

**DEPARTMENT OF LICENSES + INSPECTIONS
FISCAL YEAR 2019 BUDGET TESTIMONY
APRIL 10, 2018**

INTRODUCTION

Good Afternoon, President Clarke and Members of City Council. I am Dave Perri, Commissioner of Licenses + Inspections. Joining me today are Kirk McClarren, Administrative Services Director and Rebecca Swanson, Director of Planning & Analysis. I am pleased to provide testimony on the Department of Licenses + Inspections' Fiscal Year 2019 Operating Budget.

DEPARTMENT MISSION & PLANS

Mission: The Department of Licenses + Inspections (L+I) enforces the City's codes for the safe and lawful construction and use of buildings.

Plans for Fiscal Year 2019

In Fiscal Year 2019, L+I will continue to promote building safety through the management of both public and private demolitions, with a focus on demolishing properties that pose the greatest threat to public safety. This proposed budget will increase funding for public demolitions, allowing L+I to conduct up to 650 demolitions each year with over \$11 million in dedicated demolition funding.

The Department, along with the Office of Innovation & Technology (OIT), will implement the remaining phases of the capital-funded eCLIPSE project in FY19. Phase Three will allow for the transition of the building plan and permit application process from paper-based to online. The project's final phase, Phase Four, will bring all Code Enforcement processes online and will be completed in the third quarter of FY19. The Department will continue its existing efforts to update procedures, workflows and business processes during implementation of these remaining phases as well as during post-implementation.

In FY19, the Department will continue to expand the use of critical building data provided by the LIDAR, Pictometry, Planimetrics, and Cyclomedia technology systems. These systems allow the Department to identify at-risk properties either for demolition or other enforcement measures, such as the issuance of violations or any necessary court actions.

In early FY19, the Department will begin enforcement of the 2018 building codes, pending the passage of a City Council ordinance. Enforcement of the most modern commercial building codes, which allow for improved technologies and provide for greater safety, will undoubtedly have a positive impact on development in the City and will improve the permitting process.

The Department will also implement a new customer queuing system in early FY19 for the concourse area of the Municipal Services Building. This new system will be cloud-based and will allow customers to schedule an appointment date and time through an online portal.

L+I has worked with the Department of Public Property to identify locations for two new district offices. The first new office, located at 1514 Cecil B. Moore Avenue, will open next month. This office will provide greater service to North Philadelphia, which has experienced one of the highest levels of construction activity over the past few years. The second new L+I district office will be located in the Grays Ferry

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section of the City. We anticipate executing a lease in early FY19 for this new office, pending the passage of a City Council ordinance.

The hardworking employees in L+I are committed to their focus on public safety and I commend them for their daily efforts.

Thank you for the opportunity to present our FY19 budget. I am available to answer questions at this time.

BUDGET SUMMARY & OTHER BUDGET DRIVERS

Staff Demographics Summary (as of December 2017)				
	Total	Minority	White	Female
Number of Full-Time Staff	375	227	148	129
Number of Exempt Staff	25	9	16	12
Number of Executive Staff (deputy level and above)	13	5	8	5
Average Salary, Full-Time Staff	\$54,535	\$48,872	\$63,220	\$49,875
Average Salary, Exempt Staff	\$79,963	\$66,957	\$88,634	\$77,683
Average Salary, Executive Staff	\$100,731	\$75,500	\$111,945	\$89,912
Median Salary, Full-Time Staff	\$51,675	\$46,058	\$57,421	\$45,967
Median Salary, Exempt Staff	\$78,256	\$61,500	\$87,500	\$73,638
Median Salary, Executive Staff	\$103,000	\$77,500	\$113,128	\$90,000

Employment Levels (as of December 2017)		
	Budgeted	Filled
Number of Full-Time Positions	429	375
Number of Part-Time Positions	0	0
Number of Exempt Positions	28	25
Number of Executive Positions (deputy level and above)	13	13
Average Salary of All Full-Time Positions	\$53,990	\$54,535
Median Salary of All Full-Time Positions	\$50,090	\$51,675

