



Budget Office

CITY OF PHILADELPHIA

April 21, 2023

The Honorable Darrell Clarke
City Council President
City Hall, Room 490
Philadelphia, PA 19107

Dear Council President Clarke:

This letter is in response to questions raised by Councilmembers regarding the Proposed FY24 Operating and Capital Budget.

Councilmember Gauthier: What does DPP need to maintain all the City-owned vacant property? How much would it cost for DPP to properly maintain the property and to make safety improvements?

Response:

- It is estimated that it would initially cost \$21.7 million to both demolish all vacant publicly owned property, then initially clean, green and fence the vacant land owned by a public agency (PHDC, DPP and Philadelphia Land Bank). This cost estimate was provided by the Philadelphia Horticultural Society (PHS), which is the entity that runs the Landcare program for PHDC.
- There is an annual fee of \$400 per lot to clean each lot going forward, and that would be an additional \$2.7 million annual cost if the number of lots stayed at the current level that would need to be allocated every fiscal year.
- If the Streets Department were to add lighting at each location, that would be an additional \$10,000 per pole to install a street pole with lighting fixtures and adding power at each location, costing an additional \$69 million total to initially light each lot. These estimates are based on every property needing the same level of cleaning and lighting.
- If there were to be money allocated to such a program, an assessment of each property for actual costs per individual lot would need to be initiated. These inspections would need to be coordinated and conducted between multiple City agencies, which would also require additional funding for staffing, vehicles and equipment.

Off the record questions submitted by Councilmember Gilmore-Richardson:

Topic: racial equity

Questions:



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1. You note in your testimony that you are working with the Office of Diversity, Equity, and Inclusion on a racial equity implementation plan and evaluating your hiring processes to diversify new hires and improve retention.
 - a. Please provide more information about this plan and your goals
 - **Response:** DPP is in the process of setting goals and implementing them as part of our participation in the last cohort of the Office of Diversity Equity and Inclusion (ODEI) led program. Final goals and those plans are set to be disseminated at the end of FY23 and are not available until this important goal setting process has been completed.
 - b. While your department is roughly equal in minority and white workers, there is a pay gap between these two groups with average pay for minority workers about \$15,000 lower than average pay for white full-time staff. Please explain how pay equity is being included in this analysis?
 - **Response:** DPP’s exempt staff salaries account for the pay gap. DPP is working with the Office of Human Resources to raise the pay of DPP’s civil service employees, which includes many of our trade worker positions, which account for a higher proportion of DPP’s minority workforce. These positions are historically paid less than the exempt positions.

Staff Demographics Summary (as of December 2022)			
	Total	Minority	White
Number of Full-Time Staff	127	65	62
Number of Exempt Staff	13	4	9
Number of Executive Staff (deputy level and above)	4	0	4
Average Salary, Full-Time Staff	\$72,235	\$65,012	\$79,807
Average Salary, Exempt Staff	\$116,711	\$91,913	\$127,732
Average Salary, Executive Staff	\$150,439	N/A	\$150,439
Median Salary, Full-Time Staff	\$59,807	\$54,910	\$60,840
Median Salary, Exempt Staff	\$120,367	\$93,740	\$120,367
Median Salary, Executive Staff	\$147,236	N/A	\$147,236

Topic: contracting/dei

Questions:

1. Your department has regularly exceeded your MWDBE goals with around a 40/45% participation rate, but of your largest contracts included in your testimony, only one is substantially MBE.
 - a. How many of your contracts are with Black owned businesses?



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Response: Six contracts are with Black owned businesses listed below:

- Sabir, Richardson and Weisberg Engineer & Architecture
- Kelly/Maiello, Inc.
- Talson Solutions, LLC
- ADCON Consultants, Inc
- BFW Group, LLC
- DIGroupArchitecture LLC

b. How is contracting included in your racial equity plan?

- **Response:** As noted above, DPP is working with the ODEI on our final DEI plan and report which will be released at the end of the fiscal year, but in the past, DPP has worked closely with the Office of Economic Opportunity to provide opportunities to minority owned firms.

Topic: workforce

Questions:

1. What entry level positions exist in your department and how could you potentially work with the school district to create a pipeline to jobs in your department for our young people?

- **Response:** We have successfully worked with the SDP to recruit apprentices, who are then hired on a full-time basis after completing their junior and senior year vo-tech courses, while working part time with DPP. This year, two of DPP's full-time employees that participated in the apprenticeship program will serve as the mentors to SDP students who wish to pursue a full-time opportunity with DPP. DPP believes having newer employees who more recently graduated from the program will help in our recruitment efforts. DPP has already created the full-time Civil service title with OHR to allow our apprentices to become full-time Civil service employees and will continue to use this title to apprentices who graduate and participate in the program. Being hired full-time through this program allows the participants to also have no break in service.

