

**THE OFFICE OF THE MANAGING DIRECTOR
FISCAL YEAR 2015 BUDGET TESTIMONY
March 31, 2014**

EXECUTIVE SUMMARY

DEPARTMENT MISSION AND FUNCTION

Office of the Managing Director

The mission of the Managing Director's Office (MDO) is to be the City of Philadelphia's catalyst for continuous improvement and innovation to serve, engage and respond to Philadelphia's citizens with focus, dedication, efficiency, integrity and adaptability.

PhillyRising

PhillyRising focuses on neighborhoods throughout Philadelphia that are plagued by chronic crime and quality of life concerns, and establishes partnerships with community members to address these issues. The PhillyRising Team coordinates the actions of City agencies to help neighbors realize *their* vision for *their* community through sustainable, responsive, and cost-effective solutions.

Philly311

Philly311's mission is serving the citizens of Philadelphia by providing courteous, fast, and accurate customer service that results in transparent access to government information and services.

Center of Excellence

The Center of Excellence (COE) serves as an internal resource for City departments and agencies providing consulting and organizational support to enhance their efforts to deliver outstanding services to the citizens of Philadelphia.

Special Events

The Office of Special Events has significantly broadened its mission to ensure that city services and programs are delivered effectively and efficiently. We aim to improve public health and safety, economic vitality, civic engagement, customer service and sustainability efforts.

The Community Life Improvement Program

The Community Life Improvement Program (CLIP), was designed to address specific quality of life issues in an effective, efficient manner through means of education and enforcement of property maintenance codes and when warranted, abatement.

The Mayor's Office of Sustainability

The Mayor's Office of Sustainability (MOS) coordinates the implementation of *Greenworks*, Philadelphia's comprehensive sustainability plan. Five years into the implementation timeline, working toward the goals outlined in *Greenworks* continues to be an effective approach to advancing sustainability across City departments and throughout Philadelphia. In the *2013 Progress Report*, MOS reported that work on 95% of the 166 initiatives is underway or complete. The full report can be found online at www.phila.gov/green.

Public Safety

The Office of Public Safety's function is to administer and oversee the following offices and programs:

- Mayor's Office of Reintegration Services (RISE)
- Town Watch Integrated Services (TWIS)
- Youth Violence Reduction Partnership (YVRP)
- Office of Emergency Management (OEM)

- Criminal Justice Coordinating Office (CJCO)

OPS also manages legal services contracts from the Defender Association, Community Legal Services and the Support Center for Child Advocates, as well as those providing conflict counsel representation, and works on violence prevention initiatives.

PROPOSED BUDGET HIGHLIGHTS/FUNDING REQUEST

The Office of the Managing Director

The General Fund allocation budget reflects an overall increase of \$1,302,690; \$171,740 for salary adjustments, the majority of which is designated for CLIP staff, and \$1,130,950 for the Legal Services Division's Defender Association contract. The Public Safety division was allocated \$220,000 in Class 100 for continuation and expansion of WalkSafePHL and \$130,000 in Class 200 for sustaining Focused Deterrence was appropriated in FY14 and continues in FY15.

**MANAGING DIRECTOR'S OFFICE
BUDGET SUMMARY AND OTHER BUDGET DRIVERS**

Financial Summary by Class

	Fiscal 2013 Actual Obligations	Fiscal 2014 Original Appropriations	Fiscal 2014 Estimated Obligations	Fiscal 2015 Proposed Appropriations	Difference FY14 - FY15
Class 100 - Employee Compensation	\$14,893,261	\$14,899,646	\$15,826,586	\$15,998,326	\$171,740
Class 200 - Purchase of Services	\$57,700,072	\$58,590,747	\$58,551,525	\$59,682,475	\$1,130,950
Class 300 - Materials and Supplies	\$424,510	\$390,575	\$390,575	\$390,575	\$0
Class 400 - Equipment	\$73,389	\$136,244	\$136,244	\$136,244	\$0
Class 500 - Contributions	\$185,507	\$0	\$0	\$0	\$0
Class 700 - Debt Service	\$0	\$0	\$0	\$0	\$0
Class 800 - Payment to Other Funds	\$0	\$0	\$0	\$0	\$0
Class 900 - Advances/Misc. Payments	\$0	\$0	\$0	\$0	\$0
TOTAL	\$73,276,739	\$74,017,212	\$74,904,930	\$76,207,620	\$2,190,408