General Fund Financial Summary by Class						
	FY17 Original Appropriations	FY17 Actual Obligations	FY18 Original Appropriations	FY18 Estimated Obligations	FY19 Proposed Appropriations	Difference: FY19-FY18
Class 100 - Employee Compensation	\$21,272,576	\$19,578,047	\$23,019,730	\$22,472,640	\$23,144,341	\$671,701
Class 200 - Purchase of Services	\$11,053,079	\$12,011,932	\$11,823,061	\$11,593,129	\$13,579,060	\$1,985,931
Class 300/400 - Materials, Supplies & Equipment	\$1,286,464	\$1,201,494	\$912,475	\$1,362,475	\$784,475	(\$578,000)
Class 500 - Contributions	\$0	\$121,919	\$0	\$0	\$0	\$0
	\$33,612,119	\$32,913,392	\$35,755,266	\$35,428,244	\$37,507,876	\$2,079,632

Contracts Summary (Professional Services only)						
	FY13	FY14	FY15	FY16	FY17	FY18 YTD (Q1 & Q2)
Total amount of contracts	\$367,283	\$428,035	\$448,950	\$402,675	\$1,125,015	\$380,520
Total amount to M/W/DSBE	\$173,680	\$189,035	\$153,220	\$197,000	\$344,175	\$227,000
Participation Rate	47%	44%	34%	49%	31%	60%

Total M/W/DSBE Contract Participation Goal (Public Works; Services, Supplies & Equipment; and Professional Services combined)			
	FY17	FY18	FY19
M/W/DSBE Contract Participation Goal	30%	35%	35%

PROPOSED BUDGET OVERVIEW

Proposed Funding Request:

The proposed Fiscal Year 2019 General Fund budget totals \$37,507,876, an increase of \$2,079,632 over Fiscal Year 2018 estimated obligation levels. This increase is primarily due to additional demolition funding and DC33 wage increases.

The proposed budget includes:

- \$23,144,341 in Class 100, a \$671,701 increase over FY18. This funding will support DC33 wage increases and reflects internal adjustments.
- \$13,579,060 in Class 200, a \$1,985,931 increase over FY18. This funding will support \$2,000,000 in additional demolition funding and also reflects internal adjustments.
- \$784,475 in Class 300/400, a \$578,000 decrease compared to FY18 due to internal adjustments.

STAFFING LEVELS

The department is requesting 429 budgeted (General Fund) positions for FY19, consistent with the FY18 budget.

NEW HIRES

New Hires (from 7/1/2017 to December 2017)			
	Total Number of New Hires	Spanish	Hindi
Black or African American	19	0	0
Asian	1	0	1
Hispanic or Latino	4	4	0
White	4	0	0
Total	28	4	1

There have been 21 additional hires since the increment run: 10 identify as African-American, two identify as Hispanic, and nine identify as White. Of these, two speak Spanish and are bi-lingual.

PERFORMANCE, CHALLENGES, AND INITIATIVES

Permits and Licensing:

FY19 Strategic Goals				
<ul style="list-style-type: none"> Increase usage of online license modules and implement online permit modules. Reduce MSB Concourse wait times through the implementation of web-based appointments. 				
FY19 Performance Measures				
Measure	FY17 Actual	FY18 YTD (Q1 + Q2)	FY18 Target	FY19 Target
Over-the-counter customers processed within 30 minutes	68.3%	79.5%	75.0%	80.0%
Percentage of Residential Plan Reviews performed within 15 days	98.6%	99.8%	99.0%	99.0%
Number of building, electrical, plumbing, and zoning permits issued	54,442	28,188	55,000	55,000
Percentage of commercial building, plumbing, electrical and zoning plans reviewed within 20 days	97.6%	96.8%	97.0%	97.0%
Percent of customers served within 45 minutes ¹	N/A	93.4%	90.0%	90.0%

¹ This is a new measure for FY18, so data is not available for FY17. The percentage is expected to drop while Phases Three and Four of eCLIPSE are implemented, as wait times may increase before they eventually stabilize.

