

City of Philadelphia – Mayor’s Proposed Budget for FY18

For FY18, the City of Philadelphia is proposing a general fund budget amounting to **\$4.377 billion in expenditures** and **\$4.345 billion in revenue**. The forecasted FY18 adjusted operating deficit is \$71.4 million, which will result in an estimated general **fund balance of \$87.5 million in FY18**.

Revenue (Summary of Proposed Budget Highlights)

- Total tax revenues are projected to increase by \$161 million; local non-tax revenues are proposed to increase by \$6.3 million, Revenue from other governments is projected to increase by \$25 million, and Revenue from other funds is projected to decrease by \$11.2 million. Total revenue is proposed to increase by \$181 million over FY17.

City of Philadelphia - General Fund Tax Revenue Projections - FY17 & FY18			
(Amount in Thousands \$)			
Taxes	FY17 Estimate	FY18 Proposed	% Change
Wage, Earnings & Net Profits	1,450,048	1,494,338	3.05%
Real Estate Tax	584,379	600,558	2.77%
Business Income & Receipts	465,113	489,886	5.33%
Real Estate Transfer Tax	232,861	242,921	4.32%
Sales Tax	186,584	198,083	6.16%
Other Taxes	121,233	129,241	6.61%
Beverage Tax*	46,183	92,412	100.10%
Total Taxes	3,086,401	3,247,439	5.22%

**FY17 Estimate is for half-year; FY18 represents a full year of collections*

Expenses (Summary of Proposed Budget Highlights)

- Total expenses are proposed to increase by \$142.3 million, or 3.4% over FY17’s estimates, to \$4.377 billion. This includes a 3.7% increase in Pension Obligations and a 2.7% increase in Total Employee Benefits Obligations, totaling \$77.2 million.

The FY18 budget assumes the following in new investments, including:

- \$2.8 million for the **Department of Public** to help tackle the opioid crisis and to enhance lead remediation efforts.
- \$1.8 million for the **Department of Human Services** to increase the per diem rate for foster families to care for children and youth placed with them.
- \$0.5 million for **Licenses and Inspections** to increase funding for demolitions.
- \$0.5 million to the **Office of Property Assessment** to support Commercial Reassessment efforts.
- Additional funding to the **Fire Department** for 30 firefighters, 30 paramedics, and 5 medic units.
- Additional funding (\$20 million) set aside for **future labor obligations**.

The City’s proposed revenue and expenditure projections, including these investments will leave a projected FY18 general fund balance of \$87.5 million.

City of Philadelphia - Mayor's Proposed General Fund Budget for Fiscal Year 2018 - Allocation by Category (Departmental Totals - Amounts in Thousands \$)

	<i>(Projected)</i>	FY17	FY18	Variance		<i>(Projected)</i>	FY17	FY18	Variance
Public Safety					Mayor				
Police Department		650,836	652,106	1,270	Mayor's Office (Inc. Scholarships)		4,549	4,694	145
Fire Department (Inc. EMS)		235,485	247,546	12,061	Community Schools/Pre-K		27,140	42,552	15,412
District Attorney		37,022	37,810	788	Labor Relations		1,095	1,385	290
First Judicial Court		109,366	111,442	2,076	<i>Category Total</i>		32,784	48,631	15,847
Prisons		262,508	258,958	(3,550)					
Licenses and Inspections		35,443	36,002	559	Transportation & Utilities				
Legal Services		46,491	47,414	923	SEPTA		79,720	82,749	3,029
<i>Category Total</i>		1,377,151	1,391,278	14,127	Streets Department		128,374	137,107	8,733
					Utilities (Gas, Electric, Steam)		30,656	24,655	(6,001)
Managing Director					Office of Sustainability		838	969	131
Managing Director's Office		39,252	39,206	(46)	<i>Category Total</i>		239,588	245,480	5,892
Records		4,791	4,879	88					
Fleet Management		61,486	63,542	2,056	Financial Administration				
Public Property		62,379	65,449	3,070	Office of the Director of Finance		13,405	14,598	1,193
Procurement		4,905	4,932	27	Revenue Department		30,442	30,493	51
Office of Human Resources		6,628	26,391	19,763	City Treasurer		1,189	1,204	15
Office of Innovation and Technology		89,586	84,128	(5,458)	Office of Property Assessment		12,889	13,924	1,035
Mural Arts		1,686	1,825	139	<i>Category Total</i>		57,925	60,219	2,294
<i>Category Total</i>		270,713	290,352	19,639					
					Employee Benefits		1,258,611	1,307,799	49,188
Health and Opportunity									
Human Services Department		105,693	108,486	2,793	Other Central Support Costs				
Public Health (Inc. Behavioral Health)		142,329	149,115	6,786	Chief Administrative Officer		5,652	5,656	4
Homeless and Housing Assistance		52,776	49,588	(3,188)	Law Department		16,686	15,593	(1,093)
<i>Category Total</i>		300,798	307,189	6,391	Sinking Fund		275,340	296,019	20,679
					Indemnities		40,675	44,920	4,245
Economic Development & Arts & Culture					Space Rentals/Leases		20,875	19,566	(1,309)
Planning and Development*		1,170	7,696	6,526	<i>Category Total</i>		359,228	381,754	22,526
Commerce Department (+ Economic Stim.)		8,268	8,197	(71)					
City Representative		1,006	1,217	211	Other Independent Officials				
Convention Center Authority		15,000	15,000	0	City Council		16,885	17,108	223
City Planning*		2,538	0	(2,538)	Register of Wills		3,775	4,244	469
Historical Commission*		432	0	(432)	City Commissioners		10,679	9,911	(768)
Office of Arts and Culture		4,137	4,180	43	Auditing		8,493	8,949	456
Atwater Kent Museum		298	302	4	Board of Ethics		1,082	1,095	13
Art Museum		2,550	2,550	0	Board of Revision of Taxes		969	1,049	80
<i>Category Total</i>		35,399	39,142	3,743	Sheriff		22,161	23,072	911
					Human Relations		2,195	2,204	9
Education					Inspector General		1,681	1,648	(33)
School District		104,264	104,348	84	<i>Category Total</i>		67,920	69,280	1,360
Community College		29,909	29,909	0					
<i>Category Total</i>		134,173	134,257	84					
					Environmental & Community Resources				
Environmental & Community Resources					Parks and Recreation		60,252	61,156	904
Parks and Recreation		60,252	61,156	904	Free Library		40,592	40,938	346
Free Library		40,592	40,938	346	<i>Category Total</i>		100,844	102,094	1,250
<i>Category Total</i>		100,844	102,094	1,250	Total		4,235,134	4,377,475	142,341

*Planning and Development includes City Planning Commission, Historical Commission, L&I Board of Adjustments, and Office of Housing and Community Development

**Office of HR includes Civil Service Commission

***Finance includes Hero Scholarship Awards, Refunds and Witness Fees

****Homeless and Housing Assistance includes Office of Homeless Services and Mayor's Office of Community Empowerment and Opportunity