Staff Demographics Summary*

	Total	Minority	White	Female
Full-Time Staff	269	56%	44%	36%
Executive Staff	7	86%	14%	57%
Average Salary - ES	\$132,161	\$138,813	\$92,250	\$124,469
Median Salary - ES	\$125,000	\$132,500	\$92,250	\$121,438

Employment Levels*

	Budgeted	Approved	Filled
Full-Time Positions	290	290	269
Part-Time Positions	0	0	0
Executive Positions	7	7	7

Contracts Summary*

	FY09	FY10	FY11	FY12	FY13	FY14*
Total amount of contracts	\$4,008,339	\$1,437,971	\$2,223,627	\$36,574,621	\$53,885,239	\$51,950,000
Total amount to M/W/DBE	\$494,480	\$45,580	\$657,896	\$452,047	\$201,975	\$55,000
Participation Rate	12%	3%	30%	21%	15%	23%

*As of December 2013

DEPARTMENT PERFORMANCE (OPERATIONS)

PhillyRising

During FY14, PhillyRising added four neighborhoods to its program to bring the total neighborhoods served to 19. Among other projects, PhillyRising is responsible for several successful community support initiatives such as the Citizens' Engagement Academy: a free, eight-week course designed to assist individuals interested in leadership roles to learn more about local government and gain ideas on how to make their neighborhoods stronger. To date, 8 Citizen Engagement Academies have been held and 161 City residents have successfully completed the course.

PhillyRising has successfully formed partnerships with several organizations that undertake large-scale service projects such as City Year, Alternative Spring Break, Veterans's Organizations, colleges and universities, and corporate entities. To date 32 large-scale community events have been coordinated through these partnerships

To enable more robust data collection PhillyRising began working with Temple University in FY14 to develop a performance measurement that will track quality of life and crime trends in neighborhoods.

Center of Excellence

During FY14 the Center of Excellence has focused on five key areas

- *Organizational Development/Succession Planning*: Creating a Succession Planning and knowledge management tool kit – these toolkits have been made available to agencies across the city as a way to address their succession planning needs caused in large part by retiring employees who are leaving with a vast amount of organizational knowledge. To further address this critical need, the COE has developed a sustainable training model by partnering with local colleges and universities to develop a curriculum then certify City trainers to deliver the training in the future. Two programs – Leadership Development and Supervision – are in development with the inaugural programs being delivered this spring. The third program – Intermediate Project Management – will be rolled out in the summer.
- *Project Management Office (PMO)*: This office has created tools, templates and a methodology that City agencies can use to manage projects more consistently and minimize the variation in the outcomes. The PMO has also trained nearly 200 employees in an introduction to project management.
- *Performance Management*: Using the PhillyStat model as a performance management tool and a way to provide more information to the public. Five operational PhillyStat programs have been televised in FY14. A real time dashboard is under development to provide information to leaders on key metrics in real time. This program will be piloted this spring then rolled out in FY15.
- *The Mayor's Returning to Learning Partnership program*: This tuition discount program for City employees was moved to the Center of Excellence to align it with other development programs for City employees. The program hosted a fall college fair attended by nearly 250 employees and citizens of Philadelphia and currently 247 employees are utilizing the program, an increase of 34% over last year.
- *Internal consulting support for City agencies*. The Center of Excellence has provided consulting services for agencies in the areas of strategic planning, organizational design, role clarification, project management, 360 feedback, meeting design and facilitation and executive coaching. The feedback received from client departments and agencies have been overwhelmingly positive.

