housing: In FY15, \$1.6 million is recommended for improvements at its emergency housing facilities, which serve some of the City's most vulnerable homeless and special needs populations. These critical life and safety improvements include HVAC, infrastructure, and interior and exterior improvements to the Gateway, Stenton, and Woodstock and Riverview Home facilities.

Free Library: In FY15, \$2.2 million is recommended in new City funds for HVAC, infrastructure, interior and exterior renovations at several library locations. The City has continued its commitment to the branch library improvement program and has recommended the final \$1.5 million of the City's \$4.5 million dollar pledge which began in FY13. This multi-year program will leverage private funds to improve the library branches throughout the city.

GOAL 3: PHILADELPHIA IS A PLACE OF CHOICE

OVERVIEW OF INITIATIVES AND KEY ACCOMPLISHMENTS

SUPPORTING THE ECONOMIC VITALITY IN PHILADELPHIA

The Nutter Administration has taken a number of steps to support economic vitality in Philadelphia. Goal 3 describes the Mayor's investments in making Philadelphia a place of choice for residents and businesses. Recent city rankings and real estate developments suggest that these investments are starting to yield a positive return. As described earlier in the Demographics chapter, 2012 marked the 6th straight year of population growth. The city added more than 20,000 people between 2012 and 2011, with the lion's share coming from the influx of young, well educated professionals aged 20-34. The growth in young professionals is reflected in recent surveys and rankings by numerous external agencies. In 2013, Vocativ, a digital news agency, included Philadelphia in their list of the top 35 cities in the nation for people under 35 to live in. Philadelphia ranked 4th in the nation for most walkable and bike friendly, and 5th in the nation for transit friendly, according to Walkscore's 2014 ranking.^{43,44} Lonely Planet named Philadelphia 4th on its Top Ten United States Destinations for 2013, citing Philadelphia as a major art capital with many new bars and restaurants.⁴⁵ The City has also become a leader in Lesbian, Gay, Bisexual and Transgender (LGBT) rights and gender equality, with protections and provisions on the basis of sexual orientation and gender identity and a life partnership program. In November 2013, the Human Rights Campaign released its second annual edition of the Municipality Equality Index (MEI), which measures how supportive the municipality's practices are to LGBT people, and named Philadelphia one of the only 25 cities out of 291 cities evaluated that earned an MEI of 100 points.⁴⁶

Signs of an economic rebound after the Great Recession are springing up in neighborhoods all over the city. The recent announcement of Comcast's new Innovation and Technology Center, Philadelphia's future tallest-tower, to be built in Center City by 2017, will recast the architectural blueprint of the technology industry from sprawling suburban campuses to an urban media center, bringing not only Comcast, but also two TV stations and technology startups under one roof in the heart of the city. This move signals Comcast's belief in the value proposition Philadelphia has to offer to software engineers,

⁴³ "The 35 Best US Cities for People 35 and Under, According to Vocativ", Reuters (2013). Accessed on February 14, 2014 at: <http://www.reuters.com/article/2013/11/07/ny-vocativ-survey-idUSnPnNY4Ckfs+168+PRN20131107>

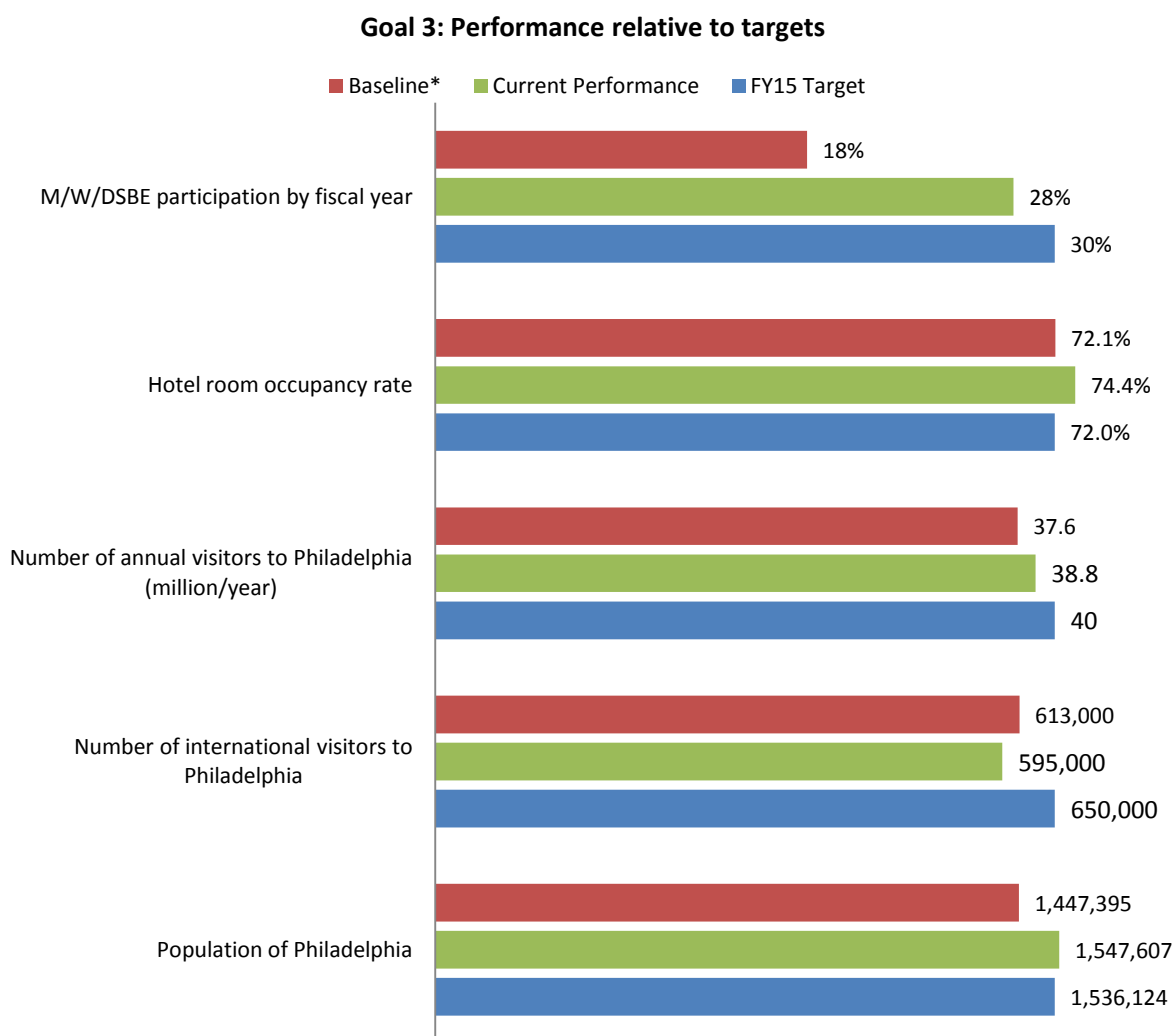
⁴⁴ "New Ranking of Best U.S. Cities for Public Transit", Walkscore (2014). Accessed on February 2, 2014 at: <http://blog.walkscore.com/2014/01/new-ranking-of-best-u-s-cities-for-public-transit/>

⁴⁵ Reid, R. "Top 10 US Travel Destinations for 2013", *Lonely Planet*, December 25, 2012. < <http://www.lonelyplanet.com/usa/travel-tips-and-articles/77583>>

⁴⁶ The Municipality Equality Index rates municipalities on 47 criteria in six categories such as non-discrimination laws, relationship recognition, municipal employment practices, city services, law enforcement, and municipal leadership such as the city's relationship with the LGBT community. Municipalities could earn an MEI out of 100 possible points with the ability to earn 20 bonus points for programs not applicable to other areas. In 2013, Philadelphia earned 13 bonus points up from 9 points in 2012. More information on the MEI can be found at <http://www.hrc.org/campaigns/municipal-equality-index>

product designers and entrepreneurs seeking the urban walkable lifestyle and entertainment that Philadelphia has to offer.⁴⁷

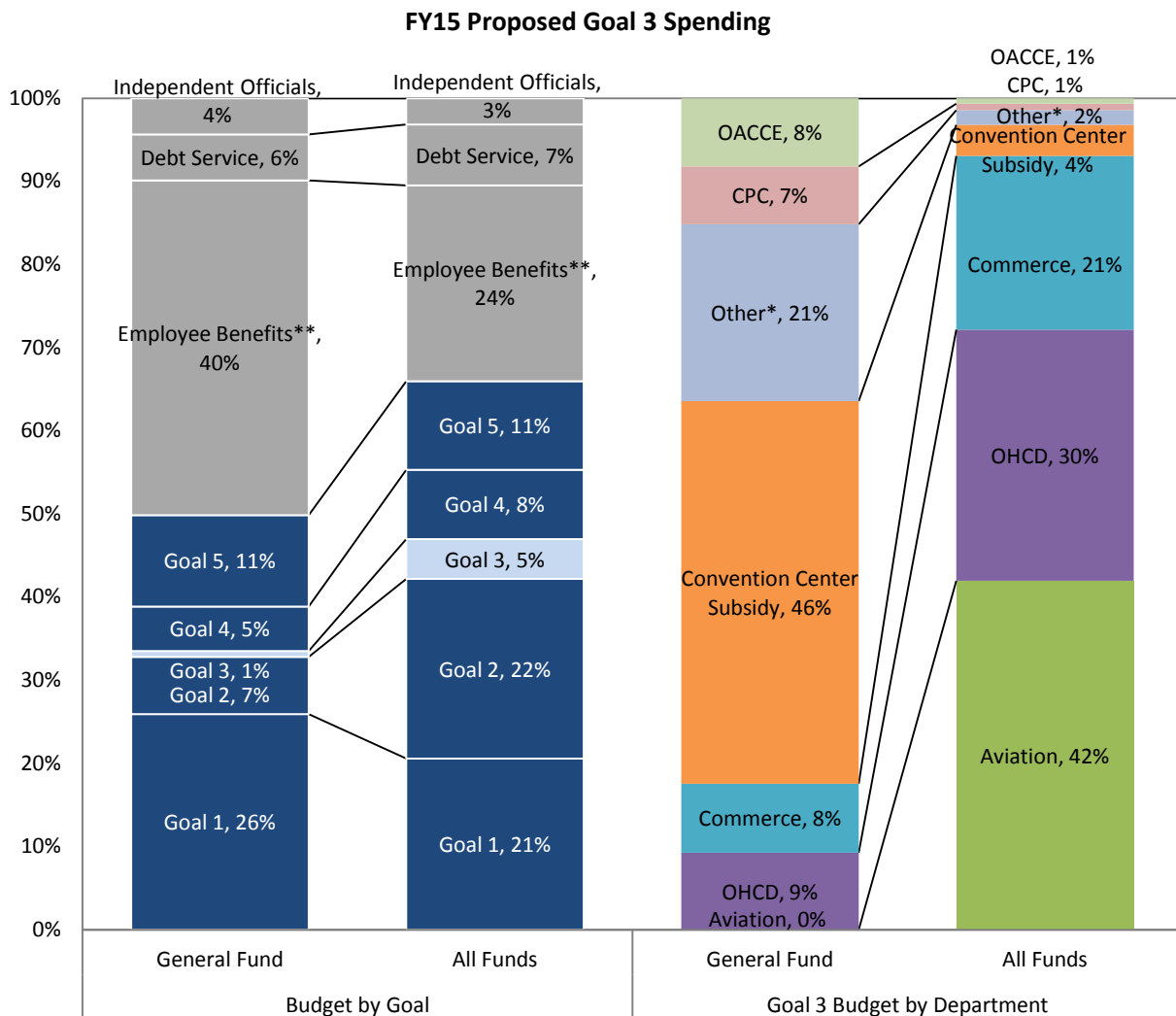
The City tracks progress against Goal 3 based on a range of business and quality of life metrics, listed below, that measure the attractiveness of Philadelphia as a destination for businesses, residents and tourists. In 2012, the City attained 28% participation of minorities, women and disabled-owned businesses in City contracts, surpassing its goal of 25%, which helps these businesses thrive in Philadelphia. In the hospitality sector, even as the number of hotel rooms increases, the City is exceeding its target hotel room occupancy rate of 72%, due to the increase in the number of visitors to Philadelphia from 37.6 million in 2010 to 38.8 million in 2012.



* Baseline is from FY08 for hotel room occupancy; FY09 for M/W/DSDBE participation; calendar year 2010 for annual

⁴⁷ "Planned Comcast Tech Center Raises Sights in Philadelphia", The York Times, January 28, 2014. Accessed on February 20, 2014 at: http://www.nytimes.com/2014/01/29/realestate/commercial/new-comcast-building-raises-sights-in-philadelphia.html?_r=0

As shown in the chart below, Goal 3 comprises roughly 1% (\$33 million) of the City's General Fund budget and 5% (\$446 million) of the City's total operating funds. The departments and agencies that are primarily focused on achieving the outcomes under this goal are the Division of Aviation (38%) Office of Housing and Community Development (37%), Department of Commerce (19%), the City's contribution to the Convention Center (3%), the City Planning Commission (1%), and the Mayor's Office of Arts, Culture and the Creative Economy (1%), the Art Museum (1%), the Atwater Kent Museum (<1%), the Office of the City Representative (<1%), the Economic Stimulus funds (<1%), the Historical Commission (<1%), and the Mural Arts Program (<1%). Below we describe each of these department's accomplishments and budget and performance trends.



* Other departments include the Art Museum, the Atwater Kent Museum, City Representative, Economic Stimulus funds contributed to the Philadelphia Industrial Development Corporation, the Historical Commission, and the Mural Arts Program.

** Employee Benefits represent an unusually high proportion of FY15 expenditures due to the \$700 million pension payment appropriation using the proceeds of the sale of Philadelphia Gas Works. Excluding this payment, employee benefits would represent 29% of expenditures.

MAYOR'S OFFICE

The Mayor's Office oversees the Philadelphia Commission on Human Relations and the Office of Immigrant and Multi-cultural Affairs, which have contributed to making Philadelphia a city that welcomes and attracts all.

Philadelphia Commission on Human Relations: Under the City's Life Partnership program, a registered same-sex or same-gender identity couple in a long-term, committed relationship is offered rights and privileges akin to those commonly available to opposite-sex married couples and their dependents or families, such as designating a life partner as a dependent for the purposes of receiving health benefits under the City's employee benefit plan, along with other specified employee benefits, allowing City employees to name a life partner as a beneficiary under the City's retirement plan, and enabling city residents to transfer property to a life partner without having to pay City real estate transfer tax. In 2011, the City enacted legislation to ensure parity between the employee benefits that vendors with City contracts provide to their employees' spouses and to their employees' life partners. Policies such as these have led to national recognition for the City's leadership, including in 2013 when Philadelphia was ranked #1 for LGBT equality by the Human Rights Campaign's Municipal Equality Index.

The Mayor's Office of Immigrant and Multi-cultural Affairs produced the 1st Cultural Passport to PHL Week in September of 2013, which hosted more than 25 events around the City that celebrated the City's diverse communities reaching more than 13,000 people in-person, and was covered by four national and six local media outlets. MOIMA aims to expand this successful event going forward. In 2013 Philadelphia joined the National Welcoming Cities and Counties Initiative, a national collaboration of organizations that support, and work to promote a welcoming atmosphere for, immigrant communities. MOIMA hosted six international delegations to discuss immigrant integration practices and presented its work at three conferences in 2013. Furthermore, several cities, including Seattle, Houston and Jersey City, have reached out to our office asking for technical assistance to model their programs after Philadelphia's work. Going forward, MOIMA aims to develop ambassador program of volunteers who will work to promote a welcoming environment and create a volunteer bank of interpreters. In addition, it plans to launch a citizenship and naturalization campaign to help the estimated 50,000 eligible residents become naturalized and develop a training program for external organizations on how to work with multicultural communities.

DEPARTMENT OF COMMERCE

The Philadelphia Department of Commerce is the umbrella organization for all economic development activity in the city. Coordinating the work of related agencies, including the Philadelphia Industrial Development Corporation (PIDC) and the Philadelphia Redevelopment Authority (PRA), the Department leads efforts to develop business-friendly strategies to help both small businesses and major corporations in Philadelphia thrive. The Department of Commerce aims to make Philadelphia a global city where businesses choose to start, stay and grow.

Budget Trends: The Department of Commerce's budget not only supports the operations of the department itself, but includes the Aviation Division (described separately) as well as the City's \$15 million subsidy to the Convention Center. When the Aviation Division and the Convention Center's subsidy are removed, Commerce shows a 72% decrease in its General Fund appropriation due to the separation of the Office of the City Representative from the Commerce Department in FY09 as well as cuts that were made during the recession. The FY15 Proposed Budget maintains General Fund allocation to the Department at roughly its FY14 funding level. Other funds increase by \$1.7 million over the FY14 current estimate are expected to remain roughly on par resulting from offsetting effects of a \$2.8 million increase in funding from the Hotel Room Tax Fund, due to growth in hotel room bookings and an increase in the hospitality promotion tax rate from 1.2% to 1.5%, and a decrease in federal grant funding for environmental assessment and remediation of brown fields.

	FY08 Actual*	FY13 Actual	FY14 Adopted Budget	FY14 Current Projection	FY14-FY08 Change	FY15 Proposed Budget	FY15-FY14 Change
General Fund	9,629,152	2,544,250	2,710,189	2,710,189	(6,918,963) -71.9%	2,710,189	- 0.0%
Other Operating Funds	60,658,282	55,765,778	76,018,441	79,467,358	18,809,076 31.0%	81,140,077	1,672,719 2.1%
Total Operating Budget	70,287,434	58,310,028	78,728,630	82,177,547	11,890,113 16.9%	83,850,266	1,672,719 2.0%

* Includes the City Representative which became its own department in FY09.

Performance Trends: The Office of Business Services (OBS), which provides one-on-one support to businesses and entrepreneurs starting a business in Philadelphia, had a lower level of activity in FY13 and FY14 compared to FY12. Over the last few years, OBS has become more proactive in its approach with small businesses, anticipating major issues or policy changes that would impact them and informing them in a timely manner. For example, when new legislation impacting businesses is considered or has been passed, OBS will conduct a workshop and OBS managers will inform and educate businesses in their service area. In addition, OBS has organized strategies to educate the business community, such as a training to educate local Community Development Corporations about updates to tax regulations, L&I, zoning and other factors that may affect the business community. By determining key needs and areas for education, the number of phone calls and cases has gone down, while OBS has improved in providing consistent information to the business community. In addition, the Department is focusing more on proactive projects to make the City more business friendly, such as forming several business associations and creating cross functional teams from various City agencies to address process constraints faced by businesses, rather than reactive case management. The significant increase in OBS cases in the first half of FY14 is due to an error in the way cases were being documented as well as a shortfall of staff in FY13. FY14 case volume is now more consistent with FY11 and FY12 levels. As a result, OBS has increased its customer satisfaction level from 93% in FY12 to 95% in FY13 and 97% for the first half of FY14.

The Office of Economic Opportunity (OEO) continues to increase participation of Minority/Women/Disabled-owned Business Enterprises (M/W/DSBE) businesses in City contracts. The participation rate has been holding at 28%, prompting the Mayor to increase the goal to 30% for FY15. The preliminary participation rate for FY14 Q1 is 23.8%, which could be lower due to normal fluctuations in participation rates from quarter to quarter.

Finally, the hospitality industry metrics appear strong. The City increased its hotel occupancy rate from 73.1% to 74.4% between FY12 and FY13 despite the number of available hotel rooms increasing only by 246 rooms. Although the number of hotel rooms is not projected to increase in FY14 and FY15, it is expected to grow significantly from 11,238 in FY13 to 12,110 in FY16 when the W Hotel (15th and Chestnut Streets), the Element Hotel (15th and Chestnut Streets), and the new Kimpton Hotel (18th and Vine Streets) will open. The latter is expected to feature 199 guest rooms, 16,000 square feet of spa and fitness space, 14,000 square feet of meeting and event space, and 5,800 square feet for a restaurant and bar. The City expects that by the end of 2017 it will have reached its goal of adding an additional 2,500 hotel rooms since 2008.

Performance Measure	FY08	FY12	FY13	FY13- FY12 Change	FY13 Q1-Q2	FY14 Q1-Q2	FY14- FY13 Q1-Q2 Change	FY14 Goal	FY15 Goal
Number of New Business Contacts in DB	N/A	2,011	1,874	-6.8%	699	699	0.0%	2,000	2,000
Number of OBS Cases	N/A	801	562	-29.8%	298	492	65.1%	800	800
Percent of Customers Satisfied with OBS Services	N/A	93%	95%	2.2%	96%	97%	1.0%	100%	100%
Annual M/W/DSBE Participation	18.0%	28.0%	28.0%	0.0%	27.1%	23.8%	-12.2%	29.0%	30.0%
Number of Hotel Rooms	10,045	10,992	11,238	2.2%	N/A**	N/A**	N/A**	11,238	11,238
Hotel Occupancy	72.1%	73.1%	74.4%	1.8%	75.6%	72.3%	-4.4%	72.0%	72.0%

* Preliminary number based on Q1 data only.

** Number of hotel rooms calculated on an annual basis.

Key Accomplishments

The City has developed an economic development strategy for that will focus on initiatives and investments that help businesses **start**, **stay** and **grow** in Philadelphia. Economic indicators at the beginning of 2014 are positive, with the Bureau of Labor Statistics reporting a drop in the unemployment rate to the lowest rate since May 2009 and the level of employment in Philadelphia at the highest point since November 2008.

Start here. This strategy aims to support entrepreneurs starting businesses, alleviate the tax burden on new businesses, attract domestic and international businesses and increase investment capital in the City.

Supporting start-ups: Startup PHL was launched in October of 2012 as a new joint initiative between the Department of Commerce and the Philadelphia Industrial Development Corporation (PIDC) to support startups and entrepreneurs in Philadelphia. Components include a \$6 million public/private venture fund with leading venture capital firm First Round Capital that invests in Philadelphia-based startups and a ‘Call for Ideas’ grant program through the Department of Commerce offering \$500,000 for proposals that support entrepreneurs and startups in Philadelphia. In March 2013, the City and PIDC announced six grant recipients, each receiving grants averaging \$20,000 to support programming and activities that strengthen Philadelphia’s startup ecosystem across a diverse set of industrial sectors. In October 2013, PIDC and First Round Capital announced a \$200,000 Startup PHL Seed Fund investment in Real Food Works, an ecommerce company that moved to Philadelphia in May 2013, in part as a result of the Startup PHL investment. The City announced a second round of Call for Ideas grant recipients in February 2014 and plans to announce additional Seed Fund investments in 2014.

In January 2014, Poptent was the latest tech firm to move to Philadelphia, bringing 27 jobs, more than half their 46-person staff, to Center City. Four months prior, Mayor Nutter welcomed Brand.com, which moved its headquarters to Old City, closer to an existing sales office. The combined Brand.com offices employ more than 100 people and expect significant growth in 2014. This news is consistent with reports that Philadelphia’s growing tech startup community is attracting attention. Not only have companies like Solve Media, Curalate, RJ Metrics, Sidecar and Artisan Mobile each attracted over \$17 million of investment in the last year, but each expects significant employment growth in 2014. According to a report released by the Bureau of Labor Statistics, 488 tech firms are located in Philadelphia, with an average of nearly 17 employees each.

Tax Reform: The City continues to take steps to make the city more tax-friendly for new businesses and is working to promote the incentives and tax reductions available to companies. Over the past 3 years, City Council and the Administration have supported these reforms designed to lessen the tax-burden on Philadelphia businesses and give advantages to locating a business in the City. Some of the changes are:

- Since January 1, 2012, new business and entrepreneurs have been fully exempt from the Business Income and Receipts Tax (BIRT) for the first two years of operations, if they create three new jobs in their first year and six in their second.
- Since January 1, 2012, all fees have been waived for qualifying new businesses for a variety of licenses and registrations.
- \$5,000 tax credit, or a credit of 2% of the annual wages paid, has been available for each qualifying new job since January 2013.
- \$4,000 tax credit towards the gross receipts portion of the BIRT will be for certified sustainable businesses for tax years 2012 through 2017.

Changes taking effect this year include:

- As of January 1, 2014, the commercial activity fee has been eliminated for all businesses.

- Phased-in exemption of the first \$100,000 in gross receipts and a proportionate share of net income from the business income and receipts tax have commenced starting January 1, 2014 at \$50,000 and will be fully implemented by 2016, providing substantial tax relief to all businesses.

Looking past this calendar year, the Administration looks forward to the following tax-reform measures that will be implemented in future years:

- The net income portion of the tax moves from being based on the amount of sales, property and payroll a company has in the city to a computation only on Philadelphia-based sales. This reform, known as single sales factor apportionment, lowers the tax burden on Philadelphia-based businesses across all industry sectors. Single sales factor apportionment will be implemented in 2015 and is expected to remove a “disincentive” to remain in the City.
- The Wage Tax rate, which was lowered to below 4% for residents for the first time since the 1970s under the Nutter Administration, will be lowered to 3.75% for residents and 3.34% for non-residents by FY19.
- The net income portion of the BIRT will be lowered to 6.25% by FY19.

Attracting new businesses: With almost 60 new firms moving to the City since 2008 along with 2,800 new jobs, Philadelphia is showing that it has become increasingly attractive for new companies. In September 2013, the global headquarters for Axalta Coating Systems, one of the leading color coating companies in the world, opened their office at Two Commerce Square in Center City and will house 118 positions within three years. In January 2014, Mayor Nutter announced that EcoSave, an energy



efficiency firm, would open its U.S. Headquarters at the Navy Yard joining companies such as GlaxoSmithKline, Tasty Baking, Iroko Pharmaceuticals, and The Mark Group. The City now boasts 10,000 employees working at the Navy Yard, the most successful re-purposing of a former naval base in the nation. In partnership with PIDC, the Department of Commerce participated in a number of business development events including a familiarization tour for prospective developers with Jones Lang LaSalle, Greenbuild 2013 and the International Economic Development Council annual conferences.

Retail revival: Philadelphia has seen great growth in the retail sector over the last year, resulting from a united effort between the Commerce Department, Center City District, PIDC and the broker community to promote Philadelphia as a retail location. In 2013, Collier's International reported Walnut Street retail rents per square foot rose by 33.8 % from 2012, the sharpest annual increase among destination retail streets in all U.S. cities. New retailers to the area include Theory, Madewell, Ulta, Athleta and Stuart Weitzman. Higher rents on Walnut Street are stimulating upscale tenancies on nearby Chestnut Street.

Allen Edmonds and Camper opened new stores in 2013, and Nordstrom Rack, American Eagle and Joan Shepp will locate on Chestnut Street in 2014. Over the next year the Commerce Department will continue to promote Chestnut Street east of Broad as well as the Gallery and other properties on Market Street East as some of the best retail opportunities in downtown that are prime for investment, where tenants such as Marshalls, Cella Luxuria, Bru and Walgreen's entered the market in 2013.

International Outreach: The Department of Commerce committed to boosting international business development by creating a new position, Director of International Business Investment, within the Business Attraction & Retention unit in April 2013. This new role has allowed a continued positive working relationship with local, state, federal and international organizations to attract investments and raise Philadelphia's global profile. The Department of Commerce met with over 30 delegations, in fields that range from water technology to medical devices, from more than 20 countries between April and December. The Department also established a Consular Corp Desk within the office to continue to foster the fruitful relationship with Philadelphia's dedicated 36 career and honorary consuls who act as Philadelphia's ambassadors to the world and are responsible for attracting international delegations and visitors to Philadelphia.

In November 2013, Mayor Nutter and Deputy Mayor Alan Greenberger led a trade delegation of Philadelphia companies to the United Kingdom (11 businesses) and Israel (10 businesses) to promote Philadelphia, attract foreign investment and help Philadelphia companies establish trade relationships with partners in those key marketplaces. As a result, a number of companies from the UK and Israel interested in establishing a headquarters or a North American operation will visit the city in early 2014, and investors and sector-specific delegations will visit and hold their events here throughout the remainder of the year. The Administration plans to undertake additional trade missions to attract international investment, create trade opportunities and boost Philadelphia's international presence. The City will host a large foreign direct investment summit in summer 2014, in partnership with Pennsylvania Department of Community and Economic Development. This show is expected to draw 500 foreign direct investment professionals and extensive media coverage.

The World Heritage City status, a designation by the United Nations Educational, Scientific and Cultural Organization (UNESCO), designates cities as a place of special cultural or physical significance. The City joined as an observer member in September 2013 and participated in the World Heritage Biannual Congress in Oaxaca, Mexico in November 2013. In conjunction with Global Philadelphia Association, the city will pursue obtaining a full membership and be the first city in the North America to be designated as a World Heritage City.

Stay here: This strategy includes continued reform to make it easier for businesses to operate and invest in Philadelphia and implementing the Philadelphia2035 Comprehensive Plan and the City's new zoning code, described in detail under the City Planning Commission section.

Business retention: The Department of Commerce helped retain and grow major companies considering a move out of Philadelphia, including Beneficial Bank, a major financial services firm, retaining 300

existing jobs and adding 75 new jobs over the next three years in new space at 1818 Market Street; and FMC, a leading specialty chemical company, signed a 16-year lease for the new FMC Tower at Cira Centre South. The firm will retain 525 current employees, adding 75 positions over the next 3 years and an additional 100 employees over the coming years. Rapidly expanding retailer Five Below doubled their Philadelphia office space to 60,000 square feet to accommodate anticipated employment growth from 145 positions to up to 280 over the next 3 years.

Real estate development: Real estate development activity is on the rise in Philadelphia with approximately 45 large scale projects under construction representing more than \$3 billion in investment. Key projects include the soon-to-be completed Family Court Building at 15th and Arch Streets, two towers providing a mix of office, luxury residential, and student housing by Brandywine Realty Trust at 30th Street between Chestnut and Walnut Streets, and a new Mormon facility at 17th and Vine Streets. The 68,000-square-foot facility will include a Temple, a meeting house, green space, and an underground garage with capacity for 200 parking spaces. In the past year, 30 large projects valued at close to \$1.3 billion were completed. These included five high-end apartment buildings in Center City with a total of over 1,100 units, which reflects a wave of investment in residential development across the city. Higher education institutions, such as the University of Pennsylvania, Drexel University and Temple University, continue to drive development of adjacent residential projects as well as buildings for office and academic expansion. Many of these developers have utilized the Commerce Department's Developer Services Program, which streamlines construction-related guidance for large projects.

Looking ahead, several transformative projects are scheduled to break ground in 2014. Comcast's new Technology and Innovation Center at Arch Street between 18th and 19th streets will become the tallest tower in the Philadelphia skyline (rendering below) and add an estimated 1.5 million square feet of rentable space, 6,500 temporary construction related jobs until the project is complete in 2017 and an



additional 1,500 permanent employees for Comcast. Also, a new 700-room Convention Center headquarters hotel under the combined W Hotel and Element brands will rise at 15th & Chestnut, made possible through city-sponsored Tax Increment Financing (TIF) legislation approved by City Council. Over the next five years, the Department of Commerce will continue to promote development along priority corridors such as North Broad Street, Market Street East and the Delaware River waterfront.

Improving City services for businesses: The Office of Business Services (OBS) and the online Business Services Center were established to provide a concierge service to businesses to help them start and grow. Since 2011, OBS has sustained a 93% satisfaction rate, hitting 97% in the second quarter of 2014

with a goal of sustaining a satisfaction rate of 100% in 2014. OBS has assisted 3,067 businesses since 2009, resulting in almost 129 newly-created businesses. In order to expand the reach of OBS, Commerce recently held a City Services Access Training (CSAT) attended by 18 representatives of Community Development Corporations and Civic Associations to better assist small businesses in their communities.

Supporting neighborhood businesses: Through the Office of Neighborhood and Economic Development (ONED), the City has made strategic investments in neighborhood commercial corridors in order to create safe, vibrant shopping destinations. In FY13-14, the Storefront Improvement Program (SIP) awarded storefront rebates totaling \$1.1 million, leveraging an additional \$2.4 million, to 123 businesses employing 600 people. The Targeted Corridor Manager Program (TCMP) has provided \$800,000 per year to pay for a Corridor Manager to lead revitalization activities, such as storefront improvements and the creation of business associations, on 13 commercial corridors throughout the city. The Corridor Cleaning Program has funded organizations to carry out regularly scheduled litter-removal on 19 neighborhood commercial corridors. ONED has provided technical assistance to help start and strengthen Business Improvement Districts and most recently helped reactivate the Germantown Special Services District to provide cleaning services to Germantown and Cheltenham, one of the City's largest commercial corridors.

ONED launched three new programs in FY14, a business attraction program called InStore, a Security Camera grant called Commerce Safe Cam, and a technical assistance program for street vendors. The InStore program, launched in partnership with the Office of Arts, Culture and the Creative Economy, will award up to \$50,000 to 10-12 businesses annually on neighborhood commercial corridors to fit out their commercial interiors for a new or expanding business use. To date, one deal has closed resulting in a sit-down restaurant on Cheltenham Avenue in Germantown, and five more deals have tentative approvals. The Commerce SafeCam Program provides a 50% reimbursement (of up to \$3,000) to commercial property owners and business owners for the installation of eligible surveillance cameras to make their location safer for shoppers and the community. The program started in February of 2013. To date, 85 applications have been received. Of those, 21 are completed and paid - \$46,495 disbursed to 21 projects, totaling \$95,000 of security improvements. The third program is a pilot technical assistance program for street vendors. ONED is funding a program targeted to vendors on 52nd Street that will result in approximate 30 new legal businesses, with additional skills, and uniform vending kiosks.

Through the City's Capital Budget Program, ONED provides funding for design, engineering, and construction to support streetscape and other public improvements. Projects were recently completed on 54th Street, East Girard Avenue, Chinatown, Lower Germantown Avenue, East Falls and Haverford Avenue. Projects are underway on Stenton Avenue, Germantown and Lehigh, North 22nd Street, North Broad Street and Maplewood Mall. FY15 and FY16 projects are being planned for West Girard Avenue, North 52nd Street, American Street, East Passyunk Avenue, South Street Headhouse, Frankford Avenue, Kensington and Allegheny, and Front and Kensington. ONED continues to support Philadelphia's Empowerment Zones in funding community economic development projects through their community trust funds. In 2013, the American Street Empowerment awarded three grants totaling \$500,000 for real estate projects that will lead to business activity and job creation in Eastern North Philadelphia. ONED

allocated \$2 million to CDC commercial and mixed-use development projects to support job creation and blight removal. Projects completed include a new sustainable office building for Community Legal Services in North Philadelphia and Nicetown Court I and II. Projects recently awarded and underway include Mount Airy USA's rehabilitation of 6700 Germantown Avenue and the commercial portion of the JBJ Soul Homes at Fairmount and Ridge.

Grow here: This strategy involves building capacity in small businesses to help them grow, expanding opportunities for minority, women and disabled-owned businesses (M/W/DSBE) owned businesses and aligning the workforce development system with the needs of our economy.

Helping small businesses grow: In January 2013, Mayor Nutter announced a partnership between the City and the Goldman Sachs 10,000 Small Businesses initiative to help create jobs and economic growth by providing small businesses in the Philadelphia region with practical business education, business support services and access to capital. Goldman Sachs and the Goldman Sachs Foundation committed \$20 million to the program, and PIDC and the Department of Commerce work with local partners including the Community College, Chamber of Commerce, Hispanic Chamber of Commerce and the Urban League to implement the program. Since its inception in 2013, the program has graduated two cohorts, totaling 50 graduates with the third cohort starting on January 31, 2014. The program has been highly successful, with a graduation rate of 100%. Graduates are already starting to see the results of the program; based on an informal inquiry approximately half of the first cohort responded that they have increased revenue and/or employees compared to businesses that are not in the program. More than 60% of the first cohort of graduates stated that they had opportunities to contract with each other even before graduating and all but one referred business to others in the cohort (a formal 6-month outcome report is anticipated in March 2014). One graduate, a small web development firm, reenergized its practice and doubled its size as a result of the program and another graduate, a countertop manufacturer, added a full third shift. Another graduate, a New Jersey-based commercial cleaning company, has opened a location in Philadelphia. Three graduates traveled with Mayor Nutter on the Philadelphia Trade Mission trip to the United Kingdom and Israel in order to expand their reach and network.



The Department of Commerce also supports small businesses through its Office of Economic Opportunity (OEO) and the Business Technical Assistance Program (BTAP). OEO is committed to increasing the capacity and participation of minority, women and disabled-owned businesses (M/W/DSBEs) on City, Quasi-Public Agencies and Federally-funded contracts. In FY13, the City issued \$157.8 million in contracts to M/W/DSBEs, representing 28.7% participation and surpassing the City's

25% participation goal for the third consecutive year. Mayor Nutter has increased the M/W/DSBE goal for FY15 to 30% as a result of this track record of inclusion. For the first time, the City's FY13 Disparity Study will include the Quasi-Public Agencies to more fully assess the capacity of small businesses in the marketplace. The OEO Registry, the primary resource for the City's goal setting strategy, includes over 2,100 M/W/DSBEs, an increase of 63% since January 2010. Since FY11, M/W/DSBEs have been awarded a total of 1,105 prime contracts, with an average of 368 prime contracts per year. The City anticipates increasing the total number of prime contracts awarded to M/W/DSBEs to over 1,450 by the end of FY14. In FY14 OEO released the first Economic Opportunity Plan Review which confirmed \$239 million, 25% of the funds, paid by the City for construction projects during FY10 through FY13 flowed to M/W/DSBEs in the construction industry. This Review also captured the inclusion practices of non-profits and private sector partners committed to the growth of small businesses.

The Business Technical Assistance Program (BTAP) contracts with six organizations that provide a range of services targeted to businesses on neighborhood commercial corridors, business owners with limited English proficiency, businesses in emerging industries, and other under-served entrepreneurs. In 2014 the City aims to increase the micro-lending capacity of BTAP providers by developing a Micro-Loan Fund which will make two to three one-time grants through a competitive Request for Proposals. The Department aims to fund the program using remaining funds from the Philadelphia Commercial Development Corporation (PCDC).

In the beginning of FY14, the City initiated a campaign to become a KIVA City, a status that will provide small businesses throughout Philadelphia with access to zero-interest loans up to \$5,000, through an online crowd-funding platform called KIVA Zip. This tool is especially valuable for start-up and mom-and-pop businesses that are generally un-bankable but in need of capital. Business owners can access KIVA Zip loans if they are endorsed by a "Trustee" and meet a short list of criteria. The City is recruiting 25 founding trustees to begin so that they can endorse small businesses and expand their access these valuable resources. Philadelphia hopes to meet the goal of launching as a KIVA City in Q2-Q3 FY15.

Developing the city's workforce: Philadelphia Works was created in 2012 as a result of the merger of the Philadelphia Workforce Investment Board and the Philadelphia Workforce Development Corporation to align workforce development with growing sectors of the economy and allow for coordination of training and education outreach to low-skill workers. Working with the Department of Commerce, the Pennsylvania Industrial Development Corporation, and more than 50 other stakeholders, Philadelphia Works developed a five year strategic plan, approved in March 2013, which lays out five priorities for the coming years: coordination of Philadelphia's workforce and economic development systems; serving smaller employers; adopting common employer-driven standards for education and training; and targeting hardest-to-serve populations; and implementing a "No Wrong Door" approach. The "No Wrong Door" approach came as a result of an assessment conducted by the Corporation for a Skilled Workforce which highlighted the uneven quality of services, redundancies, lack of coordination, and competition for resources that exist between the Employment, Advancement and Retention Network (EARN), and the Pennsylvania CareerLink® centers. Employers' experiences with the centers differed substantially and small firms often fell through the cracks entirely. To ensure better service for all

customers, a new culture emphasizing customer satisfaction, continuous improvement, better communications, and more effective gathering and use of data was needed. The “No Wrong Door” approach is a result of a system reorganization that will integrate the EARN and PA CareerLink® systems, which will ensure that customers have access to a full array of services wherever they happen to be seeking assistance.

Supporting the growth of manufacturing and industry:

In December 2013, Mayor Nutter received the final report of the Mayor’s Manufacturing Task Force establishing a growth strategy for manufacturing in the Philadelphia region and recommendations for the region’s public, non-profit and private sectors to implement in order to support manufacturers. The Department of Commerce has convened a regional working group to determine which of these recommendations



should be implemented. These recommendations seek to support existing manufacturers, attract new manufacturers to the region, and capitalize on emerging areas of strength such as the energy and chemical sectors as demonstrated by the presence of Philadelphia Energy Solutions, Axalta Coating Systems and Braskem America.

THE PHILADELPHIA LAND BANK

Over the past five years, the Nutter administration has taken significant steps to address the nearly 40,000 vacant properties in the Philadelphia. First, in Fall 2010, the Nutter administration established the Vacant Property Working Group, chaired by Finance Director Rob Dubow and Managing Director and Deputy Mayor for Administration and Coordination, Rich Negrin, to develop a strategy to address the issue of vacant land. In the last two years, the City has developed comprehensive policies governing the disposition of the nearly 10,000 publicly owned vacant properties, including criteria for dispositions at nominal cost. It launched a website that listed all available properties, including the size, zoning and price, online. For the first time, a single point of entry was created for members of the public seeking to acquire property, eliminating the need for the public to determine property ownership before expressing interest.

Then, in January 2014, Mayor Nutter signed legislation authorizing creation of a Land Bank. The strategy formed by the Working Group became the foundation of the legislation. The Land Bank will support strategic processes to analyze, acquire, assemble, manage and dispose of vacant land. In addition, the land bank will be able to acquire tax delinquent properties more efficiently, making it easier to combine those parcels with publically owned land to create parcels attractive for private investment. Philadelphia will become the largest city in the country with a Land Bank.

The Philadelphia Land Bank's mission is to return vacant property to productive status using a unified, predictable, and transparent process, thereby helping to revitalize neighborhoods, create socially and economically diverse communities and strengthen the City's tax base. The total costs of the Land Bank are still being finalized, but the City's General Fund will be contributing \$500,000 through a contribution through the Office of the Director of Finance, to help with initial start-up costs. The remainder of the funding will be coming from the Philadelphia Redevelopment Authority. Properties from the Philadelphia Redevelopment Authority, the City and the Philadelphia Housing Development Corporation are not expected to be transferred all at the same time. Careful planning is currently being undertaken to ensure the Land Bank and the other housing agencies are properly resourced to manage the inventories within their portfolios, as well as continue with their missions.

DIVISION OF AVIATION

The Division of Aviation is comprised of the Philadelphia International Airport (PHL) and the Northeast Philadelphia Airport. The mission of the Division of Aviation is to improve, operate and develop premier air transportation facilities to serve the Greater Philadelphia region that deliver superior standards of customer service and excellence while maintaining the highest levels of safety, security, convenience and efficiency. The Division of Aviation operates PHL as a self-sustaining entity and is therefore responsible for the granting of all leases and licenses in the operation and use of its facilities.

Budget Trends: The Aviation Division, which is part of the Department of Commerce budget but reports to the Deputy Mayor for Transportation and Utilities, is entirely funded by the Aviation Fund. Funding has grown by 27% since FY08 largely as a result of increased funding for "pay-as-you-go" capital projects, expanded maintenance requirements due to new facilities, higher tax obligations and increased unit prices for contractual services and materials. In FY15, Aviation will be appropriated an additional \$24.3 million more than the FY14 current projection to pay for increased maintenance and operational costs for expanded facilities that are coming off warranty, increased snow-related contractual services and increased payments to the capital fund for various small projects.

	FY08 Actual	FY13 Actual	FY14 Adopted Budget	FY14 Current Projection	FY14-FY08 Change	FY15 Proposed Budget	FY15-FY14 Change
General Fund	-	-	-	-	-	-	-
Other Operating Funds	113,616,334	124,249,151	164,075,423	144,106,779	30,490,445 26.8%	168,324,000	24,217,221 16.8%
Total Operating Budget	113,616,334	124,249,151	164,075,423	144,106,779	30,490,445 26.8%	168,324,000	24,217,221 16.8%

Performance Trends: Relative to FY12, the number of passengers remained roughly constant in FY13 but has increased by 2% in the first half of FY14 compared to the same period in FY13. In contrast, the number of operations and cargo decreased slightly over this period. This slight uptick in passengers could be as a result of the economic recovery as well as the addition of new airlines and flights in FY13. The cost per enplanement, which is the service charge PHL charges to the airline per takeoff or landing, increased 9.5% between FY12 and FY13 and again by 12.5% between the first halves of FY13 and FY14 due to increased operating costs (primarily fringe benefits and contractual services), increased scheduled debt service payments and flat or negligible growth in enplanements.⁴⁸ Non-airline revenue, which represents net parking revenue, car rental concession fees, food/beverage/retail concession payments, advertising revenue, ground transportation fees and the airport hotel concessions decreased by 6.9% in FY13 but is up by 10.2% in the first half of FY14. Non-airline revenue generation is influenced by enplanements and the greater economy. The flat passenger growth in FY13 affected concession revenue across the board. Moreover, lingering effects from the economic downturn of 2008-2009 continues to influence business travelers who rent vehicles and utilize the parking facilities. A new advertising concession agreement has not yet generated as much revenue as the previous contract, and renovations of all rooms at the on-airport hotel affected the net payment to PHL.

The increase in the estimated revenue for FY14 is based on analysis for each revenue source and a projection of continuing growth in retail sales at PHL. Despite the flat growth in passengers in FY13, retail and beverage sales increased by 12.2% in FY13 and, in line with increased passenger growth, have increased again by 0.2% in the first half of FY14. The Airport recognized that there was pent-up demand at PHL for new and upscale food and beverage options and has sought to meet those needs. A significant upgrade was the November 2013 opening of the new concessions in Terminal F. The original Hub, at the intersection of Terminal F's three concourses, has doubled in square footage to 60,000 square feet and features four times as many food, beverage and retail offerings and a food court seating area that has grown by 400% to 300 seats. The 5.3 million passengers, about 18 percent of the Airport's passenger traffic, now enjoy an upscale dining experience in Local Tavern, where celebrity chef Jose Garces trained the staff and consulted on the restaurant's menu. While they are waiting for their meal, customers can use the iPads at every table. Vive Bar is another popular dining option, and customers can also savor tasty offerings from local favorite Tony Luke's, Chipotle Mexican Grill, Smashburger, Red Mango, Sbarro, Au Bon Pain, Le Bus Cafe, and Far East.

⁴⁸ The cost per enplanement is a metric for airlines to compare costs at various airports. With total payments to the airport as the numerator and total enplanements as the denominator, the ratio provides a measurement for the industry. For a northeast corridor airport, PHL is very competitive. For example, all three NY airports have costs per enplanement in excess of \$20.00.

Performance Measure	FY08	FY12	FY13	FY13- FY12 Change	FY13 Q1-Q2	FY14 Q1-Q2	FY14- FY13 Q1-Q2 Change	FY14 Goal	FY15 Goal
Enplaned passengers (million)	16.05	15.34	15.22	-0.8%	7.54	7.69	2.0%	15.44	15.60
Cost per enplanement*	\$8.31	\$9.65	\$10.57	9.5%	\$10.57	\$11.89	12.5%	\$12.33	\$12.37
Operations	499,281	447,388	438,264	-2.0%	221,458	216,078	-2.4%	458,000	460,000
Cargo	597,821	443,882	416,668	-6.1%	215,842	210,864	-2.3%	452,000	455,000
Non-airline revenue (\$ million)	\$121.13	\$111.20	\$103.52	-6.9%	\$51.76	\$57.03	10.2%	\$114.07	\$118.63
Retail/beverage sales (\$ million)	\$149.74	\$164.47	\$184.52	12.2%	\$92.17	\$97.42	5.7%	\$187.00	\$191.22
Airline gates	120	126	126	0.0%	126	126	0.0%	126	126

* Cost per enplanement is the service charge PHL charges to the airline per takeoff or landing

Key Accomplishments

Air Service: In April 2014, Qatar Airways commences service to Doha, capital city of the Persian Gulf state. Qatar Airways chose Philadelphia as its 5th U.S. city. Qatar Airways would be the first foreign flag carrier to start service at PHL in more than a decade and the first foreign flag carrier to the Middle East from PHL. Qatar Airways serves more than 120 cities in Europe, the Middle East, Africa, Asia, North and South America. Qatar Airways marks the fifth airline since 2012 to initiate new service to PHL. The other airlines and their destinations from PHL include Virgin America (San Francisco and Los Angeles), Alaska Airlines (Seattle), Spirit Airlines (Dallas Fort Worth, Las Vegas, and Myrtle Beach) and JetBlue Airways (Boston). In addition to new services, U.S. Airways restarted seasonal nonstop service from PHL to Shannon in May 2013. These services provide more options for business and leisure travelers and created dozens of new jobs at the airport.

The most significant event during 2013 was the merger of U.S. Airways and American Airlines. In December 2013, the merger passed its last hurdle with Department of Justice approval. The newly combined airline, which will operate as American Airlines, will be the largest in the world with an extensive global network including 6,700 daily flights to more than 330 destinations in more than 50 countries. The new American Airlines solidifies PHL as a trans-Atlantic gateway and gives travelers access to a stronger One World global airline network.

Advancing PHL's Capacity Enhancement Program (CEP): The CEP is a complex, long-term multi-billion dollar effort to expand the capacity, improve efficiency, and modernize the facility of the airport in order to maintain Philadelphia's competitive position in the region. The Federal Aviation Authority (FAA) issued a Letter of Intent to contribute \$466.5 million over the 10-12 year life of the program toward the CEP, making it the agency's second-largest single award ever made. In addition to Federal funds, the CEP will be financed by Airport Revenue Bonds, which will constitute two-thirds of the funding, and a variety of other funding sources such as user fees and additional grants. The following projects are expected to be in construction, in design or in the bidding phase through the end of FY16:

- Airfield Improvements – Stage 1 construction including the extension of Runway 9R-27L and rehab of East Side Taxiways (\$118 million budget)
- Automated People Mover (\$30 Million design budget)
- Terminal B/C Improvements (\$247 Million budget – beginning design)
- Ground Transportation Center / Consolidated Rental Car Facility (\$321 Million – beginning design)
- Various Land Acquisition Projects

Leadership in Diversity & Inclusion: During 2013, the Airport exceeded all three of its established disadvantaged business enterprise (DBE) participation goals for the first time: 32.3% of City-funded contracts compared to a goal of 32%, 15.4% of Federally-funded contracts were awarded to DBEs compared to a goal of 14.9%, and 25.7% of airport concession contracts compared to a goal of 6.3%. This achievement represents \$26.3 million in City contract awards, \$10.7 million in Federal contracts and \$54.1 million in total concession sales going to DBE operators. During 2013, the Airport continued its efforts to provide minority opportunities in contracting, leasing and employment. In July 2013, representatives from more than 150 DBE-certified businesses participated in an outreach event to learn about future concession leasing opportunities at PHL. The following month, the Airport hosted an Economic Opportunity Forum. More than 300 business leaders turned out to learn about various business opportunities associated with the CEP. The event was geared to large and small businesses, DBEs and entrepreneurs, bringing them up to speed on the opportunities and providing them with information on how to do business with the Airport. They were provided with details on the multi-billion dollar CEP and the business opportunities it will generate as well as the process on responding to bids and requests for proposals. The participants were given an overview of the federal DBE programs and the City's minority-, women- and disabled-owned business programs. Also, related to construction opportunities, the Airport sponsored the U.S. Department of Transportation Bonding Education Program. The free program consisted of six three-hour workshops in August and September and covered a variety of construction firm business planning and management topics. The Airport participated in several job forums during 2013, including an August job fair at Lincoln Financial Field that attracted 1,300 area residents hoping to find work with food, beverage, retail and service concessionaires at the Airport. In recognition of PHL's efforts, the Airport Minority Advisory Council (AMAC) presented the "Award of the Organization" to PHL in recognition of the Airport's significant contributions in implementing programs for and fostering growth of disadvantaged businesses, while meeting and exceeding Equal Employment Opportunity goals.



CITY PLANNING COMMISSION

The primary goal of the City Planning Commission is to make Philadelphia a place of choice. Achieving this goal is related closely to the agency's mission to guide the orderly growth and development of the city through the preparation and maintenance of a Comprehensive Plan; preparation of the City's annual Capital Program and Budget based on this comprehensive plan; and recommending action on zoning ordinances, amendments and regulations concerning the subdivision of land.

Budget Trends: The City Planning Commission has seen a 32% drop in its General Fund appropriation since FY08 due to budget cuts in FY09 and FY10. Grant funding in FY14 increased significantly from FY13 actual obligations in part due to funding obligated in FY13 to revise the Zoning Code and complete the Philadelphia2035 District Plan and Callowhill Area Plan. The City Planning Commission's FY15 General Fund and Other Funds allocation will remain roughly constant with FY14 funding levels.

	FY08 Actual	FY13 Actual	FY14 Adopted Budget	FY14 Current Projection	FY14-FY08 Change	FY15 Proposed Budget	FY15-FY14 Change
General Fund	3,348,132	2,251,986	2,272,534	2,272,534	(1,075,598) -32.1%	2,272,534	- 0.0%
Other Operating Funds	746,723	778,021	1,301,930	899,755	153,032 20.5%	891,573	(8,182) -0.9%
Total Operating Budget	4,094,855	3,030,007	3,574,464	3,172,289	(922,566) -22.5%	3,164,107	(8,182) -0.3%

Performance Trends: The City Planning Commission continues to increase citizen engagement in the city planning process. The numbers of participants in Philadelphia2035 and in the Citizens Planning Institute in FY13 continued to increase (+136% and +64%, respectively) and counts for Q1 and Q2 of FY14 are on target to exceed FY14 goals. In FY13, more than 24,000 people received information from, or provided input into, Philadelphia2035 across all media outlets, and 345 people participated in activities sponsored by the Citizens Planning Institute (CPI). Participation levels in have been lower in FY14 since the new zoning code is no longer as new in FY14.

Performance Measure	FY08	FY12	FY13	FY13-FY12 Change	FY13 Q1-Q2	FY14 Q1-Q2	FY14-FY13 Q1-Q2 Change	FY14 Goal	FY15 Goal
Number of Philadelphia2035 participants per year*	N/A	10,245	24,221	136.4%	18,120	12,924	-28.7%	6,881	7,669
Number of CPI participants per year**	N/A	210	345	64.3%	190	155	-18.4%	302	363

* Philadelphia2035 participants across all civic outreach platforms, including public meeting attendance, unique visits to the *phila2035.org* website and *Planeto* blog, Facebook and Twitter followers

** Citizens Planning Institute (CPI) class registrants and individuals attending training sessions for the new Zoning Code

Key Accomplishments

In FY13 and FY14, the short-term elements of this goal continue to be pursued through the Commission's ongoing "Integrated Planning and Zoning Process." In April 2013, the City Planning Commission was awarded the American Planning Association's National Planning Excellence Award for a Best Practice. The Integrated Planning and Zoning Process is composed of three interrelated components: zoning code reform, the preparation of a new citywide comprehensive plan, and the creation of the Citizens Planning Institute. Each of these is described below.

Implementation of a New Zoning Code: In December 2011, Mayor Nutter signed into law the first comprehensive revision of the City's Zoning Code in 50 years which modernizes the City's land use and subdivision regulations, streamlines and promotes predictability in development approval procedures, incorporates an open and transparent "civic design review" process, and codifies the role of citizens in the development approval process. In August 2013, in collaboration with the Department of Licenses and Inspections, the Commerce Department, and the Zoning Board of Adjustment, the Commission issued and submitted to City Council its [One-Year Zoning Code Review](#). The recommendations in this document resulted in a package of "fine-tuning" amendments that were introduced and adopted in fall 2013. The Commission also revised and updated its departmental regulations in response to this and other City Council zoning code legislation, with amendments adopted by the City Planning Commission in March and November 2013, and adopted by the Commission in January 2014. Due to the 30-day public comment period, these amendments will take effect on March 6th, 2014 if there are no requests for hearings on the amendments.

Philadelphia2035 Comprehensive Plan: *Philadelphia2035* is the City's first citywide comprehensive plan in 50 years, intended to align municipal, private, institutional and civic resources toward common physical development goals. As part of the Integrated Zoning and Planning Process, the Commission has sought to institutionalize the City's comprehensive planning process, so that it is updated, maintained and renewed on a continuing cycle. The first phase of *Philadelphia2035*, the [Citywide Vision](#), was adopted in June 2011. The Commission is now engaged in a series of 18 district plans, addressing land use, zoning, urban design, "healthy community," capital facility and other physical infrastructure issues. Each district plan involves extensive civic outreach and public participation. Seven district plans have been completed and adopted by the Commission to date. Two more district plans are scheduled for adoption, and work is underway on an additional two districts during 2014. Following on the recommendations of these district plans, the Commission staff is now preparing a series of comprehensive zoning remapping ordinances for introduction in City Council during 2014. Going forward, the Commission also seeks to better align Capital Program and Budget recommendations with the adopted comprehensive plan. In addition, the Commission continues to undertake short-term planning projects. Currently, these include guiding the School Reform Commission's disposition of surplus school buildings and recommending action on proposed casino development applications now before the Pennsylvania Gaming Control Board.

Citizens Planning Institute: The Citizens Planning Institute (CPI) was created in fall 2010 as the City Planning Commission's education, training and civic engagement arm. The mission of the grant-funded CPI is to empower Philadelphians to take a more proactive and informed role in shaping the future of their city through a better understanding of planning, zoning and the development process. Each spring and fall, the CPI offers three "core" courses and a series of electives focusing on specific planning and urban design topics. The CPI averages 30 course registrants per semester, and, over seven semesters, has now graduated 210 "Citizen Planners" who are members of community organizations throughout the City. An eighth semester of classes will be offered in spring 2014. Since the new Zoning Code was signed into law, over 450 municipal employees, land use attorneys, developers and citizens received zoning code training through the CPI.

OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT

The Office of Housing and Community Development (OHCD)'s mission is to develop comprehensive strategies and programs for creating viable urban neighborhoods through the coordination of programs for housing assistance and development, economic development and site improvements, including vacant land management and community planning. The Office of Housing and Community Development administers the federally funded Community City Block Grant program, manages the inventory of vacant and surplus City-owned properties and land, and provides a range of employment and housing related services to assist low income residents.

Budget trends: The General Funds made available by the City constitute a small portion (approximately 2%) of OHCD's overall annual budget, which is comprised mainly of federal and state grant funding in the form of Community Development Block Grants. OHCD's General Fund budget was cut in FY09 and FY10, but has been maintained level since then. The General Fund allocation for OHCD will remain the same in FY15 as the FY14 current estimate. OHCD faces continued reductions in federal and state funding. In FY13, the City had a \$25.1 million dollar reduction in federal funding for FY13 compared to FY12, \$14.5 million of which was a reduction in Community Development Block Grant funding and \$6 million of which was a drop in HOME Investment Partnerships Program. In FY14 the City had a \$15 million reduction which was a result of the completion of the federal stimulus program.

	FY08 Actual	FY13 Actual	FY14 Adopted Budget	FY14 Current Projection	FY14-FY08 Change	FY15 Proposed Budget	FY15-FY14 Change
General Fund	5,200,000	2,520,000	2,520,000	3,020,000	(2,180,000) -41.9%	3,020,000	- 0.0%
Other Operating Funds	194,382,000	133,957,000	118,020,000	118,020,000	(76,362,000) -39.3%	118,020,000	- 0.0%
Total Operating Budget	199,582,000	136,477,000	120,540,000	121,040,000	(78,542,000) -39.4%	121,040,000	- 0.0%

Performance trends: During FY13, OHCD prevented 1,754 mortgage foreclosures, 23% more than in FY12 and exceeding the FY13 target of 1,600, largely as a result of the counseling agencies receiving additional funding through the Pennsylvania Housing Finance Agency. The goal for FY14 is to divert 1,600 mortgage foreclosures, the same as the FY13 target. The goal in FY15 is to maintain this level of foreclosure diversions until the federal government finalizes its budget, and OHCD has a better idea of the level of funding it will receive. The number of owner-occupied homes repaired during FY13 decreased by 24%, largely due to a decrease in funding. As of the first half of FY14, 2,619 homes have been repaired with a goal of repairing 4,700 homes by the end of the fiscal year and in FY15; the goals are driven by available funding. The number of clients who received counseling in FY13 was 12,463. The goal is to reach 11,350 clients in FY14 and FY15. The number of homebuyer grants awarded increased by 10% from FY12 to FY13. This is a direct result of reallocating funding from another program. The goal is for 200 homebuyer grants awarded in FY14 and FY15.

Performance Measure	FY08	FY12	FY13	FY13- FY12 Change	FY13 Q1-Q2	FY14 Q1-Q2	FY14- FY13 Q1-Q2 Change	FY14 Goal	FY15 Goal
Mortgage foreclosures diverted	0	1,423	1,754	23.3%	678	597	-11.9%	1,600	1,600
Owner-occupied homes repaired (BSRP, Weatherization & Heater Hotline)	8,232	7,129	5,409	-24.1%	2,557	2,619	2.4%	4,700	4,700
City lots greened & cleaned*	7,130	8,500	9,238	8.7%	8,515	8,766	2.9%	8,500	8,500
Clients receiving counseling	11,591	11,768	12,463	5.9%	5,214	5,265	1.0%	11,350	11,350
Homebuyer grants awarded**	939	200	221	10.5%	113	88	-22.1%	200	200

* This measure is calculated at a point in time at the end of the quarter. For example, Q1 data is as of September 30th.

** This measure is driven by available program funding

Key Accomplishments

The Residential Mortgage Foreclosure Program: Initiated in April 2008, the Residential Mortgage Foreclosure Diversion Program ("Foreclosure Diversion Program") offers an innovative approach to foreclosure prevention by postponing Sheriff Sales for owner-occupied properties to allow homeowners to meet with a housing counselor and a representative of their mortgage lender and negotiate alternatives to foreclosure. OHCD continues to manage this program, which includes the SaveYourHomePhilly Hotline that connects eligible homeowners to housing counseling resources, an outreach campaign to increase homeowner participation, housing counseling at community based organizations; and technical assistance for housing counselors. Approximately 16,341 households have participated in this program with over 6,700 homes saved from mortgage foreclosure via diversion or pre-foreclosure counseling action through December 2013. In December 2013, the Mortgage Foreclosure Program was one of six programs to receive a combined total of \$1.3 million from Wells Fargo & Company to help further the local recovery of neighborhoods affected by the housing crisis.

The Basic Systems Repair & Weatherization Programs: The Basic Systems Repair Program (BSRP) provides assistance to low income households to repair electrical and plumbing systems, replace heaters or leaking roofs, and address walls or dangerous structural problems. The Weatherization Program provides free weatherization and energy-efficiency improvements to low income households in owner-occupied and rental units. These programs in FY13 and FY14 to date made repairs to 1,196 and 420 properties respectively and weatherized 245 and 230 units respectively. Reviews of these programs have indicated that a current average investment of \$7,000 per repair to “save” a property potentially prevents \$22,000 in City demolition costs for that unit and another \$225,000 in the cost to the City to rebuild that unit. This projected return is \$35 for every \$1 of current repair money spent.

Affordable Housing Development: OHCD supports affordable homeownership, rental and housing for special needs populations, including veterans, seniors, the formerly homeless, children and people with disabilities, in communities throughout Philadelphia. Since January 2008, over 3,000 units of affordable housing have been created, which leveraged over \$500 million in investment. This includes the recent completion of Paseo Verde, a \$48 million mixed-use, mixed-income transit-oriented development at 9th and Berks Street near the Temple Regional Rail station in North Philadelphia. Paseo Verde, which includes 120 affordable and market rate apartments and 10,000 square feet of commercial space, is the nation’s first LEED Neighborhood Development (ND) to receive a Platinum rating, advances Mayor Nutter’s sustainability, housing and transportation goals. In addition, funded in part by OHCD, ground was broken in September 2013 on the Fairthorne, a 40-unit low income housing development for older adults in the Roxborough section of Philadelphia.

Vacant Lot Stabilization: Cleaning and greening vacant lots has been shown to increase property values, decrease crime and increase health among neighbors by eliminating and preventing blight and increasing greenery. One study that identified the 20% decline in home value near blighted lots found a 17% increase in value near stabilized lots. It was estimated that for every \$1 the City invests in the program, \$224 is returned in housing wealth. Citywide, approximately 40,000 lots are vacant, and OHCD, in partnership with the Pennsylvania Horticultural Society (PHS), runs the LandCare Program, which serves to clean vacant lots, plant grass and trees, erect fence and perform ongoing maintenance on vacant lots. Since the start of the program in 2003, LandCare has cleaned, greened and maintained 8,500 public and privately owned parcels. The ongoing maintenance of the lots not only supports property values and development, but also creates economic and employment opportunities, such as the following: 850 of the cleaned and greened lots have been used for development bringing investment to neighborhoods; 15-20 contractors receive lot maintenance contracts each year, 75% of whom are either minority-owned or community-based; and 100+ green jobs are created each maintenance season (April-October) to mow and clean over 8 million square feet of land. The LandCare program is a national model that has received awards from the Ash Center for Democratic Governance and Innovation at Harvard University and American Institute of Architects of Philadelphia.

OFFICE OF ARTS, CULTURE AND THE CREATIVE ECONOMY

In 2008, Mayor Nutter opened the Office of Arts, Culture and the Creative Economy (OACCE). The mission of the OACCE is to improve access to the arts for both residents and visitors; support the growth and development of the City's arts, culture and creative economy by promoting public and private investments; and serve as a liaison between the City's many cultural institutions. In addition to the OACCE's focus on the nonprofit arts sector, it also focuses on the many aspects of the larger arts and culture industry including individual artists, design industries, music clubs and other entertainment ventures.

Budget Trends: OACCE became an individually funded department in FY10. Its budget increased slightly between FY14 and FY13. For the last three years over 76% (\$2,070,688) of the General Fund allocation to OACCE were dispensed in the form of grants to the cultural sector, of which \$1.84 million was awarded to the Philadelphia Cultural Fund and \$230,688 to the African American Museum of Philadelphia. The remaining 24% of the General Fund allocation supports OACCE programming. Not reflected below, the OACCE raised approximately \$700,000 in FY13 from private and other public sources to support its programs. The General Fund allocation to OACCE in the FY15 proposed budget is on par with FY14 funding levels.

	FY08 Actual	FY13 Actual	FY14 Adopted Budget	FY14 Current Projection	FY14-FY08 Change	FY15 Proposed Budget	FY15-FY14 Change
General Fund	-	2,596,034	2,671,288	2,671,288	2,671,288 N/A	2,671,288	- 0.0%
Other Operating Funds	-	5,550	-	-	- N/A	-	- N/A
Total Operating Budget	-	2,601,584	2,671,288	2,671,288	2,671,288 N/A	2,671,288	- 0.0%

Performance Measures: FY12 and FY13 have brought increased opportunities for artists and organizations to showcase both visual and performing arts projects, and OACCE hopes that this will continue through FY14 and FY15. The percent increases in artists and organizations served (25%), City Hall Presents attendance (53.3%), and OACCE mailing list (21.7%) from FY12 to FY13 reflect OACCE's significant development as a resource for Philadelphia's arts culture and creative sector. City Hall Presents was a two-year performing arts series with its final performance on August 28, and, as such, there are no FY15 goals related to this program. However, the high attendance across the three fiscal years and OACCE's database of over 350 replies to their call for artists shows a high demand for expanded performing arts offerings at City Hall that reflect the city's vibrant cultural and creative life. Over time, the series was recognized as a quality opportunity for artists to gain visibility and as an anticipated event worth attending. For both City Hall Presents and the Art Gallery at City Hall, weather played a strong factor—excessive heat, Super Storm Sandy, and winter weather advisories had direct

impact on attendance. While the number and promotion of Art in City Hall exhibitions has gone unchanged over the last three fiscal years, the percent change in gallery visitors can then be attributed to the public's interest in the exhibitions on display. The Art Gallery at City Hall aims to return to its FY12 number of visitors for the remainder of FY14 and FY15.

Public Art: Established in 2010, the Philadelphia Public Art Artist Registry allows artists to automatically be considered for projects by maintaining a record of their work that will be consulted by Public art staff, panelists, architects and City agencies as public art opportunities become available. The registry is open to all professional artists. The registry is re-announced by the City every six months, or every other quarter, at which time applications surge. This should be considered when looking at the 4.23% percent FY14-FY13 Q1-Q2 change column. As the Registry becomes better known, and after the re-announcement of the opportunity, OACCE expects to see an increase in the registry and the opportunity to contribute to Philadelphia's large public art collection. This interest is affirmed by the applications submitted to work on Public Art projects. This measure includes responses to public art opportunities created through individual projects undertaken by the OACCE and the ongoing opportunity in the Artist Registry. The number is for individual and Percent for Art projects per fiscal year, which varies on the availability of funding. However, as the Registry becomes better known, OACCE expects to see a steady improvement in artists applying for public art opportunities. The number of new public art pieces in the city commissioned through the Percent for Art program and our Public Art Division dedicated that fiscal year. New public artworks through the Percent for Art program are tied to capital projects, and vary greatly from year to year. Other new public art projects, as well as conservation and collection management projects, are largely tied to private funding, and also vary. FY13 was a year of great statistical variance, in which many capital projects came to a close. This accounts for the 200% FY13-FY12 percentage change.

CultureBlocks.com: With 10,825 unique visitors since its launch on April 30, 2013 (FY13 Q4), the number CultureBlocks.com (discussed further below) reports generated show the growing value of the tool and the relevance of the cultural asset and activity data to the cultural community and others who want to integrate the arts culture and creative industries into their decision-making. Because CultureBlocks launched FY13 Q4, the FY13-FY12 change in reports generated is the number of reports generated for the tool's first quarter. The FY14-FY13 Q1-Q2 change is drastic because the tool is not yet a year old. OACCE aims to reach 20,000 unique visitors and have 5,000 reports generated in FY14 with outreach that articulates the tool's relevance in supporting arts and culture as important drivers of community and economic development.

Performance Measure	FY08	FY12	FY13	FY13- FY12 Change	FY13 Q1-Q2	FY14 Q1-Q2	FY14- FY13 Q1-Q2 Change	FY14 Goal	FY15 Goal
Artists and Organizations served*	N/A	310	388	25%	241	259	7%	395	400
OACCE mailing list	N/A	5,400	6,577	21.80%	6,139	6,698	9%	6,800	6,900
Art in City Hall exhibitions	N/A	14	13	-7%	8	8	0%	14	14
Art Gallery at City Hall visitors	N/A	16,654	16,165	-3%	8,729	5,365	-39%	16,200	16,400
City Hall Presents attendance**	N/A	1,180	1,810	53.39%	1,310	1,731	32%	1,731	N/A
Public Art Registry	N/A	130	186	43.08%	158	123	-22.15%	220	250
Applications to work on Public Art Projects	176	134	191	42.54%	123	308	150%	300	300
Public Art: completed work	2	3	9	200%	7	3	-57%	7	5
CultureBlocks reports***	N/A	N/A	948	N/A	0	4,007	N/A	5000	5,250

* This is the total number of artists (individuals) and organizations or collectives (group of 3 or more) given the opportunity to be showcased in an Art in City Hall exhibit, or perform during City Hall Presents.

** City Hall Presents was a privately funded two-year performing arts series highlighting Philadelphia artists from across the City in City Hall spaces such as the Mayor's Reception Room, Law Library and City Hall Courtyard that ran during the summers of 2012 and 2013.

*** CultureBlocks.com was launched on April 30, 2013.

Key Accomplishments

Exhibitions & Performances: The Art Gallery at City Hall and the Art in City Hall program continue their commitment to highlighting artists of all ages, neighborhoods, skill levels, and disciplines. The spaces have hosted over ten exhibits in FY13 and FY14 to date. FY14 exhibits include two exhibits in partnership with DesignPhiladelphia 2013; *The 14th National Arts Program Exhibition at Philadelphia*, an annual competition and exhibit of 165 works by City employees and their families; *Vision Thru Art*, works from Allens Lane Art Center's program for artists who are visually impaired; *ECBACC*, an installation promoting the East Coast Black Age of Comics Convention; and *Artist-Designed Bike Rack Project*, an exhibit in partnership with OACCE's Public Art Program and the Philadelphia Bicycle Coalition showcasing bicycle rack designs and the Public Art commissioning process are all scheduled for spring 2014.

