



**City of Philadelphia
Office of the City Controller**

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Controller's Office Releases Performance Audit of the Philadelphia Parking Authority's On-Street Parking Expenses

Philadelphia, PA – Today, the Office of the City Controller released its performance audit of the Philadelphia Parking Authority's on-street parking expenses, finding an inflated workforce and high management salaries compared to other publicly managed parking agencies. The audit also found high levels of patronage and a lack of transparency in the PPA's hiring processes, as well as issues with oversight and other inefficiencies. In addition to reviewing on-street parking expenses, the audit also evaluated the PPA's progress on implementing several recommendations from the Pennsylvania Auditor General's 2017 audits of the PPA.

"In the midst of a financial crisis, it's more important than ever that agencies operate efficiently and effectively to deliver quality services," said City Controller Rebecca Rhynhart. "My office identified clear opportunities for the PPA to lower its expenses and bring much needed funding to the Philadelphia School District. If we truly want to operate with the best interest of our kids at heart, the PPA needs to prioritize fixing the issues we found."

The PPA's on-street parking unit generates revenue through on-street parking operations, such as parking meter collections and parking violations. Once the PPA has paid its on-street parking expenses, the remaining revenue is allocated between the City of Philadelphia and the School District of Philadelphia. The first \$35 million of the OSP unit's net revenue plus an additional percentage goes to the City and the remaining share of net revenue goes to the School District. The audit assessed the validity of the PPA's on-street parking expenses to determine if better management of expenses could increase funding to the School District of Philadelphia.

As part of the audit, the Controller's Office contracted with an expert in parking operations to assist in determining how PPA operations compared to other publicly run parking organizations in other cities. The comparison showed that the PPA's workforce and personnel costs are inflated compared to many other cities.

Specifically, the audit found that the PPA has a higher number of employees per metered space and a higher employee cost per metered space than most of the other cities included in the analysis. The PPA has 15,400 on-street metered spaces and a workforce of 651 on-street parking employees. Portland, in comparison, has 14,000 metered spaces and only 111 employees. However, Portland generates only \$1 million less in meter revenue – \$36 million compared to \$37 million generated by the PPA – with significantly fewer employees.

The audit also found that several management positions within the PPA are paid more than their counterparts in other public parking organizations. When adjusted for cost of living, the analysis showed that between 83%

and 88% of selected comparable positions in Boston, Portland, and Pittsburgh, are paid less than the PPA. Moreover, the analysis found that the PPA's executive director is the highest paid chief executive compared to the other cities surveyed. While the PPA's executive director is paid at the highest salary among the comparable parking organizations, the PPA pays its parking enforcement officers at the lowest rate when compared to its peers in other cities.

Additionally, the audit followed up on the Auditor General's finding that management salary increases were given imprudently. Despite the Auditor General's recommendations for the PPA to rein in salaries for management employees, the PPA increased certain management salaries in 2019 and added a cost of living adjustment of 3%.

Additional findings include:

- Of 107 employees sampled, 25 employees, or 23 percent, either held political positions themselves or lived with someone who did. The review did not include employees who might otherwise have an influential political connection, such as close friends or family members. It is possible the percentage is greater when considering these indirect relationships;
- In following up on the Auditor General's finding that the PPA used a "closed" hiring process, the audit found that the PPA has worked toward implementing fairer hiring practices. However, the fairer practices were not utilized in hiring the current executive director or the chief financial officer;
- The PPA is not required to get budgetary approval from either the Commonwealth or the City. As a result, the audit found that the PPA is not subject to the transparency and accountability that either budgeting process would provide; and
- Current ticketing practices are inefficient and costly.

As part of the audit, the Controller's Office provided the PPA with recommendations to improve the management of on-street parking expenses and operations. The full report, including recommendations from the Controller's Office, is available [here](#).