Community Life Improvement Program

The Community Life Improvement Program consists of five subprograms: Graffiti abatement; the Community Partnership Program, which provides supplies to community groups to do neighborhood clean-up projects; Community Service which is a structured program that has non-violent offenders complete their mandated community service hours by assisting in citywide clean-up projects; Vacant Lot Program which inspects, issues violations for and cleans vacant lots; and Community Life Improvement, which operates in the northeast and northwest sections of Philadelphia to address external property maintenance issues. The budget for CLIP has increased by 9% from FY13 to FY14 and is expected to increase again in FY15 to cover additional personnel costs. FY14 performance current estimates are slightly lower than FY13 actual performance across the board due in large part to the extreme winter weather which made it difficult to continue regular activities and caused some crew to be deployed for snow removal operations. FY15 performance levels are expected to be in line with FY13 actual performance.

- **Graffiti Abatement:** In FY13, the graffiti abatement program cleaned 121,854 properties and street fixtures and is projecting to clean 122,500 in FY15. The graffiti abatement program receives requests from residents via the 311 Call Center and ranks in the top three most requested city services from 311. In FY13, the graffiti abatement program completed 81% of 311 graffiti removal requests within 7 days and plans to increase this metric to 84% in FY15.
- **Community Partnership Program:** The Community Partnership program supplied cleaning materials to 685 groups in FY13 and plans to supply materials to 700 groups in FY15. The program issued a total of 8,742 supplies in FY13 and projects to increase this by 3% to 9,000 supplies in FY15.
- **Community Service:** The Community Service program conducted 2,114 city-wide clean-up projects in FY13 and projects to conduct 2,000 clean-up projects in FY14, and 2,120 in FY15.
- **Vacant Lot Program:** The Vacant Lot Program abated 11,789 lots in FY13 and plans to increase this service by 20% to abate 14,800 lots in FY15. The compliance rate for vacant lots was 31% in FY13 and is projected to be 30% in FY15. The Vacant Lot program receives requests via the 311 Call Center and the percent of vacant lots addressed within 90 days was 87% in FY13 and is projected to stay constant through FY15.
- **Community Life Improvement:** In FY13, 6,877 properties had violations, projected to increase to 6,900 in FY15. The compliance rate was 71% in FY13, and is projected to remain constant through FY15.

Performance Metric	FY13 Actual		FY14 Current Estimate		FY15 Target	
	Total Budget*	Performance	Total Budget*	Performance	Total Budget*	Performance
Graffiti abatement: properties and street fixtures cleaned	\$4,503,486	121,854	\$4,894,699	118,000	\$5,154,251	122,500
Graffiti abatement: percent of 311 graffiti removal requests completed within 7 day		81%		78%		84%
Community Partnership Program: groups that received supplies		685		650		700
Community Partnership Program: Supplies issued		8,742		8,400		9,000
Community Service Program: citywide cleanup projects completed		2,114		2,000		2,120
Vacant Lot Program: Vacant lot abatements		11,789		10,500		14,800
Vacant Lot Program: Vacant lot compliance rate		31%		27%		30%
Vacant Lot Program: Percent of vacant lots addressed within 90 days		87%		84%		87%
Community Life Improvement: Properties with violations		6,877		6,800		6,900
Community Life Improvement: Compliance rate		71%		70%		70%

* Does not include indirect costs outside of the division (e.g. departmental overhead associated with the program, fringe benefits costs, IT, HR).

Mayor's Office of Sustainability

Through the hard work and dedication of many City leaders and agencies, substantial progress has been made across all 15 *Greenworks* targets. Some FY 13-14 progress highlights from programs MOS manages include:

- Construction of the City's first guaranteed energy savings project at the "Quadplex" buildings
- Received grant to expand Waste Watchers large event waste management
- Over 2,000 homes retrofitted through EnergyWorks across the five-county region
- Received grant to support implementation of municipal and citywide energy benchmarking program