Percent for Art: Established in 1959, the Percent for Art Ordinance requires up to 1% of the total dollar amount of any City-funded construction contract to be devoted to site-specific public art and commissions artists to create public art. 2013 began with the dedication and opening of the Engine 38 Firehouse artwork, entitled *Taokonick*, by Suikang Zhao (January 2013). The major renovation of Terminal F at the Philadelphia International Airport welcomed *You Are Here* by Ellen Harvey and Jan Baracz (November 2013). Throughout 2013, Percent for Art projects by Tristin Lowe at the SWAT/BDU/K9 Facility, and by Carl Marin at Sturgis Playground, underwent major re-designs and are expected to be completed in early 2014. Finally, two new artist opportunities were initiated at Stenton Park in the Nicetown neighborhood and at Maplewood Mall in the Germantown neighborhood. In

addition to these commissions, OACCE undertook the complete revision of the City's Percent for Art Policies and Procedures (last updated 1991), to be adopted by Executive Order in 2014.

Conservation and Collection Management: The City is the owner and steward of the largest and one of the more renowned collections of publicly-accessible art in the U.S. In 2013, the sculpture *El Gran Teatro de La Luna* was restored by the original artist Rafael Ferrer, now 80 years old, and re-installed in the park after being in storage for over a decade. Other highlights include the restoration and relocation of the *Richardson Dilworth Memorial* from Dilworth Plaza to Dock Street in partnership with the Center City District; restoration of *A Friend* in front of the Police Administration Building; and the restoration of *The Evelyn Taylor Price Memorial Sundial* in Rittenhouse Square in partnership with an anonymous donor. In addition, OACCE advised on the selection process and recommended artists for the *Joe Frazier* statue competition, which is expected to be erected at the Sports Complex in 2014.

Cultural Policy and Research: In partnership with The Reinvestment Fund, the University of Pennsylvania's Social Impact of the Arts Project and the Commerce Department, OACCE launched the [CultureBlocks](#) in April 2013, a free online mapping tool that visualizes Philadelphia's cultural assets and activities within the city's demographic, geographic and economic data which has been consistently used by City offices and local arts and culture organizations to inform their place-based decision making. CultureBlocks is now in Phase II of its development. In addition to updating the tool's 50 datasets, in FY14 and FY15 OACCE hopes to continue to encourage organizations' utilization of the tool through outreach and micro grants to local organizations, students and researchers looking to use CultureBlocks to inform place-based decision-making. OACCE has received inquiries from other metropolitan cities interested in replication of the tool.

OFFICE OF THE CITY REPRESENTATIVE

The Office of the City Representative (OCR) serves as the main vehicle to promote and market the City of Philadelphia. Through partnerships with the city's tourism and convention agencies (the Greater Philadelphia Tourism Marketing Corporation, the Philadelphia Convention and Visitors Bureau, and the Greater Philadelphia Hotels Association), the OCR actively seeks to increase attraction to leisure and business visitors and ensure that a unified Philadelphia marketing message is received by regional, national and global audiences.

Budget Trends: The Office of City Representative was part of the Department of Commerce in FY08 and was funded as its own department starting in FY09. Funding has increased slightly in FY14 compared to FY13. The General Fund allocation to OCR in FY14 was increased by \$46,000 to reflect the net changes of an accounting transfer to the Mayor's budget for staff who report to the Mayor and additional funding to support increased activities. The FY15 budget allocation is on par with FY14 funding levels.

	FY08 Actual	FY13 Actual	FY14 Adopted Budget	FY14 Current Projection	FY14-FY08 Change	FY15 Proposed Budget	FY15-FY14 Change
General Fund	-	959,503	1,005,915	1,005,915	1,005,915 N/A	1,005,915	- 0.0%
Other Operating Funds	-	-	-	-	- N/A	-	- N/A
Total Operating Budget	-	959,503	1,005,915	1,005,915	1,005,915 N/A	1,005,915	- 0.0%

Performance Trends: The Philadelphia Marathon has achieved planned, sustained growth since 2008 with an additional 2,000 runners each year and a title sponsor in FY14, Gore Tex, yielding a ranking of 8 in MarathonGuide.com's top ten U.S. marathons by finishers. Produced by an external entity, Budweiser and others, Made in America was first staged in Philadelphia (chosen out of several proposed cities) on the Benjamin Franklin Parkway on Labor Day Weekend of FY13 (2012). This two-day outdoor concert took place on a weekend that was historically "dead" for tourism and created unprecedented hotel demand. Not only were room nights booked in Philadelphia area hotels, but the rates the hotels could charge were profitable, with overall hotel revenue of over \$2 million according to the Greater Philadelphia Tourism Marketing Corp. The hotel occupancy rate increased from 66% during the festival held in FY12 to 90% during the festival held in FY13. MIA is expected to be staged again in FY15.

Performance Measure	FY08	FY12	FY13	FY13- FY12 Change	FY13 Q1-Q2	FY14 Q1-Q2	FY14- FY13 Q1-Q2 Change	FY14 Goal	FY15 Goal
Philadelphia Marathon planned registration increases*	18,000	26,000	29,000	12%	29,000	30,000	3%	30,000	32,000
Made in America - hotel occupancy rate**	N/A	66%	90%	36%	N/A	N/A	N/A	90%	90%

* Philadelphia Marathon occurs during Q2 of the fiscal year. FY13 registration includes NYC runners displaced by Hurricane Sandy.

** Made in America occurs during Q4 of the fiscal year.

Key Accomplishments

Wawa Welcome America: Wawa Welcome America (WWA) is Philadelphia's signature celebration of the Fourth of July. WWA features a multi-day schedule of events and the "largest free concert in America", bringing over 1 million people to the Benjamin Franklin Parkway on July 4th, including over 500,000 who attended the Philly 4th of July Jam concert showcasing local, national, and internationally known headline performers. In 2013, the traditional "Celebration of Freedom" held at Independence Hall on July 4th saluted the 50th Anniversary of the major events of the Civil Rights Movement in Alabama with special guest, Mayor William Bell of Birmingham, as well as recognized the 150th Anniversary of the Emancipation Proclamation. The 2013 ceremony also hosted the presentation of the Otavious Catto Medal to a distinguished member of the military. In 2013, via a partnership forged with VH1 and its

Palladia and VH1.com outlets, for the first time the “Jam” was broadcast live for a national audience. In FY13, Wawa Inc. renewed its sustaining, three-year support of WWA.

Made in America was a brand new outdoor festival in FY13 held over Labor Day weekend in September of 2012 on the Benjamin Franklin Parkway and featuring renowned producer and performer Jay-Z. As a new paid event, this festival represented a major change in how events are produced by external partners. The September 2012 festival generated an estimated \$10 million in economic impact for Philadelphia’s economy, covered all municipal costs associated with the event and netted hundreds of thousands of dollars in tax revenues for the City. The event gained global recognition for Philadelphia and showed what the City could do in partnership with the private sector. In addition, Festival promoters estimated that 78,655 people attended the Festival and 1.5 million viewers live-streamed the event. The festival took place again in FY14 in September of 2013 and is believed to have exceeded the attendance figures and monetary impact reported in FY13.

The Gore-Tex Philadelphia Marathon:

In FY14, the Marathon celebrated its 20th Anniversary and achieved its goal of producing a financially sustainable event by securing a multi-year of title sponsorship, making it the Gore-Tex Philadelphia Marathon. The Half and Full Marathons were sold out two weeks earlier than the previous year, and the Rothman Institute 8K recorded the highest registration in its history for a combined total of over 30,000 registered runners in November 2013.



An estimated audience of over 60,000 fans and spectators were assisted throughout the weekend by over 3,000 volunteers. The 2012 Race Weekend diverted 87.8% of waste from landfills, earning the prestigious “gold” certification from the Council for Responsible Sport. The Gore-Tex Philadelphia Marathon is one of only ten organizations in the United States to receive Gold designation since the program’s inception in 2008, which places Philadelphia in the ranks of the leading “green” races in the nation. The Marathon employed efforts and initiatives in the FY14 race in order to match or exceed the FY13 diversion rate of 87.8%. Waste diversion statistics for FY14 are expected imminently.

The Philadelphia Collection: As the City’s premier celebration of its resident fashion design community, the Philadelphia Collection’s primary mission is to identify the City as a vibrant shopping destination. The Philadelphia Collection took place for its third and fourth editions in FY13 and FY14. In September 2013, The Philadelphia Collection showcased more than 60 events over a period of eight days in a continued partnership with the Center City District and The Philadelphia Retail Marketing Alliance. Since its debut in 2010, The Philadelphia Collection has been the focus of CNBC as one of the “10 Best Cities for Shopping”; one of the “25 Best Cities for Shopping” by Lucky Magazine Online; one of the “10

Shopping Cities on the Rise” by Sherman’s Travel; and one of “The Best Shopping Cities in the U.S.A.” by Forbes.com. In FY14, The Philadelphia Collection welcomed an infusion of new sponsors and the renewed sponsorship of the Immaculata University Design Department and hosted the 20th Anniversary of the annual Phashion Phest Philadelphia.

The Philadelphia Fashion Incubator: The Incubator launched in March of 2012 as a partnership between the OCR, the Center City District/Retail Marketing Alliance and Macy’s Center City, along with the City’s prominent design schools - Drexel University, Moore College of Art and Philadelphia University. In March 2013, the Incubator graduated its second class of “Designers-In-Residence” who received one year of workspace and the mentoring and business resources necessary to operate and sustain a successful fashion business in Philadelphia. 2012 and 2013 Designers-In-Residence have been featured in “Pop-Up” shops throughout the city and their garments have been featured in a new exhibit at City Hall. In FY14, The Philadelphia Fashion Incubator will graduate its third class. It is serving as a model program for Macy’s Inc. to establish three new Fashion Incubators in other cities. A total of 11 designers have completed and the next class of 6 is beginning in March.

Hosting Diplomats Dignitaries and International Delegations: In FY13 and now in FY14, the OCR worked in cooperation with the International Visitors Council and the City’s Commerce Department, among other City and public agencies, to assist in the coordination of receptions hosting international heads of state, delegations, and envoys in the interest of expanding economic relationships, increasing tourism and building cultural awareness. OCR coordinated a visit in February of 2013 of a delegation from the State of Qatar that included the Qatar Ambassador to the United States and Mexico, His Excellency Al-Rumaihi, Secretary Al-Mohannadi, and Ambassador Theros. In April 2014, Qatar Airways will begin direct international flights from their new North American hub at Philadelphia International Airport to Doha, Qatar. Finally, in May of 2013, the OCR supported welcoming events for Majesties King Carl XVI and Queen Silvia of Sweden on their visit to Philadelphia to mark the 375th Anniversary of the founding of the New Sweden colony in America, and promoting local businesses with Swedish ties.

MURAL ARTS PROGRAM

The City of Philadelphia Mural Arts Program is the largest community-based public art program in the United States. The Mural Arts Program unites artists and communities through a collaborative process, rooted in the traditions of mural-making, to create art that transforms public spaces and individual lives.

Budget Trends: After cuts made during the recession the Mural Arts Program budget now exceeds pre-recession levels. In FY14 the Mural Arts Program received an increase of \$252,656 to fund internships for ex-offenders. The General Fund allocation to the Mural Arts Program in the FY15 proposed budget is roughly on par with the FY14 allocation.

	FY08 Actual	FY13 Actual	FY14 Adopted Budget	FY14 Current Projection	FY14-FY08 Change	FY15 Proposed Budget	FY15-FY14 Change
General Fund	1,128,875	946,717	1,401,425	1,589,525	460,650 40.8%	1,401,425	(188,100) -11.8%
Other Operating Funds	-	-	-	-	-	-	-
Total Operating Budget	1,128,875	946,717	1,401,425	1,589,525	460,650 40.8%	1,401,425	(188,100) -11.8%

Key Accomplishments

Advancing the Work and Re-Engaging the Collection: In FY13, Mural Arts created 78 murals and other public art projects in close partnership with public, non-profit and for-profit entities in both the conception and creation of these projects. Over the past year, Mural Arts focused on 1) expanding its repertoire of projects co-led with international artists of significant standing; and 2) leading arts-based corridor revitalization projects out of storefront hubs. As an example of the first type of project, Mural Arts collaborated with French artists Lucy + Jorge Orta to create *What We Sow*, a multifaceted piece of visual and performance art that culminated on October 5th, with *70X7 The Meal, act XXXIV* at the Municipal Services Building, Thomas Paine Plaza and featured a simple menu of heirloom produce created by Chef Marc Vetri. *The Meal* gathered more than 900 people around a communal table to engage in conversation around the issues of heirloom foods and their role in creating a healthier food system for people and the environment. Mural Arts led a second year of programming and public art out of a storefront hub in the heart of South Philadelphia's Burmese, Bhutanese, and Nepali refugee community. In this vibrant and welcoming space, Mural Arts artist are collaborating with residents to create public art, sell beautiful weavings, exhibit photographs, lead cooking demonstrations, and offer English as a second language classes and counseling services.

As a result of its success pioneering new approaches to community-based public art, Mural Arts serves as a national and international resource. Mural Arts leads tours for more than 20,000 people annually to learn about the mural arts collection, regularly serves on panels at conferences and published two books exploring the stories behind the city's murals and just released a reference for students and practitioners in February 2014.

Art Education Programs: In FY13, the Art Education program provided 814 underserved Philadelphia youth with access to quality out-of-school art education courses at school and community sites. Through a long-term partnership with the Department of Human Services, this program targets youth with the greatest need in Philadelphia. The project-based curriculum integrates thematically-relevant content, opportunities for critical and creative thinking and collaboration with communities, learning around technology and development of life skills. FY13 - FY14 highlights include:

- 100% of seniors in the advanced track graduated from high school in 2013.

- More than 70% of students reported improvements in their art-making abilities and pro-social skills (voluntary behavior intended to benefit another person) in 2013.
- The program launched a new arts-in-education program model at Freire Charter School and McMichael School which partners teaching artists with core subject faculty to add art and project-based learning into existing curricula.

Workforce development and restorative justice: In FY13, Mural Art's Restorative Justice Program provided art education classes to 300 inmates as well as an innovative arts-based work readiness program to 50 individuals reentering the community. The Guild program gives individuals coming out of prison marketable skills in carpentry, wall repair, painting, tiling, landscaping, and construction in order to combat the city's high recidivism rates. Participants were compensated for up to 20 hours per week, which typically included a combination of skill-building workshops, job-readiness mentoring and work on mural projects. The re-incarceration rate after one year of release is 30% for participants coming through the Youth Violence Reduction Partnership (YVRP), and under 20% for participants coming through the Philadelphia Prison System, compared to a citywide rate of 35.4% as of the first half of FY14.

Integrating art into behavioral health treatment: The Mural Arts Program partnered with public clinics to place art-making and self-expression at the heart of the behavioral health treatment process. The program, which served more than 300 people, was designed to improve health outcomes for individuals, build stronger alliances between clinics and communities, reduce stigma directed towards those in treatment and increase utilization of the clinics. The Department of Behavioral Health and Intellectual disAbility Services now recognizes the Mural Arts Program as an alternative therapeutic model, which is one of the first arts programs to be evaluated through a rigorous, quasi-experimental study led by the Yale School of Medicine. Full findings will not be available until the summer of 2014, but early qualitative findings suggest improved experiences of those in treatment, and early quantitative findings suggest statistically significant improvements in the safety, appearance and attitude of communities surrounding the clinics.

CAPITAL BUDGET TRENDS AND HIGHLIGHTS

Capital budget trends: Capital investment in Goal 3 related departments consists of Department of Commerce, the Division of Aviation, the Art Museum, and the Zoo. The total FY15 Capital budget allocates \$24.4 million in City funding consisting of General Obligation bonds and prefinanced loans for capital improvements to these Departments and \$103.5 million over the six year capital program.⁴⁹ The Commerce Department's allocation is budgeted to have an increase of 58.9% (\$7.6 million) in City funding in FY15 compared to FY14. This increase is largely attributable to various new City sponsored projects, discussed in greater detail below. The Division of Aviation finances capital improvements through self-sustaining revenue bonds and self-sustaining operating revenue in the capital budget. The Art Museum will be allocated an increase of 500% (\$2.5 million) in City funding largely in support of the

⁴⁹ Prefinanced loans are loans that the electorate or City Council has already authorized.

Facilities Master Plan, described in more detail below. The Zoo's allocation is budgeted to increase by 13.3% (\$100,000) in City funding for their infrastructure projects.

Department	Source of funding*	FY14 Budget \$ Thousand	FY14-FY19 Budget \$ Thousand	FY15 Proposed Budget \$ Thousand	FY15-FY20 Proposed Budget \$ Thousand	FY15-FY14 change** \$ Thousand
Commerce	City funding	12,900	63,150	20,500	76,250	7,600
	Total	167,106	229,956	134,441	225,091	-32,665
Aviation	City funding	0	0	0	0	0
	Total	1,560,682	5,150,392	1,208,531	4,154,079	-352,151
Art Museum	City funding	500	4,300	3,000	20,000	2,500
	Total	2,550	6,350	4,101	21,101	1,551
Zoological Gardens	City funding	750	4,630	850	7,260	100
	Total	7,327	13,307	8,281	28,191	954
Total	City funding	14,150	72,080	24,350	103,510	10,200
	Total	1,737,665	5,400,005	1,355,354	4,428,462	-382,311

* City funding consists of General Obligation bonds, prefinanced funds, and new PICA funds. Total funding includes various funding sources such as new General Obligation bonds; prefinanced funds; PICA funds; federal, state and private funds; carryforward funds; other government funds; City self-sustaining funds; and other City sources.

** Change in total capital funds could reflect a change in spending of carryforward from all sources as well as a change in receipt of new funding from all sources.

Key Projects

Art Museum

Philadelphia Art Museum: In FY15, \$3 million is recommended for interior and exterior renovations at the Philadelphia Museum of Art. This \$3 million is part of a six-year \$20 million commitment of City funds to fund the Art Museum's Facilities Master Plan. The Master Plan will provide critical support to the Museum for the Core Project, which is the next phase of the Museum's comprehensive Facilities Master Plan. Total costs for the Core Project are estimated to be \$156 million, all of which will be invested in upgrading building systems to meet energy sustainability standards and current fire and life safety requirements as well as renovating existing spaces within the City-owned building. These changes will improve the experience for Art Museum visitors and include renovations to public spaces that enhance accessibility and improve circulation within the building. The improvements also include the creation of a new student entrance to better serve the approximately 85,000 K-12 schoolchildren who visit the Museum each year. Finally, the funds would also aid in the construction of a new auditorium to increase the Museum's capacity to present educational programs for school students and visitors of all ages.

Division of Aviation

Philadelphia International Airport (PHL): In January 2013, PHL and US Airways agreed upon a two-year extension to the Airport-Airline Use & Lease Agreement (Airline Agreement). The Airline Agreement expired on June 30, 2011, but was subject to two 2-year extensions. The most recent extension will run through June 30, 2015 and authorized \$734 million in new capital investments, bringing the total Airline commitment to advance PHL's CEP and to rehabilitate and repair the Airport's existing infrastructure to approximately \$1.156 billion. The new enhancements include:

- A 1,500-foot extension of Runway 9R-27L that will increase the total runway length to 12,000 feet, providing the capability to accommodate large, long-haul aircraft flying to any point on the globe;
- A redesigned and enhanced Terminal B/C ticketing area, which will include a new, automated baggage handling and screening system and a new, more spacious, centralized passenger security screening checkpoint to provide for greater efficiency and enhanced passenger flow;
- Replacement of the current rental car facility surface lots with a new, multi-story consolidated rental car facility;
- Initial design for an automated people-mover system between concourses that will make it easier for passengers to connect to other flights;
- Airside improvements to include new taxiway/aircraft holding bays/aprons to allow aircraft to queue more efficiently for departure; and
- The continued rehabilitation of other existing airport infrastructure to include: security upgrades, roof and window replacements, escalator upgrades, restroom renovations, roadway improvements, concession program enhancements and flight information display system upgrades.

Department of Commerce

Comcast Center Tunnel: As mentioned earlier in the Chapter, Comcast's new Technology and Innovation Center at Arch Street between 18th and 19th Streets will become the tallest tower in the Philadelphia skyline. In addition, the City has committed \$10 million in capital funding over three years (\$2.5 million in FY15 and FY16, \$5 million in FY17), to construct an underground concourse extension beneath 18th Street that will link the existing underground markets to the new tower.

Neighborhood Commercial Centers: In order to promote jobs and economic development, as well as healthy and sustainable communities through increased appeal of an area, revitalizing commercial corridors is crucial to the City becoming a place of choice. The FY15 capital budget includes a \$5 million allocation for site improvements at citywide neighborhood commercial centers. Some of the improvements include curb and sidewalk upgrades, lighting, landscaping and parking in commercial corridors to complement public and private investment. Further information about this project, including a Return on Investment calculation, can be found in the Capital Budget Chapter.

Penn's Landing Improvements:

The eight-acre Penn's Landing Park is expected to be the centerpiece of redevelopment envisioned to include private development on the Delaware River Waterfront Corporation-owned waterfront parcels north and south of the proposed park. The design and reengineering for the redevelopment will include the creation of a cap



over I-95 and Columbus Boulevard in Old City. The design of the park will negotiate several changes in elevation, cross over I-95 and Columbus Boulevard, connect to Walnut and Chestnut Streets, and descend down to the river's edge. Its design will allow for strong interaction with new private development at its northern and southern edges as well as accommodate street traffic, surface transit, bicyclists, and pedestrians. The tilted portion of the park is expected to accommodate structured parking below the park surface. The site, bounded by Market and South Sts. and Front St. and the Delaware River, will include the development of a six-acre site at Market Street, redevelopment of the four-acre western and southern edges of the Marina Basin site and extension of the South Street pedestrian bridge to Penn's Landing.

Reading Railroad Viaduct: The 4.5 acre elevated viaduct, which runs from 11th and Vine Streets to 9th and Fairmount Avenue, will be turned into a public amenity and park through a \$7.9 million investment comprised of \$900,000 in new City General Obligation funds in FY15 and FY16, \$4.25 million in State funds and \$1.85 million in Private funds. This project will create both temporary and permanent jobs and will stimulate new commercial and housing investment in an area adjacent to Philadelphia's thriving and expanding downtown and Chinatown neighborhood.

40th Street Portal: Working closely with SETPA, the City and University City District will transform the 40th Street Trolley portal, creating an important community asset at the heart of Philadelphia's "Eds and Meds" community while greening and revitalizing a blighted and unsafe concrete space. The project will create public space at the base of 40th Street which will feature seating, horticulture and lighting. The Plaza will be an amenity for area students, residents, employees and SEPTA passengers, as well as a destination active with a variety of programming, from cultural performances to temporary art. Phase II will include a café adjacent to the Plaza to be operated by a local business which will attract additional traffic to the site. The project is expected to cost \$1.05 million, \$200,000 of new City General Obligation funds and \$850,000 in private funds.

Dilworth Plaza: Dilworth Plaza is being transformed through a \$55 million reconstruction managed by the Center City District (CCD) in collaboration with the Department of Public Property, which will provide a large public green space surrounded by trees, a café with extensive outdoor seating and fountain area,

all easily accessible from street level without stairs or ramps. The fountain area is designed to convert easily into a flexible space for outdoor markets, concerts and winter ice-skating. A unique public art component within the fountain, created by internationally-known artist Janet Echelman, will trace the paths of the trains below in real time. New glass-enclosed stairways, accessible elevators and a redesigned concourse level will connect to all of SEPTA's public transportation routes. The project will have generated 1,060 construction jobs and more than \$780,000 in City taxes. An additional \$750,000 in FY15 has been recommended for this project. The project is expected to be complete by the end of summer of 2014.

ZOOLOGICAL GARDENS

Facility Improvements: In FY15, \$850,000 in new City funding is recommended for improvements to facilities at the Philadelphia Zoo, which provides a great educational opportunity for the City's children and adults alike.

GOAL 4: PHILADELPHIA BECOMES THE GREENEST AND MOST SUSTAINABLE CITY IN AMERICA:

OVERVIEW OF INITIATIVES AND KEY ACCOMPLISHMENTS

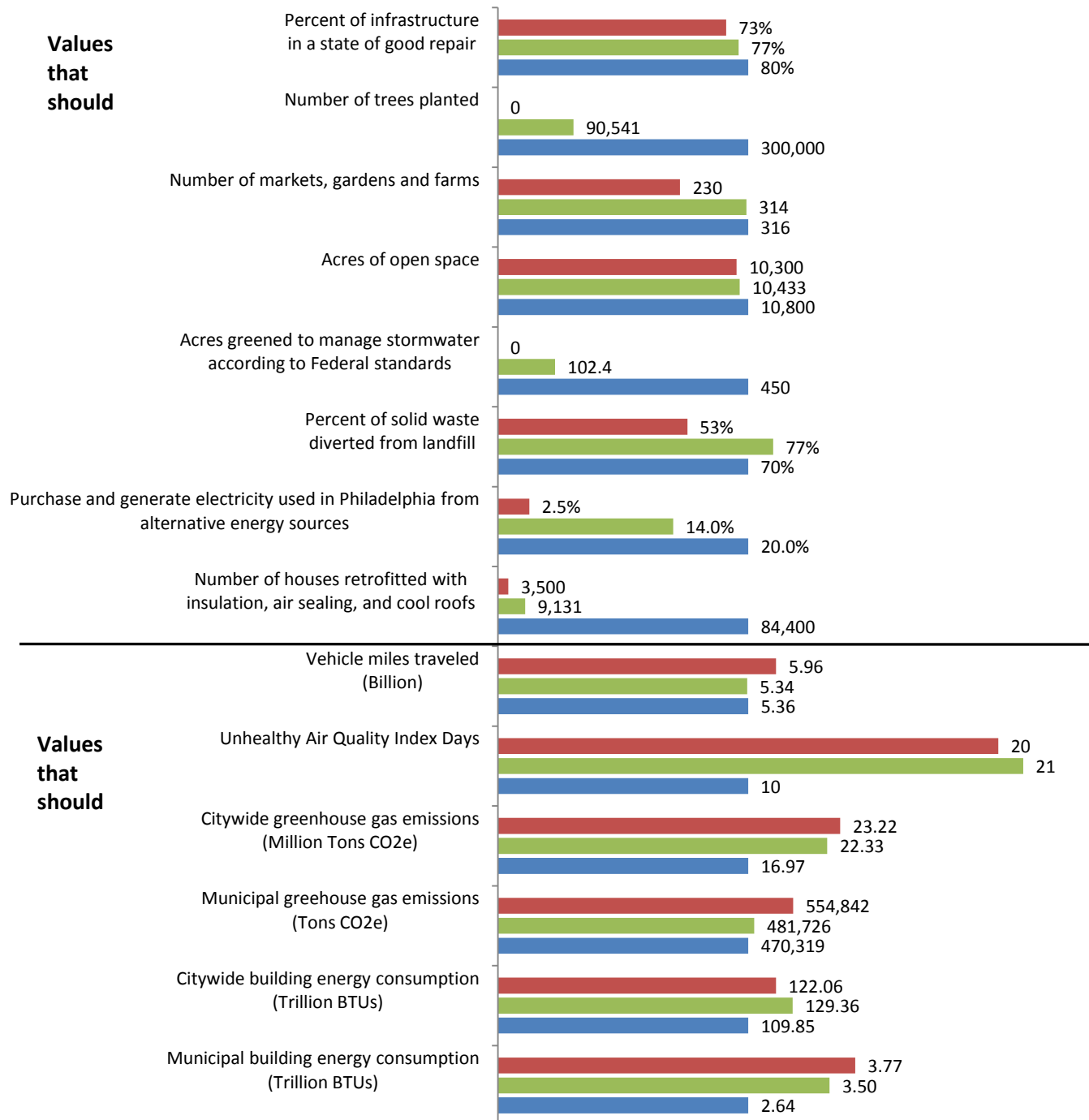
Goal 4 tracks progress against the City's four *Greenworks* goals of reducing Philadelphia's vulnerability to rising energy prices, reducing the City's environmental footprint, delivering more equitable access to healthy neighborhoods and creating a competitive advantage from sustainability. *Greenworks* is the Mayor's ambitious plan to make Philadelphia the greenest city in the country. Led by the Mayor's Office of Sustainability, *Greenworks* has inspired innovations across City departments and become a model for other organizations around the city, including SETPA and the Philadelphia Housing Authority, to create their own sustainability plans. Each year *Greenworks* publishes its progress against its 15 measurable targets and 166 initiatives to make the City sustainable.

The City is well on its way to achieving many of the *Greenworks* goals. Five years into the seven year program, the City has already exceeded its target of diverting 70% of solid waste from landfill and reducing vehicle miles traveled to 5.36 billion. The City is on track to achieve 2015 targets of generating 20% of electricity from alternative energy sources; increasing the number of markets, gardens and farms available to the public to 316; and managing stormwater to meet federal standards. Since 2009, the City has reduced its municipal energy use by 7%; more than doubled curbside residential recycling rates; opened 84 new farmers markets, gardens and farms to increase access to healthy, affordable food; planted over 90,000 trees; created 143 additional acres of open space; and reduced the number of vehicle miles traveled by more than 7%.

Greenworks is tracking the progress of a total of 166 initiatives the City is pursuing to move the needle on each one of these metrics. For example, to reduce citywide building energy consumption, the City developed EnergyWorks, a program to help residential, commercial and industrial building owners to reduce their building's energy use through information and low-interest loans to pay for energy efficient upgrades. To reduce the number of vehicle miles traveled, the City is investing in its bicycle infrastructure, implementing a bicycle sharing program, and working with SEPTA to improve and expand public transit service delivery. Many of these initiatives are described in more detail below.

Goal 4: Performance relative to targets

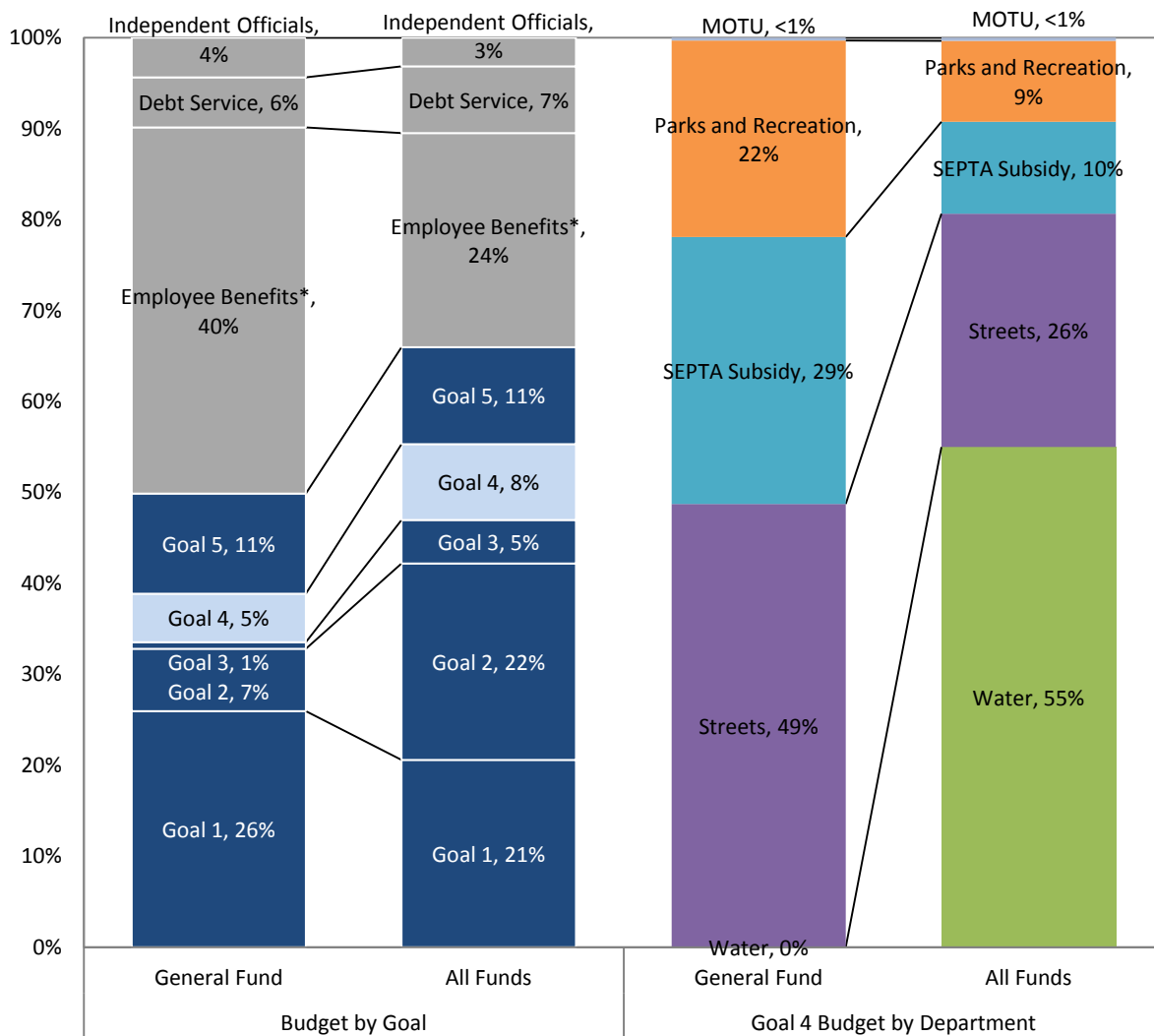
■ Baseline ■ Current Performance ■ FY15 Target



* The baseline refers to 2008 data except for the following: 2005 data for vehicle miles traveled; 2006 data for acres greened to manage stormwater and citywide building energy consumption, municipal greenhouse gas emissions, and citywide greenhouse gas emissions; and FY08 for number of trees planted.

As shown in the previous graph, Goal 4 comprises 5% (\$240 million) of the General Fund budget and 8% (\$698 million) of the City's total operating budget. This includes a subsidy of roughly \$70 million to the Southeastern Pennsylvania Transportation Authority (SEPTA) which is leveraged with \$744 million in other local, state, and federal funds to provide bus, transit and regional rail service. The departments and agencies that are primarily focused on achieving the outcomes under this goal are the Water Department (55% of total Goal 4 all funds spending), which is funded outside the General Fund, the Streets Department (26%), the Department of Parks and Recreation (9%), and the Mayor's Office of Transportation and Utilities (<1%). The City's signature sustainability agenda – *Greenworks* – is led by the Mayor's Office of Sustainability, which is funded out of the Managing Director's Office.

FY15 Proposed Goal 4 Spending



MAYOR'S OFFICE OF SUSTAINABILITY

The Mayor's Office of Sustainability (MOS) coordinates the implementation of *Greenworks*, Philadelphia's comprehensive sustainability plan. Five years into the implementation timeline, working toward the goals outlined in *Greenworks* continues to be an effective approach to advancing sustainability across City departments and throughout Philadelphia. In the *2013 Progress Report*, MOS reported that work on 95% of the 166 initiatives is underway or complete. The full report can be found online at www.phila.gov/green. Now in the final two years of the *Greenworks* timeline, the City government and its partners recognize that in order to fulfill the collective charge and shared vision, the focus needs to move towards sustaining sustainability.

Accomplishments

Through the hard work and dedication of many City leaders and agencies, substantial progress has been made across all 15 *Greenworks* targets. Some of the highlights on current progress to-date from FY13-FY14 include:

- Over 2,000 homes retrofitted through EnergyWorks across the five-county region
- 8.8 miles of trails completed and renovated; 2.8 miles under construction; 9.6 miles in design; and 13.3 miles in planning within the City
- Over 90,000 trees planted
- City Council passage of energy benchmarking and disclosure legislation that requires commercial buildings to annually report and disclose publically energy performance scores
- Scheduled 2014 launch of bike share.

Tracking sustainability metrics: MOS's annual reporting process has established a framework for tracking and analyzing key municipal and citywide sustainability metrics, with energy use and greenhouse gas emissions being top line areas of focus. Over the past five years, MOS has improved data quality and refined methodology. Starting in 2012, *Greenworks* began using improved data to adjust previously reported 1990 and 2006 inventories for municipal government and citywide greenhouse gas emissions, as well as establish new benchmarks for 2010. Municipal greenhouse gas (GHG) emissions decreased by 11% between 1990 and 2010, with more than half of this reduction coming between 2006 and 2010. Citywide, GHG emissions have increased 5.4% since 1990, well below the national increase of 10% for the same period, and citywide emissions have decreased 3.7% since 2006. MOS is committed to continued regular reporting and to improving methodology and enhancing analysis going forward. MOS will



publish a municipal GHG inventory annually and a citywide inventory every two years. In addition, MOS has participated in the Community Disclosure Project for three years and is committed to providing Philadelphia data for a fourth year in 2014.

In 2013, MOS reported that the City has reduced General Fund energy use by 13% and overall energy use by 7% since 2008. However, there has been an increase in citywide energy use between 2006-2012; likely attributable to deferred maintenance during the recession, extreme weather, and other trends. Looking toward FY15 and beyond, MOS expects continued incidence of extreme weather during both the winter and summer seasons. As a result, the City may not be able to realize continued reductions in municipal energy use and may experience further increases in energy use in the commercial building sector. Current methodology and resources do not allow for weather normalization of sustainability targets, which is an important technical tool for more accurate analysis. Over the coming year, MOS will work towards being able to incorporate weather normalization calculations and establish means for calculating energy intensity rather than absolute energy use. This refined methodology will prove more accurate data to better understand trends.

Municipal Climate Preparedness Planning: Increased susceptibility to higher temperatures, flooding and sea-level rise requires the City to consider adaptive measures to manage risks from natural hazards, including long-term environmental risks associated with climate change. Understanding risks and strategies for enhancing the resilience of key infrastructure and services in the face of a changing climate is essential as City departments strive to build and maintain infrastructure that will support and strengthen Philadelphia's economy. MOS is serving as the convener of an inter-departmental planning effort that will be underway during 2014 to work compile the best existing climate science, collect and analyze information on current and projected climate impacts and better understand impacts on City services and operations. Philadelphia will work collaboratively with other cities also undertaking climate preparedness work to contribute to a quickly evolving field of practice.

Reduce Citywide Building Energy Use: Reducing citywide building energy use by 10% by 2015 is a core goal in *Greenworks*. In order to make significant gains in energy conservation – and greenhouse gas emissions – the City must develop strategies that focus on the commercial building sector. Energy benchmarking and disclosure legislation, passed by City Council in 2012, now requires that buildings 50,000 square feet or larger - 25% of the city's built environment - annually track and report energy use to the City. In the first compliance year (2013), more than 260 million square feet of space – representing 900 buildings – reported their energy use to the City. Going forward, MOS aims to improve the compliance rate and quality of information reported in order to make connections for building owners around current performance and opportunities to improve. MOS also plans to explore opportunities to expand the scope and provide additional resources to drive sustained improvements in the built environment across the city.

Reduce City Government Energy Use: *Greenworks* has set a goal to reduce city government energy use by 30%. The City has made significant progress through a number of programs to-date, including:

- Replaced 85,000 LED Traffic Signals

- Developed Energy Load/Demand Management Practices
- Reduced the City fleet by 500+ vehicles, incorporating car share
- Made energy efficiency capital improvements through the Energy Efficiency Fund and the large-scale guaranteed energy savings project at City Hall, Municipal Services Building, One Parkway, and the Criminal Justice Center Energy conservation and efficiency work will continue to be a top priority in FY14 and beyond.

MAYOR'S OFFICE OF TRANSPORTATION & UTILITIES

The Mayor's Office of Transportation and Utilities (MOTU) is charged with building a shared vision and coordinating decision-making among agencies and departments that manage the city's transportation and utilities infrastructure - Streets, Commerce, Public Property, Traffic Police, City Planning, the School District, Parks and Recreation, the Airport, the waterfront and port agencies, SEPTA, Port Authority Transit Corporation (PATCO), the Pennsylvania Department of Transportation (PennDOT), Amtrak, the Delaware Valley Regional Planning Commission (DVRPC) and Philadelphia Gas Works (PGW). MOTU works to make sure that Philadelphians can get where they are going, no matter how they choose to get there; that Philadelphia's water, electricity, and gas systems are of the highest caliber; and that investments and plans that affect the city's infrastructure, and the people who use it, have a shared vision of increased mobility and sustainability.

Budget Trends: MOTU was first appropriated \$500,000 as an independent department in FY09 after it absorbed the Municipal Energy Office within the Managing Director's Office. Funding for MOTU has increased significantly between FY09 and FY14 largely due to an influx of federal grant funding, such as the Energy Efficiency and Conservation Block Grant (EECBG). The General Fund allocation has also increased to fund the newly created Philadelphia Energy Authority and to pay for advisory services on hedging for fuel purchases. The FY15 General Fund allocation is the same as FY14 current estimate. The Other Funds allocation has been increased by \$887,799 to account for potential increases in grant funding in FY15. Not reflected in MOTU's budget, the City provides a subsidy out of the General Fund to SEPTA, which was \$61.4 million in FY08, \$67.0 million in FY14, and will be \$70.4 million in FY15.⁵⁰

	FY08 Actual	FY13 Actual	FY14 Adopted Budget	FY14 Current Projection	FY14-FY08 Change	FY15 Proposed Budget	FY15-FY14 Change
General Fund	-	604,371	788,817	788,817	788,817 N/A	788,817	- 0.0%
Other Operating Funds	-	758,302	1,356,082	682,174	682,174 N/A	1,569,973	887,799 130.1%
Total Operating Budget	-	1,362,673	2,144,899	1,470,991	1,470,991 N/A	2,358,790	887,799 60.4%

⁵⁰ This subsidy is appropriated to, and transferred from, the Department of Public Property.

Key Accomplishments

As the coordinating body in the City's transportation and utilities infrastructure, MOTU played a central role in conceptualizing and implementing many of the accomplishments described below under the Streets Department, the Water Department, and the Department of Parks and Recreation. This section describes some of the new initiatives led by MOTU.

Over the past five years the work of the MOTU has led to a better integrated transportation system, which has made the city a national model for green infrastructure and a better and safer place to live, work and play. Leveraging more than \$90 million in competitive grants to improve its infrastructure since 2008, Philadelphia's progress is noticeable in record recycling rates in North Philadelphia, an expanded bike lane network, including new bike lanes in Cobbs Creek; improved traffic signals on key corridors in the Northeast or South Philadelphia; new bridges such as a bridge to extend Delaware Avenue in Lower Northeast Philadelphia that will be completed in 2015; and a multi-billion expansion of the Philadelphia International Airport described in Goal 3. MOTU's strategic energy procurement program, which provides the City access to wholesale energy markets, lowers and stabilizes the City's energy costs compared to traditional procurement approaches. This allows more City dollars to be spent on critical priorities. The City was named in the top 10 Environmental Protection Agency Green Power Partnership's List of Local Government purchasers of renewable energy.

Bringing bicycle share to Philadelphia in 2014: Beginning in the autumn of 2014 Philadelphia will join other leading cities, including Washington, Boston, Chicago, New York, Denver, Toronto, Montreal, London and Paris, in deploying a bike sharing system that will provide convenient, on-demand access to bicycles for short distance trips. Bike sharing will be an affordable, healthy, safe, environmentally sustainable addition to Philadelphia's transportation options. In 2013, the City completed the Philadelphia Bike Share Strategic Business Plan which proposes an operationally viable and self supporting size and scope for bike share in Philadelphia. Bike sharing is fast becoming an integral part of transportation networks in cities around the country and around the world. Implementing a top-quality system will boost the city's transportation network and further advance Philadelphia's position as a city of choice. In 2013, City Council approved \$3 million of the City's capital budget as the seed for bringing a world class bike share system to Philadelphia in 2014. The program is expected to cost between \$10-15 million, which will be raised from State and Federal grants as well as private sponsors.

A system of 150 to 200 bike share stations and 1,000 to 2,000 bikes will serve an area that stretches from the Delaware River into West Philadelphia, from the Navy Yard through Center City to North Philadelphia beyond Temple University's main campus. It can provide low cost transportation option for those residents that most need access to affordable options. The system proposed in the Strategic Business Plan has a service area that includes more than half of all Philadelphians who live below the poverty line. The system is projected to generate nearly two million trips per year by residents, commuters, students and visitors. Bike share helps connect residents, commuters and visitors to more of Philadelphia's businesses, institutions and attractions.

Increasing revenue and transit shelters across Philadelphia: The City controls approximately 300 bus shelters located across Philadelphia. In the past five years, through re-bidding and rethinking City policies, the revenue to the City from existing shelters has more than tripled from to approximately \$0.6 million in FY11 to over \$1.8 million in FY13. The shelters are typically more than 20 years old and well beyond their useful life. MOTU, in coordination with the Department of Public Property, will invite qualified firms to submit proposals for a maximum term of twenty 20 years to design, construct, install, maintain and replace the existing 200 transit shelters and add an additional approximately 250 shelters. The new contract is expected to generate similar levels of revenue as the existing contract while resulting in more roughly \$12 million in investment on the part of the firm to maintain and replace the additional 250 shelters, a cost the City would have normally incurred.

Incentives for energy efficient operations: Each year the General Fund spends approximately \$30 million on electricity, natural gas, and steam. Like most large public, non-profit and private institutions, energy budgeting and bill payments are centralized. Centralized utility related activity has advantages. The city as a whole is able to easily track energy usage and costs, bill payments are streamlined and designated to one group, and the City is able to better understand what is being done from a building improvement and performance standpoint. The challenge with any organization that centralizes utility payments is for the separate internal units to actively participate in affecting the overall operating budget of the designated department that oversees utility payments. In June 2013, MOTU initiated an inter-departmental energy efficiency incentive program that will raise awareness around energy conservation, reward departments that lower their energy consumption, and save the City money. MOTU will work with departments and improve the program during the pilot period to ultimately fashion a permanent program.

STREETS DEPARTMENT

The Philadelphia Streets Department is responsible for the city's vast network of streets and roadways. The Streets Department's mission is to provide clean and safe streets in a cost-effective and efficient manner. These essential services include, but are not limited to, curbside trash and recycling collection to over 540,000 households, maintaining all traffic control devices and street lighting, the construction and maintenance of 320 bridges and 2,525 miles of streets and highways and snow and ice removal.

Budget Trends: The Streets Department's General Fund appropriation has decreased by 9% between FY08 and FY14. FY14's funding level is almost \$8 million higher than FY13's to pay for increased waste disposal costs and snow removal and salt costs in FY14 which were not needed in FY13 due to the mild winter season. Each year the City budgets an amount equal to the five-year historical average for contracted snow removal costs, roughly \$4.0 million in FY14 and \$915,000 for salt through an offset from the Special Gasoline Tax Fund. So far contractor costs for snow removal are roughly \$6.9 million. The FY15 General Fund allocation to the Streets Department is \$1.19 million lower than the FY14 current estimate which reflects the net effect of providing \$306,000 for increased disposal costs in FY15 and as a

result of the higher than expected snow removal costs in FY14, which are not budgeted for in FY15 as the City budgets according to the 5-year historical average for contractor costs as described above.

Between FY08 and FY14, the Streets department received almost a two-fold increase (an additional \$26 million) in other operating funds, principally from the growth in federal grant funding associated with the PennDOT's Automatic Red Light Enforcement (ARLE) funding program, established in 2010, which uses a portion of the revenue generated from red light traffic violations at 19 camera-monitored intersections within the City to fund safety improvements within the City and around the State. The FY15 budget appropriates an additional \$9.3 million in Grant funding to the Streets Department primarily to allow for potential increase in ARLE funding.

	FY08 Actual	FY13 Actual	FY14 Adopted Budget	FY14 Current Projection	FY14-FY08 Change	FY15 Proposed Budget	FY15-FY14 Change
General Fund	128,589,201	109,177,523	115,560,689	118,060,689	(10,528,512) -8.2%	116,866,689	(1,194,000) -1.0%
Other Operating Funds	26,785,160	35,065,795	52,858,111	52,858,111	26,072,951 97.3%	62,168,111	9,310,000 17.6%
Total Operating Budget	155,374,361	144,243,318	168,418,800	170,918,800	15,544,439 10.0%	179,034,800	8,116,000 4.7%

Performance Trends: Under the Nutter administration, Philadelphia has experienced the greatest rise in recycling participation in its history, rising from just over 8% in FY08 to 20% for FY13 and 21% in the first half of FY14. The increase has been fueled by changes the Department has made in both the process of collection, implementation of single stream city wide, and addition of materials such as plastics, cardboard and various cartons, and offering Philadelphia Recycling Rewards. The Streets Department is on track to hit its FY14 targets for on-time recycling collection (97%) and pothole response time (under two days). On time trash collections increased from 94% in FY12 to 96% in FY13 but has decreased to 91% in the first half of FY14. Equipment shortages and winter weather that occurred in December contributed significantly to the decrease in on-time collections in the first half of FY14. The extreme winter weather will have a significant impact on performance trends in Q3 of FY14. Snow accumulation and extreme low temperatures, particularly after snowfall, have resulted in slowed trash and recycling collections, as the use of Sanitation employees and equipment to support snow removal efforts diverted resources away from collections. These factors have both contributed to overtime costs and decreased on-time collection times. In addition, often recycling becomes contaminated when there are delays in collections, and citizens have limited recycling storage capacity which impacts recycling rates.

Performance Measure	FY08	FY12	FY13	FY13- FY12 Change	FY13 Q1-Q2	FY14 Q1-Q2	FY14- FY13 Q1-Q2 Change	FY14 Goal	FY15 Goal
Recycling rate	8.0%	19.0%	20.0%	5.3%	19.5%	21.0%	7.7%	23.0%	23.0%
On-time collections: recycling	98.0%	97.0%	97.0%	0.0%	96.5%	96.5%	0.0%	97.0%	97.0%
On-time collections: trash	98.0%	94.0%	96.0%	2.1%	95.0%	91.0%	-4.2%	96.0%	96.0%
Pothole response time (days)	0.8	1.4	1.3	-7.7%	1.3	1.5	9.8%	2.0	2.0

Streets Department Program Based Budgeting Pilot: The Streets Department participated in the City's FY14 pilot of program based budgeting. This involves identifying core programs and assessing costs and performance associated with those core programs. As shown below, this approach was piloted on two programs within the Streets Department: Household trash collection and Recycling. Below are the results and insights gained from this pilot.

Household Trash Collection: The Department collected 501,619 tons of trash from households in FY13. Collections are expected to remain constant in FY14 at 502,000. For planning purposes the Department projects annual tonnage of 521,200, even though tonnage has come in below that in FY13 and year to date in FY14. As mentioned above, snow removal efforts during the winter events of FY14 caused a decline in on-time trash collections in FY14. The FY15 target for on-time collections in FY15 is 96%, on par with FY13 performance. The total costs of household trash collections increased by \$2.1 million between FY13 and FY14 due to overtime costs stemming from a number of factors: crews being deployed for snow removal efforts; other extreme weather conditions, including record heat and rainfall this past summer and tropical storm activity in the fall, causing slower or interrupted collections; an aging and shrinking fleet; and periodic staff shortages. In addition, disposal fees increased from \$58.12 per ton in FY13 to \$58.62 in FY14 and is projected to be \$59.87 in FY15. The cost per ton in FY15 is projected to be \$127.25, down from \$130.83 estimated in FY14, assuming that all 521,200 tons are collected.

Performance Metric	FY13 Actual		FY14 Current Estimate***		FY15 Target	
	Total Budget**	Performance	Total Budget**	Performance	Total Budget**	Performance
Tons of solid waste processed*		501,619		502,000		521,200
On-time trash collections	\$63,575,973	96.0%	\$65,674,548	94.0%	\$66,323,308	96.0%
Cost per ton of waste processed**		\$126.74		\$130.83		\$127.25

* Does not include other tonnage collected by Streets, i.e. waste from City facilities, commercial buildings, and the Public Housing Authority.

** Includes funding from all funds (not just General Fund). Reflects all direct costs and departmental overhead associated with the program as well as fleet costs (vehicle maintenance and fuel). Other indirect costs (e.g. IT, HR) are not included.

*** Based on FY14 Q1-Q2 results.

Recycling: Recycling tonnage is expected to increase from 122,222 in FY13 to 127,000 in FY15 as a result of a projected increase in the recycling rate from 20% in FY13 to 21% in FY14 and FY15. Recycling costs

are projected to increase from \$11.3 million in FY13 to \$13.6 million because the Department is moving additional crews from collections to recycling in order to accommodate the anticipated increase in recycling rates and tonnage. Although the Department anticipates an increase in recycling tonnage, its target remains at 127,000 for FY15, yielding a higher cost per ton of \$107.28 in FY15 compared to \$98.63 in FY14 and \$92.86 in FY13. On a per ton basis, recycled waste is cheaper than solid waste (trash) because there is no disposal fee for recycled waste. In fact, the City collects revenue for salvage of recycled materials based on market rates (on average roughly \$32 per ton in FY13), but these revenues are not reflected as an offset in the costs presented below.

Performance Metric	FY13 Actual		FY14 Current Estimate**		FY15 Target	
	Total Budget*	Performance	Total Budget*	Performance	Total Budget*	Performance
Tons of solid waste recycled	\$11,349,279	122,222	\$12,526,217	127,000	\$13,624,285	127,000
Recycling rate		20.0%		21.0%		21%***
On-time recycling collections		97.0%		97.0%		97.0%
Cost per ton of waste recycled*		\$92.86		\$98.63		\$107.28

* Includes funding from all funds (not just General Fund). Reflects all direct costs and departmental overhead associated with the program as well as fleet costs (vehicle maintenance and fuel). Other indirect costs (e.g. IT, HR) and offsetting revenues collected are not included.

** Based on FY14 Q1-Q2 results.

*** Although the Department's goal for recycling is 23% as indicated in the performance trends paragraph above, the Department budgets based on a projection for FY15 of 21%, on par with the FY14 current estimate.

Key Accomplishments

Maintaining streets: The Streets Department's team has developed a robust capital program and coordinated and performed review and approval for dozens of private development and various agencies roadway, signal and streetscape projects around the city. In FY13 and FY14, 11 projects were advertised and/or let for construction totaling over \$53,000,000 which includes the Transportation Investment Generating Economic Recover (TIGER projects. One notable project is the Tower Street retaining wall in Manayunk which, due to flood damage, will be replaced with Philadelphia's first green retaining wall. A green retaining wall is vegetated rather than built with a plain masonry surface and is thought to not only be more aesthetically pleasing, but also help prevent graffiti, retain storm water and reduce the urban heat island effect. Another notable project is the Cresson Street wall which is a joint effort with SEPTA and the Delaware Ave Extension from Lewis Street to Orthodox Street which will create a new road and bridge, relieve congestion and introduce commerce.

Beyond the design of safe streets, the Department endeavors to keep city streets and bridges in a state of good repair. In 2012, the Department began using micro-surfacing on residential streets to improve the roadway surface conditions at a reduced cost and alternative solutions are being sought to preserve historic streets in house.

Snow removal is an important aspect of safe transportation for citizens and visitors, and the City of Philadelphia has seen one of its worst winter seasons in history. It has been the 3rd snowiest and, at 13 snow storms and 2 ice storms, the City has seen a record breaking number of events. Snow removal efforts include an expanded brining operation, mobilizing city forces and, in some instances, contractors to brine, plow and salt primary, secondary and tertiary streets throughout the City of Philadelphia. As described above, the volume and variety of events coupled with



ongoing accumulation given continuous low temperatures over the course of so many different events has taken its toll on the City's resources and the department's operations. Looking forward, to improve operations, the Streets Department seeks to expand salt storage capacity and brining operations, expand utilization of technology to obtain real-time road condition information and evaluate alternative road treatments, such as magnesium chloride and calcium chloride.

Safe Streets: One of the most meaningful objectives of transportation design which directly impacts public safety and supports the Administration's primary goal is to reduce crashes. Most crashes in the city, both vehicular and pedestrian, occur at intersections. The Streets Department is actively identifying and prioritizing the most problematic intersections, with concept solutions developed in order to ensure that the limited funding available has the greatest impact on increasing public safety. The Department has also designed, installed and tested a variety of traffic calming strategies in support of safe transportation systems. In 2013, the Traffic Division, in an effort to calm traffic and reduce speeding, implemented an innovative pilot on Kelly Drive where excessive speeds triggered a traffic signal change, and the upcoming light resulted in reducing speeds. Other traffic calming measures included education message boards and the installation of speed cushions in several locations throughout the city. To improve the pedestrian experience across Philadelphia, the Department installed over 400 pedestrian countdown signals and re-timed 2,400 intersections to ensure 3.5 seconds of green light per foot across the roadway, rose cross walks, and extended sidewalks at curbs. By 2012, a 10% reduction in crashes involving pedestrians was realized in five years and by 2015 all of Philadelphia's traffic signals will be re-timed to support the safety of all Philadelphia pedestrians.

The Streets Department and MOTU are in the process of establishing a fully integrated Traffic Operations Center (TOC) that will centralize traffic control and Intelligent Transportation Systems throughout the City of Philadelphia. The TOC will allow for real time adjustments to improve driver and pedestrian safety, increase the efficiency of the city's street system and lead to reduced fuel consumption. Work on this goal has been initiated with the beginning of signal integration and the efforts to expand the city's fiber network continue. The TOC is scheduled to be fully operational in late

2014. Design, construction, and operation of TOC cost \$2.9 million through FY14 with \$1.6 million in State and Federal funding and \$150,000 in City funding in the FY15 capital budget.

Street lighting: The Department, in collaboration with MOTU, is working to improve the city's street lighting. In support of the Greenworks energy savings objectives, the Department is investigating new technologies for the city's street lighting system that will minimize light pollution and energy usage and provide for improved livability of neighborhoods. Wherever possible, the Department is converting High Pressure Sodium (HPS) to LED thus lowering energy consumption and increasing light output to create safer walkways and streets for the safety of pedestrians, bikes and vehicles. The implementation of new lighting standards began in FY14, the first year of a multi-phase project, which will continue for the next ten years and will cost \$2.6 million in calendar year 2014. Other lighting initiatives include a five year capital project along Kelly Drive which includes installing new poles and foundations with LED lights, working in conjunction with PennDOT to provide adequate lighting under the I95 viaducts and, through collaborative partnerships with private and public entities, the Department along with the Mayor's Office, is improving safety through the implementation of the Mayor's \$3.6 million center city lighting project which will illuminate a quarter mile radius around City Hall.

Improving waste management: The Streets Department is continually innovating to improve the cost efficiency and sustainability of the city's waste management. The Department issued new disposal contracts that will nearly eliminate landfilling of waste and include a \$22 million investment by Waste Management, Inc. to build a new facility to process 1,000 tons of waste per day and create an Engineered Fuel Product. This is a major step in exceeding the *Greenworks* goal of diverting 70% of solid waste from landfill while creating more than an additional 25 to 30 new jobs in the city. Additionally, in order to meet the future needs of the city, the Streets Department will embark on a systematic assessment of alternative waste processing technologies that promise long term operational, economic and environmental sustainability, which will serve as a basis to a 10-year update of the City's Municipal Waste Management Plan. Numerous innovative technologies emerging in the market focus on biological or chemical waste treatment and the use of trash for energy processes and could be integrated into the City's Municipal Solid Waste Plan.

The Streets Department contributed to a multi-agency effort to "green" the Philadelphia Marathon. With the Office of City Representative and Mayor's Office of Sustainability, the Streets Department played a key role in diverting the event's waste away from landfills. The Department collected the materials after the race and set-up recycling-compost-trash stations at the event. With the Streets Department's help, the event exceeded its goal and diverted/recycled 87.8% of the waste generated at the race and related events. A "gold" certification rating from the Council for Sustainable Sport was achieved for the 2012 event as a result of these efforts. Waste diversion statistics for the 2013 race are still being crunched.

The Street Department's Sanitation Division also continues to build its network of over 960 BigBelly units. During the summer and fall of 2013, the Sanitation Division completed the installation of 65 additional BigBelly units along ten business corridors in coordination with the Commerce Department's

business corridor streetscape development projects. This expanded network has substantially reduced collection frequency in Center City from 17 per week to about three per week, generating reductions in greenhouse gas emissions and fuel costs.

Increasing recycling: The city's curbside recycling program continues to set records, with 120,220 tons of recyclables collected in FY13, the seventh consecutive year reaching an all-time high in total tonnage and the trend is continuing. With the amount of recycling increasing, the amount of residential garbage disposed and overall solid waste generation is decreasing. The residential solid waste diversion rate is now 20%, up from 8% in FY08, and the trend could push the year-end rate to 22%. The greenhouse gas emissions savings accrued through the city's curbside recycling program are equivalent to removing more than 70,000 passenger vehicles, and the annual energy usage of more than 17,000 homes. Moreover, despite decreases in recyclables market prices in the latter portion of FY13 and into FY14, the curbside recycling program continues to provide fiscal benefits to the City. In FY13, the City earned approximately \$3.97 million in recyclables revenues while saving \$7.1 million through avoided disposal fees.



Approximately 50% of the more than 2.7 million tons of total solid waste generated in Philadelphia (includes residential, business, institutional, and construction and demolition) was recycled in calendar year 2012. Private sector recycling efforts are strong, with continued growth occurring in the construction and demolition debris and organics recycling sectors. Institutions, including the University of Pennsylvania and Drexel University, have implemented innovative programs to recycle food waste generated on their campuses.

The Streets Department will be piloting a 3,000 household program in East Mount Airy and a section of the Lower Northeast to determine whether larger capacity and wheeled (for convenience) recycling bins help increase recycling participation and tonnage yields. The Department is also exploring whether closed containers have an impact on the litter index by containing materials such as paper. In addition, the City is continuing its partnership with Recyclebank for management of the Philly Recycling Rewards incentive and promotion program. The partnership will drive increased resident participation in the rewards program and recycling yields through targeted outreach events and enhancing the types of rewards offered. Recyclebank will continue to work with the Streets Department to devise outreach and enforcement strategies to raise recycling participation in low-performing areas, similar to the project conducted in Hunting Park in FY13, which was a low performing area and produced moderate but sustained increases in participation and diversion. In 2013, the U.S. Conference of Mayors presented Excellence & Innovation Best-Practice Awards recognizing partnerships between cities and private companies at the 81st Winter Meeting. The Streets Department was awarded Outstanding Achievement for its work with Recyclebank and the Recycling Rewards Program. Based in part of the success of the Department's FY13 effort to boost recycling participation and yields in the Hunting Park neighborhood,

the Streets Department will be working with Recyclebank and other partners to develop similar action plans in other low-performing neighborhoods.

Clean cities and Civic Pride: In 2013, the Streets Department led the City's 6th Annual Philly Spring Cleanup, a citywide cleaning effort which mobilizes volunteers and engages citizens to take an active role in their communities. A total of 13,198 volunteers participated in cleaning and greening projects across Philadelphia, compared to roughly 12,000 in 2012. The 2013 cleanup had an unprecedented 565 projects, far surpassing previous records. Volunteers removed 1,014,540 pounds of trash and 23,341 pounds of recyclable material. The Department continues to build upon the success of the Philly Spring Clean Up with its *UnLitter Us* network of community groups who organize cleaning and greening projects. The theme, "*Keep Up the Sweep Up*" will be used to encourage cleaning efforts throughout the year. In recognition of ongoing community group participation and to encourage the involvement of more community groups, the success of the "Join the Movement" *UnLitter Us* campaign will be leveraged with the introduction of "Join Me," a new campaign highlighting the hard work of the many community organizations supporting cleaning and greening efforts throughout the City. The Department's Sanitation Division continues to partner with community leaders to tailor programs and services to better fit the needs of their communities.

The Streets Department views clean and green streets as a quality of life issue and, thus, endeavors to improve the quality of life for the citizens and visitors to the city through the enforcement of city code. Enhancements to the Streets & Walkways Education and Enforcement Program (SWEET) include electronic ticketing devices and decentralized SWEET deployment, which have produced both greater breadth of enforcement, and, therefore, greater compliance with City Code requirements such as recycling, litter, and dumpster usage. Officers issued 155,396 citations in FY13, the highest number ever, generating over \$4.6 million in fines paid. The Department is on track to top that number, with 85,000 citations issued in the first half of FY14. In addition, bandit signs and illegal benches continue to blight the city and the Department implemented a program in 2013 designed to target corridors in communities where these illegal activities are creating significant blight. To date, the Department has written 816 violations for bandit signs and confiscated nearly 200 illegal advertising benches while continuing to partner with community leaders to remove bandit signs and benches.

Workforce development: In January 2013, the Streets Department, in partnership with the Mayor's Office, implemented the *Philly Future Track* program that is designed to engage 18-24 year olds not currently enrolled in higher education or employed in the removal of litter and debris in order to help them earn a livable wage and prepare them for full time employment. In addition, this program aims to help bridge knowledge gaps and expand capacity as the Department prepares for retirements of seasoned staffers and continues to support the Philadelphia Redevelopment Authority's land survey work. In the first cycle of the program, Philly Future Track had 127 participants, and the second cycle of the program currently underway has approximately 90.





Building on the success of the Future Track initiative the Streets Department created a new program to build competencies and further develop the skills of Future Track graduates in various trades such as land surveying. Future Track Trainees build their surveying competencies in this structured and supportive learning program through a variety of learning experiences including structured and interactive classroom activities, independent assignments, shadowing, and fieldwork where they have the opportunity to apply concepts learned. The specialized training is lead by the

Department's Survey Bureau subject matter experts. Future Track Trainee participants also benefit from daily sessions with their assigned mentors to review problems and work through solutions and meet with human resources professionals to help meet their personal, educational, and career goals and aspirations. Future Track graduates from the "*Survey the Future*" Future Track Trainee gained meaningful work experience and life skills, learned positive work attitudes, and develop professional work habits and behaviors that will help to ensure their preparedness for success in today's workforce environment. The Department is currently leading the second administration of this exciting program and aims to expand the program possibly in connection with other City departments.



WATER DEPARTMENT

The Philadelphia Water Department (PWD) serves the Greater Philadelphia region by providing integrated water, wastewater, and stormwater services. The utility's primary mission is to plan for, operate, and maintain both the infrastructure and the organization necessary to purvey high quality drinking water, provide an adequate and reliable water supply for all household, commercial, and community needs, and sustain and enhance the region's watersheds and quality of life by managing wastewater and stormwater effectively.

Budget Trends: The Water Department is entirely funded by the revenue collected by the Water Department for clean water and wastewater treatment. In FY14 the Water Department saw over a \$30 million increase in operating expenses due to lump sum payments to retirees; storm water management planning, infrastructure maintenance and investment; increased costs of commodities and energy; and additional debt service costs. The FY15 proposed budget allocates an additional \$51 million in operating expenses resulting from the transfer of 19 positions from the Water Revenue Bureau to the Water Department and other increased personnel costs (\$4.8 million), increases in contracts primarily related

to implementation of the Department's consent order and agreement (COA) for reducing sewage overflows (\$18.0 million); and a \$26.6 million increase in payments to other funds to reflect an increase in the transfer to the General Fund for services rendered, increased contributions to the Residual and Rate Stabilization Fund required by the Department's bond ordinance and financial stability plan, and increased transfers from the Department's residual fund to the water capital fund to provide additional self-generated capital funding.

	FY08 Actual	FY13 Actual	FY14 Adopted Budget	FY14 Current Projection	FY14-FY08 Change	FY15 Proposed Budget	FY15-FY14 Change
General Fund	-	-	-	-	-	-	-
Other Operating Funds	319,825,528	302,493,580	336,270,850	332,699,850	12,874,322 4.0%	383,979,700	51,279,850 15.4%
Total Operating Budget	319,825,528	302,493,580	336,270,850	332,699,850	12,874,322 4.0%	383,979,700	51,279,850 15.4%

Performance Trends: The Water Department operates three drinking water plants which treat and deliver about 236 million gallons per day of top quality drinking water that meets or exceeds all federal, state and local regulations, 100% of the time. Additionally, it operates three water pollution control plants that treat approximately 490 million gallons of wastewater per day at a level that meets or exceeds federal and state standards, protecting and preserving our vital waterways. Gallons of water treated increased by 2.6% between FY12 and FY13 but decreased again by 1.7% in the first half of FY14 compared to FY13. These plants have each received multiple national awards for achieving 100% compliance with environmental regulations, and, as shown below, the Department's operations continues to support this level of compliance. Additionally, PWD is currently meeting the target of ensuring 99.7% of hydrants are available.

PWD surveyed 968 miles of pipeline for leakage in FY13, 15% fewer miles than in FY12, but expects to meet its end of year target of 1,130. The variation in miles of pipeline survey is partly explained by the trends in water main breaks, as the same crew and equipment are used to conduct the survey and locate active leaks. With more main breaks to locate in FY13 than in FY12, the crews were able to survey fewer miles of pipeline for leakage. PWD repaired 823 water main breaks in FY13, 42% more than in FY12. Although the FY14 target for miles of pipeline surveyed was set based on the actual performance achieved in FY12 (1,137), the volume of water main breaks in FY14 may make it difficult to reach that target. The number of water main breaks is 12% higher in the first half of FY14 compared to the first half of FY13. Despite high-profile incidents such as the Frankford-Torresdale transmission main break, total water main breaks remain below the national average. There were fewer than 240 breaks per 1,000 miles of pipe, as compared to 270 breaks per 1,000 miles nationally. The Department replaces approximately 20 miles of water pipe each year and is engaged in a detailed water main replacement planning initiative, which uses risk-based planning to identify and prioritize main replacement projects, ultimately reducing the total of annual water main breaks throughout the city. The Department continues to repair water main breaks in roughly 7.7 hours, below the 8-hour target.

PWD cleaned 19% more storm drains in FY13 than in FY12 as a result of increased operational efficiencies and staffing and is roughly on track to clean the same number of drains in FY14 based on Q1-Q2 trends. The Department is pursuing an aggressive plan to reduce stormwater overflows through greening its infrastructure, and has approved private development plans across the entire city, representing 251 acres in FY13 and an additional 202 acres in the first half of FY14. As a result of this work, the watershed stormwater flow has potentially reduced 49% from 461 million gallons in FY08 to 236 million gallons in FY13. As the stormwater reduction plans move forward, the department will need to replace some of the related metrics in the table below with more suitable measures that more appropriately capture the activities in this area. For example, the target for acres of watershed plans was significantly reduced for FY15 to reflect the Department's Consent Order and Agreement with the U.S. Environmental Protection Agency and Pennsylvania Department of Environmental Protection. The FY15 target is based on that geographic area of the city which is specified in the Consent Order and Agreement, only those parts of Philadelphia developed during pre-World War II expansion. The previous, larger number accounted for this measure in all parts of the city. Based on these new parameters, the following areas of the city are generally excluded: East Falls, Roxborough, Chestnut Hill, the Northeast (north of Academy Road) and the Philadelphia International Airport.

