

**OFFICE OF THE CITY REPRESENTATIVE
FISCAL YEAR 2017 BUDGET TESTIMONY
APRIL 5, 2016**

INTRODUCTION

Good afternoon, Council President Clarke and Members of City Council. I am Sheila Hess, City Representative. Joining me today are First Deputy City Representative Margaret Hughes, and Deputy City Representative Elka Battle-Murillo. I am pleased to provide testimony on the Office of the City Representative's Fiscal Year 2017 operating budget.

DEPARTMENT MISSION

The mission of the Office of the City Representative (OCR) is to promote and market all of Philadelphia and its diverse neighborhoods as a premier destination to visit, reside, work, be educated, shop, or locate a business. Subject to the direction of the Mayor, the City Representative serves as the ceremonial representative of the Mayor and the City appearing at local and regional public, social, civic and business functions to extend the reach of the Mayor and his office and promote the business and leisure assets of the City and its neighborhoods to national and international business groups and delegations.

The OCR serves to:

- Produce, facilitate and publicize special events across Philadelphia's diverse neighborhoods that engage with the community and serve as an economic driver for sustainable job creation within the retail and hospitality industries.
- Function as frontline advisory office connecting private event producers, internal City departments, and other City stakeholders to the appropriate services and resources necessary to execute a cost-effective, compliant, and successful special event.
- Provide an outreach linkage between the City of Philadelphia and its residential, retail, and cultural communities.
- Produce ceremonial documents and gifts of recognition for exceptional service to the City and its citizens.
- Take an ambassadorial role representing the Mayor to international envoys to raise global visibility, and advance economic development.

OCR Department Restructuring and FY17 Forward:

The OCR has historically served as the production office for a variety of large scale signature special events, including the nationally recognized *Philadelphia Marathon* and the City's premier celebration of the July 4th holiday *Wawa Welcome America!* In FY17, making the most efficient use of time, resources, and expertise, the City Representative will serve as Executive Director of the Philadelphia Marathon and will draw on the expertise of other City departments for the operations and logistics role, supervised by an internal Race Director. A similar model of efficiency is already in place and working with the nonprofit entity Welcome America, Inc. The OCR will continue to produce the traditional Celebration of Freedom ceremony on July 4th at Independence Hall and support the week-long celebration of *Wawa Welcome America!* with increased marketing and promotion of the festival while Welcome America, Inc. takes the lead in overall programming and sponsorship development.

Additional information about FY17 plans follows the budget summary below.

**OFFICE OF THE CITY REPRESENTATIVE
BUDGET SUMMARY AND OTHER BUDGET DRIVERS**

Staff Demographics Summary (as of January 2016)

| | Total | Minority | White | Female |
|----------------------|-----------|----------|-----------|-----------|
| Full-Time Staff | 7 | 2 | 5 | 7 |
| Executive Staff | 3 | 1 | 2 | 3 |
| Average Salary - FTS | \$75,342 | \$74,341 | \$75,743 | \$75,342 |
| Average Salary - ES | \$112,485 | \$82,800 | \$127,328 | \$112,485 |
| Median Salary - FTS | \$65,882 | \$74,341 | \$44,219 | \$65,882 |
| Median Salary - ES | \$89,657 | \$82,800 | \$89,657 | \$89,657 |

Employment Levels (as of January 2016)

| | Budgeted | Approved | Filled |
|------------------------|----------|----------|----------|
| Full-Time Positions | 7 | 7 | 7 |
| Part-Time Positions | 0 | 0 | 0 |
| Executive Positions | 3 | 3 | 3 |
| Overall Average Salary | \$75,342 | \$75,342 | \$75,342 |
| Overall Median Salary | \$65,882 | \$65,882 | \$65,882 |

Financial Summary by Class - General Fund

| | Fiscal 2015 Actual Obligations | Fiscal 2016 Original Appropriations | Fiscal 2016 Estimated Obligations | Fiscal 2017 Proposed Appropriations | Difference FY17-FY16 |
|-------------------------------------|-----------------------------------|--|--------------------------------------|--|-------------------------|
| Class 100 - Employee Compensation | \$417,223 | \$418,201 | \$468,201 | \$474,381 | \$6,180 |
| Class 200 - Purchase of Services | \$553,042 | \$561,730 | \$561,730 | \$481,730 | (\$80,000) |
| Class 300 - Materials and Supplies | \$50,260 | \$48,000 | \$48,000 | \$48,000 | \$0 |
| Class 400 - Equipment | \$3,580 | \$6,000 | \$6,000 | \$6,000 | \$0 |
| Class 500 - Contributions | \$0 | \$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 | \$1,024,105 | \$1,033,931 | \$1,083,931 | \$1,010,111 | (\$73,820) |