Philly 311

In FY14, Philly311 has experienced an increase in contacts compared to FY13 – 15% increase in information requests and a 5% increase in service requests – due to the unusual number of snow related events during the third quarter of FY14. Therefore, FY13 actual performance is a more relevant basis of comparison for FY15 targets. The department is projecting to handle roughly 3.4% more requests by FY15 compared to FY13 based on anticipated increased usage of digital channels and new service requests being handled by the contact center. The 311 Contact Call Center handles two types of requests: information and requests for city services. In FY13 the department handled 477,631 information requests and 116,768 service requests. The department projects information requests to increase by almost 3.6% between FY13 and FY15 and service requests to increase by 2.5%. The cost per contact is expected to decrease by 2% to \$4.23 in FY15 from \$4.31 in FY13 based on a projection that more customers will use digital channels to contact the center. The department projects it will be able to meet the industry standard of answering 80% of calls within 45 seconds in FY15. The service levels have declined during the second and third quarters of FY14 due to the contact center's Integrated Voice Response (IVR) breaking down, increased call volumes due to snow related events and agent staffing challenges (vacancies, absences, and new hires). The IVR handles 30-40% of the calls into the center by providing information for the most frequently asked questions, preventing the customer from needing to hold to speak to an agent. As of the second quarter of FY14, 93% of 311 customers felt their expectations were met or exceeded; 311 hopes to continue to exceed the industry standard of 85% in FY15. A new Customer Relationship Management (CRM) system is scheduled to be implemented by the second quarter of FY15. Ultimately the CRM system is expected to improve service delivery currently experienced by 311 users, as described below.

Performance Metric	FY13 Actual		FY14 Current Estimate**		FY15 Target***	
	Total Budget*	Performance	Total Budget*	Performance	Total Budget*	Performance
Total contacts (calls, email, website, walk-in)	\$2,562,151	594,399	\$2,768,298	634,238	\$2,600,836	614,319
Information requests		477,631		551,594		494,613
Service requests		116,768		122,644		119,706
Cost per contact*		\$4.31		\$4.37		\$4.23
Average Call wait time		0:22		0:24		0:23
Percent of calls answered within 45 seconds		82.0%		80.0%		80.0%
Average call length		3:15		3:06		3:10
Percent of customers whose expectations were met or exceeded		95.0%		93.0%		85.0%

* Does not include indirect costs outside of the division (e.g. departmental overhead associated with the program, fringe benefits costs, IT, HR).

** FY14 Current Estimate was calculated based on the total of 7 months (July through January) plus the average of those months times by the 5 remaining unknown months.

*** FY15 Target was calculated based on the Average of FY13 Actual and FY14 Estimate for all measures except Percent of calls answered within 45 seconds and Percent of customers whose expectations were met or exceeded, which are based on industry standards.

DEPARTMENT CHALLENGES

PhillyRising

There is a challenge in developing a performance system due to the difficulty in locating data beyond crime and 311 that is detailed enough to compare inside and outside PhillyRising boundaries. Additionally, it is difficult to find true control neighborhoods for comparison. PhillyRising is working to meet this challenge by partnering with Temple University to develop a new system for performance measurement.

Philly311

In FY15, Philly311 will launch its new customer relationship management (CRM) system. Some challenges are anticipated in the roll out of this new CRM as it will require management of time and staffing levels while current employees are trained in use of the new system. However, Philly311 is excited about the opportunities this new system will present.

Mayor's Office of Sustainability

Between 2010 and present, MOS managed \$40 million dollars in American Recovery and Reinvestment Act (ARRA) funds. FY15 will be the first year without significant federal funding in the MOS budget. However, MOS has attracted some new sources of grant funds to support existing and new programs.

STAFFING LEVELS

MDO Division	Current Staff ¹	Ethnicity ²	Gender	Language Skills
MDO Admin	23	6 African- American	8 male	1 Spanish speaker
		13 Caucasian	15 female	
		4 Latino		
PhillyRising	9	3 African- American	6 male	3 Spanish speakers
		4 Caucasian	3 female	1 Arabic speaker
		2 Latino		

¹ Reflects staff counts attributed to MDO budget only, actual staff may vary.

² Sum of number of people by ethnicity may exceed the total number of people as a result of mixed-race individuals being counted under multiple ethnicity groups.

