

City of Philadelphia



Council of the City of Philadelphia
Office of the Chief Clerk
Room 402, City Hall
Philadelphia

(Resolution No. 180407)

RESOLUTION

Authorizing the Committee on Education to conduct hearings regarding the financial state of the Philadelphia Parking Authority and the allocation of Parking Authority funds to the School District of Philadelphia.

WHEREAS, Pennsylvania Auditor General Eugene DePasquale's December 2017 audit report of the Philadelphia Parking Authority (PPA) revealed a myriad of institutional problems, including inappropriate management protocols, the manipulation of records, a closed hiring process, and a culture of sexual harassment; and

WHEREAS, The Auditor General's report also highlighted rampant financial mismanagement, including over \$1.17 million of incorrect, questionable, or excessive expenses that were charged to the PPA's on-street division. Additionally, total expenses of the on-street division have increased by \$15 million over the past four years; and

WHEREAS, There has recently been a rapid growth in overall PPA expenses, with payroll costs for administrative support rising 50 percent from 2013 to 2016; and

WHEREAS, According to Parking Authority documentation obtained via a Right to Know request made in 2017, the number of full time PPA employees grew by 10.5 percent between 2015 and 2016, while the annual salaries of full-time employees grew by 12 percent and the number of part-time employees grew by 49 percent; and

WHEREAS, Under Act 22, the Commonwealth of Pennsylvania was tasked with managing the PPA in an effort to divert up to an alleged \$45 million in excess revenue to the School District of Philadelphia; and

WHEREAS, In 2014, while testifying in City Council about a parking fee increase, the PPA indicated that the School District of Philadelphia would receive an extra \$7.5 million in 2015 if meter rates were increased. However, despite City Council acquiescing

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and raising meter fees which were alleged to deliver at least \$18 million to the School District, PPA funding to the School District actually dropped in the years following; and

WHEREAS, PPA allocations have remained stagnant and unpredictable, with a recently projected \$10 million in PPA going to the School District in FY18 after an initial projection of \$3 million; and

WHEREAS, The School District of Philadelphia still cannot accurately budget the amount of funds to be anticipated from the PPA. In 2016 testimony to City Council, the District's Chief Financial Officer said, "There is no direct link between various sources of Parking Authority revenues and the funds ultimately distributed to the School District"; and

WHEREAS, The leadership of former State Representative Scott Petri, who assumed the role of PPA Executive Director on January 2nd and vowed to "question everything we do, why we do it, and are we obtaining the best result," represents an opportunity for the refinement of the PPA's financial decision-making and the assurance that Philadelphia's public schools get their fair share of funding from the Authority; and

WHEREAS, As the City of Philadelphia regains local control of the School District of Philadelphia, there is a pressing need for clarity about the Parking Authority's contribution to schools; now, therefore, be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That Council hereby authorizes the Committee on and Education to conduct hearings regarding the financial state of the Philadelphia Parking Authority and the allocation of Parking Authority funds to the School District of Philadelphia.

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CERTIFICATION: This is a true and correct copy of the original Resolution, Adopted by the Council of the City of Philadelphia on the twenty-sixth of April, 2018.

Darrell L. Clarke
PRESIDENT OF THE COUNCIL

Michael A. Decker
CHIEF CLERK OF THE COUNCIL

Introduced by: Councilmembers Gym, Green and Domb

Sponsored by: Councilmember Gym, Green, Domb, and Reynolds Brown