

2020



Legislative Reference Bureau

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# Department of Neighborhood Services

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## 2020 Proposed Plan and Executive Budget Review

Prepared by: Aaron Cadle, Legislative Fiscal Analyst

Budget Hearing: 1:30 pm on Tuesday, October 8, 2019



**\$19,048,048**

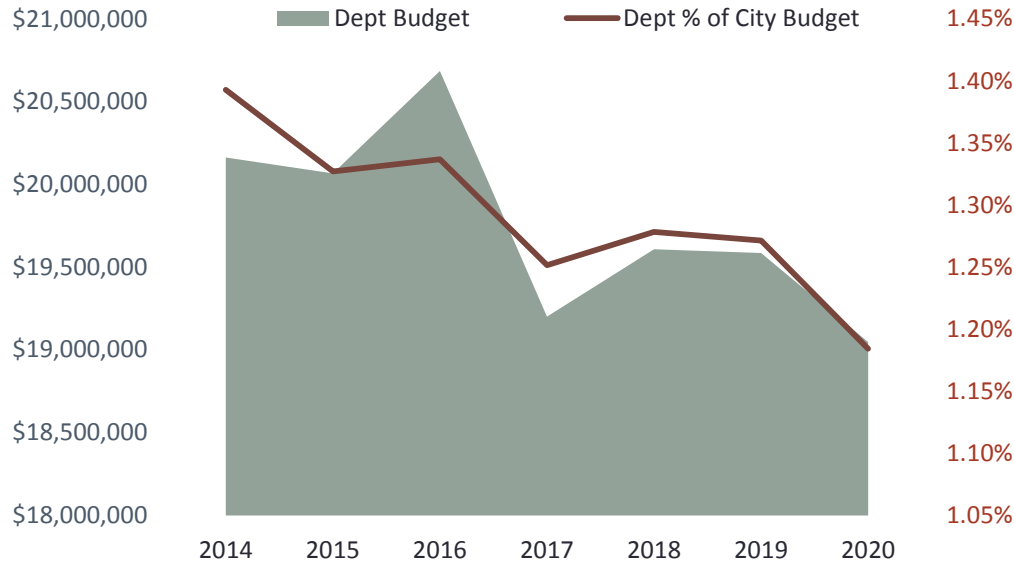
Proposed 2020 Budget

**-\$538,170**

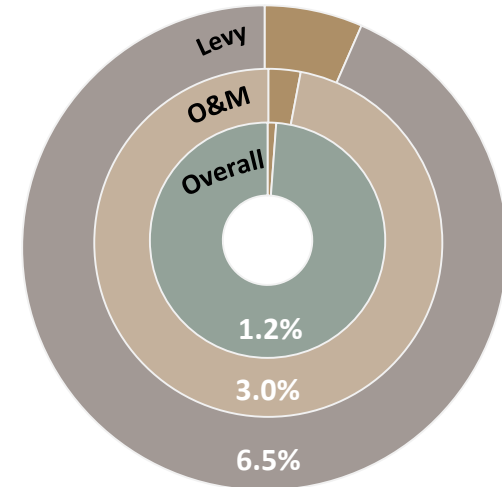
Change in Proposed Budget

**-2.7%**

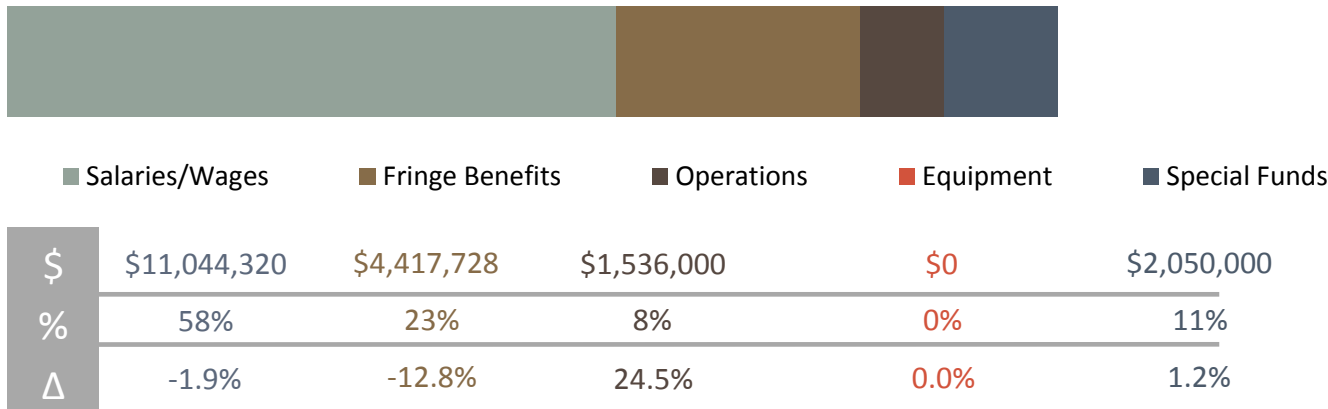
% Change in Proposed Budget



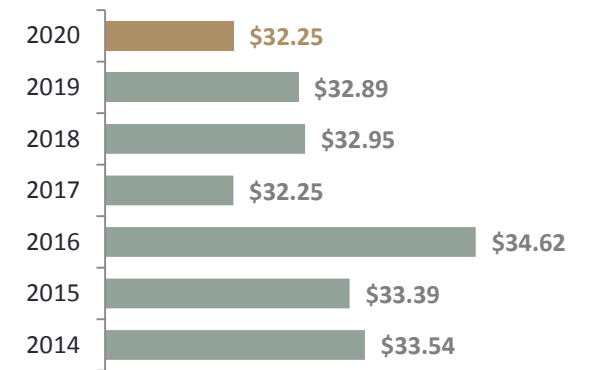
Departmental Budget Impact



Departmental Budget Appropriation Category



Budget per Capita