Contracts Summary (as of December 2015)

| | FY11 | FY12 | FY13 | FY14 | FY15 | FY16* |
|---------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Total amount of contracts | \$528,130 | \$528,130 | \$528,130 | \$528,130 | \$529,685 | \$528,130 |
| Total amount to M/W/DBE | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Participation Rate | 0% | 0% | 0% | 0% | 0% | 0% |

OCR's contracts are with non-profits, for which there are no M/W/DBE ranges specified. However, all nonprofits are administered by female executive directors.

Please refer to appendix for additional information on the demographics of the non-profit boards.

OFFICE OF THE CITY REPRESENTATIVE PROPOSED BUDGET OVERVIEW

PLANS FOR FISCAL YEAR 2017

Outreach:

In FY17 the OCR will continue to produce, and partner in producing, special events with the additional goal of streamlining City coordination and exploring and evaluating the potential of event host venues located within Philadelphia's diverse neighborhoods.

Expanding not only the events roster but also the number of neighborhood-based events will:

- Increase community engagement
- Call attention to the unique and special character of our neighborhoods and their resources.

The OCR relies on Council's knowledge of their District constituencies and calls on Council's Standing Committees including but not limited to: Education, Children and Youth, Commerce & Economic Development, Global Opportunities & Creative Innovative Economy, Parks, Recreation and Cultural Affairs, and Environment to assist with developing events to add to our current roster to achieve goals of:

- Improved local economic success
- Increased leisure and recreation opportunities for youth and families
- Improved outcomes in school graduation rates
- Increased opportunities for jobs and career development

The OCR expects to deepen existing tourism and hospitality partnerships to identify promotions to boost the City's hospitality industry, an initiative that can be tied directly to sustaining and developing a more diverse workforce and adding economic value to the city. We expect to gather quantitative data such as regularly collecting numbers on hotel room occupancy rates, room rates, and other industry benchmarks so that we can create more targeted attractions for leisure visitors.

The launch of the redesigned OCR website is expected to increase public access, interactivity, and improve functionality. Public feedback relating to the OCR event experience will influence event development. The OCR will increase use of social media and utilize website data collection to gather qualitative data to help shape new events and connect with new partners.

OCR Program Production and Partnerships with City Wide Impact:

Programs such as *Wawa Welcome America!* feature a schedule of events taking place at citywide venues including a variety of historical sites, neighborhood parks and community retail corridors including: *The Philadelphia Collection*, a multi-day schedule of programs in communities throughout the City from Germantown to West and South Philadelphia highlighting the fashion design talent and independent fashion retailers that make Philadelphia

a premier shopping destination; the *Philadelphia Marathon* that winds through Fairmount Park, Independence National Historical Park, Manayunk and West Philadelphia with neighborhood Cheer Zones all along its 26.2 mile course; *Philadelphia Civic Flag Day* engaging community schools and students from North Philadelphia, Frankford and Fairmount in a citywide celebration of civic pride; and with the Mayor’s Office of Arts, Culture and the Creative Economy, *Philadelphia Jazz Appreciation Month*, featuring over 70 music performances at venues located throughout the City’s vibrant neighborhoods.

Special Projects:

As sometimes requested by the Mayor’s Office and City departments, the OCR organizes and executes sports rallies and parades, convention and meetings programs and receptions, memorial ceremonies, ground-breaking and ribbon-cutting ceremonies for City facilities, as well as familiarization tours for high profile events and convention decision makers. Many times, these programs are produced in Council districts and neighborhoods outside of the Center City “footprint.”

PROPOSED FUNDING REQUEST

The proposed Fiscal Year 2017 general fund budget totals \$1,010,111 a decrease of \$73,820 over Fiscal Year 2016 estimated obligation levels. This decrease is primarily due to a reduced contract obligation in Class 250.

The proposed budget includes:

- \$474,381 in Class 100, a \$6,180 increase over FY16. This funding includes collective bargaining increases and will fund our personnel needs.
- \$481,730 in Class 200, an \$80,000 decrease over FY16. This funding will cover contracts to help promote and market the city of Philadelphia.
- \$48,000 in Class 300, level funding compared to FY16. This funding will be used to purchase supplies, ceremonial gifts and ceremonial paper.
- \$6,000.00 in Class 400, level funding compared to FY16. This funding will be used to purchase equipment.

