

**OFFICE OF SUSTAINABILITY
FISCAL YEAR 2024 BUDGET TESTIMONY
APRIL 19, 2023**

INTRODUCTION

Good afternoon, President Clarke and members of City Council. I am Elizabeth Lankenau, interim Director of the Office of Sustainability (OOS). Joining me today are Katherine Leonetti, Chief of Staff, Dominic McGraw, Deputy Director of Municipal Energy Services, and Nidhi Krishen, Deputy Director for Climate Solutions. I am pleased to provide testimony on the OOS's Fiscal Year 2024 Operating Budget. We have three units within OOS advancing the critical work that impacts the safety and quality of life of Philadelphia citizens.

Our **Policy, Planning, Partnerships, & Innovation** team advances the practices, collaborations, and innovations needed to rectify environmental injustice and ensure healthy and thriving communities that are shared and shaped by all. To that end, OOS will continue to work with its partners to reduce citywide greenhouse gas emissions from buildings consistent with the mayor's goal of achieving carbon neutrality by 2050.

The **Municipal Energy Office** reduces City government's carbon footprint through strategic management of the City's energy portfolio by reducing energy use, employing strategic procurement practices, and increasing the use of renewable resources. This includes the procurement of energy for the General, Aviation, and Water Funds. This division advances the goals of the Municipal Energy Master Plan, which is the roadmap for how municipal government will lead by example to mitigate the causes of climate change by reducing energy use, while incorporating more renewable electricity.

The **Office of Climate Resilience** leads the City's efforts to prepare Philadelphia for the unprecedented challenge of climate change by assessing and communicating climate risk; advancing policy and programmatic transformations to reduce risk; stewarding place-based, community-led initiatives to increase resilience to extreme weather events; and advancing environmental justice by developing whole-of-government programs and policies that protect residents, address historic injustice, and improve quality of life.

DEPARTMENT MISSION & PLANS

Mission: The Office of Sustainability (OOS) works with partners around the city to improve quality of life in all Philadelphia neighborhoods, through addressing environmental justice, reducing the city's carbon emissions, and preparing Philadelphia for a hotter and wetter future.

Plans for Fiscal Year 2024: In Fiscal Year 2024, OOS will continue to do the following.

The **Policy, Planning, Partnerships, & Innovation** group will:

- Shape and launch innovative policies and programs that address health, energy affordability, and climate change in residential buildings by making use of federal investments provided by the Inflation Reduction Act and Bipartisan Infrastructure Law.
- Reduce enforcement costs and improve compliance with building energy requirements (e.g., Building Energy Benchmarking and Building Energy Performance Programs).

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- Integrate environmental justice and equity in City decision-making by providing information, guidance, and tools for policy and program practitioners through the Interagency Working Group for Environmental Justice and Climate Resilience in collaboration with the Environmental Justice Advisory Commission.
- Pursue benefits from the Biden Administration’s Justice40 commitment and other federal environmental justice funding, enabling us to facilitate community power-building strategies that enable residents to participate as co-creators in developing and implementing interventions.
- Collaborate with the Philadelphia Energy Authority to pursue professional services on two major initiatives: first, developing a strategic plan to alleviate energy poverty for Philadelphians and to ensure the resiliency of the energy system; and second, technical assistance in implementing a strategic plan to maximize Philadelphia’s funding through the Inflation Reduction Act.

The **Municipal Energy Office** will:

- Bring an additional 25% of required City buildings into compliance with the Building Energy Performance Program by providing guidance and expertise to the Departments of Public Property, Water, and Aviation.
- Promote equitable lighting throughout the City by collaborating with the Streets Department, the Office of Innovation and Technology, and the Philadelphia Energy Authority to design and begin construction of an improved street lighting management system.
- Enhance electric vehicle charging infrastructure for the municipal fleet by partnering with the Department of Fleet Services and the Office of Innovation and Technology to complete a pilot installation of a Level 3 EV fast charging station at a fleet services facility.
- Complete the Adams solar project by end of the calendar year to provide over 22% of the City’s electricity.

The **Office of Climate Resilience** will:

- Facilitate community-driven action in Eastwick that addresses climate vulnerabilities as part of a broader framework for rectifying social and environmental injustice.
- Share actionable climate risk information and social vulnerability data to support climate-informed decision-making, reducing vulnerability to hazards and maximizing resilience.
- Minimize costs and disruption associated with climate impacts by mainstreaming vulnerability assessments and resilience into the City’s capital improvement program.
- Integrate climate resilience, transportation, and economic development objectives in the Lower South area by developing a coordinated investment strategy that adapt to future climate conditions while offering near-term social and economic benefits.
- Capitalize on existing and new federal funding opportunities to bolster flood resilience in vulnerable neighborhoods and improve affordability of flood insurance.