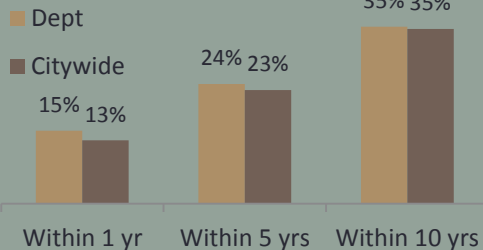
**-\$-282,056**

Net decrease in salary costs from the 2019 Adopted Budget resulting from eliminating 6 positions and adding 3.

**-\$-865,857**

Reduction in net salary costs from 2019 Adopted Budget including a \$649,333 decrease in estimated fringe benefit costs.

**Retirement Eligible**



**-3**

Change in Positions

**-1.0%**

% Change in Positions

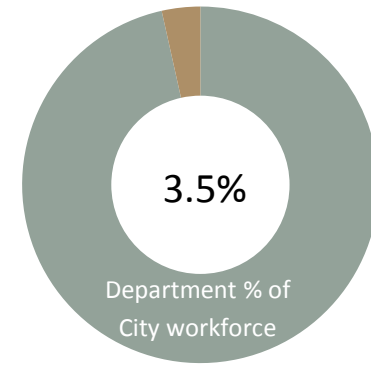
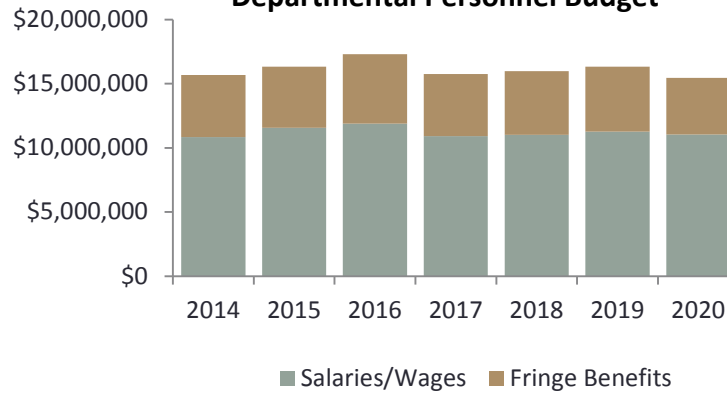
**18**

Current Vacancies

**13**

Voluntary Separations

**Departmental Personnel Budget**



**Staffing**

**Unfunded Inspectors**

Fifteen (23%) of the department's 65 authorized residential code enforcement inspector positions for 2020 (including 3 auxiliaries) are unfunded.