STAFFING LEVELS

In total, the OCR’s General Fund appropriation funds seven full-time administrative and staff positions consisting of three executive staff and four full-time civil service staff.

In addition, we have five other City staff funded by other departmental appropriations who support event production, writing and photographic needs.

**OFFICE OF THE CITY REPRESENTATIVE
PERFORMANCE, CHALLENGES AND INITIATIVES**

DEPARTMENT PERFORMANCE (OPERATIONS)

We will track achievements through various measures:

- numbers of participants/guests/residents served
- number of neighborhoods/zip codes served in Philadelphia
- media impressions
- impact on social media
- numbers of events supported and produced
- numbers of document and gift requests
- numbers of new organizations and people requesting items
- numbers of official international visits by delegations and dignitaries that come to the City and meet with City Representative or receive an official gift
- number of appearances the City Representative is requested for and attends

**OFFICE OF THE CITY REPRESENTATIVE
OTHER BUDGETARY IMPACTS**

IMPACT OF STATE/FEDERAL GRANTS:

Federal Homeland Security grants to help cover the costs of increased public safety and security at major events such as the Philadelphia Marathon are no longer available and thus the OCR's large scale public events could bear the cost of the added security needs, possibly paid for through sponsors and in some cases City department budgets.

OFFICE OF THE CITY REPRESENTATIVE – CONTRACTING EXPERIENCE

**M/W/DSBE Participation on Large Contracts
FY16 Contracts**

| Vendor | Service Provided | 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 % and \$ Value Participation - All DSBEs | Local Business | Living Wage Compliant? |
|---------------------------|--------------------|--------------------|----------------|---------------------|---------------|--------------------------------------|------------------------------------|--|----------------|------------------------|
| Historic Phila, Inc. | promotion of Phila | \$204,452 | n/a | 7/1/16 | MBE: N/A | 0% | \$0 | 0% | yes | yes |
| | | | | | WBE: N/A | 0% | \$0 | | | |
| | | | | | DSBE: N/A | 0% | \$0 | | | |
| Greater Phila Film Office | promotion of Phila | \$163,952 | n/a | 7/1/16 | MBE: N/A | 0% | \$0 | 0% | yes | yes |
| | | | | | WBE: N/A | 0% | \$0 | | | |
| | | | | | DSBE: N/A | 0% | \$0 | | | |
| Fund for Philadelphia | OCR special events | \$115,000 | n/a | 7/1/16 | MBE: N/A | 0% | \$0 | 0% | yes | yes |
| | | | | | WBE: N/A | 0% | \$0 | | | |
| | | | | | DSBE: N/A | 0% | \$0 | | | |
| Fund for Philadelphia | OCR special events | \$44,228 | n/a | 7/1/16 | MBE: N/A | 0% | \$0 | 0% | yes | yes |
| | | | | | WBE: N/A | 0% | \$0 | | | |
| | | | | | DSBE: N/A | 0% | \$0 | | | |

OCR’s contracts are with non-profits, for which there are no M/W/DBE ranges specified. However, all nonprofits are administered by female executive directors.

Please refer to appendix for additional information on the demographics of the non-profit boards.

OFFICE OF THE CITY REPRESENTATIVE – EMPLOYEE DATA

Staff Demographics (as of January 2016)