Center of Excellence	4	2 African-American	1 male	1 Spanish speaker
		1 Caucasian	3 female	
		1 Latino		
Philly311	51	37 African-American	16 male	2 Spanish speakers
		10 Caucasian	35 female	
		5 Latino		
Special Events	3	2 African-American	2 female	
		1 Caucasian	1 male	
CLIP	94	36 African-American	78 male	12 Spanish speakers
		3 Asian-American	16 female	
		46 Caucasian		
		11 Latino		
MOS	4	3 Caucasian	3 male	1 Spanish speaker
		1 Asian-American	1 female	1 German Speaker
Health & Opportunity	5	5 Caucasian	2 male	
			3 female	
Public Safety	76	31 African-American	58 male	
		39Caucasian	18 female	
		7 Latino		

PAST INITIATIVES

Mayor's Office of Sustainability

The *Greenworks* portfolio of initiatives includes both programs that MOS manages directly and programs for which MOS offers policy and programmatic support. Below is information on programs managed directly by MOS.

- Our annual reporting process has established a framework for tracking and analyzing key municipal and citywide sustainability metrics. Since *Greenworks* was published in 2009, MOS has issued a report each year detailing progress the plans' 15 targets and 166 initiatives.
 - In 2013 MOS selected a third round of projects for its Energy Efficiency Fund (EEF), which supports departmental energy conservation projects on a competitive basis. Since EEF was established in 2010, the program has invested approximately \$1.5 million dollars in a variety of projects at City facilities with annual savings of more than \$400,000. Since 2011, EEF projects have saved 2,638 MWh, the equivalent annual energy use of 250 homes.
- MOS benchmarked energy and water use in more than 250 of the City's largest facilities and published a report in 2013 detailing findings.

CURRENT INITIATIVES

PhillyRising

PhillyRising 2.0 – pilot project tests PhillyRising tactics in areas where there are high rates of crime and quality of life issues, but not necessarily a high rate of violent crimes, which was a criteria in selecting the original PhillyRising neighborhoods. 2.0 neighborhoods are also expected to have more robust resident groups that are ready to take action from day one.

Community Life Improvement Program

CLIP Graffiti Abatement Teams are currently working with the Office of Information Technology to develop a tablet based work order system for the crews to use instead of paper.

Mayor's Office of Sustainability

- MOS continues to support municipal energy conservation through the EEF and the City's first guaranteed energy savings project, which is under construction in City Hall, One Parkway Building, Municipal Services Building and the Criminal Justice Center. The improvements are funded entirely by projected energy savings.
- MOS will continue to benchmark energy and water use in large municipal facilities and will use this data to track the impact of EEF projects and to prioritize new investments.
- MOS administers the citywide energy benchmarking and disclosure program, created by the passage of Bill No. 120428-A in June 2012. This program captures detailed energy performance metrics and provides ratings for Philadelphia's 1,500 largest commercial facilities, which represent 25% of all building square footage in the city.
- MOS manages the Climate Adaptation Working Group, comprised of representatives from departments that manage City assets and programs vulnerable to increased climate variability. MOS engaged a consultant to complete Philadelphia-specific climate projections for near, mid, and long-term timeframes. MOS is currently presenting this information to departments as a first step toward reducing vulnerability.
- MOS convenes the Philadelphia Food Policy Advisory Council which harnesses volunteer capacity to draft neighborhood-specific hunger resource guides, complete an analysis of what vacant land is appropriate for food growing, and draft a white paper on opportunities to increase the City's waste diversion rate.

Philly311

Philly311, has finalized a contract with Unisys Corporation to implement a cloud-based "Software as a Service" (SaaS) customer relationship management (CRM) solution to manage the City's 311 call center. This contract, finalized in collaboration with OIT and the Law Department, is one of OIT's eight major business application projects currently underway, and is expected to be implemented by the end of FY15. It will use state of the art technology to improve internal operations, processing times, increase first time call resolution and improve service delivery currently experienced by 311 users. In addition, the CRM will utilize a GIS system, which will reduce duplicate work orders for the same request by verifying the address and logging additional calls for the same issue to one work order. Moreover, the GIS capability will facilitate more efficient travel routes for resolving issues and delivering services.