Performance Measure	FY08	FY12	FY13	FY13- FY12 Change	FY13 Q1-Q2	FY14 Q1-Q2	FY14- FY13 Q1-Q2 Change	FY14 Goal	FY15 Goal
Millions of Gallons of Treated Water	93,679	87,341	89,616	2.6%	45,578	44,783	-1.7%	93,252	97,920
Percent of Time Philadelphia's Drinking Water Met or Surpassed State & Federal Standards	100.0%	100.0%	100.0%	0.0%	100.0%	100.0%	0.0%	100.0%	100.0%
Miles of Pipeline Surveyed for Leakage	1,113	1,137	968	-14.9%	516	478	-7.4%	1,130	1,130
Water Main Breaks Repaired	687	563	823	46.2%	316	355	12.3%	905	905
Average Time to Repair a Water Main Break upon Crew Arrival at Site (Hours)	7.6	7.7	7.7	0.0%	6.7	6.4	-4.5%	< 8.0 hours	< 8.0 hours
Percent of Hydrants Available	99.7%	99.7%	99.7%	0.0%	99.7%	99.7%	-0.1%	99.7%	99.7%
Number of Storm Drains Cleaned	75,804	84,395	100,251	18.8%	50,182	49,746	-0.9%	111,444	111,444
Acres of Watershed Plans Approved	485	264	251	-4.9%	129	202	56.6%	240	75
Resultant Watershed Stormwater Flow Reduction (Million Gallons)	461	249	236	-5.2%	122	192	57.4%	228	N/A

Key Accomplishments

Green City, Clean Waters: PWD continues its work in the historic *Green City, Clean Waters Partnership Agreement*, a national model for U.S. cities to implement green infrastructure citywide to address stormwater that saves the City billions of dollars associated with constructing and maintaining additional traditional water and sewage infrastructure. To the average citizen, these projects tend to appear as tree lined streets (tree trenches), as planted areas in sidewalks or streets, or as rain gardens or porous pavement at schools and recreation centers. PWD measures stormwater management progress by the number of greened acres created, where each greened acre represents an acre that can manage at least the first inch of rain water, by allowing it to flow into the ground where soil and plants recycle it back into the atmosphere, reducing both the runoff flowing into the combined sewer system and sewage overflows to local rivers and streams. A greened acre is equivalent to one inch of managed stormwater from one acre of drainage area, or 27,158 gallons of managed stormwater runoff. The Department continues to implement green infrastructure projects in coordination with Philadelphia Parks and Recreation's Green2015 plan and constructing greened acres within the combined sewer system drainage area of the City. As of 2013, 77 greened acres have been constructed as part of PWD projects. PWD currently has 15 project packages totaling 40 greened acres in construction, with another 12 project packages totaling 40 greened acres having completed designs and in contract development. The Department also has 62 project packages totaling 190 greened acres being designed. PWD green design and construction efforts, both public and private, are estimated to reduce runoff by over 500 million gallons a year. Overall, these projects represent a \$30 million dollar annual investment in reducing runoff while improving Philadelphia's communities.

The U.S. Environmental Protection Agency (EPA) has become a tremendous partner of Philadelphia's program to restore the city's waterways and manage stormwater runoff. The EPA has funded \$3 million in grants to partners to study green infrastructure and \$250,000 for greening practices at G.W. Nebinger Elementary School schoolyard in South Philadelphia. Efforts at the school now focus on using green stormwater infrastructure as a classroom and laboratory tool for students and the community. Rain gardens, porous play surfaces and pavement and stormwater planters are some of the projects that students will demonstrate, which help to manage stormwater runoff from the schoolyard and adjacent streets.

In addition, the Water Department completed the Green Streets Design Manual in 2013 in coordination with the Streets Department. This document is a guide for when and how to apply green stormwater infrastructure (e.g. tree trenches, planters, and porous pavement) on street-related projects. Nationally many cities are looking to use this manual to build their own green streets programs.

Energy conservation: Through PWD's strategic energy plan and energy program, the Department has been identifying ways to buy energy cheaper, use energy more efficiently and responsibly, and make energy from waste products. For years, people have driven along I-95 in Port Richmond and noticed a flame burning from the Northeast Water Pollution Control Facility, which was the product of methane or biogas that is created by treating the wastewater. PWD has always been seeking ways to utilize the

methane in a cost effective manner and eliminate the flame. In 2013, that goal was realized through a public private partnership with Ameresco, Bank of America, PWD and the Philadelphia Municipal Authority. Construction was completed in November 2013 on the Northeast Biogas Cogeneration Facility, transitioning the Northeast Water Pollution Control Plant (NEWPCP) to the use of green power and eliminating that flame. The \$47 million facility, which features gas cleaning equipment, four 1.4 megawatt reciprocating engines, and state-of-the-art air pollution control equipment, uses methane (biogas) produced by existing digesters to safely generate power and heat for the facility, meeting 85% of the NEWPCP's power consumption (approximately 44MWh/year). In addition to reducing the facility's annual electrical use by 85% and PWD's total electrical use by 15%, the environmental benefits of this transition equal to taking over 6,000 cars off the highway and planting 23,000 acres of pine forests. With the addition of the Cogeneration project, PWD will have reduced its greenhouse gas emissions by more than 20% since 2008 and is projected to generate savings of almost \$6 million over the life of the facility's 16-year lease.

Water Department Pilots Sewer Geothermal Heat Recovery System: In keeping with its strategic energy plan to find innovative ways to use waste sources, PWD installed a pilot sewer geothermal heat recovery system, the first of its kind in the country, at its Southeast Water Pollution Control Plant in 2012. The system extracts heat from wastewater and uses it to warm the plant facilities. So far, data indicates that the plant can save \$15-25K annually on heating alone – with a cooling load added, these yearly savings can be more than doubled. Adopting the system at all six of PWD's treatment plants could potentially deliver annual savings of \$300,000 or more. Teams are beginning to review what is proving to be positive initial data from the pilot test.

Environmental Protection – “Class A” Biosolids Facility Opens in Philadelphia: “Class A” Biosolids production continues at the Pelletization Facility of the Biosolids Recycling Center (BRC). Constructed in 2012, this facility converts sewage treatment waste into pellets which are suitable for farm application as fertilizer and sold in Pennsylvania, Maryland, Virginia, and to the Florida citrus industry. They are also currently being used in the kilns of a local cement company. During the process, vital nutrients are recovered from the waste stream and sewage gases are reused as a fuel for the facility. The Water Department's private operator for the facility, PBS/Synagro, continues to meet or exceed all contractual requirements and monetary targets for Class A Biosolids production, including reducing the costs to rate payers of sewage treatment and reducing the impacts on the community by nearly eliminating odors associated with sewage treatment. Thus far the Water Department has documented savings from the privatization of the BRC facility for 2009 (start year) to 2011 at an average of \$7.6M per year and approximately \$9.4M per year from 2012 to present, with projections suggesting these savings will uptick each year, through the remaining 17 years of the Class A agreement period. Following this period, there is 5-year renewal option.

Rate adjustments: As shown in the table below, the approved rated plan provides for new water, sewer and stormwater rates, effective January 1, 2013, July 1, 2013 and July 1, 2014, which will increase average residential bills by 5.8%, 5.7% and 5.0% respectively. The Water Department has budgeted for rate increases of 6% in FY15, FY16, and FY17; though these rate increases have not yet been approved

by the Administration or the new independent Water Rate Board that was established by Council Ordinance in December 2013. The new Water Rate Board is responsible for fixing and regulating rates and charges for water and sewer services considering best management practices in setting financial goals to be achieved through rate setting. Despite these adjustments, PWD rates will remain among the lowest in the region. These potential new rates would meet the requirements of the Department's Financial Plan, directed at maintaining or improving PWD's credit rating, and supporting the new Capital Improvement Plan, which is re-investing in the city's aging water and sewer infrastructure. Consistent with the 2012 rates settlement, mediation of certain billing and collection related customer service issues has begun and is expected to continue over the next 18 months. Also, as outlined in the rates settlement, PWD, working with the Revenue Department, plans to undertake a limited scope "management audit" of the Water Revenue Bureau. The request for proposals for this service was posted and evaluation of the proposals is ongoing.

Average water costs for residential household (600 cubic feet per month)

Effective Date	Water	Sewer*	Total	Percent Increase
January 1, 2013	27.50	33.24	60.74	5.8%
July 1, 2013	28.71	35.52	64.23	5.7%
July 1, 2014	29.89	37.54	67.43	5.0%

* Includes stormwater costs.

Improved call center service: The addition of cloud technology to the PWD call center in 2013 has allowed the customer service team to make a significant increase in the number of calls taken each business day. Prior to the use of this technology, the phone system was not always able to handle the center's daily call volume, particularly during very busy periods. Now, the center has the capacity handle and track all calls, and the addition of a customer call back system ensures that every customer gets the chance to speak directly with a representative. The centers are showing significantly fewer abandoned calls and shorter customer hold times. For example, among the approximately 213,000 calls received in 2013, the average customer wait time was 39 seconds, which is 30% shorter than the average among call centers across all industries (56 seconds).

DEPARTMENT OF PARKS AND RECREATION

The Department of Recreation was created in 1951 for the comprehensive and coordinated program of cultural and physical recreation activities to be instituted and conducted in all city recreation facilities. In 2011, the Recreation Department and the Fairmount Park Commission were consolidated into a single department. The Philadelphia Department of Parks and Recreation promotes the well-being of the City, its citizens and visitors by offering beautiful natural landscapes and parks, high quality recreation centers and athletic programs, important historic resources and enriching cultural and environmental programs.

Budget Trends: After budget cuts during the recession, overall the Department of Parks and Recreation has seen its funding level return to FY08 funding levels. Other operating funds have increased by \$2 million since FY08 due primarily to growth in US Department of Agricultural funding for summer food

programs for out-of-school youth. The FY15 proposed General Fund budget provides an additional \$500,000 to Parks and Recreation to fund expanded programs at recreation centers in neighborhoods throughout the City. Other Operating Funds in FY15 remain on par with the FY14 current projection.

	FY08 Actual	FY13 Actual	FY14 Adopted Budget	FY14 Current Projection	FY14-FY08 Change	FY15 Proposed Budget	FY15-FY14 Change
General Fund	51,941,696	50,555,574	51,313,537	51,313,537	(628,159) -1.2%	51,813,537	500,000 1.0%
Other Operating Funds	7,239,875	8,529,152	9,394,621	10,459,603	3,219,728 44.5%	10,459,603	- 0.0%
Total Operating Budget	59,181,571	59,084,726	60,708,158	61,773,140	2,591,569 4.4%	62,273,140	500,000 0.8%

* FY08 Actual data reflects both the Recreation Department and the Fairmount Park Commission which were consolidated into a single department in 2011.

Performance Trends: Although the Department of Parks and Recreation has increased the number of programs available to the community since FY08, due to reductions in part-time seasonal staff resulting from budget cuts, programs have been offered on fewer days per week, resulting in declines in the number of programs and the number of unique program participants between FY12 and FY13 and between the first halves FY13 and FY14. The increased operating funds in FY15 will be used to increase programs available to the community. Parks and Recreation increased the number of acres mowed by 11.9% between FY12 and FY13 and is on track to exceed its target of 41,033 in FY14. Parks and Recreation has also steadily increased the number of trees it has planted each year. However due to reductions in capital funding assigned to tree plantings and reductions in state funding traditionally supporting the TreeVitalize program, the number of trees planted decreased by 7.6% in FY13 and is down 2.4% for the first half of FY14 compared to the same period in FY13. In addition, the Philadelphia Horticultural Society has shifted their focus from the city to the region and thus reduced the number of trees planted in the city from roughly 1,500-2,000 per year to a few hundred.

Performance Measure	FY08	FY12	FY13	FY13-FY12 Change	FY13 Q1-Q2	FY14 Q1-Q2	FY14-FY13 Q1-Q2 Change	FY14 Goal	FY15 Goal
Sum number of programs	2,515	4,050	3,742	-7.6%	2,854	2,786	-2.4%	3,836	3,929
Sum of unique attended	218,626	295,060	263,236	-10.8%	210,810	196,000	-7.0%	269,817	276,398
Total visits	2,258,238	6,604,159	7,304,252	10.6%	4,211,527	3,889,386	-7.6%	7,486,858	7,669,465
Number of acreage mowed	40,671	35,984	40,275	11.9%	22,184	22,983	3.6%	41,033	39,713
Number of new trees planted*	9,879	20,282	26,015	28.3%	12,689	8,269	-34.8%	26,216	26,210

* Trees are only planted during the fall and spring season, so no planting activity occurs in the 1st and 3rd quarters. The cumulative number of trees planted to date since FY08 as of Q2 of FY14 is 90,541.

Key Accomplishments

Youth Development: The Department of Parks and Recreation continues to support a wide variety of programming and initiatives, including outdoor recreational activities, for children, youth, teens, and families. Fun Safe Philly Summer, the City’s collaborative initiative to provide summer programming and free meals to young people, served 3.4 million meals through the Department’s Summer Food Service Program and provided approximately 25,000 available summer programming opportunities during summer 2013. Youth participation in summer Neighborhood Day Camps at 131 recreation facilities located throughout Philadelphia remained popular with 6,245 overall camp participants, down from a record number of 8,800 participants in 2012. Camps operate at a minimum five days per week, six hours per day, for six weeks. Additionally, nearly 1,850 youth participated in Parks and Recreation



specialty camps at 37 locations this summer (compared to 1,300 youth in 2012), which included visual and performing arts, athletics, conflict resolution theatre, environmental, teen, rowing, and special needs. The Summer Outdoor Adventure Camps and Out-n-About camp engaged 385 participants in various outdoor recreation activities, including hiking, biking, campfire cooking, kayaking, camping, geocaching and fishing.

The Department conducts a variety of high-quality programming connecting children and teens to nature and the outdoors year-round. Grow Up Green is a new environmental education program being presented at Department Tot Recreation sites that uses a variety of hands-on activities to encourage children to explore the outdoors and the natural world around them. Approximately 200 adults and children participated in this program in FY13. In collaboration with the Fairmount Park Conservancy, the Department has been awarded a grant from PNC Bank to continue this program again for the 2014 school year. Grow Up Green also received an Excellence in Programming Award from the Pennsylvania Recreation and Parks Society. The Be Outside Nature Program kicked off in the fall 2013 at 15 after-school sites, and also included a teen outdoors adventure camp. Over 500 children participated in a series of nature and outdoor related activities such as hiking, biking, nature education and disc golf.

The Wallace Foundation is helping the Department, in coordination with the Office of the Deputy Mayor for Health and Opportunity and support from the Department of Human Services (DHS), build a coordinated “out of school time” information system. In support of such a system, starting in October 2013, the Department launched the “REACH” after school pilot at 21 after school programs, created to

test program quality and effectiveness.⁵¹ These programs offer services that help young people feel good about themselves, their community, and their future. After school programs participating in the REACH pilot receive support from specialty coordinators to improve programming in five program areas: environmental awareness, outdoor activities, sports and athletics, the arts, and fitness & healthy habits. Each after school program participating in the pilot will work with an assigned coach and specialty coordinator to develop a customized improvement plan to increase the quality of their programming.

PowerCorpsPHL is a new and innovative AmeriCorps program designed to address Mayor Nutter's environmental stewardship initiatives, as well as the City's youth workforce development and violence prevention priorities. Partnering with EducationWorks, the Philadelphia Youth Network, Philadelphia Water Department and the Department of Parks and Recreation, PowerCorps PHL enrolled 100 young people, ages 18-26, in a nine-month program: six months of full-time service as AmeriCorps members with each Department, followed by three months of intensive job placement support. PowerCorps PHL crews worked in the four major watershed regions of Philadelphia completing projects on natural lands, recreation centers and city parks.

Improving the Health of Philadelphians: Parks and Recreation ran 125 basketball leagues and programs in 2013 engaging approximately 8,000 adults and youth. In addition, the Department again hosted youth and family triathlons and duathlons in different sections of Fairmount Park. With the support of numerous community and neighborhood partners, the Department opened all 70 operational outdoor pools and five indoor pools for the past three summer seasons. In addition to providing outdoor recreation for children, youth, teens, and families, the Department also employed approximately 800 seasonal staff as part of operating and programming. There were 820,102 visits during the eight-week pool season, and over 2,000 people participated in swim lessons and aquatics programming. The number of visits during the pool season represents a 20% decrease over the previous summer due to numerous days of inclement weather.⁵²

The Department of Parks and Recreation has partnered internally and externally to make significant investments in each City ice rink facility. The Department's lead partner is the Ed Snider Youth Hockey Foundation which has made a four-year capital and programmatic commitment to each City ice rink facility. The Department continues to run a seven-day a week operation at all ice rinks to expand public skating. This represents an additional full-day of public and community skating at City ice rinks. There were 118,571 visits during the FY13 ice rink season, a 36% increase compared to the FY12 season.

The Department of Parks and Recreation partnered with the Philadelphia Phillies and Major League Baseball to create the Philadelphia Urban Youth Academy, which started programming the summer of 2012. This partnership will utilize renovated fields and facilities at both Franklin Delano Roosevelt Park and Marian Anderson Recreation Center to help inner-city youth reach their fullest potential on and off

⁵¹ REACH stands for Reliable and caring staff, Environmental and out-door activities, Athletic and sports programming, Creative, cultural and performing arts, and Health habits, fitness and fun.

⁵² The same number of pools were operational in 2013 as in 2012.

the field by providing quality instruction and training and educational assistance through a variety of year-round programs. Working towards the Mayor's goal of sending more Philadelphia residents to college, the Philadelphia Urban Youth Academy will also offer college placement assistance and career development through experiential learning opportunities.

Greening and Enhancing Open Spaces:

Early in 2013, Department of Parks and Recreation and the Philadelphia City Planning Commission commissioned PennPraxis to develop the "More Park, Less Way: An Action Plan to Increase Urban Vibrancy on the Benjamin Franklin Parkway" for the City as a way to capitalize on nearly a decade and a half of public and private investments along the Parkway. This action plan offered a series of actions that would ultimately invite Philadelphians to use the Parkway on a regular basis. With



more than 70,000 people living within a ten-minute walk of the Parkway, this plan looks to the neighborhoods along the edges of the Parkway as a natural audience for new park spaces, programs, and amenities. With support from the William Penn Foundation and private sponsorships, the Department worked collaboratively to transform Eakins Oval during the summer and fall of 2013 from a surface parking lot into "The Oval," full of community programming and activities. The project cost roughly \$180,000 paid for by parking revenues from Eakins, the William Penn Foundation, and corporate support and benefited close to 30,000 visitors of all ages.

The Dell Music Center, formerly the Robin Hood Dell East, is an open-air amphitheatre managed by the Department of Parks and Recreation. The Dell is the fourth largest performance venue in Philadelphia and has seen a steady increase in patrons since 2010. Total patrons for the 2013 concert series increased by 61% compared to 2012 with 42,231 patrons visiting during the 2013 season. New this season was KidFest at the Dell, a day of outdoor adventures where over 1,000 youth from day camps across the City enjoyed a series of activities, exercises, entertainment and fun.

The Department, in collaboration with the Water Department and the national non-profit Trust for Public Lands, undertook a greening pilot initiative to transform underutilized parks, recreation facilities and schoolyards into viable public green spaces in neighborhoods lacking green spaces. The high impact greening treatment not only increases the green acreage in the city but also treats neighborhood stormwater run-off. With this pilot, supported by the William Penn Foundation and other external funders, groundbreaking will kick off for multiple sites in 2014 including the William Dick Elementary School and the Hank Gathers Recreation Center, and a total of eight to ten recreation facilities and schoolyards will receive greening and play treatments by 2015.

The Department is working to support the Mayor's goal of achieving 30% tree coverage throughout the City by planting 300,000 trees. In 2013 the Department honored hundreds of community groups and volunteers from all over the City who have participated in the neighborhood-based campaign TreePhilly with a "TreeParty" at Marconi Plaza. The TreePhilly campaign engages citizens, businesses, and communities in tree plantings around the city. A yard tree giveaway, funded by Wells Fargo, provided 5,000 free yard trees in the spring of 2013 and fall tree planting seasons to Philadelphia property owners. Again sponsored by Wells Fargo, TreePhilly kicked off the 2014 spring yard



tree giveaway with a creative media campaign around Valentine's Day to make Philadelphia "The City of Arborly Love." Working in neighborhoods throughout the city, since 2012, TreePhilly has given away close to 9,000 free yard trees which will help benefit communities for years to come. In addition, with support from William Penn Foundation, Parks and Recreation has engaged the consulting firm Biohabitats to prepare a forest management plan which was publicly launched in October 2013. The plan scope includes the entire Philadelphia's Park system, including those in neighborhood parks with a focus on tree planting/restoration opportunities, training of Parks and Recreation staff, and engaging new and existing users around our upland forests, riparian forests, trail network, shrub lands, meadows and wetlands. The plan is structured around a series of pilot projects, starting in 2014, that will provide opportunities to test approaches and methods while engaging with citizens and communities to effectively manage our natural lands and forests.

To support the Mayor's goal of increasing the number of farmers markets, gardens, and farms accessible to Philadelphians, the Department currently hosts community gardens/farm training sites at Parks and Recreation facilities across the city. This helps to advance not only the *Greenworks* targets, but also the Department's mission to connect communities to the outdoors, encourage healthy behaviors, and provide high-quality programming. For the 2013 growing season, the Department offered support and infrastructure resources to create 13 expanded or new community garden/farm training projects engaging 300 children at facilities. These gardens help to achieve the City's goal of creating an additional 86 markets, gardens and farms around the City between 2008 and 2015 for a total of 316 markets, gardens, and farms by 2015.

CAPITAL BUDGET TRENDS AND HIGHLIGHTS

Capital budget trends: Capital investment in Goal 4 related departments consists of the Managing Director's Office, the Department of Parks and Recreation, the Office of the Director of Finance, the Water Department, the Streets Department, and the Transit division (SEPTA).

Department	Source of funding*	FY14 Budget \$ Thousand	FY14-FY19 Budget \$ Thousand	FY15 Proposed Budget \$ Thousand	FY15-FY20 Proposed Budget \$ Thousand	FY15-FY14 change** \$ Thousand
Managing Director's Office	City funding	3,600	7,400	655	3,430	-2,945
	Total	17,526	21,326	24,425	27,200	6,899
Parks and Recreation	City funding	18,360	107,360	16,960	94,665	-1,400
	Total	167,996	266,496	179,752	262,382	11,756
Finance	City funding	5,100	20,600	5,100	30,600	0
	Total	33,341	48,841	33,420	58,920	79
Water Department	City funding	0	0	0	0	0
	Total	856,019	2,293,879	917,721	2,423,977	61,702
Streets	City funding	28,233	154,191	28,450	193,320	217
	Total	240,855	506,726	292,423	682,393	51,568
Transit	City funding	1,512	18,345	3,635	21,200	2,123
	Total	158,239	1,054,055	195,423	1,008,699	37,184
Total	City funding	56,805	307,896	54,800	343,215	-2,005
	Total	1,473,976	4,191,323	1,643,164	4,463,571	169,188

* City funding consists of General Obligation bonds, prefinanced funds, and new PICA funds. Total funding includes various funding sources such as new General Obligation bonds; prefinanced funds; PICA funds; federal, state and private funds; carryforward funds; other government funds; City self-sustaining funds; and other City sources.

** Change in total capital funds could reflect a change in spending of carryforward from all sources as well as a change in receipt of new funding from all sources.

As shown in the table above, the total FY15 Capital budget allocates \$54.8 million in City funding consisting of General Obligation bonds and prefinanced loans for capital improvements to these Departments and \$343.2 million over the six year capital program.⁵³ The Managing Director's allocation is budgeted for a decrease of 81.8% (\$2.9 million) in City funding in FY15 compared to FY14. The FY14 budget had \$3 million in one-time funding for the Bikeshare project. The Department of Parks and Recreation is budgeted to have a decrease of 7.6% (\$1.4 million) in City funding in FY15 compared to FY14. The funding for capital improvements for existing facilities in parks, recreation centers, and other neighborhood facilities is shared by the Department of Parks and Recreation and the Finance Department. The Water Department finances capital improvements through self-sustaining revenue bonds and self-sustaining operating revenue in the capital budget. The Streets Department is budgeted

⁵³ Prefinanced loans are loans that the electorate or City Council has already authorized.

to have a decrease of 0.8% (\$217,000) in City funding in FY15 compared to FY14. SEPTA experienced an increase of 140.4% (\$2.1 million) of City funding in FY15 compared to FY14 due to the Transportation bill that was signed by Governor Corbett in November 2013. This bill allocated additional funds to Transit and required a local match of City funds. This increase in City funding will leverage over \$189.3 million in state, federal, and other monies for these projects.

Key Projects

Department of Parks and Recreation

Delaware River Wetlands Park: The Delaware River Waterfront Corporation (DRWC) and the City are extending the Washington Avenue Green, a waterfront park at the base of Pier 53 which opened in 2010, onto Pier 53 with a boardwalk, viewing platform, interpretive signage and a kayak launch. The Pier 53 construction, expected to be complete mid-summer in 2014, is a model for habitat restoration, creating intertidal wetlands which



enhance vegetation, flood control, and water quality. When completed the Delaware River Wetlands Park will be a signature public space on the Delaware River, extending from this area to Pier 72. The plan includes significant wetland restoration utilizing the degraded piers. Additionally, a 50-foot waterfront trail and linear park on the adjacent upland will run the same length as the wetlands park. In 2012, DRWC acquired 16 acres of property at Piers 64 – 70, which will form the southern terminus of the permanent waterfront trail in future phases. The Pier 68 project will focus on active recreational and educational opportunities to raise awareness about habitat and river health throughout the wetlands area and is expected to be completed in Fall 2014.

Trail Improvements: Substantial Department of Parks & Recreation and Commerce Department capital funding for design will bring two key north Delaware River Trail improvements to construction by Fall 2014. The first phase of the Kensington and Tacony Trail, a 1.2 mile 12 foot wide paved asphalt multi-use trail stretching from the Frankford Boat Launch to Magee Street was designed with the Department of Parks and Recreation and the Commerce Department funding and will be constructed starting in Fall 2014 using Federal transportation funding. Similarly, the 1.9 mile Baxter Trail, connecting Pennypack on the Delaware with Pleasant Hill Park, will also be constructed via Federal funds beginning in Summer 2014. Both segments will be substantially completed by late 2015. Kensington and Tacony and Baxter, when knit together with other segments like the recently constructed Port Richmond Trail, will eventually form the City's portion of the East Coast Greenway, a national bicycle / pedestrian corridor stretching from Maine to Florida.

Bartram's Mile: The Department of Parks and Recreation in collaboration with the Schuylkill River Development Corporation, Philadelphia Industrial Development Corporation and the John Bartram Association, began the process to create the Bartram's Mile: a dynamic trail, greening and open space opportunity along the watershed area of the tidal Schuylkill River connecting the Gray's Ferry Crescent south to a new public plaza at 56th Street, including Bartram's Garden. As part of the Department of Parks and Recreation's Green2015 Action Plan and in service to the Mayor's *Greenworks* Philadelphia, this will create a dynamic stretch of Schuylkill Banks which is transformational, connects people to the outdoors and the Schuylkill River, enhances the watershed and celebrates the history and horticulture of



Bartram's Garden. In addition, the Schuylkill River Trail will be extended from Bartram's Garden along the riverfront and a future connection will be made to the 58th Street Greenway portion of the East Coast Greenway. This will help to advance Bartram's Mile as a premier destination with multiple unique public spaces, wonderful views/horticulture, and connections to recreational opportunities and the river.

Schuylkill River Improvements: The goal of the Schuylkill River Development Corporation is to link the trail on the east side of the river to Bartram's Garden on the west side, which will require a river crossing at Gray's Ferry. A new structure would utilize the abandoned railroad bridge as substructure for a pedestrian/bike bridge. The project would include completing preliminary and final design and construction of the bridge and approaches.



Additionally, the Catherine Street Trail project is expected to construct a trail and greenway along the east bank of the Schuylkill River between South Street and Catherine Street. It will eventually link to a new pedestrian bridge across the railroad and the train extension to Gray's Ferry Crescent. Anticipated work for both projects includes design to occur later in FY14 with construction to begin in FY15.

Benjamin Franklin Parkway Improvements: Working with numerous public and private partners, in 2012 Parks and Recreation completed or began work on the Benjamin Franklin Parkway streetscape, the Rodin Museum landscape, and Sister Cities Plaza as part of \$21 million in public space improvements. Construction along the 2000-2200 blocks was completed in June 2012 at a cost of \$6 million, which included walkways, lighting, a bicycle lane and streetscape. This section of the Parkway runs adjacent to

the newly renovated Rodin Sculpture Garden and Barnes Museum, thus completing an enhanced pedestrian and cyclist experience along the parkway. In addition, with support from the Lenfest Foundation and Pew Charitable Trusts, the Department, working with PennPraxis, developed an action plan called “More Park, Less Way” to transform Benjamin Franklin Parkway into a cultural boulevard and public-friendly community park that integrates newly designed parks and more public art, improves bicycle and pedestrian access, increase programming, and encourages all Philadelphians to use the Parkway on a regular basis. The City committed \$300,000 in the FY13 capital budget and an additional \$1.2 million in FY14 and \$1.2 million in FY15.

Beginning summer 2014, Parks and Recreation and PennDOT will kick-off a 12-16 month long construction project improving the Benjamin Franklin Parkway Streetscapes between the 1600 and 1900 blocks. This \$4.2 million construction project, funded by PennDOT, Parks & Recreation and the Water Department, include the following improvements: demolition of existing sidewalks and medians; new sidewalks, curb bump outs and larger medians for increased pedestrian safety; tree removal and new plantings; bike lanes including green bike lanes at conflict areas; granite curbed planter pots along the new walkways; new traffic lanes; ADA compliant pedestrian ramps and green stormwater infrastructure.

Horticultural Center: In the coming year, the Horticultural Center will undergo significant capital improvements including the replacement of the existing roof glazing with new acrylic, thermally sealed glazing in Greenhouses 3 and 4 and the Display Greenhouse, and structural remediation in these spaces to allow for the expected increase in snow load that results from the use of thermal glazing. Additionally, the existing safety glass roof panels will be replaced as required (where broken or missing / slipped) in Greenhouses 1 and 2 and vertical glazing throughout the Horticulture Center. The goal is to complete construction by May of 2015. The recommended budget includes \$140,000 in FY15 and nearly \$1.4 million over the FY15-FY20 recommended capital program for this project.

Streets Department

Resurfacing / Reconstruction of Streets: The City is increasing its investment from \$12 million in FY14 to \$16 million in the reconstruction/resurfacing and ADA ramp reconstruction in FY15. This funding will be used to resurface and reconstruct neighborhood streets and Fairmount Park roads as well as design, reconstruct and verify ADA handicap ramps on City streets.

Northeast Incinerator: More than \$2.5 million in City funds are recommended in FY15 to be added to other City funds in previous fiscal years for the reconstruction of the existing Northeast Incinerator Building for Citywide Cleaning Operations, Streets Walkways Education Enforcement Program (SWEEP). The Project involves building interior fit out for 40,000 square feet: elevators, mechanical / HVAC systems, plumbing and electrical work for office space, locker rooms, conference room space, and warehouse space for the Division's Construction and Facilities Management Unit. The project will be LEED Silver Certified.

Water Department

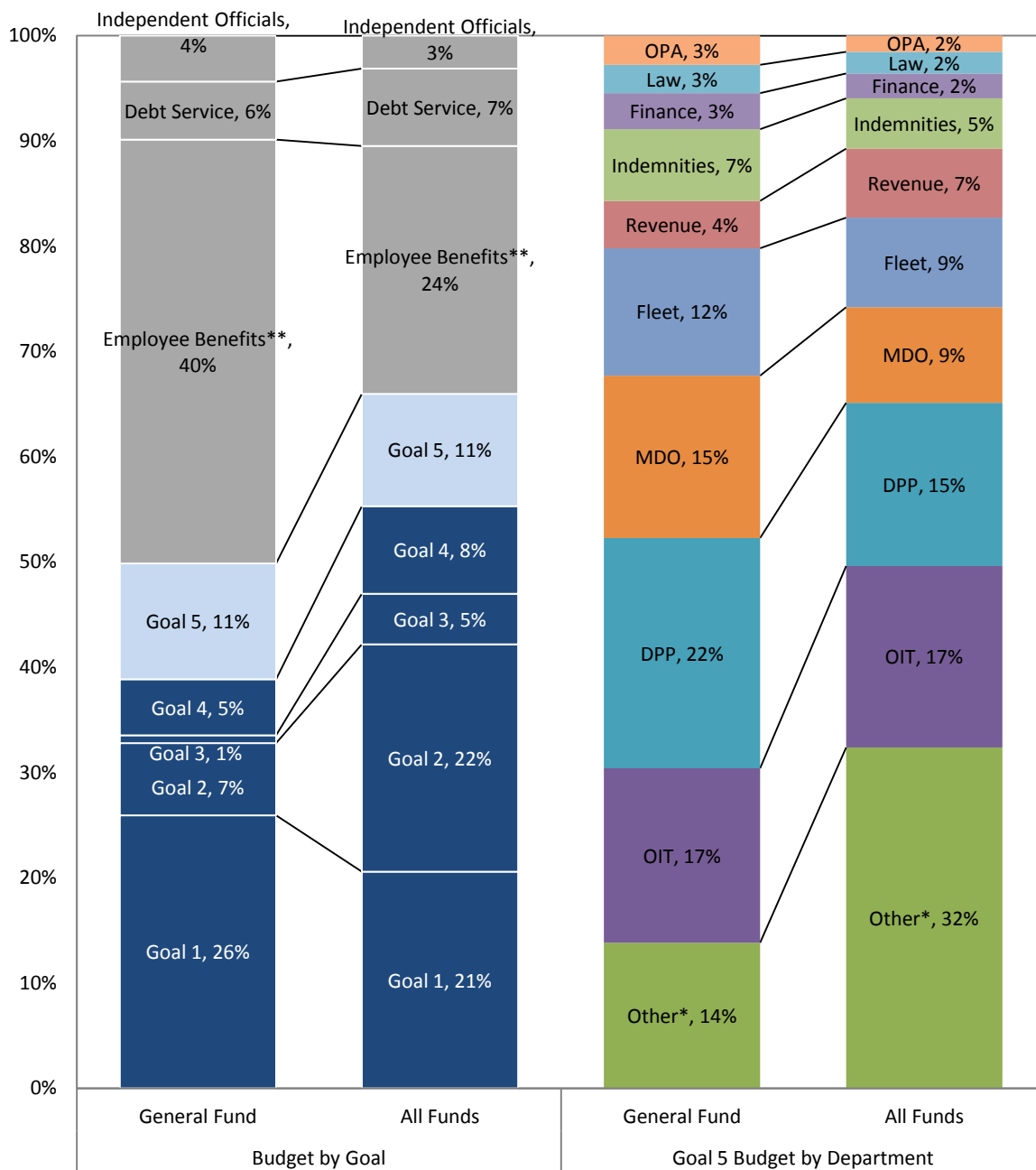
Expanded Investment in Infrastructure Stability: The Philadelphia Water Department (PWD) continues to increase its focus and resource commitment to the protection and renewal of the City's water and sewer infrastructure. The Department launched a Capital Plan for FY15 that kicks off a six-year, \$1.6 billion Capital Improvement Program. Using a sophisticated main protective model system to directly inform the program plan, the Department will strategically replace infrastructure components to optimize the strength and sustainability of our water and sewer infrastructure. PWD also recently completed the implementation and quality testing of its nationally unprecedented Contamination Warning System, which uses state-of-the-art data collection systems to monitor water quality, water testing, customer complaints, security and public health reports to maintain readiness to proactively address threats and keep our region's water supply safe. The \$11.9 million system won more than \$9 million in federal funding support, and is a national model for protecting the public health. In addition, PWD proactively surveyed 968 miles of pipes for leaks in 2013, and replaced or renewed 30 miles of water and sewer pipes. Despite a small number of high-profile incidents, this approach has allowed PWD's 15-year moving average of water main breaks to remain below the national average. The Department repaired 823 water main breaks in FY13, and there were fewer than 240 breaks per 1,000 miles of pipe, as compared to the average of 270 breaks per 1,000 miles, nationally. Major energy conservation projects have also been completed, such as the \$47 million Northeast Biogas Cogeneration facility, which takes the Department's Northeast Water Pollution Control Plant (NEWPCP) virtually off the grid, self-generating 85% of the plant's electrical needs. The \$47 million Venice Island underground storage basin project has also been placed into service. The project supports the Department's efforts to protect and improve the Schuylkill River, a major source of drinking water and recreational activities for the City. Several other major projects were bid and issued a Notice to Proceed, including the \$16 million Bypass Conduit project at the NEWPCP, and the \$19 million Belmont Raw Water Basin Rehabilitation project. Bidding of the \$36 million New Gravity Thickeners at the NEWPCP is being scheduled for FY14. Prioritization of projects that enhance the integrity of the City's water/sewer infrastructure and support sustainable utility operations will allow PWD to continue its mission to protect the public and the environment.

GOAL 5: PHILADELPHIA GOVERNMENT WORKS EFFICIENTLY AND EFFECTIVELY, WITH INTEGRITY AND RESPONSIVENESS: OVERVIEW OF INITIATIVES AND KEY ACCOMPLISHMENTS

The Administration has made significant progress in improving the way government works and will make even more progress in the next two years. Goal 5 tracks two key outcomes related to improving how government operates. The first outcome is about acting as an efficient steward of public resources by making the City government work more efficiently and effectively. The second outcome is about the City leading with the highest standards of transparency and ethics. This chapter describes the City's accomplishments as they relate to each of these outcomes. This chapter includes a number of performance and operational metrics for most departments and initiatives that fall under Goal 5.

As shown in the graph below, spending on Goal 5 comprises 11% (\$493 million) of the City's General Fund budget and 3% (\$895 million) of the City's total operating budget. The departments and offices primarily focused on achieving the outcomes under Goal 5 are the Office of Innovation and Technology (17% of total Goal 5 all funds spending), the Department of Public Property (15%), the Managing Director's Office (9%), the Office of Fleet Management (9%), the Revenue Department (7%), Indemnities (5%), the Office of the Director of Finance (2%), the Law Department (2%), the Office of Property Assessment (2%), the City Treasurer (<1%), the Civil Service Commission (5%), Hero Scholarships (<1%), Provision for Other Grants (25%), Refunds (<1%), Witness Fees (<1%), Labor Relations (<1%), the Mayor's Office (<1%), Scholarships (<1%), the Office of Human Resources (1%), the Office of Inspector General (<1%), Procurement (1%), and the Records Department (1%).

FY15 Proposed Goal 5 Spending



* Other departments include the City Treasurer, the Civil Service Commission, Hero Awards, PGW Rental Reimbursement, Provision for Other Grants, Refunds, Witness Fees, Labor Relations, Mayor's Office, Scholarships, Office of Human Resources, the Office of the Inspector General, Procurement, and Records.

** Employee Benefits represent an unusually high proportion of FY15 expenditures due to the \$700 million pension payment appropriation using the proceeds of the sale of Philadelphia Gas Works. Excluding this payment, employee benefits would represent 29% of expenditures.

ACT AS AN EFFICIENT STEWARD OF PUBLIC RESOURCES

Bond rating upgrades: For the first time since the 1970s, the City is rated in the A category by all three major credit rating agencies. Standard & Poor's (S&P) upgraded the City from "BBB+" to "A-" in June 2013, and then gave the City a double upgrade to "A+" in December 2013, leading to over \$10 million in lifetime estimated interest cost savings on new money already issued. In its decision report, S&P cited the City's management conditions as "very strong, with strong financial practices" and the City's "very strong liquidity" and "strong budgetary performance" as explanations for the upgrade. As described in more detail in the Debt Management chapter, these bond rating upgrades help reduce debt service costs, giving the City greater financial flexibility and ability to spend resources on City services.

Initiatives to reduce costs: The City has made important strides towards becoming more efficient under the Nutter Administration. To further this goal of efficiency, the City did something that private sector companies often do – hired a restructuring consulting firm to get an outside perspective on improving the efficiency and effectiveness of operations. In February 2013, Mayor Nutter announced the release of a report by FTI Consulting (FTI) that estimated the City could save \$85 million over five years through cost-saving measures and improved revenue collection. The City assumed over \$60 million in savings in its FY14-FY18 five year plan, including \$13.4 million in FY14. The City is on track to meet these overall savings numbers. What follows are some highlights of progress made to date:

- One of FTI's major findings was to create a Chief Collections Officer structure. Previously, many departments had a role in collecting revenues, such as Emergency Medical Services fees within the Fire Department, police overtime revenues, water billing, and obviously, tax revenues within the Revenue department. Under the Chief Collections Officer structure, the collectors of revenue, including the Revenue Department, all report to one person, whose sole duty would be to maximize collections through efficient practices. The City quickly moved forward with this recommendation, and the Mayor appointed Thomas Knudsen as the Chief Collections Officer in April 2013 for six months. As Chief Revenue Collections Officer, Mr. Knudsen aided in establishing a receivership program for increasing property tax collection and initiated the process of centralizing non-tax collections which was a core recommendation of FTI. Revenue Commissioner Clarena Tolson was appointed permanent Chief Collections Officer and Revenue Commissioner by Mayor Nutter in December 2013, succeeding Thomas Knudsen. As Revenue Commissioner since April 2013, Ms. Tolson worked closely with Mr. Knudsen to create a cohesive collection system and now is continuing the process of centralizing nontax and tax collections at the City.
- The City is on target to meet its goal of collecting over \$6.5 million in additional revenue for FY14 due to changes in billing and collections from only three departments' fees - refuse collection fees in the Streets Department, the Police Reimbursable Overtime Program, and the Emergency Medical Services Fee collected by the Fire Department.
- The Office of Fleet Management (OFM) is now working on hedging its fuel purchases for City vehicles which is anticipated to save \$3 million per year once fully operational which is anticipated in FY15. OFM, in conjunction with the Mayor's Office of Transportation and Utilities,

has developed a Vehicle Fuels Cost Management Plan setting forth targets for hedging, and a hedging committee has been established to govern hedge purchases. Fuel price hedging mitigates risk and uncertainty in future fuel prices and saves the City money should fuel prices increase above the hedge purchase price.

- FTI recommended that the City institute an energy efficiency incentive program to lead to reduced utility costs in City owned buildings. As mentioned in the Goal 4 chapter, the Mayor's Office of Transportation and Utilities rolled out a pilot program for the Department of Parks and Recreation, the Department of Public Health, the Department of Public Property, the Police Department, and the Fire Department in June 2013. A portion of the savings achieved by departments will be allocated to those departments to further incent them to conserve energy. The Department of Public Health and the Department of Public Property have realized savings of \$116,411 between July and December 2013.
- The City is in the process of analyzing changes to its space footprint as FTI found that the City allocates 250 square feet per employee compared with 160-175 square feet per employee in the private sector. The City is currently working on a pilot floor plan for one department which could serve as the model for a reduced space footprint in city owned buildings, leading to reduced costs in leased facilities.
- FTI found that there is a lack of competition in the City's bidding - nearly half of competitively bid contracts awarded in each of the last two fiscal years had two bidders or less. Many obstacles and hurdles of doing business with the City have been identified, and the City has been working on these issues for the last few months. In particular, the Procurement Department, with the assistance of Law, Risk Management and Budget, is working to streamline its bidding terms and conditions to incent competition.

Strategic sale of City assets: As part of the Mayor's efforts to focus City spending on the highest and best uses of taxpayer dollars, the Administration has worked to identify assets that are not part of core municipal functions and would be more appropriately sold to private sector firms. Most municipalities do not own gas utilities or parking garages as this is not the core business of city government. As a result, the Mayor decided to explore selling the Philadelphia Gas Works (PGW) and the Love Park Garage underneath JFK Plaza and use the proceeds to make one-time investments into the pension fund or capital improvements. Below is a description of the progress made on both of these sales:

- **Philadelphia Gas Works (PGW):** The Mayor's Office, in collaboration with the Office of the Director of Finance, the Law Department, and the Mayor's Office of Transportation and Utilities, has been working towards the sale of PGW, the nation's largest municipally-owned gas utility, with annual revenues of more than \$600 million, more than 500,000 residential, commercial and industrial customers, and more than 1,600 employees. A cost-benefit analysis completed by Lazard Frères & Co. LLC showed that a sale could command a price ranging from \$1.45 billion to \$1.9 billion, resulting in net sales proceeds to the City between \$422 million and \$872 million. In August 2013, 33 qualified parties responded to the City's Request for Qualifications. On March 3, 2014 the City announced an agreement to sell PGW to UIL Holdings Corporation for \$1.86 billion. The sale, which is expected to inject between \$424 million into the City's pension

fund, must still win approval from City Council and then the Pennsylvania Public Utility Commission (PUC), prior to closing. UIL submitted the highest bid for PGW and agreed to keep rates frozen for three years, maintain PGW's discount programs for low-income families and seniors, safeguard PGW employee and retiree pensions and position PGW to take full advantage of the abundant supply of natural gas in Pennsylvania to make Philadelphia and the region a prime energy hub. The contract signed by UIL and the City requires that all PGW employees be offered employment at UIL.

The Mayor has proposed using the proceeds of a potential sale to help shore up the City's pension fund. The sale will provide substantial support for the City's pension fund, helping address one of the most pressing financial issues facing the City. After paying off all of PGW's bond obligations and putting aside funds for other liabilities, including fully funding the PGW pension plan and prudently reserving for residual risks, the City expects to have between \$424 million and \$631 million remaining, based on current stock and bond markets and reasonable assumptions. The Administration will then deposit the sum into the City employee pension fund. Rather than lowering the contribution, however, the City would, after holding itself harmless for the loss of the City's \$18 million in annual PGW franchise payments, put more than the amount required under state law each year into its municipal pension fund, so as to continue to address the critical need to improve the health of the pension fund. With the pension fund now less than 50 percent funded, this contribution is one part of a strategy to provide additional resources to the fund, while lowering its costs in order to improve that funding percentage. The pension funds' low funding percentage is one of the greatest concerns mentioned by rating agencies, so the deposit should be a positive for the City.

- **Love Park Garage Sale and Redevelopment of**

Love Park: The Office of the Director of Finance, in collaboration with the Department of Parks and Recreation, the Department of Public Property and Law Department recently completed a competitive bidding process and all supporting transaction documents for the sale of Love Park Garage, the 820 space garage located beneath Love Park at 15th and Arch Streets. The winning bid from Chicago-based InterPark Holdings, the largest private owner and operator of parking properties across the country, was \$29.6 million, above the City's expectations for the sale price. InterPark



Holdings will be required to make the necessary renovations and repairs to modernize the facility, and proceeds from the sale will be used to renovate Love Park. The City, in partnership with the Fairmount Park Conservancy, will retain design approval of the new Love Park. In February 2014, the Mayor and Council President Darrell Clarke released "A Shared Vision for

Love Park” which included increasing the amount of green space, maintaining the diagonal movement through the park in line with Benjamin Franklin Parkway, retaining the Love Park statue and the central water fountain, and dedicating space for concessions to generate revenue in support of the Park.

Implementing budget reform: In 2012, Philadelphians voted to amend the Philadelphia Home Rule Charter, by ordinance, to authorize the creation of requirements for additional information to be submitted with the annual operating budget, annual capital budget, and capital program, regarding the cost and effectiveness of City functions and the return on investment for proposed capital expenditures. In FY13, the Office of Budget and Program Evaluation (OBPE), in collaboration with the Streets Department, and the Managing Director’s Office to develop and pilot approaches to program based budgeting for four programs: Trash collections, Recycling, the 311 Call Center and the Community Life Improvement Program. The program based budgeting pilot identified the cost and performance of these specific programs within departments, results of which are described in the Goal 4 chapter under the Streets Department, as well as below under the Managing Director’s Office (MDO). OBPE also worked with the Office of Innovation and Technology, the Department of Public Property, Parks & Recreation, the Mayor’s Office of Sustainability, and the Department of Commerce to pilot return on investment analysis for a range of different types of capital projects. Results of this pilot are presented in the Capital Budget chapter. Critical to rolling out these approaches Citywide is greater facility with cost and performance data. OBPE is in the process of finalizing contract negotiation with a vendor to provide a new budget formulation system, which it expects to implement in time for the FY16 budgeting cycle.

Leveraging technology to work more effectively: The Office of Innovation and Technology (OIT) is continuing its work to replace old and deteriorating systems that are critical to the missions of departments. Progress continues with the top eight departmental Business Application projects that were prioritized by the Administration for replacement. The status of each of these projects is indicated in the table below.

Project	Department	Description	Status
Cashiering	Revenue Department	Automation of revenue collection and bill-tracking processes	Software application contract awarded. Expected completion in early FY15.
CAMA/OPD	Office of Property Assessment/Office of Property Data within the Office of the Director of Finance	Support real estate appraisals	Planning RFP/Service Order under development and is expected to initiate prior to end of FY14.
Workforce Management	Office of the Director of Finance/Office of Human Resources	Enterprise solution to support modern workforce management processes	Proposal review and vendor selection for implementation in FY14.
Project eCLIPSE	Department of Licenses and Inspections	Application to manage municipal code enforcement processes	Vendor chosen and project kickoff held in January 2014 with implementation expected to be completed by end of FY16.
311 Customer Relationship	Managing Director’s Office	Application to create, assign and manage requests made by	Vendor chosen and project kickoff held in January 2014 with implementation

Management		customers	expected to be completed by end of FY15.
Inmate Management	Philadelphia Prison System	Inmate management application replacement/renovation	Planning Service Order under development and is expected to initiate prior to end of FY14.
Revenue Modernization	Revenue Department	Warehouse revenue data and business intelligence	Proposal review and vendor selection for implementation beginning by the end FY14.
Offender System	Philadelphia Police Department, District Attorney's Office, Courts	Renovate the Preliminary Arraignment Reporting System (PARS) to track offenders from arrest to arraignment	Planning Service Order under development and is expected to initiate prior to end of FY14.

The completion of these projects and the resulting advanced systems will benefit the City and departmental operations in many ways by improving access to information, standardizing data, processes, centralization and reporting, and expanding operational efficiencies. These improvements will also help increase the performance measurement and business intelligence tools available to departments. As departments face increased demand and regulatory requirements, the improvements will also enhance customer service both internally and externally.

The largest of these projects is the new Workforce Management system, now called the OnePhilly Project, which represents the first phase of an overarching Administrative Systems Modernization Project, a major initiative undertaken by Finance in cooperation with the Office of Human Resources, OIT and agencies throughout City government to replace all of the City's major administrative systems with an integrated technology solution (Oracle eBusiness Suite) and implement effective and efficient administrative processes Citywide. Phase I will address the City's workforce management processes and systems, including human resources, payroll, time and attendance, benefits administration, and pensions administration. The Project is currently completing its planning stage for modernization and integration of City Workforce Management Systems. In FY13 and FY14, with collaboration from subject matter experts across all City departments, the Project mapped and validated over one hundred business processes, over one thousand functional requirements, and tracked supportive system functionality to be replaced or augmented by a unified workflow for twenty-three major business areas. OnePhilly expects implementation kick-off in Spring 2014, lasting between two and two and a half years. The Capital Section at the end of this chapter describes the OnePhilly Project in more detail.

Improving the City's Security Infrastructure: In 2013, OIT took several big steps toward advancing public safety. OIT oversaw the installation of a new video management system, which not only improves the quality of the video available from City cameras, but also enables both the receipt of video feeds from outside agencies, such as SEPTA, and the distribution of video throughout the city to all authorized users. OIT deployed all of the technology at the newly opened Delaware Valley Intelligence Center (DVIC), which commenced operations in June 2013. As its name suggests, the DVIC is an intelligence center that brings together City, State, and Federal law enforcement agencies under one roof to promote information-sharing in homeland security matters. The co-located agencies work collaboratively on collecting and analyzing intelligence about terrorism, weather disasters, and other

emergencies. To assist in these efforts, OIT oversaw the installation of a high capacity video network connection, complete with a new video wall for improved situational awareness, and set up and configured over 200 workstations and telephone connections. Finally, OIT successfully completed the 800 MHz project to upgrade the citywide radio system, which supports over 10,000 users, in January 2013, approximately six months ahead of schedule. OIT also added two external agencies, the Philadelphia Parking Authority and Philadelphia Gas Works, to the citywide system improving interoperability between these agencies and all City agencies that make use of the 800MHz radio system. The physical infrastructure supporting the 800 MHz radio system has also been improved. The power infrastructure at seven of ten sites has been upgraded by replacing inefficient HVAC that could not maintain an appropriate environment for equipment housed at the sites, and old and broken antennas and lines have been replaced.

Developing a Legacy of Innovation: OIT's Innovation Management group focuses on working with the business, nonprofit, and higher education sectors to make Philadelphia a model for urban municipal innovation. The City has developed an Innovation Management strategy with the goal of fostering a local innovation ecosystem that will enable City government to strategically manage public technology work and creatively leverage the internal and external tech community for expertise, resources, and investment. An important part of this effort involves developing an infrastructure of innovation within municipal government, and the Managing Director's Office (MDO) and OIT are jointly currently driving three coordinated initiatives to accomplish this goal.

- The Academy of Municipal Innovation involves a collaborative effort among the MDO, OIT, and Philadelphia University. The Academy will provide City employees with a formal opportunity to learn the principles of innovation, and gives participants the opportunity to marry day-to-day, in-the-workplace innovation that is primarily tactical in nature, with formal training about innovation strategy. The Academy will begin by offering a pilot course at Philadelphia University in the spring of 2014 with an innovation curriculum adapted for municipal settings and issues. The goal is to expand the network of municipal employees who can think and work creatively and move ideas to implementation.
- To complement the Innovation Academy and provide both the space and environment for innovation, the City is also establishing an Innovation Lab, which will open in Spring 2014. This co-working and collaborative space will permit city employees across departments to meet, talk, and implement new work – a purposefully built space to encourage communication and the exchange of ideas in an informal setting. The Lab will also provide technology-enabled meeting and collaboration resources for programmed events and will also serve as a meeting space for future iterations of the Academy of Municipal Innovation.
- Finally, OIT, the Mayor's Office of Grants and the Mayor's Fund for Philadelphia are developing an internal process for innovation governance. The goal is to gather, review and refine the best ideas and move them from ideas to programs by providing resources for implementation. An Innovation Working Group led by OIT and the Grants' Office will move this process forward and give the City an opportunity to take advantage of its network of innovators developed by the Academy of Municipal Innovation and given space to work through the Innovation Lab.

Improving the City's Web Presence: To provide the citizens of Philadelphia with a more comprehensive and stable website for information on city services, OIT will continue to improve the City's website: www.phila.gov and associated web properties. OIT continues to augment its consolidated online mapping portal with new features and data sets. This mapping portal will be further developed so that city departments can better integrate mapping and geospatial data into their websites, making it easier for users to access and consume geospatial data. Additionally, OIT will begin a new phase of redesigning the City's web sites and homepage to incorporate usage data collected from actual users and by coordinating with Philly311 and other citizen "touch points" across City departments. This effort is critical to providing residents with the ability to easily access information and services on the City's webpages and ensure the delivery of the most relevant content on City homepages and high-level summary pages.

Developing Civic Technology: OIT has also developed a cluster of new mobile-friendly applications that enhance access to some of the most heavily used City services (e.g., property details lookup) by using the latest technologies and principles for web application development. OIT will continue to apply these new methods as additional web-based applications and services are developed, effectively "future proofing" the work and providing services and information efficiently and clearly. For example, in October 2013, the City released MyPhillyRising, a mobile application that complements the civic engagement strategy of the PhillyRising Collaborative by helping residents find upcoming community meetings and clean-ups, locate nearby neighborhood resources such as healthy corner stores, and connect with one another. To further use technology to encourage civic engagement, OIT has developed a Government Application Strategy that imparts on new application development a strong focus on accessibility. This strategy includes developing mobile-friendly solutions for residents who use a Smartphone as their primary means of connectivity, and also involves supporting multiple spoken languages to engage Philadelphia's growing immigrant community. Recent applications created by the City have adopted these principles, including the most frequently used application on phila.gov, the Property Search Application housed within the Office of Property Assessment.

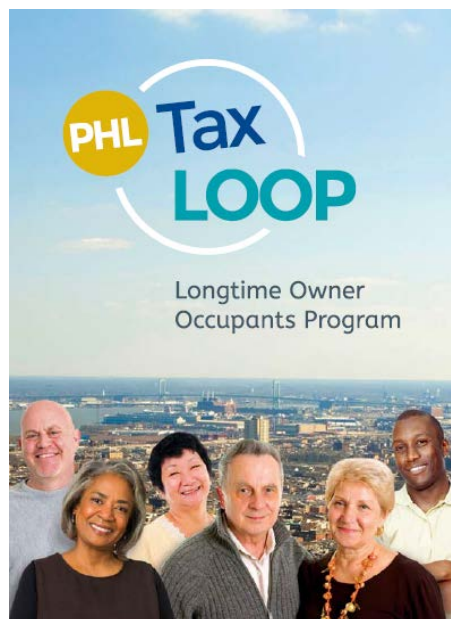
Completing the Actual Value Initiative: In FY13, the Office of Property Assessment (OPA) completed the city's first complete, citywide reassessment in decades. Simultaneously, the City simplified its property assessment formula by applying a 100% assessment ratio after decades of using fractional assessments. The initiative, which began in 2010 resulted in the first major reassessment of all 579,000 parcels in Philadelphia in several decades, and began to remove the inequities in property assessment in the city. Improvement in the quality of property assessment can be found in two important measurements - the Price Related Differential (PRD), which measures assessment uniformity between lower and higher valued properties –and the Coefficient of Dispersion (COD), which measures uniformity between different property groups. In mass appraisal, the PRD is a statistic for measuring how regressive or progressive the assessment is. As a result of the reassessment, the PRD for single family parcels improved from .97 to 1.037 in the first year (target was .98 – 1.05). The COD is the most used measure of uniformity in assessment ratio studies, and measures the average percentage deviation from the

median. For the same period, the COD for single family parcels improved from .275 to .139 (target was less than .15) – an improvement of 49.5%.

Because the citywide reassessment presented a potential for a substantial increase in the number of assessment appeals, the OPA amended the appeal process by allowing taxpayers the opportunity to file a “First Level Review” directly with the evaluator. This allowed the taxpayer and evaluator to have an informal discussion concerning why the taxpayer felt the property is incorrectly assessed. The modification to the process resulted in approximately 50,000 First Level Review applications being filed for 2014. This also resulted in a reduced number of formal BRT appeals. For tax year 2014, only 23,500 formal BRT appeals were filed – a very modest number considering the scope of the reassessment and the number of market value changes that were proposed. Property owners who submitted a First Level Review request received an acknowledgement letter from the OPA, and by February 14, 2014, approximately 47, 500 had been addressed by the OPA.

In 2013, the new call center (215-686-9200) that had been established in 2012 was fully deployed, allowing taxpayers to call with AVI or Homestead Exemption-related questions. Language services were also made available for non-English speaking taxpayers. Additionally, the OPA website (www.phila.gov/opa) was redesigned to provide more information and materials (with some instructions, applications and documents available in seven additional languages), as well as videos in English and Spanish explaining the AVI process, including how to understand the Assessment Notice, Homestead Application and process, and the steps for filing a First Level Review and beyond. Finally, the OPA’s Citizen Service Center handled 14,729 taxpayer inquiries in 2013 (up from 9,353 in 2012).

In June 2012, the OPA began its outreach around the Homestead Exemption, a tax-relief program for Philadelphia homeowners. A comprehensive, multi-faceted outreach plan was created to inform residents of the program, including information on the OPA’s website (including the ability to apply



online), the Homestead Hotline (which allowed homeowners to apply over the phone in any language), citywide telephone town halls, and community meetings, with efforts ramping-up as the September 13, 2013 deadline approached. Based on the final data, 229,485 properties were approved for Tax Year 2014, and based on Census information, that is approximately 70% of eligible households in Philadelphia. The City will continue its outreach to encourage eligible households to sign up in future years.

The Longtime Owner Occupants Program (LOOP) is another tax relief program for eligible homeowners who have lived in their home for at least ten years, meet the household income requirements, and saw large increases in their real estate taxes as a result of AVI. Property owners approved for LOOP will have

their 2014 real estate tax bill calculated based on three times the 2013 market value multiplied by the 2014 tax rate of 1.34% and will receive the discount for ten years. Applications were due February 18, 2014, and more than 25,000 households applied.

Enhancing revenue collection: Over the past year, the Revenue Department has made significant progress in creating a culture of compliance and sending a strong message that the City cannot subsidize businesses and individuals at the expense of school children and other Philadelphians. The successes over the last year are based on an integrated strategy that includes changes to collection policy and strategies, leveraging technology and investments in the Department's workforce with a strong focus on customer service. The programs and initiatives are showing results with collections in most taxes during the first six months of FY14 significantly outperforming the same period in FY13. Some examples include a 180% increase in School Income Tax and a \$5.7 million increase in Liquor Tax. Improved collection strategies include:

- *Early Referrals:* The department has expanded the capacity of outside collections agencies and began to make earlier referrals of overdue accounts in the fall of 2013. A review of best practices across multiple jurisdictions strongly reinforces the need to address accounts early before they become long term delinquencies. An outbound calling campaign by the Water Revenue Bureau targets breached payment agreements and accounts \$75 and greater that are 30 – 90 days delinquent. Since FY13, the Bureau has made close to 20,000 calls and collected over \$1 million.
- *Enforcement:* A center piece in the Department's enforcement strategy is the Commercial Activity License Revocation Program (CAL Revocation). Though the Department's goal is not to shutter businesses, CAL Revocation allows the City to revoke the Commercial Activity License of any business that is tax delinquent and then close the business. As of Jan 9, 2014, the department has received a total of \$13.2 million in delinquent payments from 624 accounts associated with the Revocation program with an additional \$9 million anticipated from accounts currently in agreements with only 28 businesses remaining closed as a result of the program. The department expects the program to have long term impacts in such areas as the Liquor by the Drink Tax. Businesses are coming to fully understand the consequences of failure to pay their taxes and we expect compliance to be higher in coming years and, as discussed above, Liquor Tax collections are already up substantially.
- *Sequestration:* In October 2013, the Revenue Law Unit began the Sequestration program. Under this program the Court appoints a Receiver for properties that owe back real estate taxes. The receivers receive the rental income from the property and operate the property until the net income from the property has satisfied all delinquent taxes. As of January 2014, the program has collected approximately \$1.8 million from 91 properties with the first properties being assigned to a receiver. As with CAL Revocation, the goal is to create an incentive for businesses to pay their taxes.
- *Accelerating and expanding sheriff sales:* The Revenue Department continues to work with the Sheriff's Office to bring more delinquent properties to sale. The average number of all properties placed in the Sheriff Sale process by the Law Unit and co-counsel has increased from

354 per month in FY11 and FY12 to 1,065 for FY13 and the first five months of FY14. The Law and Revenue Departments have also worked with the Department of Licenses and Inspections (L&I) to target certain tax delinquent properties that contribute to blight, many of which are owned by those with a history of blighted or tax delinquent properties. These properties generally have value above the amount of their tax delinquencies and are chosen based on location and negative impact on their neighborhoods. The Law Department files Sheriff's Sale cases against these properties and requires them to pay in full or face losing the properties. Approximately 200 real estate tax liens have been sold as a result of this initiative. In 2013, Law and Revenue also began taking certain properties to Sheriff's Sale for nuisance liens only, identified by L&I as located in stable or improving neighborhoods. These properties usually are vacant but tax-compliant lots which have value but are being held undeveloped by the owners. The idea behind this type of sale is both to collect existing liens and make these lots available for subsequent development. Several cases have been filed, resulting in either full payment of the lien amount or sale to a private developer with a small discount on the lien. To date the Law Department has placed 38 properties into the Sheriff Sale process for L&I liens (as opposed to real estate tax liens or water liens); only a few have sold, most have paid.

- *Warning letter campaign:* In addition to improving tax collections, the Department has implemented a series of strategies focused on water collections. A warning letter campaign targets delinquent accounts for legal action through the Municipal Court. The letter is sent after all other collection efforts have been exhausted and advises customers of the intent to bring suit. To avoid legal action customers may resolve their balance by making payment within a given time period. The Water Revenue Bureau sent 50,612 warning letters and collected \$1.2 million in FY13 and 38,000 letters collecting \$1 million over the first two quarters of FY14.
- *Data sharing partnerships:* The Department and the Pennsylvania Department of Revenue have re-energized their working partnership to create efficiencies, expand data sharing and create joint collection and enforcement initiatives. This October, the two departments exchanged tax data, which enables the Department to pursue additional revenue due to the School District from the School Income Tax. In addition, information provided by the Liquor Control Board assisted with the Department's ability to identify businesses for the CAL revocation program.

In addition, the Revenue Department has undertaken an integrated set of initiatives to enhance the professionalism of the Department and provide for effective customer focused management. These include:

- *Customer Service:* The Department is rolling out customer service training for all call center staff and employees who have regular contact with constituents and technical training for staff in areas such as tax policy and legislation to enable the department to better provide timely and accurate information to tax payers and customers. In addition to training, the Department is pursuing various initiatives to improve and transform the customer experience including using such technologies as Interactive Voice Response to provide timely and current information on customer water accounts and a redesigned, easier to read water bill that will go into use by June

2014. The Department also intends to improve e-payment processes, e-filing will be expanded in FY14 but the e-billing project will not begin until at least FY15.

- *New Technology:* Working with the Office of Innovation and Technology, the Department of Revenue kicked off implementation of a state of the art Cashiering and Remittance system, one of the eight major business applications described above. The new system, expected to be fully implemented in FY15, will allow for faster processing of payments and forms. The Department is currently in the final stage of selecting a vendor to develop and implement an integrated data warehouse. This best practice will allow the department to better use and mine taxpayer information to drive collections. The system is expected to take 18 to 24 months to fully implement; however, the Department continues to use available information to support collection strategies. The final project of the Department's revenue modernization plan is the development of a new integrated tax system that will replace the current legacy system.
- *Improved web services:* In cooperation with OIT, the Revenue Department completely redesigned its webpage to improve the organization of the content, add electronic payment and filing options and improve cross browser capability in order to allow more taxpayers easy access to the online systems. In collaboration with the National Association of Computerized Tax Processors, the Department is working to have electronic filing included in the tax software utilized by tax preparers. The initial rollout is planned for the filing of the 2013 Business Income and Receipts Tax and the Net Profits Tax due April 15, 2014. Finally, the Department continues to expand and improve the web based tax clearance system. Beginning in January 2014, in cooperation with the Department of Licenses and Inspections, all contractors have been required to present a tax compliance certificate when applying for a license or permit. This initiative will increase tax revenues while ensuring that contractors are tax compliant before receiving the benefit of a City license or permit.
- *Workforce Optimization:* The Department is currently assessing organizational structures with the goal of realigning responsibilities to maximize efficiency and effectiveness of its workforce, eliminating obstacles and grouping activities in such a way to make best use of organizational competencies. Finally, a comprehensive leadership development program will be presented to key staff during the remainder of the fiscal year.

Leveraging Grant Funding: The Mayor's Office of Grants, working with City agencies, has directly assisted in the grant development and award of \$6.8 million in competitive grants that agencies are currently implementing across a range of programs and initiatives. Over the next two years, The Mayor's Office of Grants will continue to support City agencies in the implementation of their strategies and plans and will prioritize work on (a) grants that support the implementation of Shared Prosperity Philadelphia (2013) and Philadelphia's Plan to Reduce Youth Violence (2013), specifically to attract large federal placed based grants such as U.S. Housing and Urban Development's Choice Neighborhoods and U.S. Department of Education Promise Neighborhoods; (b) attracting federal Advanced Manufacturing grants supported by public and private grants that build a highly skilled and competitive workforce; and (c) grants that support the implementation of Philadelphia Plan 2035. Given the constrained federal and state funding environment as well as slow growth within the corporate and philanthropic sector, the

Mayor's Office of Grants will focus on identifying focused strategies to ensure that Philadelphia is able to compete within this constrained environment and will work across the city to ensure that dollars are being leveraged in the most effective way to impact Philadelphians.

Controlling the rising costs of employee health benefits costs: Without making substantial benefit changes or increasing employee contributions in CY14, the Benefits Division of the Office of Human Resources has been able to meet its aggressive annual fringe health budget of \$76.4 million. Given the health care projections of the City Administered Benefits Program (CAP) for non-union employees, this is a savings against trended increases of approximately \$28 million over the last two years (\$10 million in CY13 and \$18 million in CY14). The fundamental approach to reducing medical costs is to improve employee health. To this end, CAP – which incents employees for engaging in favorable health activities – was implemented in FY12 and has become more prevalent and accepted among employees. In CY13, 60% of the CAP covered population engaged in wellness activities. The OHR aims to continually boost participation in the wellness program and promote health management among City employees. As a result of the dependent verification audit that was conducted in FY14, the City expects to reduce its annual claim expenditures by eliminating future claims for dependents deemed ineligible. OHR will continue to monitor claim utilization to uncover unnecessary spending through data mining, program audits, and diligent plan administration. OHR has also negotiated approximately \$2.5 million in cost reductions in the City's medical and prescription program via competitive bidding for CY14 while also making program enhancements that promote value, high performance, and accountability.

Building capabilities through the Center for Excellence: The Center for Excellence within the Managing Director's Office (MDO) operates as a resource and business partner to City departments and agencies to support their delivery of best in class services to the citizens of Philadelphia. MDO aims to develop and implement an Emerging Leaders Program to prepare identified staff for Leadership positions in the City. The City has budgeted \$250,000 annually starting in FY14 to fund the Center for Excellence and succession planning efforts. Over the past Fiscal Year, the Center for Excellence has:

- Defined a leadership development, supervisory and project management curriculum. These programs will be available to targeted audiences at multiple levels across the City. The Center of Excellence is a resource in the areas of organizational development, performance management, and project management. Center staff is now evaluating proposals from a host of regional universities to develop the content that best meets the needs of City agencies and employee development. To create a sustainable and cost effective model for these programs, the university proposals also include a train the trainer process so that the programs can be delivered in house by existing personnel going forward.
- Purchased a software program that allows the Center for Excellence to produce eLearning programs that can be widely used across the City to train employees on subjects that lend themselves well to this format. One module has already been produced on the performance management process.
- Developed a succession planning toolkit to help departments and agencies identify critical positions and create a plan to fill them.

- Created a knowledge management toolkit that defines multiple methods to transfer knowledge and helps departments determine which ones to use for specific knowledge management requirements.
- Developed an Introduction to Project Management training program designed to provide tools and a consistent methodology to employees who are tasked with managing small to mid-sized projects. This program was launched in early December and is already in high demand.
- Rolled out a performance management process in the MDO cluster including materials and training on implementing the process. An eLearning module of the process is available as a refresher or to align new employees with the process.
- Began the development of an executive dashboard. This initiative utilizes software that will bring important information to leaders in real time allowing them to stay abreast of key performance metrics and monitor predictive indicators so they can make more informed decisions before a problem occurs. The Center expects to launch a beta version of the software in April, 2014 with a more robust implementation to follow shortly thereafter.

Innovating procurement processes: The Administration has taken on a number of efforts across departments to streamline contracting processes and reduce the barriers to entry for firms to respond to contracting opportunities. These efforts include the following:

- *Professional services contracts:* The Contracting Unit within the Finance Department continues its efforts to both decrease the time it takes to enter into a contract, and encourage more firms to look to do business with the City. These two goals are often intertwined, and as the City decreases the contract conformance times, it can decrease the length of time it takes to pay vendors. Moreover, increasing the number of firms responding should help departments receive more competitive prices and services, and can ensure that citizens' tax dollars will be spent more wisely and efficiently. The Unit will work individually and through group trainings with conformance managers and project managers across the City, will work with workflow approvers to help them reduce their approval times, will be proactively reaching out to vendors to inform them of new opportunities and to educate them generally on the contracting process, and will be conducting outreach to vendors that do not currently respond to RFPs to investigate the barriers to doing business with the City. Additionally, pursuant to the Mayors' Challenge Grant, the Unit is partnering with New Urban Mechanics, the Office of Grants, the Integrity Office and the Law Department to design, evaluate and implement ways to make contracting with the City more attractive to start-ups and entrepreneurs.
- *Master ordering contract for IT services:* In support of the Mayor's goal that City government work efficiently and effectively, the Law Department developed a master services ordering contract under which OIT pre-qualifies vendors for enterprise planning and architecture services, then issues service orders to specific vendors on a project-by-project basis. By soliciting quotes from pre-qualified vendors, versus soliciting and negotiating a separate contract for each project, OIT can greatly shorten transaction time, quickly identify best prices, and incentivize vendors to provide competitive rates. Law Department attorneys prepared the RFP solicitation, developed a standardized contract that all successful respondents sign, including adjustments to

address legitimate vendor objections, and worked with Risk Management to establish a limitation of liability acceptable to this vendor pool. As a result, the master agreement was signed by 27 vendors of 28 that submitted proposals. A single contract of this type can take up to approximately 15 hours to negotiate, with additional time from the Law Department, OIT and Risk Management to review and approve language and process the documents. Here, nearly all of that negotiating time and processing time was eliminated by requiring the 27 vendors to sign the same contract document. Going forward, those terms should remain constant for similar master ordering contracts, saving additional transaction time for future contracts. This project will be a model for streamlining OIT's technology procurement process.