| Full-Time Staff | | | | Executive Staff | | | |
|------------------------|--|-------------------------|---------------|------------------------|--|-------------------------|-------------------|
| | | Male | Female | | | Male | Female |
| | | African-American | | | | African-American | |
| <i>Total</i> | | 0 | 2 | <i>Total</i> | | 0 | 1 |
| <i>% of Total</i> | | 0.0% | 28.0% | <i>% of Total</i> | | 0.0% | 33.3% |
| <i>Average Salary</i> | | \$0.0 | \$74,341.0 | <i>Average Salary</i> | | \$0.0 | \$82,800.0 |
| <i>Median Salary</i> | | \$0.0 | \$74,341.0 | <i>Median Salary</i> | | \$0.0 | \$82,800.0 |
| | | White | | | | White | |
| <i>Total</i> | | 0 | 5 | <i>Total</i> | | 0 | 2 |
| <i>% of Total</i> | | 0.0% | 71.0% | <i>% of Total</i> | | 0.0% | 66.6% |
| <i>Average Salary</i> | | \$0.0 | \$75,743.0 | <i>Average Salary</i> | | \$0.0 | \$127,328.0 |
| <i>Median Salary</i> | | \$0.0 | \$44,219.0 | <i>Median Salary</i> | | \$0.0 | \$127,328.0 |
| | | Hispanic | | | | Hispanic | |
| <i>Total</i> | | 0 | 0 | <i>Total</i> | | 0 | 0 |
| <i>% of Total</i> | | 0.0% | 0.0% | <i>% of Total</i> | | 0.0% | 0.0% |
| <i>Average Salary</i> | | \$0.0 | \$0.0 | <i>Average Salary</i> | | \$0.0 | \$0.0 |
| <i>Median Salary</i> | | \$0.0 | \$0.0 | <i>Median Salary</i> | | \$0.0 | \$0.0 |
| | | Asian | | | | Asian | |
| <i>Total</i> | | 0 | 0 | <i>Total</i> | | 0 | 0 |
| <i>% of Total</i> | | 0.0% | 0.0% | <i>% of Total</i> | | 0.0% | 0.0% |
| <i>Average Salary</i> | | \$0.0 | \$0.0 | <i>Average Salary</i> | | \$0.0 | \$0.0 |
| <i>Median Salary</i> | | \$0.0 | \$0.0 | <i>Median Salary</i> | | \$0.0 | \$0.0 |
| | | Other | | | | Other | |
| <i>Total</i> | | 0 | 0 | <i>Total</i> | | 0 | 0 |
| <i>% of Total</i> | | 0.0% | 0.0% | <i>% of Total</i> | | 0.0% | 0.0% |
| <i>Average Salary</i> | | \$0.0 | \$0.0 | <i>Average Salary</i> | | \$0.0 | \$0.0 |
| <i>Median Salary</i> | | \$0.0 | \$0.0 | <i>Median Salary</i> | | \$0.0 | \$0.0 |
| | | Bi-lingual | | | | \$0.00 | Bi-lingual |
| <i>Total</i> | | 0 | 0 | <i>Total</i> | | 0 | 0 |
| <i>% of Total</i> | | 0.0% | 0.0% | <i>% of Total</i> | | 0.0% | 0.0% |
| <i>Average Salary</i> | | \$0.0 | \$0.0 | <i>Average Salary</i> | | \$0.0 | \$0.0 |
| <i>Median Salary</i> | | \$0.0 | \$0.0 | <i>Median Salary</i> | | \$0.0 | \$0.0 |
| | | Male | Female | | | Male | Female |
| <i>Total</i> | | 0 | 7 | <i>Total</i> | | 0 | 3 |
| <i>% of Total</i> | | 0.0% | 100.0% | <i>% of Total</i> | | 0.0% | 100.0% |
| <i>Average Salary</i> | | 0.0% | \$75,342.0 | <i>Average Salary</i> | | 0.0% | \$112,485.0 |
| <i>Median Salary</i> | | 0.0% | \$65,882.0 | <i>Median Salary</i> | | 0.0% | \$89,657.0 |

OFFICE OF THE CITY REPRESENTATIVE
APPENDIX (Other Relevant Data and Charts)

OCR has no bilingual employees. For customer service information requests from those who have limited English, OCR would enlist the help of others on the office floor (i.e., in Commerce or Citizen Diplomacy International) who might be able to speak either Spanish, Chinese (mandarin or Cantonese), or possibly another language in order to assist them with their question or need.

Board Composition for Nonprofits Receiving Class 250 Contracts through OCR
 Note: all organizations are Philadelphia-based, living wage compliant 501(c)3

Fund for Philadelphia
 2015 Board (as of 12-31-15; 2016 not final yet)

| Category | Count | Percentage |
|------------------|---------|------------|
| Male | 5 of 10 | 50% |
| Female | 5 of 10 | 50% |
| African American | 3 of 10 | 30% |
| White | 6 of 10 | 60% |
| Asian | 1 of 10 | 10% |

Greater Philadelphia Film Office
 2016 Board

| Category | Count | Percentage |
|------------------|----------|------------|
| Male | 6 of 12 | 50% |
| Female | 6 of 12 | 50% |
| African American | 1 of 12 | 8% |
| White | 11 of 12 | 92% |

Historic Philadelphia Inc.
 2016 Board

| Category | Count | Percentage |
|------------------|----------|------------|
| Male | 12 of 23 | 52 % |
| Female | 11 of 23 | 48 % |
| African American | 1 of 23 | 4.5 % |
| White | 21 of 23 | 91% |
| Asian | 1 of 23 | 4.5% |