2. What upskilling opportunities exist in your department and how are you working to move workers into higher paying positions?

- **Response:** DPP offers 100% tuition reimbursement for any secondary education program, which includes college, as well as additional certifications at vo-tech continuing education institutes. DPP employees are encouraged to participate in secondary educational opportunities through consistent communications by DPP's HR team. DPP has also removed the college requirement from many managerial positions in our skilled trades area as an incentive for those who do not wish to pursue a higher degree, and can now supplement a degree with experience.



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- DPP recently designed a career path flow chart graphic for skilled trades workers that shows the career opportunities for those who wish to move up the career ladder. The visual has made it much easier to see where the future can take you in DPP.
3. According to your testimony, you are short roughly 50 positions. How is your department working to attract new talent and which positions are the hardest to fill?
- **Response:** DPP has 29 vacancies as of April 20, 2023. DPP is working with the SDP to fill our hard to fill positions in the trades through the apprenticeship program. DPP sends current employees to job fairs to encourage City employment in both the architectural and engineering fields. DPP has recently connected with Community College of Philadelphia to determine if students in the Construction Management program would welcome opportunities in DPP.
 - a. What additional benefits can we offer to improve retention?
 - **Response:** The City is not competitive in its salaries for trades workers. A skilled trades worker in the trades unions brings home substantially more in their paychecks after completing a trades union apprenticeship program.
- 4.
- a. How do your salaries compare to peer cities or the private market? Do you feel as if salary is part of your issue with retention and hiring?
 - **Response:** The City is not competitive with the private sector in its pay scale in the skilled trade area, which is where DPP has its most hiring issues. OHR conducted a study a few years ago and increased the pay a bit, but it needs to be done universally across the board and increased even more.
5. Why were parks and rec capital employees transferred to your department?
- **Response:** Only the Parks and Rec Administrative function was transferred to DPP and that was to create efficiencies in procurement, invoicing and contracting. PPR and DPP work on very similar projects, so it made sense for it all to reside in DPP.

Topic: climate

Questions:

1. Your department works closely with the Office of Sustainability to implement the municipal energy master plan. What additional support or resources would be helpful for



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your department to expand its expertise on the latest building management and energy efficiency technology?

Response:

- Currently, City departments do not pay for their energy costs, but instead energy costs are paid through the General Fund which is part of the DPP budget.
- As the demand to modernize our buildings and install building automation system equipment increases, we plan to work more closely with our partners at OIT.
- As the City builds out its electric vehicle fleet, DPP will collaborate with DFS and OOS on the best ways to incorporate electric vehicle charging infrastructure in our buildings and parking lots. In addition, DPP will work with OOS and departments to expand the number of 'EV ready' buildings by upgrading building electrical systems so that EV charging infrastructure can be easily installed at a later date.

2. How are you working with OOS to implement the updated LEED Gold standard for our building renovations?

Response:

- DPP has been pushing to achieve LEED Gold on projects prior to the new LEED requirement taking effect, as seen with Police District 2.
- Engine 57 will be LEED Gold.
- DPP is participating in OOS's newly formed LEED Review Committee so that our staff with LEED expertise can share their knowledge with project teams across City government.
- The Municipal Energy Office offers LEED training for City staff periodically; DPP has sent staff to each training.
- DPP helped inform the Municipal High Performance Building Guidelines, developed by the Municipal Energy Office. These guidelines provide credit-by-credit LEED rating system guidance for municipal projects to streamline the process for project teams. The guidelines will be referenced in large new construction and major renovation project RFPs moving forward to integrate LEED requirements from the start of project planning through construction.
- DPP will continue to partner with the Municipal Energy Office and leverage their contract for energy and LEED consulting services to facilitate the LEED design process in our projects.

3. We have many older facilities that need upgrades to be more efficient, how could the city better prioritize this goal to reduce our emissions and be a leader in building performance?

Response:

- Many of our facilities require significant electrical and mechanical upgrades to make them more energy efficient. DPP regularly partners with OOS and the Municipal Energy Office to advise on energy efficient measures in planning capital projects for our facilities. Through this collaboration, we are identifying ways to leverage federal funding available for clean energy and energy efficiency improvements as well as energy performance contracting models to cost effectively retrofit our older facilities. To this end, we are currently working with OOS and the Municipal Energy Authority



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to develop a budget-neutral energy performance contract to perform deep energy retrofits at the Quadplex facilities, Health Centers, and Homeless Services facilities.

