

**DEPARTMENT OF LICENSES AND INSPECTIONS
FISCAL YEAR 2024 BUDGET TESTIMONY
APRIL 3, 2023**

INTRODUCTION

Good Morning, President Clarke and Members of City Council. I am Ralph DiPietro, Commissioner of Licenses and Inspections. Joining me today are members of my Executive Team. I am pleased to provide testimony on the Department of Licenses and Inspections' Fiscal Year 2024 Operating Budget.

DEPARTMENT MISSION & PLANS

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

Plans for Fiscal Year 2024:

The Department continues to drive innovation and process improvements through several key technology initiatives. In FY24, L&I will continue to enhance the eCLIPSE system to improve the customer experience and streamline license renewals to provide greater ease of the process. Another key initiative for FY24 is the implementation of a new Virtual Inspections program. Virtual inspections will increase efficiency of the inspection staff by saving the time required to drive from site to site for permit inspections. Through this new program, specified types of inspections can be completed via video without any decrease in code compliance. In addition to increased efficiency, the permit holder will benefit from a narrower inspection window.

In FY24, the Department will also compile historic permit records and building safety requirements over time, and publish them to the L&I website to equip building owners with information necessary to ensure code compliance and establish expectations for building residents. In addition, the Department will implement several improvements to its maintenance certification enforcement in FY24. The improvements include the publication of certification status through the City's Atlas system, and a requirement that all fire alarm inspectors and fire suppression contractors upload annual certifications through eCLIPSE.

L&I will also remain focused on its core public safety mission through the careful management of both City-funded and private demolitions. This proposed budget will allow L&I to continue our aggressive public demolition program with approximately \$11.4M in recurring general funding and an estimated \$1M in recurring demolition funding generated from the Philadelphia County Demolition fee.

In FY24, L&I will equip the remainder of its inspectional workforce with City electric vehicles. This investment is already improving inspectional efficiency, transparency, and safety. During FY24, L&I will also continue its partnership with the Community College of Philadelphia (CCP) to incorporate technical code enforcement coursework into CCP's existing associate degree in construction management. In addition, the Department will continue the critical work performed by the L&I Racial Equity Team, which includes racial equity assessments, training, and implementation of a formal Racial Equity Action Plan. Also, the Racial Equity Team will be reviewing career ladders to identify and remove any unnecessary barriers to promotion.

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Before I close, I would like to recognize the hard-working employees of L&I for their commitment to public safety. Thank you for the opportunity to present our proposed Fiscal Year 2024 budget. I am available to answer questions at this time.

DEPARTMENT OF LICENSES AND INSPECTIONS

BUDGET SUMMARY & OTHER BUDGET DRIVERS

| Staff Demographics Summary (as of December 2022) | | | | |
|---|-----------|-----------|-----------|-----------|
| | Total | Minority | White | Female |
| Number of Full-Time Staff | 342 | 223 | 119 | 118 |
| Number of Exempt Staff | 34 | 22 | 12 | 13 |
| Number of Executive Staff (deputy level and above) | 12 | 6 | 6 | 4 |
| Average Salary, Full-Time Staff | \$66,577 | \$61,001 | \$77,027 | \$59,439 |
| Average Salary, Exempt Staff | \$87,024 | \$83,637 | \$93,232 | \$83,107 |
| Average Salary, Executive Staff | \$121,317 | \$113,498 | \$129,134 | \$118,295 |
| Median Salary, Full-Time Staff | \$62,514 | \$56,222 | \$81,504 | \$48,306 |
| Median Salary, Exempt Staff | \$88,000 | \$84,500 | \$91,000 | \$78,000 |
| Median Salary, Executive Staff | \$121,333 | \$117,937 | \$126,489 | \$116,898 |

| Employment Levels (as of December 2022) | | |
|--|----------|----------|
| | Budgeted | Filled |
| Number of Full-Time Positions | 415 | 342 |
| Number of Part-Time Positions | 0 | 0 |
| Number of Exempt Positions | 34 | 34 |
| Number of Executive Positions (deputy level and above) | 12 | 12 |
| Average Salary of All Full-Time Positions | \$63,478 | \$66,577 |
| Median Salary of All Full-Time Positions | \$64,319 | \$62,514 |