Code Enforcement:

FY19 Strategic Goals				
<ul style="list-style-type: none"> Increase data-sharing with the Fire Department through the Joint Inspection Program. 				
FY19 Performance Measures				
Measure	FY17 Actual	FY18 YTD (Q1 + Q2)	FY18 Target	FY19 Target
Percent of nuisance properties inspected within 20 days	70.0%	87.5%	80.0%	85.0%
Average time from referral to seal (days) ¹	N/A	20	25	25

¹ This is a new measure for FY18, so data is not available for FY17.

Demolition:

FY19 Strategic Goals				
<ul style="list-style-type: none"> Decrease the number of imminently dangerous and unsafe properties. 				
FY19 Performance Measures				
Measure	FY17 Actual	FY18 YTD (Q1 + Q2)	FY18 Target	FY19 Target
Number of demolitions performed ¹	524	265	500	650
Number of "imminently dangerous" properties	235	167	A reduction from FY17	A reduction from FY18
Number of program inspections of unsafe properties ²	N/A	5,739	10,000	10,000
Median timeframe from "imminently dangerous" designation to demolition (days) ²	N/A	123	145	145
Number of unsafe properties ³	4,196	4,328	A reduction from FY17	A reduction from FY18

¹ The FY18 target is lower than the FY19 actual, due to additional funding added in FY19 for more demolitions.

² This is a new measure for FY18, so prior-year data is not available.

³ The number of unsafe properties discovered by inspectors has increased in FY18. Additional unsafe properties are being identified through enhanced use of Cyclomedia software and other industry-standard technologies.

Building Inspections:

FY19 Strategic Goals				
<ul style="list-style-type: none"> Implement new district office boundaries designed to better serve the public. 				
FY19 Performance Measures				
Measure	FY17 Actual	FY18 YTD (Q1 + Q2)	FY18 Target	FY19 Target
Average number of permits per inspector ¹	N/A	442	375	375

¹ This is a new measure for FY18, so prior-year data is not available. The goal is to reduce building inspector permit workload over time. A new class of building inspectors will be starting in FY18 Q3. The average should decrease as L+I hires new inspectors.

Administration:

FY19 Strategic Goals				
<ul style="list-style-type: none"> Aggressively fill all remaining inspector vacancies. Reduce the number of workplace injuries. 				
FY19 Performance Measures				
Measure	FY17 Actual	FY18 YTD (Q1 + Q2)	FY18 Target	FY19 Target
Net personnel gain/loss (+ new hires, - separations)	15	33	25	25
Number of on-the-job injuries ¹	N/A	13	35	30

¹ This is a new measure for FY18, so prior-year data is not available.

OTHER BUDGETARY IMPACTS

Federal and State (Where Applicable)

L+I receives \$514,818 in annual Community Development Block Grant (CDBG) funding, which funds the salaries of eight Building Inspectors that coordinate the demolition of imminently dangerous properties in low- to moderate-income areas of the city.

CONTRACTING EXPERIENCE

M/W/DSBE Participation on Large Professional Services Contracts											
Top Five Largest Contracts, FY18											
Vendor Name	Service Provided	Dollar Amount of Contract	RFP Issue Date	Contract Start Date	Ranges in RFP	% of M/W/DSBE Participation Achieved	\$ Value of M/W/DSBE Participation	Total % Participation - All DSBEs	Total \$ Value Participation - All DSBEs	Local Business (principal place of business located within City limits) [yes / no]	Waiver for Living Wage Compliance? [yes / no]
Bell Environmental, LLC	Asbestos Survey Services	\$65,000	3/13/2015	7/1/2015	MBE: 25-30%	100%	\$65,000	100%	\$65,000	No	No
					WBE: 25-30%	0%	\$0				
					DSBE: Best Efforts	0%	\$0				
Batta Environmental Associates, Inc.	Asbestos Survey Services	\$65,000	3/13/2015	7/1/2015	MBE: 25-30%	100%	\$65,000	100%	\$65,000	No	No
					WBE: 25-30%	0%	\$0				
					DSBE: Best Efforts	0%	\$0				
USA Environmental Management	Asbestos Survey Services	\$65,000	3/13/2015	7/1/2015	MBE: 25-30%	0%	\$0	0%	\$0	Yes	No
					WBE: 25-30%	0%	\$0				
					DSBE: Best Efforts	0%	\$0				
Synertech Incorporated	Asbestos Survey Services	\$65,000	3/13/2015	7/1/2015	MBE: 25-30%	0%	\$0	0%	\$0	Yes	No
					WBE: 25-30%	0%	\$0				
					DSBE: Best Efforts	0%	\$0				
Westchester Environmental	Asbestos Survey Services	\$65,000	3/13/2015	7/1/2015	MBE: 25-30%	100%	\$65,000	100%	\$65,000	No	No
					WBE: 25-30%	0%	\$0				
					DSBE: Best Efforts	0%	\$0				