- Through implementation of the Building Energy Performance Program (BEPP), municipal buildings over 50,000 square feet will be assessed and ‘tuned-up’ on a 5-year cycle. Using an alternative BEPP compliance pathway, DPP partners with the Municipal Energy Office to expand and enhance the use of building automation systems through the Building Monitoring Program (BMP). BMP aims to increase both operational energy savings, and occupant comfort in participating City buildings, including City Hall, One Parkway Building, Municipal Services Building, and most recently, the Juanita Kidd Stout Center for Criminal Justice and the Philadelphia Public Services Building. The BMP will cut operating costs, generate rebate revenue, and help increase network security. Several buildings are slated to join the BMP following the completion of preliminary interventions such as BAS updates and City network connectivity.

4. DPP also manages furniture, equipment, and other city resources. How do we determine the lifecycle of these items and what do we do to dispose or recycle them? How are we taking a circular approach to managing our equipment?

Response:

- The City contracts with AERC Recycling Solutions to recycle electronic waste (e-waste), batteries, lamps and ballasts. E-waste includes PCs, laptops, printers and computer accessories that are no longer in working order and/or have reached the end of their useful life.
- DPP collects and stores furniture in working order at a warehouse for departments to reuse as needed. This includes furniture donated by local businesses.
- DPP and OOS developed the Space Optimization Working Group, which aimed to increase the efficient use of municipal office space across City departments. Though municipal building occupancy remains below pre-pandemic levels, the Municipal Energy Office estimates an increase in utility costs in FY24 due to volatile energy markets. As a result of the working group, the City will pursue opportunities to keep utility costs manageable, optimize space for City operations, and stay on track with 2030 climate and energy goals, as laid out in the Municipal Energy Master Plan.

5. Your climate responses were minimal. What is your understanding of the level of exposure to climate impacts on the city buildings and facilities?

a. Has DPP created a climate adaptation plan? If not, why not?

- **Response:** While generalized for all City operations, *Growing Stronger: Toward a Climate Ready Philadelphia* is the City’s climate adaptation report that assess vulnerabilities and preparation opportunities for municipal government, including DPP.

b. What additional resources are needed by DPP to ensure we have the expertise needed to protect our assets from climate impacts?

- **Response:** Risks to DPP are identified in *Growing Stronger: Toward a Climate Ready Philadelphia* which outlines current actions, opportunities, and vulnerabilities.



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- **Response:** With the expansion of the Building Monitoring Program, the network of municipally owned health centers is undergoing a resilience and energy audit. DPP is responsible for the capital program of the Health Department's facilities.
- c. How many members of your team are experts in climate mitigation, resiliency, adaptation, or environmental justice?
- **Response:** Through partnership with the Office of Sustainability and the Municipal Energy Office, DPP has access to a team of 20+ sustainability, resilience, environmental justice, and energy management professionals.
- d. How do you consider climate impacts in your decisions about capital planning and real estate management? What additional expertise is needed in your department to do this?
- **Response:** The Office of Sustainability and Municipal Energy Office provide feedback and sustainability expertise as needed to DPP for capital projects and facility operational optimization. The Municipal Energy Office supports DPP's capital planning process through project identification, support, and feedback that prioritizes reducing carbon emissions and long-term utility costs while improving energy efficiency and climate resilience.

Topic: space management

Questions:

1. I recently sent you a letter regarding available space in the quadplex. Can you please detail how much unused space there is in the quadplex and how we are thinking innovatively about how we could use that space?
 - **Response:** DPP is working with an architectural firm that will conduct a full space assessment of our Center City footprint which will allow us to make funding allocations to innovatively reshape our space. The firm is performing interviews with tenants, conducting site surveys, and overseeing a space analysis, and then will recommend best practices and modern space standards. The recommendations in the report will then be submitted for funding for rightsizing space. This report is expected at the end of the calendar year.
2. Many of our departments have experienced radical changes in staffing throughout the pandemic and they've implemented hybrid work environments. How are you working with departments to ensure they have adequate workspace to meet their needs?
 - **Response:** DPP works with departments through the space allocation process to determine adequate space needs. DPP's Real Estate team consists of project managers with architectural and design backgrounds to optimize user space. Upon completion of



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design, DPP then submits these recommendations to departments, and upon departments securing funding, works with them to implement the final design and construction of space. It should be noted that each individual department is responsible for its own funding for space renovation projects.

- Can you provide Council with a list of departments who have too much space as well as not enough space?

Response: This information will be available with the final space assessment report, as noted in the question above.

Please feel free to reach out to me with any questions or concerns you may have.

Sincerely,

Bridget Collins-Greenwald
Commissioner, Department of Public Property