NEW INITIATIVES

Center of Excellence

FY15 Goals

- Roll out cost effective training programs to improve skills and capabilities in the areas of supervision, leadership and project management using the University / City partnership model to track the number of employees attending
- Provide eLearning resources available across the city tracking number of employees utilizing the training resource
- Introduce training programs in performance management tracking number of employees attending

- Enhance the adoption of the Returning to Learning Partnership Program tracking the number of employees taking advantage of this discount
- Develop performance management dashboard to keep leaders informed of key metrics real time tracking number of leaders using this resource.

Mayor's Office of Sustainability

- To further support and sustain municipal energy conservation, MOS will provide a variety of training opportunities for City staff who design, manage, and maintain facilities.
- MOS was one of 10 cities selected to participate in the City Energy Project, a three year funding opportunity that will support MOS's implementation of municipal and citywide building energy efficiency efforts.
- Along with the Mayor's Office of Civic Engagement and Volunteer Services, MOS received funding from Bloomberg Philanthropies to expand Waste Watchers, a program that helps major events reduce landfill waste and provide recycling education.
- MOS will continue to work with OIT and Procurement to identify policy opportunities that will decrease energy and monetary lifecycle costs.
- MOS will continue to collaborate with OHCD and PRA to encourage sustainable design and energy efficiency in affordable housing.

OTHER BUDGETARY IMPACTS

FEDERAL AND STATE (WHERE APPLICABLE)

OTHER

CONTRACTING EXPERIENCE

M/W/DBE Participation on Large Contracts

FY14 Contracts

Vendor	Service Provided	Amount of Contract	RFP Issue Date	Contract Start Date	Ranges in RFP	% of M/W/DBE Participation Achieved	\$ Value of M/W/DBE Participation	Total % and \$ Value Participation - All DSBEs	Living Wage Compliant?
Animal Care & Control	Animal Control Services	\$3,889,942	Exempt	7/1/13	MBE: WBE: DSBE:	0% 0% 0%	0 0 0	0% 0% 0%	y y y
Community Legal Services	Legal Services to indigent & unrepresented parents	\$839,482	10/29/13	1/1/14	MBE: WBE: DSBE:	0% 0% 0%	0 0 0	0% 0% 0%	y y y
Defender Association	Legal services to indigent & unrepresented individuals in Criminal, mental health & dependency cases	\$39,208,045	7/1/10	7/1/13	MBE: WBE: DSBE:	0% 0% 0%	0 0 \$0	0% 0% 0%	y y y
Education Works, Inc.	PowerCorps PHL/AmerCorps green-job training program	\$1,949,865 (\$918,115 Gen Fund)	Exempt	7/1/13	MBE: WBE: DSBE:	0% 0% 0%	0 0 0	0% 0% 0%	y y y
Philadelphia Mural Arts Advocates	For the creation and restoration of murals & public art projects. Education programs.	\$951,800	Exempt	8/6/13	MBE: WBE: DSBE:	0% 0% 0%	0 0 0	0% 0% 0%	y y y

EMPLOYEE DATA

Staff Demographics

Full-Time Staff

Executive Staff

	Male	Female	Male	Female
Total	173	96	3	4
% of Total	64%	36%	43%	57%
	African-American	African-American	African-American	African-American
Total	67	50	1	4
% of Total	25%	19%	14%	57%
	White	White	White	White
Total	86	33	1	0
% of Total	32%	12%	14%	%
	Hispanic	Hispanic	Hispanic	Hispanic
Total	16	8	1	0
% of Total	6%	3%	14%	%
	Asian	Asian	Asian	Asian
Total	2	2	0	0
% of Total	1%	1%	%	%
	Other	Other	Other	Other
Total	2	3	0	0
% of Total	1%	1%	%	%
	Bi-lingual	Bi-lingual	Bi-lingual	Bi-lingual
Total	0	0	0	0
% of Total	0%	0%	%	%