- *Reverse Auctions:* A Reverse Auction is a type of auction in which the roles of buyer and seller are reversed. In an ordinary auction (also known as a forward auction), buyers compete to obtain a good or service by offering increasingly higher prices. In a reverse auction, the sellers compete to obtain business from the buyer (the City) by offering lower prices than their competitors. The overall price will typically decrease as the sellers undercut each other. The Procurement Department has implemented a pilot reverse auction project in FY14 and awarded contracts to two separate firms to each conduct a Reverse Auction for two commodity purchases, while maintaining the competitive sealed bid process.
- *Cooperative Purchasing:* The Procurement Department continues to maintain over 30 cooperative contracts through ten different cooperative associations. The basis of the use of these contracts is to lower the total cost to the City. The City has seen savings of over \$2 million dollars as a result of purchasing through these cooperative contracts.

Phillylandworks.com: The Department of Public Property (DPP) participated in the consolidation of all publicly owned property into one "virtual" landbank in the Philadelphia Redevelopment Authority's Land Management Asset System (LAMA.) Consistent procedures for purchasing all publicly owned property were established, a new website to allow citizens to express interest and purchase publicly owned property was launched (phillylandworks.com), and under specific criteria, properties could be sold for nominal consideration. The main goal is to put publicly owned land into productive use in a streamlined, more efficient manner as an interim step until the recently legislative Land Bank is established (described in further detail under Goal 3).

LEAD WITH THE HIGHEST STANDARDS OF TRANSPARENCY AND ETHICS

Implementing first parental leave policy for exempt employees: Effective January 1, 2014, new parental leave benefits are provided to exempt and non-represented employees. The policy provides four weeks of paid parental leave for exempt employees who have at least six months of tenure in City government. The benefit applies to birth, adoptive, and foster mothers and fathers equally, including life partners and is usable within 12 months of the date the child enters the family. In addition, two additional complementary changes were made for exempt employees: birth mothers will be able to use up to eight weeks of accrued sick time immediately following the birth of a child (the previous policy allowed for up to four weeks of leave), and all parents may use up to five sick days within a calendar

year to care for a sick dependent who resides in their home (e.g. child or other sick family member), however these five days cannot be used to care for a healthy, new child. The Civil Service Commission recently enacted regulations providing similar benefits for non-represented employees.

Open Data Philly: OIT has worked with multiple departments to release over 60 high value data sets including crime incident data, license and inspection data, and 311 service requests. Many of these data sets were released alongside an Application Programming Interface (API), which allows applications - both the City's and those of third parties - to use the data in real time. By releasing government data and APIs, the City is enabling Philadelphia's thriving technology community to build applications that enhance interactions with residents and foster a better connection to government.

Restoring immigrant community trust in Police Department and City government: The fact that Philadelphia has been in the top five cities in the country with the highest number of non-criminal deportations has generated a lack of trust on the police from the part of immigrant community. Created in March 2013 by Executive Order, the Mayor's Office of Immigrant and Multi-Cultural Affairs (MOIMA) will work to promote the well-being of the immigrant community in Philadelphia by improving access to city services, engaging community-based organizations, developing economic resources, and assisting with educational opportunities. MOIMA also provides guidance to all City departments, agencies, boards and commissions regarding access to City programs and activities for individuals with limited English proficiency. Additionally, MOIMA aims to promote the full participation of Philadelphia's diverse cultural and linguistic communities in the economic, civic, social and cultural life of the City by strengthening the relationship between those communities and the City.

Since its creation, the Mayor's Office of Immigrant and Multi-Cultural Affairs (MOIMA) has served as an intermediary between the immigrant community and the Philadelphia Police Department (PPD), allowing MOIMA to work on community concerns and in building trust. MOIMA has coordinated three meetings between community leaders and the police department to share concerns, complaints and recommendation on how to improve this relationship. A community town hall was held on February 9, 2014. It was attended by more than 100 community members and the City was represented by MOIMA, Human Relations Commission, and the Philadelphia Police Department. In addition, Councilman Squilla attended the event, as well as representatives from the School District and from Councilwoman Quinones-Sanchez's office. Members of the community shared their concerns about public safety and community relations. The meeting was seen as a good first step to reengage the community, and it was agreed that similar events are needed to improve relations.

MOIMA is developing dialogues with Mexican, Bhutanese and Vietnamese communities to help them become more familiarized with the City government and PPD and promote and honor their cultural heritage. Finally, MOIMA has been leading the City in reevaluating its relationship with U.S. Immigration and Customs Enforcement (ICE), specifically, regarding the way the City honors ICE detainer requests. MOIMA has met with community leaders six times to ask for feedback in an effort to develop a new policy. An executive order reflecting the new policy has been drafted and is expected to be signed by the Mayor in the first quarter of 2014. Going forward MOIMA aims to expand the Community Dialogues

program to immigrant communities throughout the City and collaborate with the Police Department to implement a permanent and ongoing language access training and interpreter certification program and recruit more bi-lingual and multicultural officers.

Expanding language access: MOIMA continues to strengthen the language accessibility of City services. From July 2013 to December 2013 the office handled 13,421 calls in 54 different languages. MOIMA expects to handle approximately 26,842 calls by June 2014 and expects the number to increase by 10% for the July 2014 to June 2015 period. Additionally, MOIMA created a website with information relevant to immigrants and developed culturally effective outreach strategy for the Longtime Owner Occupants Program that informed the design and translation of marketing collateral in five languages. In the next two years, MOIMA aims to have every City department create or update their Language Access Plan, develop an on-going language access and cultural competency training program for City staff, work with resident-facing departments to develop culturally competent outreach and communication strategies, and create a library of vital City documents in most frequently used languages.

Mitigation of fraud and corruption: Between CY08 and CY13, the Office of the Inspector General has conducted more than 1,000 investigations and saved and recovered taxpayers more than \$45.8 million as a result of its commitment to preventing fraud and corruption by City employees and businesses with City contracts. The Office's results are unparalleled and were recognized by the American Society for Public Administration with the 2013 Public Integrity Award. During the past year the OIG has worked aggressively to recover money lost through fraud or mismanagement as part of its investigative work. Some key successes include reconciling overbilling, ensuring tax compliance from vendors, and recovering money owed to the City. OIG has also conducted internal investigations that have led to the termination of employees who have violated employee City policies.

Professionalizing City appraisers: The City of Philadelphia and OPA now require real property evaluators to obtain certification from the Pennsylvania State Board of Certified Real Estate Appraisers. The CPE (Certified Pennsylvania Evaluator) designation must be obtained by all newly hired evaluators within two-years of hire. The designation requires all candidates to complete a minimum of 90 hours of basic real estate appraisal and assessment course work in addition to a year of field experience. Additionally, OPA has continued to work with the Assessors Association of Pennsylvania to provide an in-house training program, which ensures that courses are available for the CPE requirement. The CPE requirement should increase taxpayer confidence in assessment values. Currently (and for the first time ever), most (65%) Philadelphia evaluators are certified, and many of the remaining 35% are currently enrolled in pre-licensing courses. By 2019, almost all (95%) of the full performance level evaluators will be certified.⁵⁴

Philly311: Philly311 serves the citizens of Philadelphia by providing courteous, fast and accurate customer service that results in transparent access to government information and services. There are

⁵⁴ The remaining 5% represent long-tenured evaluators who, under the new requirement, were "grandfathered" in and are therefore not required to obtain the certification.

several units within Philly311, including the 311 call center, the Philly311 mobile app, the social media app, and the 311 Neighborhood Liaison Program (NLP) community outreach team. In December 2013, the Philly311 call center received its six millionth call and maintains a high customer satisfaction rating of 95% as of the end of FY13. 311 participated in the program based budgeting pilot described in more detail below.

The Philly311 mobile app was launched in September 2012 and is the first civic engagement app to offer translations in 16 languages other than English. Part of its functionality allows the City to place temporary widgets covering timely and relevant topics such as License & Inspections Property History, Excessive Weather, and Earth Day onto the home screen of the app. Over 19,000 service requests have been submitted via the mobile app representing a 250% increase from 2012. The Philly311 mobile app has been highlighted in local, national and international media including Fast Company, Philadelphia Daily News, Philadelphia Inquirer, Philadelphia City Paper, Philadelphia Business Journal, The Houston Chronicle, KYW 1060 AM, Channel 6 Action News and Fox 29 News. The app was a feature segment in a Japanese Television Documentary showing how Philadelphia uses the app to engage its citizens.

Philly 311 continues to use social media as a tool for dynamic and responsive engagement with Philadelphia's citizens. The number of followers has increased for all 311 social media accounts including: almost 9,000 followers on Twitter and almost 2,000 followers on Facebook for Philly311; an increase of 47% from 2012, and an increase of 31% from 2012 respectively. Philly311 started a blog and launched several videos to support the ongoing education, engagement and empowerment of citizens. The Philly311 social media team has conducted social media training for internal City departments and for external stakeholders on how to effectively use social media.

The Philly311 Neighborhood Liaison Program has trained a total of 800 residents, an increase of 65% from 2012. Additionally, a Youth Liaison Program was successfully piloted with 35 participants ages 14-18. Finally, Philly311 partnered with the Mayor's Office and Clarifi to promote the launch of Financial Empowerment Centers in February 2013.

311, in collaboration with OIT and the Law Department, finalized a contract with Unisys Corporation to implement a cloud-based Software as a Service ("SaaS") customer relationship management (CRM) solution to manage the City's 311 call center. The new CRM, which is expected to be implemented by the end of FY15, will use state of the art technology to improve internal operations processing times, increase first time call resolution and improve service delivery currently experienced by 311 users. In addition, the CRM will utilize a GIS system, which will reduce duplicate work orders for the same request by verifying the address and logging additional calls for the same issue to one work order. Moreover, the GIS capability will facilitate more efficient travel routes for resolving issues and delivering services.

DEPARTMENTAL BUDGET AND PERFORMANCE TRENDS

MAYOR'S OFFICE

Budget Trends: The Mayor's Office General Fund budget has decreased by 8% from FY08 to FY14. In FY14, the General Fund budget was increased by roughly \$1.4 million, primarily to reflect the transfer to the Mayor's Office budget of staff that had been reflected in other department's budgets. The added funds also paid for the expansion of the Graduation Coaches Campaign to promote high school graduation as well as a new Office of Immigrant and Multicultural Affairs. The FY15 proposed General Fund budget for the Mayor's Office is the same as the FY14 current projection and other operating funds are roughly on par with FY14 levels.

	FY08 Actual	FY13 Actual	FY14 Adopted Budget	FY14 Current Projection	FY14-FY08 Change	FY15 Proposed Budget	FY15-FY14 Change
General Fund	5,657,925	3,728,856	5,191,881	5,191,881	(466,044) -8.2%	5,191,881	- 0.0%
Other Operating Funds	1,012,503	957,056	1,029,041	1,690,435	677,932 67.0%	1,784,012	93,577 5.5%
Total Operating Budget	6,670,428	4,685,912	6,220,922	6,882,316	211,888 3.2%	6,975,893	93,577 1.4%

MANAGING DIRECTOR'S OFFICE

The Office of the Managing Director (MDO) is responsible for the coordination and administration of a variety of City services and supervising several City operating departments and functions, including the Office of Innovation and Technology, the Records Department, Department of Public Property, Office of Human Resources, Office of Fleet Management, Procurement Department, Center of Excellence and the 311 Contact Center. These tasks are accomplished by prioritizing and communicating key administrative initiatives, monitoring and analyzing the department's performance and progress, and by serving as a catalyst to encourage cooperation and collaboration. In addition, this office is responsible for organizing and supervising major interdepartmental initiatives and special events.

Budget Trends: The MDO's budget includes funding for activities that relate to each of the Mayor's five goals, including Philly Rising (Goal 1), Animal Control (Goal 2), the Mayor's Office of Community Empowerment and Opportunity (Goal 3), the Mayor's Office of Sustainability (Goal 4), and general administration of the 311 Call Center (Goal 5). Overall the MDO has seen its total operating funds increase mostly due to the transfer of funds and programs to and from other Departments. IT activities were transferred to OIT in FY11; Animal Control was transferred from the Department of Public Health in FY12; counsel fees (\$8.8 million) were transferred from the First Judicial District to MDO in FY13; and the Re-Entry program, RISE, was transferred to the MDO from Prisons in FY13. New programs have also

been created, such as Philly Rising, 311, the Mayor's Office of Sustainability and the Center for Excellence, which received General Fund appropriations and also brought in grant funding. As a result, the General Fund allocation for FY14 is not comparable to FY08. The FY15 proposed budget allocates an additional \$1.3 million from the General Fund to the MDO largely due to an increase in funding to move towards providing parity between lawyers in the public defender's office and other legal staff in the City. Appropriations in other operating funds in FY15 roughly equal FY14 levels.

	FY08 Actual	FY13 Actual	FY14 Adopted Budget	FY14 Current Projection	FY14-FY08 Change	FY15 Proposed Budget	FY15-FY14 Change
General Fund	52,993,954	73,091,231	74,017,212	74,904,930	21,910,976 41.3%	76,207,620	1,302,690 1.7%
Other Operating Funds	2,348,572	5,478,935	6,214,580	5,004,641	2,656,069 113.1%	4,971,329	(33,312) -0.7%
Total Operating Budget	55,342,526	78,570,166	80,231,792	79,909,571	24,567,045 44.4%	81,178,949	1,269,378 1.6%

MDO Program Based Budgeting Pilot: The MDO participated in the City's FY14 pilot of program based budgeting. This involves identifying core programs and assessing costs and performance associated with those core programs. As shown below, this approach was piloted on two programs within the MDO: 311 Call Center and the Community Life Improvement Program. Below are the results and insights gained from the pilot.

311 Call Center: The budget for the 311 program increased from \$2.56 million to \$2.77 million between FY13 and FY14 due to an increase in vacancies filled. The \$167,000 decrease in General Fund allocation from FY14 to FY15 reflects the transition of staff associated with PhillyStat out of the 311 budget. In FY14 311 has experienced an increase in contacts compared to FY13 – 15% increase in information requests and a 5% increase in service requests – due to the unusual number of snow related events during the third quarter of FY14. Therefore, FY13 actual performance is a more relevant basis of comparison for FY15 targets. The department is projecting to handle roughly 3.4% more requests by FY15 compared to FY13 based on anticipated increased usage of digital channels and new service requests being handled by the contact center. The 311 contact call center handles two types of requests: information and requests for city services. In FY13 the department handled 477,631 information requests and 116,768 service requests. The department projects information requests to increase by almost 3.6% between FY13 and FY15 and service requests to increase by 2.5%. The cost per contact is expected to decrease by 2% to \$4.23 in FY15 from \$4.31 in FY13 based on a projection that more customers will use digital channels to contact the center. The department projects it will be able to meet the industry standard of answering 80% of calls within 45 seconds in FY15. The service levels have declined during the second and third quarters of FY14 due to the contact center's Integrated Voice Response (IVR) breaking down, increased call volumes due to snow related events, and agent staffing challenges (vacancies, absences, and new hires). The IVR handles 30-40% of the calls into the center by providing information for the most frequently asked questions, preventing the customer from needing

to hold to speak to an agent. As of the second quarter of FY14, 93% of 311 customers felt their expectations were met or exceeded; 311 hopes to continue to exceed the industry standard of 85% in FY15. A new Customer Relationship Management (CRM) system is scheduled to be implemented by the second quarter of FY15. Although transitioning to the new CRM system could cause a temporary decrease in performance, ultimately the CRM system is expected to improve service delivery currently experienced by 311 users, as described above.

Performance Metric	FY13 Actual		FY14 Current Estimate**		FY15 Target***	
	Total Budget*	Performance	Total Budget*	Performance	Total Budget*	Performance
Total contacts (calls, email, website, walk-in)	\$2,562,151	594,399	\$2,768,298	634,238	\$2,600,836	614,319
Information requests		477,631		551,594		494,613
Service requests		116,768		122,644		119,706
Cost per contact*		\$4.31		\$4.37		\$4.23
Average Call wait time		0:22		0:24		0:23
Percent of calls answered within 45 seconds		82.0%		80.0%		80.0%
Average call length		3:15		3:06		3:10
Percent of customers whose expectations were met or exceeded		95.0%		93.0%		85.0%

* Does not include indirect costs outside of the division (e.g. departmental overhead associated with the program, fringe benefits costs, IT, HR).

** FY14 Current Estimate was calculated based on the total of 7 months (July through January) plus the average of those months times by the 5 remaining unknown months.

*** FY15 Target was calculated based on the Average of FY13 Actual and FY14 Estimate.

Community Life Improvement Program (CLIP): The Community Life Improvement Program consists of five subprograms: Graffiti abatement; the Community Partnership Program, which provides supplies to community groups to do neighborhood clean-up projects; Community Service which is a structured program that has non-violent offenders complete their mandated community service hours by assisting in citywide clean-up projects; Vacant Lot Program which inspects, issues violations for and cleans vacant lots; and Community Life Improvement, which operates in the northeast and sections of northwest Philadelphia to address external property maintenance issues. The budget for CLIP has increased by 9% from FY13 to FY14 and is expected to increase again by \$260,000 in FY15 to cover additional personnel costs. FY14 performance current estimates are slightly lower than FY13 actual performance across the board due in large part to the extreme winter weather which made it difficult to continue regular activities and caused some crew to be deployed for snow removal operations. FY15 performance levels are expected to be in line with FY13 actual performance, with the exception that the vacant lot program will receive an additional \$260,000 in funding to pay for additional staff to abate roughly 3,000 more vacant lots.

- Graffiti Abatement: In FY13, the graffiti abatement program cleaned 121,854 properties and street fixtures and is projecting to clean 122,500 in FY15. The graffiti abatement

receives requests from residents via the 311 call center and ranks in the top three most requested city services from 311. In FY13, the graffiti abatement program completed 81% of 311 graffiti removal requests within 7 days and plans to increase this metric to 84% in FY15.

- **Community Partnership Program:** The Community Partnership program supplied cleaning materials to 685 groups in FY13 and plans to supply materials to 700 groups in FY15. The program issued a total of 8,742 supplies and projects to increase this by 3% to 9,000 supplies in FY15.
- **Community Service:** The Community Service program conducted 2,114 city-wide clean-up projects in FY13 and projects to conduct 2,000 clean-up projects in FY14, and 2,120 in FY15.
- **Vacant Lot Program:** The Vacant lot program abated 11,789 lots in FY13 and plans to increase this service by 20% to abate 14,800 lots in FY15. The compliance rate for vacant lots was 31% in FY13 and is projected to be 30% in FY15. The Vacant Lot program receives requests via the 311 call center and the percent of vacant lots addressed within 90 days was 87% in FY13 and is projected to stay constant through FY15.
- **Community Life Improvement:** In FY13, 6,877 properties had violations, projected to increase to 6,900 in FY15. The compliance rate was 71% in FY13, and is projected to remain constant through FY15.

Performance Metric	FY13 Actual		FY14 Current Estimate		FY15 Target	
	Total Budget*	Performance	Total Budget*	Performance	Total Budget*	Performance
Graffiti abatement: properties and street fixtures cleaned	\$4,503,486	121,854	\$4,894,699	118,000	\$5,154,251	122,500
Graffiti abatement: percent of 311 graffiti removal requests completed within 7 day		81%		78%		84%
Community Partnership Program: groups that received supplies		685		650		700
Community Partnership Program: Supplies issued		8,742		8,400		9,000
Community Service Program: citywide cleanup projects completed		2,114		2,000		2,120
Vacant Lot Program: Vacant lot abatements		11,789		10,500		14,800
Vacant Lot Program: Vacant lot compliance rate		31%		27%		30%
Vacant Lot Program: Percent of vacant lots addressed within 90 days		87%		84%		87%
Community Life Improvement: Properties with violations		6,877		6,800		6,900
Community Life Improvement: Compliance rate		71%		70%		70%

* Does not include indirect costs outside of the division (e.g. departmental overhead associated with the program, fringe benefits costs, IT, HR).

OFFICE OF THE DIRECTOR OF FINANCE

The Office of the Director of Finance is charged with overseeing the City's financial, accounting and budgetary functions, including establishing fiscal policy guidelines; overseeing the City's budget and financial management programs; and recording and accounting all City financial activities. In addition, the Office of the Director of Finance administers the City's payroll activities and risk management functions; adjudicates appeals on parking violations, city code violations, water/sewer charges, and interest and penalties on delinquent taxes; oversees expenditures and reports on all grants through the newly created Mayor's Office of Grants; and monitors the City's professional services contracting process to ensure an open, transparent and fair process.

Budget Trends: The Office of the Director of Finance's budget includes the budget for all employee benefits costs, which represent \$1.23 billion of the FY14 budget, contributions to the School District of Philadelphia and the Community College of Philadelphia, indemnities, refunds, witness fees and the hero award. Thus the total budget for the Office of the Director of Finance was \$1.43 billion in FY14. The table below reflects the direct allocation to the Office of the Director of Finance for its operating expenses. The FY14 current projection of \$17.6 million for the General Fund allocation is almost \$500,000 more than the FY13 actual spend to include contributions to external entities that were previously accounted for elsewhere in the budget, to fund summer jobs campaign, and create the Chief Collections Officer. The FY15 General Fund allocation of an additional \$779,000 includes a decrease of \$2.5 million to reverse one-time expenses in FY14, \$700,000 to pay for additional FTI consulting services to support the cost cutting initiatives described above, \$500,000 in contributions to the Mann Music Center to support operations and \$500,000 to provide startup funds for the newly created Land Bank.

	FY08 Actual	FY13 Actual	FY14 Adopted Budget	FY14 Current Projection	FY14-FY08 Change	FY15 Proposed Budget	FY15-FY14 Change
General Fund	23,040,907	17,167,409	17,349,592	17,649,592	(5,391,315) -23.4%	16,870,592	(779,000) -4.4%
Other Operating Funds	5,137,146	3,116,277	4,221,000	4,221,000	(916,146) -17.8%	4,221,000	- 0.0%
Total Operating Budget	28,178,053	20,283,686	21,570,592	21,870,592	(6,307,461) -22.4%	21,091,592	(779,000) -3.6%

Performance Trends: Finance uses a number of metrics to track the operations of the Office of Administrative Review (OAR), Professional Services Contracting, and Risk Management and is in the process of developing performance metrics for all other areas. OAR has successfully improved operations relating to handling Code Violation Notices (CVNs). Notifications of code violations are now being mailed within a month, down from six months in FY11. The wait time to schedule a hearing to appeal a CVN has been reduced from a high of 3 months (12 weeks) in FY08 to 5 weeks in the first half of FY14. Additionally, OAR's call center's response time has decreased from a high of four minutes in FY12

to 2:25 in the first half of FY14. The wait time to schedule a hearing to appeal a red light camera violation decreased from six to three months between FY13 and the first half of FY14.

The Contract Legislation Unit, which oversees professional services contracting, is focused on improving four key measures. The average number of vendors responding to professional services contract opportunity has remained constant from FY08 to FY13, but increased from four in FY13 to six as of the first half of FY14. The average number of days to fully execute a contract from the time of RFP origination (typically a few days before RFP release) has decreased from 114 days in FY13 to 112 days in the second quarter of FY14 for contracts drafted by departments (generally health and community services contracts) and from increased from 128 days in FY13 to 133 days in the second quarter of FY14 for contracts that are drafted by the Law Department. Finally, the percent of contracts that are fully executed by contract start (or renewal) date has increased from 3% in FY13 to 8% in the first half of FY14. This measure reflects the quality of planning as well as operational delays. The contract start date is the initial date the contract was planned to start when the opportunity was uploaded into the procurement system. Delays in the public posting of the opportunity and the vendor selection process can cause work to begin long after the initial contract start date. The Unit is working on new reporting tools to enable departments to better track their contracts so Departments can better plan for new contracts, amendments and renewals.

The Office of Risk Management continues its work on improving worker safety in City departments and driving down the associated costs. Injuries were down 7.7% from FY12 to FY13 as the number of injuries decreased from 3,152 to 2,908. The incurred cost of injuries which occurred in the respective fiscal year has decreased by 6 percent from \$23.9 million in FY12 to \$22.4 million in FY13. Risk's Employee Disability Unit has actively worked to reduce its pending open claim files. Since 2010, the number of pending claims has been reduced from approximately 4,000 to fewer than 2,500 matters, while the number of City employees and claims has remained virtually unchanged. In the last year, the estimate of ultimate cost of all open claims has been reduced by \$50 million. Risk has also continued to reduce the number of pending claims for the past year by aggressively pursuing the settlement of claims. Medical and indemnity payments for the Employee Disability Program for FY14 are currently running over \$1 million less than this same time last year. Finally, the time it takes to intake claims has increased from 1.29 weeks in FY12 to 1.85 weeks in the second half of FY14.

Performance Measure	FY08	FY13	FY13- FY12 Change	FY13 Q1-Q2	FY14 Q1-Q2	FY14- FY13 Q1-Q2 Change	FY14 Goal	FY15 Goal
OAR – Time to mail first notification for CVNs (Months)	N/A	1	0.0%	1	1	0.0%	1	1
OAR - Wait time to schedule a hearing to appeal a CVN (weeks)	12	5	0.0%	5	5	11.1%	3	4
OAR - Call center response time (minutes: seconds)	N/A	1:56	-51.7%	1:46	2:25	36.2%	1:30	1:30
OAR - Wait time to schedule a red light camera hearing (months)	N/A	6	50.0%	3	3	-16.7%	2	1
Contracting - Average number of vendors responding to professional services contract opportunities*	4	4	-20.0%	5	6	33.3%	6	7
Contracting – Number of days to fully execute a contract from RFP origination (for contracts drafted by Departments)**	112	114	3.6%	114	112	-2.2%	107	107
Contracting – Number of days to fully execute a contract from RFP origination (for contracts drafted by Law Dept)**	126	128	4.9%	123	133	8.6%	117	117
Contracting -Percent of contracts fully executed by contract start date	2.0%	3.4%	-32.0%	4.0%	8.3%	107.5%	8.0%	5.0%
Risk Mgmt – Departments with formal safety and health goals*	N/A	82.0%	7.9%	79.0%	90.0%	13.9%	85.0%	80.0%
Risk Mgmt – Number of employee injuries	N/A	2,908	-7.7%	2,325	2,320	-0.2%	3,295	3,241
Risk Mgmt – Weeks to intake claims*	N/A	1.29	29.0%	1.9	1.85	0.0%	2	1.5

* FY13 Q1-Q2 and FY14 Q1-Q2 data reflect Q2 only.

** FY13 Q1-Q2 data reflect Q2 only.

OFFICE OF INNOVATION & TECHNOLOGY

The Office of Innovation and Technology (OIT) is continuing its mission to increase the effectiveness of the City's information technology infrastructure, manage the City's technology assets efficiently and effectively, and modernize city government in order to improve all service to Philadelphians. OIT oversees all major information and communications technology initiatives for the City. In doing so, OIT is responsible for identifying the most effective approach for implementing new information technology directions throughout the City, improving the value of the City's technology assets and the return on the City's technology investments, ensuring data security continuity, planning for continuing operations in

the event of disruption of IT or communications services, and supporting accountable, efficient and effective government across every City department and independent body.

Budget Trends: OIT has seen more than a two-fold increase in General Fund appropriation from FY08 to the FY14 current projection due to the growth in 911 spending as well as the centralization of information technology services formerly residing within departments in accordance with the Mayor's Executive Order 12-11 on August 22, 2011. However, the size of the consolidation was larger than the \$13 million OIT received in transfers from departments. The consolidation also resulted in an increase in other operating funds – in FY15 OIT is projected to receive about \$19.0 million in Water funds and \$8.7 million in Aviation funds for the Water Department and Philadelphia International Airport respectively. OIT receives another \$44 million in Grant funded appropriations, providing the ability to spend almost \$38.9M in accumulated 911 surcharge revenues. In FY15, OIT is receiving \$2.8 million less in General Fund appropriations than in FY14 which includes \$8 million in savings from lower lease costs associated with the 911 wire line partially offset by additional funding provided to fund operating expenses associated with capital projects (\$5.3 million) and upgrade the data center cooling infrastructure (\$1.5 million).

	FY08 Actual	FY13 Actual	FY14 Adopted Budget	FY14 Current Projection	FY14-FY08 Change	FY15 Proposed Budget	FY15-FY14 Change
General Fund	36,588,294	63,211,243	84,994,181	84,634,861	48,046,567 131.3%	81,786,317	(2,848,544) -3.4%
Other Operating Funds	3,607,294	49,265,068	81,345,589	76,803,169	73,195,875 2029.1%	72,506,533	(4,296,636) -5.6%
Total Operating Budget	40,195,588	112,476,311	166,339,770	161,438,030	121,242,442 301.6%	154,292,850	(7,145,180) -4.4%

Performance Trends: OIT uses the Gartner IT score as a measure of its maturity as a provider of IT services and the enterprise as a consumer of information technology. During FY13, OIT received a Gartner IT score of 2.4 out of 5.0. The goal for FY14 is to reach a score of 3.0 and, ultimately, to reach a score of 5.0. A score of 2.0 indicates that City departments independently leverage IT when they consider necessary; 3.0 means that City departments view IT as critical to achieving performance goals; and 5.0 means that IT is a primary driver of service model innovation for the City. OIT also measures the overall availability of Wide Area Network (WAN) and internet, website, platform and applications by the percent of time these networks the City relies on to conduct business are up and running. OIT currently only has the ability to collect information on WAN & Internet, which was available 99.7% of the time in FY13, and 99.4% of the time in Q2 of FY14. OIT has a goal of addressing 90% of customer issues within the target service level for time to resolve, which varies significantly according to the severity of the issue (e.g. major incident that causes major service disruption, versus a desk phone not working). The volume of service requests increased by 40% from FY13 because recently consolidated departments began using OIT's service desk software to track requests. Finally, as described above OIT has eight

major business application modernizations underway, eight of which are on track for delivery. “On Track” means that current project status reports indicate that there are no known critical issue(s) inhibiting the progress or completion of any of the projects in accordance with their estimated timelines.

Performance Measure	FY08	FY12	FY13	FY13- FY12 Change	FY13 Q1-Q2	FY14 Q1-Q2	FY14- FY13 Q1-Q2 Change	FY14 Goal	FY15 Goal
Gartner IT Organization Maturity score	N/A	2.0	2.4	20.0%	N/A	N/A	N/A	3	3
Availability*	N/A	99.2%	99.7%	0.5%	99.9%	99.4%	-0.6%	99.9%	99.9%
Volume of Service Requests**	N/A	29,789	49,574	66.4%	22,912	31,994	39.6%	N/A	N/A
Percent of customer issues closed within service level for time to resolve	N/A	65.0%	84.6%	30.2%	84.1%	86.2%	2.6%	90.0%	90.0%
Percent of customers satisfied with services provided	N/A	96.6%	93.8%	-2.9%	93.5%	93.2%	-0.3%	97.0%	97.0%
Number of modernization projects on track***	N/A	8	8	0.0%	8	8	0.0%	8	8

* Overall availability of WAN & Internet, Website, Platform and Applications. Current ability only allows OIT to measure availability of WAN & Internet and is computed as the average availability for TLS, T1s and Internet. FY13 Q1-Q2 data shows Q2 only.

** System to track tickets was not fully operational until the second quarter of FY11, and went down July - October in FY12. Consequently, actual volume of service request for FY11 and FY12 was higher than reported.

*** During FY12, OIT was in the process of establishing the modernization projects.

DEPARTMENT OF PUBLIC PROPERTY

The Department of Public Property (DPP) manages the physical infrastructure that supports City government operations. To this end, the Department is responsible for the acquisition, disposition, lease, design, construction, renovation and maintenance of hundreds of City-owned facilities.

Budget Trends: DPP has seen increases in the General Fund appropriation in FY13 and FY14 to bring the City up to industry standard in terms of preventive maintenance. The \$28.7 million decrease General Fund appropriation in FY15 corresponds to the pass through of the proceeds from the expected sale of Love Park Garage in FY14. In addition, DPP will receive an additional \$48,000 in savings generated by the Department by participating in the energy efficiency incentive program.

	FY08 Actual	FY13 Actual	FY14 Adopted Budget	FY14 Current Projection	FY14-FY08 Change	FY15 Proposed Budget	FY15-FY14 Change
General Fund	101,729,280	105,617,361	106,843,165	136,659,165	34,929,885 34.3%	107,911,979	(28,747,186) -21.0%
Other Operating Funds	31,373,076	25,668,920	30,686,428	30,686,428	(686,648) -2.2%	30,859,919	173,491 0.6%
Total Operating Budget	133,102,356	131,286,281	137,529,593	167,345,593	34,243,237 25.7%	138,771,898	(28,573,695) -17.1%

Performance Trends: Total lease expense increased 3% between FY11 and FY12, and there was an increase of 13% in the first quarter of FY13 due to costs associated with the Delaware Valley Intelligence Center. The Mayor established a Facilities Task Force by Executive Order in August 2011 with a three pronged mission: (1) to analyze lease data for potential savings and make recommendations on how to more effectively utilize City space as well as streamline the City's RFP process when looking for leased space; (2) to analyze utility payment process and determine where energy efficiency fits into the City's leasing agreements; and (3) to take a more comprehensive look at City-managed facilities for useful life cycle and usage, including capital costs per square footage; utility cost per square footage; life span and location. The DPP is working closely with the Task Force and will work to implement recommendations in the final report issued in December of 2013.

The DPP is responsible for overseeing major capital improvements to City owned facilities and has seen an increase in the number of substantially completed construction projects from 51 in FY11 to 72 in FY12 and has substantially completed 39 construction projects in the first half of FY13. There was a slight increase in staff and a difference in project size that has led to the increase in substantially completed projects. In FY13 facilities division work order volume increased by 11.3%, and volume for the first half of FY14 is comparable (down 1.4%). Despite this sustained high work order volume, DPP has increased the percent of work orders completed within the service level from 80% to 90% between the first halves of FY13 and FY14. In addition to the metrics provided below, in FY12 the DPP sold 21 surplus properties, for a total of \$1,737,590, and completed 49 space-planning projects that included design, construction and project management for 26 City departments.

Performance Measure	FY08	FY12	FY13	FY13- FY12 Change	FY13 Q1-Q2	FY14 Q1-Q2	FY14- FY13 Q1-Q2 Change	FY14 Goal	FY15 Goal
Total lease expense	\$22,300,003	\$24,563,432	\$24,640,106	0.3%	\$9,945,281	\$9,516,773	-4.3%	TBD	TBD
Number of square feet managed	1,354,714	1,430,539	1,441,268	0.7%	1,442,276	1,440,061	-0.2%	TBD	TBD
Number of substantially completed construction costs	N/A	72	85	18.1%	33	27	-18.2%	TBD	TBD
Facilities division work order volume	N/A	9,035	10,060	11.3%	5,800	5,719	-1.4%	86.0%	86.0%
Percent of work orders completed within service level**	N/A	96.0%	84.0%	-12.5%	80.0%	90.0%	12.5%	86.0%	86.0%

* Represents Q1 data only

** In FY13 DPP established service levels for each type of work order (e.g. 1 day for emergency work orders versus 12 days for normal work orders). FY12 data represents the percent of work orders completed, where as FY13 data represent the percent of work orders completed within the service level.

OFFICE OF FLEET MANAGEMENT

The mission of the Office of Fleet Management is to support City departments and agencies in the delivery of municipal services by ensuring that City vehicles and other automotive related equipment and services are available, dependable and safe to operate.

Budget Trends: The FY15 general fund budget for the OFM in FY15 will again increase by \$2 million to pay for additional vehicle purchasing. This is in addition to the \$10 million in General Obligation capital funding to purchase large vehicles, bringing the combined operating and capital budget for vehicle lease and purchase to almost \$20 million for FY15. The OFM saw a 6% decrease in General Fund appropriation from FY08 to the FY14 Current Projection as a result of budget cuts during the recession in funds to purchase new vehicles. In FY12, the City borrowed \$28 million over seven years as part of a new lease financing deal to purchase new vehicles. Debt service on this loan paid out of the General Fund was \$4.5 million in FY13. There was a 36% increase (\$4 million) in other operating funds over the same period primarily from the Aviation Fund, resulting in a net reduction in total operating funds of over \$2.3 million (2.9%). In FY14 the City provided a one-time increase of \$3.6 million for additional EMS vehicle purchases bringing the total to vehicle lease and purchase spend in FY14 to \$12.6 million compared to \$10.9 million in FY13. The FY15 General Fund allocation also reflect a \$2.3 million decrease in fuel costs resulting from a new fuel cost hedging program that was started in FY14.

	FY08 Actual	FY13 Actual	FY14 Adopted Budget	FY14 Current Projection	FY14-FY08 Change	FY15 Proposed Budget	FY15-FY14 Change
General Fund	66,559,938	60,788,232	56,444,779	62,344,779	(4,215,159) -6.3%	59,684,779	(2,660,000) -4.3%
Other Operating Funds	12,246,682	10,770,724	16,618,199	16,618,199	4,371,517 35.7%	16,668,199	50,000 0.3%
Total Operating Budget	78,806,620	71,558,956	73,062,978	78,962,978	156,358 0.2%	76,352,978	(2,610,000) -3.3%

Performance Trends: Availability of all City-owned vehicles is 93% which is 3% above the target level of 90%. The Citywide vehicle availability increase of 1% in FY13 is a normal variance due to vehicle acquisition/ relinquishment cycles. The City's public safety vehicle availability decreased from FY12 to FY13 (radio patrol cars by 1%; medic units by 5% & street compactors by 1%) mainly due to aged vehicles and lack of new vehicle replacements. This trend continued during the first two quarters of FY14 for medic units and Compactors. During this period, medic unit availability decreased by 6%, street compactors availability decreased by 5% but radio patrol car availability remained at the same level. To address this issue, \$3.6 million was added midyear in FY14 to purchase additional EMS vehicles, and, as described in the budget trends, the Five Year Plan recommends an additional \$2 million in operating funds and \$10 million in capital funding for increased vehicle purchases. As many of these vehicles would not be available for service until FY16, the Department is projecting vehicle availability to remain at 90% through FY15. In FY14, the median age of the General Fund vehicles remained at nine years compared to FY13. Water Fund vehicles median age increased from nine years in FY13 to 10 years in FY14. This increase is a result of insufficient new vehicle purchases. Aviation Fund vehicle median age reduced from 11 years in FY13 to ten years in FY14 due to new vehicle purchases. OFM is responsible for vehicle repairs and in FY08 and FY09, OFM repaired 72% of vehicles in 1 day or less. This performance reduced to 68% in FY13 and continued in the same level for the first two quarters of FY14 mainly due to aged vehicles and equipment.

Performance Measure	FY08	FY12	FY13	FY13- FY12 Change	FY13 Q1-Q2	FY14 Q1-Q2	FY14- FY13 Q1-Q2 Change	FY14 Goal	FY15 Goal
Fleet availability - citywide	89.0%	92.0%	93.0%	1.1%	93.0%	93.0%	0.0%	90.0%	90.0%
Radio patrol car availability	90.0%	89.0%	88.0%	-1.1%	89.0%	88.0%	-1.1%	90.0%	90.0%
Medic units availability	88.0%	92.0%	87.0%	-5.4%	89.0%	81.0%	-9.0%	90.0%	90.0%
Compactors availability	80.0%	80.0%	79.0%	-1.3%	82.0%	74.0%	-9.8%	90.0%	90.0%
Median Age of Vehicle: General Fund	8	9	9	0.0%	9	9	0.0%	9	8
Median Age of Vehicle: Water Fund	6	8	9	12.5%	9	10	11.1%	9	8
Median Age of Vehicle: Aviation Fund	8	10	11	10.0%	11	10	-9.1%	10	8
Percent of vehicles repaired in 1 day or less	72.0%	68.0%	69.0%	1.5%	69.0%	69.0%	0.0%	70.0%	70.0%

DEPARTMENT OF REVENUE

The Department of Revenue is responsible for promptly collecting all tax revenue due to the City and the School District of Philadelphia.

Budget Trends: The Department of Revenue has seen a 27% increase in General Fund appropriations from FY08 to the FY14 Current Projection, largely due to the Tax Law unit move over to Revenue and to pay for the delinquent tax revenue initiative (described above). During this same time, the Revenue Department has seen an \$18 million increase in other operating funds, mostly accounted for by \$21 million appropriation in FY12 to pay the collection agency a percentage of what they collect for the City. The FY15 General Fund appropriation is increasing by \$1.3 million in order to continue to strengthen tax collections efforts. FY15 Other Operating Funds are on par with FY14 levels.

	FY08 Actual	FY13 Actual	FY14 Adopted Budget	FY14 Current Projection	FY14-FY08 Change	FY15 Proposed Budget	FY15-FY14 Change
General Fund	16,370,599	18,657,079	20,560,621	20,800,621	4,430,022 27.1%	22,103,231	1,302,610 6.3%
Other Operating Funds	18,836,380	30,860,638	37,273,970	37,263,970	18,427,590 97.8%	36,556,371	(707,599) -1.9%
Total Operating Budget	35,206,979	49,517,717	57,834,591	58,064,591	22,857,612 64.9%	58,659,602	595,011 1.0%

Performance Trends: The Revenue Department's Tax Unit and Water Revenue Bureau each have their own performance measures to meet.

The resolution of the Taxpayer Amnesty program that was offered at the end of FY10, has continued to lead a decrease in the number of taxpayer calls and walk-ins in FY13 compared to FY12. In the first half of FY14, the incoming calls have increased by 14% compared to the same period in FY13. The response rate for incoming calls in FY13 was 57.5% compared to 64.4% in FY12. In the first half of FY14, the average response rate has improved to 69.5%. As the number of walk-in taxpayers has grown by 9% in the first half of FY14, the average wait time has dropped by 51% to below seven minutes. Assessments generated from audits of tax accounts in the first half of FY14 is about 6% lower the assessments generated in the first half of FY13.

Performance Measure	FY08	FY12	FY13	FY13- FY12 Change	FY13 Q1-Q2	FY14 Q1-Q2	FY14- FY13 Q1-Q2 Change	FY14 Goal	FY15 Goal
Incoming calls offered	298,644	233,839	214,082	-8.4%	96,592	109,972	13.9%	220,000	240,000
Incoming calls - average response rate	62.3%	65.4%	57.5%	-12.1%	75.3%	69.5%	-7.8%	70.0%	75.0%
Walk-in taxpayers	36,026	42,237	35,586	-15.7%	15,963	17,360	8.8%	35,000	40,000
Walk-in taxpayers average wait time	30:29	33:56	13:42	-59.6%	13:49	6:47	-50.9%	15:00	10:00
Audit - value of audit assessments (thousands)	\$15,313	\$28,896	\$11,513	-60.2%	\$6,788	\$6,356	-6.4%	\$16,000	\$19,000

Water Revenue Bureau: The Water Revenue Bureau (WRB) received 532,702 calls in FY13, an increase of 75% from FY12. Over the last year, the WRB has received 128% more calls. The call response rate has decreased in the first half of FY14 to 60.8% from 82.9% during the same period in FY13. The WRB continues to see a decrease in walk-in customers from FY12, FY13, and the first half of FY14. The average waiting time increased from over 15 minutes at the end of FY13 to over 17 minutes as of the first half of FY14. The percentage of customers paying their water bill within 30 days has remained at 70% at the end of FY13, and is projected to remain at that rate for FY14.

Performance Measure	FY08	FY12	FY13	FY13- FY12 Change	FY13 Q1-Q2	FY14 Q1-Q2	FY14- FY13 Q1-Q2 Change	FY14 Goal	FY15 Goal
Incoming calls offered	316,107	304,474	532,702	75.0%	140,856	321,194	128.0%	778,000	777,000
Incoming calls - average response rate	71.2%	84.4%	62.5%	-25.9%	82.9%	60.8%	-26.7%	55.0%	65.0%
Walk-in customers	81,840	102,445	99,699	-2.7%	53,482	49,768	-6.9%	99,980	99,000
Walk-in average waiting time	17:37	8:34	15:18	78.6%	13:55	17:26	25.3%	20:00	12:00
30 day pattern payment	N/A	69.7%	70.7%	1.4%	68.3%	66.6%	-2.4%	70.0%	70.0%

LAW DEPARTMENT

The City of Philadelphia Law Department is responsible for providing legal advice to all officers, departments, boards, and commissions within the City concerning any matter arising in connection with the exercise of their official powers. Included within this responsibility is the collection of all fines, taxes and other debts owed the City, the representation of the City and its officers in litigation, the preparation of ordinances for introduction in City Council and the preparation of City contracts.

Budget Trends: The Law Department has seen a 38% decrease in General Fund appropriation from FY08 to the FY14 Current Projection. There was a 71% decrease in other operating funds over the same period, resulting in a net reduction of over \$20 million (50.1%) in total operating funds as show below. This is primarily because of the transfer of funding from the Law Department to the Revenue Department as mentioned above. The FY14 Proposed Budget for the Law Department reduced the Law

budget, as cost overruns reflected in the FY13 Actual were not expected to be ongoing. The FY14 current projection reflects increases to cover the cost of pay raises as well as additional positions. FY15 funding levels remain roughly constant with FY14.

	FY08 Actual	FY13 Actual	FY14 Adopted Budget	FY14 Current Projection	FY14-FY08 Change	FY15 Proposed Budget	FY15-FY14 Change
General Fund	21,090,936	14,391,775	12,822,255	13,090,255	(8,000,681) -37.9%	13,262,255	172,000 1.3%
Other Operating Funds	20,930,074	5,081,337	5,627,343	5,471,338	(15,458,736) -73.9%	5,292,659	(178,679) -3.3%
Total Operating Budget	42,021,010	19,473,112	18,449,598	18,561,593	(23,459,417) -55.8%	18,554,914	(6,679) 0.0%

OFFICE OF PROPERTY ASSESSMENT

The Office of Property Assessment (OPA) conducts property assessments to determine the value of properties within Philadelphia and is responsible for the City's Actual Value Initiative. OPA also offers property information through its property search application, allowing the public access to property valuation data in Philadelphia, and manages abatement and exemption programs that may reduce a property's Real Estate Tax bill.

Budget Trends: OPA was created in FY11 and has seen a significant increase in funding to prepare for, implement and maintain the Actual Value Initiative (AVI), the comprehensive change to the property tax system. In FY14, the General Fund budget for OPA was increased by approximately \$1.7 million to cover the costs associated with outreach regarding AVI as well as First Level Review processing for assessment appeals. The FY15 General Fund budget allocates an additional \$401,642 to fully finance property reassessment activities.

	FY08 Actual	FY13 Actual	FY14 Adopted Budget	FY14 Current Projection	FY14-FY08 Change	FY15 Proposed Budget	FY15-FY14 Change
General Fund	-	11,565,024	13,326,276	13,326,276	13,326,276 N/A	13,727,918	401,642 3.0%
Other Operating Funds	-	-	-	-	- -	-	- -
Total Operating Budget	-	11,565,024	13,326,276	13,326,276	13,326,276 N/A	13,727,918	401,642 3.0%

OFFICE OF HUMAN RESOURCES

The Office of Human Resources (OHR) works with City departments, agencies, boards and commissions to attract and maintain a competitive and diverse workforce.

Budget Trends: The Office of Human Resources has seen a 25.6% increase in General Fund appropriations from FY08 to the FY14 Current Projection due to the transfer of the Medical Evaluation Unit to OHR in FY11 (\$625,000), the consolidation of 13 human resources/payroll employees from their original departments into a shared services model in OHR (\$600,000), the purchase of a commercially available Firefighter examination that complied with all applicable employment law in FY12, to support a benefits eligibility audit in FY13, and in FY14 to facilitate more rapid and coordinated hiring and promotion of uniformed Police staff. The FY15 General Fund appropriation is \$162,000 lower than FY14 due to cyclical oral exam costs for promotional exam scheduling for Police and Fire, which occur every other year.

	FY08 Actual	FY13 Actual	FY14 Adopted Budget	FY14 Current Projection	FY14-FY08 Change	FY15 Proposed Budget	FY15-FY14 Change
General Fund	4,684,931	5,241,637	5,886,218	5,886,218	1,201,287 25.6%	5,724,218	(162,000) -2.8%
Other Operating Funds	3,250,311	-	-	-	(3,250,311) -100.0%	-	-
Total Operating Budget	7,935,242	5,241,637	5,886,218	5,886,218	(2,049,024) -25.8%	5,724,218	(162,000) -2.8%

Performance Trends: Cost of health benefits is provided on a net basis and includes medical, prescription drug, dental and vision benefit expenditures for active and five years or less retirees of the City Administered (non-union) benefits program less employee payroll contributions and applicable credits, such as COBRA premiums. OHR continues to manage health care costs for the City and has been able to stay on track with the aggressive budget goal. This is achieved through engagement and management of employee health and wellness, ongoing competitive bidding of products and services and contribution increases and/or benefit modifications if necessary. The City management of health care cost compares very favorably to health care cost trends in the Philadelphia region, which are increasing 8-12% annually. Since City health benefits run on a calendar year, the success of recent initiatives such as an audit of covered dependents and plan modification to promote positive outcomes will be seen in the latter part of FY4 and beyond.

OHR is responsible for posting job opportunities, testing applicants, and producing lists of qualified candidates for job openings and has improved processing times tremendously. The percentage of tests held on the target date has increased from 30% in FY11 to 88% in FY13, and the percent of lists established by the target date has increased from 25% in FY11 to 85% in FY13, exceeding the

Department's goals on both metrics of 70%. This trend has continued during the first half of FY14: 95% of tests were administered and 96% of eligible lists were produced on schedule. This represents a 5% increase in tests administered and a 24% increase in lists produced on schedule from the same period in FY13. As a result, the Department increased its targets for percent of tests held on target date and percent of lists established by target date from 70% for FY14 to 90% for FY15. The average time between the closure of a job announcement and the list establishment has declined from 162 in FY11 to 58 days in FY13. The average number of days required to produce an eligible list was reduced in the first half of FY14 to 54 days (a 16% decrease from the same period in FY13). The total number of lists produced increased from FY12 to FY13 by 6.3% to a total of 373 lists in FY13. In the first half of FY14, 210 lists were created; a 13.5% increase over the same period of the previous year. The Department's goal is to create 400 lists in FY14.

As a customer service initiative, the Hiring Services Division started to publicize the week that tests would be held and that lists would be produced on all examination announcements. In FY12, 77% of all eligible lists were produced during the targeted week. In FY13, this percentage increased to 88% of all lists being produced during the target week. Further improvements have been realized in FY14. More than 94% of all eligible lists have been produced during the target week. During FY12, 59% of tests were held during the targeted week. This increased to 85% in FY13 and to 97% so far in FY14. Additionally, Hiring Services staff contributed to the development of civil service regulations that authorize furloughs and that provide paid parental leave for non-represented employees.

Performance Measure	FY08	FY12	FY13	FY13- FY12 Change	FY13 Q1-Q2	FY14 Q1-Q2	FY14- FY13 Q1-Q2 Change	FY14 Goal	FY15 Goal
Net cost of health benefits (\$ million)*	\$98.4	\$79.5	\$76.4	-3.9%	\$39.1	\$39.0	-0.3%	\$76.4	\$76.4
Percent of shared services employees with current evaluations	N/A	86.0%	75.2%	-12.5%	N/A**	81.3%	N/A**	80.0%	80.0%
Percent of employees with current evaluations - Citywide	N/A	66.2%	59.5%	-10.1%	N/A**	50.9%	N/A**	80.0%	80.0%
Percent of departmental employees with current evaluations	N/A	66.0%	80.3%	21.6%	N/A**	88.9%	N/A**	80.0%	80.0%
Percent of tests held on target date	N/A	78.9%	88.0%	11.6%	91.2%	94.9%	4.1%	70.0%	90.0%
Percent of lists established by target date	N/A	54.4%	85.0%	56.3%	77.5%	96.5%	24.5%	70.0%	90.0%
Average days between close of job announcement and list establishment	85	87	58.4	-32.9%	64.2	53.8	-16.2%	75	65
Total number of lists produced	518	351	373	6.3%	185	210	13.5%	400	400

* FY08 column is from FY09 and is an estimate based on a gross cost of \$101.4 minus an estimated \$3 million worth of deductions to reflect the net cost of health benefits.

** Measure is calculated on an annual basis

OFFICE OF THE CITY TREASURER

The Office of the City Treasurer (CTO) manages new and outstanding City debt in accordance with the City's Debt Management Policies, maximizing the value received from new financings and minimizing interest and transaction costs. The Office also manages the custodial banking of all City funds by encouraging standards and practices consistent with safeguarding City funds. The CTO serves as the disbursing agent for payments from the City. The CTO also aims to maximize the amount of cash available for investment after meeting daily cash requirements, thereby providing a source of revenue to support the City's financial commitments.

Budget Trends: The Office of the City Treasurer has seen a 25.2% increase in General Fund appropriation from FY08. This is primarily due to a transfer of funds in FY12 to move staff responsible for debt issuance from the Office of the Director of Finance to the City Treasurer. The FY15 Proposed budget maintains the General Fund allocation for the City Treasurer at roughly the same levels as FY14.

	FY08 Actual	FY13 Actual	FY14 Adopted Budget	FY14 Current Projection	FY14-FY08 Change	FY15 Proposed Budget	FY15-FY14 Change
General Fund	718,384	883,997	899,260	899,260	180,876 25.2%	899,260	- 0.0%
Other Operating Funds	-	-	-	-	- -	-	- -
Total Operating Budget	718,384	883,997	899,260	899,260	180,876 25.2%	899,260	- 0.0%

Performance Trends: As described in the Expenditures Chapter, debt service represents 4% of the proposed General Fund expenditures. The Office of the Director of Finance and the City Treasurer's Office continue to decrease the City's debt service costs through careful management of the City's debt financing structures across all City funds. The CTO was able to reduce debt service and related costs by refunding bonds, negotiating lower letter of credit costs, and improving market pricing. Each year the savings are measured versus appropriate benchmarks. General Fund debt service cash flow savings were \$14.4 million in FY13 and \$17 million in FY14 and transactions executed will produce General Fund savings (over the entire term of the transactions) of \$44 million for FY13 and \$8.7 million for FY14. Airport, Water and PGW debt service cash flow savings were \$8.3 million in FY13 and 11.4 million in FY14, and executed transactions produced savings (over the entire term of the transactions) of \$14.6 million in FY13 and \$10.9 million in FY14. In addition, the CTO obtained reductions in banking costs of over \$120,000 per year. Beginning in calendar year 2014, the City will enter into competitively procured contracts that are estimated to save approximately \$400,000 per year in bank fees. CTO raised the percentage of pension checks going through Direct Deposit to 90.3% (from 87% in FY11). CTO recovered over \$435,000 of unclaimed money from the Commonwealth, and opened lockboxes to facilitate the

collection of delinquent revenues. Finally, CTO successfully procured, tested and on boarded a networked Debt Management system, substantially improving analytical capabilities and mitigating risk.

DEPARTMENT OF RECORDS

The Department of Records ensures that Philadelphia's municipal records are appropriately controlled and managed. The Department sets records management standards and procedures for all City departments, boards, commissions, and agencies, and manages records operations and services such as the City Archives, the Records Storage Center, the Recorder of Deeds, and central reprographic services. The Department also manages public access to municipal records and establishes and collects fees to cover the cost of providing copies of records. As an agent for the Commonwealth and the City Revenue Department, the Records Department also collects realty transfer taxes and document recording fees and, as the official City tax registry, maintains the City's real property database and tax maps.

Budget Trends: The Department of Records has seen a 40% decrease in General Fund appropriation from FY08 to the FY14 Current Projection as a result of the recession. The FY14 budget was increased by \$520,000 to cover costs associated with increased legislative requirements. The FY15 budget maintains the Records Department budget at FY14 funding levels.

	FY08 Actual	FY13 Actual	FY14 Adopted Budget	FY14 Current Projection	FY14-FY08 Change	FY15 Proposed Budget	FY15-FY14 Change
General Fund	7,633,941	3,932,868	4,026,317	4,546,317	(3,087,624) -40.4%	4,546,317	- 0.0%
Other Operating Funds	-	-	-	-	- -	-	- -
Total Operating Budget	7,633,941	3,932,868	4,026,317	4,546,317	(3,087,624) -40.4%	4,546,317	- 0.0%

Performance Trends: The percent of documents electronically filed during FY13 was 60.7%, a 6.2% increase from FY12. During the first half of FY14, 63.2% of documents have been electronically filed, a 6.0% increase over the last year. The percent of public records electronically filed, such as financial disclosures per calendar year) was 86.6% in FY13, an increase of 0.4% from FY12. The percent of documents recorded within 24 hours was 100% over the last year. The turnaround time in responding to requests for public records has remained steady at one day.

Performance Measure	FY08	FY12	FY13	FY13- FY12 Change	FY13 Q1-Q2	FY14 Q1-Q2	FY14- FY13 Q1-Q2 Change	FY14 Goal	FY15 Goal
Percent of documents electronically filed	31.1%	54.5%	60.7%	11.5%	57.2%	63.2%	10.5%	64.0%	66.0%
Percent of public records electronically filed (financial disclosures/calendar year)	46.7%	86.2%	86.6%	0.5%	N/A	N/A	N/A	88.0%	88.0%
Percent of documents recorded within 24 hours	100.0%	100.0%	100.0%	0.0%	100.0%	100.0%	0.0%	100.0%	100.0%
Turnaround time in responding to requests for public records (in days)	1	1	1	0.0%	1	1	0.0%	1	1
Turnaround time in duplicating services routine and complex jobs in 1 to 3 days (percent of work)*	N/A	95.2%	98.9%	3.9%	98.9%	99.8%	0.9%	100.0%	100.0%
Turnaround time in duplicating services routine and complex jobs in 4 to 7 days (percent of work)*	N/A	4.8%	1.1%	-77.0%	1.1%	0.2%	-81.8%	0.0%	0.0%

* A simple job is a job that can be fed into the high speed copier and produced with minimal manual manipulation. A complex job is one that requires specialized binding or requires insertion of specialized tab separator sheets, lamination or a complex color ink.

BOARD OF PENSIONS AND RETIREMENT

The Board of Pensions and Retirement is responsible for the creation and maintenance of an actuarially sound Retirement System for the benefit of all current and future benefit recipients. The Board of Pensions and Retirement (Board) is composed of the Director of Finance, who serves as chairperson, the Managing Director, the City Solicitor, the Human Resources Director, the City Controller and four members who are elected by the Civil Service employees of the City. The Executive Director administers the day-to-day activities of the Retirement System, providing services to over 64,000 members.

Budget Trends: The Pension Board is entirely funded by the Pension Fund. Between FY08 and FY14 the Board's costs increased by 11.6%. The Pension Board will see no change in its operating budget between FY14 and the FY15 proposed budget.

	FY08 Actual	FY13 Actual	FY14 Adopted Budget	FY14 Current Projection	FY14-FY08 Change	FY15 Proposed Budget	FY15-FY14 Change
General Fund	-	-	-	-	-	-	-
Other Operating Funds	7,866,597	8,564,887	8,776,000	8,776,000	909,403 11.6%	8,776,000	- 0.0%
Total Operating Budget	7,866,597	8,564,887	8,776,000	8,776,000	909,403 11.6%	8,776,000	- 0.0%

Performance Trends: The Board continues to increase the percentage of monthly benefit recipients who receive their payment through electronic funds transfer (EFT) reaching nearly 31,000 in FY13. That number now stands at 31,424, representing 90.3% of the Boards monthly payments. This is an increase of nearly 2,700 pensioners since the end of FY08. Since EFT recipients receive quarterly statements instead of monthly checks, the increased participation since FY08 means that the Board consumes 21,000 less sheets of paper and pays the United States Postal Service for 21,000 less pieces of mail on an annual basis.

Performance Measure	FY08	FY12	FY13	FY13- FY12 Change	FY13 Q1-Q2	FY14 Q1-Q2	FY14- FY13 Q1-Q2 Change	FY14 Goal	FY15 Goal
Increase percent of EFT Payments	84.2%	87.6%	87.6%	0.0%	88.1%	90.3%	2.5%	90.8%	92.0%

PROCUREMENT DEPARTMENT

The Procurement Department is responsible for all purchasing of services, supplies and equipment and construction at the lowest cost to the City and management of materials.

Budget Trends: The Procurement Department has seen a 6.8% decrease in General Fund appropriation from FY08 to the FY14 Current Projection. The FY15 Proposed budget for the Procurement Department maintains the FY14 Current Projection funding level.

	FY08 Actual	FY13 Actual	FY14 Adopted Budget	FY14 Current Projection	FY14-FY08 Change	FY15 Proposed Budget	FY15-FY14 Change
General Fund	4,983,699	4,562,719	4,643,115	4,643,115	(340,584) -6.8%	4,643,115	- 0.0%
Other Operating Funds	187,759	68,882	69,028	69,028	(118,731) -63.2%	69,028	- 0.0%
Total Operating Budget	5,171,458	4,631,601	4,712,143	4,712,143	(459,315) -8.9%	4,712,143	- 0.0%

Performance Trends: The first five performance metrics are specific to Services, Supplies, and Equipment (SS&E) purchases. The first performance metric of average number of days to process departmental contracts improved slightly from FY12 to FY13. There has been a significant improvement in the first two quarters of FY14, which is reflected in a reduction of an average of 14 days. For FY15, the goal is to further reduce the processing time to 110 days. The percentage of bids processed within 90 days for SS&E contracts was 33% in FY13. In Q1 and Q2 of FY14, there were further improvements with an average of 40% of bids processed within 90 days. Since the end of FY11, the Procurement Department has seen a staff turnover rate of almost 60%, mostly due to retirement. Despite the high rate of turnover, performance metrics continue to improve in the first two quarters of FY14 as the Procurement Department works to develop the skills and experience of new staff and appropriately leverage the skill set of the existing staff. The percentage of new Citywide contracts that were in place prior to the expiration of the previous contract remained statistically the same between FY12 and FY13. In the first two quarters of FY14, the percentage has improved significantly from 62% to 80%. The Department expects to achieve the FY14 goal of 95%. With regards to the fourth and fifth performance metrics, there have been no significant changes since FY11. The Procurement Department is in the process of revising the contract terms and conditions. It is anticipated that these new contract terms and conditions will increase the average number of bidders and overall competition.

The last two metrics apply to Public Works. The average number of days from initiation to award was 119 days in FY12 and has decreased by 6% to 112 days in FY13. Currently, the Procurement Department is on target to meet its FY14 goal of 110 days on average from initiation to award for Public Works bids. The Procurement Department's goal for FY15 is an average of 106 days from initiation to award for Public Works bids. The average number of responses per bid for Public Works contracts was five in FY13, down 15% from FY12. However, it is anticipated that the Procurement Department will reach its FY14 goal of five responses on average per bid. The goal set for FY15 is an average of five responses per Public Works bid.

Performance Measure	FY08	FY12	FY13	FY13- FY12 Change	FY13 Q1-Q2	FY14 Q1-Q2	FY14- FY13 Q1-Q2 Change	FY14 Goal	FY15 Goal
SSE Contracts: Average number of days from requisition to award	N/A	125	124	-0.8%	131	116.5	-11.1%	N/A	110
SSE Contracts: Percentage of bids processed within 90 days	N/A	40.0%	33.0%	-17.5%	33.0%	39.5%	19.7%	65.0%	65.0%
SSE Contracts: Percentage of new Citywide contracts in place prior to contract expiration	N/A	63.0%	62.0%	-1.6%	48.5%	80.0%	64.9%	95.0%	95.0%
SSE Contracts: Percentage of bids with single responses	N/A	29.0%	32.0%	10.3%	27.5%	27.5%	0.0%	20.0%	20.0%
SSE Contracts: Average number of responses per bid	N/A	3	3	0.0%	3	3	0.0%	4	4
Public works contracts: Average number of days from initiation to award	N/A	119	112	-5.9%	117	109.5	-6.4%	110	106
Public works contracts: Average number of response per bid	N/A	6	5	-16.7%	4.5	4.5	0.0%	5	5

OFFICE OF THE INSPECTOR GENERAL

The Office of the Inspector General (OIG) investigates fraud, corruption and misconduct across all City departments in order to make City government more honest and efficient.

Budget trends: In FY08, when Mayor Nutter came into office, the OIG was a single person within the Mayor's office. Reflecting Mayor Nutter's commitment to good government and ethics reform, the OIG function has seen a large increase in resources and stature. The OIG was established as a separate department in FY10 with a budget of \$1.3 million funded entirely out of the General Fund. FY15 funding levels are comparable to FY14 levels.

	FY08 Actual	FY13 Actual	FY14 Adopted Budget	FY14 Current Projection	FY14-FY08 Change	FY15 Proposed Budget	FY15-FY14 Change
General Fund	-	1,259,078	1,462,069	1,462,069	1,462,069 N/A	1,524,569	62,500 4.3%
Other Operating Funds	-	-	-	13,884	13,884 N/A	13,884	- 0.0%
Total Operating Budget	-	1,259,078	1,462,069	1,475,953	1,475,953 N/A	1,538,453	62,500 4.2%

Performance Trends: OIG's performance trends show large swings from year to year due to the variability in complexity and workload required to the OIG does not measure its statistics or investigate its cases. In FY13, the OIG's total savings and recovery from investigations and proactive initiatives was \$8.76 million. This is approximately six times its annual budget and a significant increase over FY11. The decrease in the Office's total savings and recovery from FY12 to FY13 is attributed to a new collaborative effort – involving the Law Department and the Board of Pensions and Retirement – to disqualify terminated City employees convicted of a crime. The new initiative processed a significant backlog of pending disqualifications in FY12, leading to a higher than normal savings and recovery figure in that year. Other performance measures for FY13 were largely consistent with the preceding year. OIG investigations in FY13 led to 35 terminations, the arrest and/or indictment of ten people, and one pension disqualification. The OIG also received 96 complaints from City employees, demonstrating that they are aware of, and comfortable reporting concerns to, the OIG. The OIG's investigations have also increasingly focused on rooting out fraud and abuse in City contracts. Though these cases tend to be more time and resource intensive than the OIG's traditional investigations, they send an important message that City funds must be protected and have led to large settlements with contractors who have violated City rules. In FY13, the new contract compliance unit achieved nearly \$2.5 million in fines and restitution.

Performance Measure	FY08	FY12	FY13	FY13- FY12 Change	FY13 Q1-Q2	FY14 Q1-Q2	FY14- FY13 Q1-Q2 Change	FY14 Goal*	FY15 Goal*
Savings and Recovery (\$ Million)	\$0.07	\$13.21	\$8.76	-33.7%	\$6.44	\$4.74	-26.4%	N/A	N/A
Terminations	32	31	35	12.9%	25	18	-28.0%	N/A	N/A
Arrests & Indictments	2	3	10	233.3%	4	2	-50.0%	N/A	N/A
Pension Disqualification	2	27	1	-96.3%	1	1	0.0%	N/A	N/A
Complaints from City Employees	NA**	104	96	-7.7%	41	69	68.3%	N/A	N/A

* The OIG cannot comment on FY13 and FY14 goals as part of its performance measures. Given the required objective nature of OIG investigations, it would be inappropriate for the OIG to state a goal for the number of complaints, arrests, terminations, or pension disqualifications it targets on a yearly basis.

*** The OIG did not track complaints from City employees in fiscal year 2008.

CAPITAL BUDGET TRENDS AND HIGHLIGHTS

Capital budget trends: Capital investment in Goal 5 related departments consists of the Department of Public Property, the Records Department, the Office of Fleet Management, and the Office of Innovation and Technology. The total FY15 Capital budget allocates \$49.6 million in City funding consisting of General Obligation bonds and prefinanced loans for capital improvements to these Departments and \$201.4 million over the six year capital program.⁵⁵ The six year capital program includes a \$25.5 million allocation for the City Commissioners for the purchase of new voting machines in FY16. The Department of Public Property's allocation is budgeted to increase by 13.7% (\$1 million) in City funding in FY15 compared to FY14 to fund various needs of the municipal buildings. The Records Department's

⁵⁵ Prefinanced loans are loans that the electorate or City Council has already authorized.

allocation is budgeted to decrease 33.3% (\$100,000) in City funding in FY15 compared to FY14 largely due to a change in funding needs for their capital project. The Office of Fleet Management is budgeted to receive an increase in funding of \$11 million largely due to the planned purchase of specialty vehicles, described in more detail below. The Office of Innovation and Technology's allocation is budgeted to increase by 107.1% (\$15 million) in City funding in FY15 compared to FY14 for key citywide and departmental technology improvements, discussed in greater detail below.

Department	Source of funding*	FY14	FY14-FY19	FY15	FY15-FY20	FY15-FY14
		Budget	Budget	Proposed	Proposed	change**
		\$ Thousand	\$ Thousand	\$ Thousand	\$ Thousand	\$ Thousand
Public Property	City funding	7,520	46,040	8,550	51,400	1,030
	Total	27,999	67,839	26,131	70,301	-1,868
Records	City funding	300	300	200	200	-100
	Total	727	727	640	640	-87
Fleet Management	City funding	885	5,550	11,856	66,806	10,971
	Total	4,451	11,116	14,381	71,331	9,930
Office of Innovation and Technology (OIT)	City funding	14,000	84,000	29,000	83,000	15,000
	Total	49,575	119,575	65,000	121,500	15,425
Total	City funding	22,705	135,890	49,606	201,406	26,901
	Total	82,752	199,257	106,152	263,772	23,400

* City funding consists of General Obligation bonds, prefinanced funds, and new PICA funds. Total funding includes various funding sources such as new General Obligation bonds; prefinanced funds; PICA funds; federal, state and private funds; carryforward funds; other government funds; City self-sustaining funds; and other City sources.

** Change in total capital funds could reflect a change in spending of carryforward from all sources as well as a change in receipt of new funding from all sources.

Key Projects

Office of Fleet Management

Specialty Vehicle Purchases: In FY15, \$10 million was recommended for the purchase of vehicles that are considered equipment or specialty vehicles, such as medic units, pumpers, tiller ladders, compactors, backhoes, tractors, sweepers, wheel loaders, and paving machines that have a cost of at least \$100,000 and a useful life of at least 5 years and are used as equipment for various departments including Fire and Streets. This type of financing is done by municipalities across the country and is considered fiscally prudent.

In addition to recommending \$10 million in GO funding for these specialty vehicles, the City is also recommending a \$2 million increase in the Fleet Department's operating budget for smaller vehicle purchases such as Police cars.

Office of Innovation and Technology

OnePhilly: In FY15, \$12 million has been recommended for the OnePhilly program. The OnePhilly Project will modernize the City's workforce management processes, provide for integration of data that will result in easier access to information and the ability to use data for analysis providing value. OnePhilly will implement the City's Oracle eBusiness Suite software to support the process modernization across Human Resources, Benefits Administration, Time Entry and Leave Management, and Payroll. The City will also implement pensions software and integrate it to the Oracle eBusiness Suite software. A Systems Integration vendor is expected to begin its work in Spring 2014, and the entire implementation timeline is expected to be 24 to 30 months.

Lock and Track: In FY15, \$5 million has been recommended for the Lock and Track system. The Lock and Track system is an inmate management solution designed to manage the day-to-day operations of a correctional facility incorporating a robust reporting platform to easily generate critical reports and statistics. The planning phase of this project, including the drafting of the RFP, is anticipated to be completed by the second quarter of FY15. The subsequent contract award is anticipated to be completed by the third quarter of FY15.

Network Infrastructure: In FY15, \$7 million has been recommended for the network infrastructure improvements. OIT will use these funds to work on Enterprise upgrades, a unified communications/network, public safety (excluding the message switch upgrade, described in further detail below), security improvements, and server and storage upgrades.