DEPARTMENT OF LICENSES AND INSPECTIONS

| General Fund Financial Summary by Class | | | | | | |
|---|------------------------------|-------------------------|------------------------------|----------------------------|------------------------------|-----------------------|
| | FY22 Original Appropriations | FY22 Actual Obligations | FY23 Original Appropriations | FY23 Estimated Obligations | FY24 Proposed Appropriations | Difference: FY24-FY23 |
| Class 100 - Employee Compensation | \$24,577,968 | \$24,295,338 | \$26,670,602 | \$26,693,387 | \$27,501,910 | \$808,523 |
| Class 200 - Purchase of Services | \$13,522,002 | \$12,997,237 | \$14,146,162 | \$14,146,162 | \$14,946,444 | \$800,282 |
| Class 300/400 - Materials, Supplies & Equipment | \$834,475 | \$723,794 | \$809,475 | \$809,475 | \$809,475 | \$0 |
| Class 500 - Contributions | \$0 | \$119,027 | \$0 | \$0 | \$0 | \$0 |
| | \$38,934,445 | \$38,135,396 | \$41,626,239 | \$41,649,024 | \$43,257,829 | \$1,608,805 |

| Contracts Summary (Professional Services only) | | | | | | |
|---|-----------|-----------|-------------|-----------|--------------------|----------------|
| | FY20 | FY21 | FY22 | FY23 | FY23 YTD (Q1 & Q2) | FY24 Projected |
| Total amount of contracts | \$902,430 | \$525,000 | \$1,440,000 | \$423,400 | \$423,400 | \$1,963,576 |
| Total amount to M/W/DSBE | \$264,000 | \$247,155 | \$880,000 | \$240,000 | \$240,000 | \$687,251 |
| Participation Rate | 29% | 47% | 61% | 57% | 57% | 35% |

| Total M/W/DSBE Contract Participation Goal (Public Works; Services, Supplies & Equipment; and Professional Services combined) | | | |
|--|------|------|----------------|
| | FY22 | FY23 | FY24 Projected |
| M/W/DSBE Contract Participation Goal | 35% | 35% | 35% |

PROPOSED BUDGET OVERVIEW

Proposed Funding Request:

The proposed Fiscal Year 2024 General Fund budget totals \$43,257,829, an increase of \$1,608,805 over Fiscal Year 2023 estimated obligation levels. This increase is primarily due to pay increases, inflation coverage and Racial Equity Strategy implementation.

The proposed budget includes:

- \$27,501,910 in Class 100, an \$808,523 increase over FY23. The additional funding is for DC33, DC47, Non-Rep and Exempt pay increases.
- \$14,946,444 in Class 200, an \$800,282 increase over FY23. The additional funding is for Racial Equity Strategy implementation and Demolition and Abatement Program inflation.
- \$455,951 in Class 300, no change from FY23.
- \$353,524 in Class 400, no change from FY23.

DEPARTMENT OF LICENSES AND INSPECTIONS

STAFFING LEVELS

The department is requesting 415 budgeted positions for FY24, a decrease of 10 positions from FY23. This aligns with the budgeted amount for FY24.

NEW HIRES








| New Hires (from 7/1/2021 to December 2022) | |
|--|---------------------------|
| | Total Number of New Hires |
| Black or African American | 11 |
| White | 6 |
| Other | 1 |
| Total | 18 |

Detail for new hires since December 2022, if applicable: The Department has hired 4 new employees since the December 2022 increment run: two (2) identify as Black/ African American and two (2) identify as White.

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PERFORMANCE, CHALLENGES, AND INITIATIVES





PERMITS AND LICENSING

| Measure |  FY22 ACTUAL |  FY23 TARGET |  FY24 TARGET |  MAYORAL PRIORITY |
|---|---|---|---|--|
| Median timeframe for permit issuance -- Residential (in days) | 6 | 10 | 10 |  |
| Median timeframe for permit issuance -- Commercial (in days) | 26 | 30 | 30 |  |
| Number of building, electrical, plumbing, and zoning permits issued | 50,150 | 53,000 | 53,000 |  |



FY24 Strategic Goals

- Identify avenues to better support contractors in expanding understanding of general site safety and specific aspects of construction. Resources may include direct L&I support, consultant services, and partnering with professional and trade organizations.
- Expand hours of live eCLIPSE remote chat service from three hours each weekday to five hours each weekday and explore additional modes of customer support, including videos, online training, and phone escalations.
- Update property maintenance codes, with consideration to provisions of the latest state model codes.

CODE ENFORCEMENT

| Measure |  FY22 ACTUAL |  FY23 TARGET |  FY24 TARGET |  MAYORAL PRIORITY |
|---------------------|---|---|---|--|
| Percent of nuisance | 75.2% | 80.0% | 80.0% | |









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| | | | | |
|---|-----------|-----------|-----------|---|
| properties inspected within 20 days | | | |  |
| Average time from complaint to clean and seal of vacant property | 18 | 15 | 15 |  |

FY24 Strategic Goals

- Enforcement escalation against the use of unlicensed subcontractors and workers who lack required safety training and certifications.
- Continued management of all necessary Clean & Seal activities with an emphasis on public safety.

