



# 5 YEAR FINANCIAL AND STRATEGIC PLAN

As Mayor Kenney begins his second term and introduces his fifth budget, the Administration remains committed to helping all Philadelphians reach their potential by confronting the challenges of economic and racial inequality present in the City for decades. The Operating and Capital Budgets for the coming years reflect those priorities.



## FY21 STATS

- ▲ \$5.18 B GENERAL FUND REVENUES
- ▲ \$5.20 B GENERAL FUND REVENUES
- ▲ \$316 M GENERAL FUND BALANCE
- ▲ FUND BALANCE = 6% OF SPENDING
- ▲ \$171 M IN NEW TAX-SUPPORTED BORROWING FOR CAPITAL PROJECTS

FY21-25 Fund Balance					
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
BALANCE (\$000s)	\$316,164	\$303,212	\$376,684	\$446,413	\$588,676
% OF OBLIGATIONS	6.0%	5.7%	6.9%	8.0%	10.4%

## KEY STATS - FY21-25 TOTALS



**\$67 M**  
FOR STREET SWEEPING



**\$32.5 M**  
FOR PHLRENTASSIST



**\$63 M**  
FOR OCTAVIUS CATTO SCHOLARSHIP



**\$2 B INVESTMENT**  
IN EDUCATION FOR SDP, PREK, COMMUNITY SCHOOLS, & CCP

### MAYOR KENNEY'S COMMITMENTS:

- SAFER AND MORE JUST PHILADELPHIA
- QUALITY EDUCATION FOR ALL
- CLEANER AND SAFER STREETS
- INCLUSIVE AND RESILIENT NEIGHBORHOODS
- DIVERSE, EFFICIENT, AND EFFECTIVE GOVERNMENT

### MAYOR KENNEY'S VALUES:

- ▲ **Equity** for every neighborhood
- ▲ **Opportunity** for all residents to thrive
- ▲ **Courage** to take-on well-funded special interests in support of Philadelphia's future
- ▲ **Compassion** for our most vulnerable
- ▲ **Collaboration** with broad coalitions to deliver results

## FY21 REVENUES: WHERE THE MONEY COMES FROM

**\$5.18 BILLION**

FY21 General Fund: Proposed Local Tax Revenues		
	(IN MILLIONS)	
Wage and Earnings	1,771	34.2%
PICA City Account	551	10.6%
Real Estate Tax (City Share)	715	13.8%
BIRT	575	11.1%
Real Estate Transfer tax	342	6.6%
Sales Tax	247	4.8%
Beverage Tax	75	1.4%
Other Taxes	136	2.6%
Local Non-Tax Revenues	398	7.7%
Local Agencies	64	1.2%
Other City Funds	60	1.2%
State Aid	223	4.3%
Federal Aid	23	0.4%
<b>Total</b>	<b>5,180</b>	<b>100.0%</b>

### REVENUE HIGHLIGHTS

- ▲ \$168M (3.4%) increase in spending over FY20
- ▲ No tax increases
- ▲ \$200M+ in Wage and BIRT Tax Cuts over Five years
- ▲ Move BIRT to Market-Based Sourcing in Tax Year 2023

## FY21 OBLIGATIONS: WHERE THE MONEY GOES

**\$5.2 BILLION**

FY21 General Fund: Proposed Local Tax Expenditures		
	(IN MILLIONS)	
Class 100 - Wages	1,864.1	36%
Class 100 - Benefits	1,430.7	27%
Class 200 - Contracts / Leases	1,035.6	20%
Class 300/400 - Supplies, Equipment	132.7	3%
Class 500 - Indemnities / Contributions	394.2	8%
Class 700 - Debt Service	181.6	3%
Class 800 - Payments to Other Funds	100.4	2%
Class 900 - Advances / Misc. Payments	96.7	2%
<b>Total</b>	<b>5,236</b>	<b>100%</b>