**6% Vacancy Rate**

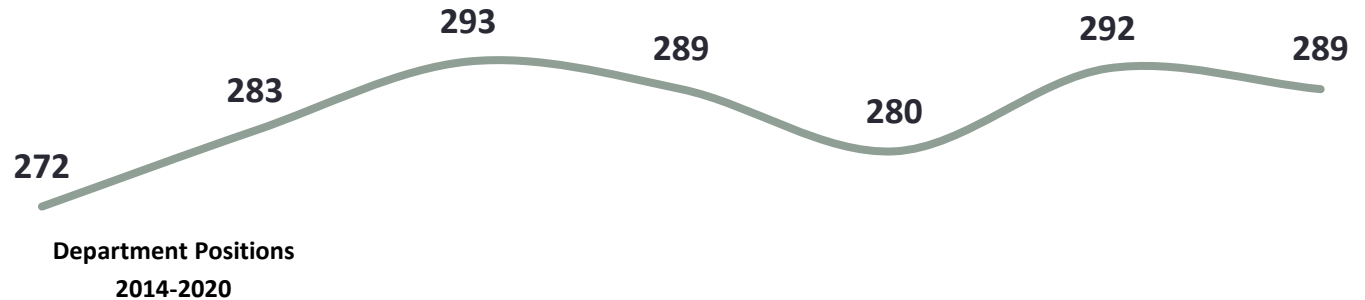
- 12 Inspectors
- 6 Assistants & Administration

**Eliminated 6 positions – Added 3**

**Staffing**

**Downspout Disconnection**

The first of 10 Residential Code Enforcement Inspectors authorized in the 2019 Adopted Budget was hired on July 1, and by September 30, a total of 5 had been hired. A staff of 10 inspectors, a district supervisor and one support assistant are proposed for 2020.



115

Scopes of work completed year-to-date in conjunction with the Health Department for properties associated with children reported with elevated blood-lead levels.

\$300,000

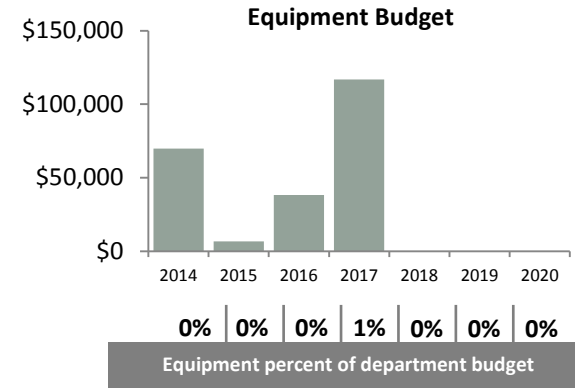
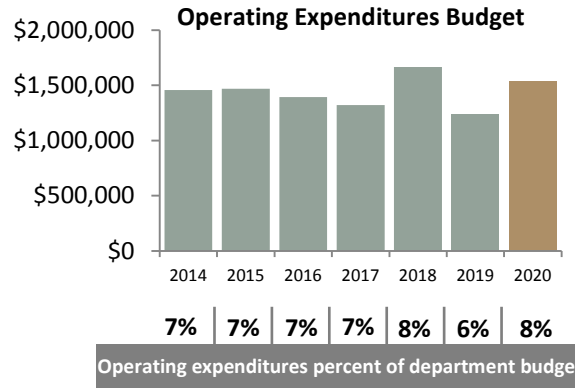
2020 Proposed Budget allocation to address transition issues in the implementation of the LMS activity management software.

0

Deconstruction projects completed through September, 2019, vs. 5 in 2018, 4 in 2017 and 10 in 2016.

35,300

Number of permits requested online in 2018 and 2019 - 61% of the 57,759 permits requested.



**Land Management System - LMS**

The department continues to work on implementing the City’s LMS activity management platform introduced in October, 2016. A major challenge has been to update property tax-keys when they change to ensure fee charges appear on the proper tax bill. The department must now enter these changes manually, and has contacted vendors in search of a more efficient automated solution.