BUDGET SUMMARY & OTHER BUDGET DRIVERS

Staff Demographics Summary (as of December 2022)				
	Total	Minority	White	Female
Number of Full-Time Staff	15	11	4	12
Number of Exempt Staff	15	11	4	12
Number of Executive Staff (deputy level and above)	1	1	0	0
Average Salary, Full-Time Staff	\$78,189	\$77,507	\$80,066	\$73,695
Average Salary, Exempt Staff	\$78,189	\$77,507	\$80,066	\$73,695
Average Salary, Executive Staff	\$121,000	\$121,000	N/A	N/A
Median Salary, Full-Time Staff	\$76,000	\$76,000	\$81,381	\$74,138
Median Salary, Exempt Staff	\$76,000	\$76,000	\$81,381	\$74,138
Median Salary, Executive Staff	\$121,000	\$121,000	N/A	N/A

Employment Levels (as of December 2022)		
	Budgeted	Filled
Number of Full-Time Positions	20	15
Number of Part-Time Positions	0	0

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Number of Exempt Positions	19	15
Number of Executive Positions (deputy level and above)	3	1
Average Salary of All Full-Time Positions	\$68,862	\$78,189
Median Salary of All Full-Time Positions	\$68,862	\$76,000

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	\$722,621	\$842,041	\$971,635	\$1,149,701	\$1,173,901	\$24,200
Class 200 - Purchase of Services	\$675,966	\$531,464	\$516,366	\$848,366	\$486,984	(\$361,382)
Class 300/400 - Materials, Supplies & Equipment	\$1,000	\$557	\$1,000	\$1,000	\$1,000	\$0
Class 800 - Payments to Other Funds	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000	\$0
	\$1,574,587	\$1,549,062	\$1,664,001	\$2,174,067	\$1,836,885	(\$337,182)

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Contracts Summary (Professional Services only)						
	FY20	FY21	FY22	FY23	FY23 YTD (Q1 & Q2)	FY24 Projected
Total amount of contracts	\$407,950	\$976,475	\$512,525	\$788,386	\$659,000	\$214,750
Total amount to M/W/DSBE	\$99,000	\$178,299	\$160,299	\$157,677	\$131,800	\$42,950
Participation Rate	24%	18%	31%	20%	20%	20%

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	20%	20%	20%

PROPOSED BUDGET OVERVIEW

Proposed Funding Request:

The proposed Fiscal Year 2024 General Fund budget totals \$1,836,885, a decrease of \$337,182 over Fiscal Year 2023 estimated obligation levels. This decrease is primarily due to the conclusion of Fiscal Year 2023-only projects, including one-time grant support in coordination with the Philadelphia Energy Authority.

The proposed budget includes:

- \$1,173,901 in Class 100, a \$24,200 increase from FY23. This funding will cover the salaries and raises of Office of Sustainability staff.
- \$486,984 in Class 200, a \$361,382 decrease from FY23 attributed to one-time grants to OOS and the Philadelphia Energy Authority. This funding will support various contracts that related to the office's work including compliance support for the Building Energy Performance Policy, and support for electric vehicle infrastructure planning.
- \$1,000 in Class 300/400, level with FY23. This funding will be used for various office supplies and equipment.
- \$175,000 in Class 800, level with FY23. This funding will improve energy efficiency, sustainability, and climate resilience at various municipal buildings to help accelerate high performance projects that reduce the environmental impact of City government.

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STAFFING LEVELS








The department is requested 20 budgeted positions for FY24, an increase of 3 positions over FY23. This figure includes grant-funded positions.

New Hires

New Hires (from 01/01/2022 to March 2023)	
	Total Number of New Hires
White	1
Total	1

PERFORMANCE, CHALLENGES, AND INITIATIVES







POLICY, PLANNING, PARTNERSHIPS, AND INNOVATION

Measure	 FY22 ACTUAL	 FY23 TARGET	 FY24 TARGET	 MAYORAL PRIORITY
Number of people who engaged with OOS during the reporting period	32,914	36,000	42,000	
Percentage of total buildings in compliance with energy and benchmarking law	57.1%	75.0%	75.0%	
Number of people who engaged with Food Policy Advisory Council (FPAC) during the reporting period	4,002	4,450	4,450	



FY24 STRATEGIC GOALS

- Shape and launch new innovative policies and programs that address health, energy affordability, and climate change in residential buildings by pursuing federal investments provided by the Inflation Reduction Act and Bipartisan Infrastructure Law.
- Reduce enforcement costs and improve compliance with established building energy requirements (for example, the Building Energy Benchmarking Program and Building Energy Performance Program) through enhanced process integration, audit and monitoring, and technological capabilities.