DEMOLITION






| Measure |  FY22 ACTUAL |  FY23 TARGET |  FY24 TARGET |  MAYORAL PRIORITY |
|---|---|---|---|--|
| Number of demolitions performed | 282 | 525 | 525 |  |
| Number of "imminently dangerous" properties | 200 | A reduction from FY22 | A reduction from FY23 |  |
| Median timeframe from "imminently dangerous" designation to demolition (in days) | 139 | 130 | 130 |  |
| Number of unsafe properties | 3,534 | A reduction from FY22 | A reduction from FY23 |  |

FY24 Strategic Goals

- Continued management of the demolition program with an emphasis on overall reduction in the number of Imminently Dangerous (ID) and unsafe buildings.
- Reduce the time between ID designation and demolition completion.

BUILDING INSPECTIONS







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| Measure |  FY22 ACTUAL |  FY23 TARGET |  FY24 TARGET |  MAYORAL PRIORITY |
|--|---|---|---|--|
| Average number of permits per building inspector | 1,011 | 850 | 850 |  |

FY24 Strategic Goals

- Rollout of Virtual Inspections Program.
- Continued reduction of permit caseload for Building Inspectors as vacant positions are filled.

ADMINISTRATION

| Measure |  FY22 ACTUAL |  FY23 TARGET |  FY24 TARGET |  MAYORAL PRIORITY |
|--|---|---|--|---|
| Net personnel gain/loss (+ new hires, - separations) | -19 | 20 | 20 |  |
| Number of on-the-job injuries | 28 | A reduction from FY22 | A reduction from FY23 |  |

FY24 Strategic Goals

- Completion of electric vehicle deployment for all inspectors.
- Expand the L&I Racial Equity Team.

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OTHER BUDGETARY IMPACTS

Federal and State (Where Applicable)

L&I receives \$490,303 in annual Community Development Block Grant (CDBG) funding, which funds the salaries of eight (8) Building Inspectors that coordinate the demolition of imminently dangerous properties in low- to moderate-income areas of the city.

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CONTRACTING EXPERIENCE

| M/W/DSBE Participation on Large Professional Services Contracts | | | | | | | | | | | |
|---|---------------------------|---------------------------|----------------|---------------------|---------------------|--------------------------------------|------------------------------------|-----------------------------------|--|--|---|
| Top Five Largest Contracts, FY23 | | | | | | | | | | | |
| 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] |
| Batta Environmental Associates, Inc. | Asbestos Survery Services | \$80,000 | 5/24/2019 | 7/1/2021 | MBE: 25%-30% | 100% | \$80,000 | 100% | \$80,000 | No | No |
| | | | | | WBE: 25%-30% | 0% | \$0 | | | | |
| | | | | | DSBE: Best Effort | 0% | \$0 | | | | |
| Bell Remediation, LLC | Asbestos Survery Services | \$80,000 | 5/24/2019 | 7/1/2021 | MBE: 25%-30% | 100% | \$80,000 | 100% | \$80,000 | No | No |
| | | | | | WBE: 25%-30% | 0% | \$0 | | | | |
| | | | | | DSBE: Best Effort | 0% | \$0 | | | | |
| Synertech Incorporated | Asbestos Survery Services | \$80,000 | 5/24/2019 | 7/1/2021 | MBE: 25%-30% | 0% | \$0 | 0% | \$0 | Yes | No |
| | | | | | WBE: 25%-30% | 0% | \$0 | | | | |
| | | | | | DSBE: Best Effort | 0% | \$0 | | | | |
| USA Environmental Management Inc. | Asbestos Survery Services | \$80,000 | 5/24/2019 | 7/1/2021 | MBE: 25%-30% | 0% | \$0 | 0% | \$0 | Yes | No |
| | | | | | WBE: 25%-30% | 0% | \$0 | | | | |
| | | | | | DSBE: Best Effort | 0% | \$0 | | | | |
| | | \$80,000 | 5/24/2019 | 7/1/2021 | MBE: 25%-30% | 100% | \$80,000 | 100% | \$80,000 | No | No |

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Westchester Environmental, LLC Asbestos Survery Services

| | | |
|-------------------------|----|-----|
| WBE: 25%-30% | 0% | \$0 |
| DSBE: Best Effort | 0% | \$0 |