EMPLOYEE DATA

Staff Demographics (as of December 2017)					
Full-Time Staff			Executive Staff		
	Male	Female		Male	Female
		African-American African-American			
<i>Total</i>	97	81	<i>Total</i>	1	2
<i>% of Total</i>	26%	22%	<i>% of Total</i>	8%	15%
<i>Average Salary</i>	\$48,465	\$44,854	<i>Average Salary</i>	\$70,000	\$73,500
<i>Median Salary</i>	\$47,691	\$41,953	<i>Median Salary</i>	\$70,000	\$73,500
		White White			
<i>Total</i>	122	27	<i>Total</i>	6	3
<i>% of Total</i>	33%	7%	<i>% of Total</i>	46%	23%
<i>Average Salary</i>	\$63,808	\$62,664	<i>Average Salary</i>	\$117,491	\$100,853
<i>Median Salary</i>	\$57,421	\$65,237	<i>Median Salary</i>	\$118,348	\$103,000
		Hispanic Hispanic			
<i>Total</i>	14	10	<i>Total</i>	1	0
<i>% of Total</i>	4%	3%	<i>% of Total</i>	8%	0%
<i>Average Salary</i>	\$49,739	\$50,793	<i>Average Salary</i>	\$85,000	N/A
<i>Median Salary</i>	\$48,821	\$48,372	<i>Median Salary</i>	\$85,000	N/A
		Asian Asian			
<i>Total</i>	11	7	<i>Total</i>	0	0
<i>% of Total</i>	3%	2%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$67,724	\$61,358	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	\$69,526	\$57,103	<i>Median Salary</i>	N/A	N/A
		Other Other			
<i>Total</i>	2	6	<i>Total</i>	0	0
<i>% of Total</i>	1%	2%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$44,814	\$42,836	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	\$44,814	\$40,295	<i>Median Salary</i>	N/A	N/A
		Bilingual Bilingual			
<i>Total</i>	14	8	<i>Total</i>	1	0
<i>% of Total</i>	4%	2%	<i>% of Total</i>	8%	0%
<i>Average Salary</i>	\$57,142	\$53,128	<i>Average Salary</i>	\$85,000	N/A
<i>Median Salary</i>	\$52,251	\$54,677	<i>Median Salary</i>	\$80,000	N/A
		Male Female			
<i>Total</i>	246	129	<i>Total</i>	8	5
<i>% of Total</i>	66%	34%	<i>% of Total</i>	62%	38%
<i>Average Salary</i>	\$56,978	\$49,875	<i>Average Salary</i>	\$107,493	\$89,912
<i>Median Salary</i>	\$53,759	\$45,967	<i>Median Salary</i>	\$110,131	\$90,000

LANGUAGE ACCESS

- 1) *Has your leadership received language access training?*

Language Access Training will be scheduled for April 24 and April 27.

- 2) *Do you currently have a language access coordinator?*

Yes, L+I's language access coordinator is Kirk McClarren.

- 3) *Has your department written a language access plan and is it posted online?*

The Department has written a language access plan and it has been distributed to all Department employees. The plan is posted on the City's website at: <https://beta.phila.gov/documents/language-access-plans/>

- 4) *Explain what your department has done to improve language access services over the past year.*

The Department has started to review all forms and publications to determine those that must be translated. Telephone translation equipment has been reviewed to ensure that all outdated equipment has been removed. All customer-facing employees in the Department have been scheduled for Language Access Training on April 24 and April 27. In addition, the Department has strategically placed bilingual employees in key customer service roles in the MSB concourse and the Department's Emergency Services Unit.