Message Switch System Upgrade: This technology investment of \$5 million in both FY15 and FY16 will allow for a new message switch system to improve public safety information exchange. The message switch environment, which is managed by Philadelphia Crime Information Center (PCIC) in the Philadelphia Police Department (PPD), is the mission critical messaging environment serving over 3,000 devices in the PPD and 29 external federal, state, and local agencies. It is the primary way these agencies exchange law enforcement information and accounts for an average of 3.5 million transactions per week consisting of inbound and outbound messages. The message switch provides for a constant line of communication among local, state, federal, and some international agencies and is crucial for the law enforcement community to protect and serve the public and for officer safety. The primary purpose of the message switch is for the Police Department to have the ability to share and exchange critical information on a nationwide basis. Additionally, the message switch is the single point of dissemination of information to the National Crime Information Center (NCIC) and other agencies. The PPD uses the message switch to verify and seek information on suspects, vehicles and other items of interest commonly called Hot Files. The message switch's primary purpose is to connect and exchange information with the Commonwealth Law Enforcement Assistance Network (CLEAN) and NCIC. It also connects to NLETS which is the window for international Law enforcement database.

Public Property

City Government Buildings: In the recommended FY15-FY20 Capital Program, nearly \$3.9 million is recommended in funding to continue making functional and safety improvements to City government buildings including City Hall, One Parkway Building and the Municipal Services Building. These improvements include much needed elevator upgrades in the Triplex facilities.

City Hall Exterior Improvements: In FY15, the recommended budget includes \$1.5 million for City Hall. This work includes exterior renovations such as the restoration of City Hall portals, lightwells, and the City Hall Tower and necessary infrastructure improvements.

DEBT MANAGEMENT

In order to maintain its aging infrastructure, the City typically borrows money to fund significant improvements to roads, police buildings, recreation centers, libraries and health centers. These investments are crucial to ensuring the quality of life in the City. Over the course of the Five Year Plan, the City will spend an annual average of \$127 million on core infrastructure, which is well below the over \$180 million that the City Planning Commission recommends based on a 1990 report.

Despite being able to invest substantially less than the recommended amount in its infrastructure, Philadelphia has a relatively high debt burden in part because a substantial portion of Philadelphia's outstanding debt was issued to fund shortfalls in the City's pension fund rather than to fund infrastructure. This debt expense uses up a large proportion of the City's financial capacity.

The amount of debt the City has is an important measure of fiscal health and drives the amount of money the City must pay in interest on that debt. If debt service costs increase, the City has fewer resources available to provide services and less flexibility to respond to unexpected financial and economic conditions. In addition, the amount of debt is a key factor into the City's credit rating, which in turn influences how investors view the City's balances and financial management, and how much interest they require the City to pay on loans. In FY15 the City is expected to spend \$248 million on debt service, which represents roughly 6% of total General Fund expenditures.

Credit Ratings

In June 2013, Standard & Poor's Ratings Services ("S&P") raised the City's long-term and underlying rating on the City's General Obligation (GO) debt to A- with a stable outlook from BBB. This was the first time since 1979 that the City has been rated A- by S&P. Subsequently, in December 2013, S&P raised the City's GO rating again, to A+, with a stable outlook, the highest S&P rating which has been assigned to the City. As shown below, the City now has "A" category ratings from all three major rating agencies, S&P, Moody's Investor Service, and Fitch Rating.

Bond Type	Standard & Poor's Corporation	Moody's Investor Service	Fitch Rating
General Obligation Bonds	A+	A2	A-
Water and Wastewater Revenue Bonds	A	A1	A+
Airport Revenue Bonds	A+	A2	A

Ratings in the "A"-category from all three agencies permit the City to begin to access a broader base of institutional investors and to make the City's debt eligible to be sold directly to retail investors. This has materially lowered the City's interest costs and has enabled the City to refinance existing high-cost debt for savings, since some investors now view the City's securities as less risky than before. Despite these

positive events, the City's ratings are relatively weak and rank the third lowest among the 20 largest cities. High existing debt levels are among a number of the factors contribute to the City's relatively low ratings. Other key negative factors are the relatively weak history of fund balance, severely underfunded pension and the City's high poverty rates. The high debt levels suggest further rating increases will be difficult. For example, Moody's recently noted in its report of January 15, 2014, that "the ratio of direct debt to full property value is an above-average 3.2% (using the post-AVI full value figures), climbing to 5.5% when overlapping debts are included, well above the state and US averages".⁵⁶ Other areas of concern raised by the rating agencies include the high level of unfunded pension liability, the lack of a significant General Fund balance in comparison to peer cities, and the weak demographics, including relatively high levels of poverty and unemployment.

Current debt obligations

The City issues four types of debt as described below: General Obligation Debt, City Service Agreement Debt, Revenue Bond debt, and Tax Anticipation Notes.

General Obligation Debt: The City can issue General Obligation debt, backed by the full faith, credit and taxing power of the City, subject to voter approval and adherence to the Commonwealth Constitution. The Constitution limits the amount of the City's outstanding General Obligation debt to 13.5% of the immediately preceding 10-year average of assessed value of taxable real property, with debt greater than 3% of the preceding 10-year average of assessed value of taxable real property having to get voter approval. This limitation does not include self-supporting General Obligation bonds, which are defined as General Obligation debt incurred for revenue producing capital investments, which are expected to produce excess revenues sufficient to cover debt service on the bonds.

As a result of the implementation of the City's Actual Value Initiative, the assessed value of taxable real estate within the City increased from \$12.4 billion in FY13 to \$99.9 billion in FY14. The change in the methodology for calculating real estate taxes under AVI, along with future value reassessments as the real estate market rebounds cause the constitutional debt limit to increase. The increase in the Constitutional debt limitation could be more than approximately \$1 billion annually over this ten-year period, which will begin in FY15. Nonetheless, the City does not intend to significantly increase borrowing just because the constitutional debt limit has increased. General Obligation debt will still require voter approval, and as mentioned above, debt service costs need to be funded by the City's General Fund operating revenue, reducing financial flexibility and resources for City services. In addition, the City follows guidelines for debt issuance, described in the How Philadelphia Budgets chapter, that, for example, limit the City to borrowing money for capital projects that result in an asset with a useful life of more than five years.

⁵⁶ Moody's Investors Service, *Rating Report for City of Philadelphia, PA, January 15, 2014*. Accessible from the [City's Investor Website](#)

Obligations City Service Agreements: The City issues tax-supported obligations through the use of its related authorities. The term “City Service Agreement” includes City Service Agreement, City Agreement, Service Contract and Lease Revenue, and is debt issued by related authorities that is repaid with interest by the City out of the City’s General Fund. Under the City’s Home Rule Charter, City Council may authorize contracts or leases for a period of more than one year that is valid and binding on the City, and City Council is required to make subsequent annual appropriations sufficient to make payments under that contract or lease. While the contract or rental payments are payable only out of current revenues of the City, each Service Agreement provides that so long as any of the bonds under it remain outstanding, or sufficient money for the full payment of the bonds is held in trust, the City is obligated to pay the contract payments absolutely and unconditionally. Because of this, Moody’s, S&P and Fitch rate the City’s Service Agreement debt with identical ratings as the City’s General Obligation bonds. The City may use the Philadelphia Authority for Industrial Development (PAID), the Philadelphia Municipal Authority (PMA) or the Philadelphia Redevelopment Authority (PRA) to issue Service Agreement debt. Service Agreement debt is not subject to the constitutional debt limit.

Tax (and Revenue) Anticipation Notes (“TRANS”): Due to the City’s very low fund balance the City can’t absorb the normal disparate timing of receipts and expenditures without resorting to borrowing money on a short term basis to meet its cash flow needs within the fiscal year. The City has issued notes in anticipation of the receipt of income by the General Fund – TRANS – in each fiscal year since FY72 (with a single exception). Each note issue was repaid when due prior to the end of the fiscal year of issuance. The City competitively issued \$100 million of Tax and Revenue Anticipation Notes in December 2013, which are scheduled to mature at the end of the fiscal year in June 2014. Tax Anticipation Notes are limited by Federal Tax Law, which requires that any yearly issuance be limited to the greater of the maximum monthly deficit or 5% of annual General Fund expenditures.

Over the course of the past four years the City reduced the size of its annual cash flow borrowing by \$250 million from a high of \$350 million in FY09 when the recession first hit and revenues were well below forecast. In the last three years alone, the TRAN has decreased from \$173 million to \$127 million to \$100 million. The 2013 TRAN size was the lowest in ten years. However, issuance of a TRAN is costly, as in the current interest rate environment the City is not able to invest proceeds at a high enough level to offset interest costs associated with the TRAN. Further, because the issuance itself demonstrates the need for increased cash and low fund balance levels, it signals to investor’s credit weakness on the part of the City.

Revenue Bonds: The City Treasurer also oversees the issuance of revenue bonds for the Water Department, the Aviation Department, and the Philadelphia Gas Works, which are paid for by revenues collected by each respective enterprise. These revenue bonds are not included in the City’s calculations of the constitutional debt limit on General Obligation debt because they are paid entirely from non-General Fund revenue sources. Debt limits for revenue bonds are established in the general bond ordinances for each credit.

Bonded Debt -- City of Philadelphia and Component Units (Thousands)
as of December 31, 2013 (Unaudited)

Source	Amount
General Obligation and PICA bonds	
General Obligation Bonds	\$1,435,195
PA Intergovernmental Cooperation Authority	\$409,280
Subtotal: General Obligation and PICA bonds	\$1,844,475
Other Long-Term Debt-Related Obligations¹	
Philadelphia Municipal Authority	
Municipal Services Building	\$13,981
Criminal Justice Center	\$85,050
Juvenile Justice Center	\$95,355
Energy Conservation	\$12,605
PIDC	
Pension Bonds	\$1,618,048
Stadiums	\$302,105
Library	\$7,690
Cultural and Commercial Corridor	\$112,050
One Parkway	\$41,405
Parking Authority	\$14,250
Redevelopment Authority	\$220,045
Subtotal: Other Long-Term Debt-Related Obligations ¹	\$4,367,059
Revenue bonds	
Water Fund	\$1,877,305
Aviation Fund	\$1,315,455
Gas Works	\$1,058,920
Subtotal: Revenue bonds	\$4,251,680
Grand total	\$8,618,739

¹ The principal amount outstanding relating to the PAID 1999 Pension Obligation Bonds, Series B (capital appreciation bonds) and the PMA Municipal Services Building Rental Bonds, Series 1990C (capital appreciation bonds) are reflected as the accreted value thereon as of December 31, 2013.

The table above shows a summary of all long term debt outstanding (i.e. excluding short term debt). At year end the city had \$8.6 billion in long term debt outstanding, including \$1.4 billion in outstanding General Obligation Bonds, \$0.4 billion in PICA bonds, \$4.4 billion in other long-term debt related obligations, and \$4.3 billion in Revenue bonds.⁵⁷ Of the total balance of City tax-supported General

⁵⁷ In Fiscal Year 1992 the PICA Act authorized the City to impose a tax for the sole and exclusive purposes of PICA. The PICA Act authorizes PICA to pledge the PICA Tax to secure its bonds and prohibits the Commonwealth and the City from repealing the PICA Tax or reducing its rate while any PICA bonds are outstanding. PICA has previously issued 11 series of bonds. The proceeds of the previous series of bonds issued by PICA were used (a) to make grants to the City to fund its General Fund deficits, to fund the costs of certain City capital projects, to provide other financial assistance to the City to enhance operational productivity,

Obligation bonds issued and outstanding on July 30, 2013, approximately 20% is scheduled to mature within five fiscal years and approximately 42% is scheduled to mature within ten fiscal years. 93% is fixed rate debt and 7%, or \$100 million, is hedged variable rate debt, which means that interest rates could fluctuate over time. Approximately \$2.8 million over five years has been budgeted to account for interest rate and/or basis risk associated with this variable rate debt.

Impact of debt on City operations:

Debt service payments as a percentage of the budget are increasing, which has a negative impact on the City's financial flexibility. In FY14, debt service costs for General Fund supported debt, including both General Obligation debt and lease debt (the Sinking Fund budget), are expected to be \$223 million in FY14 or roughly 6% of FY14 General Fund expenditures. In FY15 debt service costs increase to \$248 million, again roughly 6% of FY15 expenditures, which reflects the net effect of the \$15 million worth of additional borrowing against FY15 anticipated sales tax revenues on behalf of the School District, per State legislation described in the Revenues Section, and \$4.3 million less in planned debt service related to 4601 Market. Debt service costs increase to 7% by FY19. The \$248 million reflects \$137 million in debt service on General Obligation debt and \$111 million in lease debt. When debt service increases as a percent of the City's budget, fewer resources are available to spend on City services, tax cuts, or hold as reserves in the City's Fund Balance. Appendix VI shows the five year estimates for the Sinking Fund Commission, which represents debt service costs incurred by the General Fund.

On top of the Sinking Fund budget, the City also pays debt service on Pension Obligation Bonds, which is estimated to be \$110 million in FY15 down from an estimated \$212 in FY14. The decrease is due largely to the maturity of the pension deferral note issued in 2012, which the City paid \$124 million towards in FY14. In combination, General Fund supported debt and debt service on the pension obligation bonds represent 11% of total expenditures in FY14, 8% in FY15 (because total expenditures are inflated by anticipated sale of PGW) and increase again to almost 10% in FY19.

Other City operating funds also incur debt service. Appendix V shows debt repayment for the Water and Aviation Funds. In FY15, the Water and Aviation Funds have budgeted for debt service \$207.8 million and \$152.3 million respectively.

Debt service is one of a number of fixed costs that limit the City's financial flexibility and constrain funding on programs and services.

and to defease certain City General Obligation bonds, (b) to refund other PICA bonds and (c) to pay costs of issuance. PICA no longer has the authority to issue bonds for new money purposes, but may refund bonds previously issued that remain outstanding. As of the close of business on December 31, 2013, the principal amount of PICA bonds outstanding was \$409,280,000.

FUND BALANCE TRENDS AND PROJECTIONS

One of the most important measures of a City's financial health is its fund balance. Having a healthy fund balance gives a City financial flexibility, makes it better able to meet its cash flow needs, mitigate current and future financial risks and ensure predictability of services. The City's fund balance has typically been well below levels recommended by government experts.

The remainder of this chapter is a description of how the City measures its fund balance, the Budget Stabilization Reserve policy enacted into law, efforts underway to establish fund balance targets that would complement that policy and an account of recent fund balance trends and projections.

Fund balance definition: The City of Philadelphia maintains restricted and unrestricted fund balances for the General Fund as well as other governmental funds. Restricted fund balances represent amounts which have been reserved and committed to a specific obligation, and may not be used for any other purpose, whereas unrestricted balance represent funds which are not committed, and therefore are available for any lawful purpose. For the purposes of budgeting and budget publications, the City of Philadelphia presents its fund balance on a budgetary, or legally enacted, basis. The fund balance on a budgetary or legally enacted basis differs from the fund balance on a GAAP basis because only half of business privilege taxes can be accounted for on a GAAP basis. This stems from the fact that business privilege taxes are collected in April for the calendar year, meaning that businesses must pay based on projected year-end taxes. Thus while all of the revenues from the tax are received during a fiscal year, only half of these revenues can be attributed to the fiscal year and thus accounted for on a GAAP basis in the audited financial results of that fiscal year. The other half of the revenues must be shown in the next fiscal year. On a budgetary basis, all of the revenues collected in April (i.e. a full year's worth) are shown in that fiscal year.

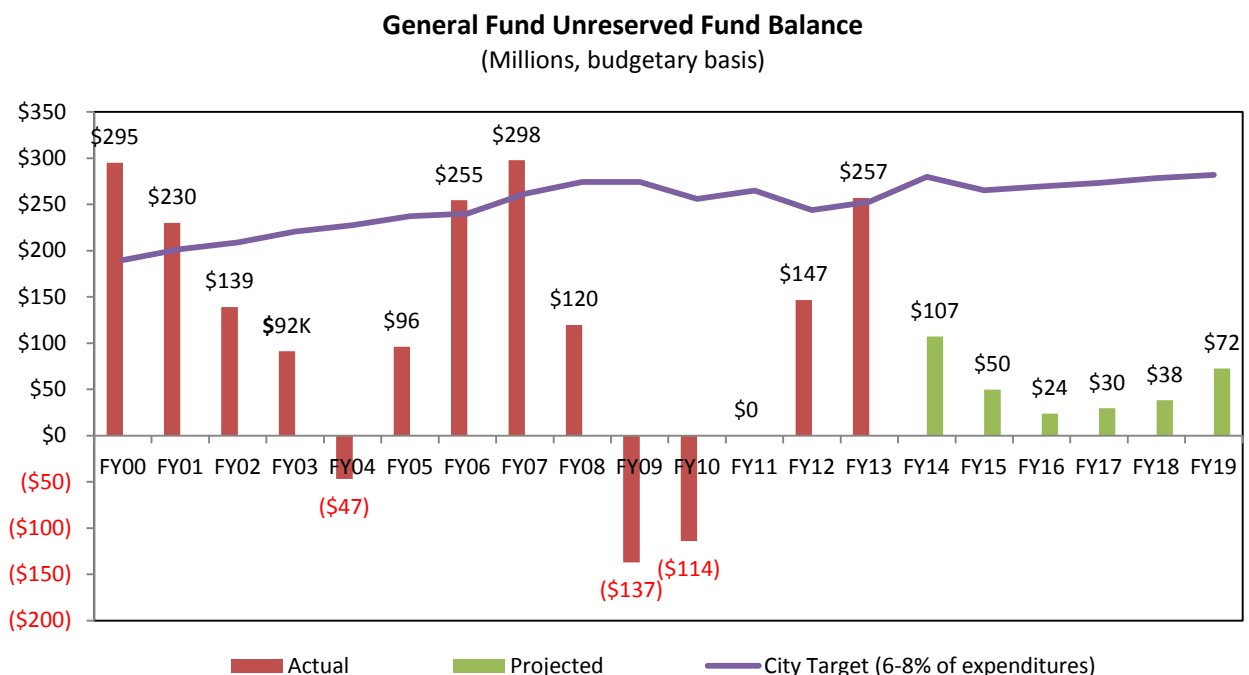
While not directly correlated with the amount of cash the City has, having a higher fund balance usually means that a City has more cash, which is a necessity to have sufficient resources to meet the normal monthly mis-match between revenues and expenditures. In addition, maintaining an adequate fund balance saves the City money by reducing the need for costly tax and revenue anticipation notes (TRANS), and helping to maintain or improve the City's bond rating, which directly influences the City's interest expense on long-term debt. The Government Finance Officers Association recommends that governments maintain a fund balance of two months worth – approximately 17% - of budgeted expenditures or revenues, but that a level of unrestricted fund balance significantly lower than the recommended minimum may be appropriate for states and America's largest local governments.⁵⁸

In April 2011, the City adopted an Amendment to the Home Rule Charter to establish a Budget Stabilization Reserve, to be maintained by the Director of Finance as a separate fund (not to be commingled with any other funds of the City). The Budget Stabilization Reserve Fund requires

⁵⁸ Appropriate Level of Unrestricted Fund Balance in the General Fund (2002 and 2009) (BUDGET and CAAFR). GFOA (2009).

appropriations of 0.75% of taxes and locally generated non-tax revenue when the Projected General Fund Balance for the end of the fiscal year to which the operating budget relates (the “upcoming fiscal year”) equals or exceeds 3% of the General Fund appropriations for the upcoming fiscal year, provided that total appropriations to the Budget Stabilization Reserve do not exceed 5% of General Fund Appropriations. Since enactment of the Budget Stabilization Reserve, no funds have been deposited in the reserve. Four City budgets have been presented by the Mayor since 2011; no budget ordinance has included a provision to fund the Budget Stabilization Reserve because the applicable projected year ending General Fund balances did not exceed the 3% General Fund appropriation threshold. For the FY15 proposed budget this would imply that these appropriations would need to be put into the reserve if the FY15 projected year end fund balance reached or exceeded roughly \$114 million.

Recognizing the benefits of maintaining adequate fund balances, the City is in the process of developing of a set of targets related to its unreserved fund balance which would complement the Budget Stabilization Reserve policy. These targets relate to (a) a minimum amount of operating cash (defined as the cash on hand in the City’s accounts, excluding bond proceeds, TRAN proceeds, and capital grants) the City should maintain in its consolidated cash account; (b) a maximum size of the tax and revenue anticipation note the City would like to utilize for liquidity purposes each year; (c) a minimum combined fund balance for the General Fund and the Grants Fund on both a legally enacted basis and a GAAP basis. Although these targets are still being refined, the City anticipates that they might yield an aggregate target of having the General Fund Balance and the Budget Stabilization Reserve in combination represent roughly 6-8% of expenditures on a budgetary basis. The FY15-19 Five-Year Plan features for the first time a “target” fund balance for each year, and the projected “gap” between the fund balance and the target. The chart below show actual and projected General Fund balances between FY00 and FY19 and how they compare to this preliminary City target.



Fund balance trends: The General Fund started FY14 with an unreserved fund balance on a budgetary basis of \$256.9 million and is projected to end FY14 with a fund balance of \$107.2 million. This represents a 24% increase over the adopted FY14 year end fund balance of \$86.5 million largely due to higher than expected tax revenues in FY13, which results in a higher than anticipated year end fund balance for FY13. In particular, revenue from the Business Income and Receipts Tax grew by 16.3% in FY13 and came in \$56 million over budget, tracking with nationwide trends of 16.7% increase in corporate profits, well above leading economists' projections. As shown in the chart at the beginning of this section, FY13 was the fourth year in a row that the City had increased its fund balance, tracking with the slow but steady economic recovery.

Provisions for labor contracts, the resumption of tax cuts, and other investments that were put on hold during the economic downturn have put pressure on the City's budget resulting in lower year end fund balances starting in FY14 and going forward. For example, the FY15-FY19 Five Year Plan includes \$376 million to fund future labor contracts.

As shown in the chart above, the year end fund balance for FY15 is projected to be \$50 million, decrease to a low of \$24 million in FY16 and increase to \$72 million by FY19. These trends are the result of the combination of factors described in more detail in the Revenues and Expenditures sections.

How PHILADELPHIA BUDGETS

BUDGET OVERVIEW AND PROCESS

The Office of the Director of Finance

The Office of the Director of Finance is the chief financial and budget officer of the City and is responsible for the financial functions of the City including development of the annual operating budget, the capital budget, and capital program; the City's program for temporary and long-term borrowing; supervision of the operating budget's execution; the collection of revenues through the Department of Revenue; and the oversight of pension administration as Chairperson of the Board of Pensions and Retirement. The Office of Budget and Program Evaluation (OBPE) within the Office of the Director of Finance oversees the preparation of the operating and capital budgets. Once the operating and capital budgets are adopted, OBPE is responsible for monitoring operating spend by class code and department and capital budgets, including projects, budget lines, funding, historical records of bid awards, cost over runs, as well as other fiscal and project information.

Operating Budget

Submitted on an annual basis, the operating budget is comprised of a consolidated budget of all the operating obligations and expected revenues of the City. The Home Rule Charter requires the Operating budget to be adopted by City Council at least thirty days before the end of the fiscal year. The City's fiscal year begins July 1 and ends on June 30th of the following calendar year.

The operating funds of the City, consisting of the General Fund, nine Special Revenue Funds (County Liquid Fuels Tax, Special Gasoline Tax, Health Choices Behavioral Health, Hotel Room Rental Tax, Grants Revenue, Community Development, Car Rental Tax, Acute Care Hospital Assessment and Housing Trust Funds) and two Enterprise Funds (Water and Aviation), are subject to annual operating budgets adopted by City Council. Included with the Water Fund is the Water Residual Fund. These budgets appropriate funds for all City departments, boards and commissions by major class of expenditure within each department. Major classes are defined as: personal services; purchase of services; materials and supplies; equipment; contributions, indemnities and taxes; debt service; payments to other funds; and advances and other miscellaneous payments. Expenditures for the repair of any property, the repaving or repairing of streets, and the acquisition of any property, or for any work or project which does not have a probable useful life to the City of at least five years are deemed to be ordinary expenses provided for in the annual operating budget ordinance. Appropriations for the use of any departmental board or commission are made to the department with which it is connected.

The appropriation amounts for each fund are supported by revenue estimates and take into account the elimination of accumulated deficits and the re-appropriation of accumulated surpluses to the extent necessary. All transfers between major classes (except for materials and supplies and equipment, which are appropriated together) must have City Council approval. Appropriations that are not expended or encumbered at year-end are lapsed.

The annual review process for the operating budget has several stages. The process begins with the Budget Call, where departments are required to submit their budget requests, including the following information: previous fiscal year actual expenditures, current estimates, the proposed current budget, the five year plan estimates and information on personnel projections. The information is also sorted by major class and fund which is the legal requirement. Departments submit their budget requests which are compiled and used by OBPE to discuss departmental requests and make budgetary recommendations.

At least 90 days before the end of the Fiscal Year the operating budget for the next Fiscal Year is prepared by the Mayor and must be submitted to City Council for adoption. Once the budget review process is over, OBPE assembles the proposed budget which is known as the Mayor's Operating Budget in Brief. Once the budget ordinance is introduced in City Council, the Operating Budget Detail is prepared and distributed in time for the annual operating budget City Council hearing process.

Capital Program and Capital Budget

The capital program serves as a blueprint for capital expenditures and makes possible long range planning for capital improvements in the City's physical and technology infrastructure, community facilities, and public buildings. The capital program is prepared annually by the City Planning Commission and OBPE to present the capital expenditures planned for each of the six ensuing fiscal years, including the estimated total cost of each project and the sources of funding (local, state, Federal, and private) estimated to be required to finance each project. The capital budget must conform with the applicable capital program so that long range planning will not be upset.

The annual review process for capital spending requests and recommendations has several stages. All departments requesting capital funding must submit a formal annual request to the City Planning Commission. In addition to their annual capital requests, the agencies are required to present their capital needs over a six year period. After the submission period is over, the City Planning Commission and OBPE schedule meetings with each agency, analyze the capital requests, and recommend projects for the Six Year Capital Program. The capital program is reviewed by the Mayor and transmitted to City Council for adoption.

Council Approval and Adoption

The Charter requires that at least 30 days before the end of each fiscal year, City Council must adopt by ordinance an operating budget and a capital budget for the ensuing fiscal year and a capital program for the next six years. If the Mayor disapproves the bill, he or she must return it to City Council with the reasons for his or her disapproval at the first meeting thereof held not more than ten days after receiving it. If the Mayor does not return the ordinance within the time required, it becomes law without his or her approval. If City Council passes the bill by a vote of two-thirds of all of its members within seven days after the bill has been returned with the Mayor's disapproval, it becomes law without the Mayor's approval.

The City's capital budget is appropriated by project for each department. Requests to transfer appropriations between projects must be approved by City Council. Any appropriations that are not obligated at year-end are either lapsed or carried forward to the next fiscal year. The capital budget ordinance, authorizing in detail the capital expenditures to be made or incurred in the ensuing fiscal year from City Council appropriated funds, is adopted by City Council concurrently with the capital program. The capital budget must be in full conformity with that part of the capital program applicable to the fiscal year that it covers. The timeline for the FY15 operating budget and Five Year Plan is below:

Month	Stage	Description of Tasks	Parties Involved
Oct 28	Normal Operations	First Quarterly Budget Update due.	OBPE
Nov 15	Normal Operations	First Quarterly Budget Report due to PICA.	OBPE, PICA
Nov 18	Budget Call	Send out exogenous memos requesting five year projections for fixed costs (SEPTA, Utilities, Disposal, Space Rental, Debt Service, Pensions).	OBPE, City Departments
Nov – Dec	Budget Call	Internal deliberations on revenue options and budget levels for departments to establish preliminary levels for FY15-FY19 budget call.	OBPE
Dec 9	Budget Call	Fixed cost estimates due.	OBPE, City Departments
Jan 3	Budget Call	Initial proposed budget levels sent out to departments as well as excel forms for departments to request additional funding.	OBPE, City Departments
Jan 10	Normal Operations	Second Quarterly Budget Update due.	OBPE, Departments
Jan 17	Budget Call	Preliminary budgets due.	City Departments
Jan 17- Jan 24	Budget Meetings	Preliminary budgets reviewed.	OBPE
Jan 24 – Jan 31	Budget Meetings	Meetings with departments on preliminary budgets and second Quarterly Budget updates.	OBPE, City Departments
Feb 3 – Feb 7	Budget Negotiations	Internal deliberations on results from departmental meetings. Recommendations for Mayor prepared.	OBPE
Feb 10- Feb 14	Budget Delivery	Meetings with Mayor/Chief of Staff to review recommendations and make final decisions on Mayor's proposed operating budget.	OBPE
Feb 18	Normal Operations	Second Quarterly City Manager's Report due to PICA.	OBPE, PICA
Feb 28	Budget Delivery	Five-Year Plan sent for printing.	OBPE, Central Duplication
March 3	Budget Delivery	Budget in Brief sent for printing.	OBPE, Central Duplication
March 6	Budget Delivery	Departments given final budget levels and prepare budget detail for submission to OBPE.	OBPE, Departments
March 6	Budget Address	Mayor delivers his Proposed Operating Budget, Five Year Plan, and Capital Budget and Program and makes his or her address on the budget and State of the City to City Council.	All City Departments
March 11	Council Hearings	City Council hearings on the Five Year Plan.	OBPE, City Departments
March 14	Budget Delivery	Budget Detail due back in OBPE.	OBPE, City Departments
March 28	Budget Delivery	Budget Detail sent to printer.	OBPE, Central Duplication
April 2	Budget Delivery	Budget Detail returned from the printer.	OBPE, Central Duplication
April 7 – May 8	Council Hearings	City Council hearings on the Operating Budget.	OBPE, City Departments
April 10	Normal Operations	Third Quarterly Budget Update due.	OBPE, Departments
May 15	Normal Operations	Third Quarterly Report due to PICA.	OBPE, PICA
May 22	Council Hearings	First reading of final Operating Budget ordinance.	OBPE, City Council
May 29	Council Hearings	Second reading and final passage of the Operating Budget.	OBPE, City Council

The timeline for the FY15 capital budget is below:

Month	Stage	Description of Tasks	Parties Involved
Oct 7 - 25	Budget Call	OBPE and CPC send Budget Call Memo to all Departments for new FY Budget. Memo includes guidelines and instructions on how to submit Department budget requests. Departments submit request information. OBPE meets internally to discuss Department requests relative to carry-forward amounts.	OBPE, CPC, City Departments
Nov 18 - Dec 13	Budget Meetings	Capital budget meetings with departments. Departments present project requests for a six-year program to the OBPE, CPC, and other interested stakeholders.	OBPE, CPC, City Departments
Week of Dec 23rd	Budget formulation	OBPE compiles information into a consolidated budget.	OBPE
Jan	Budget Negotiations	OBPE, CPC, and the Department of Public Property meet to discuss requests. OBPE compiles the carry-forward Budget Requests to be included in the new Budget.	OBPE, CPC, City Departments
Jan - Feb	Budget formulation	Revisions to the budget are made to balance the budget and program.	OBPE
Feb 3	Budget formulation	Recommendations for the Mayor are prepared.	OBPE, CPC
Feb 12 - 21	Budget formulation	Meetings with Mayor / Chief of Staff to review draft recommended capital program and budget.	OBPE, Mayor's Office, CPC
Week of Feb 17	Budget formulation	Prepare recommended capital program and budget.	OBPE, CPC
Week of Mar 4	Budget Delivery	Prepare Recommended Capital Program and Budget ordinances. Transmit Ordinances to Mayor and City Council	OBPE, CPC
March 6	Budget Address	Mayor's Budget Address. Recommendations are given to the City Council.	City Council, OBPE, CPC
Week of Mar 17	Council Hearings	City Council holds hearings in regard to the budget. Budget Office, City Planning and Departments respond to City Council's inquiries.	City Council, OBPE, CPC
April – May	Budget adjustments (if necessary)	Make changes to recommended Capital Budget and Program. Get changes approved. Prepare and transmit final ordinance amendments to Mayor and City Council	City Council, OBPE, CPC
May	Normal Capital Operations	City Council holds 2 readings, and passes the budget.	City Council, OBPE, CPC
July	Normal Capital Operations	Prepare, produce and distribute Final Capital Program document	OBPE, City Departments

BASIS OF BUDGETING AND FINANCIAL POLICIES

Basis of Budgeting

Each Financial Plan reflects balanced budgets for each fiscal year of the City. All revenue and appropriation estimates are on a modified accrual basis in accordance with generally accepted standards.

Revenues are recognized as soon as they are both measurable and available. The City considers tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as in the case of full accrual accounting. Debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due; however, those expenditures may be accrued if they are to be liquidated with available resources.

The City, through the Office of Budget and Program Evaluation (OBPE) estimates general fund revenues. The OBPE provides forecasts of the six major taxes, as well as the estimates for the other categories. OBPE employs a number of approaches to developing its forecasts of local revenues:

- Forecasts of economic activity provided by several sources including the Congressional Budget Office and the Blue Chip Economic Indicators;
- Continuous evaluation of national and local economic data on employment, inflation, interest rates, and economic growth;
- Ongoing examination of the City's current tax receipts;
- Economic forecasting of tax revenues provided by a revenue forecasting consultant;
- Discussions with economists at the Federal Reserve Bank of Philadelphia; and
- The extensive experience of its staff within the Office of the Director of Finance and OBPE.

OBPE's tax projections for the Five Year Plan are developed in conjunction with a revenue forecasting consultant, which created econometric models that include variables such as wage and salary disbursements in the metropolitan statistical area (MSA) and the county, personal income in the county, the unemployment rate, house prices in the county, real estate transaction growth, and national corporate profits. These models, together with their forecast of the Philadelphia economy, are used by the consultant to project tax revenues for the City with a focus on six taxes – Wage and Earnings Tax, Business Income and Receipts Tax, Real Estate Tax, Real Estate Transfer Tax, Sales Tax and Net Profits Tax. These projections are refined by OBPE after discussions with economists at the Federal Reserve Bank of Philadelphia.

Estimates of revenues to be received from the Commonwealth are based on historical patterns, currently available levels, or on levels proposed in a budget by the Governor. Estimates of revenues to be received from the Federal Government are based on historical patterns, currently available levels, or on levels proposed in a budget by the President of the United States or in a Congressional budget resolution. Nontax revenues are based on current or proposed rates, charges or fees, historical patterns and generally recognized econometric models. Appropriation estimates include, at a minimum, all

obligations incurred during the fiscal year and estimated to be payable during the fiscal year or in the 24 month period following the close of the current fiscal year, and all obligations of prior fiscal years not covered by encumbered funds from prior fiscal years.

All cash flow projections provide for operations of the City to be conducted within the resources projected and are based upon assumptions as to sources and uses of cash. These assumptions include, but are not limited to, assumptions as to the timing of receipt and expenditure of cash and the issuance of tax or revenue anticipation notes of the City. All estimates take into account the past and anticipated collection, expenditure and service demand experience of the City and current and projected economic conditions.

Budget schedules prepared on the legally enacted basis differ from the General Accepted Accounting Principles basis in that both expenditures and encumbrances are applied against the current budget, adjustments affecting activity budgeted in prior years are accounted for through fund balance or as reduction of expenditures and certain inter-fund transfers and reimbursements are budgeted as revenues and expenditures. A difference between the City's fund balance on a GAAP and budgetary, or legally enacted, basis can arise when, for example, taxes are collected midyear (e.g. April 2014) for the current calendar year. While legally these revenues are collected for and accounted for during that fiscal year (FY15), on a GAAP basis only half of the revenue can be accounted for in that fiscal year (FY15). The other half of the tax revenue would need to be accounted for in the next fiscal year (FY16). Thus differences can arise between fund balance estimates on a GAAP basis versus a budgetary basis as a result of the timing of receipts.

Financial Policies

Relationship and Reporting to PICA: The Pennsylvania Intergovernmental Cooperation Authority was created on June 5, 1991 by the PICA Act for Cities of the First Class (the "PICA Act"). PICA was established to provide financial assistance to cities of the first class. The City is the only city of the first class in the Commonwealth. Each of the Governor of Pennsylvania, the President pro tempore of the Pennsylvania Senate, the Minority Leader of the Pennsylvania Senate, the Speaker of the Pennsylvania House of Representatives and the Minority Leader of the Pennsylvania House of Representatives appoints one voting member of PICA's board. The Secretary of the Budget of the Commonwealth and the Director of Finance of the City serve as ex officio members of PICA's board with no voting rights.

The PICA Act provides that, upon request by the City to PICA for financial assistance and for so long as any bonds issued by PICA remain outstanding, PICA shall have certain financial and oversight functions. The PICA Act requires the City to annually develop a five-year financial plan and obtain PICA's approval of it. PICA has the power, in its oversight capacity, to exercise certain advisory and review procedures with respect to the City's financial affairs, including the power to review and approve five-year financial plans prepared at least annually by the City, and to certify non-compliance by the City with the then-existing five-year plan adopted by the City pursuant to the PICA Act.

PICA is also required to certify non-compliance if, among other things, no approved five-year plan is in place or the City has failed to file mandatory revisions to an approved five-year plan. The PICA Act requires the City to prepare and submit quarterly reports to PICA so that PICA may determine whether the City is in compliance with the then-current Five-Year Plan. Under the PICA Act, a “variance” is deemed to have occurred as of the end of a reporting period if (i) a net adverse change in the fund balance of a covered fund of more than 1% of the revenues budgeted for such fund for that fiscal year is reasonably projected to occur, or (ii) the actual net cash flows of the City for a covered fund are reasonably projected to be less than 95% of the net cash flows of the City for such covered fund for that fiscal year originally forecasted at the time of adoption of the budget. The Mayor is required to provide a report to PICA that describes actual or current estimates of revenues, expenditures, and cash flows by covered funds compared to budgeted revenues, expenditures, and cash flows by covered funds for each month in the previous quarter and for the year-to-date period from the beginning of the then-current fiscal year of the City to the last day of the fiscal quarter or month, as the case may be, just ended. Each such report is required to explain any variance existing as of such last day.

PICA may not take any action with respect to the City for variances if the City (i) provides a written explanation of the variance that PICA deems reasonable; (ii) proposes remedial action that PICA believes will restore overall compliance with the then-current Five-Year Plan; (iii) provides information in the immediately succeeding quarterly financial report demonstrating to the reasonable satisfaction of PICA that the City is taking remedial action and otherwise complying with the then-current Five-Year Plan; and (iv) submits monthly supplemental reports as required by the PICA Act.

Under the PICA Act, any such certification of non-compliance would require the Secretary of the Budget of the Commonwealth to withhold payments due to the City from the Commonwealth or any of its agencies (including, with certain exceptions, all grants, loans, entitlements and payment of the portion of the PICA Tax, hereinafter described, otherwise payable to the City).

Expenditure policies

Balanced Budget: The operating budget, as adopted, must be balanced and provide for discharging any estimated deficit from the current fiscal year and make appropriations for all items to be funded with City revenues. Not later than the passage of the operating budget ordinance, City Council must enact such revenue measures as will, in the opinion of the Mayor, yield sufficient revenues to balance the budget. For this purpose the Mayor is responsible for estimating the value that new sources of revenue or increased rates from existing sources of revenue not proposed by the Mayor will yield in the ensuing fiscal year. The Mayor’s budgetary estimates of revenues for the ensuing fiscal year and projection of surplus or deficit for the current fiscal year may not be altered by City Council. The annual operating budget ordinance does not become effective and the City Controller cannot approve any order for any expenditure thereunder until the Council has balanced the budget.

Debt issuance: The City can issue general obligation debt, backed by the full faith, credit and taxing power of the City, subject to voter approval and subject to adherence to the Commonwealth

Constitution. The Constitution limits the amount of the City's outstanding general obligation debt (not including self-supporting general obligation bonds for revenue producing facilities) to 13.5% of the immediately preceding 10-year average of assessed value of taxable real property, with debt greater than 3% of the immediately preceding 10-year average of assessed value of taxable real property having to get voter approval. The City also issues tax-supported obligations through its related authorities (Philadelphia Authority for Industrial Development, The Philadelphia Municipal Authority, and the Redevelopment Authority of the City of Philadelphia), which is repaid through annual rental payments (appropriated each fiscal year) from the City's General Fund to the related authorities to cover debt service. The City Treasurer also oversees the issuance of revenue bonds for the Water and Sewer Department, the Aviation Department, and PGW, which are not included in the City's calculations of General Fund fixed costs. The City intends to follow general principles for debt issuance, including the following:

- Debt should only be issued for capital projects that are authorized in the Capital Program.
- The life of debt should not exceed the projected average life of the asset with a maximum of 30 years.
- Principal should generally be amortized to achieve approximately level debt service; however, principal repayment can be structured to result in more rapid amortization (front-loaded debt service).
- For tax supported debt, principal amortization should generally be structured to reach a target of 50% of all outstanding principal scheduled to be repaid within 10 years. Consideration for a longer scheduled principal repayment percentage should be given if asset life is significantly longer than 30 years.
- Long-term debt obligations should generally be callable in no later than 10 years to allow flexibility to refund bonds if interest rates decline.
- Debt should generally be limited to serial and term maturities but can be sold in the form of capital appreciation bonds (CABs) or other forms if market conditions warrant.
- Any premium above par received from the sale of bonds should be used to pay the costs of issuance or be deposited into the Sinking Fund Account for payment of debt service.
- The City will aim to fund a portion of routine capital projects in each year's capital program with pay-as-you-go financing.

Debt management: In order for the City to monitor the City's debt levels and overall financial flexibility (balance between fixed costs and available resources), the City monitors and manages to certain self-imposed ratios related to debt service and other fixed costs as a percentage of budget. The largest fixed cost in the City's general fund budget is the payment to amortize the City's unfunded pension liability.

- Tax Supported Debt Service plus Long Term Obligations as a percentage of General Fund and Debt Service Fund Expenditures should not exceed 15%.⁵⁹

⁵⁹ Tax Supported Debt Service is defined as debt service on general obligation bonds and other tax-supported debt (including PICA debt service) less any self-supporting general obligation debt. Long Term Obligations include the MMO (excluding Normal Costs), amounts payable by the City under the Convention Center Operating Agreement between the City, the State, and the

- Tax Supported Debt Service as a percentage of General Fund and Debt Service Fund Expenditures should not exceed 12%.⁶⁰
- Tax Supported Debt Service excluding Pension Obligation Bond Debt Service as a percentage of General Fund and Debt Service Fund Expenditures should not exceed 10%.⁶¹
- Amount of Total Variable Rate Debt as a percentage of Debt should not exceed 35%.
- Amount of Un-hedged Variable Rate Debt as a percentage of Debt should not exceed 15%.⁶²

Program-based budgeting and cost-benefit analysis

In 2012, Philadelphians voted overwhelmingly to amend the Philadelphia Home Rule Charter, by ordinance, to authorize the creation of requirements for additional information to be submitted with the annual operating budget, annual capital budget, and capital program, including, but not limited to, information about the cost of performing specific functions, the effectiveness of such functions, and the return on investment for proposed capital expenditures. In 2013 City Council passed two separate ordinances requiring a stronger link between budgeting and performance management for the operating budget and the capital budget respectively. Specifically, the ordinances require the Mayor starting in FY16 to submit to Council (a) program-based budgeting data for each function for which appropriations are made in the proposed budget, including both cost and performance data; and (b) cost-benefit analysis for each new capital project to be funded by the proposed capital budget, including return on investment and payback data. In preparation for the full implementation of program based budgeting and cost-benefit analysis of capital projects, the Office of Budget and Program Evaluation piloted these new approaches in FY14. In addition, the Budget office is procuring a state of the art budgeting system that will facilitate more sophisticated analysis of cost and performance data.

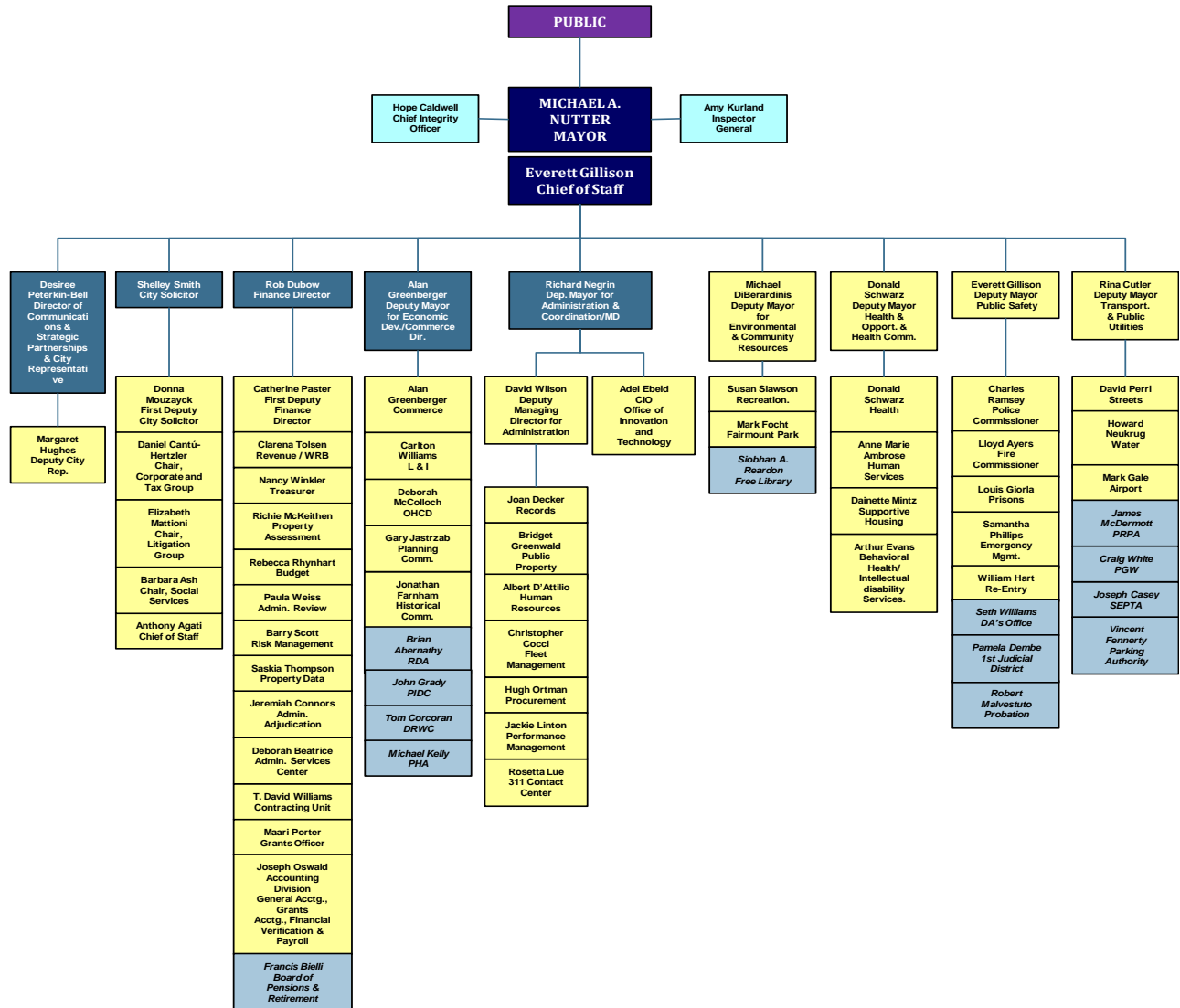
Pennsylvania Convention Center Authority once the agreement has been signed (\$15 million annually), and other fixed costs such as the Eagles Stadium Operating and Expense Reimbursement (\$7 million to \$12 million annually).

⁶⁰ This ratio is looked at without pension obligation debt service because by issuing pension obligation bonds, the City is substituting one fixed liability (pension costs) for another (debt service).

⁶¹ According to Moody's, debt service as a percentage of expenditures frequently ranges from 5% to 15%,¹ S&P states that 8% to 15% represents a moderate debt burden, and Fitch Ratings states that debt service above 10% of budget for cities and counties can create budgetary competition.

⁶² This limitation should be calculated separately for general fund supported debt, Airport Revenue Bonds, Water and Wastewater Revenue Bonds, and Gas Works Revenue Bonds. When deciding whether to issue any variable rate debt, historic averages of cash balances should be evaluated to confirm that the financial flexibility is available if interest rates rise or in the case of hedged variable rate debt, if there is a dislocation between the swap rate and the bond rate.

ORGANIZATIONAL CHART



GLOSSARY

Adopted Budget – A plan of financial operation legally adopted by the City Council on an annual basis which provides an estimate of expenditures for a given fiscal year and projections for revenues. The legal requirements for adopting a budget are set forth in the Philadelphia Home Rule Charter.

AFSCME – American Federation of State, County and Municipal Employees. One of the bargaining units for City employees.

Allocation – A part of a lump-sum appropriation which is designated for expenditure by specific organizational units.

Annual Operating Budget – The document prepared by the Office of Budget and Program Evaluation and supporting staff which represents the adopted budget and supporting information.

Appropriation – The total funds allocated to a department, as approved by City Council, to make expenditures and incur obligations for specific purposes. An appropriation is usually limited in amount and duration (usually one fiscal year for the operating budget and six fiscal years for the capital budget).

Bill – Proposed law under consideration by City Council. Once a bill is passed by City Council, it becomes an ordinance.

Capital Budget – a one year plan for financing long-term capital projects that lead to the physical development for the City. The capital budget is enacted as part of the complete annual budget which includes the operating budget.

Current Projection – Current projection of revenues, expenditures, and cash flows by covered funds compared to budgeted revenues, expenditures, and cash flows by covered funds.

Debt Service – Interest and principal payments on City bonds and payments to other government entities that issue bonds on behalf of the City, including the Philadelphia Municipal Authority, Philadelphia Authority for Industrial Development, and the Redevelopment Authority. The repayment of bonds issued by these organizations is secured by a lease or contract requiring the City to make payments sufficient to finance interest and principal payments on the debt.

Deferred Retirement Option Program (DROP) – The City's retirement plan that allows City employees to accumulate their monthly service retirement benefit in an interest bearing account at the Board of Pensions for up to four years and continue to be employed by the City of Philadelphia. The deferred retirement benefit accrues on a monthly basis until the employee formally retires from the City of Philadelphia. Upon formal retirement the employee receives the accumulated retirement benefit in a lump sum. Any City employee who has attained the normal retirement age of their Pension Plan and has ten years of credited pension service is eligible for the program. The service pension is calculated based on an employee's average final compensation and credited pension service at the date he/she elects to participate in DROP.

Expenditures – Monies spent by the City in the course of operations during a fiscal year.

Fiscal Year – A twelve-month period of time to which the annual budget applies and at the end of which the City determines its financial position and the results of its operations. The City’s fiscal year begins July 1 and ends June 30. For instance, fiscal year 2015 (FY15) begins July 1, 2014 and ends June 30, 2015.

FOP – Fraternal Order of Police. One of the bargaining units for unionized City employees.

Fund Balance – The amount of money remaining at the end of the fiscal year after accounting for all of the revenues and expenditures of the completed fiscal year.

General Fund – The primary fund supporting the operations of City government. This fund is primarily financed through tax revenue. It accounts for all revenues and expenditures of the City government except those for which a dedicated fund has been created.

Hiring freeze – A temporary restriction on hiring in order to achieve financial savings.

IAFF – International Association of Fire Fighters. One of the bargaining units for unionized City employees.

Internal Services – Services provided administrative agencies to other City agencies, including the Office of Fleet Management, Department of Public Property, City Controller’s Office, Office of Innovation and Technology, Finance Department, Law Department, Managing Director’s Office, Office of Human Resources, and Revenue Department.

Locally-Generated Non-Tax Revenue – Revenue received from sources other than taxes, grants from federal and state government, and inter-fund transfer payments. Includes user fees, fines, rents, proceeds of asset sales, interest earnings, and payments in lieu of taxes from non-profit organizations.

Long-term Obligations – Commitments the City has made that require the expenditure of funds after the current fiscal year. These commitments include outstanding debt, long-term leases, and pension payments to retirees.

Ordinance - An ordinance is a law enacted by a municipal body, such as City Council. Ordinances govern matters not already covered by state or federal laws such as zoning, safety and building regulations.

PICA – Pennsylvania Intergovernmental Cooperation Authority.

Quarter (Q) – The three month period on a financial calendar that acts as a basis for reporting. The four quarter breakdown for the City of Philadelphia is July 1 through September 30 (Q1), October 1 through December 31 (Q2), January 1 through March 31 (Q3), and April 1 through June 30 (Q4).

Quarterly City Manager’s Report (QCMR) – A summary report on the finances and management of the City. The purpose of the report is to provide senior management of the City with a clear and timely summary of the City’s progress in implementing the financial and management goals of the current

fiscal year of the City's Five-Year Financial Plan, both on a "To to Date Actual" bases and on a "Forecast for Full Year" basis. Sections of the QCMR include general fund revenues and obligations; departmental full-time positions, leave-usage, and service delivery reports; water, aviation and grants fund reports; and a cash flow forecast.

Request for Proposal (RFP) – A solicitation often made through a bidding process by the City for the procurement of a commodity or service. Potential suppliers submit business proposals that are evaluated on pre-determined requirements.

Revenue – Funds collected by the City to finance operations during a fiscal year. All types of General Fund revenue are classified into one of four categories: Taxes, locally-generated non-tax revenue, revenue from other governments, and revenue from other funds.

Revenue from Other Funds – Payments to the General Fund from the Water Fund, Aviation Fund, Grants Revenue Fund, and other City funds. These payments are reimbursements for costs incurred by the General Fund to support operations primarily financed through other funds, such as operations of the Philadelphia Water Department, the city's two airports, and activities financed by grants from the federal or state government.

Revenue from Other Governments – Financial assistance received from the federal government, the Commonwealth of Pennsylvania, or other governmental units such as the Philadelphia Parking Authority. This assistance is used to finance specific programs or reimburse specific costs that are paid by the General Fund.

Six Year Capital Program – A six-year plan for financing long-term capital projects that lead to the physical development and serves as the blueprint for capital improvements for the City. Included in the program is the name of each project and the amount forecasted to be expended in each year as well as the proposed method of financing the projects.

Target budget – Current target of revenues, expenditures, and cash flows by covered funds compared to budgeted revenues, expenditures, and cash flows by covered funds. This is the budget amount departments anticipate spending, given their total appropriations. Targets are set by departments and the Office of Budget and Program Evaluation in partnership after the annual budget is adopted.

Unfunded Pension Liability – An actuarial calculation of the difference between accrued costs for pension benefits payable to past and current City employees and the value of Pension Fund assets.

APPENDICES

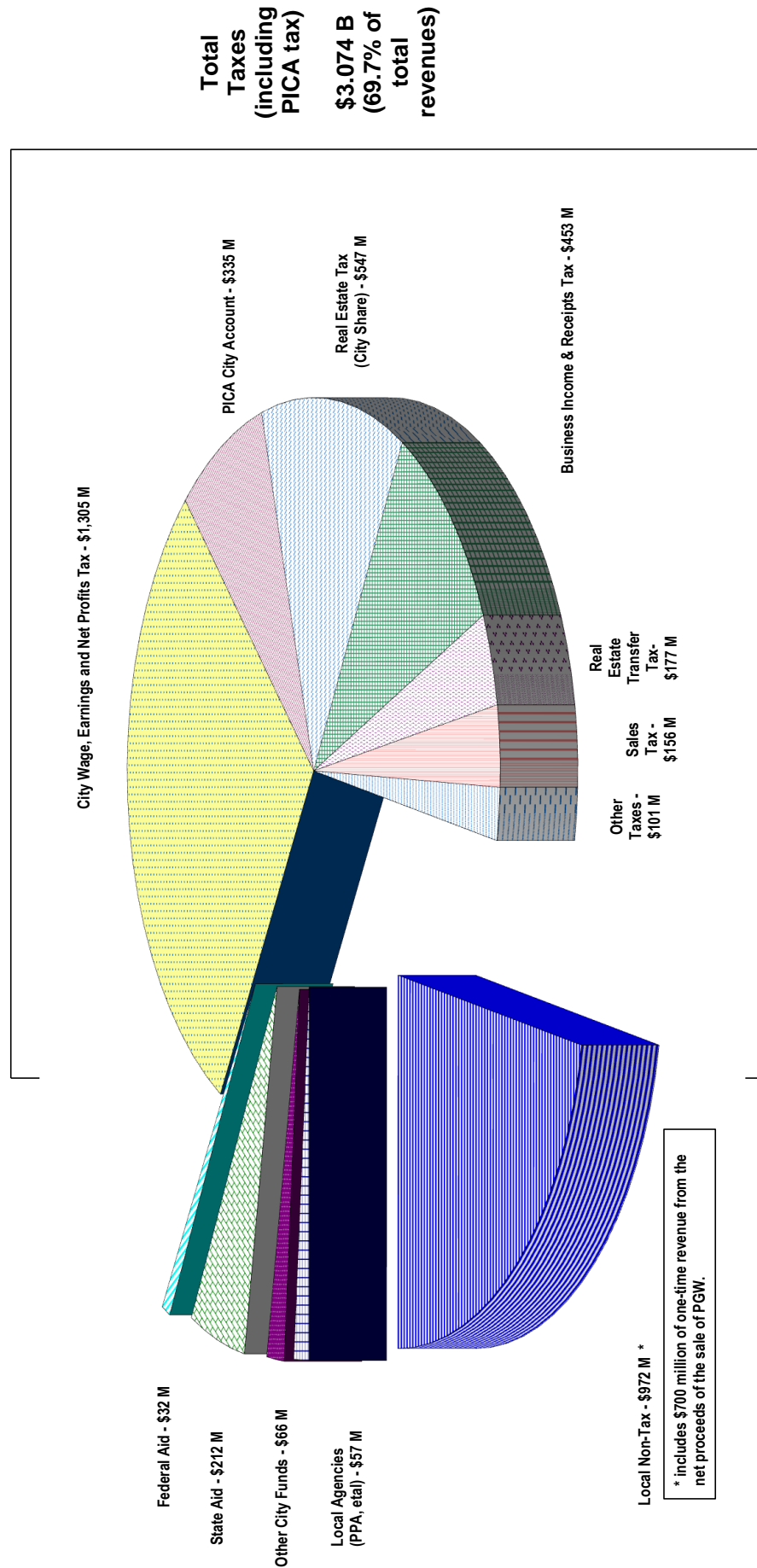
City of Philadelphia				SUMMARY OF OPERATIONS				
Five Year Financial Plan FY2015-2019				FISCAL YEARS 2013 TO 2019				
				(Amounts in Thousands)				
FUND								
General								
NO.	ITEM	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate	FY 2016 Estimate	FY 2017 Estimate	FY 2018 Estimate	FY 2019 Estimate
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	OPERATIONS OF FISCAL YEAR							
	<u>REVENUES</u>							
1	Taxes	2,733,456	2,779,749	2,738,886	2,810,612	2,895,816	2,949,322	2,999,407
2	Locally Generated Non-Tax Revenues	266,173	309,015	972,497	275,231	275,897	277,329	278,557
3	Revenue from Other Governments	651,539	670,293	635,809	650,634	647,454	671,418	693,834
4	Sub-Total (1)+(2)+(3)	3,651,168	3,759,057	4,347,192	3,736,477	3,819,167	3,898,069	3,971,798
5	Revenue from Other Funds of City	46,821	66,912	66,118	66,702	67,305	67,826	68,368
6	Total - Revenue (4)+(5)	3,697,989	3,825,969	4,413,310	3,803,179	3,886,472	3,965,895	4,040,166
7	Other	0	0	0	0	0	0	0
8	Total Revenue and Other Sources (6)+(7)	3,697,989	3,825,969	4,413,310	3,803,179	3,886,472	3,965,895	4,040,166
	<u>OBLIGATIONS/APPROPRIATIONS</u>							
9	Personal Services	1,362,360	1,453,020	1,423,630	1,429,183	1,430,674	1,438,128	1,439,723
10	Personal Services-Pensions	618,874	667,520	575,535	596,310	592,863	606,748	620,214
11	Personal Services-Add'l Pensions (Sales Tax)	0	0	2,840	7,761	13,157	18,639	38,908
12	Personal Services-Add'l Pensions (PGW Sale)	0	0	700,000	0	0	0	0
13	Personal Services-Other Employee Benefits	500,200	559,104	529,981	543,279	557,723	573,396	590,272
14	Sub-Total Employee Compensation	2,481,434	2,679,644	3,231,986	2,576,533	2,594,417	2,636,911	2,689,117
15	Purchase of Services	757,803	798,998	812,772	806,236	819,236	834,505	805,760
16	Materials, Supplies and Equipment	85,416	95,385	92,611	87,325	87,330	88,329	88,329
17	Contributions, Indemnities, and Taxes	138,273	195,508	141,854	142,665	141,476	142,789	142,853
18	Debt Service	118,874	126,030	136,578	140,712	152,970	163,033	180,994
19	Capital Budget Financing	0	0	0	0	0	0	0
20	Advances & Misc. Pmts. / Labor Obligations	0	38,730	44,319	63,218	71,258	76,303	81,746
21	Sub-Total (14 thru 20)	3,581,800	3,934,295	4,460,120	3,816,689	3,866,687	3,941,870	3,988,799
22	Payments to Other Funds	31,466	60,801	31,215	32,684	34,228	35,852	37,559
23	Total - Obligations (21+22)	3,613,266	3,995,096	4,491,335	3,849,373	3,900,915	3,977,722	4,026,358
24	Oper.Surplus (Deficit) for Fiscal Year (8-23)	84,723	(169,127)	(78,025)	(46,194)	(14,443)	(11,827)	13,808
	Prior Year Adjustments:							
25	Revenue Adjustments	0	0	0	0	0	0	0
26	Other Adjustments	25,425	19,388	20,388	20,388	20,388	20,388	20,388
27	Total Prior Year Adjustments	25,425	19,388	20,388	20,388	20,388	20,388	20,388
28	Adjusted Oper. Surplus/ (Deficit) (24+27)	110,148	(149,739)	(57,637)	(25,806)	5,945	8,561	34,196
	<u>OPERATIONS IN RESPECT TO</u>							
	<u>PRIOR FISCAL YEARS</u>							
	Fund Balance Available for Appropriation							
29	June 30 of Prior Fiscal Year	146,754	256,902	107,163	49,526	23,720	29,665	38,226
30	Residual Equity Transfer	0	0	0	0	0	0	0
31	Fund Balance Available for Appropriation							
	June 30 (28)+(29)+(30)	256,902	107,163	49,526	23,720	29,665	38,226	72,422

City of Philadelphia

Fiscal Year 2015 Estimated Revenues

General Fund

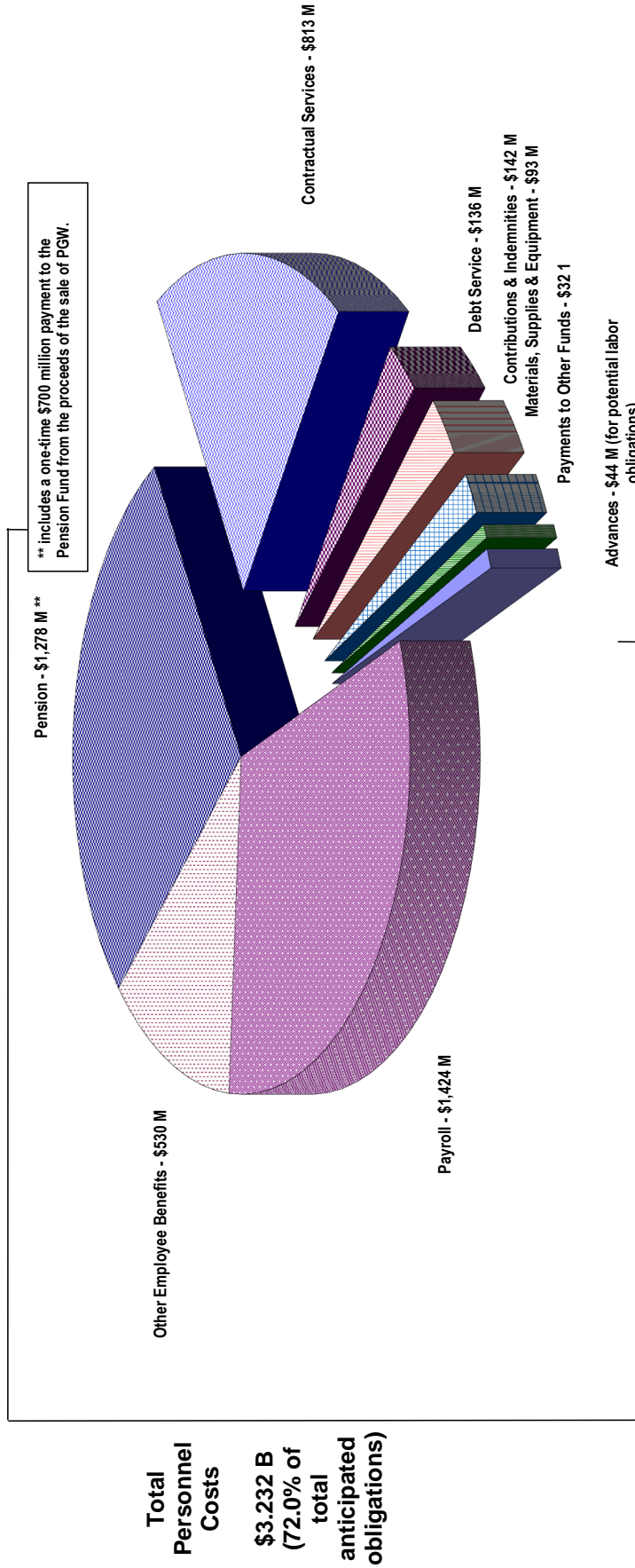
Total Amount of Funds: \$4.413 Billion



City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Major Taxes (\$ in Millions) with Percentage Change from Previous Year									
Tax	Actual FY13	Projected FY14	Projected FY15	Projected FY16	Projected FY17	Projected FY18	Projected FY19		
Wage & Net Profits - Current & Prior	1,240.7	1,259.9	1,304.8	1,349.9	1,393.6	1,402.0	1,408.1		
% change from prior year	n.a.	1.6%	3.6%	3.5%	3.2%	0.6%	0.4%		
Real Property - Current & Prior	540.5	533.2	547.4	559.8	572.6	585.6	597.9		
% change from prior year	n.a.	-1.4%	2.7%	2.3%	2.3%	2.3%	2.1%		
Business Income & Receipts - Current & Prior	450.9	461.3	453.2	444.6	454.5	467.4	480.0		
% change from prior year	n.a.	2.3%	-1.8%	-1.9%	2.2%	2.8%	2.7%		
Sales	257.6	265.9	155.7	165.5	176.3	187.3	197.8		
% change from prior year	n.a.	3.2%	-41.5%	6.3%	6.5%	6.2%	5.6%		
Real Property Transfer	148.0	160.5	176.6	187.2	192.8	198.6	204.6		
% change from prior year	n.a.	8.5%	10.0%	6.0%	3.0%	3.0%	3.0%		
Parking	73.3	75.0	76.9	78.8	80.8	82.8	84.8		
% change from prior year	n.a.	2.4%	2.5%	2.5%	2.5%	2.5%	2.5%		
Other Taxes	22.6	23.9	24.3	24.8	25.3	25.7	26.2		
% change from prior year	n.a.	5.9%	1.8%	1.8%	1.9%	1.8%	1.8%		
Total Taxes	2,733.5	2,779.7	2,738.9	2,810.6	2,895.8	2,949.3	2,999.4		
% Change from prior year	n.a.	1.7%	-1.5%	2.6%	3.0%	1.8%	1.7%		

Note: Wage & Net Profits Taxes include rate reductions that resumed in FY14. Business Income & Receipts Tax incorporate rate reductions and changes in recently passed legislation that began in FY13. The reduced estimate for the Sales Tax in FY15 is the result of the reauthorization by the Commonwealth of the 1% increase but this revenue is dedicated to the School District. Other Taxes include the Amusement Tax and miscellaneous taxes. Wage tax does not include the PICA tax.