| | |
|--|--|
| | |
|--|--|

Non-Profit Vendor Demographics: N/A

DEPARTMENT OF LICENSES AND INSPECTIONS

EMPLOYEE DATA

| Staff Demographics (as of December 2022) | | | | | |
|--|------------------|------------------|-----------------------|------------------|------------------|
| Full-Time Staff | | | Executive Staff | | |
| | Male | Female | | Male | Female |
| | African-American | African-American | | African-American | African-American |
| <i>Total</i> | 97 | 78 | <i>Total</i> | 3 | 1 |
| <i>% of Total</i> | 28% | 23% | <i>% of Total</i> | 25% | 8% |
| <i>Average Salary</i> | \$61,415 | \$56,020 | <i>Average Salary</i> | \$120,291 | \$95,000 |
| <i>Median Salary</i> | \$52,091 | \$47,896 | <i>Median Salary</i> | \$122,300 | \$95,000 |
| | White | White | | White | White |
| <i>Total</i> | 97 | 22 | <i>Total</i> | 3 | 3 |
| <i>% of Total</i> | 28% | 6% | <i>% of Total</i> | 25% | 25% |
| <i>Average Salary</i> | \$78,757 | \$69,401 | <i>Average Salary</i> | \$132,208 | \$126,061 |
| <i>Median Salary</i> | \$81,504 | \$58,586 | <i>Median Salary</i> | \$120,367 | \$132,612 |
| | Hispanic | Hispanic | | Hispanic | Hispanic |
| <i>Total</i> | 15 | 8 | <i>Total</i> | 2 | 0 |
| <i>% of Total</i> | 4% | 2% | <i>% of Total</i> | 17% | 0% |
| <i>Average Salary</i> | \$68,021 | \$54,928 | <i>Average Salary</i> | \$112,558 | N/A |
| <i>Median Salary</i> | \$61,893 | \$43,262 | <i>Median Salary</i> | \$112,558 | N/A |
| | Asian | Asian | | Asian | Asian |
| <i>Total</i> | 10 | 7 | <i>Total</i> | 0 | 0 |
| <i>% of Total</i> | 3% | 2% | <i>% of Total</i> | 0% | 0% |
| <i>Average Salary</i> | \$84,938 | \$73,454 | <i>Average Salary</i> | N/A | N/A |
| <i>Median Salary</i> | \$85,065 | \$72,620 | <i>Median Salary</i> | N/A | N/A |
| | Other | Other | | Other | Other |
| <i>Total</i> | 5 | 3 | <i>Total</i> | 0 | 0 |
| <i>% of Total</i> | 1% | 1% | <i>% of Total</i> | 0% | 0% |
| <i>Average Salary</i> | \$57,825 | \$54,589 | <i>Average Salary</i> | N/A | N/A |
| <i>Median Salary</i> | \$62,160 | \$48,096 | <i>Median Salary</i> | N/A | N/A |
| | Bilingual | Bilingual | | Bilingual | Bilingual |
| <i>Total</i> | 13 | 9 | <i>Total</i> | 2 | 0 |
| <i>% of Total</i> | 4% | 3% | <i>% of Total</i> | 17% | 0% |
| <i>Average Salary</i> | \$64,667 | \$58,322 | <i>Average Salary</i> | \$112,558 | N/A |
| <i>Median Salary</i> | \$64,383 | \$61,739 | <i>Median Salary</i> | \$112,558 | N/A |
| | Male | Female | | Male | Female |
| <i>Total</i> | 224 | 118 | <i>Total</i> | 8 | 4 |
| <i>% of Total</i> | 65% | 35% | <i>% of Total</i> | 67% | 33% |
| <i>Average Salary</i> | \$70,337 | \$59,439 | <i>Average Salary</i> | \$122,827 | \$118,295 |
| <i>Median Salary</i> | \$65,444 | \$48,306 | <i>Median Salary</i> | \$121,333 | \$116,898 |

LANGUAGE ACCESS

- 1. Provide the name of your language access coordinator, the date of your last department training, and a link to the posting of your language access plan.**

L&I's Language Access Coordinator is Kirk McClarren. The last department training was conducted in April 2018. The Department's language access plan is posted at www.phila.gov/documents/language-access-plans

- 2. Breakdown new hires and existing staff by race and language. Breakdown how many front-line personnel are trained to provide language access services.**

Demographic information for both new and existing staff is contained in the *Staff Demographics* table. Training will be provided to front-line personnel through the City of Philadelphia's Learning Management System in early Fiscal Year 2024.

- 3. How many requests for language access services did your department receive in the past year? How many language access services were delivered by staff? Breakdown language access services provided, by language, including but not limited to the language line, translation of public notices and documents, website language services, and advertisement/publication services.**

Language Access services such as in-person and telephonic interpretation services are provided. The Department is developing improved internal processes that will provide better metrics on language access services usage.

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

In-person and telephone interpretation services continue to be utilized on a frequent basis. Several Department publications have been translated. Also, the Department continues to review all forms and publications to determine those that must be translated.

DEPARTMENT OF LICENSES AND INSPECTIONS

CLIMATE CHANGE

1. How has climate change affected your department's provision of services?

When stronger rain and snow events occur, they contribute to quicker deterioration of unsafe & imminently dangerous (ID) properties.

2. How might worsening climate change increase costs and demands for your department?

Increased frequencies of major rain and snow events will increase the amount of unsafe and ID properties that require demolition.

3. How does your department intend to mitigate and adapt to climate change?

The Department hired its first-ever "Flood Plain Manager" in 2018 to provide greater emphasis in this area.