MUNICIPAL ENERGY OFFICE

Measure	 FY22 ACTUAL	 FY23 TARGET	 FY24 TARGET	 MAYORAL PRIORITY
City of Philadelphia facility energy consumption, including General, Aviation and Water Funds (Million British Thermal Units)	3.21	3.69	3.69	
City of Philadelphia facility energy cost including General, Aviation and Water Funds (\$)	\$58.41	\$58.10	\$58.10	







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Million)				
Percentage of General Fund square footage participating in energy management practices supported by Municipal Energy Master Plan	48%	58%	58%	
Greenhouse Gas Emissions (GHG) for General Fund (Metric Ton of Carbon Dioxide equivalent MTCO2e)	120,432	120,132	120,132	

FY24 STRATEGIC GOALS

- Bring an additional 25 percent of required City buildings into compliance with the Building Energy Performance Program (BEPP) by providing guidance and subject-matter expertise to the Department of Public Property, the Philadelphia Water Department, and the Department of Aviation.
- Promote equitable lighting throughout the City by collaborating with Streets, the Office of Innovation and Technology, and the Philadelphia Energy Authority to design and begin construction of an improved street lighting management system.
- Enhance electric vehicle (EV) charging infrastructure for the municipal fleet by partnering with the Department of Fleet Services and the Office of Innovation and Technology to complete a pilot installation of a Level 3 EV fast charging station at a fleet services facility.
- Minimize volatility in the City’s utility budget by executing well-timed energy purchases at an affordable rate.

OFFICE OF CLIMATE RESILIENCE

Measure	 FY22 ACTUAL <small>1</small>	 FY23 TARGET	 FY24 TARGET	 MAYORAL PRIORITY
Number of municipal projects that embed climate resilience-building activities that reduce identified vulnerabilities	Prior Year Data is not available	1	1	
Total grant funding available to address inequities that climate impacts exacerbate and build capacity for community resilience	Prior Year Data is not available	\$10,000	\$10,000	

<p>Number of place-based initiatives that increase adaptive capacity and/or reduce exposure risk to climate impact through collaborative partnerships and community-based management</p>	<p>Prior Year Data is not available</p>	<p>2</p>	<p>2</p>	
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¹ Climate Resilience performance measures were new in FY23 and therefore prior year data is not available.

FY24 STRATEGIC GOALS

- Facilitate continued community-driven action in the Eastwick neighborhood that addresses climate vulnerabilities as part of a broader framework for rectifying historical and current social, economic, and environmental injustice.
- Share actionable climate risk information and social vulnerability data to support climate-informed decision-making, reducing vulnerability to hazards and maximizing resilience outcomes.
- Minimize costs and disruption associated with foreseeable climate impacts by mainstreaming vulnerability assessments and resilience considerations into the City’s capital improvement program.
- Capitalize on federal funding opportunities to bolster flood resilience in vulnerable neighborhoods and improve affordability of flood insurance.

OTHER BUDGETARY IMPACTS

Federal and State (Where Applicable)

The Biden Administration’s recent focus on climate has demonstrated a need for increased staffing and consulting support to access existing and new federal funding opportunities. The Office of Sustainability (OOS) will pursue all available avenues to scale our capacity to meet this once-in-a-generation opportunity of securing federal funding, including the Inflation Reduction Act, the Bipartisan Infrastructure Law, and other resources as appropriate. This infusion of federal dollars will bolster the health, energy affordability, environmental justice, and climate change activities of the Office, much of which is already supported by federal, state, and philanthropic funding.

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]
SSM Group (2020266)	Energy Consultant	\$1,000,000	6/10/2019	9/1/2019	MBE: 25/30%	12%	\$120,000	27%	\$270,000	No	No
					WBE: 25-30%	15%	\$150,000				
					DSBE: 0%		\$0				
EnergyCAP (1921072)	Maintenance and Hosting	\$430,000	5/29/2018	7/1/2018	MBE: 0%	0%	\$0	0%	\$0	No	No
					WBE: 0%	0%	\$0				
					DSBE: 0%	0%	\$0				

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Green Building United (2120748)	Building Support	\$225,000	2/8/2021	4/26/2021	MBE: 0%	0%	\$0	0%	\$0	Yes	No
					WBE: 0%	0%	\$0				
					DSBE: 0%	0%	\$0				
Enel X North American (2220654)	Energy Procurement	\$180,000	2/8/2022	4/18/2022	MBE: 0%	5%	\$9,000	5%	\$9,000	Yes	No
					WBE: 0%	0%	\$0				
					DSBE: 0%	0%	\$0				
ICF Resources (2220654)	Climate Mitigation	\$154,000	1/14/2022	4/1/2022	MBE: 0%	0%	\$0	0%	\$0	Yes	No
					WBE: 0%	0%	\$0				
					DSBE: 0%	0%	\$0				