**Outstanding Raze Orders**

Year	Property Ownership		
	City	Private	Total
2018	230	245	475
2019	233	230	463

**Deconstruction & Demolition**

**Deconstruction:**

- 12 parcels under contract. Contract set to begin in October or November.
- Pre-deconstruction asbestos inspection and removal completed on 50 parcels at a cost of \$410,000.

**Mechanical Demolition:**

- 47 private contracts in 2019, including 30 properties in a concentrated area of blight bounded roughly by 14<sup>th</sup> to 23<sup>rd</sup> Streets from the 2100 to 2600 block north, at a cost of \$737,000.
- DPW has completed 8-9 demolitions, and is expected to complete 16-20 parcels by year-end.

**49**

Code Compliance Loan Program loans totaling \$605,634 closed through September, 2019.

**-87.5%**

Decline in Actual 2018 surplus (revenues exceeding operating expenditures) of \$732,184 from Actual 2017 surplus of \$5,869,969.

**\$-4,623,370**

20% decline in Actual 2018 service revenues from \$23.5 million in 2017 to \$18.9 million in 2018.

**\$-230,880**

21% decline in Actual 2018 grant funding of \$857,004 from Actual 2017 grant funding of \$1,087,884.

**Code Compliance Loan Demographics**

Of the 101 loans closed in 2018 and through September, 2019, for a total loaned of \$1,309,711:

- Average loan amount - \$12,867
- Average income - \$21,018
- Average assessment - \$53,247
- 35% of borrowers have incomes below \$17,000, with an average income \$11,975, and borrow an average \$13,900
- 46% of borrowers are over 65, with an average income of \$21,128, and borrow an average of \$12,950

**Illegal Dumping Tip Website**

- Launched in late June, 2018.
  - 160 illegal dumping tips to date in 2019.
  - 9 citations issued.
- \$2,500 in rewards paid for 3 tips, with 5 tips pending possible reward.

**Democratic National Convention Prep**

The Department must inspect all places of lodging other than hotels, including accommodations offered online, and requested 2 inspectors and an assistant to handle the increased volume expected during the Democratic National Convention, at a salary cost of \$166,433. These positions are not included in the Proposed 2020 Budget.

**Proposed 2020 Vacant Building Registration Fees Down \$1,000,000 from Adopted 2019**

Number of vacant buildings registered:

- 2017 4,339
- 2018 2,877
- 2019 2,916

The chart below shows the net surplus of the department’s funding over its operating expenditures.

<b>Surplus from Department of Neighborhood Services' Operations</b>						
	2017 Actual	2018 Actual	2019 Adopted	Change	2020 Proposed	Change
<b>O&amp;M</b>						
Salaries and Wages	\$10,917,971	\$11,022,352	\$11,260,624	2.2%	\$11,044,320	-1.9%
Fringe Benefits	\$4,838,595	\$4,960,058	\$5,067,281	2.2%	\$4,417,728	-12.8%
Operating Exp.	\$1,320,830	\$1,665,020	\$1,233,313	-25.9%	\$1,536,000	24.5%
Equipment	\$116,893	\$0	\$0		\$0	
Special Funds	\$2,007,532	\$1,961,526	\$2,025,000	3.2%	\$2,050,000	1.2%
<b>O&amp;M Total</b>	<b>\$19,201,821</b>	<b>\$19,608,956</b>	<b>\$19,586,218</b>	<b>-0.1%</b>	<b>\$19,048,048</b>	<b>-2.7%</b>
<b>Funding</b>						
Service Revenues	\$23,493,140	\$18,869,770	\$24,283,000	28.7%	\$21,516,300	-11.4%
SPA's	\$93,294	\$100,390	\$120,000	19.5%	\$120,000	0.0%
Grant Funded	\$1,087,884	\$857,004	\$81,756	-90.5%	\$212,243	159.6%
Reimbursables	\$397,472	\$513,976	\$226,084	-56.0%	\$1,035,575	358.0%
<b>Total Funding</b>	<b>\$25,071,790</b>	<b>\$20,341,140</b>	<b>\$24,710,840</b>	<b>21.5%</b>	<b>\$22,884,118</b>	<b>-7.4%</b>
<b>Net Surplus</b>	<b>\$5,869,969</b>	<b>\$732,184</b>	<b>\$5,124,622</b>	<b>599.9%</b>	<b>\$3,836,070</b>	<b>-25.1%</b>