City of Philadelphia **Fiscal Year 2015 Obligations** **By Type of Expenditure** **General Fund** **Total Amount of Funds: \$4.491 Billion**



City of Philadelphia General Fund FY 2015-2019 Five Year Financial Plan Summary by Class								
	Actual FY 13	Budgeted FY 14	Projected FY 14	Projected FY 15	Projected FY 16	Projected FY 17	Projected FY 18	Projected FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	1,362,359,729	1,401,329,716	1,453,019,869	1,423,630,322	1,429,182,570	1,430,673,641	1,438,127,666	1,439,723,173
Class 100 - Benefits	1,119,074,214	1,177,304,676	1,226,624,409	1,808,355,916	1,147,350,192	1,163,743,373	1,198,782,739	1,249,393,556
Class 200 - Contracts / Leases	757,802,842	790,552,052	798,997,450	812,771,958	806,236,177	819,235,922	834,505,323	805,759,689
Class 300/400 - Supplies, Equipment	85,415,866	88,625,922	95,385,142	92,610,703	87,324,684	87,329,584	88,329,584	88,329,584
Class 500 - Indemnities / Contributions	138,272,940	141,708,400	195,508,400	141,853,600	142,664,600	141,476,500	142,789,330	142,853,100
Class 700 - Debt Service	118,873,777	129,530,143	126,030,143	136,578,259	140,711,914	152,970,029	163,032,609	180,994,201
Class 800 - Payments to Other Funds	31,466,349	31,643,991	60,800,991	31,214,997	32,683,926	34,228,189	35,851,695	37,558,563
Class 900 - Advances / Misc. Payments	0	84,708,100	38,729,816	44,319,245	63,218,576	71,257,790	76,303,046	81,746,475
Total	3,613,265,717	3,845,403,000	3,995,096,220	4,491,335,000	3,849,372,639	3,900,915,028	3,977,721,992	4,026,358,341

City of Philadelphia FY 2015 - 2019 Five Year Financial Plan General Fund Summary by Department								
Department	Actual FY 13	Budgeted FY 14	Projected FY 14	Projected FY 15	Projected FY 16	Projected FY 17	Projected FY 18	Projected FY 19
Art Museum Subsidy	2,400,000	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000
Atwater Kent Museum	270,143	270,674	270,674	283,269	283,269	283,269	283,269	283,269
Auditing	7,027,133	7,696,397	7,696,397	7,696,397	7,696,397	7,696,397	7,696,397	7,696,397
Board of Ethics	712,672	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Board of Revision of Taxes	1,056,069	1,050,587	1,357,587	832,587	832,587	832,587	832,587	832,587
City Commissioners	8,683,402	8,889,014	8,889,014	9,403,434	8,889,014	8,889,014	8,889,014	8,889,014
City Council	13,468,473	15,814,559	16,164,559	15,814,559	15,814,559	15,814,559	15,814,559	15,814,559
City Planning	2,251,986	2,272,534	2,272,534	2,272,534	2,272,534	2,272,534	2,272,534	2,272,534
City Representative	959,503	1,005,915	1,005,915	1,005,915	1,005,915	1,005,915	1,005,915	1,005,915
City Treasurer	883,997	899,260	899,260	899,260	899,260	899,260	899,260	899,260
Civil Service Commission	170,585	84,875,942	38,897,658	44,491,587	63,390,918	71,430,132	76,475,388	81,918,817
Commerce	2,544,250	2,710,189	2,710,189	2,710,189	2,710,189	2,710,189	2,710,189	2,710,189
Commerce - Convention Center Subsidy	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Commerce - Economic Stimulus	1,294,448	1,294,448	1,294,448	1,294,448	1,294,448	1,294,448	1,294,448	1,294,448
District Attorney	31,449,689	32,081,616	32,531,616	33,219,606	32,631,616	32,631,616	32,631,616	32,631,616
Finance	17,428,051	17,349,592	17,649,592	16,870,592	16,524,592	15,274,592	16,524,592	16,524,592
Finance - Community College Subsidy	25,409,207	26,409,207	26,409,207	26,909,207	26,909,207	26,909,207	26,909,207	26,909,207
Finance - Employee Benefits	1,119,074,214	1,177,304,676	1,226,624,409	1,808,355,916	1,147,350,192	1,163,743,373	1,198,782,739	1,249,393,556
Finance - Hero Awards	21,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Finance - Indemnities	0	32,500,000	41,000,000	33,660,000	33,660,000	33,660,000	33,660,000	33,660,000
Finance - Refunds	36	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Finance - School District Contribution	68,990,000	69,050,100	114,050,100	69,110,300	69,171,300	69,233,200	69,296,030	69,359,800
Finance - Witness Fees	132,008	171,518	171,518	171,518	171,518	171,518	171,518	171,518
Fire	200,456,195	197,180,578	244,669,197	206,719,308	209,151,894	209,607,407	210,087,062	210,592,139
First Judicial District	110,830,579	104,973,196	105,682,447	106,152,148	106,152,148	106,152,148	106,152,148	106,152,148
Fleet Management	49,862,244	47,479,779	49,779,779	47,719,779	47,719,779	47,719,779	47,719,779	47,719,779
Fleet Management - Vehicle Lease/Purchase	10,947,988	8,965,000	12,565,000	11,965,000	11,965,000	11,965,000	12,965,000	8,465,000
Free Library	33,592,153	35,258,328	35,258,328	37,758,328	37,758,328	37,758,328	37,758,328	37,758,328
Historical Commission	351,708	396,837	396,837	396,837	396,837	396,837	396,837	396,837
Human Relations Commission	1,688,098	2,013,747	2,013,747	2,013,747	2,013,747	2,013,747	2,013,747	2,013,747
Human Services	90,870,295	98,338,951	98,338,951	98,338,951	98,338,951	98,338,951	98,338,951	98,338,951
Labor Relations	543,077	553,453	553,453	553,453	553,453	553,453	553,453	553,453
Law	14,826,774	12,822,255	13,090,255	13,262,255	13,262,255	13,262,255	13,262,255	13,262,255
Licenses and Inspections	21,649,205	22,588,074	25,588,074	27,564,573	24,284,573	24,284,573	24,284,573	24,284,573
L&I-Board of Building Standards	57,140	71,198	71,198	71,198	71,198	71,198	71,198	71,198
L&I-Board of L & I Review	127,344	162,034	162,034	162,034	162,034	162,034	162,034	162,034
L&I-Zoning Board of Adjustment	360,774	357,397	357,397	357,397	357,397	357,397	357,397	357,397
Managing Director	34,532,641	33,871,145	34,308,863	34,480,603	34,480,603	34,480,603	34,480,603	34,480,603
Managing Director - Legal Services	38,744,097	40,146,067	40,596,067	41,727,017	42,227,017	42,227,017	43,227,017	43,227,017

City of Philadelphia FY 2015 - 2019 Five Year Financial Plan General Fund Summary by Department								
Department	Actual FY 13	Budgeted FY 14	Projected FY 14	Projected FY 15	Projected FY 16	Projected FY 17	Projected FY 18	Projected FY 19
Mayor	3,846,950	5,191,881	5,191,881	5,191,881	5,191,881	5,191,881	5,191,881	5,191,881
Mayor - Scholarships	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Mayor's Office of Transportation	604,371	788,817	788,817	788,817	788,817	788,817	788,817	788,817
Mural Arts Program	946,717	1,401,425	1,589,525	1,401,425	1,401,425	1,401,425	1,401,425	1,401,425
Office of Arts and Culture and the Creative Economy	2,596,034	2,671,288	2,671,288	2,671,288	2,671,288	2,671,288	2,671,288	2,671,288
Office of Behavioral Health and Intellectual disAbility	14,144,736	13,832,747	13,932,747	13,832,747	13,832,747	13,832,747	13,832,747	13,832,747
Office of Housing and Community Development	2,840,191	3,020,000	3,020,000	3,020,000	3,020,000	3,020,000	3,020,000	3,020,000
Office of Human Resources	5,301,637	5,886,218	5,886,218	5,724,218	5,886,218	5,724,218	5,886,218	5,724,218
Office of Innovation and Technology	63,234,110	84,994,181	84,634,861	81,786,317	79,683,317	79,683,317	79,683,317	79,683,317
Office of Inspector General	1,259,078	1,462,069	1,462,069	1,524,569	1,524,569	1,524,569	1,462,069	1,462,069
Office of Property Assessment	11,565,024	13,326,276	13,326,276	13,727,918	12,019,654	12,019,654	12,019,654	12,019,654
Office of Supportive Housing	42,111,936	43,616,630	45,052,630	43,613,828	43,613,828	43,613,828	43,613,828	43,613,828
Parks and Recreation	52,467,531	51,313,537	51,313,537	51,813,537	51,813,537	51,813,537	51,813,537	51,813,537
Police	585,102,536	595,593,755	590,593,755	592,069,804	592,151,392	592,617,436	600,133,961	601,729,468
Prisons	242,658,814	238,804,784	243,546,784	240,163,028	239,691,599	239,691,599	239,691,599	239,691,599
Procurement	4,562,719	4,643,115	4,643,115	4,643,115	4,643,115	4,643,115	4,643,115	4,643,115
Public Health	109,077,230	114,482,597	114,482,597	114,492,683	114,482,597	114,482,597	114,482,597	114,482,597
Public Property	57,618,946	57,454,961	87,270,961	57,614,515	58,602,739	59,691,489	60,835,340	62,037,131
Public Property - SEPTA Subsidy	65,170,000	67,062,000	67,062,000	70,415,000	73,936,000	77,633,000	81,515,000	85,591,000
Public Property - Space Rentals	18,157,661	19,074,780	19,074,780	20,521,298	20,973,581	21,430,832	20,744,265	20,269,546
Public Property - Utilities	31,525,462	30,313,424	30,313,424	29,776,166	30,259,004	31,223,059	32,279,088	33,373,851
Records	3,932,868	4,026,317	4,546,317	4,546,317	4,546,317	4,546,317	4,546,317	4,546,317
Register of Wills	3,268,622	3,403,341	3,403,341	3,333,341	3,333,341	3,333,341	3,333,341	3,333,341
Revenue	18,660,774	20,560,621	20,800,621	22,103,231	22,103,231	23,165,658	23,165,658	23,165,658
Sheriff	15,146,349	14,669,842	17,178,245	18,488,677	18,134,917	18,134,917	18,134,917	18,134,917
Sinking Fund Commission (Debt Service)	209,845,804	226,258,358	222,758,358	247,795,565	247,859,520	267,336,902	286,451,578	274,805,475
Streets - Sanitation	93,748,973	85,303,423	85,303,423	85,609,423	86,382,930	87,174,602	87,978,445	88,806,462
Streets - Transportation	24,946,496	30,257,266	32,757,266	31,257,266	31,257,266	31,257,266	31,257,266	31,257,266
Youth Commission	56,970	140,080	140,080	140,080	140,080	140,080	140,080	140,080
Total	3,613,265,717	3,845,403,000	3,995,096,220	4,491,335,000	3,849,372,639	3,900,915,028	3,977,721,992	4,026,358,341

City of Philadelphia
General Fund
FY 2015 - 2019 Five Year Financial Plan
Estimated Fringe Benefit Allocation

<u>Expenditure Category</u>	<u>Actual FY 13</u>	<u>Budgeted FY 14</u>	<u>Projected FY 14</u>	<u>Projected FY 15</u>	<u>Projected FY 16</u>	<u>Projected FY 17</u>	<u>Projected FY 18</u>	<u>Projected FY 19</u>
Unemployment Comp.	3,491,713	5,580,260	5,580,260	5,080,260	5,080,260	5,080,260	5,080,260	5,080,260
Employee Disability	57,372,545	63,316,041	63,316,041	64,103,778	66,866,651	69,748,603	72,754,768	75,890,499
Pension	422,264,480	562,169,000	456,015,541	465,122,040	482,770,080	479,323,440	493,207,680	506,673,720
Pension Obligation Bonds	196,609,859	105,350,670	211,504,129	110,413,101	113,539,889	113,539,889	113,539,889	113,539,889
FICA	64,699,067	65,003,402	65,003,402	68,825,236	68,851,244	68,923,561	69,234,685	69,234,685
Health / Medical	363,177,332	362,876,303	411,948,784	378,913,316	389,423,004	400,912,205	413,268,235	427,007,471
Group Life	6,794,025	7,750,000	7,750,000	7,750,000	7,750,000	7,750,000	7,750,000	7,750,000
Group Legal	3,845,185	4,134,000	4,381,252	4,183,450	4,183,450	4,183,450	4,183,450	4,183,450
Tool Allowance	93,750	125,000	125,000	125,000	125,000	125,000	125,000	125,000
Flex Cash Payments	726,258	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Pension Relief-Sales Tax	0	0	0	2,839,735	7,760,614	13,156,965	18,638,772	38,908,582
Pension-PGW Sale-Net Proceeds	0	0	0	700,000,000	0	0	0	0
Total	<u>1,119,074,214</u>	<u>1,177,304,676</u>	<u>1,226,624,409</u>	<u>1,808,355,916</u>	<u>1,147,350,192</u>	<u>1,163,743,373</u>	<u>1,198,782,739</u>	<u>1,249,393,556</u>

City of Philadelphia
Fiscal Year 2015 Operating Budget
FY 2015 Proposed Budget

Department	Acute Care Hospital Assessment	Aviation Fund	Car Rental Tax Fund	Community Development Fund	County Liquid Fuels Tax Fund	Grants Revenue Fund (Notes)	Health-Choices Behavioral Health Revenue Fund	Hotel Room Rental Tax Fund	Housing Trust Fund	Special Gasoline Tax Fund	Water Fund	Water Residual Fund	Total All other Funds	Total Funds
Art Museum Subsidy													0	2,550,000
Atwater Kent Museum													0	283,269
Auditing (City Controller's Office)						249,999							249,999	7,946,996
Board of Building Standards													0	71,198
Board of Ethics													0	1,000,000
Board of L & I Review													0	162,034
Board of Revision of Taxes													0	832,587
City Commissioners (Election Board)						900,000							900,000	10,303,434
City Planning Commission				280,000		611,573							891,573	3,164,107
City Representative													0	1,005,915
City Treasurer													0	899,260
Civil Service Commission													0	44,491,587
Commerce		168,324,000		9,428,761		12,574,316		59,137,000					249,464,077	252,174,266
Commerce-Economic Stimulus													0	1,294,448
Community College Subsidy													0	26,909,207
Convention Center Subsidy													0	15,000,000
District Attorney						17,644,432							17,644,432	50,864,018
Finance	75,000	4,146,000				200,000,311							4,221,000	21,091,592
Finance - Provision of Other Grants				20,000,000						1,000,000			220,000,311	69,110,300
Finance - Employee Benefits	26,120	54,363,327		4,107,562							103,032,696		162,764,925	1,971,120,841
Fire		6,726,366				15,464,293							22,180,659	228,909,967
Fire Judicial District						48,833,436							148,833,436	14,389,311
Fleet Management		3,158,573									8,500,636		11,659,210	19,379,793
Fleet Management - Vehicle Purchases		5,000,000											5,000,000	16,965,000
Fleet Utility						8,523,461							8,523,461	46,281,786
Food Agency													0	25,000
Food Agency													0	306,832
Historical Commission													0	2,013,742
Human Relations Commission						492,227,040							492,227,040	590,565,961
Human Services													9,012,000	42,672,000
Indemnities		2,512,000											5,292,659	18,554,914
Law		1,971,311		154,637									0	41,727,017
Legal Services (i.e. Defender Association)													0	32,579,391
Licenses & Inspections				514,818		4,500,000							5,014,818	39,451,932
Managing Director's Office						4,971,329							4,971,329	1,784,012
Mayor						1,784,012							1,784,012	6,975,893
Mayor - Office of Arts and Culture													0	2,671,288
Mayor - Office of Community Empowerment						16,810,562							16,810,562	16,810,562
Mayor - Office of Labor Relations													0	553,453
Mayor - Office of the Inspector General						13,884							13,884	1,538,453
Mayor - Scholarships													0	200,000
Mayor's Office of Transportation		195,553				1,143,534					230,886		1,569,973	2,338,790
Mural Arts Program													0	1,401,425
Off. of Behavioral Hlth & Intellectual Disability						254,866,618	982,552,000						1,187,418,618	1,201,251,365
Office of Housing and Comm. Developm.				49,961,202		92,794,000		20,500,000					163,255,202	166,275,202
Office of Human Resources													0	5,724,218
Office of Innovation and Technology		8,656,160				44,880,234					18,970,139		72,506,533	154,292,850
Office of Property Assessment						48,224,530							48,224,530	91,838,358
Office of Supportive Housing						10,459,603							10,459,603	62,273,140
Parks and Recreation						25,967,085							40,801,438	632,871,242
Police		14,834,353				30,000							69,028	240,193,028
Prisons													241,706,337	4,712,143
Procurement													356,199,020	57,614,515
Public Health	162,191,680					79,514,657							0	70,415,000
Public Property													3,959,919	24,481,217
Public Property - SEPTA Subsidy													26,900,000	56,676,166
Public Property - Space Rentals													0	4,546,317
Public Property - Utilities		26,900,000											0	250,000
Records													0	3,333,341
Refunds													0	58,659,602
Register of Wills						21,150,000					15,361,371		36,556,371	18,488,677
Revenue	45,000												0	616,448,846
Sheriff													368,653,281	54,338,111
Sinking Fund (Debt Service)		149,463,357	6,000,000							24,390,000			78,200,000	93,429,423
Streets						4,950,000				2,010,000			383,979,700	171,518
Streets - Sanitation											354,785,700	29,194,000	0	340,080
Water													0	37,297
Witness Fees													0	37,297
Youth Commission													0	8,427,072,000
Young Board of Adjustment													0	8,427,072,000
Total	162,573,000	446,265,100	6,000,000	84,447,000	4,950,000	1,434,957,000	932,552,000	59,137,000	20,500,000	27,400,000	727,776,000	29,194,000	3,935,737,000	8,427,072,000

Note 1: The Grants Revenue Fund and Community Development Fund contain excess appropriations for unanticipated grants that are received throughout the fiscal year.

City of Philadelphia
Fiscal Year 2015 Operating Budget
FY 2015-2019 Five Year Plan
General Fund Full-Time Positions

Department	Filled Positions 6/30/13	FY 2014 Adopted Budget	December 31, 2013 Actual	FY 2015 Proposed Budget	FY 2016 Proposed Budget	FY 2017 Proposed Budget	FY 2018 Proposed Budget	FY 2019 Proposed Budget
Atwater Kent Museum	4	4	4	4	4	4	4	4
Auditing	118	123	111	126	126	126	126	126
Board of Ethics	8	12	9	12	12	12	12	12
Board of Revision of Taxes	7	9	9	14	14	14	14	14
City Commissioners	90	98	85	98	98	98	98	98
City Council	173	195	174	195	195	195	195	195
City Planning Commission	31	33	28	32	32	32	32	32
City Representative	8	7	7	7	7	7	7	7
City Treasurer	13	14	13	14	14	14	14	14
Civil Service Commission	2	2	2	2	2	2	2	2
Commerce	20	27	27	27	27	27	27	27
<i>District Attorney Civilian</i>	405	405	431	432	432	432	432	432
<i>District Attorney Uniform</i>	14	14	14	15	15	15	15	15
District Attorney - Total	419	419	445	447	447	447	447	447
Finance	163	170	169	177	177	177	177	177
<i>Fire Civilian</i>	97	112	101	114	114	114	114	114
<i>Fire Uniform</i>	2,028	2,216	1,986	2,089	2,216	2,216	2,216	2,216
Fire - Total	2,125	2,328	2,087	2,203	2,330	2,330	2,330	2,330
First Judicial District	1,909	1,953	1,871	1,885	1,885	1,885	1,885	1,885
Fleet Management	273	283	267	283	283	283	283	283
Free Library	609	654	597	697	697	697	697	697
Historical Commission	5	6	6	6	6	6	6	6
Human Relations Commission	29	34	30	34	34	34	34	34
Human Services	377	442	349	451	451	451	451	451
Labor Relations	7	8	7	8	8	8	8	8
Law	138	147	147	152	152	152	152	152
Licenses & Inspections	292	320	305	353	353	353	353	353
L&I-Board of Building Standards	1	1	1	1	1	1	1	1
L&I-Board of L & I Review	1	2	2	2	2	2	2	2
L&I-Zoning Board of Adjustment	5	5	5	5	5	5	5	5
Managing Director	156	269	272	264	264	264	264	264
Mayor	36	47	44	46	46	46	46	46
Mayor's Office of Community Empowerment and Opportunity	15	0	0	0	0	0	0	0
Mayor's Office of Transportation and Utilities	13	15	13	14	14	14	14	14
Mural Arts Program	11	11	11	11	11	11	11	11
Office of Arts and Culture	2	2	1	2	2	2	2	2
Office of Behavioral Health and Intellectual disAbility	19	18	16	16	16	16	16	16
Office of Human Resources	78	92	80	88	88	88	88	88
Office of Innovation & Technology	255	298	256	305	305	305	305	305
Office of Inspector General	18	21	17	18	18	18	18	18
Office of Property Assessment	173	218	173	217	217	217	217	217
Office of Supportive Housing	145	157	152	159	159	159	159	159
Parks & Recreation	568	692	602	701	701	701	701	701
<i>Police Civilian</i>	815	846	791	846	846	846	846	846
<i>Police Uniform</i>	6,378	6,525	6,292	6,525	6,525	6,525	6,525	6,525
Police - Total	7,193	7,371	7,083	7,371	7,371	7,371	7,371	7,371
Prisons	2,248	2,310	2,293	2,310	2,310	2,310	2,310	2,310
Procurement	45	49	46	50	50	50	50	50
Public Health	673	762	674	762	762	762	762	762
Public Property	123	161	124	159	159	159	159	159
Records	59	63	60	63	63	63	63	63
Register of Wills	64	63	62	63	63	63	63	63
Revenue	282	328	268	339	339	354	354	354
Sheriff	231	255	258	311	311	311	311	311
Streets	1,690	1,789	1,690	1,789	1,789	1,789	1,789	1,789
Youth Commission	1	2	2	2	2	2	2	2
TOTAL GENERAL FUND	20,925	22,289	20,954	22,295	22,422	22,437	22,437	22,437

Note: The Adopted and Proposed Budget position counts represent the maximum level of positions during the year. Attrition lowers the position count throughout the year.

CASH FLOW PROJECTIONS
GENERAL FUND - FY2014

OFFICE OF THE DIRECTOR OF FINANCE

Projection as of February 28, 2014

Amounts in Millions														
	July 31	Aug 31	Sept 30	Oct 31	Nov 30	Dec 31	Jan 31	Feb 28	March 31	April 30	May 31	June 30	Total	Accrued
REVENUES														
Real Estate Tax	8.2	7.4	7.1	6.9	6.1	13.0	39.2	293.4	117.9	20.8	7.6	5.6	533.2	
Total Wage, Earnings, Net Profits	111.4	90.4	94.8	115.9	96.7	97.6	134.8	98.4	103.0	117.5	102.8	96.6	1259.9	
Realty Transfer Tax	15.2	13.0	12.7	12.2	11.7	12.1	12.8	9.8	16.2	14.9	14.6	15.5	160.5	
Sales Tax	21.6	23.6	21.4	21.2	22.7	21.0	20.5	26.7	19.2	19.3	24.8	23.7	265.9	
Business Income & Receipts Tax	5.3	5.4	18.8	17.1	(3.3)	7.1	9.8	4.4	38.2	262.4	91.4	4.8	461.3	
Other Taxes	7.8	10.7	7.3	7.6	8.2	7.4	7.5	7.9	6.2	12.9	8.1	7.4	98.9	
Locally Generated Non-tax	27.4	23.3	19.9	19.9	23.0	17.1	23.7	27.4	26.8	20.9	53.3	26.3	309.0	
Total Other Governments	2.9	54.0	70.2	61.8	56.9	3.9	15.8	9.5	14.0	12.5	12.1	10.3	324.0	25.9
Total PICA Other Governments	20.2	28.0	24.4	18.7	34.9	20.2	28.6	28.2	35.2	30.3	29.3	22.5	320.4	
Interfund Transfers	0.0	8.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	14.0	6.0	28.4	38.5
Total Current Revenue	220.0	264.3	276.5	281.3	256.9	199.4	292.7	505.6	376.5	511.6	358.0	218.7	3761.6	64.4
Collection of prior year(s) revenue														
Other fund balance adjustments	5.0	15.1	0.0	16.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	36.1	
TOTAL CASH RECEIPTS	224.9	279.4	276.5	297.4	256.9	199.4	292.7	505.6	376.5	511.6	358.0	218.7	3797.7	
Estimated Revenues														

	Amounts in Millions												Total	Vouchers Payable	Encumbrances	Estimated Obligations	
	July 31	Aug 31	Sept 30	Oct 31	Nov 30	Dec 31	Jan 31	Feb 28	March 31	April 30	May 31	June 30					
EXPENSES AND OBLIGATIONS																	
Payroll	84.7	108.3	105.6	149.2	139.0	113.8	111.6	104.9	105.1	143.6	105.1	130.2	1401.0	52.0		1453.0	
Employee Benefits	34.0	42.6	41.0	76.8	49.5	35.2	41.5	37.3	38.5	55.2	39.8	50.1	541.4	17.7		559.1	
Pension	3.7	(5.0)	4.7	56.2	(5.5)	(3.6)	(5.7)	120.4	389.2	110.9	1.3	1.0	667.5			667.5	
Purchase of Services	35.1	60.7	58.2	75.2	63.0	50.1	47.9	64.9	62.7	78.3	48.1	52.2	696.2	23.7	79.1	799.0	
Materials, Equipment	2.6	4.6	8.3	5.9	4.9	4.8	6.5	4.7	7.4	8.0	7.8	8.3	73.8	4.7	16.9	95.4	
Contributions, Indemnities	16.6	3.0	11.0	5.4	90.3	38.2	3.7	5.4	10.1	4.5	3.3	3.0	194.3	1.2		195.5	
Debt Service-Short Term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.5			0.5	
Debt Service-Long Term	8.2	64.0	0.1	0.0	5.5	17.0	22.4	(0.3)	0.9	0.9	0.9	6.0	125.5			125.5	
Interfund Charges/Payments to Other Funds	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	29.5	9.0	38.7	22.1		60.8	
Advances & Misc. Pmts. / Labor Obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.8	21.3	3.8	3.8	38.7			38.7	
Current Year Appropriation	185.1	278.1	228.9	368.7	346.6	255.5	227.7	337.2	623.6	422.7	239.5	264.2	3777.8	121.4	95.9	3995.1	

Excess (Def) of Receipts over Disbursements	(19.5)	(36.6)	55.1	(108.8)	(112.3)	(43.2)	48.4	181.9	(264.9)	86.4	116.2	(47.3)			
Opening Balance	434.3	414.8	378.2	433.3	324.4	212.1	268.9	317.3	499.2	234.3	320.7	337.0			
TRAN	0.0	0.0	0.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	(100.0)	0.0			
CLOSING BALANCE	414.8	378.2	433.3	324.4	212.1	268.9	317.3	499.2	234.3	320.7	337.0	289.7			

CASH FLOW PROJECTIONS
CONSOLIDATED CASH - ALL FUNDS - FY2014

OFFICE OF THE DIRECTOR OF FINANCE

Projection as of February 28, 2014

	Amounts in Millions											
	July 31	Aug 31	Sept 30	Oct 31	Nov 30	Dec 31	Jan 31	Feb 28	March 31	April 30	May 31	June 30
General	414.8	378.2	433.3	324.4	212.1	268.9	317.3	499.2	234.3	320.7	337.0	289.7
Grants Revenue	(67.5)	14.5	23.5	(17.9)	(78.3)	(116.1)	(125.2)	(120.5)	(124.7)	(134.8)	(72.8)	(88.4)
Community Development	(6.0)	(4.4)	(4.1)	(4.0)	(3.8)	(4.3)	(5.9)	(3.9)	(6.7)	(3.8)	(5.9)	(7.0)
Vehicle Rental Tax	6.8	7.4	2.9	3.3	3.8	4.2	4.6	5.0	5.4	5.8	6.2	6.7
Hospital Assessment Fund	11.8	10.3	9.9	9.3	9.0	8.5	8.4	8.0	20.4	9.1	27.4	19.3
Housing Trust Fund	16.5	17.4	18.0	18.0	17.8	18.1	18.3	18.3	14.2	13.9	13.8	14.2
Other Funds	7.0	11.9	33.1	35.0	16.4	15.6	15.4	19.4	4.0	12.9	13.6	29.8
TOTAL OPERATING FUNDS	383.5	435.3	516.6	368.2	177.1	194.9	232.8	425.5	146.7	223.7	319.2	264.2
Capital Improvement	230.0	228.8	228.0	212.7	203.1	196.7	187.0	178.9	171.4	163.9	156.4	148.9
Industrial & Commercial Dev.	3.6	3.6	3.9	3.9	3.9	3.9	3.9	4.0	3.4	3.3	3.3	3.3
TOTAL CAPITAL FUNDS	233.7	232.5	232.0	216.6	207.1	200.6	190.9	182.9	174.8	167.2	159.7	152.2
TOTAL FUND EQUITY	617.1	667.8	748.5	584.8	384.2	395.5	423.7	608.3	321.6	391.0	478.9	416.5

CASH FLOW PROJECTIONS
GENERAL FUND - FY2015

OFFICE OF THE DIRECTOR OF FINANCE

Projection	Amounts in Millions													Estimated Revenues	
	July 31	Aug 31	Sept 30	Oct 31	Nov 30	Dec 31	Jan 31	Feb 28	March 31	April 30	May 31	June 30	Total		Accrued
REVENUES															
Real Estate Tax	7.3	8.4	6.2	5.7	5.7	14.9	43.7	311.8	106.7	20.1	7.7	9.2	547.4		547.4
Total Wage, Earnings, Net Profits	107.1	110.8	93.0	108.3	109.2	101.1	131.0	102.4	108.9	122.2	111.8	99.0	1304.8		1304.8
Realty Transfer Tax	18.6	16.1	13.6	13.5	13.1	15.3	13.7	9.8	14.8	14.6	16.2	17.3	176.6		176.6
Sales Tax	12.7	14.0	12.7	12.2	13.1	12.5	12.3	15.0	11.6	12.0	14.3	13.3	155.7		155.7
Business Income & Receipts Tax	3.9	7.7	13.2	11.1	(1.8)	7.1	10.9	6.8	41.5	233.5	111.5	7.8	453.2		453.2
Other Taxes	8.1	10.8	8.0	7.2	8.3	7.7	7.2	8.0	6.2	13.8	8.1	7.8	101.2		101.2
Locally Generated Non-tax	21.2	23.8	23.9	18.1	23.7	720.6	21.0	24.3	27.5	18.6	24.8	25.0	972.5		972.5
Total Other Governments	2.9	53.8	68.2	61.7	11.8	13.9	14.1	8.9	11.0	9.7	9.5	10.4	276.0	24.9	300.9
Total PICA Other Governments	26.5	25.5	21.9	26.2	30.7	24.8	32.4	24.0	37.9	30.2	30.7	24.1	334.9		334.9
Interfund Transfers	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	14.0	4.5	18.5	47.6	66.1
Total Current Revenue	208.3	270.9	260.7	264.0	213.8	917.9	286.3	511.0	366.1	474.7	348.6	218.4	4340.8	72.5	4413.3
Collection of prior year(s) revenue	20.2	34.2	0.1	9.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	64.4		
Other fund balance adjustments															
TOTAL CASH RECEIPTS	228.5	305.1	260.8	273.9	213.8	917.9	286.3	511.0	366.1	474.7	348.6	218.4	4405.2		
EXPENSES AND OBLIGATIONS															
Payroll	80.8	107.8	107.8	150.4	107.8	118.4	107.8	107.8	107.8	150.4	107.8	107.8	1362.4	61.2	1423.6
Employee Benefits	30.4	40.6	40.6	56.8	40.6	44.4	40.6	40.6	40.6	56.8	40.6	40.6	513.2	16.8	530.0
Pension	3.7	(1.5)	(1.5)	71.4	(1.5)	697.3	2.2	(1.5)	401.9	110.9	(1.5)	(1.5)	1278.4		1278.4
Purchase of Services	33.3	48.4	61.3	70.1	87.8	50.6	46.5	58.2	72.7	84.8	52.8	55.1	721.6	21.0	812.8
Materials, Equipment	2.7	4.7	8.8	6.4	6.0	5.2	7.0	5.0	6.3	8.3	6.1	7.6	74.1	4.7	92.6
Contributions, Indemnities	12.7	4.3	7.9	7.7	23.2	15.1	3.4	3.3	11.1	4.5	30.1	15.4	138.7	3.2	141.9
Debt Service-Short Term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.5		3.5
Debt Service-Long Term	83.6	0.4	1.9	0.3	0.0	10.5	29.7	1.2	0.5	0.1	0.0	0.0	133.1		133.1
Interfund Charges	2.7	1.6	0.0	0.0	0.0	0.9	0.0	0.0	0.0	0.0	1.7	2.2	9.1	22.1	31.2
Advances & Misc. Pmts. / Labor Obligations	2.6	3.5	3.5	4.9	3.5	3.9	3.5	3.5	3.5	4.9	3.5	3.5	44.3		44.3
Current Year Appropriation	252.5	209.8	230.3	368.0	267.4	946.2	240.7	218.1	644.4	420.7	241.1	239.1	4278.3	129.0	4491.3
Prior Yr. Expenditures against Encumbrances	37.9	15.9	10.4	10.2	2.9	3.8	2.1	4.6	2.8	2.0	1.6	1.6	95.9		
Prior Yr. Salaries & Vouchers Payable	47.3	52.0	22.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	121.4		
TOTAL DISBURSEMENTS	337.7	277.7	262.8	378.2	270.3	950.0	242.8	222.7	647.2	422.7	242.7	240.7	4495.6		
Excess (Def) of Receipts over Disbursements	(109.2)	27.4	(2.0)	(104.3)	(56.5)	(32.1)	43.6	288.3	(281.1)	52.0	105.9	(22.3)			
Opening Balance	289.7	180.5	207.9	205.9	231.6	175.1	143.0	186.5	474.8	193.7	245.7	221.6			
TRAN	0.0	0.0	0.0	130.0	0.0	0.0	0.0	0.0	0.0	0.0	(130.0)	0.0			
CLOSING BALANCE	180.5	207.9	205.9	231.6	175.1	143.0	186.5	474.8	193.7	245.7	221.6	199.3			

CASH FLOW PROJECTIONS
CONSOLIDATED CASH - ALL FUNDS - FY2015

OFFICE OF THE DIRECTOR OF FINANCE

Projection	Amounts in Millions											
	July 31	Aug 31	Sept 30	Oct 31	Nov 30	Dec 31	Jan 31	Feb 28	March 31	April 30	May 31	June 30
General	180.5	207.9	205.9	231.6	175.1	143.0	186.5	474.8	193.7	245.7	221.6	199.3
Grants Revenue	(74.1)	24.3	32.5	(13.3)	(74.0)	(115.3)	(106.1)	(137.9)	(93.2)	(84.8)	(54.4)	(69.8)
Community Development	(6.6)	(4.0)	(3.1)	(2.4)	(2.6)	(0.9)	(3.0)	(3.5)	(6.0)	(2.6)	(5.8)	(6.8)
Vehicle Rental Tax	6.0	6.6	4.7	5.1	5.6	5.9	6.3	6.7	5.6	6.0	5.4	5.9
Hospital Assessment Fund	7.1	6.5	13.4	12.0	7.2	12.3	8.0	7.6	20.4	9.1	27.4	19.3
Housing Trust Fund	15.5	15.9	16.2	16.3	15.9	15.3	15.1	15.3	14.2	13.9	13.8	14.2
Other Funds	18.8	18.1	23.6	24.7	24.2	27.8	13.6	20.2	2.4	14.1	15.3	33.0
TOTAL OPERATING FUNDS	147.2	275.3	293.2	274.0	151.4	88.1	120.4	383.2	137.1	201.4	223.3	195.1
Capital Improvement	148.9	141.4	133.9	126.4	118.9	111.4	103.9	96.4	88.9	81.4	73.9	66.4
Industrial & Commercial Dev.	3.3	3.3	3.4	3.6	3.6	3.5	3.5	3.5	3.4	3.3	3.3	3.3
TOTAL CAPITAL FUNDS	152.2	144.7	137.3	130.0	122.5	114.9	107.4	99.9	92.3	84.7	77.2	69.7
TOTAL FUND EQUITY	299.4	420.0	430.5	404.0	273.9	203.0	227.8	483.1	229.4	286.1	300.5	264.8

**Aviation Fund
Five Year Financial Plan
Fiscal Years 2014 - 2018
All Departments**

	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Revenues						
Locally Generated Non-Tax	\$ 340,545,000	\$ 380,912,000	\$ 392,339,000	\$ 408,033,000	\$ 438,635,000	\$ 473,726,000
Passenger Facility Charges	32,800,000	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000
Revenue from Other Governments	4,650,000	4,750,000	4,869,000	4,991,000	5,116,000	5,244,000
Revenue from Other Funds of the City	2,400,000	2,500,000	2,563,000	2,627,000	2,693,000	2,760,000
Total Revenues	380,395,000	423,162,000	434,771,000	450,651,000	481,444,000	516,730,000
Obligations						
100 Personal Services	\$ 119,906,000	\$ 118,819,000	\$ 123,731,000	\$ 129,259,000	\$ 135,047,000	\$ 141,116,000
200 Purchase of Services	114,764,000	126,342,000	130,132,000	132,735,000	135,390,000	140,806,000
300 Materials & Supplies	8,717,000	9,679,000	9,969,000	10,168,000	10,371,000	10,786,000
400 Equipment	8,205,000	8,290,000	8,539,000	8,710,000	8,884,000	9,239,000
500 Contrib., Indemnities & Taxes	6,417,000	6,717,000	6,919,000	7,057,000	7,198,000	7,486,000
700 Debt Service	138,672,000	149,463,000	152,335,000	167,766,000	183,163,000	205,212,000
800 Payments to Other Funds						
Payments to General Fund	4,973,000	4,623,000	4,762,000	4,857,000	4,954,000	5,152,000
Payments to Water Fund	3,900,000	5,000,000	5,150,000	5,665,000	5,778,000	6,009,000
Payments to Capital Fund	5,000,000	15,000,000	8,000,000	5,000,000	5,000,000	5,000,000
Total Payments to Other Funds	13,873,000	24,623,000	17,912,000	15,522,000	15,732,000	16,161,000
900 Advances & Misc. Payments	4,160,000	2,318,000	-	-	-	-
Total Obligations, All Departments	\$ 414,714,000	\$ 446,251,000	\$ 449,537,000	\$ 471,217,000	\$ 495,785,000	\$ 530,806,000
Fund Balance from Prior Year	46,908,000	34,589,000	28,500,000	30,734,000	27,168,000	29,827,000
Commitments Cancelled	22,000,000	17,000,000	17,000,000	17,000,000	17,000,000	17,000,000
Ending Fund Balance	\$ 34,589,000	\$ 28,500,000	\$ 30,734,000	\$ 27,168,000	\$ 29,827,000	\$ 32,751,000

Water and Sewer Flow of Funds

PROJECTED REVENUE AND REVENUE REQUIREMENTS
(in thousands of dollars)

Line No.	Description	2014	2015	2016	2017	2018	2019	2020
OPERATING REVENUE								
1	Water Service - Existing Rates	254,334	254,655	251,700	249,840	247,965	239,860	237,985
2	Wastewater Service - Existing Rates	365,035	365,744	366,444	365,038	363,621	362,205	360,628
3	Total Service Revenue - Existing Rates	619,369	620,399	618,144	614,878	611,586	602,065	598,613
Additional Service Revenue Required								
	Year	Percent Increase	Months Effective					
4	FY 2015	4.48%	12	27,794	27,693	27,547	26,973	26,818
5	FY 2016	4.50%	12		29,063	28,909	28,307	28,144
6	FY 2017	4.50%	12			30,210	29,581	29,411
7	FY 2018	4.50%	12			31,400	30,912	30,734
8	FY 2019	4.40%	12				31,585	31,404
9	FY 2020	4.40%	12					32,785
10	Total Additional Service Revenue Required	0	27,794	56,756	86,666	117,601	147,358	179,296
11	Total Water & Wastewater Service Revenue	619,369	648,193	674,900	701,544	729,187	749,423	777,909
12	Transfer From/(To) Rate Stabilization Fund	7,820	(3,905)	2,505	(9,240)	5,905	(30,800)	(33,720)
Other Income (a)								
13	Other Operating Revenue	20,658	20,619	20,549	20,497	20,447	20,321	20,267
14	Construction Fund Interest Income	1,269	1,552	1,447	1,600	1,634	1,588	1,588
15	Debt Reserve Fund Interest Income	0	0	0	0	0	0	0
16	Operating Fund Interest Income	405	414	426	430	447	434	442
17	Rate Stabilization Interest Income	788	778	781	798	807	869	1,030
18	Total Revenues	650,309	667,651	700,608	715,629	758,427	741,835	767,516
OPERATING EXPENSES								
19	Water & Wastewater Operations	330,975	333,944	345,832	357,678	370,016	382,871	396,273
20	Direct Interdepartmental Charges	71,913	71,373	73,433	75,237	77,085	78,982	80,928
21	Total Operating Expenses	402,888	405,317	419,265	432,915	447,101	461,853	477,201
22	NET REVENUES AFTER OPERATIONS	247,421	262,334	281,343	282,714	311,326	279,982	290,315
DEBT SERVICE								
Senior Debt Service								
Revenue Bonds								
23	Outstanding Bonds	187,838	184,512	191,468	169,036	170,361	121,038	83,458
24	Pennvest Parity Bonds	11,926	12,320	12,320	12,320	12,904	13,096	13,050
25	Projected Future Bonds	3,036	16,442	23,097	44,811	63,818	86,322	130,300
26	Total Senior Debt Service	202,800	213,274	226,885	226,167	247,083	220,456	226,808
27	TOTAL SENIOR DEBT SERVICE COVERAGE (L22/L26)	1.22 x	1.23 x	1.24 x	1.25 x	1.26 x	1.27 x	1.28 x
Subordinate Debt Service								
28	Outstanding General Obligation Bonds	0	0	0	0	0	0	0
29	Pennvest Subordinate Bonds	0	0	0	0	0	0	0
30	Total Subordinate Debt Service	0	0	0	0	0	0	0
31	Total Debt Service on Bonds	202,800	213,274	226,885	226,167	247,083	220,456	226,808
32	CAPITAL ACCOUNT DEPOSIT	20,193	20,697	21,215	21,746	22,289	22,847	23,418
33	TOTAL COVERAGE (L22/(L31+L32))	1.10 x	1.12 x	1.13 x	1.14 x	1.15 x	1.15 x	1.16 x
RESIDUAL FUND								
34	Beginning of Year Balance	1,242	15,170	15,538	15,281	15,082	15,036	15,215
35	Interest Income	0	6	0	0	0	0	0
Plus:								

36	End of Year Revenue Fund Balance	24,428	28,363	33,243	34,801	41,954	36,679	40,089
37	Deposit for Transfer to City General Fund (b)	1,163	1,194	1,235	1,309	1,346	1,346	1,346
	Less:							
38	Transfer to Construction Fund	10,500	28,000	33,500	35,000	42,000	36,500	40,000
39	Transfer to City General Fund	1,163	1,194	1,235	1,309	1,346	1,346	1,346
40	Transfer to Debt Service Reserve Fund	0	0	0	0	0	0	0
41	End of Year Balance	15,170	15,538	15,281	15,082	15,036	15,215	15,304
RATE STABILIZATION FUND								
42	Beginning of Year Balance	161,463	153,643	157,548	155,043	164,283	158,378	189,178
43	Deposit From/(To) Revenue Fund	(7,820)	3,905	(2,505)	9,240	(5,905)	30,800	33,720
44	End of Year Balance	153,643	157,548	155,043	164,283	158,378	189,178	222,898

Notes:

(a) Includes other operating and nonoperating income, including interest income on funds and accounts transferable to the Revenue Fund.

(b) Transfer of interest earnings from the Bond Reserve Account to the Residual Fund as shown in Line 37 to satisfy the requirements for the Transfer to the City General Fund.

Sinking Fund Commission
General Fund Operating Budget Estimates
FY 2015-2019 Five Year Plan

<u>Description</u>	<u>FY 15 Estimate</u>	<u>FY 16 Estimate</u>	<u>FY 17 Estimate</u>	<u>FY 18 Estimate</u>	<u>FY 19 Estimate</u>
<u>Purchase of Services - Class 200</u>					
Long Term Leases	\$ 111,217,306	\$ 107,147,606	\$ 114,366,873	\$ 123,418,969	\$ 93,811,274
Total - Class 200	\$ 111,217,306	\$ 107,147,606	\$ 114,366,873	\$ 123,418,969	\$ 93,811,274
<u>Debt Service - Class 700</u>					
Interest on City Debt - Long Term	\$ 72,337,384	\$ 75,755,039	\$ 78,919,735	\$ 85,200,434	\$ 91,041,938
Principal on City Debt - Long Term	58,565,000	58,305,000	67,380,000	70,715,000	81,855,000
Interest on City Debt - Short Term	3,500,000	3,937,500	4,375,000	4,812,500	5,250,000
Sinking Fund Reserve Payments	1,335,875	1,339,375	1,335,294	1,334,675	1,337,263
Commitment Fee Expense	740,000	1,275,000	860,000	870,000	1,410,000
Arbitrage Payments	<u>100,000</u>	<u>100,000</u>	<u>108,000</u>	<u>100,000</u>	<u>100,000</u>
Total - Class 700	\$ 136,578,259	\$ 140,711,914	\$ 152,978,029	\$ 163,032,609	\$ 180,994,201
Total - All Classes	<u>\$ 247,795,565</u>	<u>\$ 247,859,520</u>	<u>\$ 267,344,902</u>	<u>\$ 286,451,578</u>	<u>\$ 274,805,475</u>

City of Philadelphia
Principal General Fund Obligation Growth Assumptions
FY 2015 - 2019 Five Year Financial Plan

		<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>	<u>FY 19</u>
Class 100	Personal Services					
	<i>Civilian Wages</i>	0.0%	0.0%	0.0%	0.0%	0.0%
	<i>Uniform Wages - F.O.P.</i>	0.0%	0.0%	0.0%	0.0%	0.0%
	<i>Uniform Wages - I.A.F.F.</i>	0.0%	0.0%	0.0%	0.0%	0.0%
	Employee Benefits					
	<i>Unemployment Compensation</i>	-9.0%	0.0%	0.0%	0.0%	0.0%
	<i>Employee Disability</i>	1.2%	4.3%	4.3%	4.3%	4.3%
	<i>Pension</i>	2.0%	3.8%	-0.7%	2.9%	2.7%
	<i>Pension Obligation Bond *</i>	-47.8%	2.8%	0.0%	0.0%	0.0%
	<i>FICA</i>	5.9%	0.0%	0.1%	0.5%	0.0%
	<i>Health/Medical</i>	-8.0%	2.8%	3.0%	3.1%	3.3%
	<i>Group Life</i>	0.0%	0.0%	0.0%	0.0%	0.0%
	<i>Group Legal</i>	-4.5%	0.0%	0.0%	0.0%	0.0%
	<i>Tool Allowance</i>	0.0%	0.0%	0.0%	0.0%	0.0%
	<i>Flex Cash Payments</i>	0.0%	0.0%	0.0%	0.0%	0.0%
	<i>* FY 15 reflects the elimination of non-recurring pension deferral payment.</i>					
Class 200	Purchase of Services	0.0%	0.0%	0.0%	0.0%	0.0%
Class 3/400	Materials, Supplies & Equipment	0.0%	0.0%	0.0%	0.0%	0.0%
Class 500	Contributions, Indemnities & Taxes	0.0%	0.0%	0.0%	0.0%	0.0%
Class 700	Debt Service	See Schedule of Long Term Obligations (Appendix VI)				
Class 800	Payments to Other Funds	0.0%	4.7%	4.7%	4.7%	4.7%
Class 900	Advances & Misc. Payments	N.A.	N.A.	N.A.	N.A.	N.A.

Note 1:

The above Personal Services assumptions do not include the amount set aside in the Civil Service Commission budget for funding of the agreement with District Council 47 and for potential future labor obligations for the District Council 33, IAFF and FOP.

Note 2:

Obligation levels in the current plan have been established for most departments and cost centers based upon specific issues concerning desired service levels, management and productivity initiatives underway, anticipated competitive contracting issues, existing and anticipated contractual obligations, and a host of other factors. The growth assumptions set forth above provide only the underlying foundations for the specific proposed obligation levels which have been established for departments in the current plan.

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Art Museum							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
Expenditure Class								
Class 100 - Wages								
Class 200 - Contracts / Leases								
Class 300/400 - Supplies, Equipment								
Class 500 - Indemnities / Contributions	2,400,000	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	2,400,000	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Atwater Kent Museum							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
Expenditure Class								
Class 100 - Wages	220,143	220,674	220,674	233,269	233,269	233,269	233,269	233,269
Class 200 - Contracts / Leases								
Class 300/400 - Supplies, Equipment								
Class 500 - Indemnities / Contributions	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	270,143	270,674	270,674	283,269	283,269	283,269	283,269	283,269

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Auditing							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
Expenditure Class								
Class 100 - Wages	6,475,510	7,173,947	7,173,947	7,173,947	7,173,947	7,173,947	7,173,947	7,173,947
Class 200 - Contracts / Leases	527,924	497,450	497,450	497,450	497,450	497,450	497,450	497,450
Class 300/400 - Supplies, Equipment	23,699	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Class 500 - Indemnities / Contributions								
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	7,027,133	7,696,397	7,696,397	7,696,397	7,696,397	7,696,397	7,696,397	7,696,397

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Board of Building Standards							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	57,140	71,198	71,198	71,198	71,198	71,198	71,198	71,198
Class 200 - Contracts / Leases								
Class 300/400 - Supplies, Equipment								
Class 500 - Indemnities / Contributions								
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	57,140	71,198	71,198	71,198	71,198	71,198	71,198	71,198

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Board of Ethics							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	685,698	890,000	890,000	890,000	890,000	890,000	890,000	890,000
Class 200 - Contracts / Leases	15,369	96,000	96,000	96,000	96,000	96,000	96,000	96,000
Class 300/400 - Supplies, Equipment	11,605	14,000	14,000	14,000	14,000	14,000	14,000	14,000
Class 500 - Indemnities / Contributions								
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	712,672	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Board of L & I Review							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	118,245	151,598	151,598	151,598	151,598	151,598	151,598	151,598
Class 200 - Contracts / Leases	9,099	10,436	10,436	10,436	10,436	10,436	10,436	10,436
Class 300/400 - Supplies, Equipment								
Class 500 - Indemnities / Contributions								
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	127,344	162,034	162,034	162,034	162,034	162,034	162,034	162,034

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Board of Revision of Taxes							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	1,021,653	874,660	1,181,660	796,660	796,660	796,660	796,660	796,660
Class 200 - Contracts / Leases	20,167	110,200	110,200	20,200	20,200	20,200	20,200	20,200
Class 300/400 - Supplies, Equipment	14,249	65,727	65,727	15,727	15,727	15,727	15,727	15,727
Class 500 - Indemnities / Contributions								
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	1,056,069	1,050,587	1,357,587	832,587	832,587	832,587	832,587	832,587

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	City Commissioners							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	5,166,337	5,371,047	5,024,047	5,371,047	5,371,047	5,371,047	5,371,047	5,371,047
Class 200 - Contracts / Leases	2,976,350	2,976,350	3,323,350	3,490,770	2,976,350	2,976,350	2,976,350	2,976,350
Class 300/400 - Supplies, Equipment	540,715	541,617	541,617	541,617	541,617	541,617	541,617	541,617
Class 500 - Indemnities / Contributions								
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	8,683,402	8,889,014	8,889,014	9,403,434	8,889,014	8,889,014	8,889,014	8,889,014

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	City Council							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	11,660,823	13,399,124	13,399,124	13,399,124	13,399,124	13,399,124	13,399,124	13,399,124
Class 200 - Contracts / Leases	1,380,866	1,804,485	2,154,485	1,804,485	1,804,485	1,804,485	1,804,485	1,804,485
Class 300/400 - Supplies, Equipment	389,284	610,650	610,650	610,650	610,650	610,650	610,650	610,650
Class 500 - Indemnities / Contributions	37,500	100	100	100	100	100	100	100
Class 700 - Debt Service								
Class 800 - Payments to Other Funds	0	100	100	100	100	100	100	100
Class 900 - Advances / Misc. Payments	0	100	100	100	100	100	100	100
Total	13,468,473	15,814,559	16,164,559	15,814,559	15,814,559	15,814,559	15,814,559	15,814,559

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	City Planning							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	2,137,171	2,152,290	2,152,290	2,152,290	2,152,290	2,152,290	2,152,290	2,152,290
Class 200 - Contracts / Leases	75,048	79,592	79,592	79,592	79,592	79,592	79,592	79,592
Class 300/400 - Supplies, Equipment	39,767	40,652	40,652	40,652	40,652	40,652	40,652	40,652
Class 500 - Indemnities / Contributions								
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	2,251,986	2,272,534	2,272,534	2,272,534	2,272,534	2,272,534	2,272,534	2,272,534

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	City Representative							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	416,871	390,185	390,185	390,185	390,185	390,185	390,185	390,185
Class 200 - Contracts / Leases	498,632	561,730	561,730	561,730	561,730	561,730	561,730	561,730
Class 300/400 - Supplies, Equipment	44,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000
Class 500 - Indemnities / Contributions								
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	959,503	1,005,915	1,005,915	1,005,915	1,005,915	1,005,915	1,005,915	1,005,915

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	City Treasurer							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	755,428	758,592	758,592	758,592	758,592	758,592	758,592	758,592
Class 200 - Contracts / Leases	116,473	118,444	118,444	118,444	118,444	118,444	118,444	118,444
Class 300/400 - Supplies, Equipment	12,096	22,224	22,224	22,224	22,224	22,224	22,224	22,224
Class 500 - Indemnities / Contributions								
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	883,997	899,260	899,260	899,260	899,260	899,260	899,260	899,260

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Civil Service Commission							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	140,785	137,348	137,348	141,848	141,848	141,848	141,848	141,848
Class 200 - Contracts / Leases	29,500	29,500	29,500	29,500	29,500	29,500	29,500	29,500
Class 300/400 - Supplies, Equipment	300	1,094	1,094	1,094	1,094	1,094	1,094	1,094
Class 500 - Indemnities / Contributions								
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	170,585	167,942	167,942	172,442	172,442	172,442	172,442	172,442

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Civil Service Comm. - Provision for Future Labor Obligations							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages								
Class 200 - Contracts / Leases								
Class 300/400 - Supplies, Equipment								
Class 500 - Indemnities / Contributions								
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments		84708000	38729716	44319145	63218476	71257690	76302946	81746375
Total	0	84,708,000	38,729,716	44,319,145	63,218,476	71,257,690	76,302,946	81,746,375

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Commerce							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	1,685,843	1,850,054	1,850,054	1,850,054	1,850,054	1,850,054	1,850,054	1,850,054
Class 200 - Contracts / Leases	333,481	333,481	333,481	333,481	333,481	333,481	333,481	333,481
Class 300/400 - Supplies, Equipment	24,926	26,654	26,654	26,654	26,654	26,654	26,654	26,654
Class 500 - Indemnities / Contributions	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	2,544,250	2,710,189	2,710,189	2,710,189	2,710,189	2,710,189	2,710,189	2,710,189

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Commerce - Economic Stimulus							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages								
Class 200 - Contracts / Leases	1,294,448	1,294,448	1,294,448	1,294,448	1,294,448	1,294,448	1,294,448	1,294,448
Class 300/400 - Supplies, Equipment								
Class 500 - Indemnities / Contributions								
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	1,294,448	1,294,448	1,294,448	1,294,448	1,294,448	1,294,448	1,294,448	1,294,448

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Community College Subsidy							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages								
Class 200 - Contracts / Leases								
Class 300/400 - Supplies, Equipment								
Class 500 - Indemnities / Contributions	25,409,207	26,409,207	26,409,207	26,909,207	26,909,207	26,909,207	26,909,207	26,909,207
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	25,409,207	26,409,207	26,409,207	26,909,207	26,909,207	26,909,207	26,909,207	26,909,207

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Commerce - Convention Center Subsidy							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages								
Class 200 - Contracts / Leases	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Class 300/400 - Supplies, Equipment								
Class 500 - Indemnities / Contributions								
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	District Attorney							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	29,302,614	29,933,823	30,158,823	30,971,813	30,383,823	30,383,823	30,383,823	30,383,823
Class 200 - Contracts / Leases	1,645,672	1,645,672	1,870,672	1,745,672	1,745,672	1,745,672	1,745,672	1,745,672
Class 300/400 - Supplies, Equipment	501,403	502,121	502,121	502,121	502,121	502,121	502,121	502,121
Class 500 - Indemnities / Contributions								
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	31,449,689	32,081,616	32,531,616	33,219,606	32,631,616	32,631,616	32,631,616	32,631,616

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Finance							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	9,084,799	8,382,857	8,382,857	8,778,857	8,382,857	8,382,857	8,382,857	8,382,857
Class 200 - Contracts / Leases	4,196,295	4,430,961	4,430,961	5,130,961	4,430,961	4,430,961	4,430,961	4,430,961
Class 300/400 - Supplies, Equipment	152,900	110,774	110,774	110,774	110,774	110,774	110,774	110,774
Class 500 - Indemnities / Contributions	3,994,057	4,425,000	4,725,000	2,850,000	3,600,000	2,350,000	3,600,000	3,600,000
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	17,428,051	17,349,592	17,649,592	16,870,592	16,524,592	15,274,592	16,524,592	16,524,592

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Finance - Employee Benefits							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Benefits	1,119,074,214	1,177,304,676	1,226,624,409	1,808,355,916	1,147,350,192	1,163,743,373	1,198,782,739	1,249,393,556
Class 200 - Contracts / Leases								
Class 300/400 - Supplies, Equipment								
Class 500 - Indemnities / Contributions								
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	1,119,074,214	1,177,304,676	1,226,624,409	1,808,355,916	1,147,350,192	1,163,743,373	1,198,782,739	1,249,393,556

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Finance - School District Contribution							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages								
Class 200 - Contracts / Leases								
Class 300/400 - Supplies, Equipment								
Class 500 - Indemnities / Contributions	68,990,000	69,050,100	114,050,100	69,110,300	69,171,300	69,233,200	69,296,030	69,359,800
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	68,990,000	69,050,100	114,050,100	69,110,300	69,171,300	69,233,200	69,296,030	69,359,800

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Fire							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	179,819,281	173,249,142	220,737,761	182,843,301	188,843,301	188,843,301	188,843,301	188,843,301
Class 200 - Contracts / Leases	4,927,224	4,945,593	4,945,593	4,900,593	4,900,593	4,900,593	4,900,593	4,900,593
Class 300/400 - Supplies, Equipment	7,878,502	11,418,414	11,418,414	10,813,414	6,813,414	6,813,414	6,813,414	6,813,414
Class 500 - Indemnities / Contributions	440,188							
Class 700 - Debt Service								
Class 800 - Payments to Other Funds	7,391,000	7,567,429	7,567,429	8,162,000	8,594,586	9,050,099	9,529,754	10,034,831
Class 900 - Advances / Misc. Payments								
Total	200,456,195	197,180,578	244,669,197	206,719,308	209,151,894	209,607,407	210,087,062	210,592,139

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	First Judicial District							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	91,827,883	92,760,968	93,470,219	93,103,706	93,103,706	93,103,706	93,103,706	93,103,706
Class 200 - Contracts / Leases	16,480,296	10,320,360	10,320,360	10,656,574	10,656,574	10,656,574	10,656,574	10,656,574
Class 300/400 - Supplies, Equipment	2,345,400	1,891,868	1,891,868	2,391,868	2,391,868	2,391,868	2,391,868	2,391,868
Class 500 - Indemnities / Contributions	177,000							
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	110,830,579	104,973,196	105,682,447	106,152,148	106,152,148	106,152,148	106,152,148	106,152,148

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Fleet Management							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	15,580,580	15,652,172	15,652,172	15,652,172	15,652,172	15,652,172	15,652,172	15,652,172
Class 200 - Contracts / Leases	4,850,198	4,864,396	4,864,396	5,104,396	5,104,396	5,104,396	5,104,396	5,104,396
Class 300/400 - Supplies, Equipment	29,409,466	26,963,211	29,263,211	26,963,211	26,963,211	26,963,211	26,963,211	26,963,211
Class 500 - Indemnities / Contributions	22,000							
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	49,862,244	47,479,779	49,779,779	47,719,779	47,719,779	47,719,779	47,719,779	47,719,779

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Fleet Management - Vehicle Lease/Purchase							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages								
Class 200 - Contracts / Leases	4,483,192	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	0
Class 300/400 - Supplies, Equipment	6,464,796	4,465,000	8,065,000	7,465,000	7,465,000	7,465,000	8,465,000	8,465,000
Class 500 - Indemnities / Contributions								
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	10,947,988	8,965,000	12,565,000	11,965,000	11,965,000	11,965,000	12,965,000	8,465,000

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Free Library							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	29,154,178	30,703,592	30,503,592	33,003,592	33,003,592	33,003,592	33,003,592	33,003,592
Class 200 - Contracts / Leases	2,594,842	2,752,077	2,752,077	2,752,077	2,752,077	2,752,077	2,752,077	2,752,077
Class 300/400 - Supplies, Equipment	1,801,633	1,802,659	2,002,659	2,002,659	2,002,659	2,002,659	2,002,659	2,002,659
Class 500 - Indemnities / Contributions	41,500							
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	33,592,153	35,258,328	35,258,328	37,758,328	37,758,328	37,758,328	37,758,328	37,758,328

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Hero Awards							
Expenditure Class	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
Class 100 - Wages								
Class 200 - Contracts / Leases								
Class 300/400 - Supplies, Equipment								
Class 500 - Indemnities / Contributions	21,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	21,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Historical Commission							
Expenditure Class	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
Class 100 - Wages	350,685	395,048	395,048	395,048	395,048	395,048	395,048	395,048
Class 200 - Contracts / Leases	221	980	980	980	980	980	980	980
Class 300/400 - Supplies, Equipment	802	809	809	809	809	809	809	809
Class 500 - Indemnities / Contributions								
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	351,708	396,837	396,837	396,837	396,837	396,837	396,837	396,837

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Human Relations Commission							
Expenditure Class	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
Class 100 - Wages	1,649,350	1,966,059	1,966,059	1,966,059	1,966,059	1,966,059	1,966,059	1,966,059
Class 200 - Contracts / Leases	27,081	34,657	34,657	34,657	34,657	34,657	34,657	34,657
Class 300/400 - Supplies, Equipment	11,667	13,031	13,031	13,031	13,031	13,031	13,031	13,031
Class 500 - Indemnities / Contributions								
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	1,688,098	2,013,747	2,013,747	2,013,747	2,013,747	2,013,747	2,013,747	2,013,747

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Human Services							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	22,265,266	18,937,840	20,856,100	23,198,105	23,198,105	23,198,105	23,198,105	23,198,105
Class 200 - Contracts / Leases	67,507,799	78,220,484	76,096,404	74,127,032	74,127,032	74,127,032	74,127,032	74,127,032
Class 300/400 - Supplies, Equipment	621,006	1,180,627	1,386,447	1,013,814	1,013,814	1,013,814	1,013,814	1,013,814
Class 500 - Indemnities / Contributions	476,224							
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	90,870,295	98,338,951	98,338,951	98,338,951	98,338,951	98,338,951	98,338,951	98,338,951

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Indemnities							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages								
Class 200 - Contracts / Leases								
Class 300/400 - Supplies, Equipment								
Class 500 - Indemnities / Contributions	30,268,500	32,500,000	41,000,000	33,660,000	33,660,000	33,660,000	33,660,000	33,660,000
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	30,268,500	32,500,000	41,000,000	33,660,000	33,660,000	33,660,000	33,660,000	33,660,000

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Law							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	6,511,482	6,563,545	6,831,545	7,003,545	7,003,545	7,003,545	7,003,545	7,003,545
Class 200 - Contracts / Leases	7,631,701	6,010,034	6,010,034	6,010,034	6,010,034	6,010,034	6,010,034	6,010,034
Class 300/400 - Supplies, Equipment	248,592	248,676	248,676	248,676	248,676	248,676	248,676	248,676
Class 500 - Indemnities / Contributions	434,999							
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	14,826,774	12,822,255	13,090,255	13,262,255	13,262,255	13,262,255	13,262,255	13,262,255

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Licenses and Inspections							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	14,071,418	15,171,959	15,171,959	16,538,425	16,538,425	16,538,425	16,538,425	16,538,425
Class 200 - Contracts / Leases	7,098,964	7,112,502	10,112,502	10,442,535	7,442,535	7,442,535	7,442,535	7,442,535
Class 300/400 - Supplies, Equipment	303,527	303,613	303,613	583,613	303,613	303,613	303,613	303,613
Class 500 - Indemnities / Contributions	175,296							
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	21,649,205	22,588,074	25,588,074	27,564,573	24,284,573	24,284,573	24,284,573	24,284,573

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Managing Director							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	14,893,261	14,899,646	15,826,586	15,998,326	15,998,326	15,998,326	15,998,326	15,998,326
Class 200 - Contracts / Leases	18,955,974	18,444,680	17,955,458	17,955,458	17,955,458	17,955,458	17,955,458	17,955,458
Class 300/400 - Supplies, Equipment	497,899	526,819	526,819	526,819	526,819	526,819	526,819	526,819
Class 500 - Indemnities / Contributions	185,507							
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	34,532,641	33,871,145	34,308,863	34,480,603	34,480,603	34,480,603	34,480,603	34,480,603

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Managing Director - Legal Services							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages								
Class 200 - Contracts / Leases	38,744,097	40,146,067	40,596,067	41,727,017	42,227,017	42,227,017	43,227,017	43,227,017
Class 300/400 - Supplies, Equipment								
Class 500 - Indemnities / Contributions								
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	38,744,097	40,146,067	40,596,067	41,727,017	42,227,017	42,227,017	43,227,017	43,227,017

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Mayor							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	3,078,511	4,151,380	4,151,380	4,151,380	4,151,380	4,151,380	4,151,380	4,151,380
Class 200 - Contracts / Leases	625,333	990,336	990,336	990,336	990,336	990,336	990,336	990,336
Class 300/400 - Supplies, Equipment	25,012	50,165	50,165	50,165	50,165	50,165	50,165	50,165
Class 500 - Indemnities / Contributions	118,094	0	0	0	0	0	0	0
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	3,846,950	5,191,881	5,191,881	5,191,881	5,191,881	5,191,881	5,191,881	5,191,881

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Mayor - Office of Labor Relations							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	534,553	542,016	542,016	542,016	542,016	542,016	542,016	542,016
Class 200 - Contracts / Leases	1,830	3,277	3,277	3,277	3,277	3,277	3,277	3,277
Class 300/400 - Supplies, Equipment	6,694	8,160	8,160	8,160	8,160	8,160	8,160	8,160
Class 500 - Indemnities / Contributions								
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	543,077	553,453	553,453	553,453	553,453	553,453	553,453	553,453

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Mayor - Mural Arts Program							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	444,917	449,625	449,625	449,625	449,625	449,625	449,625	449,625
Class 200 - Contracts / Leases	501,800	951,800	1,139,900	951,800	951,800	951,800	951,800	951,800
Class 300/400 - Supplies, Equipment								
Class 500 - Indemnities / Contributions								
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	946,717	1,401,425	1,589,525	1,401,425	1,401,425	1,401,425	1,401,425	1,401,425

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Mayor - Scholarships							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages								
Class 200 - Contracts / Leases								
Class 300/400 - Supplies, Equipment								
Class 500 - Indemnities / Contributions	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Mayor's Office of Transportation							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	519,216	498,887	498,887	498,887	498,887	498,887	498,887	498,887
Class 200 - Contracts / Leases	85,155	289,930	289,930	289,930	289,930	289,930	289,930	289,930
Class 300/400 - Supplies, Equipment								
Class 500 - Indemnities / Contributions								
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	604,371	788,817	788,817	788,817	788,817	788,817	788,817	788,817

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Office of Arts and Culture and the Creative Economy							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	203,107	199,800	199,800	199,800	199,800	199,800	199,800	199,800
Class 200 - Contracts / Leases	393,303	393,800	393,800	393,800	393,800	393,800	393,800	393,800
Class 300/400 - Supplies, Equipment	3,936	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Class 500 - Indemnities / Contributions	1,995,688	2,070,688	2,070,688	2,070,688	2,070,688	2,070,688	2,070,688	2,070,688
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	2,596,034	2,671,288	2,671,288	2,671,288	2,671,288	2,671,288	2,671,288	2,671,288

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Office of Behavioral Health and Intellectual disAbility							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	1,357,191	1,239,264	1,239,264	957,237	957,237	957,237	957,237	957,237
Class 200 - Contracts / Leases	12,787,545	12,593,483	12,693,483	12,875,510	12,875,510	12,875,510	12,875,510	12,875,510
Class 300/400 - Supplies, Equipment								
Class 500 - Indemnities / Contributions								
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	14,144,736	13,832,747	13,932,747	13,832,747	13,832,747	13,832,747	13,832,747	13,832,747

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Office of Housing and Community Development							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages								
Class 200 - Contracts / Leases	2,520,000	3,020,000	3,020,000	3,020,000	3,020,000	3,020,000	3,020,000	3,020,000
Class 300/400 - Supplies, Equipment								
Class 500 - Indemnities / Contributions								
Class 700 - Debt Service								
Class 800 - Payments to Other Funds	320,191							
Class 900 - Advances / Misc. Payments								
Total	2,840,191	3,020,000	3,020,000	3,020,000	3,020,000	3,020,000	3,020,000	3,020,000

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Office of Human Resources							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	4,383,527	4,852,216	4,852,216	4,852,216	4,852,216	4,852,216	4,852,216	4,852,216
Class 200 - Contracts / Leases	799,551	964,070	964,070	802,070	964,070	802,070	964,070	802,070
Class 300/400 - Supplies, Equipment	58,559	69,932	69,932	69,932	69,932	69,932	69,932	69,932
Class 500 - Indemnities / Contributions	60,000							
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	5,301,637	5,886,218	5,886,218	5,724,218	5,886,218	5,724,218	5,886,218	5,724,218

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Office of Innovation and Technology							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	17,229,380	19,309,536	19,205,216	19,309,536	19,309,536	19,309,536	19,309,536	19,309,536
Class 200 - Contracts / Leases	41,228,818	57,204,148	56,949,148	53,996,284	51,893,284	51,893,284	51,893,284	51,893,284
Class 300/400 - Supplies, Equipment	4,753,045	8,480,497	8,480,497	8,480,497	8,480,497	8,480,497	8,480,497	8,480,497
Class 500 - Indemnities / Contributions	22,867	0	0	0	0	0	0	0
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	63,234,110	84,994,181	84,634,861	81,786,317	79,683,317	79,683,317	79,683,317	79,683,317

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Office of Inspector General							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	1,156,164	1,338,869	1,263,869	1,326,369	1,326,369	1,326,369	1,263,869	1,263,869
Class 200 - Contracts / Leases	96,327	115,375	192,975	192,975	192,975	192,975	192,975	192,975
Class 300/400 - Supplies, Equipment	6,587	7,825	5,225	5,225	5,225	5,225	5,225	5,225
Class 500 - Indemnities / Contributions								
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	1,259,078	1,462,069	1,462,069	1,524,569	1,524,569	1,524,569	1,462,069	1,462,069

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Office of Property Assessment							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	8,140,264	10,158,928	10,158,928	10,158,928	10,158,928	10,158,928	10,158,928	10,158,928
Class 200 - Contracts / Leases	3,003,781	2,309,748	2,309,748	2,774,390	1,078,126	1,078,126	1,078,126	1,078,126
Class 300/400 - Supplies, Equipment	420,979	857,600	857,600	794,600	782,600	782,600	782,600	782,600
Class 500 - Indemnities / Contributions								
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	11,565,024	13,326,276	13,326,276	13,727,918	12,019,654	12,019,654	12,019,654	12,019,654

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Office of Supportive Housing							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	7,549,916	7,780,503	7,780,503	7,725,659	7,725,659	7,725,659	7,725,659	7,725,659
Class 200 - Contracts / Leases	34,187,845	35,459,579	36,895,579	35,511,621	35,511,621	35,511,621	35,511,621	35,511,621
Class 300/400 - Supplies, Equipment	332,090	344,127	344,127	344,127	344,127	344,127	344,127	344,127
Class 500 - Indemnities / Contributions	42,085	32,421	32,421	32,421	32,421	32,421	32,421	32,421
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	42,111,936	43,616,630	45,052,630	43,613,828	43,613,828	43,613,828	43,613,828	43,613,828

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Parks and Recreation							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	37,509,725	40,215,707	39,680,707	40,715,707	40,715,707	40,715,707	40,715,707	40,715,707
Class 200 - Contracts / Leases	6,111,519	6,214,525	6,374,525	6,214,525	6,214,525	6,214,525	6,214,525	6,214,525
Class 300/400 - Supplies, Equipment	3,388,330	2,593,805	2,968,805	2,593,805	2,593,805	2,593,805	2,593,805	2,593,805
Class 500 - Indemnities / Contributions	5,457,957	2,289,500	2,289,500	2,289,500	2,289,500	2,289,500	2,289,500	2,289,500
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	52,467,531	51,313,537	51,313,537	51,813,537	51,813,537	51,813,537	51,813,537	51,813,537

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Police							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	555,247,244	579,668,096	574,668,096	575,689,495	576,225,733	576,691,777	584,208,302	585,803,809
Class 200 - Contracts / Leases	7,158,494	7,252,307	7,252,307	7,262,807	7,252,307	7,252,307	7,252,307	7,252,307
Class 300/400 - Supplies, Equipment	9,482,142	8,673,352	8,673,352	9,117,502	8,673,352	8,673,352	8,673,352	8,673,352
Class 500 - Indemnities / Contributions	13,214,656							
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	585,102,536	595,593,755	590,593,755	592,069,804	592,151,392	592,617,436	600,133,961	601,729,468

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Prisons							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	130,057,321	128,556,476	131,056,476	128,556,476	128,556,476	128,556,476	128,556,476	128,556,476
Class 200 - Contracts / Leases	105,447,458	104,177,807	106,419,807	105,064,622	105,064,622	105,064,622	105,064,622	105,064,622
Class 300/400 - Supplies, Equipment	4,768,432	4,768,744	4,768,744	5,240,173	4,768,744	4,768,744	4,768,744	4,768,744
Class 500 - Indemnities / Contributions	2,385,603	1,301,757	1,301,757	1,301,757	1,301,757	1,301,757	1,301,757	1,301,757
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	242,658,814	238,804,784	243,546,784	240,163,028	239,691,599	239,691,599	239,691,599	239,691,599

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Procurement							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	2,197,426	2,277,794	2,277,794	2,277,794	2,277,794	2,277,794	2,277,794	2,277,794
Class 200 - Contracts / Leases	2,316,267	2,316,267	2,316,267	2,316,267	2,316,267	2,316,267	2,316,267	2,316,267
Class 300/400 - Supplies, Equipment	49,026	49,054	49,054	49,054	49,054	49,054	49,054	49,054
Class 500 - Indemnities / Contributions								
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	4,562,719	4,643,115	4,643,115	4,643,115	4,643,115	4,643,115	4,643,115	4,643,115

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Public Health							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	40,531,940	47,538,405	47,538,405	47,538,405	47,538,405	47,538,405	47,538,405	47,538,405
Class 200 - Contracts / Leases	62,965,942	60,953,424	60,953,424	60,963,510	60,953,424	60,953,424	60,953,424	60,953,424
Class 300/400 - Supplies, Equipment	4,987,651	5,490,768	5,490,768	5,490,768	5,490,768	5,490,768	5,490,768	5,490,768
Class 500 - Indemnities / Contributions	91,697	0	0	0	0	0	0	0
Class 700 - Debt Service								
Class 800 - Payments to Other Funds	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Class 900 - Advances / Misc. Payments								
Total	109,077,230	114,482,597	114,482,597	114,492,683	114,482,597	114,482,597	114,482,597	114,482,597