EMPLOYEE DATA

Staff Demographics (as of December 2022)				
Full-Time Staff			Executive Staff	
	Male	Female		
	African-American	African-American		
<i>Total</i>	1	4	<i>Total</i>	1
<i>% of Total</i>	7%	27%	<i>% of Total</i>	100%
<i>Average Salary</i>	\$121,000	\$72,509	<i>Average Salary</i>	N/A
<i>Median Salary</i>	\$121,000	\$71,138	<i>Median Salary</i>	N/A
	White	White		
<i>Total</i>	2	2	<i>Total</i>	0
<i>% of Total</i>	13%	13%	<i>% of Total</i>	0%
<i>Average Salary</i>	\$83,750	\$76,381	<i>Average Salary</i>	N/A
<i>Median Salary</i>	\$83,750	\$76,381	<i>Median Salary</i>	N/A
	Hispanic	Hispanic		
<i>Total</i>	0	2	<i>Total</i>	0
<i>% of Total</i>	0%	13%	<i>% of Total</i>	0%
<i>Average Salary</i>	N/A	\$70,500	<i>Average Salary</i>	N/A
<i>Median Salary</i>	N/A	\$70,500	<i>Median Salary</i>	N/A
	Asian	Asian		
<i>Total</i>	0	3	<i>Total</i>	0
<i>% of Total</i>	0%	20%	<i>% of Total</i>	0%
<i>Average Salary</i>	N/A	\$73,512	<i>Average Salary</i>	N/A
<i>Median Salary</i>	N/A	\$80,000	<i>Median Salary</i>	N/A

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	Other	Other		Other	Other
<i>Total</i>	0	1	<i>Total</i>	0	0
<i>% of Total</i>	0%	7%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	N/A	\$80,000	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	N/A	\$80,000	<i>Median Salary</i>	N/A	N/A
	Bilingual	Bilingual		Bilingual	Bilingual
<i>Total</i>	0	7	<i>Total</i>	0	0
<i>% of Total</i>	0%	47%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	N/A	\$75,614	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	N/A	\$80,000	<i>Median Salary</i>	N/A	N/A
	Male	Female		Male	Female
<i>Total</i>	3	12	<i>Total</i>	1	0
<i>% of Total</i>	20%	80%	<i>% of Total</i>	100%	0%
<i>Average Salary</i>	\$96,167	\$73,695	<i>Average Salary</i>	\$121,000	N/A
<i>Median Salary</i>	\$92,500	\$74,138	<i>Median Salary</i>	\$121,000	N/A

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.**

Our Language Access Coordinator is Katherine Leonetti, Chief of Staff of the Office of Sustainability (OOS). Due to recent leadership transitions and significant employee turnover, we have not yet conducted the most recent Language Access training. We will incorporate this training in an updated language access plan in the upcoming quarter. Our language access plan can be found at the following link:

<https://www.phila.gov/media/20220215190352/Office-of-Sustainability-Language-Access-Plan-2022.pdf>

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

New Hires and Existing Staff by Race and Language:

Please see the charts attached in the previous section of the testimony documents.

The Office of Sustainability does not have front-line staff.

- 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.**

OOS received one request for language access services in the past year, providing telephonic interpretation in Spanish. The Office translated 11 documents: 64% in Spanish, 18% in Vietnamese, and 18% in Simplified Chinese.

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

Because of limited public-facing programming and successive leadership transitions, OOS has not significantly expanded its language access services in the last year. However, we expect to have expanded public-facing programming in the next fiscal year and will be updating our language access plan and scaling up our language services accordingly.

CLIMATE CHANGE

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

The Office of Sustainability’s (OOS) core mission is to ensure that Philadelphia meets its climate targets equitably and that the city is protected against the impacts of climate change. OOS plays a strategic, planning, and advisory role in supporting operating departments to ensure that they are: first, prepared to protect against the impacts of climate change; second, taking action to mitigate their emissions; and third, ensuring that climate and environmental justice issues are considered in the design and delivery of their public-facing services.

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

As climate change worsens, the City departments we support and the residents we serve will need more support to adapt. OOS’s Office of Climate Resilience programs, including place-based initiatives, provide direct assistance to communities at the frontlines of climate change. As conditions worsen, the costs and demands of our department will increase. Additionally, increased collaboration with other departments will be required to address the greater need and urgency from the city’s residents to adapt to climate stressors.

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

As mentioned above, OOS plays a strategic support and advisory role to City departments to ensure that their operations are not impacted or disrupted by climate change, and that they take actions to mitigate their impacts. Support includes providing education on how climate change will impact department operations and services; updated climate science data, risk, and vulnerability assessments; strategic planning, guidance and implementation support for transitioning to clean energy; support for advancing clean energy policies; establishing and strengthening partnerships; and collaboration and ensuring engagement with the civic community on climate issues. Going forward, we will work to strengthen our advisory role among City departments to ensure decision-making is adequately informed by the risks of climate change.