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To: Council President Pro Tempore James E. Tate Jr.
From: Timothy Palazzolo, Director, Construction and Demolition Department *TP*
Date: March 25, 2025
Re: **Responses to 2025-2026 Construction and Demolition Department Budget Analysis**

Please find below responses to your questions sent on 3/19/2025, regarding the Fiscal Year 2026 Proposed Budget for the Construction and Demolition Department.

- 1. The proposed budget shows a decrease in FTE's from 159 to 146. How will this reduction impact operations?**

We do not expect an impact to operations from the decrease in FTEs.

- 2. The Mayor's proposed budget shows an increase of \$8.6 million. Department leadership has stated that demolition activities are "winding down." Does this increase account for increase construction operations? If not, please explain the increase.**

The increase in the FY 2026 Mayor's Proposed budget relative to the FY 2025 Adopted budget is driven largely by increased funding proposed in 1003 – Blight Remediation Fund, Cost Center 160020 – Residential Demo for 300 Emergency Residential properties - \$7,950,000, 10 Emergency Commercial properties - \$5,000,000, 125 ODM properties - \$3,750,000, and \$5,089,740 for Professional & Contractual Services.

- 3. In a memo response to Council Member Waters, the Department stated "Of our Proposal N Bond funds, \$249,753,136 has been allocated and/or spent and \$31,870,774 remains. At the current production pace, we project completion of all our remaining Prop N demolitions by the beginning of 2025." Is the department still on track to complete these demolition by Q2 2025?**

The revised estimated completion for the Proposal N Bond demolition work is Q4 of calendar year 2025.