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Public Property							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	6,833,756	7,920,956	7,920,956	7,920,956	7,920,956	7,920,956	7,920,956	7,920,956
Class 200 - Contracts / Leases	24,687,168	24,669,008	25,312,008	25,802,127	25,754,008	25,754,008	25,754,008	25,754,008
Class 300/400 - Supplies, Equipment	1,158,156	1,288,535	1,304,535	1,338,535	1,338,535	1,338,535	1,338,535	1,338,535
Class 500 - Indemnities / Contributions	1,684,708							
Class 700 - Debt Service								
Class 800 - Payments to Other Funds	23,255,158	23,576,462	52,733,462	22,552,897	23,589,240	24,677,990	25,821,841	27,023,632
Class 900 - Advances / Misc. Payments								
Total	57,618,946	57,454,961	87,270,961	57,614,515	58,602,739	59,691,489	60,835,340	62,037,131

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Public Property - Space Rentals							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages								
Class 200 - Contracts / Leases	18,157,661	19,074,780	19,074,780	20,521,298	20,973,581	21,430,832	20,744,265	20,269,546
Class 300/400 - Supplies, Equipment								
Class 500 - Indemnities / Contributions								
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	18,157,661	19,074,780	19,074,780	20,521,298	20,973,581	21,430,832	20,744,265	20,269,546

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Public Property - SEPTA Subsidy							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages								
Class 200 - Contracts / Leases	65,170,000	67,062,000	67,062,000	70,415,000	73,936,000	77,633,000	81,515,000	85,591,000
Class 300/400 - Supplies, Equipment								
Class 500 - Indemnities / Contributions								
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	65,170,000	67,062,000	67,062,000	70,415,000	73,936,000	77,633,000	81,515,000	85,591,000

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Public Property - Utilities							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages								
Class 200 - Contracts / Leases	31,525,462	30,313,424	30,313,424	29,776,166	30,259,004	31,223,059	32,279,088	33,373,851
Class 300/400 - Supplies, Equipment								
Class 500 - Indemnities / Contributions								
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	31,525,462	30,313,424	30,313,424	29,776,166	30,259,004	31,223,059	32,279,088	33,373,851

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Records							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	2,734,031	2,862,324	2,862,324	2,862,324	2,862,324	2,862,324	2,862,324	2,862,324
Class 200 - Contracts / Leases	1,083,641	1,083,779	1,538,779	1,538,779	1,538,779	1,538,779	1,538,779	1,538,779
Class 300/400 - Supplies, Equipment	113,741	78,758	143,758	143,758	143,758	143,758	143,758	143,758
Class 500 - Indemnities / Contributions	1,455	1,456	1,456	1,456	1,456	1,456	1,456	1,456
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	3,932,868	4,026,317	4,546,317	4,546,317	4,546,317	4,546,317	4,546,317	4,546,317

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Finance - Refunds							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages								
Class 200 - Contracts / Leases								
Class 300/400 - Supplies, Equipment								
Class 500 - Indemnities / Contributions	36	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	36	250,000	250,000	250,000	250,000	250,000	250,000	250,000

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Register of Wills							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	3,187,312	3,224,645	3,224,645	3,224,645	3,224,645	3,224,645	3,224,645	3,224,645
Class 200 - Contracts / Leases	48,503	75,486	75,486	75,486	75,486	75,486	75,486	75,486
Class 300/400 - Supplies, Equipment	32,807	103,210	103,210	33,210	33,210	33,210	33,210	33,210
Class 500 - Indemnities / Contributions								
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	3,268,622	3,403,341	3,403,341	3,333,341	3,333,341	3,333,341	3,333,341	3,333,341

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Revenue							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	14,479,641	16,387,696	15,987,696	17,430,706	17,430,706	18,455,733	18,455,733	18,455,733
Class 200 - Contracts / Leases	3,535,297	3,570,349	4,210,349	4,101,449	4,101,449	4,133,949	4,133,949	4,133,949
Class 300/400 - Supplies, Equipment	642,141	602,576	602,576	571,076	571,076	575,976	575,976	575,976
Class 500 - Indemnities / Contributions	3,695							
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	18,660,774	20,560,621	20,800,621	22,103,231	22,103,231	23,165,658	23,165,658	23,165,658

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Sheriff							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	14,460,864	13,716,268	16,224,671	17,026,443	17,026,443	17,026,443	17,026,443	17,026,443
Class 200 - Contracts / Leases	294,051	445,042	445,042	990,587	715,267	715,267	715,267	715,267
Class 300/400 - Supplies, Equipment	317,630	508,532	508,532	471,647	393,207	393,207	393,207	393,207
Class 500 - Indemnities / Contributions	73,804							
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	15,146,349	14,669,842	17,178,245	18,488,677	18,134,917	18,134,917	18,134,917	18,134,917

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Sinking Fund Commission (Debt Service)							
Expenditure Class	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
Class 100 - Wages								
Class 200 - Contracts / Leases	90,972,027	96,728,215	96,728,215	111,217,306	107,147,606	114,366,873	123,418,969	93,811,274
Class 300/400 - Supplies, Equipment								
Class 500 - Indemnities / Contributions								
Class 700 - Debt Service	118,873,777	129,530,143	126,030,143	136,578,259	140,711,914	152,970,029	163,032,609	180,994,201
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	209,845,804	226,258,358	222,758,358	247,795,565	247,859,520	267,336,902	286,451,578	274,805,475

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Streets - Transportation							
Expenditure Class	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
Class 100 - Wages	19,782,861	20,824,178	22,324,178	21,824,178	21,824,178	21,824,178	21,824,178	21,824,178
Class 200 - Contracts / Leases	3,259,914	7,226,338	8,226,338	7,226,338	7,226,338	7,226,338	7,226,338	7,226,338
Class 300/400 - Supplies, Equipment	1,903,721	2,201,750	2,201,750	2,201,750	2,201,750	2,201,750	2,201,750	2,201,750
Class 500 - Indemnities / Contributions	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments	0	0	0	0	0	0	0	0
Total	24,946,496	30,257,266	32,757,266	31,257,266	31,257,266	31,257,266	31,257,266	31,257,266

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Streets - Sanitation							
Expenditure Class	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
Class 100 - Wages	45,307,251	45,145,923	45,145,923	45,145,923	45,145,923	45,145,923	45,145,923	45,145,923
Class 200 - Contracts / Leases	37,248,899	38,501,117	38,501,117	38,807,117	39,580,624	40,372,296	41,176,139	42,004,156
Class 300/400 - Supplies, Equipment	1,626,706	1,608,212	1,608,212	1,608,212	1,608,212	1,608,212	1,608,212	1,608,212
Class 500 - Indemnities / Contributions	9,566,117	48,171	48,171	48,171	48,171	48,171	48,171	48,171
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	93,748,973	85,303,423	85,303,423	85,609,423	86,382,930	87,174,602	87,978,445	88,806,462

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Witness Fees							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages								
Class 200 - Contracts / Leases	132,008	171,518	171,518	171,518	171,518	171,518	171,518	171,518
Class 300/400 - Supplies, Equipment								
Class 500 - Indemnities / Contributions								
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	132,008	171,518	171,518	171,518	171,518	171,518	171,518	171,518

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Youth Commission							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	50,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Class 200 - Contracts / Leases	6,723	46,000	46,000	46,000	46,000	46,000	46,000	46,000
Class 300/400 - Supplies, Equipment	247	4,080	4,080	4,080	4,080	4,080	4,080	4,080
Class 500 - Indemnities / Contributions								
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	56,970	140,080	140,080	140,080	140,080	140,080	140,080	140,080

City of Philadelphia General Fund FY 2015 - 2019 Five Year Financial Plan Master Schedule								
DEPARTMENT	Zoning Board of Adjustment							
	FY 13 Actual	FY 14 Adopted Budget	FY 14 Current Target	FY 15	FY 16	FY 17	FY 18	FY 19
<u>Expenditure Class</u>								
Class 100 - Wages	331,167	322,856	322,856	322,856	322,856	322,856	322,856	322,856
Class 200 - Contracts / Leases	29,607	34,541	34,541	34,541	34,541	34,541	34,541	34,541
Class 300/400 - Supplies, Equipment								
Class 500 - Indemnities / Contributions								
Class 700 - Debt Service								
Class 800 - Payments to Other Funds								
Class 900 - Advances / Misc. Payments								
Total	360,774	357,397	357,397	357,397	357,397	357,397	357,397	357,397

EXHIBIT A

SOURCES OF FUNDS

	2015 (in thousands)	2016 (in thousands)	2107 (in thousands)	2018 (in thousands)	2019 (in thousands)	2020 (in thousands)	2015-2020 (in thousands)
City Funds--Tax Supported							
CT Carried-Forward Loans	\$ 290,824	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 290,824
CR Operating Revenue	\$ 44,450	\$ 4,464	\$ 3,964	\$ 3,264	\$ 3,264	\$ 3,264	\$ 62,670
CN New Loans	\$ 131,509	\$ 151,905	\$ 116,126	\$ 115,224	\$ 120,838	\$ 126,039	\$ 761,641
CA Prefinanced Loans	\$ 14,534	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,534
A PICA Prefinanced Loans	\$ 12,548	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,548
City Funds--Self Sustaining							
XT Self-Sustaining Carried-Forward Loans	\$ 883,751	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 883,751
XR Self Sustaining Operating Revenue	\$ 197,171	\$ 56,246	\$ 70,834	\$ 75,790	\$ 82,689	\$ 75,463	\$ 558,193
XN Self Sustaining New Loans	\$ 734,742	\$ 629,856	\$ 713,393	\$ 714,612	\$ 690,580	\$ 707,469	\$ 4,190,652
Other City Funds							
Z Revolving Funds	\$ 18,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,000
Other Than City Funds							
TT Carried-Forward Other Government	\$ 16,273	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,273
TO Other Governments Off Budget	\$ 1,177	\$ 1,308	\$ 1,233	\$ 1,000	\$ 1,010	\$ 802	\$ 6,530
ST Carried-Forward State	\$ 84,097	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 84,097
SO State Off Budget	\$ 144,387	\$ 159,415	\$ 144,244	\$ 128,221	\$ 138,268	\$ 117,515	\$ 832,050
SB State	\$ 71,333	\$ 24,205	\$ 24,450	\$ 25,775	\$ 24,263	\$ 22,571	\$ 192,597
PT Carried-Forward Private	\$ 119,253	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 119,253
PB Private	\$ 86,920	\$ 55,182	\$ 49,663	\$ 58,475	\$ 44,968	\$ 50,854	\$ 346,062
FT Carried-Forward Federal	\$ 219,082	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 219,082
FO Federal Off Budget	\$ 43,720	\$ 55,306	\$ 17,134	\$ 16,527	\$ 13,728	\$ -	\$ 146,415
FB Federal	\$ 112,000	\$ 118,062	\$ 100,748	\$ 107,435	\$ 100,167	\$ 110,479	\$ 648,891
TOTAL--ALL FUNDS	\$ 3,225,771	\$ 1,255,949	\$ 1,241,789	\$ 1,246,323	\$ 1,219,775	\$ 1,214,456	\$ 9,404,063

Note: Off-budget amounts are shown in this FY2015-2020 Capital Program ordinance, but they are not shown in the FY2014 Capital Budget ordinance.

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
ART MUSEUM							
<i>ART MUSEUM COMPLEX - CAPITAL</i>							
1 Philadelphia Museum of Art - Building Rehabilitation	3,000	3,000	3,000	3,000	4,000	4,000	20,000
	3,000 CN	3,000 CN	3,000 CN	3,000 CN	4,000 CN	4,000 CN	20,000 CN
1A Philadelphia Museum of Art - Building Rehabilitation-FY14	500						500
	500 CT						500 CT
1B Philadelphia Museum of Art - Building Rehabilitation-FY13	601						601
	601 CT						601 CT
<i>ART MUSEUM COMPLEX - CAPITAL</i>							
	4,101	3,000	3,000	3,000	4,000	4,000	21,101
	3,000 CN	3,000 CN	3,000 CN	3,000 CN	4,000 CN	4,000 CN	20,000 CN
	1,101 CT						1,101 CT
ART MUSEUM	4,101	3,000	3,000	3,000	4,000	4,000	21,101
	3,000 CN	3,000 CN	3,000 CN	3,000 CN	4,000 CN	4,000 CN	20,000 CN
	1,101 CT						1,101 CT

AVIATION***NORTHEAST PHILADELPHIA AIRPORT***

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
<i>NORTHEAST PHILADELPHIA AIRPORT</i>							
2 Airfield Improvements	5,000	2,000	3,500	1,500	1,500	750	14,250
	1,950 FB	780 FB	1,365 FB	585 FB	585 FB	293 FB	5,558 FB
	150 SB	60 SB	105 SB	45 SB	45 SB	22 SB	427 SB
	2,900 XN	1,160 XN	2,030 XN	870 XN	870 XN	435 XN	8,265 XN
2A Airfield Improvements-FY14	800						800
	550 FT						550 FT
	250 XR						250 XR
2B Airfield Pavement & Rehabilitation Program-FY12	75						75
	75 ST						75 ST
3 Improvements to Existing Facilities	4,500	2,750	1,000	2,800	1,000	1,750	13,800
	500 FB	302 FB	110 FB	308 FB	110 FB	193 FB	1,523 FB
	1,000 SB	605 SB	220 SB	616 SB	220 SB	385 SB	3,046 SB
	1,000 XN	633 XN	230 XN	644 XN	230 XN	402 XN	3,139 XN
	2,000 XR	1,210 XR	440 XR	1,232 XR	440 XR	770 XR	6,092 XR
3A Improvements to Existing Facilities-FY14	250						250
	250 FT						250 FT
<i>NORTHEAST PHILADELPHIA AIRPORT</i>							
	10,625	4,750	4,500	4,300	2,500	2,500	29,175
	2,450 FB	1,082 FB	1,475 FB	893 FB	695 FB	486 FB	7,081 FB
	800 FT						800 FT
	1,150 SB	665 SB	325 SB	661 SB	265 SB	407 SB	3,473 SB
	75 ST						75 ST
	3,900 XN	1,793 XN	2,260 XN	1,514 XN	1,100 XN	837 XN	11,404 XN
	2,250 XR	1,210 XR	440 XR	1,232 XR	440 XR	770 XR	6,342 XR

		2015	2016	2017	2018	2019	2020	2015 - 2020
		\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
PHILADELPHIA INTERNATIONAL AIRPORT								
4	Airfield Improvements	45,300	36,500	40,000	54,200	44,500	42,500	263,000
		3,000 FB	3,015 FB	3,150 FB	4,608 FB	3,465 FB	3,825 FB	21,063 FB
		10,500 PB	9,045 PB	9,450 PB	13,824 PB	10,395 PB	11,475 PB	64,689 PB
		3,000 SB	2,095 SB	2,450 SB	2,980 SB	2,765 SB	2,125 SB	15,415 SB
		25,800 XN	20,250 XN	22,500 XN	29,808 XN	25,110 XN	22,950 XN	146,418 XN
		3,000 XR	2,095 XR	2,450 XR	2,980 XR	2,765 XR	2,125 XR	15,415 XR
4A	Airfield Improvements-FY14	52,935						52,935
		20,000 FT						20,000 FT
		5,000 PT						5,000 PT
		800 ST						800 ST
		5,000 XR						5,000 XR
		22,135 XT						22,135 XT
4B	Airfield Improvements-FY13	12,800						12,800
		800 ST						800 ST
		2,000 XR						2,000 XR
		10,000 XT						10,000 XT
4C	Terminal D-E Apron Reconstruction-FY11	6,250						6,250
		6,250 PT						6,250 PT
4D	Airport Roadway System Modifications-FY11	4,000						4,000
		4,000 XT						4,000 XT
4E	Airfield Renovations & Additions-FY11	7,000						7,000
		7,000 FT						7,000 FT
4F	Airfield Renovations & Additions-FY10	2,200						2,200
		2,200 XR						2,200 XR

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
5 Improvements to Existing Facilities	133,175	89,700	74,635	67,300	65,750	50,250	480,810
	7,000 FB	5,615 FB	4,704 FB	4,015 FB	4,345 FB	3,295 FB	28,974 FB
	29,000 PB	16,302 PB	12,190 PB	8,398 PB	7,410 PB	4,030 PB	77,330 PB
	7,500 SB	6,508 SB	6,175 SB	7,292 SB	7,160 SB	6,440 SB	41,075 SB
	83,675 XN	55,969 XN	46,509 XN	41,626 XN	40,910 XN	31,150 XN	299,839 XN
	6,000 XR	5,306 XR	5,057 XR	5,969 XR	5,925 XR	5,335 XR	33,592 XR
5A Improvements to Existing Facilities-FY14	67,900						67,900
	2,500 FT						2,500 FT
	9,000 PT						9,000 PT
	1,400 ST						1,400 ST
	5,000 XR						5,000 XR
	50,000 XT						50,000 XT
5B Improvements to Existing Facilities-FY13	8,000						8,000
	7,000 FT						7,000 FT
	1,000 ST						1,000 ST

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
5C Improvements to Existing Facilities-FY12	1,000						1,000
	1,000 ST						1,000 ST
5D Improvements to Existing Facilities-FY10	9,050						9,050
	9,050 XR						9,050 XR
5E Noise Compatibility Program-FY12	2,000						2,000
	1,000 FT						1,000 FT
	1,000 XR						1,000 XR
6 Airport Safety and Security Projects	26,000	27,750	13,000	13,700	12,250	13,500	106,200
	7,500 FB	7,770 FB	3,640 FB	3,836 FB	3,430 FB	3,780 FB	29,956 FB
	7,000 PB	7,493 PB	3,510 PB	3,699 PB	3,308 PB	3,645 PB	28,655 PB
	1,500 SB	1,665 SB	780 SB	822 SB	735 SB	810 SB	6,312 SB
	9,000 XN	9,712 XN	4,550 XN	4,795 XN	4,287 XN	4,725 XN	37,069 XN
	1,000 XR	1,110 XR	520 XR	548 XR	490 XR	540 XR	4,208 XR
6A Airport Safety & Security Projects-FY14	22,500						22,500
	3,000 FT						3,000 FT
	5,000 PT						5,000 PT
	500 ST						500 ST
	4,000 XR						4,000 XR
	10,000 XT						10,000 XT
6B Airport Safety & Security Projects-FY13	3,000						3,000
	3,000 XT						3,000 XT
7 Capacity Enhancement Program	485,650	389,700	467,010	461,982	448,855	513,916	2,767,113
	51,600 FB	44,530 FB	52,729 FB	51,883 FB	50,982 FB	58,043 FB	309,767 FB
	25,600 PB	17,822 PB	21,993 PB	22,034 PB	20,835 PB	24,184 PB	132,468 PB
	6,233 SB	3,897 SB	4,670 SB	4,620 SB	4,488 SB	5,139 SB	29,047 SB
	391,450 XN	317,320 XN	379,635 XN	375,271 XN	365,181 XN	417,784 XN	2,246,641 XN
	10,767 XR	6,131 XR	7,983 XR	8,174 XR	7,369 XR	8,766 XR	49,190 XR

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
7A Capacity Enhancement Program-FY14	262,000						262,000
	20,000 FT						20,000 FT
	30,000 PT						30,000 PT
	5,000 ST						5,000 ST
	7,000 XR						7,000 XR
	200,000 XT						200,000 XT
7B Capacity Enhancement Program-FY13	10,000						10,000
	10,000 PT						10,000 PT
7C Airport Expansion Program-FY11	10,000						10,000
	10,000 XR						10,000 XR
7D Snow Removal Equipment Acquisition-FY08	6,171						6,171
	6,171 XT						6,171 XT
7E Terminal Expansion and Modernization Program-FY12	10,000						10,000
	10,000 FT						10,000 FT
7F Terminal Expansion and Modernization Program-FY10	10,975						10,975
	10,975 XR						10,975 XR
PHILADELPHIA INTERNATIONAL AIRPORT	1,197,906	543,650	594,645	597,182	571,355	620,166	4,124,904
	69,100 FB	60,930 FB	64,223 FB	64,342 FB	62,222 FB	68,943 FB	389,760 FB
	70,500 FT						70,500 FT
	72,100 PB	50,662 PB	47,143 PB	47,955 PB	41,948 PB	43,334 PB	303,142 PB
	65,250 PT						65,250 PT
	18,233 SB	14,165 SB	14,075 SB	15,714 SB	15,148 SB	14,514 SB	91,849 SB
	10,500 ST						10,500 ST
	509,925 XN	403,251 XN	453,194 XN	451,500 XN	435,488 XN	476,609 XN	2,729,967 XN
	76,992 XR	14,642 XR	16,010 XR	17,671 XR	16,549 XR	16,766 XR	158,630 XR
	305,306 XT						305,306 XT

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
AVIATION	1,208,531	548,400	599,145	601,482	573,855	622,666	4,154,079
	71,550 FB	62,012 FB	65,698 FB	65,235 FB	62,917 FB	69,429 FB	396,841 FB
	71,300 FT						71,300 FT
	72,100 PB	50,662 PB	47,143 PB	47,955 PB	41,948 PB	43,334 PB	303,142 PB
	65,250 PT						65,250 PT
	19,383 SB	14,830 SB	14,400 SB	16,375 SB	15,413 SB	14,921 SB	95,322 SB
	10,575 ST						10,575 ST
	513,825 XN	405,044 XN	455,454 XN	453,014 XN	436,588 XN	477,446 XN	2,741,371 XN
	79,242 XR	15,852 XR	16,450 XR	18,903 XR	16,989 XR	17,536 XR	164,972 XR
	305,306 XT						305,306 XT

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
CITY COMMISSIONERS							
<i>VOTING MACHINES</i>							
8 New Voting Machines		25,500					25,500
		25,500 CN					25,500 CN
<i>VOTING MACHINES</i>							
		25,500					25,500
		25,500 CN					25,500 CN
CITY COMMISSIONERS							
		25,500					25,500
		25,500 CN					25,500 CN

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
COMMERCE							
<i>COMMERCIAL DEVELOPMENT</i>							
9 Neighborhood Commercial Centers - Site Improvements	16,300	4,900	6,500	1,500	1,500	1,500	32,200
	9,350 CN	4,900 CN	6,500 CN	1,500 CN	1,500 CN	1,500 CN	25,250 CN
	2,700 PB						2,700 PB
	4,250 SB						4,250 SB
9A Neighborhood Commercial Centers - Site Improvements-FY14	5,000						5,000
	5,000 CT						5,000 CT
9B Neighborhood Commercial Centers - Site Improvements-FY13	20,426						20,426
	4,926 CT						4,926 CT
	15,000 PT						15,000 PT
	500 ST						500 ST

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
9C Neighborhood Commercial Centers - Site Improvements-FY12	32,993						32,993
	2,993 CT						2,993 CT
	15,000 FT						15,000 FT
	15,000 ST						15,000 ST
9D Avenue of the Arts-N. Broad Street-FY03	110						110
	110 FT						110 FT
9E Cultural Corridors Capital and Infrastructure Projects-FY08	4,048						4,048
	4,048 TT						4,048 TT
COMMERCIAL DEVELOPMENT	78,877	4,900	6,500	1,500	1,500	1,500	94,777
	9,350 CN	4,900 CN	6,500 CN	1,500 CN	1,500 CN	1,500 CN	25,250 CN
	12,919 CT						12,919 CT
	15,110 FT						15,110 FT
	2,700 PB						2,700 PB
	15,000 PT						15,000 PT
	4,250 SB						4,250 SB
	15,500 ST						15,500 ST
	4,048 TT						4,048 TT
INDUSTRIAL DEVELOPMENT							
10 Industrial Districts	2,000	2,600	2,300	2,900	2,300	1,500	13,600
	1,000 CN	1,500 CN	1,000 CN	1,500 CN	1,500 CN	1,500 CN	8,000 CN
	1,000 SB	1,100 SB	1,300 SB	1,400 SB	800 SB		5,600 SB
10A Industrial Districts-FY14	500						500
	500 CT						500 CT
10B Industrial Districts-FY12	283						283
	283 CT						283 CT
11 Navy Yard Infrastructure Improvements	1,000	2,000	1,000	1,700	2,600	1,000	9,300
	1,000 CN	2,000 CN	1,000 CN	1,700 CN	2,600 CN	1,000 CN	9,300 CN

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
11A Navy Yard Infrastructure Improvements-FY14	1,221						1,221
	1,221 CT						1,221 CT
11B Navy Yard Infrastructure Improvements-FY11	2,900						2,900
	2,900 FT						2,900 FT
12 Environmental Assessment/Remediation	1,000		1,000		1,000		3,000
	400 CN		400 CN		400 CN		1,200 CN
	200 FB		200 FB		200 FB		600 FB
	400 SB		400 SB		400 SB		1,200 SB
12A Environmental Assessment/Remediation-FY13	1,000						1,000
	400 CT						400 CT
	200 FT						200 FT
	400 ST						400 ST
12B Environmental Assessment/Remediation-FY08	4						4
	4 CT						4 CT
13 PIDC Landbank Improvements, Engineering and Administration	6,000						6,000
	6,000 Z						6,000 Z
14 PIDC Landbank Acquisition & Improvements	12,000						12,000
	12,000 Z						12,000 Z
INDUSTRIAL DEVELOPMENT	27,908	4,600	4,300	4,600	5,900	2,500	49,808
	2,400 CN	3,500 CN	2,400 CN	3,200 CN	4,500 CN	2,500 CN	18,500 CN
	2,408 CT						2,408 CT
	200 FB		200 FB		200 FB		600 FB
	3,100 FT						3,100 FT
	1,400 SB	1,100 SB	1,700 SB	1,400 SB	1,200 SB		6,800 SB
	400 ST						400 ST
	18,000 Z						18,000 Z

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
WATERFRONT IMPROVEMENTS							
15 Central Delaware River Waterfront	8,000	27,100	1,750	2,000	5,000	6,000	49,850
	8,000 CN	2,100 CN	1,750 CN	2,000 CN	5,000 CN	6,000 CN	24,850 CN
		25,000 FB					25,000 FB
15A Central Delaware River Waterfront-FY14	7,500						7,500
	4,450 CT						4,450 CT
	1,030 FT						1,030 FT
	710 PT						710 PT
	1,250 ST						1,250 ST
	60 TT						60 TT
16 Schuylkill River Waterfront	1,350	1,850	1,850	1,000	1,000	600	7,650
	500 CN	1,000 CN	1,000 CN	1,000 CN	1,000 CN	600 CN	5,100 CN
	500 FB	500 FB	500 FB				1,500 FB
	350 SB	350 SB	350 SB				1,050 SB

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
16A Schuylkill River Waterfront-FY14	1,850						1,850
	1,000 CT						1,000 CT
	500 FT						500 FT
	350 ST						350 ST
16B Schuylkill River Waterfront-FY13	1,850						1,850
	1,000 CT						1,000 CT
	500 FT						500 FT
	350 ST						350 ST
16C Schuylkill River Waterfront-FY12	950						950
	950 CT						950 CT
16D Schuylkill River Waterfront-FY11	378						378
	378 FT						378 FT
16E Schuylkill Riverfront Improvements-FY10	648						648
	648 ST						648 ST
17 North Delaware River Waterfront	1,100	1,350	1,150	1,200	500	500	5,800
	250 CN	500 CN	300 CN	500 CN	500 CN	500 CN	2,550 CN
	500 FB	500 FB	500 FB	350 FB			1,850 FB
	350 SB	350 SB	350 SB	350 SB			1,400 SB
17A North Delaware River Waterfront-FY14	760						760
	300 CT						300 CT
	365 PT						365 PT
	95 ST						95 ST
17B North Delaware River Waterfront-FY13	1,350						1,350
	500 CT						500 CT
	500 FT						500 FT
	350 ST						350 ST

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
17C North Delaware River Waterfront-FY11	350						350
	350 CT						350 CT
17D North Delaware Riverfront Improvements-FY10	540						540
	540 CT						540 CT
17E North Delaware Riverfront Improvements-FY09	944						944
	944 CT						944 CT
17F North Delaware Riverfront Improvements-FY08	86						86
	86 CT						86 CT
WATERFRONT IMPROVEMENTS	27,656	30,300	4,750	4,200	6,500	7,100	80,506
	8,750 CN	3,600 CN	3,050 CN	3,500 CN	6,500 CN	7,100 CN	32,500 CN
	10,120 CT						10,120 CT
	1,000 FB	26,000 FB	1,000 FB	350 FB			28,350 FB
	2,908 FT						2,908 FT
	1,075 PT						1,075 PT
	700 SB	700 SB	700 SB	350 SB			2,450 SB
	3,043 ST						3,043 ST
	60 TT						60 TT
COMMERCE	134,441	39,800	15,550	10,300	13,900	11,100	225,091
	20,500 CN	12,000 CN	11,950 CN	8,200 CN	12,500 CN	11,100 CN	76,250 CN
	25,447 CT						25,447 CT
	1,200 FB	26,000 FB	1,200 FB	350 FB	200 FB		28,950 FB
	21,118 FT						21,118 FT
	2,700 PB						2,700 PB
	16,075 PT						16,075 PT
	6,350 SB	1,800 SB	2,400 SB	1,750 SB	1,200 SB		13,500 SB
	18,943 ST						18,943 ST
	4,108 TT						4,108 TT
	18,000 Z						18,000 Z

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
FINANCE							
<i>CAPITAL PROJECTS</i>							
18 Improvements to Facilities	5,100	5,100	5,100	5,100	5,100	5,100	30,600
18A Improvements to Facilities-FY14	5,100						5,100
	5,100 CT						5,100 CT
18B Improvements to Facilities-FY13	4,944						4,944
	4,944 CT						4,944 CT
18C Improvements to Facilities-FY12	3,899						3,899
	2,899 CT						2,899 CT
	1,000 PT						1,000 PT
18D Improvements to Facilities-FY11	4,911						4,911
	3,911 CT						3,911 CT
	1,000 PT						1,000 PT
18E Improvements to Facilities-FY10	5,165						5,165
	5,165 CT						5,165 CT
18F Citywide Facilities-FY09	1,495						1,495
	1,495 CT						1,495 CT
18G Citywide Facilities-FY08	639						639
	639 CT						639 CT
18H Citywide Facilities-FY07	734						734
	734 CT						734 CT

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
18I Citywide Facilities-FY06	257						257
	257 CT						257 CT
18J Citywide Facilities-FY05	55						55
	55 CT						55 CT
18K Citywide Facilities-FY04	646						646
	646 CT						646 CT
18L Citywide Facilities-FY03	91						91
	91 CT						91 CT
18M Citywide Facilities-FY02	44						44
	44 CT						44 CT
18N Citywide Facilities-FY01	119						119
	119 CT						119 CT
18O Citywide Facilities-FY00	159						159
	159 CT						159 CT
18P Citywide Facilities-FY99	4						4
	4 CT						4 CT
18Q Facilities Improvements-Citywide-FY97	58						58
	58 CT						58 CT
CAPITAL PROJECTS	33,420	5,100	5,100	5,100	5,100	5,100	58,920
	5,100 CN	5,100 CN	5,100 CN	5,100 CN	5,100 CN	5,100 CN	30,600 CN
	26,320 CT						26,320 CT
	2,000 PT						2,000 PT

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
	33,420	5,100	5,100	5,100	5,100	5,100	58,920
	5,100 CN	5,100 CN	5,100 CN	5,100 CN	5,100 CN	5,100 CN	30,600 CN
	26,320 CT						26,320 CT
	2,000 PT						2,000 PT
FINANCE							

		2015	2016	2017	2018	2019	2020	2015 - 2020
		\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
FIRE								
FIRE FACILITIES								
19	Fire Department Interior and Exterior Renovations	3,900	1,300	3,350	5,670	5,000	3,100	22,320
19A	Fire Department Interior and Exterior Renovations-FY14	2,480						2,480
		1,112 A						1,112 A
		1,368 CT						1,368 CT
19B	Fire Department Interior and Exterior Renovations-FY13	1,819						1,819
		1,819 CT						1,819 CT
19C	Fire Department Interior and Exterior Renovations-FY12	2,619						2,619
		2,619 CT						2,619 CT
19D	Fire Department Interior and Exterior Renovations-FY11	11						11
		11 CT						11 CT
19E	Fire Department Interior and Exterior Renovations-FY09	104						104
		104 CT						104 CT
19F	Fire Department Interior and Exterior Renovations-FY08	835						835
		835 A						835 A
19G	Fire Department New Facility-FY12	499						499
		499 CT						499 CT
19H	Fire Department New Facility-FY10	16						16
		16 CT						16 CT

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
<i>FIRE FACILITIES</i>							
	12,283	1,300	3,350	5,670	5,000	3,100	30,703
	1,947 A						1,947 A
	3,900 CN	1,300 CN	3,350 CN	5,670 CN	5,000 CN	3,100 CN	22,320 CN
	6,436 CT						6,436 CT
<i>FIRE</i>							
	12,283	1,300	3,350	5,670	5,000	3,100	30,703
	1,947 A						1,947 A
	3,900 CN	1,300 CN	3,350 CN	5,670 CN	5,000 CN	3,100 CN	22,320 CN
	6,436 CT						6,436 CT

FLEET MANAGEMENT***CAPITAL PROJECTS***

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
FLEET MANAGEMENT							
<i>CAPITAL PROJECTS</i>							
20 Fleet Management Facilities	10,950	10,250	10,300	10,300	10,300	10,300	62,400
	10,950 CN	10,250 CN	10,300 CN	10,300 CN	10,300 CN	10,300 CN	62,400 CN
20A Fleet Management Facilities-FY14	500						500
	500 CT						500 CT
20B Fleet Management Facilities-FY12	129						129
	129 CT						129 CT
20C Fleet Management Facilities-FY11	5						5
	5 CT						5 CT
20D Fleet Management Facilities-FY09	8						8
	8 CT						8 CT
21 Fuel Tank Replacement	1,306	1,100	1,100	1,100	1,100	1,100	6,806
	906 CN	700 CN	700 CN	700 CN	700 CN	700 CN	4,406 CN
	400 PB	400 PB	400 PB	400 PB	400 PB	400 PB	2,400 PB

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
21A Fuel Tank Replacement-FY14	785						785
	385 CT						385 CT
	400 ST						400 ST
21B Fuel Tank Replacement-FY13	685						685
	685 CT						685 CT
21C Fuel Tank Replacement-FY12	13						13
	13 CT						13 CT
CAPITAL PROJECTS							
	14,381	11,350	11,400	11,400	11,400	11,400	71,331
	11,856 CN	10,950 CN	11,000 CN	11,000 CN	11,000 CN	11,000 CN	66,806 CN
	1,725 CT						1,725 CT
	400 PB	400 PB	400 PB	400 PB	400 PB	400 PB	2,400 PB
	400 ST						400 ST
FLEET MANAGEMENT							
	14,381	11,350	11,400	11,400	11,400	11,400	71,331
	11,856 CN	10,950 CN	11,000 CN	11,000 CN	11,000 CN	11,000 CN	66,806 CN
	1,725 CT						1,725 CT
	400 PB	400 PB	400 PB	400 PB	400 PB	400 PB	2,400 PB
	400 ST						400 ST

FREE LIBRARY*LIBRARY FACILITIES - CAPITAL*

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
<hr/>							
22 Free Library Improvements	2,182	3,850	750	1,000	1,000	1,000	9,782
	2,182 CN	1,850 CN 2,000 PB	750 CN	1,000 CN	1,000 CN	1,000 CN	7,782 CN 2,000 PB
<hr/>							
22A Free Library Improvements-FY14	4,810						4,810
	1,310 A						1,310 A
	1,500 CT						1,500 CT
	2,000 PT						2,000 PT
<hr/>							
22B Free Library Improvements-FY13	4,905						4,905
	2,905 CT						2,905 CT
	2,000 PT						2,000 PT
<hr/>							
22C Free Library Improvements-FY12	1,535						1,535
	1,535 CT						1,535 CT
<hr/>							
22D Free Library Improvements-FY11	1,018						1,018
	1,018 CT						1,018 CT
<hr/>							
22E Free Library Improvements-FY10	768						768
	768 CT						768 CT
<hr/>							
22F Free Library Improvements-FY09	906						906
	906 CT						906 CT

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
22G Free Library Improvements-FY08	2						2
	2CT						2CT
LIBRARY FACILITIES - CAPITAL							
	16,126	3,850	750	1,000	1,000	1,000	23,726
1,310 A							1,310 A
2,182 CN		1,850 CN	750 CN	1,000 CN	1,000 CN	1,000 CN	7,782 CN
8,634 CT							8,634 CT
		2,000 PB					2,000 PB
4,000 PT							4,000 PT
FREE LIBRARY							
	16,126	3,850	750	1,000	1,000	1,000	23,726
1,310 A							1,310 A
2,182 CN		1,850 CN	750 CN	1,000 CN	1,000 CN	1,000 CN	7,782 CN
8,634 CT							8,634 CT
		2,000 PB					2,000 PB
4,000 PT							4,000 PT

HEALTH*HEALTH FACILITIES*

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
23A Health Center #2-FY14	1,000						1,000
	1,000 CT						1,000 CT
23B Health Centers 2 & 10 Major Interior/ Exterior Renovations-FY13	1,850						1,850
	1,850 CT						1,850 CT
24 Health Department Equipment and Improvements	3,200	2,700	2,200	1,500	1,500	1,500	12,600
	3,200 CR	2,700 CR	2,200 CR	1,500 CR	1,500 CR	1,500 CR	12,600 CR
24A Health Department Equipment and Improvements-FY14	2,700						2,700
	2,700 CR						2,700 CR
24B Health Department Equipment and Improvements-FY13	4,200						4,200
	4,200 CR						4,200 CR
24C Health Department Equipment and Improvements-FY12	2,816						2,816
	2,816 CR						2,816 CR
24D Health Department Equipment and Improvements-FY11	175						175
	175 CR						175 CR
25 Health Facility Renovations	785	650	600	1,300	800	800	4,935
	785 CN	650 CN	600 CN	1,300 CN	800 CN	800 CN	4,935 CN

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
25A Health Facility Renovations-FY14	300						300
	300 CT						300 CT
25B Health Facility Renovations-FY13	300						300
	300 CT						300 CT
25C Health Facility Renovations-FY12	601						601
	601 CT						601 CT
25D Health Facility Renovations-FY11	727						727
	727 CT						727 CT
25E Health Facility Renovations-FY10	630						630
	630 CT						630 CT
25F Health Facility Renovations-FY09	746						746
	746 CT						746 CT
25G Health Facility Renovations-FY08	439						439
	439 CT						439 CT
25H Health Facility Renovations-FY07	29						29
	29 CT						29 CT
HEALTH FACILITIES	20,498	3,350	2,800	2,800	2,300	2,300	34,048
	785 CN	650 CN	600 CN	1,300 CN	800 CN	800 CN	4,935 CN
	13,091 CR	2,700 CR	2,200 CR	1,500 CR	1,500 CR	1,500 CR	22,491 CR
	6,622 CT						6,622 CT

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
PHILADELPHIA NURSING HOME							
26 Equipment and Renovations - Philadelphia Nursing Home	5,000	1,000	1,000	1,000	1,000	1,000	10,000
	5,000 CR	1,000 CR	1,000 CR	1,000 CR	1,000 CR	1,000 CR	10,000 CR
26A Equipment and Renovations - Philadelphia Nursing Home-FY14	1,000						1,000
	1,000 CR						1,000 CR
26B Equipment and Renovations - Philadelphia Nursing Home-FY13	1,000						1,000
	1,000 CR						1,000 CR
26C Equipment and Renovations - Philadelphia Nursing Home-FY12	1,100						1,100
	1,100 CR						1,100 CR
26D Equipment and Renovations - Philadelphia Nursing Home-FY11	677						677
	677 CR						677 CR
PHILADELPHIA NURSING HOME	8,777	1,000	1,000	1,000	1,000	1,000	13,777
	8,777 CR	1,000 CR	1,000 CR	1,000 CR	1,000 CR	1,000 CR	13,777 CR
HEALTH	29,275	4,350	3,800	3,800	3,300	3,300	47,825
	785 CN	650 CN	600 CN	1,300 CN	800 CN	800 CN	4,935 CN
	21,868 CR	3,700 CR	3,200 CR	2,500 CR	2,500 CR	2,500 CR	36,268 CR
	6,622 CT						6,622 CT

		2015	2016	2017	2018	2019	2020	2015 - 2020
		\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
MDO								
<i>CAPITAL PROJECTS - VARIOUS</i>								
27	Citywide Facilities	7,655	275					7,930
		155 CN	275 CN					430 CN
		4,000 PB						4,000 PB
		3,500 SB						3,500 SB
27A	Citywide Facilities-FY14	10,000						10,000
		3,000 CT						3,000 CT
		4,500 FT						4,500 FT
		2,500 PT						2,500 PT
27B	Citywide Facilities-FY13	1,000						1,000
		1,000 CT						1,000 CT
27C	Citywide Facilities-FY12	1,320						1,320
		1,320 CT						1,320 CT
27D	Citywide Facilities-FY11	1,367						1,367
		1,367 CT						1,367 CT
28	Office of Sustainability	500	500	500	500	500	500	3,000
		500 CN	500 CN	500 CN	500 CN	500 CN	500 CN	3,000 CN

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
28A Office of Sustainability-FY14	590						590
	590 CT						590 CT
28B Office of Sustainability-FY13	950						950
	950 CT						950 CT
28C Office of Sustainability-FY12	700						700
	700 CT						700 CT
28D Office of Sustainability-FY11	253						253
	253 CT						253 CT
28E Office of Sustainability-FY10	64						64
	64 CT						64 CT
28F Energy Efficiency Improvements-FY09	26						26
	26 CT						26 CT
CAPITAL PROJECTS - VARIOUS							
	24,425	775	500	500	500	500	27,200
	655 CN	775 CN	500 CN	500 CN	500 CN	500 CN	3,430 CN
	9,270 CT						9,270 CT
	4,500 FT						4,500 FT
	4,000 PB						4,000 PB
	2,500 PT						2,500 PT
	3,500 SB						3,500 SB
MDO	24,425	775	500	500	500	500	27,200
	655 CN	775 CN	500 CN	500 CN	500 CN	500 CN	3,430 CN
	9,270 CT						9,270 CT
	4,500 FT						4,500 FT
	4,000 PB						4,000 PB
	2,500 PT						2,500 PT
	3,500 SB						3,500 SB

OFFICE OF SUPPORTIVE HOUSING***FAMILY CARE FACILITIES - CAPITAL***

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
29 OSH Facility Renovations	1,570	500	512	700	700	695	4,677
	1,570 CN	500 CN	512 CN	700 CN	700 CN	695 CN	4,677 CN
29A OSH Facility Renovations-FY14	600						600
	600 ST						600 ST
29B OSH Facility Renovations-FY13	604						604
	604 CT						604 CT
29C OSH Facility Renovations-FY12	235						235
	235 CT						235 CT
29D OSH Facility Renovations-FY11	560						560
	560 CT						560 CT
29E OSH Facility Renovations-FY10	500						500
	500 CT						500 CT
29F OSH Facility Renovations-FY09	452						452
	452 CT						452 CT
29G OSH Facility Renovations-FY08	11						11
	11 CT						11 CT
<i>FAMILY CARE FACILITIES - CAPITAL</i>	4,532	500	512	700	700	695	7,639
	1,570 CN	500 CN	512 CN	700 CN	700 CN	695 CN	4,677 CN
	2,362 CT						2,362 CT
	600 ST						600 ST

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
OFFICE OF SUPPORTIVE HOUSING							
	4,532	500	512	700	700	695	7,639
	1,570 CN	500 CN	512 CN	700 CN	700 CN	695 CN	4,677 CN
	2,362 CT						2,362 CT
	600 ST						600 ST

OIT***CAPITAL PROJECTS***

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
30 Citywide Technology Improvements & Enhancements	29,500	28,500	11,500	7,500	5,500	3,500	86,000
	29,000 CN	28,000 CN	11,000 CN	7,000 CN	5,000 CN	3,000 CN	83,000 CN
	500 CR	500 CR	500 CR	500 CR	500 CR	500 CR	3,000 CR
30A Citywide Technology Improvements & Enhancements-FY14	13,542						13,542
	13,542 CT						13,542 CT
30B Citywide Technology Improvements & Enhancements-FY13	5,249						5,249
	5,249 CT						5,249 CT
30C Citywide Technology Improvements & Enhancements-FY12	2,845						2,845
	2,845 CT						2,845 CT
30D Citywide Technology Improvements & Enhancements-FY11	8,546						8,546
	8,546 CT						8,546 CT
31A Communications System Improvements-FY13	5,318						5,318
	5,318 CR						5,318 CR
<i>CAPITAL PROJECTS</i>	65,000	28,500	11,500	7,500	5,500	3,500	121,500
	29,000 CN	28,000 CN	11,000 CN	7,000 CN	5,000 CN	3,000 CN	83,000 CN
	5,818 CR	500 CR	500 CR	500 CR	500 CR	500 CR	8,318 CR
	30,182 CT						30,182 CT
OIT	65,000	28,500	11,500	7,500	5,500	3,500	121,500
	29,000 CN	28,000 CN	11,000 CN	7,000 CN	5,000 CN	3,000 CN	83,000 CN
	5,818 CR	500 CR	500 CR	500 CR	500 CR	500 CR	8,318 CR
	30,182 CT						30,182 CT

PARKS AND RECREATION*PARKS AND RECREATION*

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
<hr/>							
32 Buildings, Courts, Play Areas, Athletic Fields	1,510	1,740	1,890	1,890	1,970	1,970	10,970
	800 CA						800 CA
	710 CN	1,740 CN	1,890 CN	1,890 CN	1,970 CN	1,970 CN	10,170 CN
<hr/>							
33 Neighborhood Parks	2,330	580	480	480	480	480	4,830
	830 CN	580 CN	480 CN	480 CN	480 CN	480 CN	3,330 CN
	1,500 PB						1,500 PB

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
34 Natural Lands / Large Manicured Parks	3,270	4,260	5,430	4,020	5,160	4,300	26,440
1,500 CA							1,500 CA
1,520 CN		3,835 CN	4,930 CN	3,520 CN	4,660 CN	3,800 CN	22,265 CN
100 PB		100 PB	100 PB	100 PB	100 PB	100 PB	600 PB
150 SB		325 SB	400 SB	400 SB	400 SB	400 SB	2,075 SB

		2015	2016	2017	2018	2019	2020	2015 - 2020
		\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
35	Parks and Recreation Projects	22,200	2,200	2,200	1,200	1,200	1,200	30,200
	3,700 CA							3,700 CA
	16,500 CR		1,700 CN	1,700 CN	700 CN	700 CN	700 CN	5,500 CN
	1,000 PB							16,500 CR
	1,000 SB		500 SB	500 SB	500 SB	500 SB	500 SB	1,000 PB
								3,500 SB
36	Improvements to Existing Recreation Facilities	7,900	7,900	7,900	7,900	7,900	7,900	47,400
		7,900 CN	7,900 CN	7,900 CN	7,900 CN	7,900 CN	7,900 CN	47,400 CN
36A	Improvements to Existing Recreation Facilities-FY14	7,900						7,900
		7,900 CT						7,900 CT
36B	Improvements to Existing Recreation Facilities-FY13	7,517						7,517
		7,517 CT						7,517 CT
36C	Improvements to Existing Recreation Facilities-FY12	6,793						6,793
		6,793 CT						6,793 CT

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
36D Improvements to Existing Recreation Facilities-FY11	5,812 5,812 CT						5,812 5,812 CT
36E Improvements to Existing Recreation Facilities-FY10	3,986 3,986 CT						3,986 3,986 CT
36F Improvements to Existing Recreation Facilities-FY09	3,741 3,741 CT						3,741 3,741 CT
36G Improvements to Existing Recreation Facilities-FY08	2,365 2,365 CT						2,365 2,365 CT
36H Improvements to Existing Recreation Facilities-FY07	1,708 1,708 CT						1,708 1,708 CT
36I Improvements to Existing Recreation Facilities-FY06	1,391 1,391 CT						1,391 1,391 CT
36J Improvements to Existing Recreation Facilities-FY05	846 846 CT						846 846 CT
36K Improvements to Existing Rec Facilities-FY04	728 728 CT						728 728 CT
36L Improvements to Existing Rec Facilities-FY03	544 544 CT						544 544 CT
36M Improvements to Existing Rec Facilities-FY02	122 122 CT						122 122 CT
36N Imps to Existing Rec Facilities-FY01	832 832 CT						832 832 CT
36O Improvements to Existing Facilities-FY99	585 585 CT						585 585 CT
36P Improvements to Existing Facilities-FY96	9						9

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
36Q ITEF-Site Improvements-FY00	9 CT						9 CT
	675						675
	675 CT						675 CT
37A Cultural Facilities Improvements-FY14	4,800						4,800
	1,600 CT						1,600 CT
	3,200 PT						3,200 PT
37B Cultural Facilities Improvements-FY13	10,700						10,700
	1,300 CT						1,300 CT
	9,400 PT						9,400 PT
37C Cultural Facilities Improvements-FY12	118						118
	118 CT						118 CT
38A Building Improvements-FY14	1,170						1,170
	1,070 CT						1,070 CT
	100 PT						100 PT
38B Building Improvements-FY13	2,840						2,840
	940 CT						940 CT
	1,700 PT						1,700 PT
	200 ST						200 ST
38C Building Improvements-FY12	720						720
	720 CT						720 CT
38D Building Improvements-FY11	1,078						1,078
	78 CT						78 CT
	1,000 ST						1,000 ST

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
38E Building Improvements-FY10	716						716
	716 CT						716 CT
38F Building Improvements-FY09	438						438
	23 CT						23 CT
	415 ST						415 ST
38G Facility Improvements-FY08	446						446
	446 CT						446 CT
38H Facility Improvements-FY07	105						105
	105 CT						105 CT
39A Infrastructure-FY14	1,150						1,150
	1,150 CT						1,150 CT
39B Infrastructure-FY12	113						113
	113 CT						113 CT
39C Infrastructure-FY11	25						25
	25 CT						25 CT
39D Infrastructure-FY09	1,000						1,000
	1,000 ST						1,000 ST
40A Parkland - Site Improvements-FY14	6,620						6,620
	3,520 CT						3,520 CT
	2,500 PT						2,500 PT
	600 ST						600 ST
40B Parkland - Site Improvements-FY13	2,654						2,654
	2,324 CT						2,324 CT
	165 PT						165 PT
	165 ST						165 ST

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
40C Parkland - Site Improvements-FY12	750						750
	750 CT						750 CT
40D Parkland - Site Improvements-FY11	1,542						1,542
	1,042 CT						1,042 CT
	500 ST						500 ST
40E Parkland - Site Improvements-FY10	11,314						11,314
	974 CT						974 CT
	5,000 FT						5,000 FT
	3,800 PT						3,800 PT
	1,450 ST						1,450 ST
	90 XT						90 XT
40F Parkland - Site Improvements-FY09	10,212						10,212
	1,083 CT						1,083 CT
	2,600 FT						2,600 FT
	2,289 PT						2,289 PT
	3,000 ST						3,000 ST
	1,240 TT						1,240 TT
40G Parkland - Site Improvements-FY08	737						737
	737 ST						737 ST
40H Parkland - Site Improvements-FY05	1,280						1,280
	1,280 FT						1,280 FT
40I Parkland - Site Improvements-FY02	1,177						1,177
	1,177 ST						1,177 ST
40J Manayunk Canal Improvements-FY01	318						318
	318 ST						318 ST

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
40K Manayunk Canal Restoration-FY00	2,240						2,240
	2,240 ST						2,240 ST
41A Roadways, Footways, and Parking-FY14	2,020						2,020
	920 CT						920 CT
	1,100 ST						1,100 ST
41B Roadways, Footways, and Parking-FY13	2,970						2,970
	1,670 CT						1,670 CT
	1,300 ST						1,300 ST
41C Roadways, Footways, and Parking-FY12	135						135
	135 CT						135 CT
41D Roadways, Footways, and Parking-FY11	1,828						1,828
	128 CT						128 CT
	1,000 FT						1,000 FT
	700 ST						700 ST
41E Roadways, Footways, and Parking-FY10	45						45
	45 CT						45 CT
41F Roadways, Footways, and Parking-FY06	1,385						1,385
	1,135 FT						1,135 FT
	250 ST						250 ST
42A Improvements to Existing Recreation Facilities - Infrastructure-FY14	900						900
	900 CT						900 CT
42B Improvements to Existing Recreation Facilities - Infrastructure-FY13	650						650
	650 CT						650 CT

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
42C Improvements to Existing Recreation Facilities - Infrastructure-FY12	1,223						1,223
	1,223 CT						1,223 CT
42D Improvements to Existing Recreation Facilities - Infrastructure-FY11	3,184						3,184
	3,184 CT						3,184 CT
42E Improvements to Existing Recreation Facilities - Infrastructure-FY10	41						41
	41 CT						41 CT
42F Improvements to Existing Recreation Facilities - Infrastructure-FY09	100						100
	100 CT						100 CT
42G Improvements to Existing Recreation Facilities - Infrastructure-FY08	95						95
	95 CT						95 CT
42H Improvements to Existing Recreation Facilities - Infrastructure-FY05	16						16
	16 CT						16 CT
43A Improvements to Existing Recreation Facilities - Swimming Pools-FY14	500						500
	500 CT						500 CT
43B Improvements to Existing Recreation Facilities - Swimming Pools-FY13	500						500
	500 CT						500 CT
43C Improvements to Existing Recreation Facilities - Swimming Pools-FY12	1,000						1,000
	1,000 CT						1,000 CT
43D Improvements to Existing Recreation Facilities - Swimming Pools-FY09	500						500
	500 CT						500 CT

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
43E Improvements to Existing Recreation Facilities - Swimming Pools-FY08	113						113
	113 CT						113 CT
44A Improvements to Existing Recreation Facilities - Life Safety Systems-FY14	300						300
	300 CT						300 CT
44B Improvements to Existing Recreation Facilities - Life Safety Systems-FY13	300						300
	300 CT						300 CT
44C Improvements to Existing Recreation Facilities - Life Safety Systems-FY12	300						300
	300 CT						300 CT
44D Improvements to Existing Recreation Facilities - Life Safety Systems-FY11	198						198
	198 CT						198 CT
44E Improvements to Existing Recreation Facilities - Life Safety Systems-FY10	300						300
	300 CT						300 CT
44F Improvements to Existing Recreation Facilities - Life Safety Systems-FY09	171						171
	171 CT						171 CT
44G Improvements to Existing Recreation Facilities - Life Safety Systems-FY08	63						63
	63 CT						63 CT
44H Improvements to Existing Recreation Facilities - Life Safety Systems-FY07	8						8
	8 CT						8 CT
44I Improvements to Existing Recreation Facilities - Life Safety Systems-FY06	15						15
	15 CT						15 CT

		2015	2016	2017	2018	2019	2020	2015 - 2020
		\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
44J	Improvements to Existing Recreation Facilities - Life Safety Systems-FY05	6						6
		6 CT						6 CT
45A	Grant Funded Recreation Improvements-FY14	1,000						1,000
		500 CT						500 CT
		500 ST						500 ST
45B	Grant Funded Recreation Improvements-FY13	2,000						2,000
		1,000 CT						1,000 CT
		1,000 ST						1,000 ST
45C	Grant Funded Recreation Improvements-FY12	906						906
		377 CT						377 CT
		529 ST						529 ST
45D	Grant Funded Recreation Improvements-FY11	3,429						3,429
		808 CT						808 CT
		1,100 PT						1,100 PT
		1,521 ST						1,521 ST
45E	Grant Funded Recreation Improvements-FY10	1,761						1,761
		60 CT						60 CT
		1,701 ST						1,701 ST
45F	Grant Funded Recreation Improvements-FY09	1,174						1,174
		1,174 ST						1,174 ST
45G	Grant Funded Recreation Improvements-FY08	1,835						1,835
		297 CT						297 CT
		1,538 ST						1,538 ST
45H	Grant Funded Recreation Improvements-FY07	1,131						1,131
		113 CT						113 CT
		1,018 ST						1,018 ST

	2015	2016	2017	2018	2019	2020	2015 - 2020
45I Grant Funded Recreation Improvements-FY06	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
	623						623
	623 ST						623 ST
PARKS AND RECREATION							
	179,752	16,680	17,900	15,490	16,710	15,850	262,382
6,000 CA							6,000 CA
10,960 CN		15,755 CN	16,900 CN	14,490 CN	15,710 CN	14,850 CN	88,665 CN
16,500 CR							16,500 CR
80,187 CT							80,187 CT
11,015 FT							11,015 FT
2,600 PB		100 PB	100 PB	100 PB	100 PB	100 PB	3,100 PB
24,254 PT							24,254 PT
1,150 SB		825 SB	900 SB	900 SB	900 SB	900 SB	5,575 SB
25,756 ST							25,756 ST
1,240 TT							1,240 TT
90 XT							90 XT
PARKS AND RECREATION							
	179,752	16,680	17,900	15,490	16,710	15,850	262,382
6,000 CA							6,000 CA
10,960 CN		15,755 CN	16,900 CN	14,490 CN	15,710 CN	14,850 CN	88,665 CN
16,500 CR							16,500 CR
80,187 CT							80,187 CT
11,015 FT							11,015 FT
2,600 PB		100 PB	100 PB	100 PB	100 PB	100 PB	3,100 PB
24,254 PT							24,254 PT
1,150 SB		825 SB	900 SB	900 SB	900 SB	900 SB	5,575 SB
25,756 ST							25,756 ST
1,240 TT							1,240 TT
90 XT							90 XT

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
POLICE							
POLICE FACILITIES							
46 Police Facilities - Renovations	3,050	2,070	4,050	5,410	9,900	21,250	45,730
	2,334 CA						2,334 CA
	716 CN	2,070 CN	4,050 CN	5,410 CN	9,900 CN	21,250 CN	43,396 CN
46A Police Facilities - Renovations-FY14	9,810						9,810
	1,810 A						1,810 A
	8,000 CT						8,000 CT
46B Police Facilities - Renovations-FY13	8,670						8,670
	8,590 CT						8,590 CT
	80 TT						80 TT
46C Police Facilities - Renovations-FY12	6,461						6,461
	6,461 CT						6,461 CT

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
46D Police Facilities - Renovations-FY11	2,141						2,141
	2,141 CT						2,141 CT
46E Police Facilities - Renovations-FY10	206						206
	206 CT						206 CT
46F Police Facilities - Renovations-FY08	1,687						1,687
	1,613 A						1,613 A
	74 CT						74 CT
47A Port Security Program-FY14	333						333
	333 CT						333 CT
POLICE FACILITIES	32,358	2,070	4,050	5,410	9,900	21,250	75,038
	3,423 A						3,423 A
	2,334 CA						2,334 CA
	716 CN	2,070 CN	4,050 CN	5,410 CN	9,900 CN	21,250 CN	43,396 CN
	25,805 CT						25,805 CT
	80 TT						80 TT
POLICE	32,358	2,070	4,050	5,410	9,900	21,250	75,038
	3,423 A						3,423 A
	2,334 CA						2,334 CA
	716 CN	2,070 CN	4,050 CN	5,410 CN	9,900 CN	21,250 CN	43,396 CN
	25,805 CT						25,805 CT
	80 TT						80 TT

		2015	2016	2017	2018	2019	2020	2015 - 2020
		\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
PRISONS								
<i>CORRECTIONAL INSTITUTIONS - CAPITAL</i>								
48	Prison System - Renovations	5,800 5,800 CA	2,050	3,250	2,000	2,000	2,000	17,100 5,800 CA 11,300 CN
48A	Prison System - Renovations-FY14	7,150 7,150 CT						7,150 7,150 CT
48B	Prison System - Renovations-FY13	2,653 2,653 CT						2,653 2,653 CT
48C	Prison System - Renovations-FY12	750 750 CT						750 750 CT
48D	Prison System - Renovations-FY11	8,345 8,345 TT						8,345 8,345 TT
48E	Prison System - Renovations-FY10	524 524 CT						524 524 CT

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
48F Prison System - Renovations-FY09	828						828
	828 CT						828 CT
48G Prison System - Renovations-FY08	477						477
	477 CT						477 CT
<i>CORRECTIONAL INSTITUTIONS - CAPITAL</i>							
	26,527	2,050	3,250	2,000	2,000	2,000	37,827
	5,800 CA						5,800 CA
	12,382 CT	2,050 CN	3,250 CN	2,000 CN	2,000 CN	2,000 CN	11,300 CN
	8,345 TT						12,382 CT
							8,345 TT
PRISONS							
	26,527	2,050	3,250	2,000	2,000	2,000	37,827
	5,800 CA						5,800 CA
	12,382 CT	2,050 CN	3,250 CN	2,000 CN	2,000 CN	2,000 CN	11,300 CN
	8,345 TT						12,382 CT
							8,345 TT

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
PUBLIC PROPERTY							
BUILDINGS AND FACILITIES - OTHER							
49 Improvements to Municipal Facilities	4,414	5,664	5,564	3,614	2,964	2,964	25,184
	4,150 CN	5,400 CN	5,300 CN	3,350 CN	2,700 CN	2,700 CN	23,600 CN
	264 CR	264 CR	264 CR	264 CR	264 CR	264 CR	1,584 CR
49A Improvements to Municipal Facilities-FY14	3,220						3,220
	3,220 CT						3,220 CT
49B Improvements to Municipal Facilities-FY13	3,174						3,174
	3,174 CT						3,174 CT
49C Improvements to Municipal Facilities-FY12	1,635						1,635
	1,635 CT						1,635 CT
49D Improvements to Municipal Facilities-FY11	118						118
	118 CT						118 CT
49E Improvements to Municipal Facilities-FY08	300						300
	300 PT						300 PT

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
49F Quadplex Facilities Improvements-FY10	69						69
	69 CT						69 CT
49G City Hall-FY08	140						140
	140 CT						140 CT
49H Triplex Facility Improvements-FY09	125						125
	125 CT						125 CT
49I Eastern State Penitentiary Renov-FY99	3,099						3,099
	3,099 PT						3,099 PT
49J Transit Facilities Improvements-FY02	873						873
	722 FT						722 FT
	151 ST						151 ST
50 Citywide Asbestos Abatement & Environmental Remediation	100	400	300	400	400	400	2,000
	100 CN	400 CN	300 CN	400 CN	400 CN	400 CN	2,000 CN

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
50A Citywide Asbestos Abatement & Environmental Remediation-FY14	500						500
	500 CT						500 CT
50B Citywide Asbestos Abatement & Environmental Remediation-FY13	456						456
	456 CT						456 CT
50C Citywide Environmental Remediation-FY10	41						41
	41 CT						41 CT
50D Citywide Environmental Remediation-FY08	5						5
	5 CT						5 CT
BUILDINGS AND FACILITIES - OTHER							
	18,269	6,064	5,864	4,014	3,364	3,364	40,939
	4,250 CN	5,800 CN	5,600 CN	3,750 CN	3,100 CN	3,100 CN	25,600 CN
	264 CR	264 CR	264 CR	264 CR	264 CR	264 CR	1,584 CR
	9,483 CT						9,483 CT
	722 FT						722 FT
	3,399 PT						3,399 PT
	151 ST						151 ST
PUBLIC PROPERTY - CAPITAL PROG ADMIN							
51 Capital Program Administration Design and Engineering	4,300	4,300	4,300	4,300	4,300	4,300	25,800
	400 CA						400 CA
	3,900 CN	4,300 CN	4,300 CN	4,300 CN	4,300 CN	4,300 CN	25,400 CN
51A Capital Program Administration Design and Engineering-FY14	2,086						2,086
	2,086 CT						2,086 CT
51B Capital Program Administration Design and Engineering-FY13	189						189
	189 CT						189 CT
51C Capital Program Administration Design and Engineering-FY12	518						518
	518 CT						518 CT
51D Capital Program Administration Design and Engineering-FY11	430						430

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
	430 CT						430 CT
51E Capital Program Administration Design and Engineering-FY10	339						339
	339 CT						339 CT
<i>PUBLIC PROPERTY - CAPITAL PROG ADMIN</i>							
	7,862	4,300	4,300	4,300	4,300	4,300	29,362
400 CA							400 CA
3,900 CN		4,300 CN	4,300 CN	4,300 CN	4,300 CN	4,300 CN	25,400 CN
3,562 CT							3,562 CT
<i>PUBLIC PROPERTY</i>							
	26,131	10,364	10,164	8,314	7,664	7,664	70,301
400 CA							400 CA
8,150 CN		10,100 CN	9,900 CN	8,050 CN	7,400 CN	7,400 CN	51,000 CN
264 CR		264 CR	264 CR	264 CR	264 CR	264 CR	1,584 CR
13,045 CT							13,045 CT
722 FT							722 FT
3,399 PT							3,399 PT
151 ST							151 ST

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
RECORDS							
<i>CAPITAL PROJECTS</i>							
52 Records Improvements	200						200
	200 CN						200 CN
52A Records Improvements-FY14	300						300
	300 CT						300 CT
52B Records Improvements-FY13	11						11
	11CT						11 CT
52C Records Improvements-FY12	49						49
	49CT						49 CT
52D Records Improvements-FY11	80						80
	80CT						80 CT
<i>CAPITAL PROJECTS</i>	640						640
	200 CN						200 CN
	440 CT						440 CT
RECORDS	640						640
	200 CN						200 CN
	440 CT						440 CT

STREETS**BRIDGES**

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
BRIDGES							
53 Bridge Reconstruction & Improvements	29,000	19,000	19,500	21,100	19,000	19,000	126,600
	1,500 CN	1,500 CN	2,000 CN	3,600 CN	1,500 CN	1,500 CN	11,600 CN
	12,000 FB	12,000 FB	12,000 FB	12,000 FB	12,000 FB	12,000 FB	72,000 FB
	1,000 PB	1,000 PB	1,000 PB	1,000 PB	1,000 PB	1,000 PB	6,000 PB
	14,500 SB	4,500 SB	4,500 SB	4,500 SB	4,500 SB	4,500 SB	37,000 SB
53A Bridge Reconstruction & Improvements-FY14	15,730						15,730
	2,877 CT						2,877 CT
	8,475 FT						8,475 FT
	4,378 ST						4,378 ST
53B Bridge Reconstruction & Improvements-FY13	16,154						16,154
	10,366 FT						10,366 FT
	5,788 ST						5,788 ST
53C Bridge Reconstruction & Improvements-FY12	2,046						2,046
	99 CT						99 CT
	1,640 FT						1,640 FT
	307 ST						307 ST

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
53D Bridge Reconstruction & Improvements-FY11	2,545						2,545
	2,177 FT						2,177 FT
	368 ST						368 ST
53E Bridge Reconstruction & Improvements-FY10	995						995
	838 FT						838 FT
	157 ST						157 ST
53F Bridge Reconstruction & Improvements-FY09	3,273						3,273
	2,938 FT						2,938 FT
	335 ST						335 ST
53G Bridge Reconstruction & Improvements-FY08	2,930						2,930
	2,472 FT						2,472 FT
	458 ST						458 ST
53H Bridge Reconstruction & Improvements-FY07	9,708						9,708
	4,861 FT						4,861 FT
	4,847 ST						4,847 ST
BRIDGES	82,381	19,000	19,500	21,100	19,000	19,000	179,981
	1,500 CN	1,500 CN	2,000 CN	3,600 CN	1,500 CN	1,500 CN	11,600 CN
	2,976 CT						2,976 CT
	12,000 FB	12,000 FB	12,000 FB	12,000 FB	12,000 FB	12,000 FB	72,000 FB
	33,767 FT						33,767 FT
	1,000 PB	1,000 PB	1,000 PB	1,000 PB	1,000 PB	1,000 PB	6,000 PB
	14,500 SB	4,500 SB	4,500 SB	4,500 SB	4,500 SB	4,500 SB	37,000 SB
	16,638 ST						16,638 ST
GRADING & PAVING							
54 Reconstruction/Resurfacing of Streets	16,000	16,450	18,000	22,000	24,000	24,000	120,450
	16,000 CN	16,450 CN	18,000 CN	22,000 CN	24,000 CN	24,000 CN	120,450 CN

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
54A Reconstruction/Resurfacing of Streets-FY14	12,250						12,250
	5,868 A						5,868 A
	6,382 CT						6,382 CT
54B Reconstruction/Resurfacing of Streets-FY13	3,651						3,651
	3,651 CT						3,651 CT
54C Reconstruction/Resurfacing of Streets-FY12	317						317
	317 CT						317 CT
55 Historic Streets	200	250	200	250	250	250	1,400
	200 CN	250 CN	200 CN	250 CN	250 CN	250 CN	1,400 CN
55A Historic Streets-FY14	260						260
	260 CT						260 CT
56 Rehabilitation of Stairways in Manayunk and Citywide	500	500	500	500	500	500	3,000
	500 CN	500 CN	500 CN	500 CN	500 CN	500 CN	3,000 CN
56A Rehabilitation of Stairways in Manayunk and Citywide-FY14	250						250
	250 CT						250 CT
GRADING & PAVING	33,428	17,200	18,700	22,750	24,750	24,750	141,578
	5,868 A						5,868 A
	16,700 CN	17,200 CN	18,700 CN	22,750 CN	24,750 CN	24,750 CN	124,850 CN
	10,860 CT						10,860 CT

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
IMPROVEMENTS TO CITY HIGHWAYS							
57 Federal Aid Highway Program	51,400	18,500	24,500	34,500	28,500	33,500	190,900
	5,600 CN	3,500 CN	4,700 CN	6,700 CN	5,500 CN	6,500 CN	32,500 CN
	22,400 FB	14,000 FB	18,800 FB	26,800 FB	22,000 FB	26,000 FB	130,000 FB
	1,000 PB	1,000 PB	1,000 PB	1,000 PB	1,000 PB	1,000 PB	6,000 PB
	22,400 SB						22,400 SB
57A Federal Aid Highway Program-FY14	35,365						35,365
	7,234 CT						7,234 CT
	28,131 FT						28,131 FT

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
57B Federal Aid Highway Program-FY13	46,853						46,853
	3,943 CT						3,943 CT
	30,110 FT						30,110 FT
	10,300 ST						10,300 ST
	2,500 TT						2,500 TT
57C Federal Aid Highway Program-FY12	9,646						9,646
	63 CT						63 CT
	9,583 FT						9,583 FT
57D Federal Aid Highway Program-FY11	279						279
	279 FT						279 FT
57E Federal Aid Highway Program-FY10	62						62
	62 FT						62 FT
57F Federal Aid Highway Program-FY09	2,006						2,006
	561 CT						561 CT
	1,311 FT						1,311 FT
	134 ST						134 ST
57G Federal Aid Highway Program-FY08	1,533						1,533
	433 FT						433 FT
	500 PT						500 PT
	600 ST						600 ST
57H Federal Aid Highway Program-FY07	1,920						1,920
	1,920 FT						1,920 FT

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
IMPROVEMENTS TO CITY HIGHWAYS							
	149,064	18,500	24,500	34,500	28,500	33,500	288,564
	5,600 CN	3,500 CN	4,700 CN	6,700 CN	5,500 CN	6,500 CN	32,500 CN
	11,801 CT						11,801 CT
	22,400 FB	14,000 FB	18,800 FB	26,800 FB	22,000 FB	26,000 FB	130,000 FB
	71,829 FT						71,829 FT
	1,000 PB	1,000 PB	1,000 PB	1,000 PB	1,000 PB	1,000 PB	6,000 PB
	500 PT						500 PT
	22,400 SB						22,400 SB
	11,034 ST						11,034 ST
	2,500 TT						2,500 TT
SANITATION							
58 Modernization of Sanitation Facilities							
	2,800	2,450	450	150	150	150	6,150
	2,800 CN	2,450 CN	450 CN	150 CN	150 CN	150 CN	6,150 CN
58A Modernization of Sanitation Facilities-FY14							
	2,550						2,550
	2,550 CT						2,550 CT
58B Modernization of Sanitation Facilities-FY13							
	2,044						2,044
	2,044 CT						2,044 CT
SANITATION							
	7,394	2,450	450	150	150	150	10,744
	2,800 CN	2,450 CN	450 CN	150 CN	150 CN	150 CN	6,150 CN
	4,594 CT						4,594 CT

