

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 black ink, appearing to read "M.A. Nutter". The signature is stylized and cursive.

Mayor Michael A. Nutter