### SPENDING HIGHLIGHTS

- ▲ \$118M (2.3%) increase in spending from FY20
- ▲ \$267.6M for the School District
- ▲ Libraries open six days a week, all year, for the first time ever
- ▲ Planned Pension Contributions are on track for 80% funding by 2029 and 100% funding by 2033

# MAYOR KENNEY'S COMMITMENTS

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## SAFER AND MORE JUST PHILADELPHIA

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- ▲ **\$5.7 million** to expand Operation Pinpoint with staff and technology for the Police Department to target high-violence areas
- ▲ **\$8 million** added for Transitional Jobs
- ▲ **\$4.8 million** added to the Fire Department to form a dedicated HazMat Company and EMS supplies



## QUALITY EDUCATION FOR ALL

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- ▲ **\$2 billion** for operational and capital funding in education overall, to include:
  - ▲ **\$1.4 billion** for School District of Philadelphia
  - ▲ **\$265 million** for Community College of Philadelphia
  - ▲ **\$63 million** for Octavious Catto Scholarship



## CLEANER AND SAFER STREETS

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- ▲ **\$10 million** to expand street sweeping to more neighborhoods and commercial corridors citywide in FY21, and \$67 million over five years. As part of the program's expansion, mechanical cleaning will be expanded to new neighborhoods.



## INCLUSIVE AND RESILIENT NEIGHBORHOODS

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- ▲ **Hundreds of millions of dollars** to rebuilding aging parks, recreation centers, playgrounds, and libraries, mostly in high-need neighborhoods through Rebuild.
- ▲ **\$1 million** to enable Parks and Recreation to embark on an ambitious system wide effort to provide higher quality programs and realign their staffing structure to better serve communities in need.
- ▲ Establish a new Opioid Response Unit, which will oversee targeted strategies to save more lives from opioid overdose while also helping neighborhoods recover from the toll of the crisis.



## DIVERSE, EFFICIENT, AND EFFECTIVE GOVERNMENT

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- ▲ **\$100,000** added for the Office of Diversity, Equity and Inclusion to examine and address institutional and structural racial disparities.
- ▲ Better customer service for business and residents by planning for a redesign of the Municipal Services Building Concourse and \$455,000 for new staff in FY21.
- ▲ **\$2.4 million** added for the implementation of the City's new payroll system.

# FISCAL YEAR 2021-2026 CAPITAL PROGRAM

The Capital Program is the City of Philadelphia's six-year plan for investing in its physical and technological infrastructure, neighborhood and community facilities, and public buildings. The Capital Program supports the overall goals of the City and is updated annually. Generally, capital funds may be used for items with a useful life of over five years and a minimum value of \$15,000.

The Recommended FY21 Capital Budget and FY21-26 Capital Program supports new facilities and the modernization of existing capital assets. Over six years, \$1.15 billion in general obligation borrowing as part of a proposed \$11.4 billion in total capital investment. Highlights for FY21-26 Tax-Supported Borrowing for Capital Projects include:



**PUBLIC SAFETY  
FACILITIES: \$151.9 M**



**STREET PAVING: \$335.6 M**



**PARKS & RECREATION:  
\$75.1 M**



**COMMERCE: \$100 M**



**ENERGY EFFICIENCY:  
\$2.7 M**



**CITY BUILDINGS: \$60.2 M**



**IT SYSTEMS: \$153.6 M**



**NEW VEHICLES: \$90.5 M**

## KEY PROJECTS

- ▲ **OPAL:** Optimize Procurement and Accounting Logistics (OPAL) is the City's new enterprise system that helps vendors do business with the City
- ▲ **FDR PARK:** The City has set aside \$50M to help support the transformation of Franklin Delano Roosevelt Park
- ▲ **PAVING:** FY21-26 Capital Budget Program calls for \$240.1M in City tax supported funds for the reconstruction and resurfacing of City streets and the construction of accessible ramps. This is the largest investment in the Capital Program.
- ▲ **VEHICLE PURCHASES:** Did you know that a trash compactor costs \$190,000?