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
STREET LIGHTING							
59 Street Lighting Improvements	450	900	1,400	1,800	1,400	1,000	6,950
	450 CN	900 CN	1,400 CN	1,800 CN	1,400 CN	1,000 CN	6,950 CN
59A Street Lighting Improvements-FY14	450						450
	450 CT						450 CT
59B Alley Lighting Improvements-FY12	1,826						1,826
	1,826 CT						1,826 CT
STREET LIGHTING	2,726	900	1,400	1,800	1,400	1,000	9,226
	450 CN	900 CN	1,400 CN	1,800 CN	1,400 CN	1,000 CN	6,950 CN
	2,276 CT						2,276 CT
STREETS DEPARTMENT FACILITIES							
60 Streets Department Support Facilities	250	250	500	500			1,500
	250 CN	250 CN	500 CN	500 CN			1,500 CN
60A Streets Department Support Facilities-FY14	300						300
	300 CT						300 CT
60B Streets Department Support Facilities-FY11	1						1
	1 CT						1 CT
60C Streets Department Support Facilities-FY06	32						32
	32 CT						32 CT
STREETS DEPARTMENT FACILITIES	583	250	500	500			1,833
	250 CN	250 CN	500 CN	500 CN			1,500 CN
	333 CT						333 CT

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
TRAFFIC ENGINEERING IMPS							
61 Traffic Control	9,550	7,100	6,680	6,580	6,680	6,580	43,170
	1,150 CN	1,300 CN	1,880 CN	1,780 CN	1,880 CN	1,780 CN	9,770 CN
	4,600 FB	3,800 FB	2,800 FB	2,800 FB	2,800 FB	2,800 FB	19,600 FB
	3,800 SB	2,000 SB	2,000 SB	2,000 SB	2,000 SB	2,000 SB	13,800 SB
61A Traffic Control-FY14	5,290						5,290
	1,690 CT						1,690 CT
	3,600 FT						3,600 FT
61B Traffic Control-FY12	189						189
	189 CT						189 CT
61C Traffic Control-FY11	1,413						1,413
	182 CT						182 CT
	1,231 FT						1,231 FT

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
61D Traffic Control-FY09	250						250
	250 CT						250 CT
61E Traffic Control-FY08	98						98
	98 CT						98 CT
61F Traffic Engineering Improvements-FY09	57						57
	57 CT						57 CT
TRAFFIC ENGINEERING IMPS	16,847	7,100	6,680	6,580	6,680	6,580	50,467
	1,150 CN	1,300 CN	1,880 CN	1,780 CN	1,880 CN	1,780 CN	9,770 CN
	2,466 CT						2,466 CT
	4,600 FB	3,800 FB	2,800 FB	2,800 FB	2,800 FB	2,800 FB	19,600 FB
	4,831 FT						4,831 FT
	3,800 SB	2,000 SB	2,000 SB	2,000 SB	2,000 SB	2,000 SB	13,800 SB
STREETS	292,423	65,400	71,730	87,380	80,480	84,980	682,393
	5,868 A						5,868 A
	28,450 CN	27,100 CN	29,630 CN	37,280 CN	35,180 CN	35,680 CN	193,320 CN
	35,306 CT						35,306 CT
	39,000 FB	29,800 FB	33,600 FB	41,600 FB	36,800 FB	40,800 FB	221,600 FB
	110,427 FT						110,427 FT
	2,000 PB	2,000 PB	2,000 PB	2,000 PB	2,000 PB	2,000 PB	12,000 PB
	500 PT						500 PT
	40,700 SB	6,500 SB	6,500 SB	6,500 SB	6,500 SB	6,500 SB	73,200 SB
	27,672 ST						27,672 ST
	2,500 TT						2,500 TT

TRANSIT**TRANSIT IMPROVEMENTS - SEPTA**

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
62 SEPTA Bridge, Track, Signal, and Infrastructure Improvements	170,832	178,385	131,303	107,272	111,369	89,931	789,092
	3,070 CN	3,147 CN	2,988 CN	2,466 CN	2,590 CN	2,099 CN	16,360 CN
	39,720 FO	41,279 FO	1,134 FO	527 FO			82,660 FO
	126,881 SO	132,685 SO	125,971 SO	103,302 SO	107,778 SO	87,030 SO	683,647 SO
	1,161 TO	1,274 TO	1,210 TO	977 TO	1,001 TO	802 TO	6,425 TO

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
62A SEPTA Bridge, Track, Signal, and Infrastructure Improvements-FY14	1,369						1,369
	1,369 CT						1,369 CT
62B SEPTA Bridge, Track, Signal, and Infrastructure Improvements -FY12	175						175
	175 CT						175 CT
62C SEPTA Bridge, Track, Signal, and Infrastructure Improvements -FY11	70						70
	70 CT						70 CT
63 SEPTA Station and Parking Improvements	17,087	24,649	14,882	21,750	28,075	31,500	137,943
	539 CN	768 CN	480 CN	702 CN	906 CN	1,015 CN	4,410 CN
		427 FO					427 FO
	16,538 SO	23,440 SO	14,402 SO	21,048 SO	27,169 SO	30,485 SO	133,082 SO
	10 TO	14 TO					24 TO

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
63A SEPTA Station and Parking Improvements-FY14	80						80
	80CT						80CT
63B SEPTA Station and Parking Improvements-FY13	48						48
	48CT						48CT
63C SEPTA Station and Parking Improvements-FY12	49						49
	49CT						49CT
63D SEPTA Vehicle/Equipment Acquisition and Improvement Program-FY10	58						58
	58CT						58CT
64 SEPTA Passenger Information, Communications, and System Controls	5,000	17,000	20,000	20,000	17,160		79,160
	26 CN	90 CN	106 CN	106 CN	102 CN		430 CN
	4,000 FO	13,600 FO	16,000 FO	16,000 FO	13,728 FO		63,328 FO
	968 SO	3,290 SO	3,871 SO	3,871 SO	3,321 SO		15,321 SO
	6 TO	20 TO	23 TO	23 TO	9 TO		81 TO
64A SEPTA Passenger Information, Communications, and System Controls-FY14	63						63
	63CT						63CT
64B SEPTA Passenger Information, Communications, and System Controls-FY13	106						106
	106CT						106CT
64C SEPTA Passenger Information, Communications, and System Controls-FY10	486						486
	486CT						486CT
TRANSIT IMPROVEMENTS - SEPTA	195,423	220,034	166,185	149,022	156,604	121,431	1,008,699
	3,635 CN	4,005 CN	3,574 CN	3,274 CN	3,598 CN	3,114 CN	21,200 CN
	2,504 CT						2,504 CT
	43,720 FO	55,306 FO	17,134 FO	16,527 FO	13,728 FO		146,415 FO
	144,387 SO	159,415 SO	144,244 SO	128,221 SO	138,268 SO	117,515 SO	832,050 SO
	1,177 TO	1,308 TO	1,233 TO	1,000 TO	1,010 TO	802 TO	6,530 TO

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
TRANSIT	195,423	220,034	166,185	149,022	156,604	121,431	1,008,699
3,635 CN	4,005 CN	3,574 CN	3,274 CN	3,598 CN	3,114 CN	21,200 CN	
2,504 CT						2,504 CT	
43,720 FO	55,306 FO	17,134 FO	16,527 FO	13,728 FO		146,415 FO	
144,387 SO	159,415 SO	144,244 SO	128,221 SO	138,268 SO	117,515 SO	832,050 SO	
1,177 TO	1,308 TO	1,233 TO	1,000 TO	1,010 TO	802 TO	6,530 TO	

WATER**COLLECTOR SYSTEMS - CAPITAL**

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
65 Improvements to Collector System							
	70,660	109,960	126,960	131,960	131,960	131,960	703,460
	50 FB	50 FB	50 FB	50 FB	50 FB	50 FB	300 FB
	10 PB	10 PB	10 PB	10 PB	10 PB	10 PB	60 PB
	50 SB	50 SB	50 SB	50 SB	50 SB	50 SB	300 SB
	69,050 XN	108,350 XN	125,350 XN	130,350 XN	130,350 XN	130,350 XN	693,800 XN
	1,500 XR	1,500 XR	1,500 XR	1,500 XR	1,500 XR	1,500 XR	9,000 XR
65A Improvements to Collector System-FY14							
	92,686						92,686
	969 XR						969 XR
	91,717 XT						91,717 XT
65B Improvements to Collector System-FY13							
	102,873						102,873
	1,423 XR						1,423 XR
	101,450 XT						101,450 XT
65C Improvements to Collector System-FY12							
	58,795						58,795
	1,500 XR						1,500 XR
	57,295 XT						57,295 XT

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
65D Improvements to Collector System-FY11	32,188 990 XR 31,198 XT						32,188 990 XR 31,198 XT
65E Improvements to Collector System-FY10	9,715 9,715 XT						9,715 9,715 XT
65F Storm Flood Relief/Combined Sewer Overflow-FY10	56,450 1,000 XR 55,450 XT						56,450 1,000 XR 55,450 XT
65G Storm Flood Relief/Combined Sewer Overflow-FY09	12,102 1,000 XR 11,102 XT						12,102 1,000 XR 11,102 XT
COLLECTOR SYSTEMS - CAPITAL	435,469 50 FB 10 PB 50 SB 69,050 XN 8,382 XR 357,927 XT	109,960 50 FB 10 PB 50 SB 108,350 XN 1,500 XR	126,960 50 FB 10 PB 50 SB 125,350 XN 1,500 XR	131,960 50 FB 10 PB 50 SB 130,350 XN 1,500 XR	131,960 50 FB 10 PB 50 SB 130,350 XN 1,500 XR	131,960 50 FB 10 PB 50 SB 130,350 XN 1,500 XR	1,068,269 300 FB 60 PB 300 SB 693,800 XN 15,882 XR 357,927 XT
CONVEYANCE SYSTEMS - CAPITAL							
66 Improvements to Conveyance System	36,060 100 FB 10 PB 100 SB 35,350 XN 500 XR	36,060 100 FB 10 PB 100 SB 35,350 XN 500 XR	69,060 100 FB 10 PB 100 SB 68,350 XN 500 XR	69,060 100 FB 10 PB 100 SB 68,350 XN 500 XR	69,060 100 FB 10 PB 100 SB 68,350 XN 500 XR	36,060 100 FB 10 PB 100 SB 35,350 XN 500 XR	315,360 600 FB 60 PB 600 SB 311,100 XN 3,000 XR

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
66A Improvements to Conveyance System-FY14	32,596						32,596
	229 XR						229 XR
	32,367 XT						32,367 XT
66B Improvements to Conveyance System-FY13	12,611						12,611
	500 XR						500 XR
	12,111 XT						12,111 XT
66C Improvements to Conveyance System-FY11	500						500
	500 XR						500 XR
66D Improvements to Conveyance System-FY10	37,923						37,923
	37,923 XT						37,923 XT
CONVEYANCE SYSTEMS - CAPITAL	119,690	36,060	69,060	69,060	69,060	36,060	398,990
	100 FB	100 FB	100 FB	100 FB	100 FB	100 FB	600 FB
	10 PB	10 PB	10 PB	10 PB	10 PB	10 PB	60 PB
	100 SB	100 SB	100 SB	100 SB	100 SB	100 SB	600 SB
	35,350 XN	35,350 XN	68,350 XN	68,350 XN	68,350 XN	35,350 XN	311,100 XN
	1,729 XR	500 XR	500 XR	500 XR	500 XR	500 XR	4,229 XR
	82,401 XT						82,401 XT
GENERAL - CAPITAL							
67 Engineering and Material Support	28,633	37,706	34,823	35,985	37,192	38,450	212,789
	9,289 XN	9,663 XN	10,053 XN	10,458 XN	10,879 XN	11,318 XN	61,660 XN
	19,344 XR	28,043 XR	24,770 XR	25,527 XR	26,313 XR	27,132 XR	151,129 XR
67A Engineering and Material Support-FY14	14,016						14,016
	14,016 XR						14,016 XR

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
67B Engineering and Material Support-FY13	6,000 6,000 XR						6,000 6,000 XR
67C Engineering and Material Support-FY12	6,000 6,000 XR						6,000 6,000 XR
67D Vehicles-FY11	500 500 XR						500 500 XR
67E Vehicles-FY10	826 826 XR						826 826 XR
67F Vehicles-FY09	1,306 1,306 XR						1,306 1,306 XR
67G Vehicles-FY08	1,017 1,017 XR						1,017 1,017 XR
GENERAL - CAPITAL	58,298 9,289 XN 49,009 XR	37,706 9,663 XN 28,043 XR	34,823 10,053 XN 24,770 XR	35,985 10,458 XN 25,527 XR	37,192 10,879 XN 26,313 XR	38,450 11,318 XN 27,132 XR	242,454 61,660 XN 180,794 XR
TREATMENT FACILITIES - CAPITAL							
68 Improvements to Treatment Facilities	125,000 100 FB 100 SB 107,228 XN 17,572 XR	82,000 100 FB 100 SB 71,449 XN 10,351 XR	82,000 100 FB 100 SB 54,186 XN 27,614 XR	82,000 100 FB 100 SB 52,440 XN 29,360 XR	82,000 100 FB 100 SB 44,413 XN 37,387 XR	82,000 100 FB 100 SB 53,005 XN 28,795 XR	535,000 600 FB 600 SB 382,721 XN 151,079 XR
68A Improvements to Treatment Facilities-FY14	41,138 13,046 XR 28,092 XT						41,138 13,046 XR 28,092 XT

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
68B Improvements to Treatment Facilities-FY13	12,900						12,900
	12,900 XT						12,900 XT
68C Improvements to Treatment Facilities-FY12	51,341						51,341
	7,942 XR						7,942 XR
	43,399 XT						43,399 XT
68D Improvements to Treatment Facilities-FY11	11,650						11,650
	11,650 XR						11,650 XR
68E Improvements to Treatment Facilities-FY10	42,788						42,788
	42,788 XT						42,788 XT
68F Improvements to Treatment Facilities-FY09	4,498						4,498
	4,498 XR						4,498 XR
68G Improvements to Treatment Facilities-FY08	13,871						13,871
	4,101 XR						4,101 XR
	9,770 XT						9,770 XT
68H Improvements to Treatment Facilities-FY07	1,078						1,078
	1,078 XT						1,078 XT
TREATMENT FACILITIES - CAPITAL	304,264	82,000	82,000	82,000	82,000	82,000	714,264
	100 FB	100 FB	100 FB	100 FB	100 FB	100 FB	600 FB
	100 SB	100 SB	100 SB	100 SB	100 SB	100 SB	600 SB
	107,228 XN	71,449 XN	54,186 XN	52,440 XN	44,413 XN	53,005 XN	382,721 XN
	58,809 XR	10,351 XR	27,614 XR	29,360 XR	37,387 XR	28,795 XR	192,316 XR
	138,027 XT						138,027 XT
WATER	917,721	265,726	312,843	319,005	320,212	288,470	2,423,977
	250 FB	250 FB	250 FB	250 FB	250 FB	250 FB	1,500 FB
	20 PB	20 PB	20 PB	20 PB	20 PB	20 PB	120 PB
	250 SB	250 SB	250 SB	250 SB	250 SB	250 SB	1,500 SB
	220,917 XN	224,812 XN	257,939 XN	261,598 XN	253,992 XN	230,023 XN	1,449,281 XN
	117,929 XR	40,394 XR	54,384 XR	56,887 XR	65,700 XR	57,927 XR	393,221 XR
	578,355 XT						578,355 XT

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000

ZOOLOGICAL GARDENS***PHILADELPHIA ZOO - CAPITAL***

69	Philadelphia Zoo Facility and Infrastructure Improvements	3,950	1,200	1,060	9,250	1,950	6,450	23,860
		850 CN	1,200 CN	1,060 CN	1,250 CN	1,450 CN	1,450 CN	7,260 CN
		3,100 PB			8,000 PB	500 PB	5,000 PB	16,600 PB

		2015	2016	2017	2018	2019	2020	2015 - 2020
		\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000
69A	Philadelphia Zoo Facility and Infrastructure Improvements-FY14	2,025 750 CT 1,275 PT						2,025 750 CT 1,275 PT
69B	Philadelphia Zoo Facility and Infrastructure Improvements-FY13	1,180 1,180 CT						1,180 1,180 CT
69C	Philadelphia Zoo Facility and Infrastructure Improvements-FY12	338 338 CT						338 338 CT
69D	Philadelphia Zoo Facility and Infrastructure Improvements-FY11	475 475 CT						475 475 CT
69E	Philadelphia Zoo Facility and Infrastructure Improvements-FY10	313 313 CT						313 313 CT
PHILADELPHIA ZOO - CAPITAL								
		8,281 850 CN 3,056 CT 3,100 PB 1,275 PT	1,200 1,200 CN	1,060 1,060 CN	9,250 1,250 CN	1,950 1,450 CN	6,450 1,450 CN	28,191 7,260 CN 3,056 CT 16,600 PB 1,275 PT
ZOOLOGICAL GARDENS								
		8,281 850 CN 3,056 CT 3,100 PB 1,275 PT	1,200 1,200 CN	1,060 1,060 CN	9,250 1,250 CN	1,950 1,450 CN	6,450 1,450 CN	28,191 7,260 CN 3,056 CT 16,600 PB 1,275 PT

	2015	2016	2017	2018	2019	2020	2015 - 2020
	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000	\$x000



CITY OF PHILADELPHIA

Priorities & Accomplishments

MAYOR MICHAEL A. NUTTER

MARCH 2014

A stylized, handwritten signature in grey ink, which appears to read "M.A. Nutter", is positioned below the text "MARCH 2014".

LETTER FROM THE MAYOR



Dear Philadelphians,

More than six years ago, you elected me the 98th Mayor of the City of Philadelphia. It is the greatest honor of my life to serve you and this fine city.

When I took the oath of office in January 2008, I pledged that I would lower crime; increase high school and college graduation rates; make Philadelphia the greenest city in America; and attract new businesses and new residents. I also pledged to lead an ethical City government, delivering excellent and cost effective services to all taxpayers.

I take these responsibilities very seriously and am proud and humbled by the important work that has been accomplished, despite enormous economic challenges presented by the Great Recession. Through our work, a transformation is happening: we are improving the well-being of Philadelphians, including our most vulnerable residents. In recognition of our outstanding and innovative efforts, City government has received more than 140 awards during the past six years. None of this would have been possible without the expertise and dedication of our public employees. Yet, I want us to achieve even more. And so my Administration will continue to do all we can in order to deliver our bold vision for Philadelphia.

I am presenting you this report of my Administration's accomplishments to date and major priorities for the next two years. I know, based on all that we have achieved so far, that City government's sustained progress depends on your active feedback, collaboration, and partnership. Please join me as we strive to achieve this ambitious agenda and more.



Sincerely,

A handwritten signature in blue ink, which appears to read "Michael A. Nutter".

Michael A. Nutter
Mayor

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Philadelphia

This document was written and prepared by the Mayor's Office of Policy,
Planning and Coordination: Maia Jachimowicz, Katherine Martin and
Suzanne Biemiller.

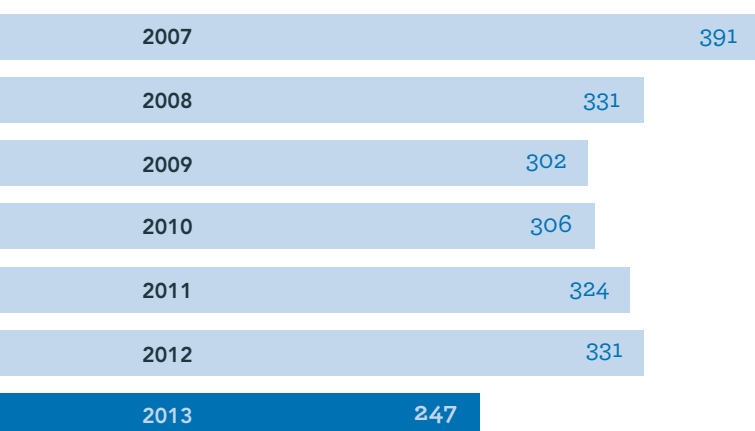
Photo credits: Kait Privitera and Mitch Leff

Improve Public Safety for Philadelphians

PROGRESS ACHIEVED

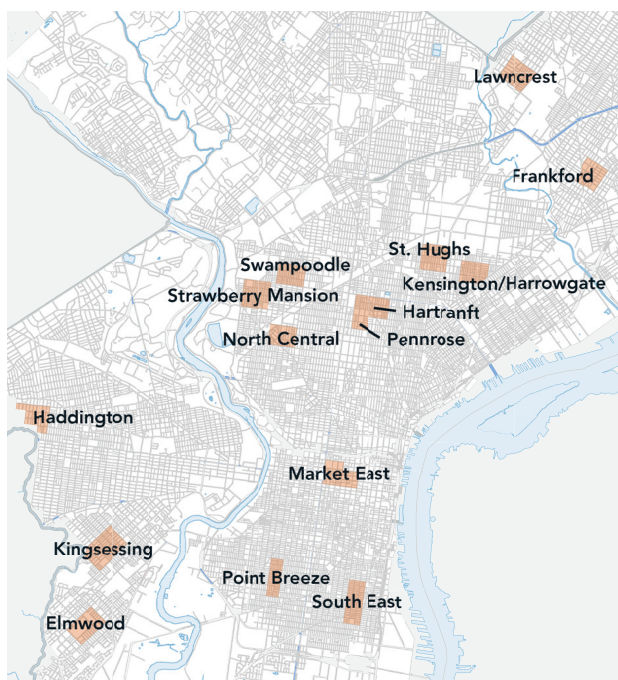
Philadelphia has become a safer city since 2007 thanks to the outstanding efforts of our public safety employees who possess an unwavering commitment to using innovative and evidence-based practices.

TOTAL HOMICIDES IN PHILADELPHIA: 2007-2013



SOURCE: PHILADELPHIA POLICE DEPARTMENT, JANUARY 2014

PHILLYRISING TARGET COMMUNITIES



Violent Crime Reduced: Part I Crimes—including homicide, assault, rape, robbery and property crimes—have declined by 15 percent since 2007 and are at the lowest levels since 1971. In 2013, Philadelphia experienced 247 homicides—the lowest annual number since 1967 and a 50.6 percent decline from the city's peak of 500 homicides in 1990.

Decreased Fire Deaths: In 2013, Philadelphia saw the fewest fire fatalities—24—in its history. Since 2007, civilian fire-related injuries have decreased by 49 percent.

Increased Fire Safety: The Fire Department has distributed 22,734 lithium battery-powered smoke alarms to 14,280 homes, and in 2012 created the first ever "FireSafety App," providing easily accessible information for fire safety and prevention.

EMS Services Increased: In response to an increasing need for EMS service, the Philadelphia Fire Department has added five medic units and two field chief positions. For the first time in history, the PFD has hired a Deputy Commissioner for EMS.

Community Policing Established: The Philadelphia Police Department implemented a comprehensive foot-patrol strategy after an independent evaluation of foot patrols in Philadelphia demonstrated a decrease in violent crime by 23 percent. Foot patrols in targeted high crime areas are now integral to policing operations and are credited with producing a more coordinated, effective response to crime.

Services for Returning Citizens Improved: The Mayor's Office of Reintegration Services (RISE), in partnership with the Philadelphia Prison System and community partners, works to integrate the formerly incarcerated into their neighborhoods. Since 2009, the prisons have increased the participation of sentenced inmates in literacy and job training programming from 56 percent to 78 percent. Efforts include the Pennsylvania Horticultural Society's Roots to Reentry program, which conducts job training with guaranteed employment for qualified inmates.

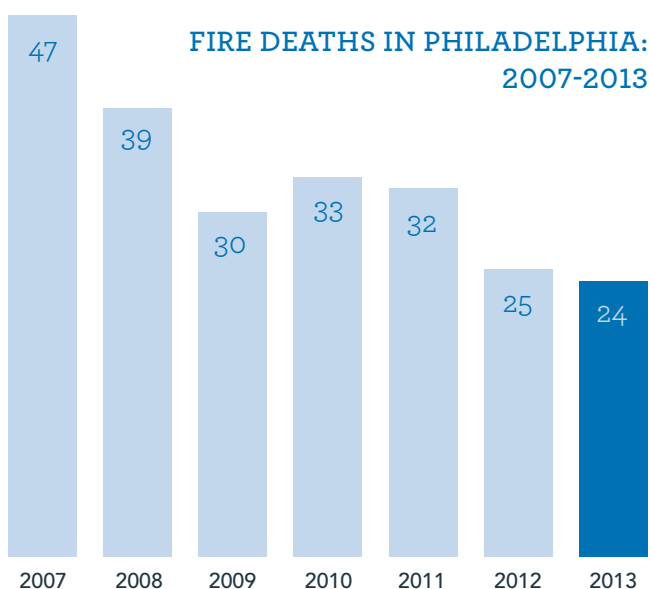


Philadelphia Police Commissioner Charles Ramsey (left) speaks at a round table meeting on the topic of gun violence with Vice President Joseph Biden (right).

Delaware Valley Intelligence Center Created: Opened in 2013, this major regional intelligence center uses a **data-driven system to better identify and forecast crime**, terrorism and all types of hazards including major weather events.

New Juvenile Justice Services Center: In 2013, the City opened the new Center, which provides **educational, medical, and legal aid services to detained youths** to give them the tools to positively change their lives.

Safer Streets and Alleys: The Streets Department's adoption of a *Complete Streets* philosophy has increased the attention given to pedestrian safety, including the installation of hundreds of new pedestrian countdown signals at intersections and the redesign of other intersections to improve pedestrian safety. Between 2007 and 2012, the number of pedestrians hit by cars was reduced by 10 percent. The Streets Department has also **repaired lighting systems in more than 5,800 alleys** across the city and upgraded to higher voltage lighting in more than 2,000 alleys in high crime areas.



SOURCE: PHILADELPHIA POLICE DEPARTMENT, JANUARY 2014

PRIORITIES

The Nutter Administration will remain focused on its goals of reducing Part 1 Crimes—including homicide, assault, rape, robbery and property crimes—by 20 percent from 2007, decreasing the number of homicides to below 200, and improving residents' overall safety by working to implement the initiatives listed below:

- **Hire additional officers** to maintain 6,525 officers in the Philadelphia Police Department.
- Increase the **collaborative use of data and surveillance technology to combat crime**, including working with City Council to install surveillance cameras at staffed recreation centers.
- Work with multiple partners, including the Stoneleigh Foundation, to implement Philadelphia's **youth violence prevention strategic plan** to connect at-risk youth and their families to resources and new opportunities.
- Establish a **Unified Call Center** for all emergency dispatches.
- **Expand PhillyRising to more neighborhoods**—This program establishes neighborhood-specific community partnerships to address chronic crime and quality of life concerns (see page 2 graphic).
- Establish a **database of building information** that is vital to the Fire Department's effectiveness in emergency situations.
- Break ground on a **state-of-the-art police headquarters** in West Philadelphia.

Enhance Educational Opportunities and Outcomes for Philadelphians

PROGRESS ACHIEVED

Philadelphia has seen promising improvements in educational outcomes despite unprecedented fiscal challenges facing the School District of Philadelphia.

Graduation Rate Increased: At the close of 2013, the high school graduation rate had increased to **64 percent**, up from **53 percent** in 2007, and the percentage of residents with a 4-year college degree or higher has increased to 24.3 percent in 2013 from 18 percent in 2007.

Philadelphia Great Schools Compact Created: Signed in December 2011, the Philadelphia Great Schools Compact is a joint commitment between the City, the Commonwealth, and Philadelphia's District-managed, charter, and Archdiocesan schools to convert 50,000 of the poorest performing classroom seats across the city into high-performing seats. Since 2011, approximately **20,000 of the poorest performing classroom seats have been converted into high-quality education alternatives.**

Improved Financial Stewardship: The Mayor and City Council now require the District to develop a five-year financial plan. Philadelphia has also **increased its share of funding to city schools by more than \$155 million** since 2010, an important step toward ensuring all of our students receive a superior education.

Enhanced College Readiness: To ensure that Philadelphia's residents receive the support they need to achieve their higher educational goals, the Nutter Administration created PhillyGoes2College and the Graduation Coach Campaign with the generous support of the Lenfest Foundation.

PhillyGoes2College provides **comprehensive guidance and referral information to students of any age who are interested in attending or completing college.** The office has reached more than 29,000 Philadelphians through its website and office in City Hall.

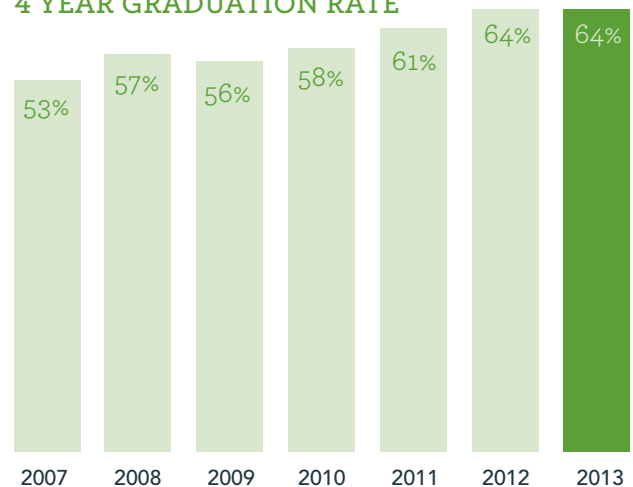
The Graduation Coach Campaign is a grassroots effort to engage adults in taking on a more robust role in **helping young people in their lives graduate from high school, get into college, and plan for a career.** Since September 2010, the Campaign has trained over 6,000 coaches through 496 workshops.

Increased Access to Technology: The Freedom Rings Partnership launched in 2011 to provide **computer access to underserved communities.** To date, nearly 80 KEYSPTS have been created, offering 847 workstations across Philadelphia and providing over 200,000 hours of computer training to more than 22,000 residents.

Mayor's Commission on Literacy: In Fall 2010, Mayor Nutter reinstituted the Commission on Literacy, which **promotes adult literacy** and quality literacy education. The Commission has trained 1,000 tutors to help individuals achieve work ready skills.

Out of School Time: The Department of Human Services, through its Out of School Time (OST) program, supports 202 after-school and summer programs for almost 16,000 youth in grades K-12. In support of the City's out of school time system, Philadelphia Parks & Recreation launched the REACH pilot at 21 recreation centers, with the goal of increasing the **quality and quantity of afterschool programs for Philadelphia youth.**

SCHOOL DISTRICT OF PHILADELPHIA 4 YEAR GRADUATION RATE



SOURCE: SCHOOL DISTRICT OF PHILADELPHIA, DECEMBER 2013



(Left) Philadelphia students participating in classroom discussion. (Right) Mayor Nutter and Philadelphia college graduates at the annual Toss Your Caps citywide graduation reception.

PRIORITIES

The Nutter Administration will remain focused on its goals of increasing the high school graduation rate to 80 percent by 2015 and doubling the percentage of residents with a 4-year college degree to 36 percent by 2018. To do that we will continue to prioritize specific strategies including:

- Establish financial stability for the School District of Philadelphia by advocating for increased and predictable state funding through a **fair student-weighted funding formula** and an increase in the basic education subsidy.
- Turn around the remaining 30,000 seats in the lowest performing schools by 2016-2017 by **expanding high-quality school options** and employing effective school turnaround strategies.
- **Create a portfolio system** that will provide all Philadelphians access to high-quality educational options.
- **Expand the reach of PhillyGoes2College and the Graduation Coach Campaign.**
- Strengthen the Community College of Philadelphia's efforts to help more students graduate from **low-cost degree and certificate programs.**
- Re-define the role of libraries in our community by renovating the Parkway Central Library and selected branch libraries, increasing **virtual circulation of e-books**, and remaining the city's number one provider of free computer access.
- Release a citywide **early childhood learning plan** to increase access to high-quality early childhood education, and ensure that children enter kindergarten ready to learn.
- Enroll at least 1,000 new tutors and mentors and **improve job readiness** of at least 1,000 learners through the Mayor's Commission on Literacy.
- **Support academic success for Department of Human Services' engaged youth** by strategically co-locating staff in specified schools whose student populations have high incidences of truancy and DHS involvement.
- With support from the Wallace Foundation, build an out of school time "system of systems" so all **Philadelphia children and youth will have access** to high-quality out of school time programs.
- Expand the reach of the City's "**Returning to Learning**" partnership, which provides full-time City employees with a 25 percent tuition reduction at 13 local colleges and universities for Associates, Bachelors, and Masters level degrees.
- Expand youth summer job opportunities through **WorkReady Philadelphia.**

Philadelphia has increased its share of funding to city schools by more than \$155 million since 2010.

Support Economic Vitality in Philadelphia

PROGRESS ACHIEVED

Philadelphia is a city where people want to live and businesses want to grow. Philadelphia is a choice destination for new companies that need access to a talented workforce.

Population Growth and Diversity: Reversing fifty years of population decline, **Philadelphia has added more than 60,000 new residents since 2006**, boasting the strongest population growth among Pennsylvania's cities, and the largest growth in 20-to 34-year olds of any major city in the United States. To foster more growth, the Nutter Administration created an Office of Immigrant and Multicultural Affairs that supports and celebrates Philadelphia's increasing immigrant population.

Robust Private Investment: The City has undergone an unprecedented level of construction with approximately **170 projects recently completed, representing more than \$5.25 billion in investment**.

Increased Business Diversity: **Minority, women, and disabled-owned businesses now account for over 28 percent of City contractors**, up from 18 percent in 2007. The Administration has set a new goal of 30 percent participation.

More Opportunities for Startups and Small Businesses: The Goldman Sachs 10,000 Small Businesses initiative represents **a \$20 million investment in Philadelphia small businesses** through increased lending and a business education program at the Community College of Philadelphia. In addition, in partnership with PIDC and First Round Capital, Mayor Nutter launched a public-private venture fund to invest in Philadelphia startups, cementing Philadelphia's position as a rapidly emerging hub for startups and technology.

New Zoning Code: The Nutter Administration completed the **first overhaul of the Zoning Code in more than 50 years** and in June 2011 adopted the Philadelphia 2035 Comprehensive Plan—created with the support of the William Penn Foundation. The City also streamlined its licensing operations, reducing from 120 to 38 the total number of municipal licenses.

Successfully Re-purposed Navy Yard: Philadelphia is creatively responding to the changing economy. The City boasts 11,000 employees who now work at the Navy Yard with twenty-two new companies moving there in 2013,

the most successful re-purposing of a former naval base in the nation. In January 2014, Mayor Nutter announced that EcoSave, an energy efficiency firm, was opening its U.S. Headquarters at the Navy Yard, joining companies such as GlaxoSmithKline, Urban Outfitters, Tasty Baking, Iroko Pharmaceuticals, and The Mark Group.

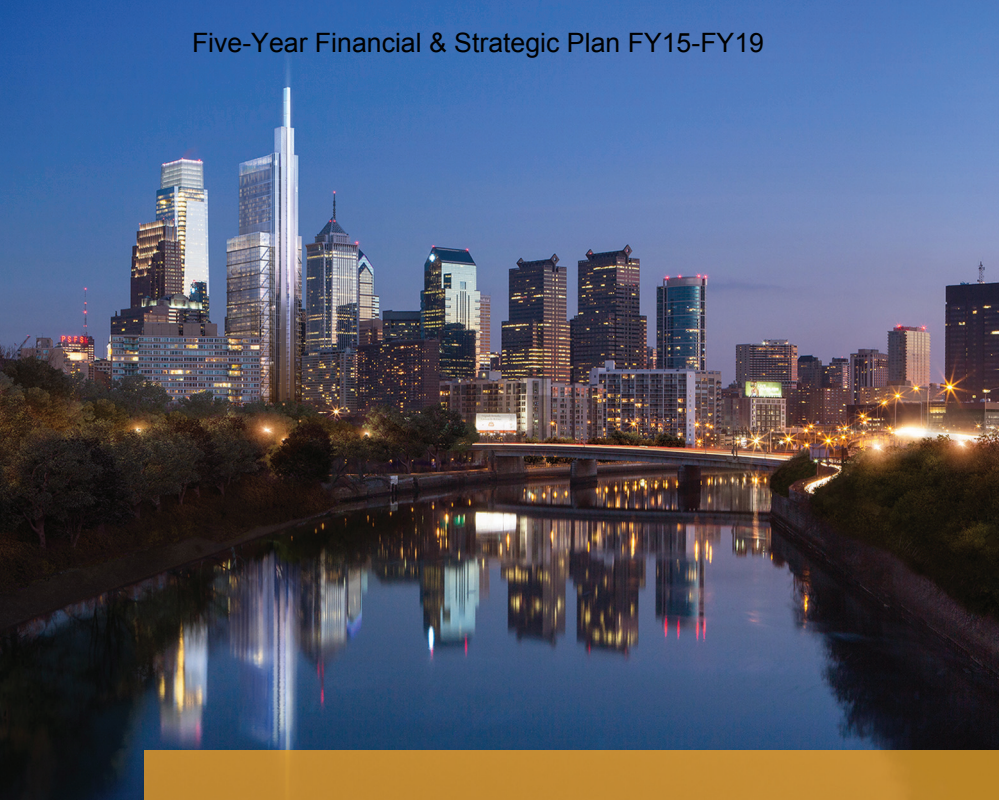
Arts and Culture Enhanced: Through the first-of-its-kind public-private-nonprofit partnership, the With Art Philadelphia™ campaign is showcasing the city as **an international destination for art, culture and hospitality** and capitalizing on the debut of the 2012 Barnes Foundation Philadelphia Campus.

Improved Workforce Development: The Nutter Administration created Philadelphia Works, **aligning workforce development with growing sectors of the economy** and coordinating training and educational outreach to low-skill workers.

Expanded International Outreach: In Fall 2013, Mayor Nutter led a delegation of Philadelphia businesses to the United Kingdom and Israel on an **international trade mission** to raise the profile of Philadelphia, to attract new businesses, and to reinforce global relationships. In December 2012, the Mayor signed an MOU with the Mayor of Tianjin, China to encourage trade development and educational cooperation building upon their Sister City relationship.

Expanded Services at Philadelphia International Airport: Since 2008, non-stop service from PHL has been expanded to seven cities and four additional airlines now land in Philadelphia. These are the first new airlines to open in Philadelphia since 2004. In April 2014, **Qatar Airways will provide daily, non-stop service from PHL to Doha, Qatar.**

Inclusive City Leadership: The City government is a **leader on LGBT rights and gender equality** with protections and provisions on the basis of sexual orientation and gender identity and a life partnership program. The City's leadership was recognized in 2013 when Philadelphia was ranked #1 for LGBT equality by the Human Rights Campaign's Municipal Equality Index.



Philadelphia has added more than 60,000 new residents since 2006.

Philadelphia's skyline including the proposed Comcast Innovation and Technology Center on the 1800 block of Arch Street.

PRIORITIES

Over the next two years, the Nutter Administration will remain focused on its goal of creating economic vitality and increasing the number of jobs in Philadelphia by 25,000 from its 2013 level, returning employment to its level from 2000. We will continue to create jobs and attract new residents and businesses through the prioritization of the following initiatives:

- Invest in **major real estate development projects** in priority areas such as Market East, North Broad Street, and the Delaware River Waterfront.
- Aggressively promote Philadelphia and **attract new business and investment** from both the United States and overseas.
- Continue scheduled **wage and business tax reductions** and explore other potential tax reforms to make the city more competitive and promote job growth.
- Enhance the support provided to small businesses and entrepreneurs in Philadelphia and the Startup PHL initiative to firmly establish Philadelphia as a hub for **startups, entrepreneurship and investment**, and to attract additional venture capital focused on health care and life sciences.
- **Bring new jobs to Philadelphia** through projects such as the expansion and modernization of the Philadelphia Airport, creating more than 2,000 permanent jobs, and working with the Commonwealth to develop a second casino in Philadelphia, bringing more than 1,000 permanent jobs for Philadelphians.
- Begin implementation of the Mayor's Manufacturing Task Force recommendations to better position Philadelphia to **take advantage of new manufacturing opportunities**.
- **Sell municipally-owned Philadelphia Gas Works (PGW)** to a private company that will invest in PGW's infrastructure and grow the utility, thus creating jobs for Philadelphians.
- Continue to reduce blight and vacant properties through the **development of the largest land bank in the country** in partnership with City Council.
- Accelerate revitalization efforts in neighborhoods across Philadelphia, including the **Mantua section of West Philadelphia**, which was recently selected for a Promise Zone designation by the White House, making the community more likely to receive federal funding and grants in areas from public safety to housing and job opportunities.
- **Alleviate poverty** by implementing Philadelphia's anti-poverty plan, *Shared Prosperity*.
 - Help thousands of citizens **increase savings, decrease debt, and improve credit** through free, one-on-one financial counseling at citywide Financial Empowerment Centers, with the financial support of Bloomberg Philanthropies.
 - **Launch four Benefits Access Centers** that will screen low-income individuals for public benefits eligibility and help them apply for critical supports.

Advance the Health and Well-being of Philadelphians

PROGRESS ACHIEVED

The City of Philadelphia has made great strides by investing in the health and well-being of Philadelphians. Through *Get Healthy Philly*, an award-winning initiative of the Health Department that seeks to lower obesity and tobacco use, the City is seeing progress toward its goals.

Obesity Reduced: Between 2006 and 2010, **obesity among Philadelphia schoolchildren decreased by five percent**. In 2012, levels of adult obesity declined following decades of increases. The City has partnered with 650 corner stores across Philadelphia to increase availability and incentivize the sale of healthy foods, and ten new farmers markets have opened in low-income communities. Philly Food Bucks, which provides a two dollar coupon for every five dollars spent, has increased SNAP (Food Stamp) redemption by 400 percent.

Increased Prevention and Cessation of Smoking: **Smoking rates have dropped 15 percent** since 2008, while smoke-free policies have made more than 200 recreation centers, playgrounds, and pools safer for children. In addition, more than 20,000 Philadelphians have called the Quitline (1-800-QUIT-NOW) and 70,000 low-income smokers have accessed free nicotine replacement therapy.

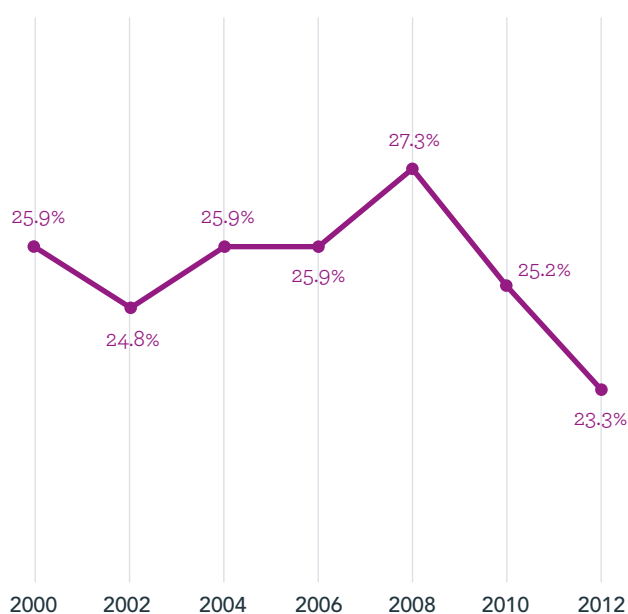
Improved Child Welfare: The City enacted a series of system-wide reforms within the Department of Human Services (DHS) to improve the safety and well-being of Philadelphia's most vulnerable children, with the support of Casey Family Programs, Annie E. Casey and other philanthropic foundations. Since 2008, there has been a 24 percent reduction in dependent children being removed from their homes and a 73 percent reduction in dependent children placed out of state. For its reform efforts, the Department was **recognized by the United Nations with a 2013 Public Service Award** for improving the delivery of public services.

Reduced Sexually Transmitted Diseases: The annual number of STDs among Philadelphia adolescents has decreased by 1,900 cases since 2011 (from 9,550 to 7,650 cases) during the ongoing Department of Health's **adolescent STD prevention campaign**.

Childhood Hunger Reduced: Participation in the Summer Food Service Program for children increased in 2013, with nearly **3.5 million summer meals served** to children throughout the city—a 26 percent increase from 2011.

Increased Homeless Housing: Between 2008 to 2012, the overall Philadelphia **homeless housing inventory increased by 50 percent** through local and McKinney-funded construction, rehabilitation and leased units, including units through the City's partnership with the Philadelphia Housing Authority. From FY10-FY12, 1,385 households moved out of homelessness and into permanent housing through the American Recovery and Reinvestment Act's Homelessness Prevention and Rapid Re-Housing Program.

ADULT SMOKING PREVALENCE: 2000-2012



SOURCE: PHMC HOUSEHOLD HEALTH SURVEY, MAY 2013



Philadelphia students mark the opening of Sister Cities Park.

PRIORITIES

In the upcoming years, the Nutter Administration will remain focused on its efforts to improve the health and well-being of all residents, and particularly the most vulnerable Philadelphians. To accomplish this goal, the City will seek to:

- Continue Department of Human Services reforms through *Improving Outcomes for Children* by working to **keep families intact** and enhancing child and family functioning.
- Reduce by 10 to 15 percent the sodium content of three million meals served annually at more than 200 Chinese take-out restaurants to **reduce high blood pressure** and prevent related health issues, such as heart attacks and strokes.
- Implement **nutrition standards for more than 20 million annual meals** served by City agencies.
- Improve three dose (full series) completion rates for **Human Papillomavirus (HPV)** immunization among Philadelphia adolescents from a coverage rate of 19 percent to 25 percent.
- In partnership with The Children's Hospital of Philadelphia (CHOP), **build the South Philadelphia Family Care Center** at Broad and Morris Streets. The site will combine CHOP and City health centers, the DiSilvestro playground, and the South Philadelphia Library.
- Partner with the Philadelphia School District and The Trust for Public Land to green and **enhance 10 pilot recreation centers and schoolyards** in neighborhoods currently lacking green spaces while helping to treat neighborhood stormwater run-off.
- With the Philadelphia Food Access Collaborative, **increase available emergency meals** by 2,000 additional meals weekly and connect guests of emergency meals to vital support services.

(TOP) Phillies First Baseman Ryan Howard (left) and Mayor Nutter (right) mark the opening of the newly renovated Hunting Park baseball diamond. (BOTTOM) The Phillie Phanatic attends the Hunting Park baseball diamond opening with youth.



Between 2008 to 2012, the overall Philadelphia homeless housing inventory increased by 50 percent.

Establish Philadelphia as the Greenest City in America

PROGRESS ACHIEVED

In 2009, Mayor Nutter launched *Greenworks Philadelphia*, a comprehensive sustainability plan. With *Greenworks* as a guide, Philadelphia has established its position as a leader in urban sustainability. Many City departments and external stakeholders have collaborated to achieve significant progress across all areas of the plan. Highlights include:

Implemented *Greenworks Philadelphia*: Over the past five years, the Nutter Administration, nonprofit organizations, residents, and businesses have **completed or made progress on 95 percent of *Greenworks*' 160 initiatives**. *Greenworks* is exceeding targets for waste diversion, recycling and reducing vehicle miles traveled; Philadelphia Parks & Recreation has planted 98,810 new trees; and the municipal government has cut its energy consumption by 14 percent.

Sustainable Stormwater Management Plan Approved: One of the highlights of Philadelphia's sustainability efforts is the *Green City, Clean Waters* plan to manage stormwater run-off and protect our rivers and streams using green infrastructure tools such as porous pavement, green roofs and rain barrels. To date, the Philadelphia Water Department has installed green infrastructure projects that manage 500 million gallons of stormwater run-off annually. The plan will reduce the City's infrastructure replacement costs by \$8 to \$10 billion over the next 25 years. The plan is fast **becoming a national model** and is recognized around the world for its innovative approach to stormwater management.

New Biogas Cogeneration Facility: To achieve *Greenworks*' ambitious energy and carbon emission reduction goals, the Philadelphia Water Department opened the Biogas Cogeneration facility at the Northeast Water Pollution Control Plant in November 2013. The plant is designed to generate 5.6 MW of power for on-site use, which will cover 85 percent of the plant's electricity needs and **reduce carbon emissions by nearly 22,000 tons per year**.

Invested in Parks and Open Space: The City worked in partnership with community groups, businesses, and the Commonwealth to develop new open spaces ranging from the Race Street Pier on the Delaware River to the expansion of the Schuylkill River Trail and the Porch outdoor space at 30th Street Station. Parks & Recreation is also enhancing neighborhood parks small and big, like Hunting Park in North Philadelphia and Hawthorne Park located at 12th and Catharine. The City is also increasing access to public space by **transforming the iconic Benjamin Franklin Parkway** and creating new recreational spaces at Eakins Oval and Sister Cities Park while hailing the arrival of the Barnes Foundation Philadelphia Campus.

BIG GREEN BLOCK

Transformation of Kensington Creative & Performing Arts High School and Shissler Recreation Center through the Big Green Block Initiative

- | | |
|----------------------------------|--|
| 1 Rain Garden | 6 Porous Parking Pavement |
| 2 Stormwater Tree Trenches | 7 Vegetated Filter Strip |
| 3 Green Roof | 8 Rainwater Cisterns |
| 4 Underground Detention Facility | 9 Improved Spray Park |
| 5 Infiltration Basin | 10 Drainage Area for adjacent stormwater feature |





Mayor Nutter (center) and Philadelphia residents participating in Bike to Work Day 2013.

PowerCorpsPHL: This innovative new AmeriCorps program is designed to **achieve environmental stewardship and public service goals while enhancing youth workforce development and violence prevention strategies.** Enrolling 100 young people annually, participants complete 9 months of service. Over the next three years, PowerCorpsPHL members will plant 3,000 trees, revitalize 3,000 acres of land, and educate 18,000 residents in watershed preservation.

RESIDENTIAL CURBSIDE RECYCLING RATE IN TONS: 2007-2013

2007	49,243
2008	54,992
2009	74,797
2010	97,614
2011	112,709
2012	118,418
2013	120,073

SOURCE: PHILADELPHIA STREETS DEPARTMENT,
JANUARY 2014

The Nutter Administration implemented single stream recycling in July 2008.

PRIORITIES

Over the next two years, the Nutter Administration will remain focused on fulfilling the commitments made in *Greenworks Philadelphia*. Some of the priority initiatives we will strive to achieve include:

- Continue implementation of the Philadelphia Water Department's *Green City, Clean Waters*, a 25-year plan to **manage Philadelphia's stormwater using green infrastructure.**
- Complete the City's **first large scale energy efficiency retrofit project** at the City's four largest downtown office buildings. The project guarantees energy and cost savings while making vital improvements to these buildings.
- Divert nearly **100 percent of residential solid waste** from landfills.
- Catalogue the best available climate risk predictions, City vulnerabilities, and potential adaptation solutions. By planning in advance to **tackle climate change concerns**, Philadelphia will remain resilient and competitive in the short and long term. The White House recognized Mayor Nutter's leadership in urban sustainability by appointing him to serve on the White House Task Force on Climate Preparedness and Resilience.
- **Plant 300,000** trees to increase the city's tree canopy.
- Create a world class **bike share program** providing a new, affordable, and convenient transportation option.
- Advocate for public transit funding and support SEPTA's implementation of a **new fare card system**, to sustain record levels of public transit ridership.
- Track and publicly disclose municipal and commercial building energy use to **reduce future electricity consumption and greenhouse gas emissions.**
- Work with Bartram's Garden, PIDC, and Schuylkill River Development Corporation to **transform one mile of underutilized Schuylkill Riverfront** from the Grays Ferry Bridge to 58th Street into a new trail and recreation space called "Bartram's Mile" and the Schuylkill River Boardwalk—connecting communities in the Southwest to green space along the river.

Act as an Efficient Steward of Public Resources

PROGRESS ACHIEVED

The Nutter Administration successfully steered the city through the greatest economic downturn since the Great Depression while growing taxpayers' investment in Philadelphia.



Philadelphia resident filing a Homestead Exemption form.

The Nutter Administration completed the first citywide property reassessment in a generation through the Actual Value Initiative.

Upgraded Bond Ratings: The Nutter Administration's sound financial management led to rating agency upgrades that have put the City in the **A category** with all three major rating agencies **for the first time since 1979**. In giving its rationale for a two notch upgrade to A+, S&P cited the Nutter Administration's success in balancing the budget during the recession and increasing the diversity of employers in the city. In the past two and a half years, S&P has updated the City's General Obligation Bond rating three times beginning at BBB.

Balanced Budgets: During the recession, **the City closed more than \$2.5 billion in projected Five Year Plan deficits**. The deficits grew as tax revenues fell far below expectations and pension and health benefit obligations soared. The City eliminated those budget gaps while minimizing the impact on core services and protecting the most vulnerable residents.

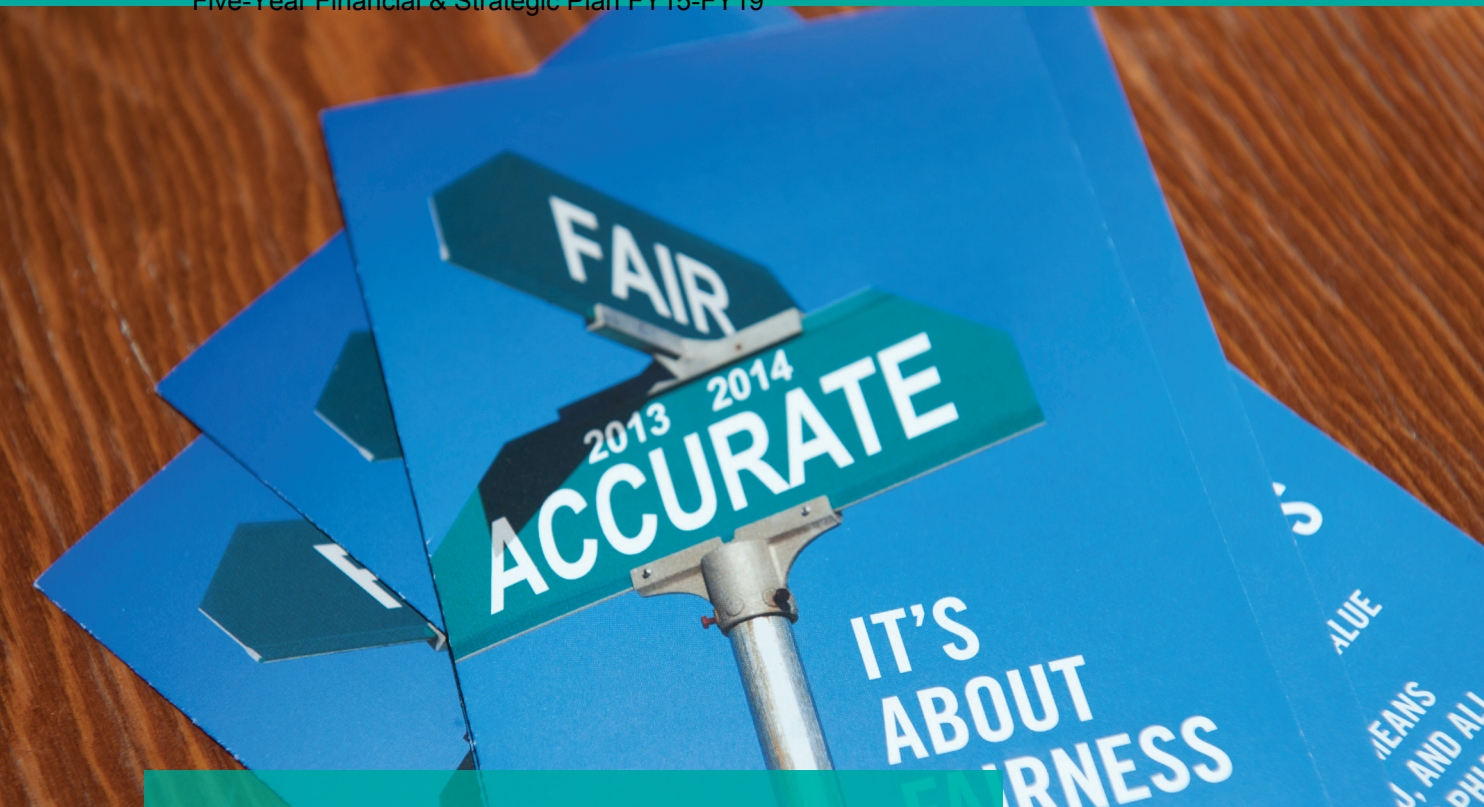
Achieved Pension Reform: At the same time that the City was dealing with the immediate impact of the economic downturn, it was also addressing fundamental structural issues. Arbitration awards with unions representing police officers, firefighters, correctional officers, probation officers, deputy sheriffs and employees in the Register of Wills Office all included pension benefit reforms that will help **create a more sustainable financial future for the City**.

Implemented Accurate Market Value Property Assessments: The Nutter Administration has completed work on the **first citywide property reassessment in a generation, the Actual Value Initiative**. For the first time, Philadelphia's property assessments reflect actual market values, increasing the total value of property in the city from \$38 billion to just under \$100 billion. The efforts of the new Office of Property Assessment mean that residents and business owners now have accurate, fair and understandable property assessments.

Increased Delinquent Tax Collections: While more needs to be done, the Administration has taken steps to address the decades-long issue of delinquent taxes. Those steps have included **rescinding the commercial licenses of delinquent payers**, earlier referral of delinquent cases, and the beginning of a receivership program.

Improved Taxes: **Wage tax rates are below 4 percent for the first time since the 1970s** and business taxes have been fundamentally restructured in order to level the playing field for Philadelphia-based businesses. This includes the elimination of business taxes and fees during the first two years of a new company if it creates a certain number of jobs, as well as a phased-in exclusion of the first \$100,000 of gross receipts from the city's Business Income & Receipts Tax.

Abolished the Clerk of Quarter Sessions: In 2010, the Mayor, City Council, and the First Judicial District (FJD) worked to abolish the Clerk of Quarter Sessions and transfer those duties to the FJD **to increase efficiency in municipal services**.



PRIORITIES

In the years to come, the Nutter Administration will remain focused on its sound management of the City's finances and will continue to increase the confidence the financial industry has shown through prioritization of the following actions:

- **Reassess all Philadelphia properties regularly** so that assessments continue to reflect actual market value.
- **Achieve future labor agreements that are fair to employees and all taxpayers** by pairing pay raises with essential reforms to pension, work rules, and healthcare costs.
- **Improve the health of the pension fund** by achieving benefits changes, depositing proceeds from a potential sale of PGW in the pension fund, and directing a portion of sales tax revenues into the pension fund.
- Improve revenue collection efforts to bring in additional revenue, including **\$28 million in FY14 to be dedicated to the School District of Philadelphia.**
- Continue to control the rising cost of City government employee health benefits by **fostering a culture of improved health** through enhancements to the employee Health and Wellness program, established in 2011.
- Begin to implement **performance-based budgeting** to identify the cost and effectiveness of City services in Fiscal Year 2015.
- Oversee the **implementation of expenditure savings and revenue enhancement initiatives.**

Brochures informing Philadelphians about the Actual Value Initiative—the first citywide property assessment in a generation.

Sound financial management since 2008 has led to rating agency upgrades that have put the City in the A category with all three major rating agencies for the first time since 1979.

Lead with the Highest Standards of Transparency and Ethics

PROGRESS ACHIEVED

Mayor Nutter has championed a culture of honesty, integrity, and transparency.

Established a Chief Integrity Officer: Upon taking office, Mayor Nutter created the position of **Chief Integrity Officer**, who counsels administration officials and the public on ethics issues, and whose contract reviews have saved the City more than \$9 million in unnecessary fees.

Strengthened the Role of the Office of the Inspector General: Since 2008, the Office of the Inspector General has conducted more than 1,000 investigations and saved and recovered taxpayers more than \$34.8 million as a result of its **commitment to preventing fraud and corruption** by City employees and businesses with City contracts. The Office's results are unparalleled and were recognized by the American Society for Public Administration with the 2013 Public Integrity Award.

Created Philly311: The Philly311 non-emergency Contact Center opened in December 2008, providing Philadelphia residents, businesses, and visitors with **easy access to municipal information and City government services**. Philly311 engages customers through a walk-in center, online self-service portal, social media, and a mobile app. In five years of operation, Philly311 has received more than 6 million calls—averaging 1.2 million calls annually—while maintaining or exceeding a 90 percent customer satisfaction rating.

Released High-Value Philadelphia Data: In April 2012, Mayor Nutter created a formal open data and government transparency policy. Since the adoption of this policy, the City has released more than 60 new high value data sets that include police complaints, crime incidents and data on all City-owned buildings. As a result, citizens have **more access than ever to the City's data**.

Increased Transparent Contracting: Under the Nutter Administration, the City's process for awarding competitively and non-competitively bid contracts has been enhanced. **Clear and transparent procedures** have been established for all steps in the government contracting process, from solicitation to selection and reporting.

New Online Lobbying Monitor Established: In January 2014, the Board of Ethics and the Administration implemented new software to **meet online lobbying registration and filing requirements** of the Ethics Code creating more transparency for both lobbyists and stakeholders.

PRIORITIES

Over the coming years, the Nutter Administration will remain focused on its goal of promoting the ethics, integrity, and transparency that all residents demand in government services. We will seek to:

- Continue to **root out corruption and safeguard the public trust** through the work of the Office of the Inspector General, Chief Integrity Office, and other related partners.
- Participate fully in the **Police Commissioner-initiated investigation** by the U.S. Department of Justice into the police department's use of deadly force.
- Work with City Council to create a **permanent and independent Office of the Inspector General** to properly insulate the office from political influence, strengthen the quality of investigative results, and ensure that the office can continue to benefit the citizens of Philadelphia for generations to come.
- **Enhance and expand ethics training** for staff with regard to ethical duties in their role as a City employee.
- Continue to implement a **citywide open data program** that focuses on the release of important data sets, as well as the development of policies and internal practices aimed at making Philadelphia the most transparent city in the nation.

(Opposite page) Denise Singleton (left) shakes hands with Mayor Nutter (right) at the Philly311 non-emergency contact center office.



Build and Beautify Philadelphia

Public Buildings, Parks and Facilities Under Mayor Nutter's Term

COMPLETED

JUVENILE JUSTICE SERVICES CENTER, provides educational, medical and legal aid services to detained youths to give them the tools to positively change their lives.

BIOGAS CO-GENERATION FACILITY, at the Northeast Water Pollution Control Plant, is expected to reduce carbon emissions by nearly 22,000 tons per year.

The **SOUTH STREET BRIDGE**, replacing a deteriorating bridge linking Center City and West Philadelphia, was completed on time and under budget.

THE DELAWARE VALLEY INTELLIGENCE CENTER, a major regional area intelligence center, opened to better identify and forecast crime, terrorism, and all types of hazards including major weather events.

SVU-DHS CO-LOCATION, combining members of the Philadelphia Police Department's Special Victims Unit, the DHS Sexual Abuse Investigations Unit, the Philadelphia Children's Alliance, and staff from the District Attorney's Office under one roof, the City is more prepared and able to support and protect victims of sexual abuse and to apprehend perpetrators more quickly.

FIRE DEPARTMENT ENGINE 38, a new station in the Tacony section of Philadelphia, includes a green roof, community room integrated with the fire station, and public art to better serve the community and fire fighters in the company.

PAINE'S SKATEPARK, a highly visible public skatepark in Center City, is an energizing addition to the Schuylkill River Trail and Art Museum area.

SISTER CITIES PARK, located in iconic Logan Circle, boasts a PHL Visitor Center, the Children's Discovery Garden, and a café on the Benjamin Franklin Parkway.

RACE STREET PIER, formerly Municipal Pier 11, reconnects Philadelphia's residents with their waterfront establishing a unique view of the Benjamin Franklin Bridge and the Camden waterfront.

HUNTING PARK, located on 10 acres in North Philadelphia, the Administration has spearheaded the redesign of the park including a new baseball field installed with the generous support of the Ryan Howard Foundation, the nonprofit of Phillies first baseman Ryan Howard, as well as a redesigned football field with the support of Team Vick, Eagles' player Michael Vick's nonprofit.

HAWTHORNE PARK, a \$3 million transformation of previously vacant space, hosts cultural and recreational activities in this South Philadelphia neighborhood throughout the year.

SHAWMONT TRAIL, connecting Philadelphia to its surrounding suburbs, creates new recreational options along the Schuylkill River, linking Philadelphia and Montgomery counties.

LARDNERS POINT PARK, located in the Tacony section, is a 4.5 acre riverfront park that includes a fishing pier, river overlook, and areas for recreational activities.

GRAYS FERRY CRESCENT, on the Schuylkill River, extends a widely used recreational trail to Southwest Philadelphia.

PHILADELPHIA POLICE REGIONAL TACTICAL TRAINING FACILITY, offers a facility where training is provided to City and regional law enforcement agencies in S.W.A.T., Ordinance Disposal (Bomb Squad), and K-9 operations.

THE SOUTHEAST WATER POLLUTION CONTROL PLANT, hosts the first 250kW solar voltaic system and is the first site in the United States to deploy a commercial scale geothermal system providing building heat by using domestic wastewater.

VENICE ISLAND UNDERGROUND STORAGE BASIN PROJECT, located between the Manayunk Canal and the Schuylkill River, temporarily stores diverted overflow from the sanitary interceptor sewer during intense rain storms. Above this storage will be a state-of-the-art recreation and performing arts facility.

JULIAN ABELE PARK, a new park in the Graduate Hospital neighborhood, the Julian Abele Park provides green space and local food options in a neighborhood with previously limited tree coverage.

BIG GREEN BLOCK, a collaborative effort between the Philadelphia Water Department, Mayor's Office of Sustainability, the School District of Philadelphia, and the Department of Parks & Recreation, the Big Green Block located in Kensington, includes stormwater infrastructure, green roofs, the Kensington High School of the Creative and Performing Arts, public art, improved recreational facilities, and new trees.



The Philadelphia Juvenile Justice Services Center.

IN PROGRESS AND PLANNED

NEW POLICE AND MEDICAL EXAMINER HEADQUARTERS, in a larger, enhanced location in West Philadelphia, the joint Police and Medical Examiner Headquarters will ensure a state-of-the-art facility located in one of the communities directly served by the police.

SOUTH PHILADELPHIA FAMILY CARE CENTER, a historic public-private partnership to create this public health center, recreation facility, and library will bring significant new facilities to this South Philadelphia community.

DILWORTH PLAZA, the newly renovated Dilworth Plaza will create a broad open space accessible from street level without stairs or ramp. Including tree-shaded areas, a large lawn, an outdoor café and a programmable fountain, the new plaza will have an additional 20,000 square feet of usable space when compared to the former plaza.

LOVE PARK, the renovated LOVE Park will provide new green space in Center City ensuring an inviting park for residents, workers, and visitors in Philadelphia at the entrance to the Benjamin Franklin Parkway.

POLICE ACADEMY, the new state-of-the-art academy will provide police cadets with up to date training facilities.

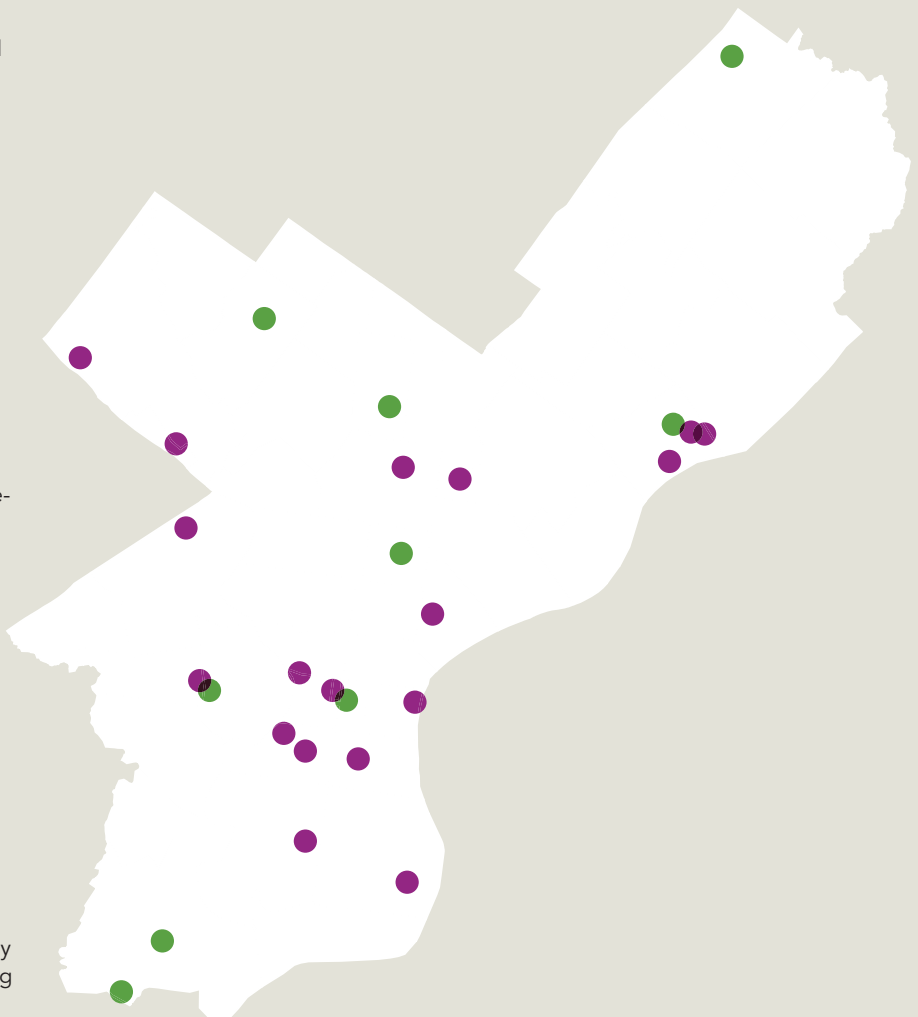
BARTRAM'S MILE, one mile of currently vacant, publically owned space will be transformed into a river front trail and greenway connecting Bartram's Garden to Center City. The path will provide new recreation opportunities in Southwest Philadelphia as well as increase riverfront access to the Schuylkill River.

PHILADELPHIA FAMILY COURTHOUSE, the new, 510,000 square foot courthouse will include the domestic relations and juvenile divisions of Family Court and is expected to open in Spring 2014.

PHILADELPHIA INTERNATIONAL AIRPORT CAPACITY ENHANCEMENT PROGRAM, the multi-billion dollar, 10 to 15 year expansion of the Philadelphia International Airport will relieve airport congestion, reduce delays, create jobs, and reinforce Philadelphia as an international hub for business and tourism. Currently, PHL is the 9th busiest airport in the United States.

21ST CENTURY LIBRARIES INITIATIVE, Four neighborhood libraries have been selected as part of a pilot program to create community hubs of learning and to increase the presence of the libraries in their neighborhoods, meeting the 21st century needs to residents. The four libraries are:

*Lillian Marrero Library
Logan Library
Lovett Memorial Library
Tacony Library*



Governing Philadelphia

Mayor Michael A. Nutter strongly believes in citizen engagement and the power of government to improve lives and help people. His commitment to public service is best embodied in the oath taken by young Athenians before becoming citizens. The Athenian Oath, recited by the citizens of Athens, Greece more than 2,000 years ago, serves as a guiding principal of Mayor Michael A. Nutter and his Administration. This ancient oath rings as true today in Philadelphia, the birthplace of American democracy, as it did centuries ago in ancient Athens, the world's cradle of democracy.

The Athenian Oath

We will never bring disgrace on this our City by an act of dishonesty or cowardice. We will fight for the ideals and sacred things of the City both alone and with many. We will revere and obey the City's laws, and will do our best to incite a like reverence and respect in those above us who are prone to annul them or set them at naught. We will strive unceasingly to quicken the public's sense of civic duty. Thus, in all these ways, we will transmit this City not only, not less, but greater and more beautiful than it was transmitted to us.

MICHAEL A. NUTTER
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